Controlling – Cost Center Accounting (CO-CCA)

This case study explains an integrated cost center accounting process in detail and thus fosters a thorough understanding of each process step and underlying SAP functionality.

Product

S/4HANA 2022
Global Bike

Fiori 3.0

Level

Undergraduate
Graduate
Beginner

Focus

Controlling
Cost Center Accounting

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Version

4.2

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MOTIVATION

The data entry requirements in the controlling exercises were minimized because much of the data was stored in the SAP system. This stored data, known as master data, simplifies the processing of business transactions.

In this case study, costs of Global Bike's cafeteria are assessed and allocated to organizational units that use its services.

In order to allocate costs, cost centers will be created and output costs will be planned.

PREREQUISITES

Before you use this case study, you should be familiar with navigation in the SAP system.

In order to successfully work through this case study, it is not necessary to have finished the CO exercises. However, it is recommended.

NOTES

This case study uses the Global Bike data set, which has exclusively been created for SAP UA global curricula.

SAP University Alliances

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Process Overview

Learning Objective Understand and perform a cost center accounting process.

Time 105 min

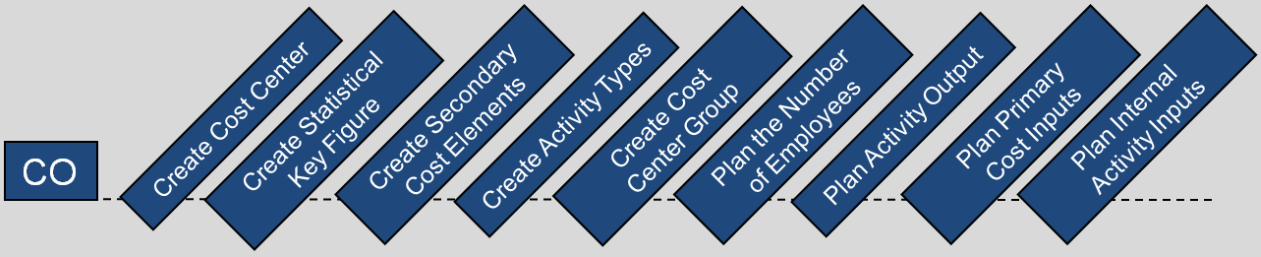
Scenario During this case study, you will take on different roles within the Global Bike company, e.g. cost accountant or chief accountant. You will be working in the Controlling (CO) department.

Employees involved

Jamie Shamblin (Controller)
Shuyuan Chen (Head of Accounting)

There are two options to allocate overhead costs: assessment and distribution. Companies might use one or both types.

In this case study, you will use cost center accounting (CO-CCA) to assess costs associated with the cafeteria to two other cost centers (Maintenance and Assembly) plus itself. Since we do not have "actual" costs yet, the assessment will be based on "planned" costs. To assess costs associated with the cafeteria cost center, cost elements are created. You will then plan the primary costs and statistical key figure (i.e. number of employees in each cost center) that will be used to assess the costs. To make the assessment process simpler, you will create a cost center group consisting of these three cost centers that will receive the cafeteria cost assessment. After reviewing your planning, you will create and execute an assessment cycle and display its results.



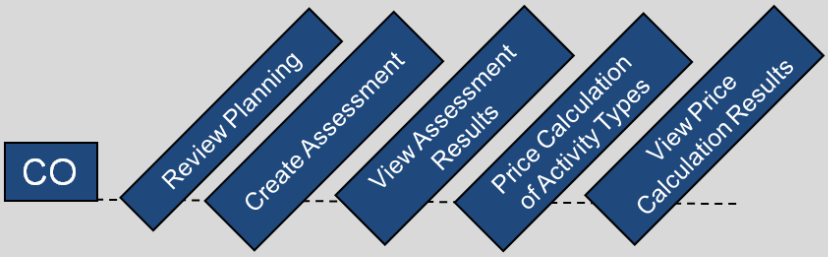


Table of Contents

Process Overview 2
Step 1: Create Cost Center 4
Step 2: Create Statistical Key Figure 7
Step 3: Create Secondary Cost Elements 8
Step 4: Create Activity Types 11
Step 5: Create Cost Center Group 13
Step 6: Plan Number of Employees 16
Step 7: Plan Activity Output 18
Step 8: Plan Primary Cost Inputs 20
Step 9: Plan Internal Activity Inputs 22
Step 10: Review Planning 24
Step 11: Create Assessment 26
Step 12: View Assessment Results 29
Step 13: Price Calculation of Activity Types 31
Step 14: View Price Calculation Results 33
CO-CCA Challenge 35

Step 1: Create Cost Center

Task Create three cost centers. **Time** 10 min

Short Description Use the SAP Fiori launchpad to create cost center for cafeteria, maintenance and assembly.

Name (Position) Jamie Shamblin (Controller)

A *cost center* represents an organizational unit within a controlling area and specifies a uniquely definable instance where costs are incurred. This definition can be based on functions, settlement-specific, geography, or cost responsibility.

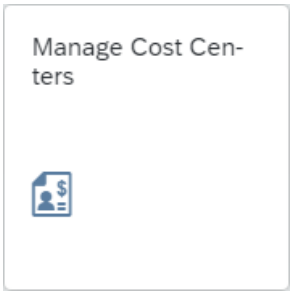
Cost center

In SAP S/4HANA, a *controlling area* is an organizational unit within a company, used to represent a closed system for cost accounting. It may include single or multiple company codes using different currencies. These company codes must use the same operative chart of accounts. All internal allocations refer exclusively to objects in the same controlling area.

Controlling area

To create a new cost center, in the *Controlling* area use the app *Manage Cost Centers* on the *Cost Center Controlling* page in the *Controller* role.

Start



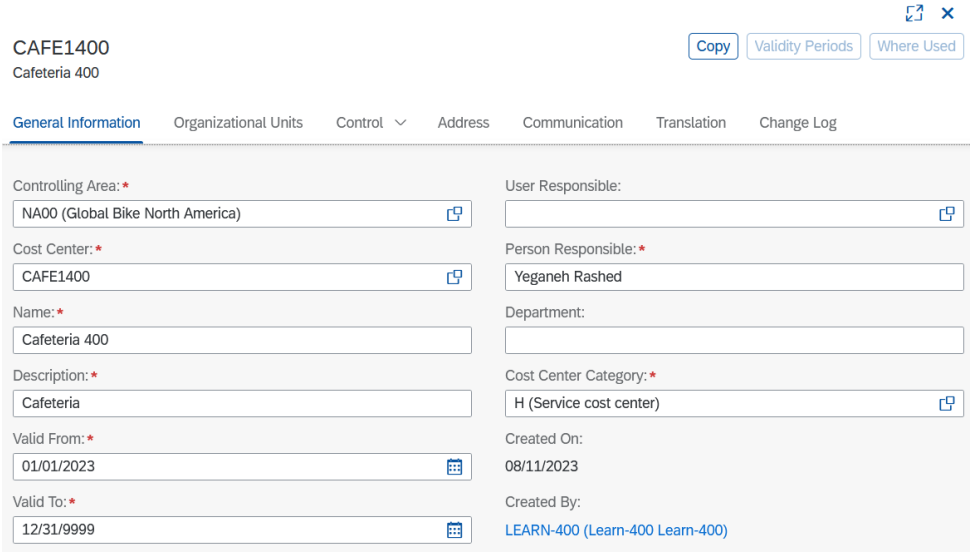
In the upper right, choose the button Create.

On the following screen, a *Controlling Area* enter **NA00** and as *Cost Center* enter **CAFE1###** (replace ### with your number, e.g. 012). The cost center should be *valid from* **01/01 of the current fiscal year**.

NA00
CAFE1###
01/01 of current year

In the field *Name*, enter **Cafeteria ###** and as *Description* type in **Cafeteria**. As the *Person Responsible*, enter **your name**. Select the *cost center category* **H** (*Service cost center*).

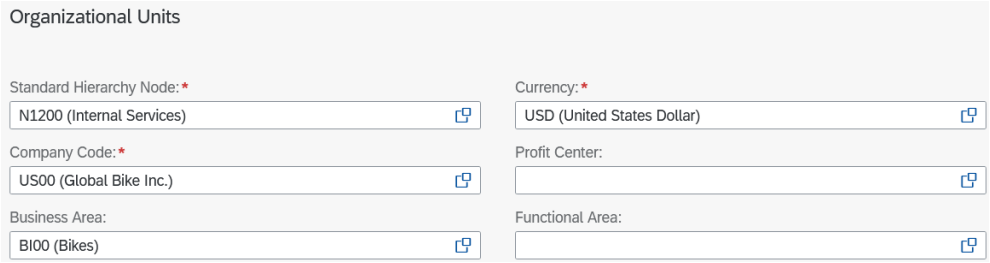
Cafeteria ###
Cafeteria
your name
H



Assign your new cost center to *Standard Hierarchy Node* **N1200** (*Internal Services*). In addition, choose *Company Code* **US00** (*Global Bike Inc.*), *Business Area* **BI00** (*Bikes*) and *Currency* **USD**.

