SAP Controlling 
Configuration 

SAP R/3 ENTERPRISE 4.7
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INTRODUCTION

Welcome to the SAP FICO Configuration kit. We will ensure that we will take you by the hand and help you configure both Controlling and Finance Module for you. In this document we will be configuring the basics of Controlling and also cover the Cost Center accounting Module.

The controlling area configuration is the starting point of configuration in the CO module, which will enable us to configure profit center, product costing and then the profitability analysis module.

In this document we will configure controlling area 9100 (A Group). To help us better understand the configuration let us take the below scenario:

The management of A group is desirous of having a single controlling area, so that they can have cross company code controlling. A Group is fast expanding group and will be setting various companies across the globe in the future.

Each company code in the above case will be attached to this controlling area. Currently A Group has only one company called as 9100 (A Ltd). This company code is attached to controlling area 9100. A group is located in Germany. The controlling area currency is configured as group currency EUR.

A Group requires the following modules within controlling to be implemented:-

1) Cost center accounting
2) Product costing
3) Profit center accounting
4) Profitability analysis

So let's now grind in further of how to configure the basics of controlling and the Cost Center in this document.
1 Organizational Structures

For doing the configuration we use the following path on the SAP application screen:

SAP Menu ‣ Tools ‣ AcceleratedSAP ‣ Customizing ‣ SPRO - Edit
Project ‣ SAP Reference IMG

Configuration for all the modules will be done here. The above path will not be referred henceforth; we will directly refer to the IMG node.

1.1 Maintain Controlling Area

IMG ‣ Controlling ‣ General Controlling ‣ Organization ‣ Maintain Controlling Area

Double click Maintain Controlling Area

![Choose Activity](image)

Perform the activities in the specified order

Click on [New entries] and update the following fields:-
Group Currency definition comes from the client currency. A currency needs to be maintained for the client (when a client is created) in transaction SCC4.

Update document type SA

Click on
Click [Yes] to create a standard hierarchy.

Double Click [Activate components/]

Change View "Activate components/control indicators": Overview

Click on [New entries]

A grp requires the following modules withing controlling:-
1) Cost center accounting
2) Internal orders (order management)
3) Profit center accounting
4) Profitability analysis (we will update at a later stage)

It does not want activity based costing, further it wants commitments management to be activated.

Accordingly we update the following: -
Click on Save

Double Click on Assignment of comp to attach company code 9100
Click on and update the following:

Assign company codes to the controlling area.
Click on Save

1.2 Maintain Number Ranges for Controlling Documents

IMG ‣ Controlling ‣ General Controlling ‣ Organization ‣ Maintain Number Ranges for Controlling Documents

We will copy number ranges from the SAP delivered controlling area 001.

Click on Copy and update the following:

The number range intervals are not included in automatic recording of customizing changes. Transport of all the changes made within number range interval maintenance must be triggered manually.

In the initial screen for number range interval maintenance choose the function Interval -> Transport.

Please note the information that you get when transporting number range intervals.
Note that the number intervals are not included in the customizing request they need to be transported manually. Click on Interval ➔ Transport

To ensure data consistency, you should not transport number ranges for CO documents, but rather create them manually in the target system.

Or else you can create from scratch.
Click on

Now assign the various business transaction to planning as follows:-

Position the cursor on  

Click 

Select 

Click
Similarly you have to assign various business transactions to this group.

Finally the groups along with the business transaction will be as follows:-
It is tedious to maintain the number range and number range group manually. It is better to copy from the SAP controlling area 0001.

**Note:** To ensure data consistency, you should not transport number ranges for CO documents, but rather create them manually in the target system.
1.3 Maintain Versions

IMG ‡ Controlling ‡ General Controlling ‡ Organization ‡ Maintain Versions

Click on Extras ‡ Set Controlling area

And update 9100 as the controlling area.

Click ✅
Select Version 0

And Double Click

Version 0 is automatically created in controlling area 9100

Select

Double Click

Versions are automatically created for 5 fiscal years.
Select year 2006 and click on and update the following:

![SAP Controlling Configuration 4.7](image)

Click on and update the following:

- **General indicators**
  - Version Locked
  - Integrated Planning
  - Copying Allowed

- **Currency translation**
  - Exchange Rate Type: P  Standard translation for cost planning
  - Value Date: 01.01.2006

- **Orders/projects**
  - Integrated planning with cost centers/bus. processes
  - Version for indirect alloc.: 0

- **Resource planning**
  - Val. Variant: _
Diagnosis
The "Change version" function you chose for version 000 requires checks that could last a long time.
The system checks, amongst other things, whether transaction data has been posted in version 000.
If this is so the function "Change version" cannot be executed for this version.

Recommendation
Execute the checks and the function "Change version" in the background.

Notes for Processing in the Background
Background processing can only be carried

Do you want to execute the "Change version" function in the background?

