

Enterprise Controlling (EC)



Release 4.6C



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Icons

Icon	Meaning
	Caution
	Example
	Note
	Recommendation
	Syntax

Typographic Conventions

Type Style	Description
<i>Example text</i>	Words or characters that appear on the screen. These include field names, screen titles, pushbuttons as well as menu names, paths and options. Cross-references to other documentation
Example text	Emphasized words or phrases in body text, titles of graphics and tables
EXAMPLE TEXT	Names of elements in the system. These include report names, program names, transaction codes, table names, and individual key words of a programming language, when surrounded by body text, for example, SELECT and INCLUDE.
Example text	Screen output. This includes file and directory names and their paths, messages, names of variables and parameters, source code as well as names of installation, upgrade and database tools.
Example text	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
<Example text>	Variable user entry. Pointed brackets indicate that you replace these words and characters with appropriate entries.
EXAMPLE TEXT	Keys on the keyboard, for example, function keys (such as F2) or the ENTER key

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Enterprise Controlling (EC)

Consolidation (EC-CS)

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Profit Center Accounting (EC-PCA)

[Profit Center Accounting \(EC-PCA\) \[Page 45\]](#)

Consolidation (EC-CS)**Consolidation (EC-CS)****Enterprise Controlling - Consolidation (EC-CS)**

EC-CS was created for Release 4.0. Unlike FI-LC (Finance – Legal Consolidation), which contains only legal consolidation for external-oriented accounting, EC-CS also contains management consolidation to meet the needs of internal accounting.

[Master Data \[Page 11\]](#)

[Data Monitor \[Page 23\]](#)

[Information System \[Page 37\]](#)

Master Data

Purpose

The core task of Consolidation is to gather together data from the individual elements of a business enterprise. The goal is to display only the external business relationships, and to eliminate the internal relationships and processes.

Against this background, there are two main types of master data:

- The organizational units themselves, with their structures, and
- The items, whose structure determines the data content.

You can find more information about this process under [i](#) [Page 12].

Process Flow

You can find the data for this process under [?](#) [Page 13].

1. [Displaying Dimensions](#) [Page 14]
2. [Displaying Consolidation Units](#) [Page 16]
3. [Displaying Consolidation Groups](#) [Page 18]
4. [Displaying Hierarchies](#) [Page 20]
5. [Displaying Financial Statement Items](#) [Page 21]

Additional Process Information

Additional Process Information

To speed up access to the Consolidation functions, you save a default of the current consolidation data for your user. So long as you work with this predefined data, you do not need to repeat the settings for the automatic access. You only need to adjust the global parameters during your session for changes to the dimension, version, fiscal year, consolidation chart of accounts, or ledger.

Therefore, you first need to use the global parameters to set the default settings for your user. Choose *Accounting* → *Enterprise Controlling* → *Consolidation* → *Global parameters*.

This step is also listed as the first item in the IMG activity *Define Global Parameters*, to enable their adjustment at any time.

Data Used During This Process

Field	Data	Description
Dimension	01	Companies
Version	100	Actual version
Fiscal year	1998	
Period	012	
Consolidated chart of accounts	01	COGS – Appr in B/S (US)
Ledger	CS	Consolidation Ledger

Displaying Dimensions

Displaying Dimensions

Use

In this first step, you use the global parameters to set the default settings for your user.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Global parameters</i>
Transaction Code	CXGP, SPRO, CX1L, CX1J, CX0UD

2. Enter the following data:

Fields	Data	Description
Dimension	01	Companies
Version	100	Actual version
Fiscal year	1998	
Period	012	
Consolidated chart of accounts	01	COGS – Appr in B/S (US)
Ledger	CS	Consolidation Ledger

3. Choose .

You automatically return to the overview tree.



This step is also listed as the first item in the IMG activity *Define Global Parameters*, to enable their adjustment at any time.




You can now have various options for viewing the group.

For example, one dimension could focus on *companies*, another on *strategic business fields*, or *profit centers*.

To this extent, the structure of your consolidation units and groups is always dependent on the dimensions.

4. Call up the transaction as follows:


Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

5. Choose  *SAP Reference IMG*.
6. Choose *Enterprise Controlling → Consolidation → Master Data*.
7. Choose  next to *Define Dimensions*.
8. In the dialog box, position the cursor on the field *Display dimension* and choose  *Choose*.


Displaying Dimensions


9. Choose  to display *Dimension 01*.



On the *Display Dimension* screen, in the *Field length* section, you see that the length for consolidation units and groups has been defined as 6. The units can be defined with a maximum length of 18, if required.

10. Choose  *Screen selection CU*, to display the screen control for the consolidation units.

All screen selection groups are ready-for-input optional fields. You can recognize this by the figure 1.


11. Choose .


12. To check the screen selection control for the consolidation groups, choose  *Screen selection CG*.

13. Choose  and , until you get to the *Display IMG* screen.


You can define a new dimension or create a dimension with dependent settings.


14. Choose *Enterprise Controlling* → *Consolidation* → *Master Data*.

15. Choose  next to *Define Dimensions*.


16. Position the cursor on *Create dimension* and choose  *Choose*.

You can define a new dimension on the following screen.


17. Choose .

18. Choose .

19. Choose *Enterprise Controlling* → *Consolidation* → *Preparing for Production*.

20. Choose  next to *Copy Dimensions*.

21. Select the areas which should be copied from the various frames.

22. Choose  until the overview tree appears.

Displaying Consolidation Units

Displaying Consolidation Units

Use

Consolidation units are the lowest-level elements. They are used to form consolidation groups such as companies or profit centers.

The following consolidation units have been defined in the model:

C1000 Germany
C2000 Great Britain
C2200 France
C3000 United States
C4000 Canada
C4100 Australia
C9000 Parent company

Procedure

1. Call up the transaction as follows:


Menu Path	<i>Accounting</i> → <i>Enterprise Controlling</i> → <i>Consolidation</i> → <i>Master Data</i> → <i>Consolidation units</i> → <i>Display</i>
Transaction Code	CX10, CX1Y

2. In the *Consolidation unit* field, enter *C2000*, then choose .

You see the master data of your consolidation unit.



Alternatively, you can choose *Master data* → *Consolidation groups* → *Hierarchy* → *Display* to navigate to the consolidation group hierarchies, where you can display consolidation units and groups.

- On the *Display consolidation group hierarchy* screen, choose .
- Double-click on consolidation unit C2000 to get to the same place as described above.

In the *General* screen area, you see that the country is defined as GB, language EN, and local currency GBP.

3. Select the tab page *Correspondence*.

You see the address and telecommunication data.

4. Select the tab page *Methods*.

The value 1 has been defined in the *Financial data type* field in the *Entry* section. Each financial data type is assigned to a data entry group, which contains the forms that have to be entered for a company and a period category.


Displaying Consolidation Units

A *Tax rate* of 60% has been defined in the *Posting* screen section. As a result, tax allocation is performed automatically for postings affecting net income, if this is desired.

In addition to the local currency, translation method 00001 has been assigned in the *Currency translation* screen section, in order to translate the individual financial statements from local currency into group currency.

5. Choose the *Data collection* tab page.

In the *Integration* section, you see that data transfer method U and upload method UPL01 (or UPL02) have been stored. This means that the individual financial statement data can be fed into the R/3 System using flexible uploads.

6. Choose  until the overview tree appears.

Displaying Consolidation Groups

Displaying Consolidation Groups

Use

Consolidation groups are the groups into which the consolidation units are summarized. They can be hierarchically structured, for example, several companies can be summarized to form subgroups at an interim level and the consolidated group at the upper level.

The following consolidation groups have been defined in the model:


<p>Hierarchy 01 (by investment)</p> <p>CG1 Legal dimension worldwide</p> <p>CG2 Europe</p> <p>CG3 North America</p> <p>Hierarchy 02 (by region)</p> <p>CG4 Regional dimension worldwide</p> <p>CG2 Europe</p> <p>CG5 United States</p> <p>CG6 Rest of the world</p>

When you display group CG1, you see that this is basically the same data as for the consolidation unit. However, it is important to note that the consolidation groups also contain information about the lower-level units and groups.