N1200
US00
BI00
USD

Compare your entries with the screen shown below.



In the lower-right corner, click **Create** to save your cost center.

In the top-left corner, click on ‹ to go back one screen. Repeat the process to create a maintenance cost center. Use the following data:

Cost Center:	***MAIN1###***
Valid from:	***01/01 of the current fiscal year***
Name:	***Maintenance ###***
Description:	***Production Maintenance Department***
Person responsible:	***Your name***
Cost center category:	***H***
Standard Hierarchy Node:	***N4300***
Company Code:	***US00***
Business area:	***BI00***
Currency:	***USD***

MAIN1###
01/01 of current year
Maintenance ###
Production Maintenance Department
your name
H
N4300
US00
BI00
USD

In the lower-right corner, click Create to save your cost center.

In the top-left corner, click on to go back one screen. Repeat the process to create an assembly cost center. Use the following data.

Cost Center:	***ASSY1###***
Valid from:	***01/01 of the current fiscal year***
Name:	***Assembly ###***
Description:	***Production Assembly Department***
Person responsible:	***Your name***
Cost center category:	***F***
Standard Hierarchy Node:	***N4200***
Company Code:	***US00***
Business area:	***BI00***
Currency:	***USD***

Click Create again to save your cost center.

Click on SAP to return to the SAP Fiori launchpad.

ASSY1###
01/01 of current year
Assembly ###
Production Assembly
Department
your name
F
N4200
US00
BI00
USD

Step 2: Create Statistical Key Figure

Task Create a new statistical key figure. **Time** 5 min

Short Description Create a statistical key figure for the number of employees (per department).

Name (Position) Jamie Shamblin (Controller)

Because the cafeteria costs are assessed for three cost centers (including itself), the number of employees in the cost centers was chosen to be the allocation base for cost assessment. You need to create a *statistical key figure* for that.

Statistical key figure

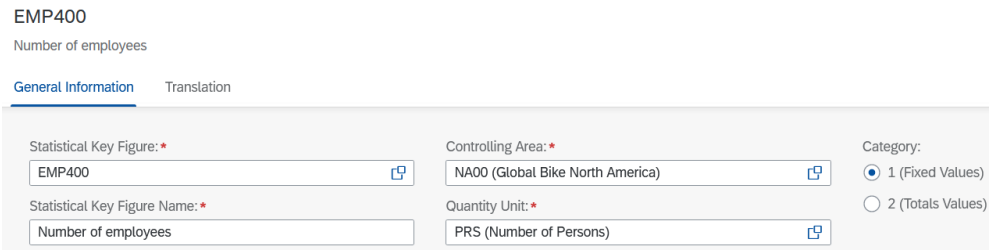
To create a new statistical key figure, in the *Controlling* area use the *Manage Statistical Key Figures* app, on the *Cost Center Controlling* page in the *Controller* role.

Start

In the upper right, choose the button Create.

In the screen that opens, in the field *Statistical Key Figure* enter **EMP###** (replace ### with your three-digit number), as *Name* **Number of employees**, as *Quantity Unit* choose **PRS** (Number of Persons) and as *Category* select **1** (*Fixed values*).

EMP###
Number of employees
PRS
1



Compare your screen with the screenshot above and choose Create.

Click on SAP to return to the SAP Fiori launchpad.

Step 3: Create Secondary Cost Elements

Task Create secondary cost elements. **Time** 5 min

Short Description Create secondary cost elements to later assess cafeteria, assembly and maintenance costs.

Name (Position) Jamie Shamblin (Controller)

In SAP S/4HANA, *cost elements* classify an organization's valuated consumption of factors of production within a controlling area. The provide information concerning the value flow and the value consumption within the organization. A cost element corresponds to a cost-relevant item in the chart of accounts.

Cost element

In contrast to primary cost elements, *secondary cost elements* are G/L accounts of the G/L account type Secondary Costs. The represent costs resulting from value flows within the organization such as internal activity cost allocation, overhead allocation, and settlements transactions.

Secondary cost elements

To create a new secondary cost element, in the *Controlling* area use the app *Manage G/L Account Master Data*, on the *Cost Center Controlling* page in the *Controller* role.

Start

In the upper right, choose the button Create.

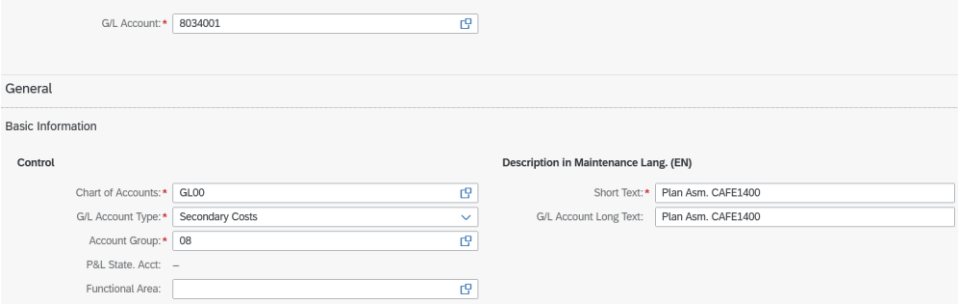
In the field *G/L Account*, enter **803###1** (again, replace ### with your three-digit number) and as *Chart of Accounts* **GL00**. In the pull-down menu *G/L Account Type*, select **Secondary Costs**. For the *Account Group*, choose **08** (*Secondary Costs*).

803###1
GL00
Secondary Costs
08

Note Secondary costs are costs incurred through in-house exchange of services, for example repair costs that the company carries out itself.

For both *Short Text* and *G/L Acct Long Text*, type in **Plan Asm. CAFE1###**.

Plan Asm CAFE1###
Plan Asm CAFE1###



On the *Company Code Data* tab, assign your new secondary cost element to your company code. To do so, in the Company Code Assignment area click on Create.

In the field *New Company Code Assignment*, type in or select **US00** (Global Bike Inc.). US00

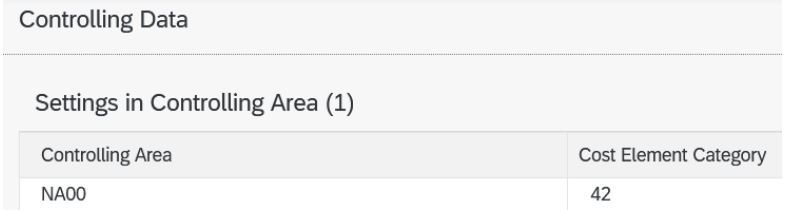
On the *CREATE/BANK/INTEREST* tab, as *Field Status Group* enter **ZSEC** (*Secondary Cost Elements*). ZSEC

In the bottom-right corner, click on OK to add the Company Code data to your secondary cost element.

Note Your company code assignment sometimes does not show up right away. Please check if the assignment is shown after saving your cost element.

Choose the *Controlling Data* tab and on the right click on Generate.

In the second column (*Cost Element Category*), select **42** (Assessment). 42



Confirm your entries with Save.

In the top-left corner, click on to go back one screen. Repeat the process for the maintenance allocation secondary cost element with the following data:

G/L Account:	**803###2**	803###2
Chart of Accounts:	**GL00**	GL00
G/L Account Type:	**Secondary Costs**	Secondary Costs
Account Group:	**08**	08
Short Text and G/L Acct Long Text:	**Allocation MAIN1###**	Allocation MAIN1###
Company Code:	**US00**	US00
Account Currency:	**USD**	USD
		ZSEC
		43

Field Status Group	**ZSEC**
Cost. Elem. Cat.:	**43**

Check your entries and again and then click Save.

In the top-left corner, click on to go back one screen. Repeat the process for the assembly allocation secondary cost element using the following data:

G/L Account:	**803###3**
Chart of Accounts:	**GL00**
G/L Account Type:	**Secondary Costs**
Account Group:	**08**
Short Text ant G/L Acct Long Text:	**Allocation ASSY1###**
Company Code:	**US00**
Account Currency:	**USD**
Field Status Group	**ZSEC**
Cost. Elem. Cat.:	**43**

Now, click Save.

Click on SAP to return to the SAP Fiori launchpad.

803###3
GL00
Secondary Costs
08
Allocation ASSY1###
US00
USD
ZSEC
43

Step 4: Create Activity Types

Task Create activity types. **Time** 10 min

Short Description Create activity types, which are used to allocate costs for maintenance and assembly activities.