Click on No
Update the following:-

Click on Save

Similarly update the values for the remaining fiscal year.
2. Multiple Valuation Approaches/Transfer Prices (Optional)

2.1 Maintain Currency and Valuation Profile

IMG ‡ Controlling ‡ General Controlling ‡ Multiple Valuation Approaches/Transfer Prices ‡ Basic Settings ‡ Maintain Currency and Valuation Profile

We only need the currency and valuation profiles if we want to manage various valuations in parallel in our system.

We have to take the following rules into account when we maintain the currency and valuation profiles because they are checked when we activate the C&V profile in the controlling area.

Ø Managing the company code currency in legal valuation is mandatory.
Ø In addition, we can always manage two further valuation approaches.
   In valuation, we can select among group valuation (1) and profit center valuation (2).
   In the currency, we can select among company code currency (10) and group currency (30).

All valuation approaches we manage in controlling must also be managed correspondingly in the material ledger.

All standard SAP report in controlling are shown in the reporting currency (controlling area currency), to get the object currency (Co. code currency) you will need to define new reports.
Click on **New entries** and update the following:

Select **9100 A Grp Valuation profile** and

Double Click **Details**
Click on **New entries** and update the following:

**New Entries: Overview of Added Entries**

Click on **Save**
2.2 Assign Currency and Valuation Profile to Controlling Area

We assign the currency and valuation profiles with which we want to represent scenarios for transfer prices to the respective controlling area. For this purpose, we must ensure that the controlling area currency of the affected controlling area corresponds to either the group currency (currency type = 30) or the company code currency (currency type = 10).

The assignment of the currency and valuation profiles indicates that we want to use transfer prices in the controlling area. It enables us to create actual versions for different valuations.

Assign C+V prof 9100 to controlling area 9100.
2.3 Create Versions for Valuation Methods

IMG ‡ Controlling ‡ General Controlling ‡ Multiple Valuation Approaches/Transfer Prices ‡ Basic Settings ‡ Create Versions for Valuation Methods

Click on Save

Update the following:-
Click on

Select

And Double Click on

Click

Update the following:-

Click on
Click  

Select  

Double click  

Select Yes to transfer version and update the following:  

Click on Save  

Click  

Select  

Double click  

Settings for Each
Click on New Entries

Update the following:-
Similarly maintain for version D02

2.4 Define Valuation Clearing Account

IMG † Controlling † General Controlling † Multiple Valuation Approaches/Transfer Prices † Level of Detail † Define Valuation Clearing Account

Here we specify profit and loss accounts for valuation differences that arise in business transactions between group companies. When we use parallel valuation approaches/transfer prices, payables and receivables are only posted using legal valuation, since that represents the amount in which the payment is made. If, however, we want to record other valuation approaches in the valuation clearing account, we need to post the difference to accounts for intercompany profits so that this amount appears in the group report. The system assigns the valuation difference for each item to the corresponding profit center. With this function we can designate valuation-clearing accounts in which to record valuation differences separately for each company code and partner company.

Update the following: -
Click

Click on

Update the following:-

The trading partner 9200 is the company created for company code 9200.

Click on Save

2.5 Multiple Valuation Approaches: Check / Execute Activation

IMG ‡ Controlling ‡ General Controlling ‡ Multiple Valuation Approaches/Transfer Prices ‡ Activation ‡ Multiple Valuation Approaches: Check/Execute Activation

Enter the controlling area 9100 and click ‡ to check activation.

We also need to maintain the settings in profit center accounting
Thereafter, we can activate the currency and valuation profile.
If Plant is assigned to the company code, then Material ledger needs to be activated for the plant. Further Material Ledger type needs to be assigned to the valuation area.

Click on \( \text{Activate} \) to check activation. The message given is as follows

Therefore we need to first maintain the profit center settings and then execute this step.

After maintaining the profit center settings we will get the following message.

We need to create result analysis version 0 in the product cost controlling component. Nevertheless we can still activate the currency and valuation profile.
Select radio button and click

3 Production Start-Up Preparation

3.1 Set "Update All Currencies" Indicator

In this step we activate or reset the update all currencies indicator. The Update all currencies indicator enables us to reduce the amount of memory used when posting data to CO objects (for example, cost centers or orders). However, it only works if our database system compresses empty fields. If you are not sure whether your database system compresses empty fields, you should always activate this indicator.

This is automatically set when we create the controlling area which can be seen below
As such this step is not required

In case it is not set we need to the following steps.

Click on Set controlling area

Remove the test run and select

Click on

4 Cost Element Accounting

4.1 Make Default Settings

IMG ‡ Controlling ‡ Cost Element Accounting ‡ Master Data ‡ Cost Elements ‡ Automatic Creation of Primary and Secondary Cost Elements ‡ Make Default Settings

Here we give the cost elements individually or as an interval with the corresponding cost element category in the default setting. The cost elements are created by a batch input session using this default setting.