Procedure


1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Master data → Consolidation groups → Display</i>
Transaction Code	CX1R, CX1Y

2. In the *Consolidation group* field, enter *CG1*, then choose .



Alternatively, you can choose *Master data → Consolidation groups → Hierarchy → Display* to navigate to the consolidation group hierarchy, where you can display the consolidation groups.

- On the *Display consolidation group hierarchy* screen, choose .
- Double-click on CG1 to get to the same place as described above.

3. Choose the *Master Data* tab page.

In the *Consolidation frequency* screen section, you see that the value 4 has been stored in the *Consolidation frequency* field, that is quarterly statements.


Displaying Consolidation Groups

In the *General* screen section, in addition to the country, the CS ledger has been assigned, which determines the group currency. The CS ledger is recorded in USD, which means that the consolidated financial statements are also created in USD.

4. Choose some of the other tab pages.

You can see that this is basically the same data as for the consolidation unit. On the *Assignments* tab page, you see the consolidation units (C9000) and the consolidation groups (CG2 and CG3) assigned to consolidation group CG1.

As well as information about the version, first year/period of consolidation, final year/period of consolidation, you can see in the PU column that consolidation unit C9000 is indicated as the parent company.

5. Choose  until the overview tree appears.

Displaying Hierarchies

Displaying Hierarchies

Use


Within one dimension, you can build various parallel hierarchy structures for consolidation units and consolidation groups.

In our model group, the consolidation units have been created in two hierarchies, one corresponding to the legal structure (hierarchy 01), and one corresponding to a regional hierarchy (hierarchy 02).

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Master data → Consolidation groups → Hierarchy → Display</i>
Transaction Code	CX1Y

2. Choose  to expand the hierarchy completely.

Hierarchy 01 consists of consolidation unit C9000 as the parent company, and consolidation groups CG2 and CG3.

CG2 consists of consolidation units C1000, C2000 and C2200, CG3 consists of C3000, C4000 and C4100.

You can see that consolidation unit C3000 is assigned once in CG3 and also in CG5.

3. Choose .

Displaying Financial Statement Items

Use




Similar to the G/L chart of accounts in FI, Consolidation uses a consolidation chart of accounts with the corresponding FS items. FS items can take the form of total items or value items, and can represent values or quantities.

Like the consolidation groups, the consolidation chart of accounts can be structured in a hierarchy and maintained in the graphical user interface.





Procedure

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO, CX12, CX17, CX14

2. Choose  *SAP Reference IMG*.
3. Choose *Enterprise Controlling → Consolidation → Master Data → Financial Statement Items → User-Defined Consolidation Chart of Accounts*.
4. Choose  next to *Define Consolidation Chart of Accounts*.
5. Position the cursor on *Display cons chart of accounts* and choose  *Choose*.
6. Enter the value *01* in the *Cons chart of accts* field.
7. Choose the *Cons chart of accounts master data*.

For the consolidation chart of accounts 01, 6 was defined as the output length of the financial statement items. They can have a maximum length of 10. The appropriation of retained earnings should be displayed in the balance sheet. You can set the lock indicator to ensure that no unauthorized persons may make changes to the consolidation chart of accounts.

8. Choose  and  until the *Display IMG* screen appears.
9. Choose *Consolidation → Master Data → Financial Statement Items → User-Defined Consolidation Chart of Accounts*.
10. Choose  next to *Maintain Item Hierarchies for Cons Chart of Accounts*.
11. Position your cursor on *Display item hierarchies* and choose  *Choose*.

You can see that consolidation chart of accounts 01 is subdivided by BS (balance sheet items), IS (income statement items) and STAT (statistical items).

12. Select *BS → 100000 Total Assets → 100100 Total Current Assets → 119000 Net receivables → 130000 Intercompany receivables*.
13. Select *130100 IC Receivables*, then double-click on it to call up the FS item.

If a dialog box should appear, choose *Continue*.


On the *Display consolidation chart of accounts hierarchy* screen, the *Value item* is selected in the FS item type field, *Debit (increase)* is selected in the sign for entry field

Displaying Financial Statement Items

and *0110 Partner + currency* is selected in the breakdown category field. This specifies that separate data records are to be entered and saved for each partner company and transaction currency.

14. To check which breakdown information is required for this FS item, select the *Subassignments* tab page.

You can see that specify partner and specify currency were selected.

15. Choose .

16. Choose 160000 *Total Fixed Assets* → 190000 *Property, Plant and Equipment* → 191000 *Property, Plant and Equipment*.

17. Double-click on FS item 191200 *Buildings*.

You now see that 1000 (transaction type) is stored in the *Breakdown category* field, 1 (transaction type) in the *Subitem category* field.


18. Choose the *Subassignments* tab page.

In this case, *Specify subassignment* has been selected.

19. Choose *Goto* → *Subitem categories*, to display the master data for subitem category 1. The field length has been defined as 3.

20. Choose *Goto* → *Subitems*, to see the character values for this subitem category. For example, subitem 100 stands for Opening balance, subitem 120 for Acquisitions.

The various subitems for each FS item reduces the number of FS items required. At the same, you could show the fixed asset movements through the horizontal development of an FS item.

21. Choose  until the overview tree appears.

Data Monitor

Use

The data monitor encompasses the transfer of data from the transaction systems to Consolidation, as well as the posting of standardizing entries and currency translation. Balance carryforward is also a component of the data monitor.

You can find more information about this process under [i](#) [Page 24].

Process Flow

You can find the data for this process under [?](#) [Page 25].

1. [Checking the Data Collection \[Page 26\]](#)
2. [Performing Validations \[Page 29\]](#)
3. [Displaying Standardizing Entries \[Page 30\]](#)
4. [Performing Currency Translation \[Page 33\]](#)
5. [Performing Apportionment \[Page 35\]](#)
6. [Displaying Balance Carryforward \[Page 36\]](#)

Additional Process Information

Additional Process Information

The data monitor groups tasks together in order to allow the user-friendly execution of individual consolidation steps at consolidation unit level.

In the example used in the demonstration, the standard data monitor *10000*, “world data monitor” is used without integration and without balance carryforward for period 012/1998. It includes the tasks data entry, validation of reported financial data, manual standardizing entries, currency translation, apportionment, and validation of standardized reported financial data.

Data monitor *11000* is used for period 003/1999. In addition to the tasks listed above, it also includes balance carryforward.

Data Used During This Process

Eff. Year	Eff. Period	Period Category	Task Group DM
1999	003	1	11000
1998	012	1	10000

Data monitor 10000

Tasks	Description
1200	Entry
1300	Valid. RFD
1450	ManStdEnty
1500	CrcyTrans.
7000	Apportion.
1600	Valid. SFD

Data monitor 11000

Tasks	Description
1200	Carryforward.
1200	Entry
1300	Valid. RFD
1450	ManStdEnty
1500	CrcyTrans.
7000	Apportion.
1600	Valid. SFD

Checking the Data Collection

Checking the Data Collection

Use

A number of basic options are available to collect data in the EC-CS component, including realtime update from transaction applications in the same system, transfer from other systems using rollup, offline data entry using MS Access or MS Excel, flexible upload of files, or manual online data entry directly in EC-CS. Our model uses the flexible upload, which has already been performed using upload method UPL01 (or UPL02). The uploaded data can be verified in the data monitor.

Procedure

1. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Data collection → Monitor</i>
Transaction Code	CXCD

2. In the next dialog box, enter the following data:

Field	Data
Dimension	01
Version	100
Fiscal year	1998
Period	012
Consolidated chart of accounts	01
Ledger	CS

On the *Data Monitor* screen, you initially see the overall status of all the consolidation tasks that have been assigned to the monitor.


A red light means that errors have occurred during the execution of the tasks. A yellow light indicates the incomplete execution of the tasks. A green light means that the consolidation tasks have been completed error-free.

3. Choose  to expand the hierarchy completely.

This allows you to see the overall status for any consolidation units or groups at a glance. Note that the status is inherited from bottom to top. This means if the status of a consolidation unit is incomplete, all the consolidation groups containing that unit will also be incomplete.

