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|  | CO 1: Display Primary Cost Elements | | |
| **Exercise** Display primary cost elements.  **Task** Use the SAP Fiori Launchpad to display primary cost elements.  **Name (Position)** Jamie Shamblin (Cost Accountant) | | **Time** 10 min |
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| *Primary cost elements* have a one-to-one relationship with G/L expense accounts in the chart of accounts. They serve to establish postings between FI and CO thereby permitting the sharing of information between financial and managerial accounting. In effect, costs that are entered into a G/L expense account associated with a primary cost element will be posted to both the financial and managerial accounting systems. | | Primary cost element |
| **Note** In SAP S/4HANA, primary costs are kept in a directory together with G/L accounts. A distinction is made between the following types of G/L accounts: | | G/L account types |
| * *Inventory account* - Account to which business transactions are posted. The balance of an inventory account is carried forward at the end of the fiscal year. * *Cash account* - Account to simplify payment processes on house bank accounts. * *Non-operating expenses and income -* A profit or loss account that records expenses or income from services that are not part of the company's primary purpose, such as a manufacturing company's profits realized from financial investments. * *Primary Costs and Revenues -* Income account that acts as a cost element for primary costs or revenues. Primary costs represent operating expenses such as payroll, sales expenses or administrative costs. * *Secondary costs -* A profit account that acts as a cost type for secondary costs. Secondary costs arise from the value flows in the company (e.g. cost allocations for own work, overhead allocations and billing processes). | |  |
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| To review cost elements, use the app *Manage G/L Account Master Data*. | |  |
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|  | | Fiori App |
| This takes you to the view *Manage G/L Account Master Data*. Since you do not yet know any primary cost element, you have to search for it. | |  |
| First enter **GL00** *(Global Bike Group)* in the field *Chart of Accounts*. Then select the entry **P** *(Primary Costs or Revenue)* in the dropdown menu of the field *G/L Account Type*. | | GL00  P (Primary Costs or Revenue) |
| Now make sure that the entry **Chart of Accounts View** is selected in the field *View*. Click  to initiate the search. | | Chart of Accounts View |
| C:\Users\mtroeger\AppData\Local\Temp\SNAGHTMLc84335f1.PNG | |  |
| The result is a list of all profit accounts for primary costs and revenues. | |  |
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| Almost all G/L accounts in account class 4 (G/L account number starting with 4) are revenue accounts and are not relevant in this exercise. On the other hand, take a closer look at G/L account classes 5 and 6 (account numbers beginning with 5 or 6). | |  |
| **Note** You can also enter the search sequences 5\* and 6\* in the *G/L Account* field in order to filter the list of results according to account classes 5 and 6. | | 5\*  6\* |
|  | |  |
| Now search for the primary cost type for research and development by entering *R&D* into the search field *Short Text*. You can trigger the update of the result list directly with Enter. | | R&E  Enter |
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| In the only result line click on the symbol on the far right . | |  |
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| In the following window, you can see the basic information about the most important properties of this G/L account. | |  |
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| Which G/L account type and account group are used for the G/L account?  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |  |
| The connection between finance and controlling is also visible here. Select the tab *Company Code Data*. | | Company Code Data |
| The screen will automatically scroll to the appropriate point. You can see the *Company Code Assignment* and the *Controlling Data* directly below it. | |  |
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| Click once on the symbol in the navigation bar at the top left  to return to the view *Manage G/L Account Master Data*. Stay in this window for the next exercise. | |  |
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|  | CO 2: Display Secondary Cost Elements | | |
| **Exercise** Display secondary cost elements.  **Task** Use the SAP Fiori Launchpad to display secondary cost elements.  **Name (Position)** Jamie Shamblin (Cost Accountant) | | Time 10 min |
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| *Secondary cost elements* are exclusive to managerial accounting (CO). They are used to allocate costs among cost centers exclusively within the managerial accounting system (CO), thereby assigning costs to responsible parties. | | Secondary cost element |
| **Note** In SAP S/4HANA, secondary costs are managed in a central directory together with the G/L account types mentioned above. At first glance, this appears to contradict the definition above. In SAP S/4HANA, however, secondary cost types are organized and saved together with G/L accounts for performance reasons. Logically, you still belong only to controlling. | |  |
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| You should still be in the app *Manage G/L Account Master Data* after completing the previous step. **GL00** should be entered in the *Chart of Accounts* field and 5\* and 6\*, if applicable, in the *G/L Account Type* field. The *View* field shows Chart of Accounts and the *Short Text* field shows \*R & D\*. | |  |
| First, delete all entries in the fields *G/L Account*, *G/L Account Type* and *Short Text*. Now select the entry *S (Secondary Costs)* in the G/L Account Type field and confirm with Enter or click . | | S (Secondary Costs) |
| You will receive a list of all G/L Accounts in account class 8 (account number starting with 8). These are used for internal cost and activity allocation as well as for apportioning and distributing overhead costs. The *Cost Element Type* indicates which function a cost element has. | | Cost Element Type |
| To display the respective types of the listed cost types, change the entry in the *View* field to **Controlling Area View** and enter **NA00** (Global Bike North America) in the field *Controlling Area*.    Press Enter. | | Controlling Area View  NA00 |
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| In the result line for cost element *8009000 (Machine Hours)*, click the symbol on the far right . | |  |
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| In the following window you can see the detailed information on this cost type. | |  |