These defaults are used for automatic generation of primary and secondary cost elements.
Update the following:

**Automatic Cost Element Generation: Maintain Default Setting**

Chart of Accounts: YCCA

Click ✅
Update the following:-

**Automatic Cost Element Generation: Maintain Default Setting**

<table>
<thead>
<tr>
<th>Actfrom</th>
<th>Account to</th>
<th>CE</th>
<th>Shorttext</th>
</tr>
</thead>
<tbody>
<tr>
<td>400000</td>
<td>462209</td>
<td>1</td>
<td>Primary costs/cost-reducing revenues</td>
</tr>
<tr>
<td>462202</td>
<td>465999</td>
<td>1</td>
<td>Primary costs/cost-reducing revenues</td>
</tr>
<tr>
<td>466999</td>
<td>468199</td>
<td>22</td>
<td>External settlement</td>
</tr>
<tr>
<td>467999</td>
<td>484199</td>
<td>1</td>
<td>Primary costs/cost-reducing revenues</td>
</tr>
<tr>
<td>484299</td>
<td>499999</td>
<td>11</td>
<td>Revenues</td>
</tr>
<tr>
<td>484399</td>
<td>599999</td>
<td>1</td>
<td>Primary costs/cost-reducing revenues</td>
</tr>
<tr>
<td>810000</td>
<td>827199</td>
<td>11</td>
<td>Revenues</td>
</tr>
<tr>
<td>827200</td>
<td>899799</td>
<td>11</td>
<td>Revenues</td>
</tr>
<tr>
<td>899800</td>
<td>899899</td>
<td>1</td>
<td>Primary costs/cost-reducing revenues</td>
</tr>
</tbody>
</table>

Click on Save

**4.2 Create Batch Input Session**

IMG † Controlling † Cost Element Accounting † Master Data † Cost Elements † Automatic Creation of Primary and Secondary Cost Elements † Create Batch Input Session

Here we generate a batch input session for each controlling area in order to create cost elements. The SAP System determines the chart of accounts to be processed (including the cost elements to be created) according to the company code and chart of accounts to which the controlling area is assigned.
Update the following:

<table>
<thead>
<tr>
<th>Controlling area</th>
<th>9108</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid from</td>
<td>01.01.2055</td>
</tr>
<tr>
<td>Valid to</td>
<td>31.12.9999</td>
</tr>
<tr>
<td>Session name</td>
<td>SAPUSER</td>
</tr>
<tr>
<td>Batch input user</td>
<td>SAPUSER</td>
</tr>
</tbody>
</table>

Create Batch Input Session to Create Cost Elements

Click Execute
Create Batch Input Session to Create Cost Elements

<table>
<thead>
<tr>
<th>Elem</th>
<th>Cat</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>400000</td>
<td>1</td>
<td>Raw Material Consumed</td>
</tr>
<tr>
<td>400013</td>
<td>1</td>
<td>Others Material</td>
</tr>
<tr>
<td>400030</td>
<td>1</td>
<td>Semi-Finished Material Consumed</td>
</tr>
<tr>
<td>400070</td>
<td>1</td>
<td>Packaging Materials Consumed</td>
</tr>
<tr>
<td>400080</td>
<td>1</td>
<td>Production Consumable</td>
</tr>
<tr>
<td>402001</td>
<td>1</td>
<td>Fuel/ Gas</td>
</tr>
<tr>
<td>402002</td>
<td>1</td>
<td>Electricity</td>
</tr>
<tr>
<td>402003</td>
<td>1</td>
<td>Fresh Water</td>
</tr>
<tr>
<td>402004</td>
<td>1</td>
<td>Sea Water</td>
</tr>
<tr>
<td>402005</td>
<td>1</td>
<td>Waste Water</td>
</tr>
<tr>
<td>402006</td>
<td>1</td>
<td>Steam</td>
</tr>
<tr>
<td>402008</td>
<td>1</td>
<td>Nitrugene</td>
</tr>
<tr>
<td>420003</td>
<td>1</td>
<td>Salaries &amp; Wages</td>
</tr>
<tr>
<td>420004</td>
<td>1</td>
<td>Transport Allowance</td>
</tr>
<tr>
<td>420005</td>
<td>1</td>
<td>Overtime &amp; CallBack Allowance</td>
</tr>
<tr>
<td>420006</td>
<td>1</td>
<td>Incentive Pay</td>
</tr>
<tr>
<td>420007</td>
<td>1</td>
<td>Shift Allowance</td>
</tr>
<tr>
<td>420010</td>
<td>1</td>
<td>Housing Allowance</td>
</tr>
<tr>
<td>420011</td>
<td>1</td>
<td>Vacation Pay</td>
</tr>
<tr>
<td>429211</td>
<td>1</td>
<td>Bonus</td>
</tr>
<tr>
<td>429212</td>
<td>1</td>
<td>Early Retirement</td>
</tr>
<tr>
<td>429401</td>
<td>1</td>
<td>Medical</td>
</tr>
<tr>
<td>429407</td>
<td>1</td>
<td>Home Leave Expense</td>
</tr>
<tr>
<td>429408</td>
<td>1</td>
<td>Furniture Allowance</td>
</tr>
<tr>
<td>429409</td>
<td>1</td>
<td>Housing Rentals</td>
</tr>
<tr>
<td>429410</td>
<td>1</td>
<td>Housing Maintenance</td>
</tr>
<tr>
<td>429411</td>
<td>1</td>
<td>Relocation Allowance</td>
</tr>
<tr>
<td>429413</td>
<td>1</td>
<td>Other Employee Benefits (Misc. Payment)</td>
</tr>
<tr>
<td>429414</td>
<td>1</td>
<td>Miscellaneous Deduction</td>
</tr>
<tr>
<td>429415</td>
<td>1</td>
<td>Food Allowance</td>
</tr>
<tr>
<td>429501</td>
<td>1</td>
<td>Training and Seminar Fees</td>
</tr>
<tr>
<td>429502</td>
<td>1</td>
<td>Training Seminar Expenses</td>
</tr>
<tr>
<td>429503</td>
<td>1</td>
<td>Conferences</td>
</tr>
</tbody>
</table>

