SAP University Alliances

CO 1: Display Primary Cost Elements

Exercise Display primary cost elements.	**Time** 10 min

Task Use the SAP Fiori Launchpad to display primary cost elements.

Name (Position) Jamie Shamblin (Cost Accountant)

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.
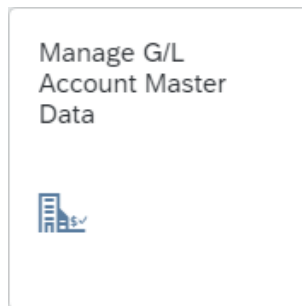
Primary cost element

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).

To review cost elements, in the *Controlling* area, on the *Cost Center Controlling* page, in the *Controller* role, select the app *Manage G/L Account Master Data*.

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*.

Now make sure that the entry **Chart of Accounts View** is selected in the field *View*. Click Go to initiate the search.

The result is a list of all profit accounts for primary costs and revenues.

G/L Acct External ID	Short Text	Chart of Accounts	G/L Account Type
4000000	Sales	GL00	Primary Costs or Revenue
4100000	Tax-exempt sales	GL00	Primary Costs or Revenue
4200000	Revenue	GL00	Primary Costs or Revenue
4300000	Revenue, 7% VAT	GL00	Primary Costs or Revenue
4400000	Revenue, 19% VAT	GL00	Primary Costs or Revenue
4500000	Special bus. income	GL00	Primary Costs or Revenue

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.

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.

Short Text:

R&D ✕

In the only result line click on the symbol on the far right ⟩ .

	G/L Acct External ID	Short Text	Chart of Accounts	G/L Account Type	Blocked for Posting	Marked for Deletion	
☐	6340000	Expence R&D	GL00	Primary Costs or Revenue	No	No	⟩

G/L Accounts (1) Standard ∨ Switch Description Language: English ∨   Copy Mass Change Create

In the following window, you can see the basic information about the most important properties of this G/L account.

SAP **G/L Account Master Data ▼**

6340000
Expence R&D

General ∨   Company Code Data   Controlling Data   Where Used ∨

Basic Information

Control

Chart of Accounts:	GL00 (Global Bike Group)
G/L Account Type:	Primary Costs or Revenue
Account Group:	56 (Operating Expenditure)
P&L Statement Account Type:	RE (Brought forward PL)
Functional Area:	–

Description in Maintenance Lang. (EN)

Short Text:	Expence R&D
G/L Account Long Text:	Expence of Research and Development

Consolidation Data

Trading Partner No.:	–

Administration

Created on:	08/17/2021
Created by:	CREICH
Group Chart of Accounts:	–

Others

Blocked for Creation:	No
Blocked for Posting:	No
Blocked for Planning:	No
Marked for Deletion:	No
G/L Account Not Used:	No

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*.

The screen will automatically scroll to the appropriate point. You can see the *Company Code Assignment* and the *Controlling Data* directly below it.

Company Code Assignment (2)								
Controlling Area	Company Code	C...	Account Currency	Marked for Deletion	Open Item Manage...	Clearing Spec. to Le...	Post Automatically	
EU00	DE00	Gl...	EUR	No	No		No	>
NA00	US00	Gl...	USD	No	No		No	>

Controlling Data

Controlling Area	Cost Eleme...	Unit of Measurement	Record Quantity	Deletion Flag	Change History
EU00	1		No	No	🗋
NA00	1		No	No	🗋

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.

CO 2: Display Secondary Cost Elements

Exercise Display secondary cost elements.	Time 10 min

Task Use the SAP Fiori Launchpad to display secondary cost elements.

Name (Position) Jamie Shamblin (Cost Accountant)

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.

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.

Secondary cost element

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 `Go`.

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*.

Controlling Area View
NA00

View: *

Controlling Area Vi...   ∨

Controlling Area: *

NA00 ✕

Press `Go`.

	G/L Acct External ID	Short Text	Chart of Accounts	Controlling Area	Cost Element Category
☐	8000000	Labor	GL00	NA00 (Global Bike North America)	43 (Internal activity allocation)
☐	8001000	Assessed Costs	GL00	NA00 (Global Bike North America)	42 (Assessment)
☐	8002000	Intern. Ord.Settlem.	GL00	NA00 (Global Bike North America)	21 (Internal settlement)
☐	8003000	Prod. Ord. Settlem.	GL00	NA00 (Global Bike North America)	21 (Internal settlement)
☐	8004000	EAM Cost Allocation	GL00	NA00 (Global Bike North America)	43 (Internal activity allocation)
☐	8005000	EAM Settlement	GL00	NA00 (Global Bike North America)	21 (Internal settlement)
☐	8006000	CS Settlement	GL00	NA00 (Global Bike North America)	21 (Internal settlement)
☐	8007000	Service Labor	GL00	NA00 (Global Bike North America)	43 (Internal activity allocation)
☐	8008000	CS Labor Assessment	GL00	NA00 (Global Bike North America)	42 (Assessment)
☐	8009000	Machine Hours	GL00	NA00 (Global Bike North America)	43 (Internal activity allocation)
☐	8011000	Settl Rev CR	GL00	NA00 (Global Bike North America)	42 (Assessment)
☐	8012000	Prod. Wages Overhead	GL00	NA00 (Global Bike North America)	41 (Overhead Rates)

G/L Accounts (17) Standard* ∨ Switch Description Language: English ∨   Mass Change

In the result line for cost element *8009000 (Machine Hours)*, click the symbol on the far right ❯ .