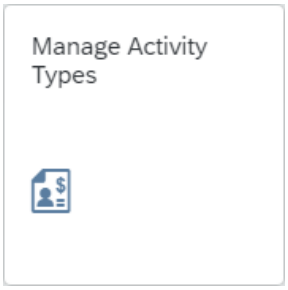
Name (Position) Jamie Shamblin (Controller)

Activity types are organizational units within the controlling area that classify the activities performed by a cost center. As units of measure, they are used to allocate internal activities.

Activity Type

To create a new activity type, in the *Controlling* area use the *Manage Activity Type* app, on the *Cost Center Controlling* page in the *Controller* role.

Start



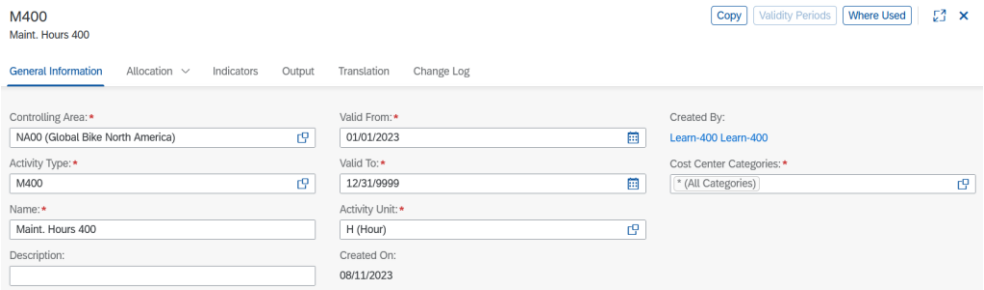
In the upper right, choose the button Create.

If the *Controlling Area* field is not filled, enter or select **NA00**.

NA00

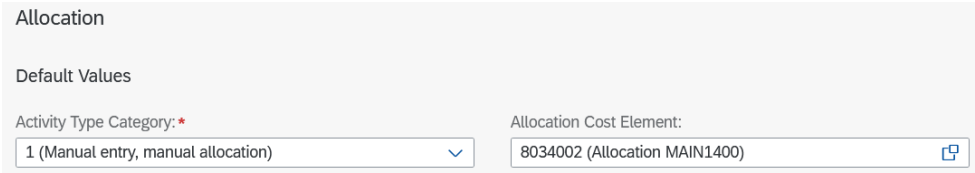
As *Activity Type*, enter **M###** (replace ### with your assigned number). The type should be valid from **01/01 of the current fiscal year**. As *Name*, enter **Maint. Hours ###**. As *Activity Unit*, select **H** (*Hour*). In the *Cost Center Catgories* field, use the value help symbol to choose * (*All Categories*).

M###
01/01 of current year
Maint. Hours ###
H
*



On the *Allocation* tab, in the *Activity Type Category* pull-down, choose **1** (*Manual entry, manual allocation*) and assign it to your new maintenance allocation cost element (**803###2**). Ensure that the *Price Indicator* field is left blank. Compare to the following screenshot.

1
803###2



In the lower-right corner, click Create to save your activity type.

In the top-left corner, click on to go back one screen. Repeat the process to create the activity type for the assembly cost center. Use the following data.

Activity Type:	**A###**
Valid From:	**01/01 of current fiscal year**
Name:	**Assembly Hours ###**
Activity Unit:	**H**
Cost Center Categories:	*****
Activity Type Category:	**1**
Allocation Cost Element:	**803###3**

A###
01/01 of current year
Assembly Hours ###
H
*
1
803###3

Now, click Create to save your activity type.

Click on SAP to return to the SAP Fiori launchpad.

Step 5: Create Cost Center Group

Task Create a cost center group. **Time** 10 min

Short Description Create a cost center group comprising of all receiver cost centers of cafeteria costs. These are the cafeteria as well as the maintenance and the assembly cost center you created before.

Name (Position) Jamie Shamblin (Controller)

Cost center group

Cost centers can be grouped together to form *cost center groups*. You can use these groups to form **cost** center hierarchies that summarize the areas for decision-making, responsibility, and control according to specific company needs.

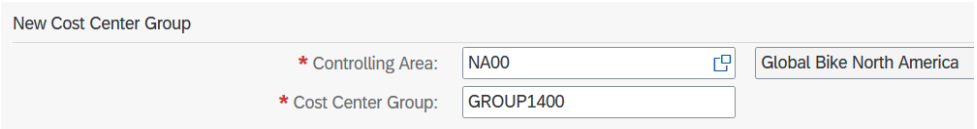
Start

To create a new cost center group, in the *Controlling* area use the app *Manage Cost Center Groups*, on the *Cost Center Controlling* page in the *Controller* role.

A new web browser tab opens. In the upper left, click on New.

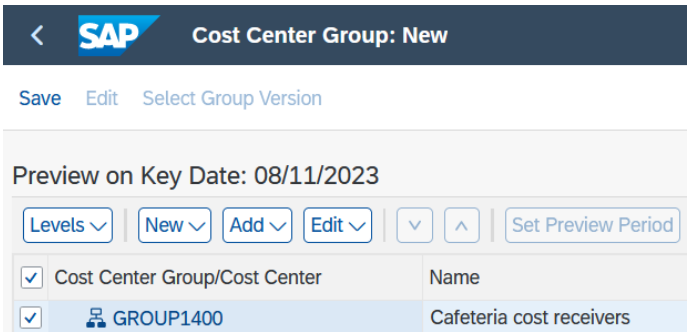
NA00
GROUP1###

Yet another web browser tab opens. If the *Controlling Area* field is not filled, enter **NA00**. The new *Cost Center Group* is named **GROUP1###** (replace ### with your assigned number). Compare your entries with the screenshot below and click Continue.

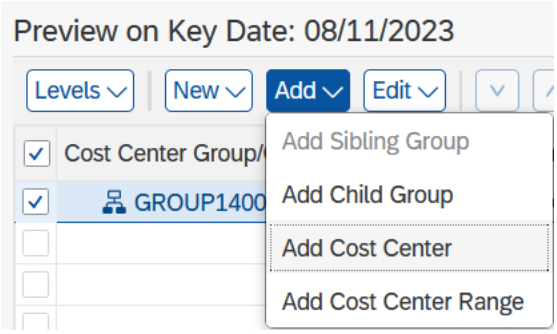


Cafeteria cost receivers

In the *Name* column of your GROUP1### line item, enter **Cafeteria cost receivers**.



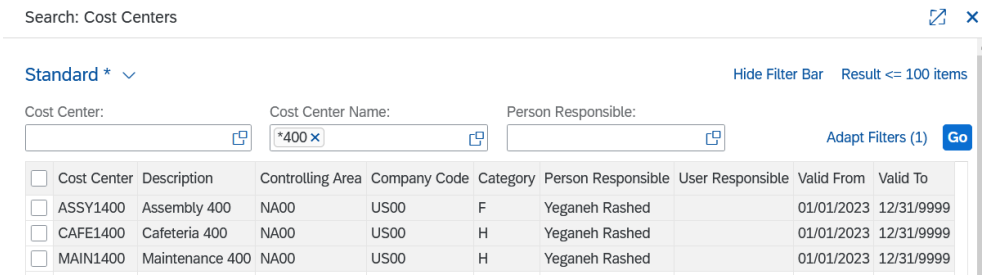
Then, click on Add and select *Add Cost Center*.



In the *Search: Cost Centers* popup, in the field *Cost Center Name* enter ***###**. Replace ### with your three-digit number and do not forget the * right before your ID, so for example *015 if your number is 015. Then, click Go.

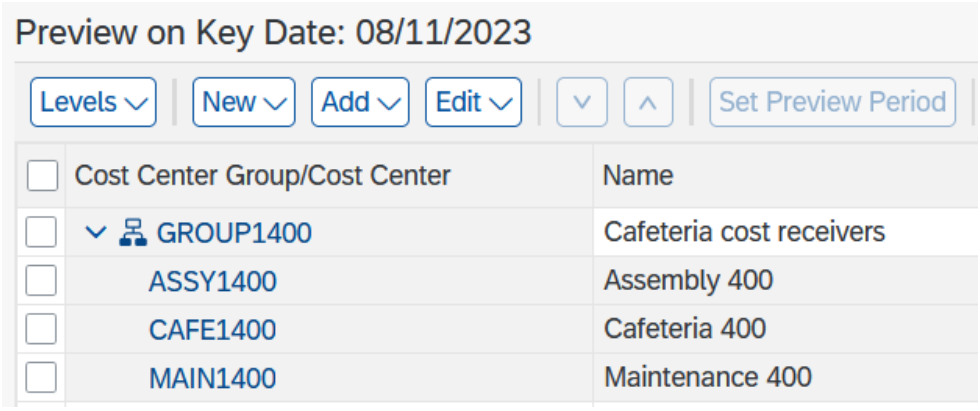
*###

The system should display the three cost centers you created earlier.