**4.3 Execute Batch Input Session**

IMG † Controlling † Cost Element Accounting † Master Data † Cost Elements † Automatic Creation of Primary and Secondary Cost Elements † Execute Batch Input Session

Here we execute a batch input session and thereby generate cost elements.
Select the session

And click

Select Display errors only and

Select Extended log

Select Expert mode

Deselect Dynpro standard size

Click Process

Click Exit batch input
5 Reconciliation Ledger

5.1. Activate/Deactivate Reconciliation Ledger

In the reconciliation ledger, the data from Accounting is summarized and valuated. Cost flows occurring exclusively in Controlling (secondary postings) between company code and business area boundaries which are not noted in Financial Accounting, can be passed on through Reconciliation ledger. Thus Reconciliation between Financial accounting (external) and controlling (internal) is possible.

You do not need the reconciliation ledger in the following situations:

- no profit and loss accounting using cost of sales accounting occurs
- there is no interest in cross-application reports
- there is no interest in evaluating cross-company-code and cross-business area postings

Controlling area maintenance indicates whether the reconciliation ledger is activated or deactivated for the controlling area.

This activation step is generally not required if we select cross company cost accounting when maintaining controlling area which can be seen below.
In case the reconciliation ledger is still not active we can proceed as follows:-

Double Click **Activate Reconciliation Ledger**

Update the following: -
5.2 Define Adjustment Accounts for Reconciliation Posting

IMG † Controlling † Cost Element Accounting † Reconciliation Ledger † Define Adjustment Accounts for Reconciliation Posting

Create a GL account in FI for the FI-CO reconciliation. In our example we have created a GL code **450020 FICO Reconciliation account**
Double Click **Maintain Clearing Accounts for Business Area/Functional Area**

**Update chart of accounts YCCA and update the following:**

**Maintain FI Configuration: Automatic Posting - Accounts**

<table>
<thead>
<tr>
<th>Chart of Accounts</th>
<th>YCCA</th>
<th>Common Chart of Accounts A Group cos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction</td>
<td>6A0</td>
<td>Clearing account</td>
</tr>
</tbody>
</table>

Click on Save

Double Click **Maintain Clearing Accounts for Company Codes**
5.3 Specify Document Number Range for Reconciliation Posting

IMG ‡ Controlling ‡ Cost Element Accounting ‡ Reconciliation Ledger ‡ Specify Document Number Range for Reconciliation Posting
Click on and update the following:

Click

Click

Display Number Range Intervals

CO Area 9100

6 Cost Center Accounting

6.1 Define Standard Hierarchy

IMG ‡ Controlling ‡ Cost Center Accounting ‡ Master Data ‡ Cost Centers ‡ Define Standard Hierarchy

The hierarchy logic is as follows.

The top node (first level) C9100 is the total A group node.

The second level is the company which is represented by 2 digits 91
The third level is the function 01 – Production 02 maintenance etc. Therefore we create 9101 as production.

At the fourth level we create the cost center.

Thus the cost center numbering is 9101000 – Production common. The first 2 digits from the left 91 represent company code
The 3rd and 4th digit represents function
The 5th 6th 7th digit represents running number.

Update the following:-
Click

Select Lower level group

And update the following: -

Click on Save

Create a lower level node below 91, by position your cursor on 91

Click on and select and update the following: -
Click on Save.

Create another cost center group. Position your cursor on 3101.

Click.