4. If required, choose *Layout → Show tasks*, to see the tasks that have been assigned to the respective monitor.


If there is not enough space on the screen, you can remove the hierarchy description with *Layout → Hide CG/CU names*.

5. Choose , to display a symbol and color key of the tasks and overall status.

Checking the Data Collection

The status of the individual tasks is more differentiated than the overall status, and is represented by different icons.

A gray “x” shows that a task has not been started yet; a red minus sign means that the task is irrelevant for a consolidation unit (for example currency translation for a unit, whose local currency is identical to the group currency); a lightning bolt indicates errors; a red “x” indicates that a task is incomplete and a green checkmark means that the task is error-free; a closed lock means that a task is blocked and an open lock means that it is unblocked.


6. Choose .

It is possible to reduce the display scope in the data monitor. To only display consolidation group CG1 in the data monitor, choose *Environment* → *Global parameters*. In the dialog box, enter consolidation unit C1000.


To return to the display of hierarchies, choose *Environment* → *Global parameters*, and delete the consolidation group and the consolidation unit.


7. To present the status display in text form, choose *Layout* → *Icons <-> Texts*.
8. Select the combination *Entry* and *C1000* and choose *Test run*.
9. Select the *Data entry layout 01-3000: Income Statement*.

You then see all the values that have been entered for the respective FS items in local currency. In this case, the layout was defined so that no further breakdown of the FS items is supported. As certain FS items require a breakdown, additional layouts were defined that provide this additional information.


10. Choose .

11. Select *Data entry layout 01-32000: Cost Functional Area*.

12. Choose  *Position...* and enter the FS item 312400 in the dialog box.

13. Choose .

You then see a breakdown of the values by functional areas.

14. Choose  to return to the *Display Data* screen.



The *Additional financial data* screen area provides an option for entering additional information, which is required for the consolidation of investments.

15. Choose *Changes in Investments* under *Additional financial data*.

16. If necessary, expand the hierarchy with “+” to display details for unit *C1000*.

Information is displayed about units C2000 and C2200, which are assigned below C1000 in the hierarchy. By *double-clicking* on C2000 you get information about the amount of investments by C1000 in C2000 and the value of these investments in C1000’s balance sheet. In addition, you can see which equity items appear in C2000’s balance sheet and in which amount.


17. Choose , until the *Data Monitor* screen appears.

Once a task has been performed successfully, you can block it using . This means this task (and its upstream tasks) cannot be performed again. This is only possible using .

Checking the Data Collection

18. To start a series of tasks, which are then automatically processed one after the other, first select the appropriate consolidation unit or group and choose *Run successive tasks*.

Automatic processing continues until a task that has been defined as a milestone in Customizing is reached. You meet this definition whenever the option of manual intervention is required for a certain task.

19. Choose  until the overview tree appears.

Performing Validations

Use

Validation involves a formal check of the data. Different user-defined rules can be applied during these checks. Depending on the definition of the rules, either a warning or an error message is issued.

Validation is performed at three points in consolidation: first the reported financial data is checked in local currency. Then, after currency translation, the values in group currency are checked. Finally, once consolidation is complete, the consolidated values are checked. The first two validation runs are located within the data monitor, and draw their data from the consolidation units' data. The last validation is located in the consolidation monitor, and checks the values from the groups. Different validation rules can be defined for each of the various validation tasks.

Data from this example:




Validation 01-CS01 check individual financial statements, cons chart of accounts 01

This validation checks the agreement of assets and liabilities, of the annual net income items in the balance sheet and in the income statement, and whether the annual net income in the income statement and the total of all expenses and revenues amount to zero.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Data collection → Monitor</i>
Transaction Code	CXCD

2. If required, choose  to expand the structure.
3. Select the combination *Valid. RFD* and *C1000* and choose  to start the validation in update mode.
 Unblocking the task automatically sets the status of all subsequent tasks to unblocked.
4. Then select the same combination and choose *Update run*.
 The log that appears lists the checked units and groups together with the assigned validation groups. The number of errors and warnings is also displayed.
 If any exist, you can display their details by *double-clicking*.
 If this is not the case, when you return to the data monitor, you will see that the configuration has been changed: the task has been automatically blocked.
5. Choose  until the overview tree appears.

Displaying Standardizing Entries

Displaying Standardizing Entries


Use

From a corporate perspective, it is sometimes necessary to post standardizing entries or other manual adjustments that cannot be automated or foreseen. These postings can also be made through a task in a data monitor.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Data collection → Monitor</i>
Transaction Code	CXCD

2. Choose  to expand the hierarchy tree.
3. Select the combination *ManStdEnty* and *C3000* and choose *Test run*.



The executed standardizing entry can be viewed. The task does not have to be unblocked for this.

4. Enter *1000000002* in the *Document number* field and choose .
5. Choose the *Line items* tab page to see the amortization adjustment.

The first two lines represent the actual posting (FS items 191500 and 311950). The right column under *Auto* contains no figures, therefore you recognize the outgoing posting. The Machinery and Equipment asset account was reduced by 5000, and the same amount appears as an offsetting entry for *Depreciation – Machinery and Equipment*.

The next two line items were generated automatically, and represent the resulting financial statement imbalance. The figure 1 is displayed in the right column under *Auto*, which indicates that the line items stem from the financial statement imbalance. Position the cursor on the “1” and press F1 to display the online documentation.

The last two lines were also generated automatically as tax allocation. This is indicated by the number 2. A tax rate of 60% for deferred taxes was defined in the master record of the companies, therefore the system can calculate the tax adjustment and the financial statement imbalance.


6. By double-clicking on one of the line items you get to the *Display Entry: Line Item Details* screen.
In the document header, you see a description and the document number, as well as the document type. Here the document type 15 was used as manual standardizing entry with deferred taxes.
7. Choose , until the *Data Monitor* screen appears.
8. Select the combination *ManStdEnty* and *CG1* and choose . Also block the task for cons group *CG4*.

Displaying Standardizing Entries





As a consolidation unit can be assigned to different hierarchies and therefore to different consolidation groups, the tasks must also be executed for the other consolidation groups/hierarchies in order to obtain the overall status “complete” in the data monitor.

In this example, cons unit C3000 is contained in both CG3 and CG5, and therefore also on CG4.



9. To return to the overview tree, choose .
10. Choose *Consolidation* → *Information system* → *Tools* → *Journal entries*, to view this posting using an alternative method.
11. Enter the following data:

Field	Data
Consolidation group	CG3
Consolidation unit	C3000
No reversal documents	X



12. Choose .
 - Make sure that no other restrictions were made.
 - The first thing you see is *Document number* 1000000002, which you can display down to line item level using *Edit* → *Expand*. Now you see the six line items.
13. Choose , to return to the *Journal Entry Report* screen.

14. Enter the following data:

Field	Data
Consolidation group	CG3
Consolidation unit	C3000
Journal entry layout	CS04-02
No reversal documents	X

15. Choose .
16. Maximize the screen size.
 - In the next to last entry you see that the first document with document number 1000000000 was reversed by document 1000000001. For the second document, you see that it is the reversal document for 1000000000. If you want to display the two documents again with journal entry layout CS04-01, you will see that the tax allocation is missing. This is because the responsible clerk has not yet entered the tax rate for the consolidation units, which means no allocation was possible. As a result a reversal was required.
17. Choose  until the overview tree appears.
18. Choose *Consolidation* → *Data collection* → *Manual Posting* → *Display*.

Displaying Standardizing Entries

19. Enter a valid document number (1000000000, 1000000001 or 1000000002) in the *Document number* field and choose .
20. Choose  until the overview tree appears.

