AC405

Cost Centers and Internal Orders

SAP ERP - Financials

Course Outline

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Course Overview

This course demonstrates how cost center accounting is configured and applied. Following a detailed display of the master data, the effects on actual postings in source applications is shown and analyzed with the help of reports.

The participants familiarize themselves with periodic allocation and planning.

Possible areas of application for overhead orders are explained and you learn about the most important master data. Original postings are executed in other applications and their effects on the orders are analyzed.

Within the period-end closing participants are provided with methods for allocating the overhead costs that arise as closely to the individually measured consumption as possible. You learn about the planning process in detail and are introduced to the budgeting functions.

Subsequently, participants learn how the results can be prepared in reporting on the basis of performance factors.

Main Business Scenario:

You belong to the IDES group's cost accounting department. Your organization is implementing mySAP ERP, including the cost center accounting module.

You want to carry out allocations between cost centers as simply as possible, and with due consideration to the cost and benefits involved. You therefore decide to allocate costs between cost centers and allocate activities only to debit cost objects according to their source, as accurately as possible. You create the prices for these activities manually. Theses are prices that are manually determined in line with the market situation, and which are not determined in costing.

As a member of the management accounting implementation project, it is your job to make all the settings required for representing your company's processes.

The information in this course is based on the following SAP software components and Releases:

•   Software Components: SAP ERP 6.0 Enhancement Package 4

Target Audience

This course is intended for the following audiences:

•   Project team members who are responsible for implementing Overhead Cost Controlling.
•   Accounting staff who are responsible for planning, allocation, and analysis of organizational costs.

Course Prerequisites

Required Knowledge

- AC040 – Business Processes in Management Accounting **or** AC050 – Business Processes in Management Accounting for Service Industries and Public Sector
- Basic knowledge and experience in cost accounting
- Good working knowledge of Windows operating environment

Recommended Knowledge

- SAPFIN - Overview of the SAP ERP Financials Solution

Course Goals

This course will prepare the participant to:

- Configure and operate Cost Center Accounting
- Plan, post, distribute, assess and analyze costs.
- Configure and operate the Overhead Cost Orders component
- Acquire knowledge for planning, posting, and analyzing costs for Overhead Cost Orders.

Course Objectives

After completing this course, the participant will be able to:

- Identify the organizational units supporting overhead cost management.
- Describe and maintain the master data of the cost center accounting and use the global functions for master data.
- Analyze cost center information using reports
- Identify sources of Cost Center Accounting postings and perform transaction processing
- Discuss periodic processing options and underlying configuration
- Describe planning processes, planning configuration, and planning tools
- Create own reports and report trees and describe special functions in reporting.
- Describe and maintain master data for internal orders, and related information.
- Identify sources of internal order postings and process the related transactions.
- Describe and use periodic processing functions, and set these functions up.
- Discuss internal order planning, and the options for entering plan data.
- Summarize and analyze internal order information using reports.
- Define special order types.

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Unit 1

Organizational Units

Unit Overview

In this chapter, we will explain the organizational units that are the basis of Management Accounting, as well as the options available for configuring organizational units in Overhead Cost Controlling.

Lesson: Components of Management Accounting

Lesson Objectives

After completing this lesson, the participant will be able to:

- Describe the organizational units on which Management Accounting is based
- Explain the options available for configuring organizational units in Overhead Cost Controlling

Unit 2

Master Data

Unit Overview

The standard hierarchy is presented as an organizational structure of the cost centers. The participants learn how to create cost centers and to distinguish between general ledgers and cost elements.

They create cost elements, activity types and statistical key figures and update them using single and collective processing. We show how master data can be changed in a time-based way and added into other groups.

Lesson: Cost Centers

Lesson Objectives

After completing this lesson, the participant will be able to:

- Describe how to best structure the standard hierarchy
- Create cost centers
- Understand the meaning of the cost center category.