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| Which G/L Account Type and Account Group are used for the G/L Account?  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |  |
| **Note** If you click on the tab *Controlling Data*, you will see that the cost element category could be maintained differently for each controlling area. This is also the reason why in SAP S/4HANA - unlike in SAP ERP - there is now a *Controlling Area View* for G/L Accounts in addition to the *Chart of Accounts* and the *Company Code View* for maintaining the cost types. | | Controlling Area View  Chart of Accounts Company Code View |
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| Can you describe the main differences between the general ledger accounts *Expence R&D (6340000)* and *Machine Hours (800009000)*?  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |  |
| Click the  icon on the navigation bar in the top left to return to the SAP Fiori Launchpad. | |  |
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|  | CO 3: Display Cost Element Groups | | |
| **Exercise** Display cost element groups.  **Task** Use the SAP Fiori Launchpad to display existing cost element groups.  **Name (Position)** Jamie Shamblin (Cost Accountant) | | **Time** 10 min |
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| A cost element group is an organizational unit consisting of a particular collection of cost elements. They facilitate working with both primary and secondary cost elements by creating logical groupings. | | Cost element group |
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| To review cost element groups, use the app *Display Cost Element Group*. | | Fiori App |
|  | |  |
| If you are asked to enter a Controlling Area, choose **NA00** and select continue. | | NA00 |
| In the *Display Cost Element Group: Initial Screen*, press **F4**. In the following Cost Element Group screen, the Chart of Accounts is already entered. Click  (proceed) to display all Global Bike cost element groups. | | F4 |
|  | |  |
| Double click on the cost element group for all primary cost elements in North America (**NAPRIM1000**). Back on the initial screen, press Enter. | | NAPRIM1000 |
|  | |  |
| In this interactive list, you can double click on any cost element to display its master data details. As an example, double-click on Cost of merchandise (**5200000**). | | 5200000 |
|  | |  |
| What is the Account Group? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |  |
| Click on twice to go back to the *Display Cost Element Group: Initial Screen* and repeat the same procedure for the secondary cost elements in Europe.  What is the unique number for cost element group “EU Secondary Cost Element Total”? | |  |
| Click on the home button to return to the SAP Fiori Launchpad. | |  |
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|  | CO 4: Review Cost Center Standard Hierarchy | |
| **Exercise** Review the cost center standard hierarchy.  **Task** Use the SAP Fiori Launchpad to review the cost center standard hierarchy.  **Name (Position)** Jamie Shamblin (Cost Accountant) | | **Time** 10 min |
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| The cost center structure is a hierarchically organized data object that is used to capture and assign costs in a meaningful manner thereby permitting managerial accounting analyses that support decision-making. A cost center is an area of responsibility within a company that is deemed to be accountable for incurring and influencing costs. Cost centers do not generate revenue. | | Cost center structure  Cost center |
|  | |  |
| In order to review the cost center standard hierarchy, use the app *Display Cost Center Groups*. | |  |
|  | | Fiori App |
| Click on the value help symbol next to the input field  and select **NA00** for Controlling Area. If the information message Fill out all required entry fields” occurs press the button Confirm. Choose  or click enter. If this field does not appear, choose **More 🡪 Settings 🡪 Set Controlling Area** and enter **NA00**. | | NA00 |
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| Initially, the system displays the root folder NA00 (GBI North America CCtr. Std. Hierarchy) and its second level elements. Clicking on the triangle will expand that section to display lower level groups or individual cost centers. | |  |
| Opening the first sub-level folder (Corporate), reveals the third-level folders shown below. | |  |
|  | |  |
| To expand the subtree completely single-click on the root folder and choose **More 🡪 Edit 🡪 Expand Subtree**. The systems displays now the complete hierarchy. | |  |
|  | |  |
| What is cost center group N5000?  Within the cost center group, N3000, what is the specific cost center, NAMK1000?  What person is responsible for NASA1000? | |  |
| Click the  icon on the navigation bar in the top left to return to the SAP Fiori Launchpad. | |  |
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|  | CO 5: Display Cost Center | | |
| **Task** Display cost centers.  **Description** Use the SAP Fiori launchpad to display individual cost centers.  **Name (Position)** Jamie Shamblin (Cost Accountant) | | **Time** 10 Min. |
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| In the SAP system, a cost center is an organizational unit within a controlling area. It represents a clearly definable place where costs arise. Cost centers can be divided according to functional, spatial, accounting and performance aspects as well as according to responsibility. | | Cost Center |
|  | |  |
| Familiarize yourself with the cost centers in Global Bike by opening the Manage cost center app in the Controlling area. | |  |
|  | |  |
| Enter **NA00** in the Controlling area field. Leave all other fields blank for now and click . The result is a list of all cost centers used by Global Bike in North America. | | NA00 |
|  | |  |
| Limit the search result further by entering **NASA1000** in the Cost Center field and confirming twice with Enter. The list of results is then updated and only one cost center is displayed. View their details by clicking at  at the end of the line. | | NASA1000 |
|  | |  |
| Who is responsible for the NASA1000 cost center?  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |  |
| Which node in the standard cost center hierarchy is the cost center NASA1000 assigned to?  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | |  |
| **Note** On the Control tab you can see that this cost center is blocked for revenue postings. Even then, revenues (i.e. postings via cost type 11) would only be made statistically and not cost-effectively. | | Revenue postings |
|  | |  |
| Cost credits or corrections can only be made within Controlling with cost element 01 (primary costs / cost-reducing revenues) and a negative value sign. | |  |
| Click the  icon in the navigation bar in the top left to return to the SAP Fiori Launchpad. | |  |
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