Performing Currency Translation

Use

Currency translation enables you to translate individual items or groups of items from local and/or transaction currency to group currency. Alternatively, values in group currency can be taken directly or historically from the additional financial data. The combination of translation options is grouped together in one or more translation methods and assigned to the consolidation units.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Data collection → Monitor</i>
Transaction Code	CXCD

2. Choose *Layout → Show tasks* if required.

3. Select *Dimension 01* and choose .

If the data monitor was not completely blocked after the validation task was unblocked and performed, you will see that no currency translation is required for some of the consolidation units (indicated by the sign “-“, for example for C9000 and C3000), as these consolidation units are domestic. A red “x”, like the one for cons unit C1000 indicates that the task is incomplete.

4. Select the row/column combination *CrcyTrans.* and C1000 and choose *Update run*.

On the *Currency translation* screen, you see that cons unit C1000 will be translated using translation method 00002 DEMO: ANI weighted. The underlying reference exchange rate is specified as 0.7.

5. Choose , to expand the whole page.

Set CS01-190000, which contains the long-term asset items, is listed first. The items of this set are translated using currency translation key 1.

The total value of the items is then displayed in *local currency* and *group currency*. Any difference that results appears in the next column Diff. This is the difference between the reference value and the group value.



6. If necessary, use the scroll bar to get to item CS01-190000.

You now see a more detailed breakdown of the individual asset items of the fixed assets. By expanding further, for example item 191100, you see the corresponding transaction types. In this case, the total value belongs to transaction type 100 Opening balance.



7. Expand the item CS01-389999 to display the translation in the income statement.

Item 301100 Sales 3rd prty has a local value of 71,445,270.94, which is translated with currency translation key 5 and an exchange rate of 0.65 in accordance with the translation method. This corresponds to a consolidated value of 46,439,426.11. However, if the value had been translated using the current exchange rate of 0.7, this would have resulted in a reference value of 50,011,689.66. Therefore, a translation difference of 3,572,263.55 is calculated.

Performing Currency Translation


8. Select the items *Currency translation/ Differences/ Total* and choose .
9. Select *Differences* and choose .


The currency translation differences and rounding differences are now displayed.


10. Choose , to return to the *Data Monitor* screen.
11. Choose  for the currency translation task and the cons groups *CG1* and *CG4*.
12. If you want to view the translation method in detail, call up Customizing as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

13. Choose  *SAP Reference IMG*.
14. Enter the following data:

Menu Path	<i>Enterprise Controlling → Consolidation → Data → Automatic Posting → Currency Translation → Translation Methods →  Define Currency Translation Methods</i>
Transaction Code	CXD1

15. Select currency translation method *00002* and choose the level *Method Entries* in the *Dialog Structure* section by double-clicking on it.
16. Select the first sequence number *010* and choose .

More information is available online in the R/3 Library under *Accounting → Enterprise Controlling → Consolidation*.
17. Choose  until the overview tree appears.

Performing Apportionment



Use

Consolidation unit C2200 is only partially (proportionately) included in the consolidated financial statements. However, the values from the individual financial statements are collected in full, and are then distributed according to the respective proportion during the Apportionment task.



Procedure


1. Call up the transaction as follows:


Menu Path	<i>Accounting</i> → <i>Enterprise Controlling</i> → <i>Consolidation</i> → <i>Data collection</i> → <i>Monitor</i>
Transaction Code	CXCD

2. Choose .
3. Select the row/column combination *Apportion.* and *C2200*, choose  if required, and then *Update run*.

On the *Apportionment* screen, cons unit *C2200* France is displayed with a proportion of 50%. Double-click on *Rounding*. FS items 250950 and 321300 indicate rounding differences.

4. Choose .
5. On the *Data Monitor* screen, choose  to block the task.
6. Select the row/column combination *Valid. SFD* and *C2200*, and then *Update run* to validate the standardized financial data.

The overall status is set to complete (.

7. Choose  until the overview tree appears.

Displaying Balance Carryforward

Displaying Balance Carryforward


Use

Balance carryforward is performed as the first task of a new year, in order to transfer the closing balance from the prior year into the new year. As the balance carryforward is a component of the data monitor, it deserves mention here.


Procedure


1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Global parameters</i>
Transaction Code	CXGP

2. In the dialog box, change the *Fiscal year* and the *Period* to 003/1999.
3. Choose .
4. Call up the transaction as follows:

Menu Path	From the <i>Consolidation</i> node choose <i>Data collection → Monitor</i>
Transaction Code	CXCD

5. Choose *Layout → Show tasks*.
6. Choose .




The first task you see is the balance carryforward. It was already performed and partly blocked.
7. Select the row/column combination *Carryfwd* and *CG1* and choose .
8. Choose *Update run*.

The cons units are displayed in hierarchical order.

9. Choose '+' until *C9000* is completely expanded.

The FS items to be carried forward are displayed: FS item 251200 RE-Current Year with transaction type 120 is carried forward to FS item 251100 with transaction type 100.

Then take a look at the adjustments to *C1000* within cons group *CG2*. The FS items for minority interest 241200 and 241620 are carried forward to FS item 251100 RE-Prior Years, again with a different transaction type.

10. Choose , until the *Data Monitor* screen appears.
11. Choose *Environment → Global parameters* and change the values back to 012/1998.
12. Choose .
13. Choose  until the overview tree appears.

Information System

Purpose

The information system encompasses all the reports that are available in EC-CS. This includes Report Writer reports, drilldown reports, journal entry reports, lists of master and control data, lists of reported financial data, and database lists for totals records and journal entries.

Only a few of the many available reports are displayed below.

You can find more information about this process under [i \[Page 38\]](#).

Process Flow

You can find the data for this process under [? \[Page 39\]](#).

1. [Using Drilldown Reporting](#)
2. [\[Page 40\]Displaying Journal Entries](#)
3. [\[Page 42\]Displaying Documents](#)
4. [\[Page 43\]Listing Totals Records \[Page 44\]](#)

Additional Process Information

Additional Process Information

The standard SAP System contains many standard reports. This section focuses on the drilldown reports.

Data Used During This Process

Field	Data	Description
Dimension	01	Companies
Version	100	Actual version
Fiscal year	1998	
Period	012	
Consolidated chart of accounts	01	COGS – Appr in B/S (US)
Totals cons group	CG1	Legal dimension worldwide

Using Drilldown Reporting


Using Drilldown Reporting

1. Call up the transaction as follows:



Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Information system → Consolidation reports → Drilldown reports → Standard reports → Current year with percentage balance sheet</i>
Transaction Code	S_ALR_87011791

2. Enter the following data:


Field	Data	Description
Dimension	01	Companies
Totals cons group	CG1	Legal dimension worldwide
Version	100	Actual version
Fiscal year	1998	
Period	012	
Consolidated chart of accounts	01	COGS – Appr in B/S (US)

3. Choose .
4. Expand the item hierarchy up to FS item *01/190000 P P & E, net*.
5. Select this item by clicking on the blue diamond. Select *Subitem* in the *Navigation* frame.


The transaction types for this item appear.

6. Choose , to call up the report.
7. In the dialog box select *Changes: local valuation > consol. data*.
8. Choose .

This is another drilldown report that displays the changes to the item values starting with the reported vales, further through first consolidation, and all the way to the consolidated value. A standardizing entry in the amount of 5,000 was posted for item 191500 under Property, Plant and Equipment.


9. Expand up to item 191500 and choose .

The journal entry report is now started, and shows that document type 15 was used in a standardizing entry for the amount of 5,000.


10. Choose , until you return to the *Execute Current yr with structure % : B/S: Detail* screen.
11. Call up item *130000 IU Receivables* by double-clicking on it.

The system displays a breakdown by consolidation unit, without hierarchy.

12. Choose .

You see the values defined for the hierarchy from input help. Select consolidation group *CG1* and choose .

The consolidation units are displayed in the hierarchy for item 130000.


13. Choose .

14. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Information system → Consolidation reports → Drilldown reports → Standard reports → Current year with percentage balance sheet</i>
Transaction Code	S_ALR_87011791

15. Enter the following data:


Field	Data	Description
Dimension	01	Companies
Totals cons group	CG4	Legal dimension worldwide
Version	100	Actual version
Fiscal year	1998	
Period	012	
Consolidated chart of accounts	01	COGS – Appr in B/S (US)

16. Choose .

17. Choose .

18. In the dialog box, choose .

The consolidation units for the hierarchy are now displayed within CG4.