Lesson: Cost elements

Lesson Objectives

After completing this lesson, the participant will be able to:

- Distinguish between G/L accounts and cost elements
- Create cost elements in Management Accounting, and explain alternative methods for creating them

Lesson: Activity Types

Lesson Objectives

After completing this lesson, the participant will be able to:

- Create activity types.
- Plan manual prices for the activity types on different cost centers

Lesson: Statistical key figures

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Create statistical key figures

Lesson: Global Functions For Master Data

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Update master data in collective processing
*   Explain the time dependencies of master data
*   Create master data groups and explain how they are created

Unit 3

Event-Based Postings

Unit Overview

You execute transactions in source applications and track the effects in appropriate reports. We describe the configuration options that facilitate postings. We show how source postings can be adjusted on incorrect cost centers.

Further subjects are funds reservation and activity location.

Lesson: Entering Primary Postings

Lesson Objectives

After completing this lesson, the participant will be able to:

• Execute transactions in source applications and view the effect

Lesson: Reports in Cost Center Accounting

Lesson Objectives

After completing this lesson, the participant will be able to:

• Run totals reports and line item reports and explain additional functions in the information system.

Lesson: Account Assignment Tools

Lesson Objectives

After completing this lesson, the participant will be able to:

• Describe the configuration options that facilitate postings.

Lesson: Adjustment postings

Lesson Objectives

After completing this lesson, the participant will be able to:

• Correct original postings made to incorrect cost centers.

Lesson: Direct Activity Allocation

Lesson Objectives

After completing this lesson, the participant will be able to:

•   Execute a direct accounting allocation and correct an accounting allocation.

Unit 4

Period-End Closing

Unit Overview

Accrual options are shown in chapter 4. Enter statistical key figures. This lesson explains periodic reposting, distribution, assessment and indirect activity allocation, and explains the differences between them.

You learn how to define and execute periodic reposting, distribution and assessment.

The meaning of the period lock is also addressed.

Lesson: Accrual Calculation

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Explain accrual calculation
*   Describe how to create an overhead structure

Lesson: Entering Statistical Key Figures

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Enter statistical key figures

Lesson: Periodic Reposting

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Define and execute the periodic reposting using the cycle segment method.

Lesson: Cost Allocations

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Demonstrate periodic reposting, distribution, and assessment and the differences between them

- Define and execute distributions and assessments using the cycle segment method.
- Name other cost allocation functions

Lesson: Period Lock

Lesson Objectives

After completing this lesson, the participant will be able to:

- Open and close whole periods, or selected business transactions in periods

Unit 5

Internal Orders: Overview

Unit Overview

This chapter describes the various scenarios in which internal orders are used. It explains the flow of data in each area in which internal orders are used. The participants learn to distinguish real and statistical orders.

Lesson: Using Overhead Orders

Lesson Objectives

After completing this lesson, the participant will be able to:

- •   Identify the options for using overhead cost orders
- •   Distinguish overhead cost orders from cost centers
- •   Explain the significance of the overhead cost order as a cost collector and an internal controlling object

Lesson: Real and Statistical Orders

Lesson Objectives

After completing this lesson, the participant will be able to:

- •   Differentiate between real and statistical orders
- •   Review the uses of these two variants

Lesson: The Different Scenarios for Internal Orders

Lesson Objectives

After completing this lesson, the participant will be able to:

- •   Explain the different uses of overhead cost orders and distinguish between them
- •   Understand the different handling of the orders in the scenarios shown
- •   Explain the data flow in each area in which internal orders are used

Unit 6

Master Data of Internal Orders

Unit Overview

In this chapter we create both real and statistical overhead cost orders. In addition, the function of the order type is described, whereby the emphasis is on the number range, the field selection and the sample order.

The participants are familiarized with the user status options and are able to analyze the effects of system changes.

In addition, we create overhead cost order groups and process the orders assigned to them in the collective processing.

Lesson: Master Data Maintenance

Lesson Objectives

After completing this lesson, the participant will be able to:

- Define an order type
- Name a number of control characteristics of the order type
- Create orders
- Use the Order Manager
- Change the screen layout control for internal orders
- Maintain model orders

Lesson: Status Management for Overhead Cost Orders

Lesson Objectives

After completing this lesson, the participant will be able to:

- Understand the life cycle of the orders
- Differentiate between the system and user statuses
- Define your own user status profile

Lesson: Grouping and Collective Processing

Lesson Objectives

After completing this lesson, the participant will be able to:

- Collect orders into order groups
- Process orders in both manual and automatic collective processing

Unit 7

Event-Based Postings

Unit Overview

In this chapter we enter postings from various original applications on the overhead cost orders and then analyze them. We also investigate the effects on real and statistical orders.