Select Group at same level and update the following.
6.2 Define Cost Center Categories

- IMG  Controlling  Cost Center Accounting  Master Data  Cost Centers  Define Cost Center Categories

Click on Save

Similarly create other cost center groups which would like this.
We can define our own cost center categories or use SAP supplied cost center categories.

The cost center categories basically help in setting defaults on the cost center master data.

We will lock **actual revenue posting** and **Planned revenue posting** in all of the cost center categories.

The cost center category when selected during the cost center master creation, defaults this indicator such as Lock actual revenue and lock plan revenue.

Click on **New Entries**

**Update the following:**

Click on

Rename some of the existing cost center categories

The total cost center categories are:-
Click on Save

**6.3 Create Cost Center**

IMG ‡ Controlling ‡ Cost Center Accounting ‡ Master Data ‡ Cost Centers ‡ Create Cost Centers
Double Click on Create cost center

Click on Extras † Set controlling area
Update the following:

Create Cost Center: Initial Screen

<table>
<thead>
<tr>
<th>Master Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Center</td>
</tr>
<tr>
<td>3101011</td>
</tr>
<tr>
<td>Valid From</td>
</tr>
<tr>
<td>01.01.2005 to 31.12.9999</td>
</tr>
<tr>
<td>Reference</td>
</tr>
<tr>
<td>Cost center</td>
</tr>
<tr>
<td>Controlling Area</td>
</tr>
</tbody>
</table>
Notice that Actual revenues and Plan revenues lock are defaulted. These defaults were set in the cost center category A.

Click on Save.

6.4 Define Cost Center Groups

IMG † Controlling † Cost Center Accounting † Master Data † Cost Centers † Define Cost Center Groups
Double Click **Create Cost Center Group** and update the following: -
Update the following:

Click on Cost Center and update the following:

Click on Save

6.5 Define Cost Elements for Activity Allocation

IMG ➔ Controlling ➔ Cost Center Accounting ➔ Master Data ➔ Activity Types ➔ Define Cost Elements for Activity Allocation
Double Click and update the following:-
Click on Save

6.6 Create Activity Types

IMG ‡ Controlling ‡ Cost Center Accounting ‡ Master Data ‡ Activity Types ‡ Create Activity Types
Double click **Create activity type** and update the following:-

**Create Activity Type: Initial screen**

- **Activity type**: PDH01
- **Valid from**: 01.01.1990, **To**: 31.12.9999
- **Copy from**:
  - **Activity type**:  
  - **Controlling area**:  

Perform the activities in the specified order.
Click on Save

6.7 Maintain Statistical Key Figures

IMG † Controlling † Cost Center Accounting † Master Data † Statistical Key Figures † Maintain Statistical Key Figures
Double Click on Create Statistical Key Figures

Update the following:

Create Statistical Key Figure: Initial Screen

Stat. key figure: PRDUNT
7 Cost Center Planning

7.1 Create Planning Layouts for Cost Element Planning/Activity type planning/Statistical key figure planning

Click on Save

**Create Statistical Key Figure: Master Data**

<table>
<thead>
<tr>
<th>Stat. key figure</th>
<th>PRODUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlling area</td>
<td>9188</td>
</tr>
<tr>
<td>A Grp: Controlling area</td>
<td></td>
</tr>
</tbody>
</table>

**Basic data**

- Name: Production output for allocation
- Stat. key fig. UnM: EA
- Each
- Key fig. cat: Fkd val.
- Tol. values
Double Click on Create planning layout for cost planning and update the following:

Report Painter: Create Cost centers: Planning layout for cost

Planning Layout: Z-191
Cost elem. planning

Click on Create
Click Edit ‡  Gen. Data selection

Select

Click
Click Confirm

Double Click lead column

Select and transfer to selected characteristics
Click on Confirm

Select Characteristic value and name

Click ✅

Double Click
And select **PWOG** in key figure

Click **Confirm**

Double Click on the column next to **It1 plan costs OCr**

And select **Key figure with characteristics**

Click **Select distribution key**
Click

Click

Double Click on Column next to Dist

Select

Select
Click on and update the following:

Click to check the report. If there are no errors then you can save the planning layout.

Click on

7.2 Define User-Defined Planner Profile

IMG † Controlling † Cost Center Accounting † Planning † Manual Planning † Define User-Defined Planner Profiles
Select the CO Planning: All Planning Areas profile.

Click Copy.

And update the following:

Click the 20CM91 profile.

Number of dependent entities copied: 76.
Click on Save

Select

Double Click and change the distribution keys from 2 to 1

Delete the SAP layouts by selecting
Click on **New entries**

and update the following:

![Screenshot of SAP CONTROLLING CONFIGURATION 4.7](image)

Click on **Save**

**Select**

![Selected Elements](image)

Double Click **Default parameters**

and update the following:
Cost Element/Activity Input Planning: Init. Screen Pre-Parameteriz.

