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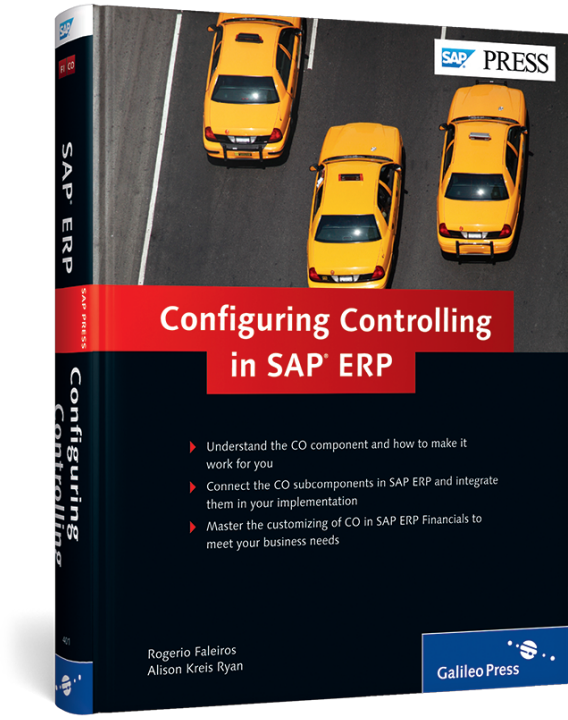
Configuring Controlling in SAP® ERP



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Contents at a Glance

Contents

Cost Element Accounting is a foundational element in SAP Controlling. You'll learn how to establish a structure to best support the information objectives of your organization.

2 Cost Element Accounting

After completing all of the initial steps to activate SAP ERP Controlling (CO), you can now establish a customized structure of cost elements. Cost elements are required structural components for CO to be activated, and the structure you define in these steps will be used by all of the other subcomponents that you'll learn about in later chapters. In this chapter, you'll learn how Cost Element Accounting (CO-CEL) classifies the costs and revenues that are posted to CO and how it provides the capability for reconciliation of costs in CO with the Financial Accounting (FI) component. You'll learn how to establish your own customized master data structure for CO-CEL, how to use accrual calculations, and how to access and use the most important reports available in SAP ERP for CO-CEL.

CO-CEL allows identification of the nature of revenues and costs in the CO component of SAP ERP. CO uses a combination of cost objects and cost elements to classify postings, and therefore establishing a structure of cost elements is a required step in the activation of CO. The structure determined for the cost elements and cost objects together will determine how CO information will be available for use in reporting and analysis, so—as with all of the areas—you should have a clear blueprint of the desired result to follow when customizing this area. Without a well-planned cost element structure, you will not be able to take full advantage of the accounting and reporting power that the CO component provides.

Cost objects are all of the cost collectors reflected in CO such as cost centers, internal orders, WBS elements, business processes, and production orders.

Cost elements classify costs and revenues in CO by type in a similar manner as accounts are used in FI. This chapter will explain the different types and show you step by step how to customize all aspects of cost elements in your SAP ERP system.

2.1 Master Data

In this section, we'll explain how the cost elements are divided in categories and also how to create the cost elements in a collective way, how to group the cost elements, how to create the cost element attributes, and how to determine time-based fields for cost elements.

Cost elements can be either primary or secondary cost elements:

- Primary cost elements are the FI P&L accounts that are reflected in CO (e.g., Energy, Material, Services, Labor, and Maintenance). When an FI account has a corresponding cost element, the posting in FI will be reflected in CO and also be associated with a cost object, such as cost center, internal order, or production order. Figure 2.1 shows one example of a primary cost element viewed using Transaction KA03.

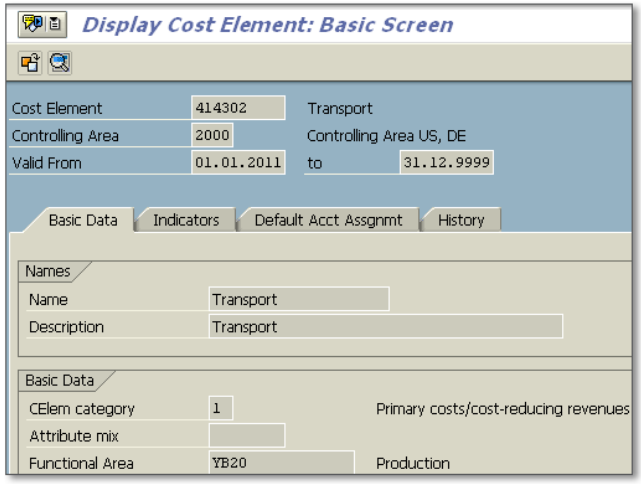


Figure 2.1 Primary Cost Element Example

Note

Cost elements aren't created automatically when a P&L account is created in FI. You must decide when creating new FI accounts whether there should be a corresponding cost element. However, if you want cost elements to be automatically created when P&L accounts are created in FI, you can select the Controlling Integration option in the chart of accounts definition with Transaction OB13.

- Secondary cost elements are cost elements restricted to CO. They do not exist in FI but are only used to perform internal allocations in CO. For example, an activity performed by a cost center and charged to a production order will use a secondary cost element to credit the cost center and debit the production order. Figure 2.2 shows one example of a secondary cost element viewed using Transaction KA03.

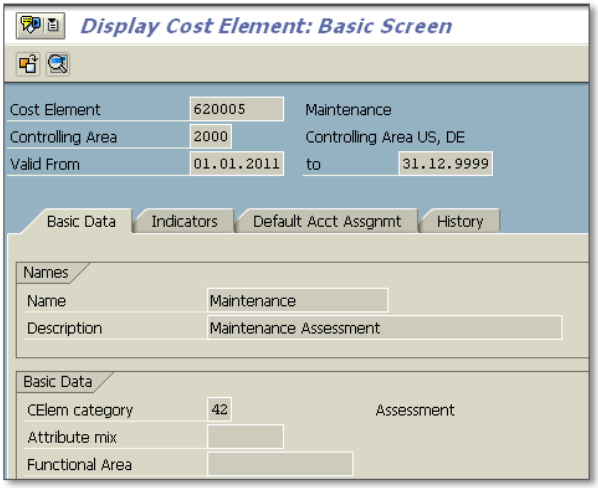


Figure 2.2 Secondary Cost Element Example

Let's consider an example of how the values flow for depreciation expense to demonstrate a process with both primary and secondary cost elements.

Depreciation is posted in a production cost center from the Asset Accounting component (FI-AA), using the cost center in the asset master data. This posting will be made simultaneously in both FI (in the account for depreciation expense) and in CO (using a corresponding primary cost element).

After that, when the production is confirmed, a portion of the depreciation from this production cost center will be sent to the product using an activity type and a secondary cost element in CO. This posting is not reflected in FI.