Check all three and choose OK.

Your three cost centers should now have been added to your cost center group *GROUP1###*.



In the upper-left corner, click the button Save.

Click on SAP to return to the SAP Fiori launchpad.

Step 6: Plan Number of Employees

Task Plan statistical key figure values. **Time** 5 min

Short Description Plan the number of employees working in the organizational units associated with the previously created cost centers.

Name (Position) Shuyuan Chen (Head of Accounting)

To plan statistical key figure values, in the *Controlling* area use the *Change Statistical Key Figure Planning* app, on the *Cost Center Controlling* page in the *Head of Accounting* role.

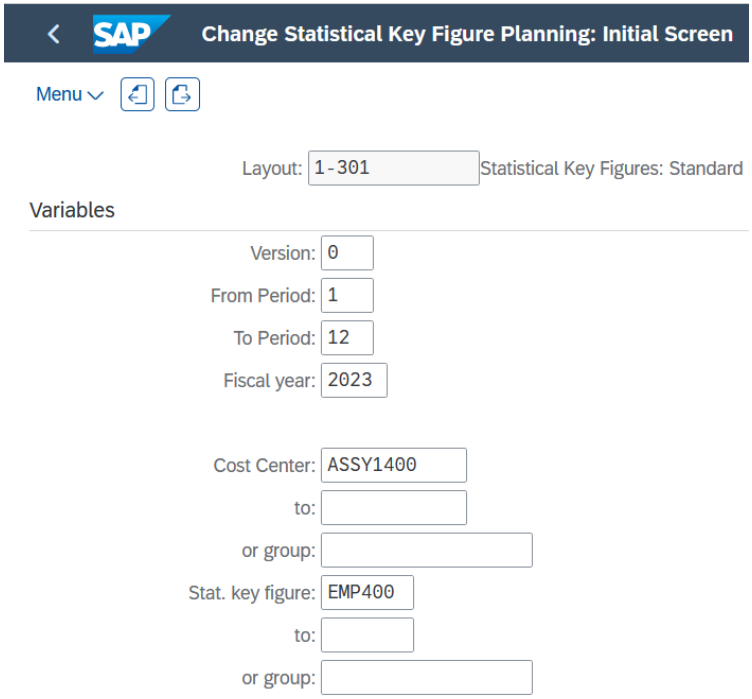
Start

A new web browser tab opens with the standard layout (*1-301*) for statistical key figure planning.

Enter *Version* **0**, *From Period* **1** and *To Period* **12**. As *Fiscal Year*, enter the **current year**. In the field *Cost Center*, enter **ASSY1###** an as *Stat. key figure*, type in **EMP###**.

0
1
12
current year
ASSY1###
EMP###

Compare your entries with the screen shown below.



At the bottom of the screen in the *Entry* area, choose **Form-Based**. Then, click Overview Screen.

Form-Based

In the Current Plan Value column, enter **15** and click Post.

15

The system displays a success message.

Changed data has been posted

Repeat the same process for cost center **MAIN1###** and enter **5** as current plan value.

MAIN1###
5

Finally, repeat the process once again for cost center **CAFE1###** and plan **5** employees.

CAFE1###
5

Click on Exit to return to the SAP Fiori launchpad.

Step 7: Plan Activity Output

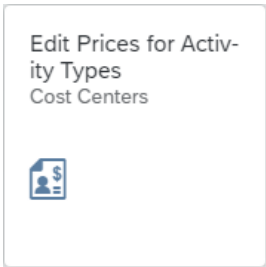
Task Plan activity output. **Time** 5 min

Short Description Plan the activity output of the maintenance and assembly.

Name (Position) Shuyuan Chen (Head of Accounting)

To plan activity output, in the *Controlling* area use the *Edit Prices for Activity Types – Cost Centers* app, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start



If asked, enter **NA00** as *Controlling Area* and confirm with *Continue*.

NA00

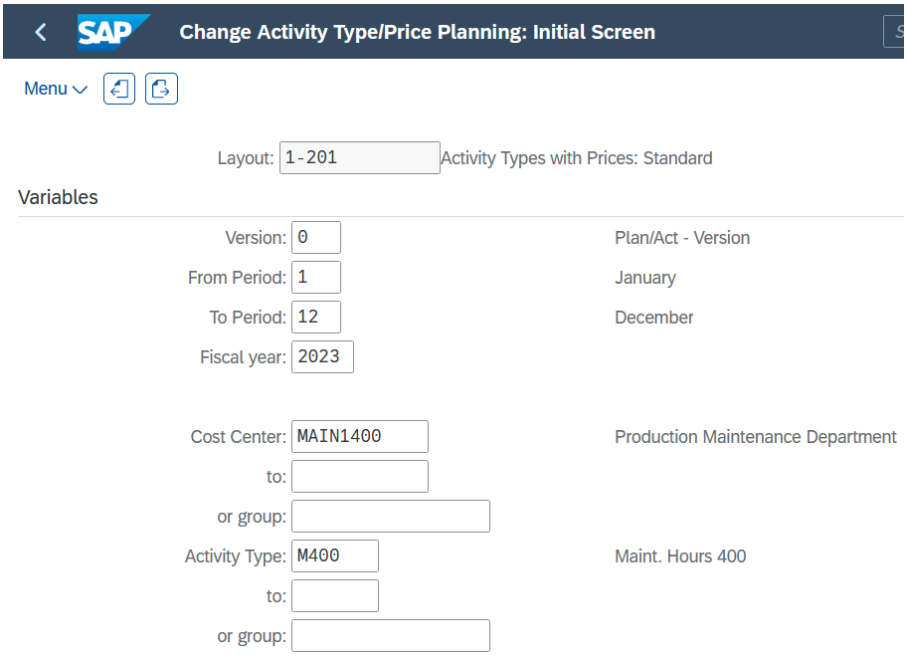
The layout *Activity types with Prices: Standard* (*1-201*) appears.

Fill the fields *Version*, *Periods* and *Fiscal Year* with the same values as in the previous step, if they are not already populated.

0
1
12
current year

As *Cost Center*, enter **MAIN1###** and as *Activity Type* **M###**. Leave all other fields blank. Then, click **Overview Screen**.

MAIN1###
M###



In the *Plan Activity* column, enter **1800** hours. Click Post.

1800

Activit...	Plan Activity	Dist...	Capacity	Dist...	Unit
M400	1800	2		2	H

Repeat the process for *Cost Center* **ASSY1###** and *Activity Type* **A###** with a *Plan Activity* of **6000** hours.

ASSY1###
A###
6000

Changed data has been posted View Details

Click on SAP to return to the SAP Fiori launchpad.

Step 8: Plan Primary Cost Inputs

Task Plan primary cost inputs. **Time** 10 min

Short Description Plan the primary cost inputs for the cafeteria, assembly and maintenance.

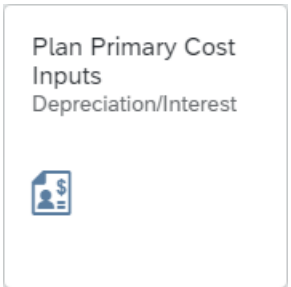
Name (Position) Shuyuan Chen (Head of Accounting)

Primary costs are incurred in all three cost centers each fiscal year. These costs are 60,000 for salaries and 90,000 for purchased services in the cafeteria, maintenance salaries in the amount of 60,000, and assembly wages in the amount of 150,000.

Scenario

To plan the primary cost inputs, in the Controlling area use the *Plan Primary Costs Inputs – Depreciation/Interest* app, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start



The layout *Cost Elements Acty-Indep./Acty-Dependent* (*1-101*) appears.

Fill the fields *Version*, *Periods* and *Fiscal Year* with the same values as in the previous step, if they are not already populated.

0
1
12
current year

As *Cost Center*, enter **CAFE1###** and choose *Cost Element* **6991000** (*Cost of labor*) using the value help symbol . Leave all other fields blank!

CAFE1###
6991000

Layout: 1-101 Cost Elements Acty-Indep./Acty-Dependent

Variables

Version:	0	Plan/Act - Version
From period:	1	January
To period:	12	December
Fiscal year:	2023	
Cost Center:	CAFE1400	Cafeteria
to:		
or group:		
Activity Type:		Assembly Hours 400
to:		
or group:		
Cost Element:	6991000	Cost of Labor
to:		
or group:		

Click **Overview Screen**.