19. Choose  until the overview tree appears.

20. In the dialog box, choose Yes.

Displaying Journal Entries

Displaying Journal Entries

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Information system → Tools → Journal entries</i>
Transaction Code	CX58


2. Enter the following data:

Field	Data
Consolidation group	CG3
Consolidation unit	C3000
Journal entry layout	CS04-01
No reversal documents	X
Dimension	01


3. Choose .

Make sure that you do not enter any other parameters.

You see *Document number* 1000000002.


4. Click on * before the document number, to see the six line items.
5. Choose , to get back to the *Journal Entry Report* screen.
6. Enter the following data:

Field	Data
Consolidation group	CG3
Consolidation unit	C3000
Journal entry layout	CS04-02
No reversal documents	X

7. Choose .

The next to last field indicates that the first document (with document number 1000000000) has been reversed by document 1000000001. For the second document, you see that it is the reversal document 1000000000.

If you display the two documents again with journal entry layout CS04-01, you will see that the tax allocation is missing. This is because the responsible clerk has not yet entered the tax rate for the consolidation units, which means no allocation was possible. A reversal was required as a result.

8. Choose  until the overview tree appears.



Displaying Documents

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Consolidation → Consolidation → Manual Posting → Display</i>
Transaction Code	CX52

2. Enter the following data:

Field	Data
Document number	1000000000, 1000000001 or 1000000002

3. Confirm your entry with .
4. Choose  until the overview tree appears.

Listing Totals Records


Listing Totals Records

1. Call up the transaction as follows:


Menu Path	Select <i>Information system</i> → <i>Consolidation reports</i> → <i>Database Listing</i> → <i>Totals Records</i> from the <i>Consolidation</i> node
Transaction Code	CX34

2. Enter the following data:

Field	Data
Dimension	01
Consolidation group	CG1
Consolidation unit	C1000
Version	100
Fiscal year	1998
Period	012
Consolidated chart of accounts	01
Posting level	20

3. Choose .

All the values for posting level 20 are now displayed, sorted by consolidation units, FS item number, and partner unit.

4. Choose  until the overview tree appears.

Profit Center Accounting (EC-PCA)

Profit Center Accounting (EC-PCA)

Master Data

[Analyzing Average Balances for a Representative Material \[Page 58\]](#)

Planning

[Direct Planning in Profit Center Accounting \[Page 66\]](#)

Actual Postings

[Creating a Profit Center Document \[Page 79\]](#)

[Transferring Balance Sheet Items \[Page 85\]](#)

[Balance Carryforward in Profit Center Accounting \[Page 92\]](#)

Reporting in the Information System

[Cost of Sales Reporting in Profit Center Accounting \[Page 47\]](#)

[Integrated Planning in Profit Center Accounting \[Page 97\]](#)

Multiple Valuation Approaches/Transfer Prices

[Setting Up and Activating Transfer Prices in CO and FI \[Page 111\]](#)

[Running the Catt to Activate Transfer Prices \[Page 154\]](#)

[Transfer Prices: Order Processing for Stock Transfers \[Page 171\]](#)

[Transfer Prices: Stock Transfer Between Plants \[Page 158\]](#)

[Product Cost Planning with Transfer Prices \[Page 186\]](#)

Cost of Sales Reporting in Profit Center Accounting

Purpose

In Profit Center Accounting, you can determine internal operating results for profit centers using either the period accounting or cost-of-sales accounting.

With period accounting, the operating result is grouped according to revenue elements and cost elements. The costs for a period are compared to the total expected output (revenues, changes in stock, activated capitalized goods on own account).

With cost-of-sales accounting, only costs incurred for sold services are assigned to revenues. With this approach, the distinction is made between functions (production, administration, distribution) rather than cost elements.

Profit Center Accounting is primarily grouped according to period accounting. A prerequisite for calculating profit in Profit Center Accounting according to cost-of-sales accounting is that cost-of-sales accounting has also been activated in Financial Accounting. If this is the case, the functional area is carried through in the transaction data of both Financial Accounting and Profit Center Accounting. This makes it possible to calculate profit using cost-of-sales accounting. The functional areas do not have to be entered directly. Instead, they can be derived from existing account assignment objects, such as cost centers or orders.

In this scenario, you can calculate profits for your profit centers using cost-of-sales accounting. You display the settings required in the Implementation Guide for cost-of-sales accounting, make a posting to a profit center and create a profitability report grouped according to cost-of-sales accounting for a profit center group.

You can find more information about this process under [i](#) [Page 48].

Process Flow

You can find the data for this process under [?](#) [Page 50].

1. [Displaying Customizing Settings for Cost-of-Sales Accounting \[Page 51\]](#)
2. [Entering an Accounting Document \[Page 52\]](#)
3. [Displaying an Accounting Document \[Page 54\]](#)
4. [Creating a Profitability Report for a Profit Center Group using Cost-of-Sales Accounting \[Page 55\]](#)

Additional Process Information

Additional Process Information

While period accounting is generally preferred in the German-speaking world, profitability reporting in the English-speaking world is more commonly carried out using cost-of-sales accounting. To achieve an internationally comparable form, more and more German companies now use cost-of-sales accounting for both their external and internal profitability reporting.

To process the calculation of profits according to cost-of-sales accounting, functional areas have been added to the documents. The functional area classifies business expenses according to functions, such as production, administration and sales.



The functional area is a four-figure field (data element = FKBER) which has been added to the following tables.

- FI/CO document: position structure ACCIT
- FI line items BSEG
- CO line items COEP
- Profit center line item GLPCA
- Profit center totals records GLPCT
- FI-SL totals GLFUNCT
- FI-SL line items GLFUNCA
- CO reconciliation ledger total COFIT

The following functional areas have been set up in the IDES system:

Field	Europe	North America
Production	0100	0100
Sales	0300	0300
Administration	0400	0400
Research and Development	0500	0500

The functional area can either be entered explicitly in a document or can be derived from other account assignment objects by means of substitution. Master record information about the account assignment objects is also available. The substitution rule used in IDES derives the functional area from, to name two examples, the cost center category and the order type.

In the following scenario, you post a Financial Accounting document. The account assignment object for the expense document line is cost center 1000. This cost center has cost center category 4 (administration). The substitution rule reads the cost center category and sets the functional area 0400 (administration) as the default value in your document. You can find information on this topic in [Entering an Accounting Document \[Page 52\]](#).

As functional areas can be either freely defined or defined according to user-defined rules (substitution, user exit) for each posting, it is necessary use self-created reports in order to

Additional Process Information

display the result according to cost-of-sales accounting. We have defined report PCA P&L for this IDES scenario. This report has been formatted in the usual US format. The results structure is structured as follows:

Gross revenue

Sales deductions

Net sales

Cost of goods sold of marketed services

Production variance

Production over-absorption / under-absorption

Production costs of the marketed services to reach the sales revenue

Gross profit from sales revenue

Sales and marketing expenses

Administration expenses

Research and development expenses

Total operating expenses

Total of general business activities

Data Used During This Process**Data Used During This Process**

Field	Europe	North America
Controlling area	1000	3000
Period	03	01
Fiscal year	2000	2000
Profit center group	H1	H3
Profit center	1402	3402
Cost element	476100	474100
Document type	KR	KR
Vendor	1000	3000

Displaying Customizing Settings for Cost-of-Sales Accounting









Use

In this procedure, you display the Implementation Guide settings which are necessary for carrying out a calculation of profits in Profit Center Accounting using cost-of-sales accounting.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO, OBBZ

2. Choose  *SAP Reference IMG*.
3. Choose *Enterprise Structure → Definition → Financial Accounting →  Define Functional Area*.
The system displays the functional areas used in IDES.
4. Choose .
5. Choose *Financial Accounting → Financial Accounting Global Settings → Company Code → Cost of Sales Accounting →  Activate Cost of Sales Accounting for Preparation*.
You see that cost-of-sales accounting is active for company code 1000.
6. Choose .
7. Choose *Financial Accounting → Financial Accounting Global Settings → Company Code → Cost of Sales Accounting → Set Up Substitution for Cost of Sales Accounting →  Activate Substitution*.
8. Select the row for company code 1000 (3000).
9. Choose *Environment → Substitution*.
10. In the dialog box, choose .
11. Open the *ID-COGS* node.
12. Select one substitution step.
The system displays the prerequisites and substitutions for this step.
13. Choose *Prerequisites*.
On the right-hand side of the screen, you now see the prerequisites in detail.
14. Choose *Substitutions*.
On the right-hand side of the screen, the derived functional area is displayed.
15. Choose  until the overview tree appears.