<table>
<thead>
<tr>
<th>Variables</th>
<th></th>
<th>Cost elem. planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Period</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Period</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Fiscal Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Element</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Element Group</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Entry:
- Free
- Form-Based

Click on Save ☰
Distribution is an allocation method which uses the original cost element of the sender cost center to the receiver cost center. Thus only primary costs can be allocated using distribution cycle.
Double Click Create Plan Distribution

Click extras ‡ Set controlling area and update 9100

Update the following: -

The naming convention of a cycle should be logical. It should have P for plan cycle, A for actual cycle.

91PDCP – 91 is the co. code PDC – Production common and P is plan.

Iterative and object currency is defaulted.
Click on

In **sender values** we have the following rules:-

1) Posted amounts - The posted amounts on the sender serve as the sender values.
2) Fixed amounts - You define fixed amounts for senders defined in the selection Criteria on the "Sender Values" screen. The senders are credited directly with these amounts.
3) Fixed rates - On the "Sender Values" screen you enter fixed prices for the senders you entered in the selection criteria. These prices are multiplied by the receiver tracing factors and the result allocated to the receivers.

In **receiver tracing factor** we have various options:-

1) Variable portions – The tracing factors are determined based on the following parameters: - Plan statistical key figures, Plan activity, plan costs, plan consumption.
2) Fixed amounts – We can define fixed amounts in the tracing factor screen. The receivers are charged directly with these amounts. The amount credited to the sender is derived from the total of the receiver debits. The rule for determining the sender values is not used here. SAP system ignores posted sender amounts or defined sender amounts.
3) Fixed percentage - We define fixed percentages for the receiver in the tracing factor screen. The value from the sender is distributed to the receivers according to this percentage. The total receiver tracing factor must not exceed 100%. The sender base must be fully distributed. If the total of the receiver tracing factors is less than 100%, then a portion of the sender value remains on the sender.

4) Fixed portions - This process is similar to the fixed percentage process, with the exception that the amount is not limited to 100. The sender base is derived from the total of the receiver tracing factors.

We will use **posted amounts** for sender values and **fixed portion** for receiver tracing factors.
### Create Plan Distribution Cycle: Segment

<table>
<thead>
<tr>
<th>Controlling Area</th>
<th>Cycle</th>
<th>Segment Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>9100</td>
<td>91PDCP</td>
<td>91PDCP0001</td>
</tr>
</tbody>
</table>

### Segment Header

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Group</th>
</tr>
</thead>
</table>

#### Sender

<table>
<thead>
<tr>
<th>Cost Center</th>
<th>Cost Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>91G1000</td>
<td>499999</td>
</tr>
</tbody>
</table>

#### Receiver

<table>
<thead>
<tr>
<th>Order</th>
<th>Cost Center</th>
<th>Cost Object</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>91_PDDIR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WBS Element</th>
<th></th>
</tr>
</thead>
</table>
You can attach further segments if you want.

Click

Click on to check the cycle.

Click on Save
7.4 Create Assessment Cost Elements

IMG ‡ Controlling ‡ Cost Center Accounting ‡ Planning ‡ Allocations ‡ Assessment ‡ Create Assessment Cost Elements

Update the following: -

![Create Cost Element: Initial Screen](image-url)
Click on Save

7.5 Define Allocation Structures

IMG † Controlling † Cost Center Accounting † Planning † Allocations † Assessment † Define Allocation Structures

If the assessment for each segment is not made with a pre-defined assessment cost element, you can assign the source cost elements to the desired Assessment cost element in the allocation structure. During cycle definition, enter the allocation structure instead of an assessment cost element in the segment.

An allocation structure for the assessment consists of at least one assignment, stating the assessment cost element to which the source element is assigned. The original cost elements will already have assignments in the source.

In our scenario we are not using the allocation structure.
7.6 Define Assessment

Assessment is a method of allocation which allocates costs using assessment cost element. Thus there is no traceability of original cost elements on the receiver cost center from the sender cost center. Various Costs elements from the sender are summarized under a single assessment cost element. The assessment cost elements are updated both on the sender and receiver.

We are allocating costs from purchasing department to the production departments based on output of production departments. The output is entered as statistical key figures.

Double Click
Click on Attach segment

**Create Plan Assessment Cycle: Segment**

- **Controlling Area**: 9100
- **Cycle**: 91PURP
- **Segment Name**: 91PURP0001

**Segment Header**
- **Assessment CEs**: 942001
- **Purchasing costs**

**Sender values**
- **Sender rule**: Posted amounts
- **Share in %**: 100.00%
- **Actual value origin**: Plan value origin

**Receiver tracing factor**
- **Receiver rule**: Variable portions
- **Var. portion type**: Plan Stat. Key Figures
- **Scale Neg. Tracing Factors**: No scaling
Click on to see whether cycle is Ok.