Cost elements are also divided into categories. The category has a technical control function. It determines the nature of the posting, whether it is a revenue or cost, whether it is a direct or indirect posting (activity type), and finally whether it is an internal or external posting to CO.

There are six categories for primary cost elements and nine categories for secondary cost elements.

The following are descriptions of the primary cost element categories:

- **1 – Primary costs/cost-reducing revenues**
  These cost elements are used for primary postings; costs from other components, such as depreciation from FI-AA, purchases to a cost center from MM, labor from HCM; and also other direct postings from FI. You can also use this category for cost-reducing revenues, for example, if you have received a payment for rent from a sublease and want to offset this against the main rental cost in CO. Note that this use is different from the cost element categories 11 and 12, designed to be used for true revenues.
- **3 – Accrual calculation using the percentage method**
  When using the accrual calculations (CO-CCA), a cost element of this type must be defined to post the credit and the debit in the cost objects related to the accrual.
- **4 – Accrual calculation using target equal to actual method**
  This category is also used for accrual calculation, but in this case, the system uses the target value to post the accrual.
- **11 – Revenues**
  Use this category for cost elements for revenues. Revenues are displayed in CO with a negative sign (credit). An exception to this is Profitability Analysis (CO-PA). In CO-PA, revenues are displayed with a positive sign (+).

Note

If revenues are posted to cost centers using a cost element with category 11 or 12, the values appear as statistical information only. This means that revenues can be reposted for posting adjustments to other cost centers, but another allocation is not possible. Revenues are ignored in iterative activity price calculation and are therefore not included in the allocation price of an activity type.

- **12 – Sales deductions**
  This category is used for sales deductions. Sales deductions are adjustment or deduction postings related to revenues, such as discounts and rebates. These are also used in CO-PA. Because revenue postings in CO-PA appear with a positive sign, this cost element category helps to identify which cost elements should have a negative sign in CO-PA.

- **22 – External settlements**
  Cost elements of this category are used to settle orders, projects, or other cost object postings to objects outside of CO. For example, CO external objects can be assets (Asset Management), materials (Materials Management), or GL accounts (Financial Accounting). The SAP system always creates an FI accounting document when settling to external objects.

The following lists and describes the secondary cost element categories:

- **21 – Internal settlements**
  This cost element category is used to settle order or project costs to other CO internal objects (e.g., an internal order settling costs to a cost center or to another internal order). Examples of CO internal objects are orders, profitability segments, cost centers, and projects.
- **31 – Order/project results analysis**
  This category is used to save results analysis data in orders or projects.
- **41 – Overhead rates**
  When you are using overhead calculation in CO-CCA, this cost element category is used to allocate overhead costs using overhead rates from cost centers to orders. The allocation will credit one cost object and debit another.
- **42 – Assessment**
  When using assessments in CO-CCA, this category is used to allocate costs from one cost object to another cost object.
- **43 – Allocation of activities/processes**
  When you allocate costs from a cost center to a production order using an activity type, a cost element with category 43 must be assigned to the activity type.
- **50 – Incoming orders: sales revenues**
  This cost element category is used for revenues from sales orders with revenues in the current period of the project-related order.
- **51 – Incoming orders: other revenues**
  Similar to cost element category 50, this one is used for other revenues rather than direct revenues in an incoming order (e.g., imputed interest from sales orders).

- **52 – Incoming orders: costs**
  This category is similar to categories 50 and 51 but is now used for costs and not revenue.
- **61 – Earned values**
  This cost element category is used for the earned values from the earned value analysis in the Project Systems (PS) component.

Now that you understand the types of cost elements, and the differences between and uses for the available categories, you can now create cost elements.

2.1.1 Automatic Creation of Primary and Secondary Cost Elements

Individual primary cost elements can be created and modified using Transaction KA01 and Transaction KA02, respectively. Secondary cost elements are created using Transaction KA06 and modified using Transaction KA02. When you have multiple cost elements to create, the process can be long and tedious to do one at a time.

To speed up the creation process, the SAP system provides a tool to automatically create cost elements. You can create multiple primary or secondary cost elements in one step by defining the account range and a cost element category for the range. The automatic cost element creation process is simple and involves three steps:

1. Define default settings.
2. Create a batch input session.
3. Execute a batch input session.

Define Default Settings

In this first step, you can determine the cost element or range of cost elements that will be created as well as the cost element category to be assigned. You can create either primary or secondary cost elements using this process. Primary cost elements will adopt the description from the financial account master data and can be created using account ranges.

Secondary cost elements will adopt the description from the cost element category. Later, you should change the descriptions to the desired user-defined description. It isn't possible to create secondary cost elements using account ranges because they are not directly related to FI accounts.

After creating cost elements, you can change the cost elements using Transaction KA02 (e.g., if you later want to assign an attribute mix to a cost element).

To define the default settings, either use Transaction OKB2, or follow the IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Automatic Creation of Primary and Secondary Cost Elements • Make Default Settings. You will need to select which chart of accounts to use as a reference, as shown in Figure 2.3.

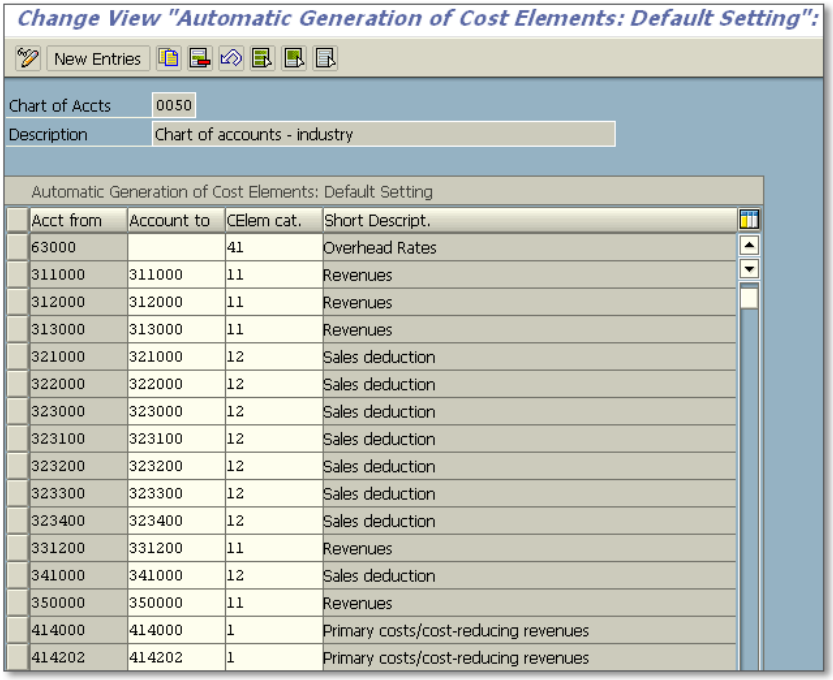


Figure 2.3 Default Settings Customizing Screen

Create a Batch Input Session

From here, the system will use the settings in Default settings to create the batch input session. Use Transaction OKB3, or go to IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Automatic Creation of Primary and Secondary Cost Elements • Create Batch Input Session. Enter the appropriate information in the Controlling Area, Valid from, Valid to, and Session Name fields, and execute as shown in Figure 2.4 and Figure 2.5.