Creating an Accounting Document

Creating an Accounting Document

Use

In this procedure, you create an accounting document and see how the functional area is derived from the CO account assignment object.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Financial Accounting → Accounts Payable → Document Entry → Invoice</i>
Transaction Code	FB60



Make sure that the correct company code is specified.

2. If the *Enter company code* dialog box appears, enter the following data and choose .

Field	Europe	North America
Company code	1000	3000



3. To change the company code, choose *Environment → Set Company Code*, then choose Yes.
4. Now enter either company code 1000 (Germany) or 3000 (North America), and choose .
5. Choose the *Basic data* tab.
6. Enter the following data:

Field	Europe	North America
Vendor	1000	3000
Invoice date	Today's date	Today's date
Posting date	Today's date	Today's date
Amount	100.00	100.00
Currency	EUR	USD
Tax code	V0	I0
Calculate tax	Select	Select

7. In the *Items* screen area (below the data you have just entered) enter the following data:

Field	Europe	North America
G/L account	476100	474100
Amount	100.00	100.00
Cost center	1000	1000

Creating an Accounting Document

8. Choose .
9. Take a note of the document number.
10. Choose .
11. In the dialog box, choose Yes.



You can find examples of posting from documents to functional areas in Financial Accounting (scenarios: *Posting Examples for Cost-of-Sales Accounting*).

Displaying an Accounting Document

Displaying an Accounting Document

Use

You now display the accounting document and the document created for Profit Center Accounting to check the functional area.



Procedure


1. Call up the transaction as follows:

Menu Path	From the <i>Accounts Payable</i> node, choose <i>Document</i> → <i>Display</i>
Transaction Code	FB03



2. Enter the following data:


Field	Europe	North America
Document number	Document number you noted down	Document number you noted down
Company code	1000	3000
Fiscal year	2000	2000




3. Choose .
4. Select the *G/L account document line (item 002)* and choose .

The G/L account document line is displayed. You can see the cost center in the document line in the *additional account assignments* screen area.
5. To display the derived functional area, choose  *More*.

A dialog box appears.

The derived functional area is displayed in the *Functional Area* field.
6. Choose .
7. Choose .
8. To display the functional area in the profit center document, choose *Environment* → *Accounting Documents*.
9. In the dialog box, call up the document type *profit center document*.

The Profit Center Accounting line item list is displayed. From the line item list, you can see the cost element and the profit center which is derived from the cost center.
10. Select the *document number* and choose .

The derived functional area is displayed in the *Functional Area* field.
11. Choose .
12. Select  and  until the overview tree appears.

Creating a Profitability Report for a Profit Center Group using Cost-of-Sales Accounting

Creating a Profitability Report for a Profit Center Group using Cost-of-Sales Accounting

Use

Here, you process a profitability report for a profit center hierarchy. This report was created using functional areas with cost-of-sales accounting.




This report is not a standard R/3 report. It was created to demonstrate the possibilities of cost-of-sales reporting in the R/3 system. The report was formatted in the usual US format.

Procedure

1. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Information System → Tools → Report Painter → Report Writer → Report Group → Execute</i>
Transaction Code	GR55


2. Enter *PCA2*.

3. Choose .

4. Enter the following data:

Field	Europe	North America
Fiscal year	2000	2000
Company code	1000	3000
Period	Current period	Current period
Profit center group	H1	H3


5. Choose .

If a dialog box appears, enter controlling area *1000* and confirm your entry with .

On the following screen, the profit and loss account is summarized up to the selected profit center group and structured according to cost-of-sales accounting.

6. Choose  in front of the *General & Admin Expenses* row.

The cost elements assigned to this row are displayed.

7. Select cost element *476100* (Europe) or *474100* (North America) and then choose .



The line items for the selected report row are displayed.

8. Select a line item and choose .

9. Drag the screen downwards so that you can see the *functional area*.

10. Choose .

Creating a Profitability Report for a Profit Center Group using Cost-of-Sales Accounting

11. Choose  twice.
12. In the dialog box, choose Yes.
13. Choose  until the overview tree appears.

Analyzing Average Balances for a Representative Material

Analyzing Average Balances for a Representative Material

Use

In Profit Center Accounting you can use representative materials for a group of materials with a similar production or construction structure. This provides an additional dimension when you are analyzing the fixed capital. Activating the average balance ledger gives you the option in Profit Center Accounting of determining the average of the funds tied up in inventories. You can analyze these new key figures and characteristics using the Report Writer.

In the following scenario, you check the settings for the average balance ledger and for the representative materials.

You then execute a material reposting and display the movements using a drill-down report.

You can find more information about this process under [i](#) [Page 59].

Process Flow

You can find the data for this process under [?](#) [Page 60]. Choose the first of the listed processes.

1. [Checking the Settings for the Average Balance Ledger \[Page 61\]](#)
2. [Checking the Settings for the Representative Material \[Page 62\]](#)
3. [Displaying the Inventory Report \[Page 63\]](#)
4. [Executing a Stock Transfer \[Page 64\]](#)
5. [Analyzing the Stock Transfer in EC-PCA Reporting \[Page 65\]](#)

Additional Process Information

A representative material is a material number selected from materials with similar production and construction structure for analysis purposes in Profit Center Accounting. Referring to a material as a representative material allows you to record product- or product-group related actual and planning data within Profit Center Accounting.

Using an additional ledger lets you record actual average inventory balances for each period and profit center. The inward and outward movements during a given period are weighted and updated in this ledger. This means that a movement posted at the beginning of the month is updated completely in the average balance ledger. Note, however, that a later movement is only updated partially.

The process steps [Checking the Settings for the Average Balance Ledger \[Page 61\]](#) and [Checking the Settings for the Representative Material \[Page 62\]](#) are aimed at IDES users with prior knowledge of, and interest in, Customizing for Profit Center Accounting. This introduction aims to describe the settings required for this scenario.

Data Used During This Process**Data Used During This Process**

Field	Data	Description
Controlling area	1000	CO Europe
Company code	1000	IDES AG
Period	Current period	
Fiscal year	Current fiscal year	
Profit center	1010	High-speed pumps
Balance sheet account	792000	Semifinished products
Representative material number	P-100	Pump GG IDES Norm
Transaction type	301	Transfer plant to plant in one step
Plant	2000	Heathrow / Hayes
Storage location	0001	Warehouse 0001
Receiving plant	1000	Hamburg
Receiving storage location	0001	Material storage
Material	P-109	Cast steel pump

Checking the Settings for the Average Balance Ledger


Checking the Settings for the Average Balance Ledger

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO


2. Choose  SAP Reference IMG.

3. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Basic Settings →  Activate Average Balance Ledger.</i>
Transaction Code	OKE6

4. Enter the following data:

Field	Data
Average Balance Ledger for EC-PCA Activate	Select
Calculate Average Balance Using SAP Standard / Posting date	Select

5. Choose .


6. Choose  until the *Display IMG* screen appears.

7. In the dialog box, choose Yes.


Checking the Settings for the Representative Material

Checking the Settings for the Representative Material


1. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Master Data → Representative Materials →  Activate Representative Materials</i>
Transaction Code	3KEJ


2. If the *Controlling Area* dialog box appears, enter 1000.

3. Choose .

You can see which valuation classes the representative materials have been activated for.

4. Choose  to return to the *Display IMG* screen.


5. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Master Data → Representative Materials →  Choose Representative Materials</i>
Transaction Code	3KEK

You see the material numbers that have been defined as representative materials.