Click on Save

7.7 Define Activity Types for Indirect Activity Allocation

IMG ‡ Controlling ‡ Cost Center Accounting ‡ Planning ‡ Allocations ‡ Activity Allocation ‡ Indirect Activity Allocation ‡ Define Activity Types for Indirect Activity Allocation
Double Click

Update the following:

Create Activity Type: Initial Screen

Activity Type: UTCG01

Valid From: 01.01.2005 to 31.12.9999

Copy from:

Activity type
Controlling Area
Click on Save

7.8 Define Indirect Activity Allocation

Indirect activity allocation is used when direct activity allocation is not possible. For example:- Quality control departments spending time on checking the finished goods, semi finished goods. It is difficult to measure the time spent on each product. In such a scenario indirect activity allocation is done based on the output produced of finished goods and semi finished goods.
Thus Quality cost center has a cost of 70000 INR (70 INR X 10000 hr).

This cost will be allocated to finished goods production order based on the output (70000 INR X 7000 qty) / 10000 qty = 49000 INR
And to semi finished goods production order (70000 INR X 3000 qty) / 10000 qty = 21000 INR

We are creating a cycle for allocating costs from Cooling services General to Cooling services EG-1 and EG-2.

The planned output will be entered on cooling services general using activity type 3UTCG1. (Here the total cost to be allocated will be entered with price 1)

The output will be entered on the Cooling services EG-1 and EG-2 using Statistical key figures.

We will name the cycle 91CGP (91 the company code CG – Cooling services general 1st cycle and P – Plan)
Update the following:

**Create Plan Indirect Activity Allocation Cycle: Initial Screen**

- **Cycle:** 91C61P
- **Start Date:** 01.01.2006

**Create Plan Indirect Activity Allocation Cycle: Header Data**

- **Controlling Area:** 9100, A Grp Controlling area
- **Cycle:** 91C61P
- **Status:** new
- **Start Date:** 01.01.2006 to 31.12.2006
- **Text:** Cooling service General - Plan
Click on Attach segment

The following options are available in Sender values:-

1) Posted quantities - The quantities posted to the sender are taken as the sender values.
2) Fixed quantities – On the sender value tab, enter fixed quantities for the senders we defined in the selection criteria. The senders are directly credited with these quantities.
3) Quantities calculated inversely – The sender values are calculated indirectly from the receiver tracing factors. We can valuate these sender values with a weighting factor. We define the weighting factors on the Sender values tab.

The following options are available in Receiver tracing factor:-

1) Variable portions - The tracing factors are determined based on the following parameters:- Plan statistical key figures, Plan activity, plan costs, plan consumption.
2) Fixed quantities – We can define fixed quantities in the tracing factor screen. The receivers are charged directly with these quantities. The quantity credited to the sender is derived from the total of the receiver debits.
3) Fixed percentages – We define fixed percentages for the receiver in the tracing factor screen. The quantity from the sender is distributed to the receivers according to this percentage. The total receiver tracing factor must not exceed 100% . The sender based must be fully distributed. If the total of the receiver tracing factors is less than 100%, then a portion of the sender value remains on the sender.
4) Fixed portions – This process is similar to the fixed percentage process, with the exception that the quantity is not limited to 100. The sender base is derived from the total of the receiver tracing factors.
Create Plan Indirect Activity Allocation Cycle: Segment

<table>
<thead>
<tr>
<th>Controlling Area</th>
<th>Cycle</th>
<th>Segment Name</th>
<th>Group Controlling Area</th>
<th>Subgroup</th>
<th>Activity Header</th>
<th>Activity Type</th>
<th>Valuation</th>
<th>Scale Seg. Tracing Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>9100</td>
<td>91C61P</td>
<td>D1C61P0001</td>
<td>9103001 Cooling serv gen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sender Values
- Rule: Posted quantities
- Share in %: 100.00%
- Act Values: Plan Vals

Receiver Tracing Factor
- Rule: Variable portions
- Var. portion type: Plan Stat. Key Figures
- Scale Neg. Tracing Factors: No scaling
Create Plan Indirect Activity Allocation Cycle: Segment

- Controlling Area: 9180
- Cycle: 91C51P
- Segment Name: 91C51P0001
- Share in %: 00.00
- Actual value origin
- Plan value origin

Selection criteria:
- Version

Lock indicator
### Create Plan Indirect Activity Allocation Cycle: Segment

<table>
<thead>
<tr>
<th>Controlling Area</th>
<th>9198</th>
<th>A Grp Controlling area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cycle</td>
<td>91C61P</td>
<td>Cooling service General - Plan</td>
</tr>
<tr>
<td>Segment Name</td>
<td>91C61P0001</td>
<td>91C3001 Cooling serv gen</td>
</tr>
</tbody>
</table>

#### Tracing Factor
- Var. portion type: Plan Stat. Key Figures
- Scale Neg. Tracing Factors: No scaling

#### Selection Criteria
- From
- to
- Group

- Version
- Activity Type
- Stat. key fig.: UTC611
7.9 Define Splitting Structure

Need for a splitting structure: If a cost center is rendering 2 activities (which are activity independent) then we need to apportion the costs of the cost center to these activities. If we do not define a splitting structure, SAP system will divide the costs equally between these activity types. In case you don’t want this to happen we need to define the splitting structure. Thus in splitting structure we define which cost elements will get allocated to which activity type. This applies to both plan and actual costs.
A splitting structure consists of one or more assignments, which define the connection between the cost element(s) or cost element group to be split and the splitting rule used to divide the costs.