On the following screen, enter *Plan Fixed Costs* of **60000** and click **Post**. 60000

Repeat the process for *Cost Center* **CAFE1###** and Cost Element **5900000** (*Purchased Services*) with *Plan Fixed Costs* of **90000**. CAFE1### 5900000 90000

On the *Change Cost Element/Activity Input Planning: Initial Screen* screen, change *Cost Center* to **MAIN1###** and *Cost Element* to **6991000** (*Cost of labor*). Enter *Plan Fixed Costs* of **60000**. MAIN1### 6991000 60000

Finally, change Cost Center to **ASSY1###**, enter Activity Type **A###** and Cost Element **6991000** (*Cost of Labor*). Now that you have added an activity type, the primary cost input can be planned activity-dependent – that is, with a fixed and variable price. Then, click **Overview Screen**. ASSY1### A### 6991000

The *Plan Variable Cost* field should now be ready for input. Enter **150000** and save with **Post**. 150000

Activit...	Cost Element	Plan Fixed Costs	Dist...	Plan Variable Costs
A400	6991000		2	150000

Click on SAP to return to the SAP Fiori launchpad.

Step 9: Plan Internal Activity Inputs

Task Plan internal activity inputs. **Time** 5 min

Short Description Plan the internal activity inputs between the maintenance and the assembly cost centers.

Name (Position) Shuyuan Chen (Head of Accounting)

To plan internal activity inputs, in the *Controlling* area use the *Plan Primary Costs Inputs – Depreciation/Interest* app, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start

The layout *Cost Elements Acty-Indep./Acty-Dependent* (*1-101*) appears. Because this screen is only suitable for cost elements, not for activity types, click (*Next Layout*) to go to the next layout, *Activity Input Acty.-Indep./Acty.-Dep.* (*1-102*).

Fill the fields *Version*, *Periods* and *Fiscal Year* with the same values as in the previous step, if they are not already populated.

0
1
12
current year

As *Cost Center*, enter **ASSY1###**, as *Sender Cost Center* enter **MAIN1###** and as *Sender Activity Typpe* **M###**. Leave all other fields blank!

ASSY1###,
MAIN1###
M###

Go to the overview screen by clicking on Overview Screen, and then as *Plan fixed consumption* enter **600** hours. Save by clicking Post.

Click on SAP to return to the SAP Fiori launchpad.

600

Step 10: Review Planning

Task Review planned costs. **Time** 5 min

Short Description Review the planned costs for the cafeteria, maintenance and assembly using the planning report.

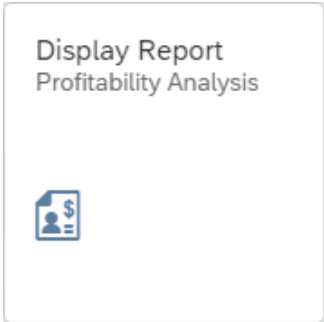
Name (Position) Shuyuan Chen (Head of Accounting)

All cost centers have been charged with primary costs. In addition, you can see total inputs and internal allocation values in maintenance and assembly.

Scenario

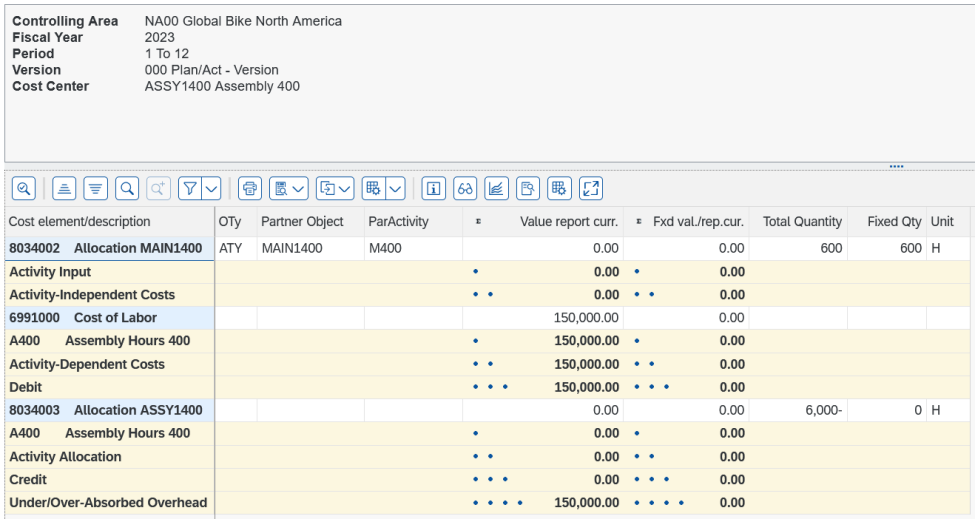
To open the report, in the *Controlling* area use the app *Display Reports – Profitability Analysis*, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start



If not already filled in, as *Report Parameters* enter *Cost Center* **ASSY1###**, the **current fiscal year**, *Period* **1** to **12** and *Version* **0**. Click on Execute.

ASSY1###
current year
1
12
0



Controlling Area	NA00 Global Bike North America
Fiscal Year	2023
Period	1 To 12
Version	000 Plan/Act - Version
Cost Center	ASSY1400 Assembly 400

Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.	Total Quantity	Fixed Qty	Unit
8034002 Allocation MAIN1400	ATY	MAIN1400	M400	0.00	0.00	600	600	H
Activity Input				**0.00**	**0.00**			
Activity-Independent Costs				**0.00**	**0.00**			
6991000 Cost of Labor				150,000.00	0.00			
A400 Assembly Hours 400				**150,000.00**	**0.00**			
Activity-Dependent Costs				**150,000.00**	**0.00**			
Debit				**150,000.00**	**0.00**			
8034003 Allocation ASSY1400				0.00	0.00	6,000-	0	H
A400 Assembly Hours 400				**0.00**	**0.00**			
Activity Allocation				**0.00**	**0.00**			
Credit				**0.00**	**0.00**			
Under/Over-Absorbed Overhead				**150,000.00**	**0.00**			

Your report should look similar to the one shown above.

In the bottom-right corner, click Cancel and review the planning reports for *Cost Centers* **MAIN1###** and **CAFE1###** as well.

MAIN1###

Controlling Area	NA00 Global Bike North America
Fiscal Year	2023
Period	1 To 12
Version	000 Plan/Act - Version
Cost Center	MAIN1400 Maintenance 400

Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.	Total Quantity	Fixed Qty	Unit
6991000 Cost of Labor				60,000.00	60,000.00			
Primary Costs				**60,000.00**	**60,000.00**			
Activity-Independent Costs				**60,000.00**	**60,000.00**			
Debit				**60,000.00**	**60,000.00**			
8034002 Allocation MAIN1400				0.00	0.00	1,200-	0	H
8034002 Allocation MAIN1400	CTR	ASSY1400		0.00	0.00	600-	0	H
M400 Maint. Hours 400				**0.00**	**0.00**			
Activity Allocation				**0.00**	**0.00**			
Credit				**0.00**	**0.00**			
Under/Over-Absorbed Overhead				**60,000.00**	**60,000.00**			

CAFE1###

Controlling Area	NA00 Global Bike North America
Fiscal Year	2023
Period	1 To 12
Version	000 Plan/Act - Version
Cost Center	CAFE1400 Cafeteria 400

Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.
5900000 Purchased services				90,000.00	90,000.00
6991000 Cost of Labor				60,000.00	60,000.00
Primary Costs				**150,000.00**	**150,000.00**
Activity-Independent Costs				**150,000.00**	**150,000.00**
Debit				**150,000.00**	**150,000.00**
Under/Over-Absorbed Overhead				**150,000.00**	**150,000.00**

Click on SAP to return to the SAP Fiori launchpad.

Step 11: Create Assessment

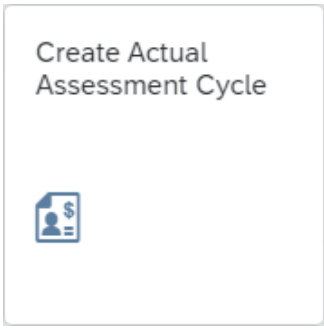
Task Create an assessment. **Time** 15 min

Short Description Create assessment for cafeteria costs.