6. Choose  until the *Display IMG* screen appears.


7. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Master Data → Representative Materials →  Derive Representative Materials</i>
Transaction Code	8KEO

8. Select *Derivation Rule* in the table.

9. Choose .

You see the assignment of materials to the representative material.

10. Choose  until the overview tree appears.


Displaying the Inventory Report

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Profit Center Accounting → Information System → Tools → Report Painter → Report Writer → Report Group → Execute.</i>
Transaction Code	GR55


2. Enter the following data:

Field	Data
Report group	Z8A1

3. Choose .

4. Enter the following data:


Field	Data
Controlling area	1000
Fiscal year	Current fiscal year
Period	Current period
Company code	1000
Profit center / group (1) or value(s)	- 1010
Balance sheet account group or value(s)	- 792000
Representative material number or value (s)	- P-100



5. Choose .



If any additional entries exist in the fields, delete them.

The system displays the average inventory balance and the inventory value for each representative material number and balance sheet account. Make a note of the value for the representative material number P-100.

6. Choose .

7. Choose  and  until the overview tree appears.

In the dialog box, choose Yes.

Executing a Stock Transfer


Executing a Stock Transfer

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Inventory Management → Goods Movement → Transfer Posting</i>
Transaction Code	MB1B

2. Enter the following data:

Field	Data
Document date	Today's date
Posting date	Today's date
Movement type	301
Plant	2000
Storage location	0001


3. Choose .

4. Enter the following data:

Field	Data
Receiving plant	1000
Recv. SLoc	0001
Material	P-109
Quantity	1

5. Save .

In the information bar, you see the document number under which this goods movement has been posted in the system.

6. Choose  until the overview tree appears.

Analyzing the Stock Transfer in Profit Center Accounting Reporting


Analyzing the Stock Transfer in Profit Center Accounting Reporting

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Profit Center Accounting → Information System → Tools → Report Painter → Report Writer → Report Group → Execute.</i>
Transaction Code	GR55


2. Enter the following data:

Field	Data
Report group	Z8A1

3. Choose .

4. Enter the following data:


Field	Data
Controlling area	1000
Fiscal year	Current fiscal year
Period	Current period
Company code	1000
Profit center / group (1) or value(s)	- 1010
Balance sheet accounts or value(s)	- 792000
Representative material number or value(s)	- P-100

5. Choose .



If any additional values have been entered, delete them.

The system displays the average inventory balance and the inventory value for each representative material number and balance sheet account. As you can see from the report, your stock transfer for material P-109 has been updated by the system under the representative material number P-100. In the Avg. Bal. Column you can see that the weighted value has been updated.

6. Choose  until the overview tree appears.

Choose *No* if the system asks whether you want to save an extract.

Direct Planning in Profit Center Accounting

Use

You can use direct planning to complete the planning of the operating results, or to modify the balance sheet items of individual profit centers. Manual planning enables you to add or make changes to cost and revenue data or statistical key figures.

In this IDES process, you modify the planned data transferred from other applications to an individual profit center.

You can find more information about this process under [i](#) [Page 67].

Process Flow

You can find the data for this process under [?](#) [Page 68].

1. [Setting the Planner Profile \[Page 69\]](#)
2. [Planning Statistical Key Figures \[Page 70\]](#)
3. [Planning Balance Sheet Accounts \[Page 71\]](#)
4. [Planning Costs and Revenues \[Page 74\]](#)
5. [Cost and Revenue Planning with Excel \[Page 72\]](#)

Additional Process Information

The aim of profit center planning is to provide all the data available for a self-contained area of responsibility. Most of the data required for this can be transferred from the applications of the original account assignment objects. For example, the planned data for cost center planning can be transferred into profit center planning.

You enter the planned data in planning layouts (forms), which can then be summarized in a single planner profile. You can define the planning layouts (forms) to meet your individual needs.

In this process, you start by checking planning of statistical key figures and balance sheet accounts for a profit center. You then add the sales revenues to the cost and revenue planning data. To do this, you need to select a planner profile for decentralized profit center maintenance, select the profit center for which you want to plan and then enter/change the required data.

Data Used During This Process

Data Used During This Process

Field	Data	Description
Planner profile	SAP801	EC-PCA: Profit Center Group Planning (decentralized planning)
Controlling area	1000	CO Europe
Version	0	Current variant
From period	1	
To period	12	
Fiscal year	1998	
Company code	1000	IDES AG
Profit center	1000	Motorcycles
Account group	OAS	Operating profit
Account group	BSA	Fixed capital
Free entry	Select	
Statistical key figures group	Stat_9000	Statistical key figures of all types
Account number	800000	Domestic sales revenue
Account number	880000	Sales deductions
Revaluation factor	5	


Setting the Planner Profile

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Set Planner Profile</i>
Transaction Code	7KEP

2. Enter the following data in the dialog box:

Field	Data	Description
Planner profile	SAP801	EC-PCA: Profit Center Group Planning (decentralized planning)

3. Choose .

Planning Statistical Key Figures

Planning Statistical Key Figures


1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Statistical Key Figures → Change</i>
Transaction Code	7KE5

If you have not yet set the controlling area, the *Set Controlling Area* dialog box appears.

2. Enter the following data:

Field	Data
Controlling area	1000


3. Choose .

4. Now enter the following data:

Field	Data	Description
Version	0	Current variant
From period	1	
To period	12	
Fiscal year	1998	
Company code	1000	IDES AG
Profit center	1000	Motorcycles
Statistical key figure group	Stat_9000	Statistical key figures of all types
Entry free	Select	

5. Choose .

You now see the values of the various statistical key figures planned on this profit center.

6. Choose  until the overview tree appears.


Planning Balance Sheet Accounts

1. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Balance Sheet Accounts → Change</i>
Transaction Code	7KE3

2. Enter the following data:

Field	Data	Description
Version	0	Current variant
From period	01	
To	12	
Fiscal year	1998	
Company code	1000	IDES AG
Profit center	1000	Motorcycles
Account group	BSA	Fixed capital
Free entry	Select	

3. Choose .

You see plan values for balance sheet accounts.

4. Choose  until the overview tree appears.

Cost and Revenue Planning with Excel

Cost and Revenue Planning with Excel

Use

When planning with Excel Integration, Excel serves as an input template for your R/3 planning data. This allows you to benefit simultaneously from the flexibility of Excel and the powerful planning functions of your R/3 application. You will now change the costs and revenues for a profit center.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Set Planner Profile</i>
Transaction Code	7KEP

2. Enter the following data in the dialog box:

Field	Data	Description
Planner profile	IDES801	IDES: Profit Center Group (Decentralized Planning)



3. Choose .

4. Call up the transaction as follows:

Menu Path	From the <i>Planning</i> node, choose <i>Costs/Revenues → Change</i>
Transaction Code	7KE1

5. Enter the following data:




Field	Data	Description
Version	0	Current variant
From period	01	
To period	12	
Fiscal year	1998	
Company code	1000	IDES AG
Profit center	1000	Motorcycles
Account group	OAS	Operating profit

6. Choose .

7. Confirm the warning message by choosing Yes.

Excel is started in an SAP R/3 window. You show the costs and revenues for the profit center.

8. Go to cost element 420000 and change the amount to EUR 350,000.

9. Choose .
10. To skip any information messages, choose .
11. Choose  until the overview tree appears.

Planning Costs and Revenues

Planning Costs and Revenues


1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Costs/Revenues → Change</i>
Transaction Code	7KE1

2. Enter the following data:

Field	Data	Description
Version	0	Current variant
From period	01	
To period	12	
Fiscal year	1998	
Company code	1000	IDES AG
Profit center	1000	Motorcycles
Account group	OAS	Operating profit



If you need to switch to another layout, choose . This IDES process uses Layout 8A-111.

3. Choose .


On the *Cumulative Values* screen, you can call up the following optional process steps:

[Entering New Values \[Page 75\]](#)

[Period Display \[Page 76\]](#)

[Revaluating Values \[Page 77\]](#)

[Displaying Hierarchies \[Page 78\]](#)

4. Choose  until the overview tree appears.





If a dialog box should appear, choose *No*.

