

Controlling

SAP Implementation at IESCO

Training Document

Cost Center Accounting

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Cost Center Accounting

1 Purpose

Cost centers reflect the organizational structure of a company and display the areas of responsibilities in overhead controlling. The cost center structure is very important because it defines the basis for other modules and overhead reporting. With Cost Center Accounting, you can record, plan, and allocate overhead costs.

Prerequisites

This section summarizes all prerequisites for creating a cost center master data record.

2 Master Data

Data that is created centrally and it is valid for all applications. It remains constant over the time but we need to update it on regular basis. For Example: Cost Center Master Data, where we create Cost Centers and Cost center groups.

3 Process Steps

3.1 Maintenance of Master data in Cost center accounting

3.1.1 Create Cost Center

Use

A cost center represents an area of responsibility, that is, an organizational unit within an organization. All cost centers are assigned to a cost center category. The cost center categories are used in both the activity type planning and default specific characteristics when creating a cost center.

In this activity, you create a Cost Center.

Procedure

1. Open "Create Cost Center" App. from Fiori Launch pad.
2. Enter the data on Cost Center screen as follows:

Field name	Description	User action and values	Comments
Enter New Cost Center	On the Master Data for Cost Center: New screen, in General Data tab, make the following entries: • Cost Center: 141199 • Cost Center description: R.O Islamabad 1-Div • Person Responsible: M.RaeesHaidar • Cost center category: B and choose Continue	A new section opens, showing General Data.	The controlling area is to be set before you carry out the first steps.
Enter Cost Center Organizational Data	In the tab Organizational Data on the Cost Center: New screen, make the following entries: • Hierarchy area: 1000 • Company Code: 1000 • Functional area: 1000 • Profit Center: 14119	A new section opens, showing Organizational Data.	Entering a company code is optional
Save Your Data	Choose Save.	A list of profit centers are displayed in the bottom half of the screen.	The cost center is created and saved.

The screen shot for Cost center master data:



Master Data for Cost Center 



Standard 

Hide Filter Bar  

Cost Center: 

Cost Center Category: 

Hierarchy Area: 

User Responsible: 

Company Code: 

Profit Center: 

Search Results (0) | Standard 



Cost Center	Description	Valid From	User Responsible	Department	Cost Center Category	Hierarchy Area	Company Code	Profit Center	Currency
No items selected. To start, enter your selection criteria and run the search.									

Add 

New Cost Center

* Controlling Area:	1000		IESCO	
* Cost Center:	141198			
* Valid From:	31.01.2018			
* Valid To:	31.12.9999			

Screen shot 2: Cost Center Master Data screen.



Choose Save.

Result

Cost Center 141199 is created.

3.1.2 Create Cost Center Group

Use

Cost Center Groups club the actual or plan data of different cost centers assigned to it. Cost centers can be attached with various groups for reporting and / or aggregating purpose and form infinite alternative hierarchies. The alternative cost center hierarchies, summarize the decision-making, responsibility, and control areas according to the particular requirements of IESCO. The individual cost centers form the lowest hierarchical level.

Procedure

1. Open "Create Cost Center Group" App. from Fiori Launch pad.
2. In the Result List: Cost Center Group section, choose New.

Field name	Description	User action and values	Comments
Enter New Cost Center Group	On the Cost Center Group: New screen, make the following entries: • Cost Center Group: 1000 and choose Continue Optionally, you can choose a reference from existing cost center groups.	A new window opens, showing the Cost Center Groups: New screen.	
Save your data	Choose Save.		The cost center group is created and saved.

Screen shot for the Cost center group:

Standard * 

Cost Center Group:  Cost Center Group Name:  Node Type: 

Result List: Cost Center Group

 New   Copy  Edit |  |  | 

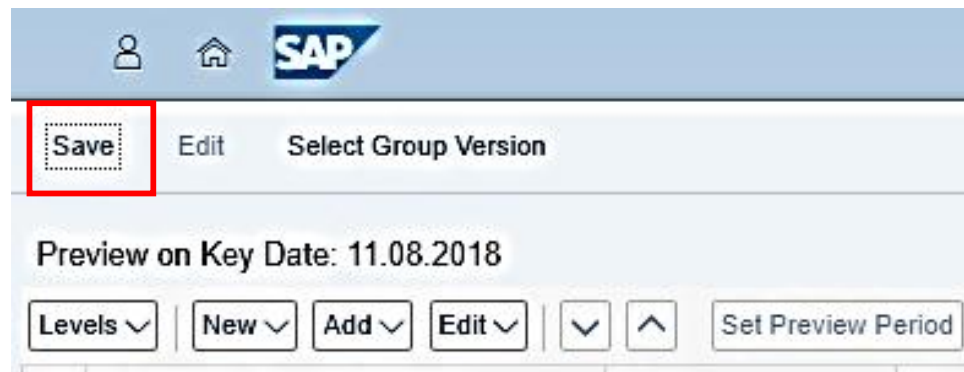
☐ Controlling Area	Cost Center Group
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Screen Shot 2: Cost Center group 1000 is displayed below.

New Cost Center Group

* Controlling Area:	1000		
* Cost Center Group:	1234		

Screen Shot 2: Cost Center group 1000 is displayed below



Choose Save.

Result

Cost Center group 1000 is created

3.2 Manual Reposting of Primary Costs

Use

This process allows user to repost primary costs to a different cost object. Reposting allows user to correct posting errors from primary systems. This means that user can repost primary costs that user previously allocated to a given internal order, cost center, or other cost object in Financial Accounting. User reposts these costs to other cost objects to change the original assignment of the cost elements.

Procedure

1. Open "Enter Manual Cost Repostings" App. from Fiori Launch pad.
2. On manual reporting of Financial costs enter:

Field name	Description	User action and values	Comments
Entry Data Screen	Enter the following data: Doc. Date: 15.12.2017 Posting date: <today's date> Doc.text: <optional> CCTR(old): 100001 Cost Elem: 750000 Amount: 150000 Crcy: PKR CCTR(new): 100002	Press Enter	
Save	Press Save.	The costs that were wrongly booked in cost center A are now booked in cost center B	

* Input

Set Controlling Area

* Controlling Area: 1000

1000

Continue

Save as User Parameters

Cancel

Screen shot for Manual cost reposting

* Scrn var.: Cost center * Input Type: List Entry

Items

☐	ItmNo.	CCtr (Old)	Old Fund	Cost Elem.	Amount	Crcy	CCtr (New)	New Fund	Total Quantity
☐	0000	100001		75000	150000	PKR	100002		
☐	0000					PKR			
☐	0000					PKR			
☐	0000					PKR			

Choose Save.

Save Cancel Enter

Result

Manual Cost Reposting of primary costs.