Name (Position) Shuyuan Chen (Head of Accounting)

To assess cafeteria costs, in the *Controlling* area use the app *Create Actual Assessment Cycle*, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start

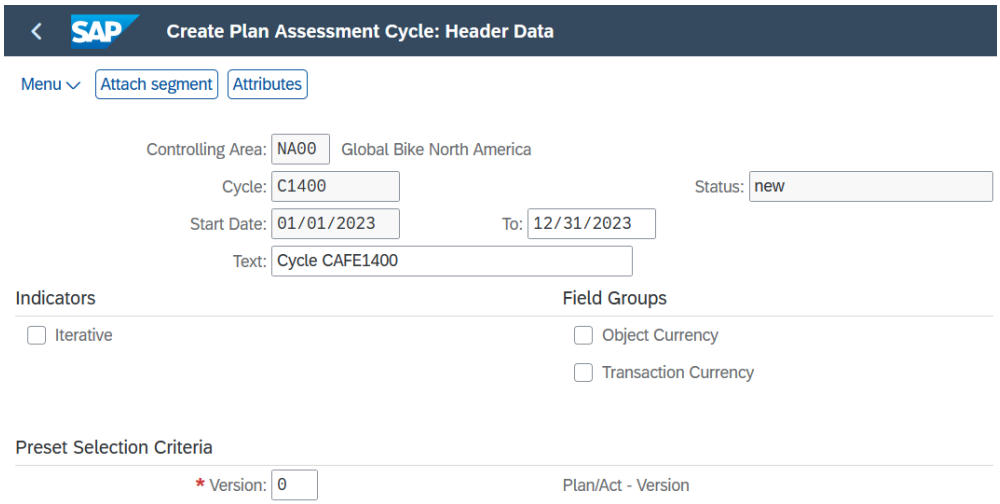


In the *Execute Plan Assessment: Initial Screen*, choose **Menu ► Extras ►Cycle ►Create**. In the *Cycle* field, enter **C1###** and as *Start Date* select **01/01 of the current fiscal year**. Then, click Execute.

C1###
01/01 of current year

As *Text*, type in **Cycle CAFE1###** and uncheck the **Iterative** field.

Cycle CAFE1###
~~Iterative~~



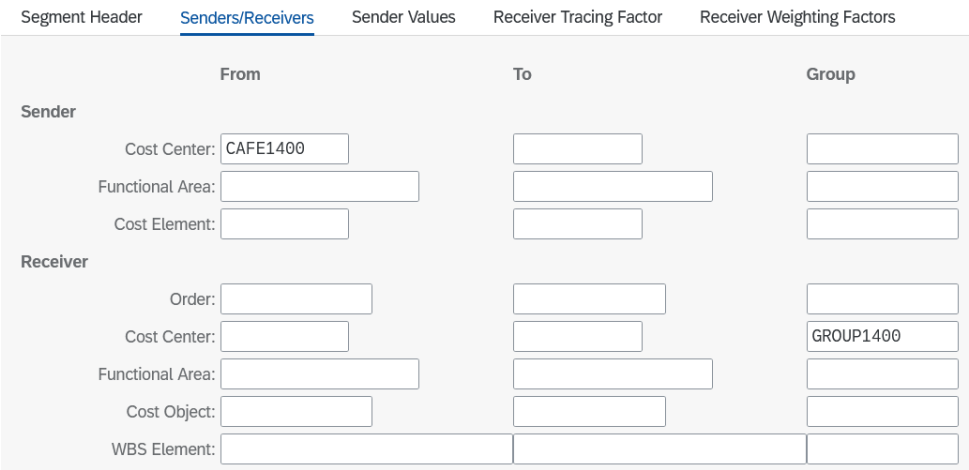
Then, click Attach segment.

As *Segment Name* enter **SEG###** and as description **Segment ###**. On the *Segment Header* tab, as Assessment CElem type in **803###1**.

SEG###
Segment ###
803###1

On the *Senders/Receivers* tab, as *Sender Cost Center* in the *From* column enter **CAFE1###** and as *Receiver Cost Center* in the *Group* column enter **GROUP1###**. Compare with the screen shown below.

CAFE1###
GROUP1###

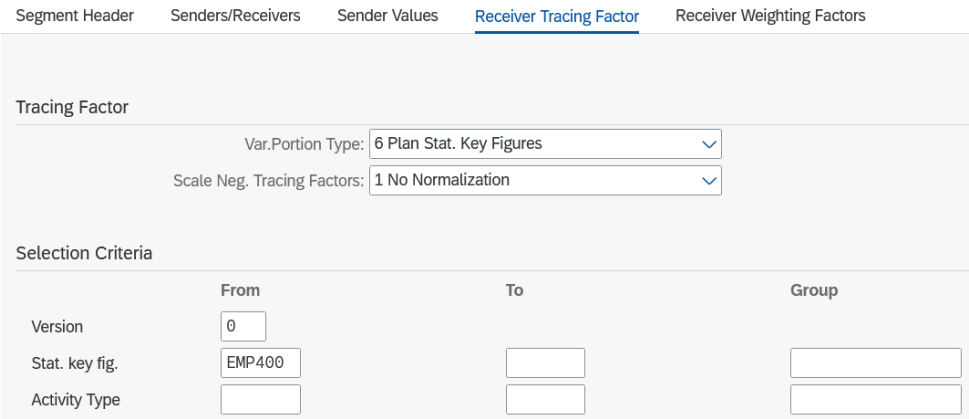


On the *Receiver Tracing Factor* tab, in the *Var. portion type* pull-down menu choose the value **Plan Stat. Key Figures**.

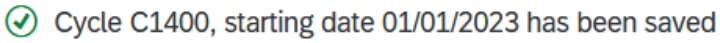
Plan Stat. Key Figures

An information popup indicates that new fields are displayed. Close the popup by clicking ✓ (*Continue*). In the *Selection Criteria* section, in the *From* column choose **0** (*Plan/Act - Version*) and enter *Stat. key fig.* **EMP###**.

0
EMP###



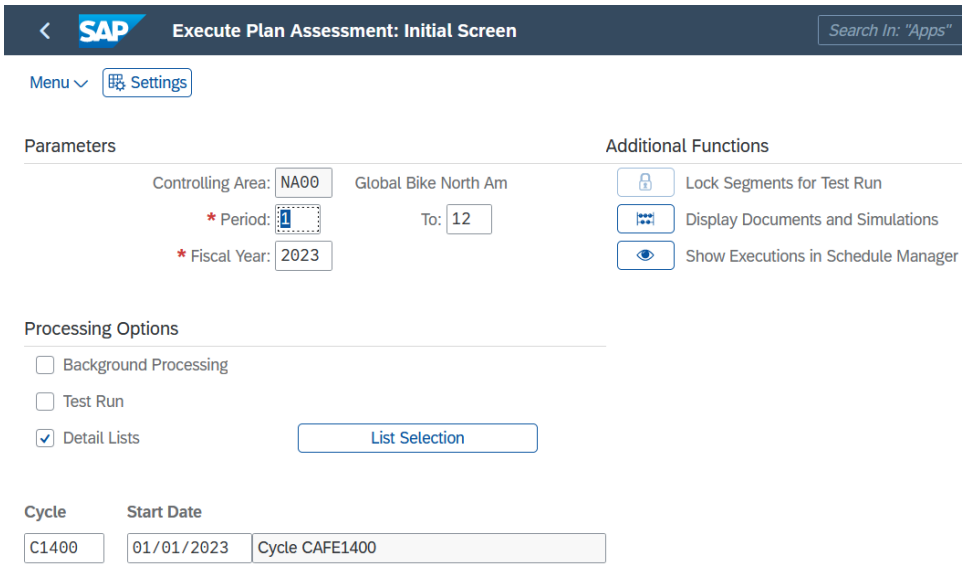
Click **Without Check**. You will receive the following message.



In the top-left corner of the screen, click ⟨ three times to go back, and confirm the subsequent confirmation Yes.

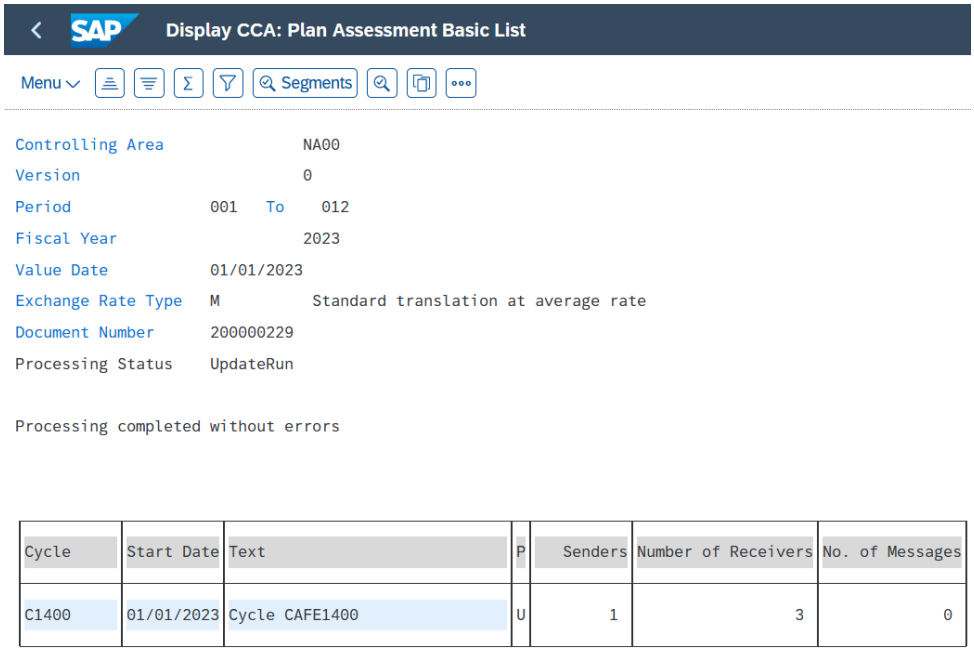
On the *Execute Plan Assessment: Initial Screen*, for *Period* enter **1** *To* **12** and as *Fiscal Year* the **current year**. In the *Cycle* field, enter **C1###** and choose Enter. In the Section Processing Options uncheck **Test Run**.