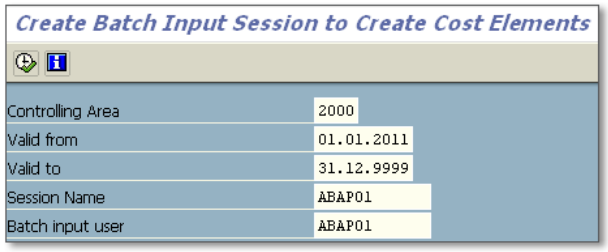


Figure 2.4 Create Batch Input Session First Screen

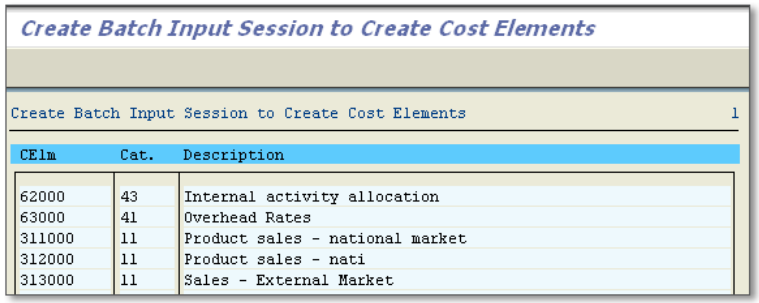


Figure 2.5 Create Batch Input Session Second Screen

Execute a Batch Input Session

After maintaining the default settings and creating the batch input session, you can execute the batch input session by using Transaction SM35 or by following the IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Automatic Creation of Primary and Secondary Cost Elements • Execute Batch Input Session, which brings you to the screen shown in Figure 2.6.

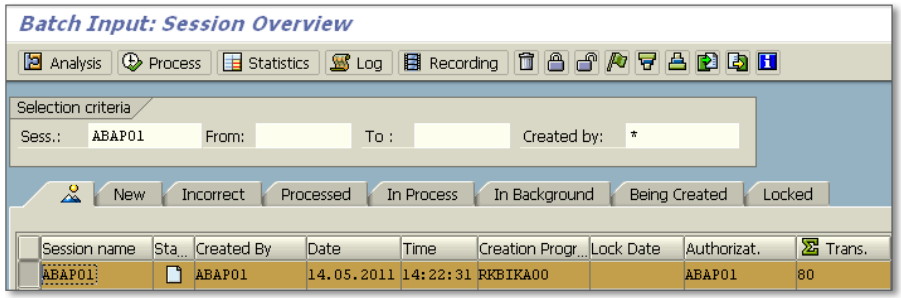


Figure 2.6 Batch Input Session

The system will create all of the cost elements that don't already exist in the system according to the default settings. It won't overwrite the existing ones, which will show as an error after processing the batch input session.

Note

The default settings are configured in the development client and must be transported to the quality and production clients because maintenance of the default settings requires an open configuration. The second and third steps are executed directly in the receiver client. We recommend that you execute these steps in each client (rather than only in the production client) to ensure consistency of data among the different clients.

After creating the cost elements, the next step is to establish a structure for cost element grouping.

2.1.2 Cost Element Groups

The SAP system provides an excellent tool to facilitate grouping of the cost objects' master data in a logical structure. Any of the cost objects (such as cost elements, cost centers, internal orders, or WBS elements) can be grouped. It's really helpful to have a grouping scheme established for use when running reports and also for use in some customizing activities.

Groups can be used on all costing reports, so reporting and analysis requirements should be considered when establishing the logic for grouping. The groups can be created by using objects, by creating hierarchies, or by using parts of other groups. Cost element groups are maintained as master data, so you don't need an open customizing environment to maintain the group. For example, when running a CO report, in the selection screen, you can use a single cost element, a range of cost elements, or a cost element group. You can create a cost element group with the cost elements that are often used for reporting, and every time you need to run the report, you use the cost element group. Figure 2.7 shows an example of the selection screen for the Report S_SL0_21000007 – Cost Elements: Breakdown by Company Code.

Some customizing can be done by cost element range or by using a cost element group. For example, in assessment customizing, if you use a cost element group to define the sender cost elements in assessments, you can maintain the group in the production environment simply by adding or removing cost elements in the

group. It's possible to combine both primary and secondary cost elements in groups.

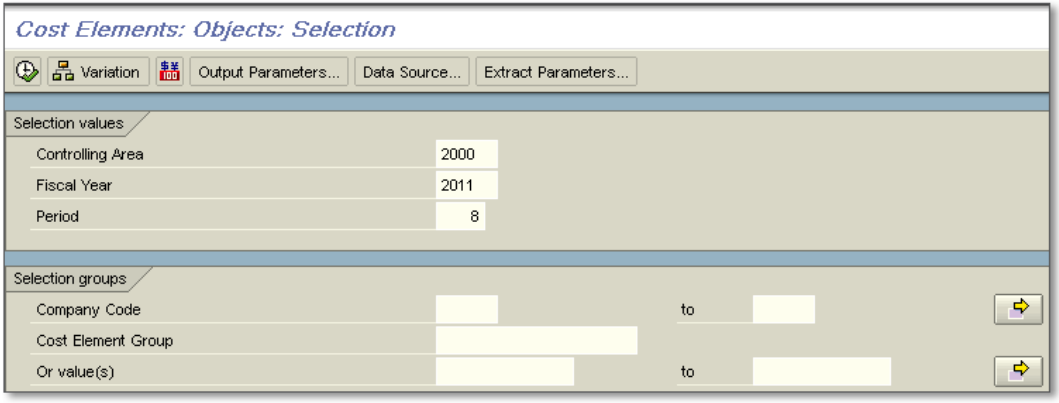


Figure 2.7 Cost Element Report Selection Screen Example

You can create cost element groups using transactions in the user menu or in the customizing menu. Use Transactions KAH1, KAH2, and KAH3 to create, change, or display groups, respectively. You can also use the following IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Create Cost Element Groups. Figure 2.8 shows an example of a cost element group.