Each splitting rule is based on a splitting method. Based on the splitting methods, which are fixed in the R/3 System, we can split plan costs according to the following criteria:

- Activity quantity
- Equivalence number
- Capacity
- Output
- Scheduled activity
- Statistical key figure (quantity)
- Statistical key figure (maximum quantity)
- No splitting is executed

After we define a splitting structure, we must assign it to the cost centers on which we want to split costs according to the given rules. We can assign a structure to:

All cost centers

All cost centers in a given group

All cost centers in a given interval

The structure can apply to a single version or to all versions in a controlling area for a fiscal year.

Click on and update the following:
Click on Save

Create splitting rule

Double Click

Click on New entries and update the following: -
Click on Save 📝

Click ⬇️ twice
Assign the splitting structure to rule

Select U9 Cooling services - plan

Double Click Assignments

Click on New entries and update the following: -
Select U11 Variable Z911 Splitting plan activity qty

Double Click Selection for assi

Click on New entries and update the following:

Structure name U8 Cooling services - plan
Assignment U11 Variable
Splitting rule Z911 Splitting plan activity qty
C0 Area 9100 A Grp Controlling area

Cost Element From value To value Group
400008 419999
1UTGSCV
Click on Save

Click

Select

Double Click

Click on and update the following: -

Change View "Selection for assignment": Overview

Click on Save

8 Actual Postings

8.1 Edit Automatic Account Assignment

Here we define automatic additional account assignments for postings to primary cost elements.

Automatic assignment occurs during postings in external accounting (within the FI, MM, or SD components) if we did not enter a CO account assignment object (cost center, order, or project) for a cost accounting relevant posting. This always happens in SAP in case of automatically created line item.

Examples of Automatically Created Items are:
- Discounts, exchange rate differences, and banking fees in FI
Price differences and minor differences in MM
Possible automatic additional account assignments include:
Cost center
Order
Profit center (for revenue postings)

Account assignment can be made mandatory for business area, valuation area or the profit center level. We need to select the relevant mandatory account assignments

Bank charges should be defaulted to a particular cost center. In our case Bank charges GL code is 470103 and should be defaulted to Company General profit center 9118000

Click on **New entries** and update the following:

Click on Save

8.2 Distribution (KSV1)

IMG ‣ Controlling ‣ Cost Center Accounting ‣ Actual Postings ‣ Period-End Closing ‣ Distribution ‣ Define Distribution

You can copy the plan distribution cycle into actual cycles.

You can also use transaction code KSV1 to create actual distribution cycle.
Double click Create Actual Distribution

Update the following:-

You need to suffix the actual cycle with A
Create Actual Distribution Cycle: Header Data

<table>
<thead>
<tr>
<th>Controlling Area</th>
<th>Cycle</th>
<th>Status</th>
<th>Start Date</th>
<th>To</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>9108</td>
<td>91PDCA</td>
<td>new</td>
<td>01.01.2006</td>
<td>31.12.2006</td>
<td>Production Common Planning</td>
</tr>
</tbody>
</table>

Indicators:
- Iterative
- Cumulative

Field Groups:
- Consumption
- Object Currency
- Transaction Currency

Click

Click
Double click
Click on

8.3 Assessment

You can copy the plan assessment cycle into actual cycles.
Double click **Create Actual Assessment**

The actual cycle name should be suffixed with A.

Click ![Check mark]

Click ![Check mark]
### Segment Overview

<table>
<thead>
<tr>
<th>Name</th>
<th>Text</th>
<th>Source field</th>
<th>Sender rule</th>
<th>Rec. rule</th>
<th>Sc. Lock</th>
</tr>
</thead>
<tbody>
<tr>
<td>91PURP0001</td>
<td>9113000 Purc to Prodn</td>
<td></td>
<td>1</td>
<td>1</td>
<td>Variable</td>
</tr>
</tbody>
</table>

Double click [91PURP0001]
**8.4 Define Indirect Activity Allocation**

IMG ‡ Controlling ‡ Cost Center Accounting ‡ Actual Postings ‡ Period-End Closing ‡ Activity Allocation ‡ Indirect Activity Allocation ‡ Define Indirect Activity Allocation

You can copy the plan indirect activity cycle into actual cycles.
8.5 Define Splitting Structure

Configuration similar to plan Splitting structure