In the commitments management area, the participants see which settings are required to enter commitments on the orders and to trace the cost effects.

Lesson: Event-Based Postings Within and Outside Management Accounting

Lesson Objectives

After completing this lesson, the participant will be able to:

- Make event-related postings from original expenses to overhead cost orders
- Analyze the results of the postings in reports

Lesson: Commitment Management

Lesson Objectives

After completing this lesson, the participant will be able to:

- Make the required settings for commitment management
- Understand the commitment values on the order
- Explain the effect of the commitment carryforward

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Unit 8

Period-End Closing of the Internal Orders

Unit Overview

Here we describe the periodic postings that can be debited to the overhead cost order during the period-end closing. These include overhead expenses, for example. We then investigate the options for debiting the order periodically. The participants are introduced to the different settlement forms, and how to distinguish them.

You are shown how to maintain settlement rules and how to trace the value flows of the settlement.

Lesson: Periodic Debit Postings

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Describe transactions in the period-end closing that can lead to debit postings on the orders
*   Define and use the overhead costing sheet
*   Post overheads to internal orders and understand the results in the information system

Lesson: Periodic Credit Postings

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Credit orders using periodic reposting
*   Distinguish between and use the various settlement options
*   Enter settlement rules
*   Define and use the allocation, source and PA transfer structures
*   Understand the results of the settlement using special reports

Lesson: Settlement: Special Features

Lesson Objectives

After completing this lesson, the participant will be able to:

*   Create simple settlement rules automatically

- Use hierarchical settlement
- Settle orders in an alternative posting period

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Unit 9

Planning, Budgeting and Availability Control

Unit Overview

You learn to describe the purpose of cost center and internal order planning, and the function of versions. We explain the use and creation of plan layouts and planning profiles, and demonstrate an example of a manual planning process. You learn the options for automatic planning and final planning activities, and how the planning aids in the SAP ERP system support you. You learn how you can budget orders and how you can use the availability control.

Lesson: Planning Configuration

Lesson Objectives

After completing this lesson, the participant will be able to:

- Describe the purpose of cost center planning and the function of versions
- Explain the use of planning layouts and planner profiles
- Set up a planning layout and a planner profile

Lesson: Planning Process

Lesson Objectives

After completing this lesson, the participant will be able to:

- Execute a manual planning process.
- List the options available under automatic planning
- Describe final planning activities

Lesson: Advanced Planning Techniques for Internal Orders

Lesson Objectives

After completing this lesson, the participant will be able to:

- Describe different planning methods
- Explain the plan profile
- Perform overall and detailed planning on the internal order
- List the options for automatic planning

- Distinguish between orders with and orders without integrated planning
- Describe Easy Cost Planning

Lesson: Planning Aids

Lesson Objectives

After completing this lesson, the participant will be able to:

- Explain the planning aids provided by the SAP system

Lesson: Budgeting and Availability Control

Lesson Objectives

After completing this lesson, the participant will be able to:

- Set up the profiles for budgeting
- Enter budgets on overhead cost orders
- Set up availability control
- Understand the results of budgeting and availability control
- Transfer the budgets to the following year

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Unit 10

Information System

Unit Overview

You learn how Report Painter works and to describe the different options in the Report Painter report.

We describe the possible uses of order summarization.

Lesson: Report Painter

Lesson Objectives

After completing this lesson, the participant will be able to:

- Explain how the Report Painter works.
- Describe different options in the Report Painter report.

Lesson: Data Source

Lesson Objectives

After completing this lesson, the participant will be able to:

- Select from different data sources

Lesson: Master Data and Order Summarization

Lesson Objectives

After completing this lesson, the participant will be able to:

- Summarize order data
- Open relevant summarization reports
- Analyze the results of the summarization

Lesson: Summarization Report

Lesson Objectives

After completing this lesson, the participant will be able to:

- Describe the concept and customizing of order summarization
- Navigate in the summarization report

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