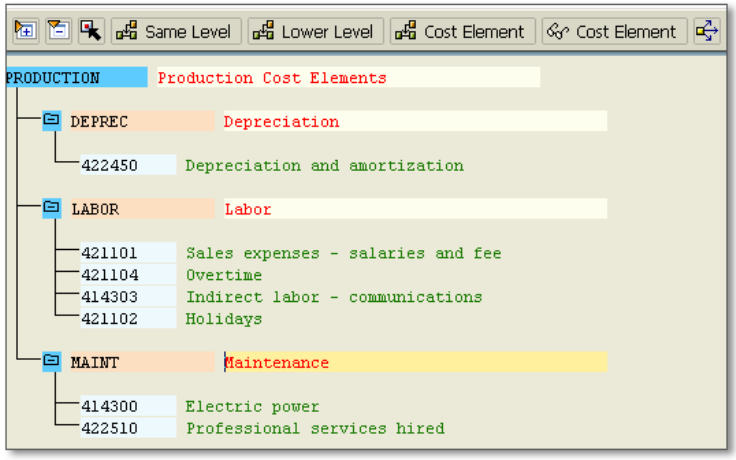


Figure 2.8 Cost Element Group Example

Another characteristic that you can use to segregate cost elements is cost element attributes. These are created and then used to classify the cost elements in a certain way to facilitate reporting.

2.1.3 Cost Element Attributes and Cost Element Attributes Mix

The field Attribute mix, available in the cost element master data in Figure 2.1, can be used as an additional characteristic of the cost element. You can create custom reports to return data using this field.

Two steps are necessary to create the cost element attribute mix. The first is to create the cost element attributes, and the second is to define the cost element attribute mix itself. The cost element attribute is a single attribute that can't be used in the cost element master data. You should group the attributes to create the attribute mix, which is then assigned to cost elements. Each group can contain up to a maximum of eight cost element attributes, divided into columns.

To illustrate this, we'll show the steps to create an attribute mix that can be assigned to all cost elements representing noncash employee-related tax expenses.

To maintain the cost element attributes, use Transaction OKA6, or follow the IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Define Cost Element Attributes. This brings you to the screen shown in Figure 2.9.

In this example, you can have one or multiple attributes created for a specific item. After you create all of the attributes, you can go to the next customizing step where you can group the cost element attributes to build the cost element attribute mix.

To maintain the cost element attributes mix, use Transaction OKA4, or follow the IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Define Cost Element Attribute Mix. This brings you to the screen shown in Figure 2.10.

In Figure 2.10, you can see the customizing of the attribute mix by column. In the first column, you can only use attributes that have item = 1 in the cost element attribute; in the second column, you can use only attributes that have item = 2 in the cost element attribute, as shown in Figure 2.9. You can define combinations using these rules up to a limit of eight columns for the attribute mix.

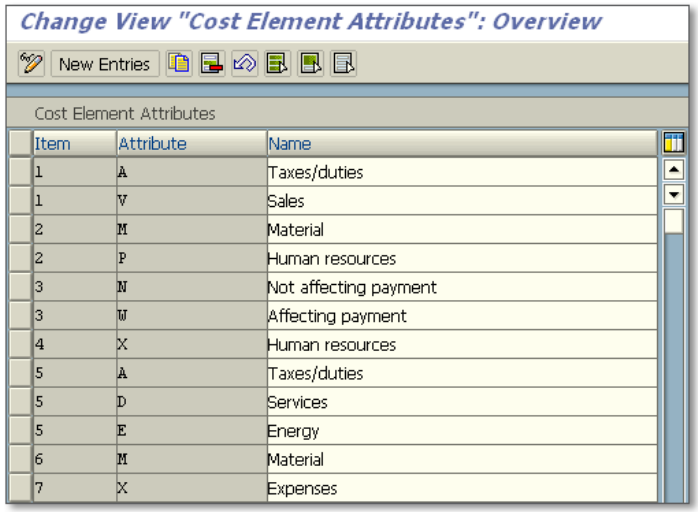


Figure 2.9 Cost Element Attributes

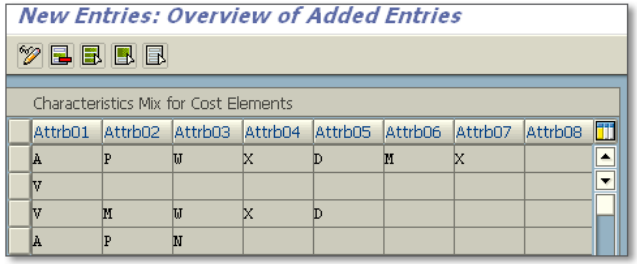


Figure 2.10 Cost Element Attribute Mix

The cost element attribute mix will be named in the system by a combination of all columns. For example, the attribute mix on the last line shown in Figure 2.10 will be named APN – Taxes/duties/Human resources/Not affect. This attribute mix would then be assigned to all appropriate cost elements in the master data using Transaction KA02. Figure 2.11 illustrates this step.

The next option in the master data is to define which field in the cost element master data will have the time-based dependencies.

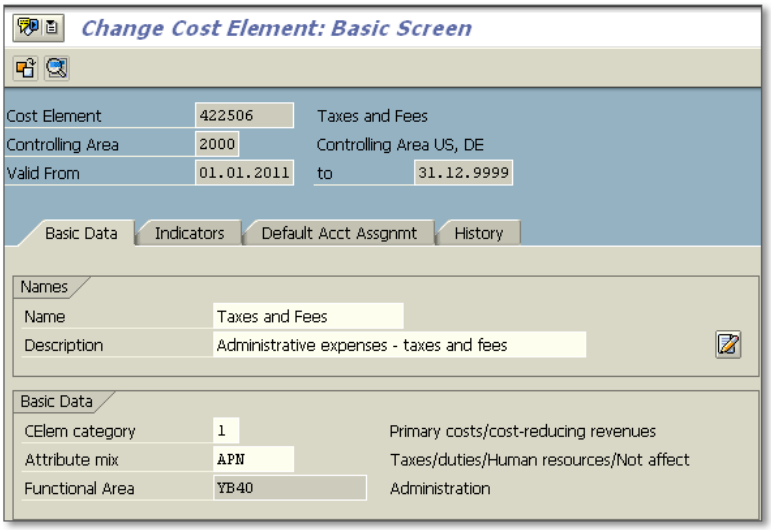


Figure 2.11 Cost Element Attribute Mix Assignment Example

2.1.4 Time-Based Fields for Cost Elements

As part of the customizing for cost elements, you can designate the fields that are time-dependent. A time-dependent definition means that if the master data is changed, the system will consider the posting date to find the correct assignment to the field. For example, if you change the cost center assigned to a cost element in the default account assignment in the cost element master data, the SAP system will respect the day of the change, and for a posting in this cost element, the system will check the posting date against the change date. If the posting date is before the change date, the system uses the old cost center defined in the master data; if the posting date is later then the change date, the system will adopt the new cost center assignment.

SAP ERP determines four different time-based dependencies that are already defined for use in each area:

- Not time-based
- Day-based
- Period-based
- Fiscal-year-based

The types of time-based dependencies used by each area cannot be changed; you only have the option to turn on or turn off the dependency for each area.

Note

Carefully consider which fields should have time-based dependencies because the time-based functionality can consume large amounts of data storage space.