☐	8008000	CS Labor Assessment	GL00	NA00 (Global Bike North America)	42 (Assessment)	❯
☐	8009000	Machine Hours	GL00	NA00 (Global Bike North America)	43 (Internal activity allocation)	❯
☐	8011000	Settl Rev CR	GL00	NA00 (Global Bike North America)	42 (Assessment)	❯
☐	8012000	Prod. Wages Overhead	GL00	NA00 (Global Bike North America)	41 (Overhead Rates)	❯

In the following window you can see the detailed information on this cost type.

8009000

Machine Hours

General ∨   Company Code Data   Controlling Data   Where Used ∨

Basic Information

Control

Chart of Accounts: GL00 (Global Bike Group)

G/L Account Type: Secondary Costs

Account Group: 08 (Secondary Costs)

P&L Statement Account Type: RE (Brought forward PL)

Functional Area: —

Description in Maintenance Lang. (EN)

Short Text: Machine Hours

G/L Account Long Text: Machine Hours

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

Controlling Area	Cost Eleme...	Unit of Measurement	Record Quantity
EU00	43		No
NA00	43		No

Can you describe the main differences between the general ledger accounts *Expence R&D (6340000)* and *Machine Hours (800009000)*?

_____

_____

_____

Click the **SAP** icon on the navigation bar in the top left to return to the SAP Fiori Launchpad.

CO 3: Display Cost Element Groups

Exercise Display cost element groups.	**Time** 10 min

Task Use the SAP Fiori Launchpad to display existing cost element groups.
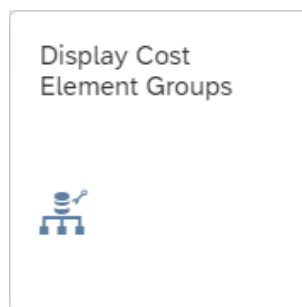
Name (Position) Jamie Shamblin (Cost Accountant)

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

To review cost element groups, in the *Controlling* area, on the *Cost Center Controlling* page, in the *Controller* role, use the app *Display Cost Element Group*.	Fiori App

Display Cost
Element Groups

If you are asked to enter a Controlling Area, choose **NA00** and select continue.   NA00

In the *Display Cost Element Group: Initial Screen*, press ⬚. In the following *Cost Element Group* screen, the Chart of Accounts is already entered.

Cost Element Group   ✕

      Chart of Accounts: GL00

      Cost Element Group: *

      Description: *

◉ All nodes

Click ✔ to display all GBI cost element groups.

Double click on the cost element group for all primary cost elements in North   NAPRIM1000
America (**NAPRIM1000**).

Selection Cost Element Group (1)

Search and Select

Restrictions ⌄ | Go | Hide Filters | ⚙⌄

Group Name: | Description:

Items (6) | ⌄ | Find | Find next

Group N...	Description
EU1000	EU Cost Element Total
EUPRIM1000	EU Primary Cost Element Total
EUSECO1000	EU Secondary Cost Element Total
NA1000	NA Cost Element Total
NAPRIM1000	NA Primary Cost Element Total
NASECO1000	NA Secondary Cost Element Total

The cost element group is copied to the initial screen. Press Enter.

SAP Display Cost Element Group: Structure

Menu ⌄ | 📑 | 📑 | 🔲 | •••

NAPRIM1000   NA Primary Cost Element Total

└─ 5000000   6999999

5000000   Cost of raw materials, consumables and s

5001000   Raw Material Consumption Expense

5002000   Finished Product Consumption Expense

5003000   Trading Good Consumption Expense

5004000   Semi-Finished Consumption Expense

5100000   Raw materials, consumables and supplies

5110000   Raw materials, consumables and supplies

5130000   Cost of raw materials, consumables and s

5190000   Fuels (production)

5191000   Fuels (production), 7% input tax

5192000   Fuels (production), 19% input tax

5200000   Cost of merchandise

5300000   Cost of merchandise, 7% input tax

5400000   Cost of merchandise, 19% input tax

5730000   Cash discounts received

5731000   Cash discounts received, 7% input tax

5736000   Cash discounts received, 19% input tax

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 **SAP** to return to the SAP Fiori Launchpad.