1, 12
current year
C1###
~~Test Run~~



Then, click **Execute**.

The system should notify you that processing was completed without errors. The number of *Senders* should be 1 and the *Number of Receivers* 3.



In the top-left corner, click and then select Yes to exit the list.

Click on SAP to return to the SAP Fiori launchpad.

Step 12: View Assessment Results

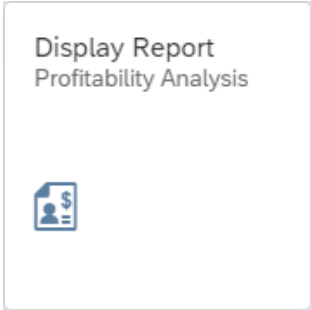
Task Review assessment results. **Time** 10 min

Short Description Review the results of the assessment using the planning report.

Name (Position) Shuyuan Chen (Head of Accounting)

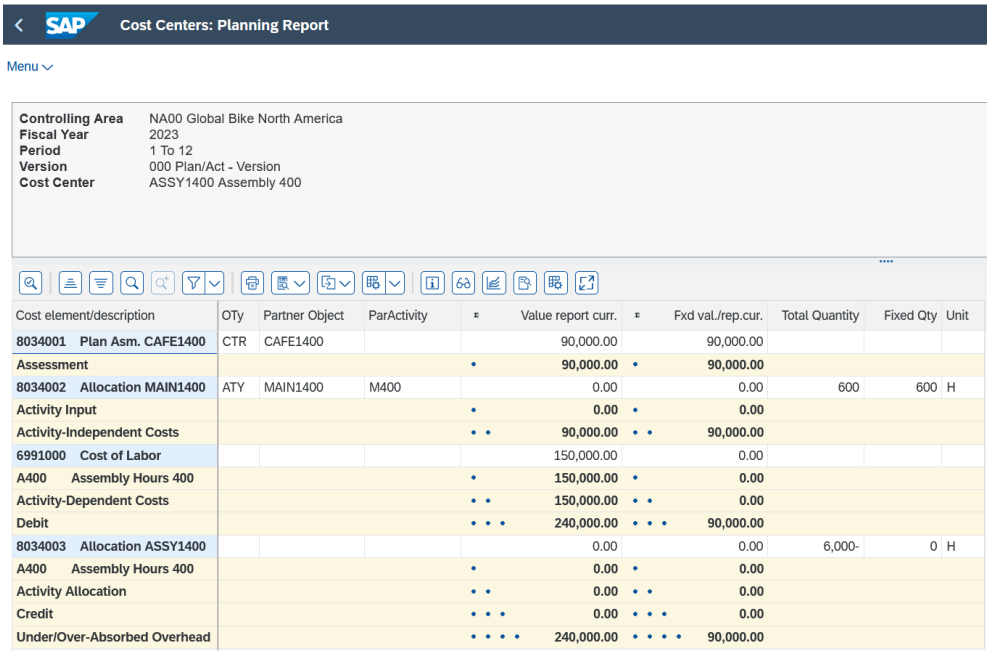
To open the report, in the *Controlling* area use the app *Display Reports – Profitability Analysis*, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start



On the *Planning Report: Initial Screen*, as *Cost Center* select **ASSY1###**. If not already populated, in the *Fiscal Year* field enter the **current year**, type in *Period* **1** *To* **12** and *Version* **0**. Click on Execute and view the results of the assessment.

ASSY1###
current year
1
12
0



Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.	Total Quantity	Fixed Qty	Unit
8034001 Plan Asm. CAFE1400	CTR	CAFE1400		90,000.00	90,000.00			
Assessment				90,000.00	90,000.00			
8034002 Allocation MAIN1400	ATY	MAIN1400	M400	0.00	0.00	600	600	H
Activity Input				0.00	0.00			
Activity-Independent Costs				90,000.00	90,000.00			
6991000 Cost of Labor				150,000.00	0.00			
A400 Assembly Hours 400				150,000.00	0.00			
Activity-Dependent Costs				150,000.00	0.00			
Debit				240,000.00	90,000.00			
8034003 Allocation ASSY1400				0.00	0.00	6,000-	0	H
A400 Assembly Hours 400				0.00	0.00			
Activity Allocation				0.00	0.00			
Credit				0.00	0.00			
Under/Over-Absorbed Overhead				240,000.00	90,000.00			

In the top-left corner, click and then repeat the process above to review the assessment results for the maintenance and cafeteria cost centers.

MAIN1###
CAFE1###

The maintenance and assembly cost centers were charged with a cafeteria assessment of 30,000 and 90,000, and the cafeteria cost center credited with 120,000. The amount of cafeteria costs remaining in the CAFE1### cost center is 30,000.

You may have noticed that the activity inputs and activity allocations of cost centers ASSY1### and MAIN1### are still valuated with zero, even though all the quantity information has been entered. This is because no prices have been planned yet for the involved activity types. You will do this in the next step.

Click on SAP to return to the SAP Fiori launchpad.

Confirm any browser warning messages for unsaved data with Ok.

Step 13: Price Calculation of Activity Types

Task Calculate prices of activity types. **Time** 5 min

Short Description Calculate the prices of your activity types.

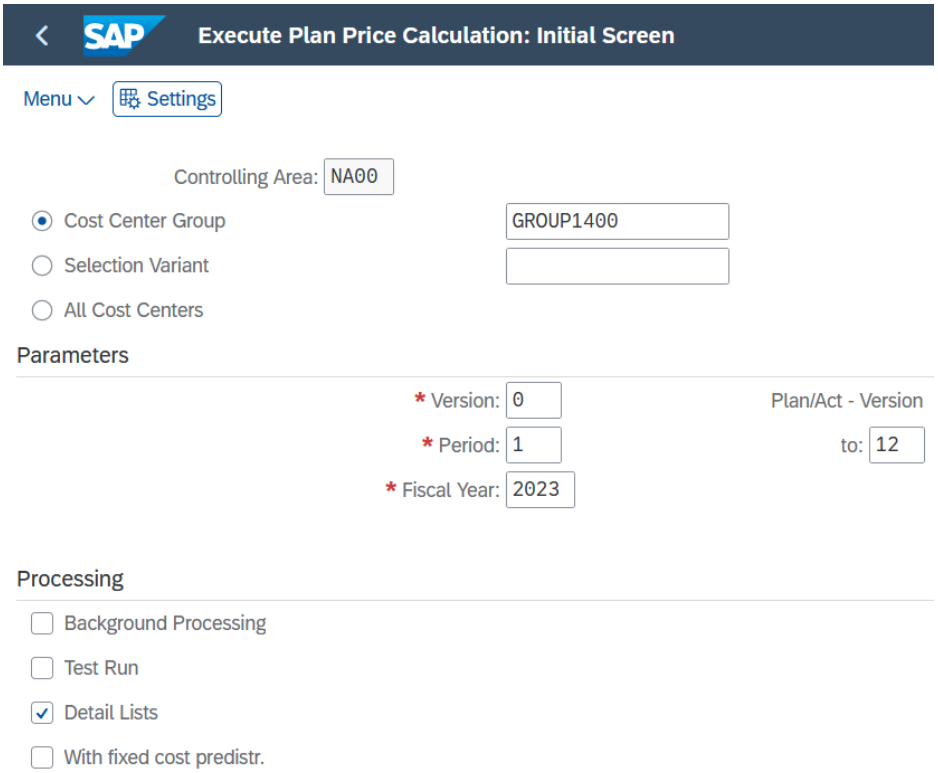
Name (Position) Shuyuan Chen (Head of Accounting)

To calculate prices of activity types, in the *Controlling* area use the app *Price Calculation of Activity Types*, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start

On the following screen, choose the first radio button (*Cost center group*) and enter your cost center group **GROUP1###**. Again, use the parameters *Version* **0**, *Period* **1** *To* **12** and the **current year**. Uncheck the *Test Run* box and click **Execute**.