For cost elements, only two fields are available to change the time-based settings, both of which are in the Default Account Assignment. To change the time-dependent settings, use Transaction OKEK, or follow the IMG menu path Controlling • Cost Element Accounting • Master Data • Cost Elements • Determine Time-Based Fields for Cost Elements. This brings you to the screen shown in Figure 2.12. If you mark the cost center or order as time-dependent, the system will consider the changes in the master data for this field by day. For example, you can't change the time dependency from day to year. It's predefined by the system, and you can only select whether the field will have time dependency or not.

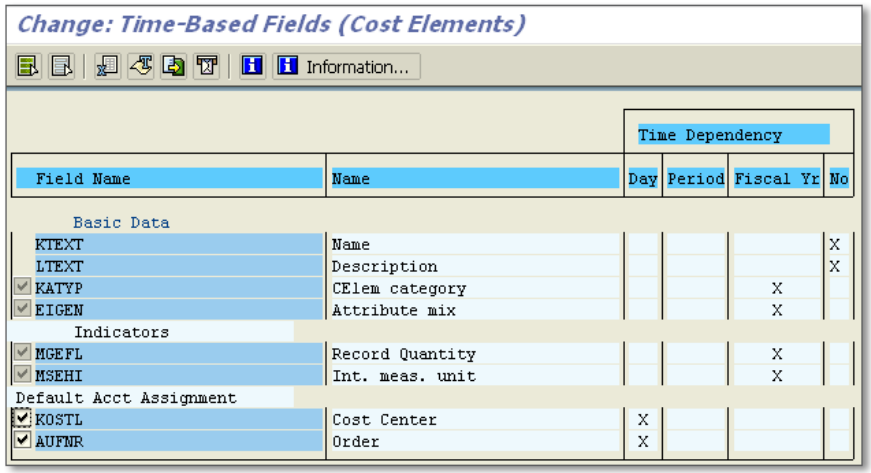


Figure 2.12 Cost Element Time-Based Fields

Now that we've discussed the cost element master data, and you know why cost element categories are important, how to create cost elements in a collective way, how to create the cost element attributes and attribute mix, and also how to

determine time dependencies in the master data, let's move on to accrual calculations.

2.2 Accrual Calculation

The SAP system has standard functionality to support accruals in both FI and CO. Accruals can be used when you have an expense that is paid in a specific month of the year but that is related to the entire year (e.g., insurance or property tax). To spread this cost across the affected months automatically, you can use accrual calculation.

Accruals made in FI will also be reflected in CO, but accruals made in CO will only be reflected in CO. Before customizing accruals in CO, you should consider which alternative will best serve your needs. In most cases, maintaining accrual data in both areas is desirable, so it should be done in FI. You would only establish accruals in CO for costs that should not be spread in FI, but you want them to be spread across periods for costing purposes.

The following are the three methods for creating accrual calculations in CO (remember that when using CO accruals, no posting will be made in FI):

- **Percentage method**
  The system will calculate these values by applying a percentage of the posted values in certain cost elements defined in the customizing. A debit will be created in the receiver cost center, and a credit will be made in the cost center or order defined as the accrual object. The system uses a cost element with cost element category 3 (accrual calculation using a percentage method) to perform the postings.
- **Target equals actual**
  This method is used when a planned cost using activity-dependent planning is used as the reference to calculate the accrual. The system will create the accrual using the planned activity rate and will use the actual activity to create the values. For instance, if you have used activity-dependent planning to set a certain cost at a fixed dollar amount per unit of production, then this type of accrual will post actual costs calculated on the planned per unit cost times the actual units produced. These types of accruals are posted using a cost element with category 4 (accrual calculation using target equal to actual method).

- **Plan equals actual**
  This method is used when a cost planned using activity-independent planning is used as the referral to calculate the accrual. The system will create the accrual using the planned values in category 4 (accrual calculation using target equal to actual method). For example, if you have a planned value in a specific month that you want to use as reference for the accrual, the system gets the value and creates the accrual postings.

You customize all three of these methods on the same screen. To begin to create an accrual calculation, either use Transaction KSAZ, or follow the IMG menu path Controlling • Cost Element Accounting • Accrual Calculation • Percentage Method • Maintain Overhead Structure. This brings you to the Maintain CO-OM Accrual Calculation: Overhead Structure screen shown in Figure 2.13.

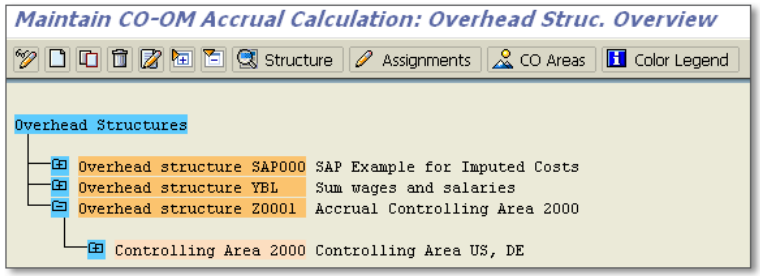


Figure 2.13 Maintain Overhead Structure

Next, we'll explain the steps for each method, beginning with the percentage method.

Percentage Method

For this method, you must create an overhead structure that contains the base, overhead rate (percentage), and credit. From the screen shown previously in Figure 2.13, go to Environment • Bases. This brings you to Figure 2.14. The base determines the cost element range that will be considered when forming the base values for calculating the cost of overhead.

By double-clicking in the Base desired line, the screen will open and allow entry of the cost elements to be used as the base. We are going to use A-B1 – Wages as an example. Figure 2.15 shows the cost element range definition.

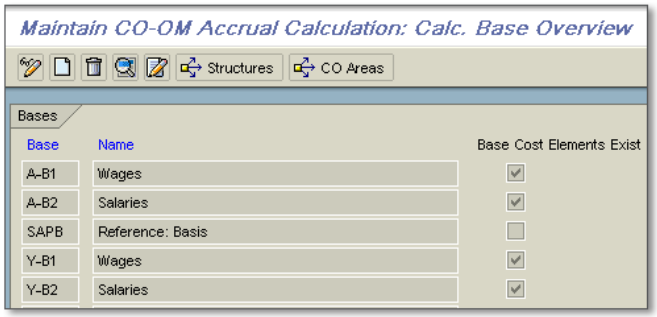


Figure 2.14 Overhead Structure Base Overview

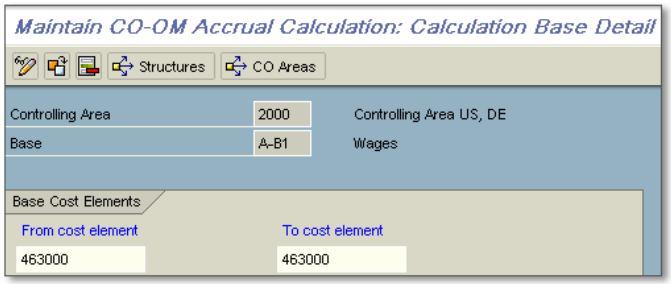


Figure 2.15 Accrual Calculation Base Detail

After you set the cost element range, you must define the overhead rates for the overhead structure. Return to the screen shown in Figure 2.13. Click on the Environment menu, and select Overhead Rates. This will bring you to the screen shown in Figure 2.16.