CO 4: Review Cost Center Standard Hierarchy

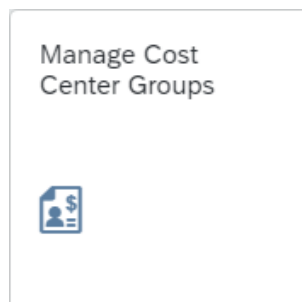|	
Exercise Review the cost center standard hierarchy.	**Time** 10 min
Task Use the SAP Fiori Launchpad to review the cost center standard hierarchy.	
Name (Position) Jamie Shamblin (Controller)	

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.
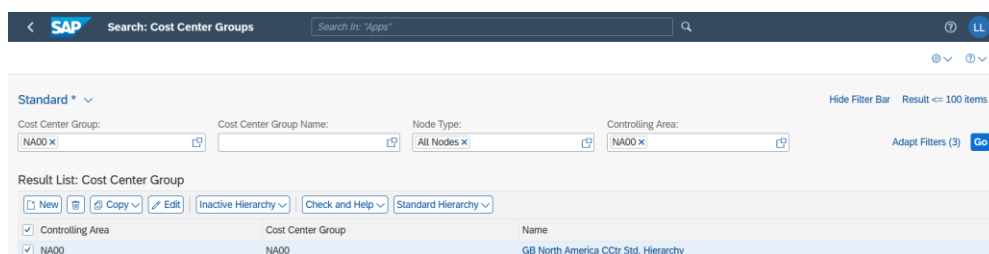
Cost center structure

Cost center

In order to review the cost center standard hierarchy, use the app *Manage Cost Center Groups* in the *Controlling* area, on the *Cost Center Controlling* page, in the *Controller* role.

Fiori App

Manage Cost
Center Groups

The *Search: Cost Center Groups* screen appears. First search for the *cost center group* **NA00**. The group is displayed in the results list. To get to the standard hierarchy, click on the name of the cost center group.

NA00

A new browser tab opens with the view *Cost center group: NA00*. By default, the node (⛯) on level 1 *NA00* is already expanded and all nodes on level 2 are visible. A click on ⟩ opens a node and lists underlying cost center groups or individual cost centers.

For example, expanding the first node *N1000 (Corporate)* shows the underlying cost center groups on the third level.

Preview on Key Date: 08/10/2023

Cost Center Group/Cost Center	Name	Person Responsible	Company Code
⌄ NA00	GB North America C...		
⌄ N1000	Corporate		
› N1100	Executive Board		
› N1200	Internal Services		
› N2000	Administration and Fi...		
› N3000	Marketing & Sales		
› N4000	Operations		
› N5000	Information Technolo...		

You can also choose Levels⌄ to expand everything. This way, all levels below will be expanded down to individual cost centers. The system will now show you the complete hierarchy.

Preview on Key Date: 08/10/2023

Cost Center Group/Cost Center	Name	Person Responsible	Company Code
⌄ NA00	GB North America C...		
⌄ N1000	Corporate		
› N1100	Executive Board		
› N1200	Internal Services		
⌄ N2000	Administration and Fi...		
› N2100	Administration		
› N2200	Human Resources		
› N2300	Procurement		
⌄ N3000	Marketing & Sales		
› N3100	Marketing		

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 SAP icon on the navigation bar in the top left to return to the SAP Fiori Launchpad.

CO 5: Display Cost Center

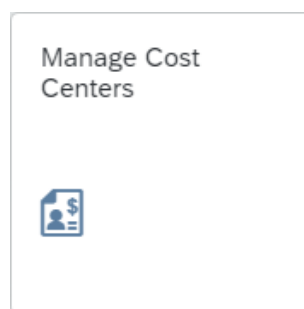|	
Task Display cost centers.	**Time** 10 Min.
Description Use the SAP Fiori launchpad to display individual cost centers.	
Name (Position) Jamie Shamblin (Controller)	

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*s app in the *Controlling* area, on the *Cost Center Controlling* page, in the *Controller* role.

Manage Cost Centers

Enter **NA00** in the Controlling area field. Leave all other fields blank for now and click [Go] . The result is a list of all cost centers used by Global Bike in North America.

NA00

Cost Centers (23) Standard ⌄

	Cost Center	Name	Validity	Cost Center Category	Company Code
☐	**ENERGY500**	Energy Costs 500	08/03/2023 – 12/31/9999	H (Service cost center)	US00 (Global Bike Inc.)
☐	**KANT1100**		01/01/2023 – 12/31/9999	H (Service cost center)	US00 (Global Bike Inc.)
☐	**MONT1100**		01/01/2023 – 12/31/9999	F (Production)	US00 (Global Bike Inc.)
☐	**NAAD1000**	Admin Costs	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	**NABR1000**	NA Bike Rental	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)
☐	**NAEX1000**	John Davis	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	**NAEX2000**	Peter Weiss	01/01/2009 – 12/31/9999	W (Administration)	US00 (Global Bike Inc.)
☐	**NAGS1000**	Global Sales Costs	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)

Limit the search result further by entering **NASA1000** in the *Cost Center* field and and click [Go] . 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

	Cost Center	Name	Validity	Cost Center Category	Company Code
☐	**NASA1000**	Sales Costs	01/01/2009 – 12/31/9999	V (Sales)	US00 (Global Bike Inc.)

Cost Centers (1) Standard ⌄

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.

Lock Revenue Posting:

ON ⬤

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 **SAP** icon in the navigation bar in the top left to return to the SAP Fiori Launchpad.

☐

Revenue postings