GROUP1###
0
1
12
current year
~~Test Run~~



Click on ✓ (*Continue*) to look at the calculation. If everything worked correctly, the SAP system reports that the processing was completed without errors.

```
Controlling Area      NA00        Global Bike North America
Version               0           Plan/Act - Version
Fiscal Year           2023
Period                001         To         012
Cost center group     GROUP1400
Plan price calc.      2           Average price
Currency              USD         United States Dollar
Exchange Rate Type    M           Standard translation at average rate
Value Date            01/01/2023

Processing Status     UpdateRun
Number of Messages    1
Maximum Categ.        Information

Processing completed without errors


Document number from 200000231
                     200000230
```

Write down the prices the system calculated for your activity types:

Total price for ASSY1### and activity type A###:_____

Total price for MAIN1### and activity type M###:_____

Click on SAP to return to the SAP Fiori launchpad.

Step 14: View Price Calculation Results

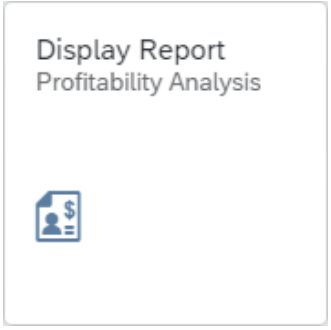
Task View results of a price calculation. **Time** 5 min

Short Description View the results of your price calculation using the planning report.

Name (Position) Shuyuan Chen (Head of Accounting)

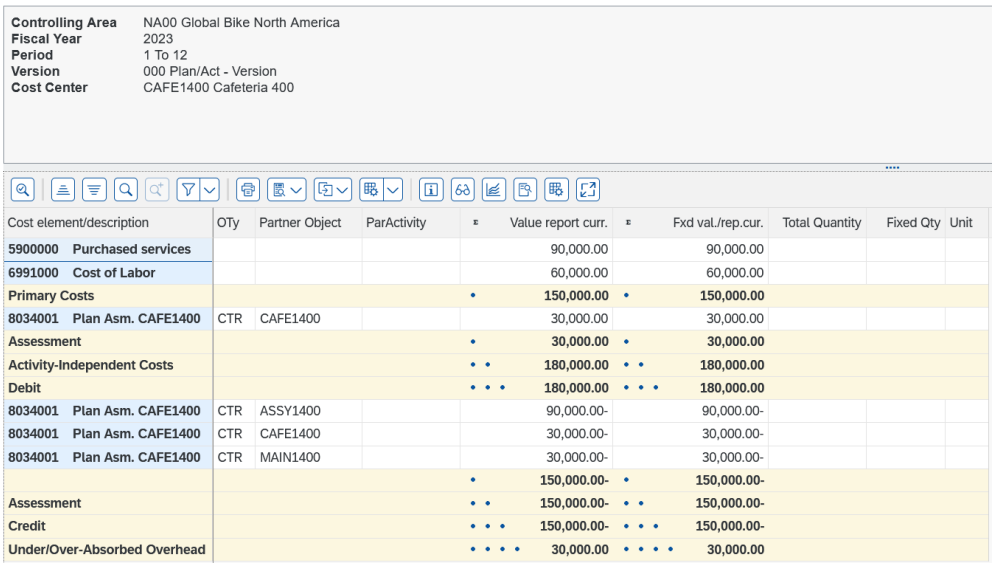
To open the report, in the *Controlling* area use the app *Display Reports – Profitability Analysis*, on the *Cost Center Controlling* page in the *Head of Accounting* role.

Start



On the *Planning Report: Initial Screen*, as *Cost Center* select **CAFE1###**. If not already populated, in the *Fiscal Year* field enter the **current year**, type in *Period* **1** *To* **12** and *Version* **0**. Click on Execute and review the results.

CAFE1###
current year
1
12
0



Controlling Area	NA00 Global Bike North America
Fiscal Year	2023
Period	1 To 12
Version	000 Plan/Act - Version
Cost Center	CAFE1400 Cafeteria 400

Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.	Total Quantity	Fixed Qty	Unit
5900000 Purchased services				90,000.00	90,000.00			
6991000 Cost of Labor				60,000.00	60,000.00			
Primary Costs				150,000.00	150,000.00			
8034001 Plan Asm. CAFE1400	CTR	CAFE1400		30,000.00	30,000.00			
Assessment				30,000.00	30,000.00			
Activity-Independent Costs				180,000.00	180,000.00			
Debit				180,000.00	180,000.00			
8034001 Plan Asm. CAFE1400	CTR	ASSY1400		90,000.00-	90,000.00-			
8034001 Plan Asm. CAFE1400	CTR	CAFE1400		30,000.00-	30,000.00-			
8034001 Plan Asm. CAFE1400	CTR	MAIN1400		30,000.00-	30,000.00-			
				150,000.00-	150,000.00-			
Assessment				150,000.00-	150,000.00-			
Credit				150,000.00-	150,000.00-			
Under/Over-Absorbed Overhead				30,000.00	30,000.00			

In the top-left corner, click and then repeat the process above to review the results for the maintenance and assembly cost centers. Your assembly cost center report should look like the example below.

MAIN1###
ASSY1###

Controlling Area NA00 Global Bike North America
Fiscal Year 2023
Period 1 To 12
Version 000 Plan/Act - Version
Cost Center MAIN1400 Maintenance 400

Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.	Total Quantity	Fixed Qty	Unit
6991000 Cost of Labor				60,000.00	60,000.00			
Primary Costs				60,000.00	60,000.00			
8034001 Plan Asm. CAFE1400	CTR	CAFE1400		30,000.00	30,000.00			
Assessment				30,000.00	30,000.00			
Activity-Independent Costs				90,000.00	90,000.00			
Debit				90,000.00	90,000.00			
8034002 Allocation MAIN1400				60,000.00-	60,000.00-	1,200-	0	H
8034002 Allocation MAIN1400	CTR	ASSY1400		30,000.00-	30,000.00-	600-	0	H
M400 Maint. Hours 400				90,000.00-	90,000.00-			
Activity Allocation				90,000.00-	90,000.00-			
Credit				90,000.00-	90,000.00-			
Under/Over-Absorbed Overhead				0.00	0.00			

Controlling Area NA00 Global Bike North America
Fiscal Year 2023
Period 1 To 12
Version 000 Plan/Act - Version
Cost Center ASSY1400 Assembly 400

Cost element/description	OTy	Partner Object	ParActivity	Value report curr.	Fxd val./rep.cur.	Total Quantity	Fixed Qty	Unit
8034001 Plan Asm. CAFE1400	CTR	CAFE1400		90,000.00	90,000.00			
Assessment				90,000.00	90,000.00			
8034002 Allocation MAIN1400	ATY	MAIN1400	M400	30,000.00	30,000.00	600	600	H
Activity Input				30,000.00	30,000.00			
Activity-Independent Costs				120,000.00	120,000.00			
6991000 Cost of Labor				150,000.00	0.00			
A400 Assembly Hours 400				150,000.00	0.00			
Activity-Dependent Costs				150,000.00	0.00			
Debit				270,000.00	120,000.00			
8034003 Allocation ASSY1400				270,000.00-	120,000.00-	6,000-	0	H
A400 Assembly Hours 400				270,000.00-	120,000.00-			
Activity Allocation				270,000.00-	120,000.00-			
Credit				270,000.00-	120,000.00-			
Under/Over-Absorbed Overhead				0.00	0.00			

As you can see, the cafeteria costs and assessment of the maintenance cost center amount to 120,000. Labor costs in the amount of 150,000 are also incurred. If the total input is 6,000 hours, this results in a price of 45.00 for one assembly hour.

Click on SAP to return to the SAP Fiori launchpad.

Confirm any browser warning messages for unsaved data with Ok.

CO-CCA Challenge

Learning Objective Understand and perform a cost center accounting process. **Time** 45 min

Motivation Now that you have successfully completed the *Cost Center Accounting (CO-CCA)* case study, you should be able to solve the following task on your own.

Scenario You have already allocated the cafeteria costs to receiving cost centers. Now, you need to allocate the electricity costs to the cost centers assembly and maintenance.

Both cost centers are situated in the same building with a total space of 3000 square meters. Thus, electricity costs are split based on the space assigned to each cost center. Use a ratio of four (Assembly) to one (Maintenance) for your calculation.

Collect the incurred electricity costs of $45,000 on a suitable, new auxiliary cost center (e.g. ENER1###) in hierarchy area N4000. Use cost element 6325000 to do this. Then distribute the costs to both receiver cost centers.

Notes Since this task is based on the *Cost Center Accounting* case study, you can use it as an aid. However, it is recommended that you complete this continuative task without help in order to put your acquired knowledge to the test.