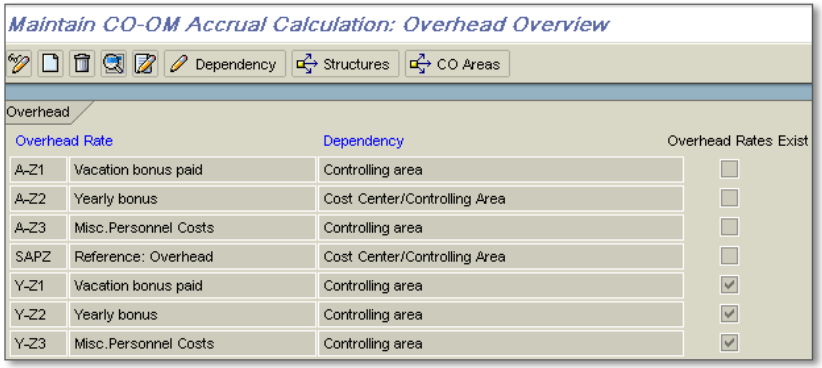


Figure 2.16 Overhead Rate Overview

In this screen, you can create a new line, or you can maintain the rate by double-clicking in an existing line in the screen shown in Figure 2.17.

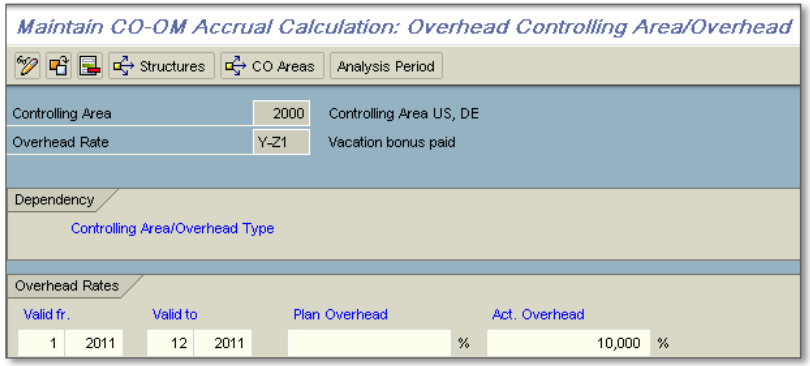


Figure 2.17 Overhead Rate Detail

In this screen, you must establish a valid period for the rate and set the plan or actual rate.

The next step in setting up the CO overhead accrual is to define the credit cost element and cost object. Because CO accruals are not posted in FI, the offset to the accrual cost must be to another CO object. Return to the first screen, shown in Figure 2.13. Go to ENVIRONMENT • CREDITS in the menu bar, which brings you to the screen shown in Figure 2.18.

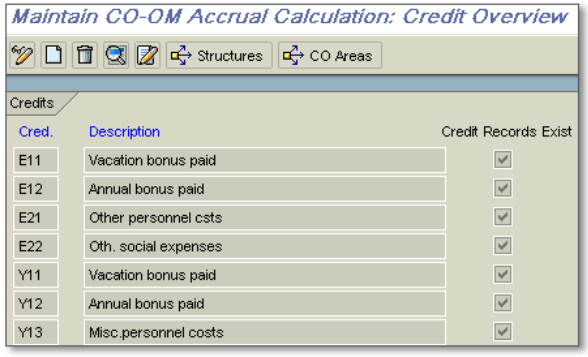


Figure 2.18 Accrual Calculation Credit Overview

By double-clicking in the credit line, you can define the credit cost element and also the credit cost center or order in the screen shown in Figure 2.19.

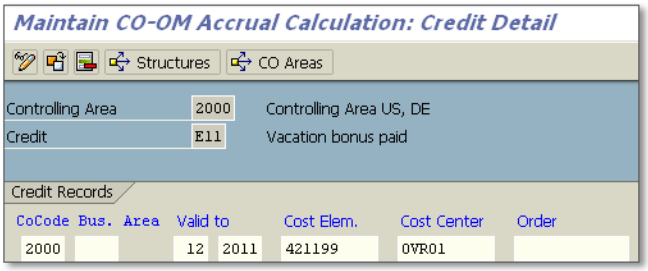


Figure 2.19 Accrual Calculation Credit Detail

The credit will contain the cost elements with category 3. The cost object used for credit can be either a cost center or an internal order and is defined by company code (CoCode), as shown in Figure 2.19. You must define a valid period for the credit.

The overhead structure can be associated with any controlling area. The accrual calculation can use actual or planned costs to calculate the values. Select Assignments (shown previously in Figure 2.13), then select the appropriate option in the Controlling Area field, and click on either the Plan accrual or Actual Accrual buttons, as shown in Figure 2.20.

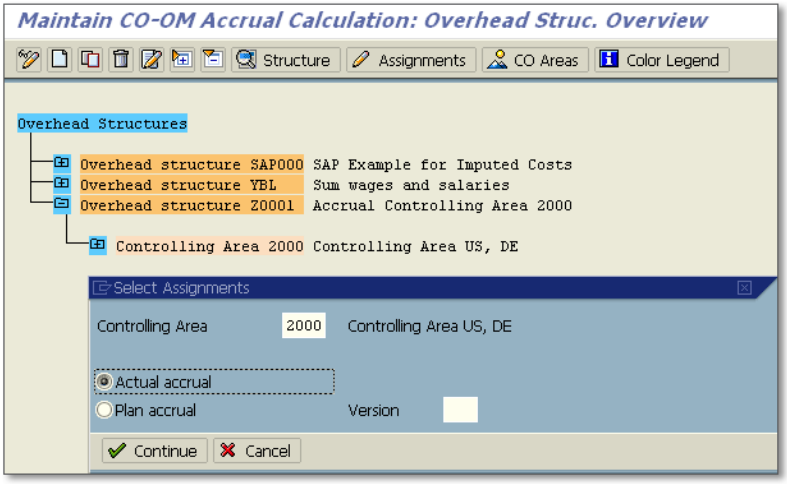


Figure 2.20 Controlling Area Overhead Structure Assignment

Click on the Continue button, and you'll see that the overhead structure is the combination of bases, overhead rates, and credits, as shown in Figure 2.21.

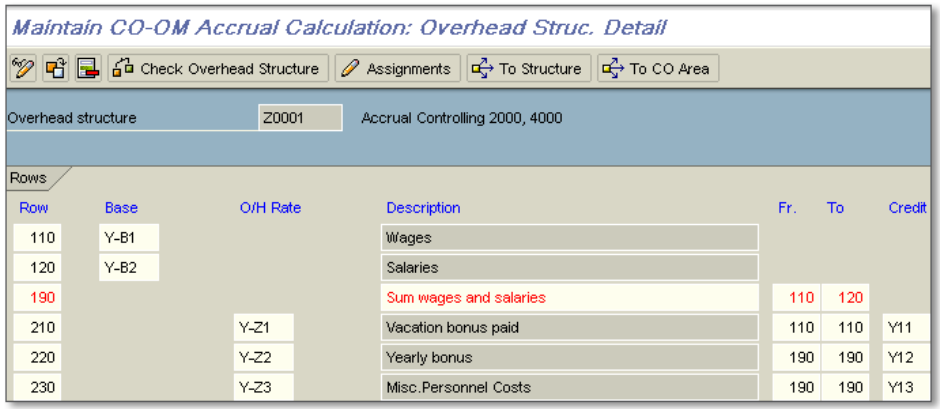


Figure 2.21 Overhead Structure

The rows define the sequence in which the system will read, summarize, and post the values. It should have a base, overhead rate, and credit. You can also summarize lines using the FROM and TO fields, as shown in Figure 2.21, where line 190 is summarizing lines 110 to 120.

The example accrual shown in Figure 2.21 will calculate an amount to accrue using a fixed percentage of the amounts in the cost elements defined as WAGES (BASE Y-B1) for VACATION BONUS PAID (O/H RATE Y-Z1), and also different fixed percentages of the total of the cost elements defined as WAGES and SALARIES (BASE Y-B1 and Y-B2) combined as YEARLY BONUS and MISC. PERSONNEL COSTS, respectively (O/H RATE Y-Z2 ad Y-Z3). Credits (Y11, Y12, Y13) for the three amounts calculated will be posted in the cost element and cost centers defined in the step shown earlier in Figure 2.19 with offsetting debits in the same cost elements and in the cost centers specified at the time the accrual is executed.

Target Equals Actual and Plan Equals Actual Methods

Establishing the setup for these methods is simple. The system will look to the planning values in a cost element with category 4 (accrual calculation using target equal to actual method) whether they are activity or nonactivity-dependent. The customizing is established in the same screen shown earlier in Figure 2.13 by going to the menu ENVIRONMENT and choosing TARGET=ACTUAL CREDITS.

The next step in the customizing is to select the category 4 cost element in the parameters and to choose the credit cost object. Figure 2.22 and Figure 2.23 show the customizing screens. With the settings shown in this example, the system will use the values planned in this cost element to post the accrual and post an offsetting credit to the object defined in Figure 2.22.

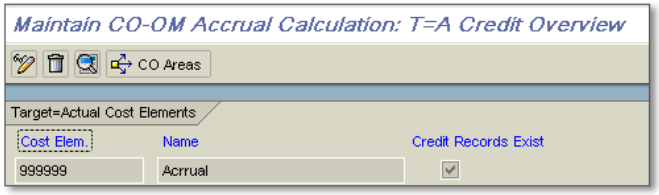


Figure 2.22 Maintain Accrual Cost Element

By double-clicking in the cost element, you can now enter the company code, valid period, and credit cost center or order.

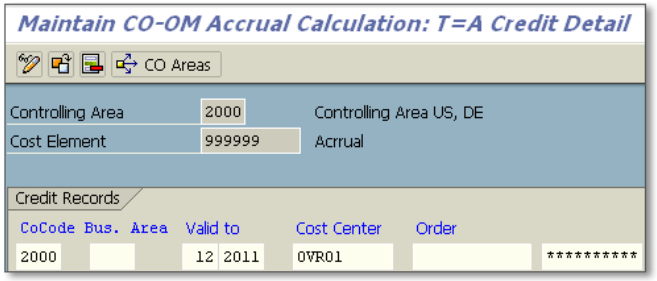


Figure 2.23 Maintain Credit Cost Object and Credit Account

Now that you've learned how to customize CO accrual calculations, let's discuss the information system and why a good structure for CO-CEL is important to meet the needs of the organization.

2.3 Information System

The SAP ERP information system for CO-CEL has many standard reports. The way you customize CO-CEL will directly impact the available data for reporting.

In the decision to create corresponding primary cost elements for FI P&L accounts, you are defining whether it will be possible to see the values in CO

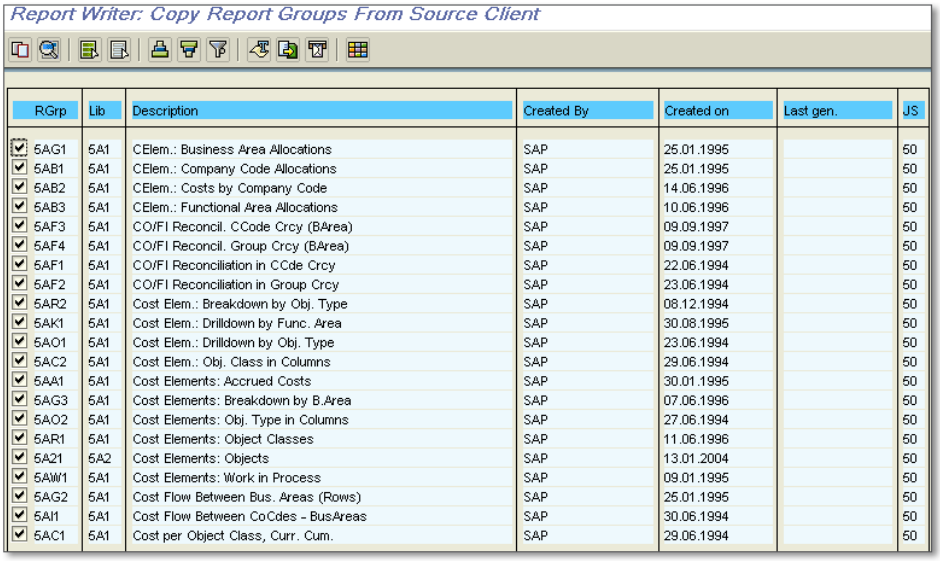
reporting. By choosing the correct cost element category for the cost elements, you can correctly classify the values as revenues or expenses.

Using cost element groups, you can create a logical structure for cost elements that can be used in reporting. The logic for the groups can be by area, type of cost, function, or other parameter that will be useful in your reporting. Because they are user-defined, you can create cost element groups in whatever manner you want. If all standard cost element reports provided in SAP ERP aren't sufficient to meet a specific need for cost visibility, you can also use Report Painter and Report Writer to create custom reports, and use additional characteristics in the reports such as the cost element attribute mix.

The details of how to create custom reports using Report Painter or Report Writer are not covered in this book, but many other references cover these areas in detail. (We recommend *Financial Reporting with SAP* by Aylin Korkmaz [SAP PRESS, 2012]). Our focus here is on how to import and generate the standard reports and some tips on how to get the most from the standard reports provided.

Sometimes, reports in SAP ERP stop functioning for a variety of reasons (such as a system shutdown, database corruption, etc.). In this situation, you can import the standard reports again from the SAP ERP client 000. To import the reports, either use Transaction KALI, or follow the IMG menu path Controlling • Cost Element Accounting • Information System • Standard Reports • Import Standard Reports. This brings you to the screen shown in Figure 2.24, where the import can be done online or in the background. In a production environment, especially if many reports will be imported at once, it's recommended to do this in the background to avoid performance impacts.

SAP ERP standard reports that have been just imported must also be generated. Only then is an executable program created that can be run in the information system. To generate the reports, either use Transaction KAL8, or go to Controlling • Cost Element Accounting • Information System • Standard Reports • Generate Standard Reports. This brings you to the screen shown in Figure 2.25. The reports can be generated online or in the background. Just as with the import step, we recommend generating the reports in the background rather than online in a production environment, or if you have selected many reports to import at the same time.



RGrp	Lib	Description	Created By	Created on	Last gen.	JS
5AG1	5A1	CElem.: Business Area Allocations	SAP	25.01.1995		50
5AB1	5A1	CElem.: Company Code Allocations	SAP	25.01.1995		50
5AB2	5A1	CElem.: Costs by Company Code	SAP	14.06.1996		50
5AB3	5A1	CElem.: Functional Area Allocations	SAP	10.06.1996		50
5AF3	5A1	CO/FI Reconcil. CCode Crcy (BArea)	SAP	09.09.1997		50
5AF4	5A1	CO/FI Reconcil. Group Crcy (BArea)	SAP	09.09.1997		50
5AF1	5A1	CO/FI Reconciliation in CCde Crcy	SAP	22.06.1994		50
5AF2	5A1	CO/FI Reconciliation in Group Crcy	SAP	23.06.1994		50
5AR2	5A1	Cost Elem.: Breakdown by Obj. Type	SAP	08.12.1994		50
5AK1	5A1	Cost Elem.: Drilldown by Func. Area	SAP	30.08.1995		50
5AO1	5A1	Cost Elem.: Drilldown by Obj. Type	SAP	23.06.1994		50
5AC2	5A1	Cost Elem.: Obj. Class in Columns	SAP	29.06.1994		50
5AA1	5A1	Cost Elements: Accrued Costs	SAP	30.01.1995		50
5AG3	5A1	Cost Elements: Breakdown by B.Area	SAP	07.06.1996		50
5AO2	5A1	Cost Elements: Obj. Type in Columns	SAP	27.06.1994		50
5AR1	5A1	Cost Elements: Object Classes	SAP	11.06.1996		50
5A21	5A2	Cost Elements: Objects	SAP	13.01.2004		50
5AW1	5A1	Cost Elements: Work in Process	SAP	09.01.1995		50
5AG2	5A1	Cost Flow Between Bus. Areas (Rows)	SAP	25.01.1995		50
5AI1	5A1	Cost Flow Between CoCdes - BusAreas	SAP	30.06.1994		50
5AC1	5A1	Cost per Object Class, Curr. Cum.	SAP	29.06.1994		50

Figure 2.24 Copy Standard Reports from the Source Client

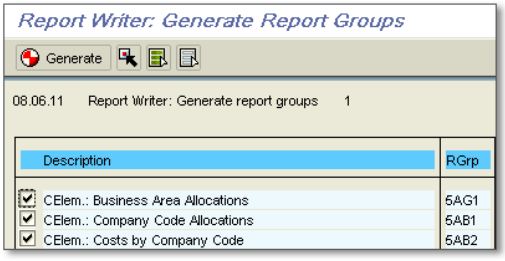


Figure 2.25 Generate Report Groups

Some parameters in the selection screen can be set as default when running cost reports. This helps to expedite the running time because users don't need to resupply all of the information every time they run a report. Some user settings can be specified to populate automatically in the selection screens of the reports, such as controlling area, cost center/cost center group, cost element/cost element group, report period, and currency.

Users can maintain their own user-specific settings using Transaction RPC0, as shown in Figure 2.26.

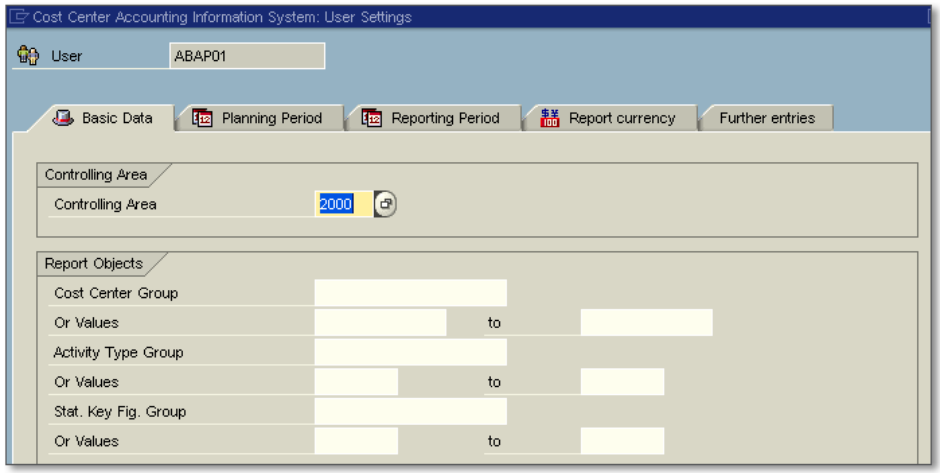


Figure 2.26 User Default Settings

On this screen, each user can define the default selection screen variables for their own user ID. These variables will then be defaulted in the selection screen of all cost element reports but can still be overridden by the user when executing the reports.

In this section, we've discussed some important considerations of the definitions of CO-CEL and how they affect reporting, how to import and generate the standard cost element reports, and how to set some default parameters to make running the reports faster and easier for users.

2.4 Summary

After finishing this chapter, you should now understand the importance of CO-CEL and how it serves as the foundation for CO.

In master data, you've learned about all of the cost element categories and the uses for each one, including the implications to the data in CO when you select a specific category for a cost element. You now know the difference between primary and secondary cost elements, and when to use each. You've learned how to create cost elements in a collective way to decrease the time spent in master data creation. We've also discussed the benefits of groupings and how, by using cost

element attributes and attribute mixes, you can add one more level of breakdown to the cost elements. You've also seen how to define a time dependency for cost element master data.

For accrual calculations, you now can distinguish between the available methods of calculation, and the reasons to use accrual calculations in CO rather than accruals in FI.

In the information system, you've learned how the CO-CEL structure can facilitate a powerful and flexible reporting system using both SAP ERP standard reports and custom reports, as well as the need sometimes to import and activate the standard reports again.

Now that the customizing of CO-CEL has been completed, it's time to address the structure and definitions for Cost Center Accounting (CO-CCA) in Chapter 3.

Index

A

B

C

D

E

F

G

H

I

J

L

M

N

O

P

Q

R

S

T

U

V

W