Entering New Values



1. To enter new values, position your cursor in an empty field in the account number column.
2. Enter the following data in the dialog box:

Field	Data	Description
Account number	800000	Domestic sales revenue
Profit Center currency	800,000	
Account number	880000	Customer discounts
Profit center currency	24,000	


3. To enter these values into the existing structure, choose .
4. Choose .
5. In the dialog box, choose Yes.

Period Display



Period Display

1. On the *Plan Costs/Revenues: Characteristics* screen, choose .
2. Select the first row in the list, then choose .
3. In period 8, enter the following data:


Field	Data
In profit center currency	40,000

4. Choose .

Revaluating Values



1. On the *Change Plan Costs/Revenues: Characteristics* screen, choose .
2. Select the first row in the overview, then choose .
3. Enter the following data in the dialog box:

Field	Data
Revaluation factor	5



4. Choose *Revaluate*.
The value of your selected entry is revaluated accordingly.
5. Choose .
6. In the *Exit Editing* dialog box, choose *No*.

Displaying Hierarchies

Displaying Hierarchies

1. On the *Change Plan Costs/Revenues: Characteristics* screen, choose .
2. Choose *Settings* → *Lead Columns*.
3. In the dialog box, select the *hierarchy/account number* column.
4. Choose .

You see individual summation levels for the accounts in the corresponding account group. The asterisks "*" to the left of the *account number* column indicate the hierarchy level.

5. Choose .
6. In the *Exit Editing* dialog box, choose *No*.
7. Choose .

Creating a Profit Center Document

Use

The function allows you to enter additional data in Profit Center Accounting. In this scenario, you repost a document within Profit Center Accounting.

You can find more information about this process under [i \[Page 80\]](#).

Process Flow

You can find the data for this process under [? \[Page 81\]](#).

Then select the first of the processes listed below:

1. [Line Item Display for the Dummy Profit Center \[Page 82\]](#)
2. [Entering a Profit Center Document \[Page 83\]](#)

Additional Process Information

Additional Process Information

Profit centers cannot receive direct postings in the R/3 system. Instead, the data is posted to other objects and passed on from there to a profit center in Profit Center Accounting. This makes it possible to display your company's results by profit center based on the original postings and with no additional work. If the account objects to be posted are not yet assigned to a profit center, the posting is made to a dummy profit center. For period closing purposes, these postings can be allocated either individually or using cost distribution/assessment.

In this scenario, you start by displaying the line items for the dummy profit center. You then repost a profit center document which has been posted in realtime to the dummy profit center.

Data Used During This Process

Field	Data	Description
G/L Record type	0	Actual
Version	0	Profit Center Accounting
Transaction currency	DEM	Current-variant
Controlling area	1000	CO Europe
Company code	1000	IDES AG
Posting period	01	
Fiscal year	1998	
Profit-center	1500	PC products
Profit-center	9999	Dummy profit-center
Document type	PC	Profit Center Accounting
Transaction currency	DEM	
Posting date	31.01.1998	

Line Item Display for the Dummy Profit Center


Line Item Display for the Dummy Profit Center

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Information System → Reports for Profit Center Accounting → Line Item Reports → Profit Center: Actual Line Items</i>
Transaction Code	KE5Z

2. Enter the following data:

Field	Data	Description
G/L record type	0	Actual
Version	0	Profit Center Accounting
Transaction currency	DEM	Current-variant
Controlling area	1000	CO Europe
Company code	1000	IDES AG
Posting period	01	
Fiscal year	1998	
Profit center	9999	Dummy profit center

3. Choose .

On the *Profit Center: Actual Line Items* screen, the system displays the line items for the selected profit centers.



4. Position the cursor on document number 49006980 and choose *Extras → Original Document*.

On the *Display Material Document (number)* screen, you can derive the original business transaction and work out which profit centers were involved.

5. Note the quantity and the unit of measure for the selected document line. You will need these in the next process step.



You can classify the business transaction more precisely from the movement type and the material description. In the case of the current posting, you have to make a reposting from dummy profit center 9999 to profit center 1500 for PC products.

6. Choose  to return to the *Profit-Center: Actual Line Items* screen.
7. Make a note of the amount in profit center currency and the account number for the selected document number.
8. Choose  until the overview tree appears.


Creating a Profit Center Document

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Actual Postings → Profit Center Document → Enter</i>
Transaction Code	9KE0


2. Enter the following data:

Field	Data	Description
Layout	8A-192	Document PrCtr./Account/PartnerPrCtr. in transaction currency
Document type	PC	
Posting date	31.01.1998	

3. Choose .

4. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Transaction currency	DEM	

5. Choose .

6. Enter the following data:


Field	Data	Description
Profit center	1500	PC products
Account number	Account number you noted down in previous process step	
Partner profit center	9999	Dummy profit center
In transaction currency	Amount you noted down in previous process step	

7. To post the offsetting entry, enter the following data in the next row:


Field	Data	Description
Profit center	9999	Dummy profit center
Account number	Account number you noted down in previous process step	
Partner profit center	1500	PC products
In transaction currency	Amount you noted down	

Creating a Profit Center Document

As this is a credit posting, enter a minus sign (-) at the end of the amount, and at the end of the quantity.

8. Choose .

On the *Create Document* screen, the system displays the document number under which this document has been stored in the system.

9. Choose  until the overview tree appears.

Transferring Balance Sheet Items

Purpose

You can display selected balance sheet items for the profit center. Profit center managers are therefore not only responsible for the profitability of their profit centers, but also for their fixed capital. It is also possible to calculate key figures, which set the profitability of profit centers in relation to their fixed capital (Return on Investment).

In this scenario, you see how balance sheet items can be transferred in realtime or periodically.

You can find more information about this process under [i](#) [Page 86].

Process Flow

You can find the data for this process under [?](#) [Page 87].

1. [Realtime Transfer of Balance Sheet Items \[Page 88\]](#)
2. [Periodic Transfer of Balance Sheet Items \[Page 90\]](#)

Additional Process Information

Additional Process Information

The following balance sheet items can be transferred in realtime:

- Material stock
- Assets
- Work in process
- Other balance sheet items (down payments, cash on hand,)

To transfer balance sheet items in realtime, the relevant accounts are stored in a Customizing table. You can also use this table to transfer additional balance sheet items.

Assigning balance sheet items to profit centers:

- Material stock and assets are assigned via the existing assignment in the master record.
- Valuated sales order stock is assigned via the assignment of the sales order item or the WBS elements of the profit center.
- The work in process is assigned to the profit centers via the order of project assignment.
- Receivables are distributed in the same way as the corresponding revenues.
- Payables are distributed in the same way as the corresponding expenses.

In this scenario, you first check the necessary Customizing settings required for the execution of realtime transfer of balance sheet items. You then enter a goods movement and display this business transaction from the Profit Center Accounting perspective. In this process, you post material P-100 in plant 1000 to balance sheet account 792000.

The following balance sheet items can be transferred periodically:

- Payables and receivables
- Material stock
- Assets
- Work in process

In the following scenario, you distribute payables and receivables periodically to profit centers. You can then display the line items from the Profit Center Accounting perspective.

Data Used During This Process

Field	Data	Description
Document date	Today's date	
Posting date	Today's date	
Transaction type	501	Receipt w/o purchase order into warehouse
Storage location	0001	
Material	P-100	Pump GG IDESNORM 100-200
Quantity	1	
Mat. doc. Year	Current fiscal year	
Company code	1000	IDES AG
Period	02	
Fiscal year	1998	
G/L record type	0	Actual
Version	0	Current
Controlling area	1000	CO Europe
Account	140000-160000	
Profit center	1010	
Plant	1000	

Realtime Transfer of Balance Sheet Items


Realtime Transfer of Balance Sheet Items

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Project Management</i>
Transaction Code	SPRO

2. Choose  SAP Reference IMG.

3. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Actual Postings → Choose Additional Balance Sheet and P&L Accounts →  Choose Accounts</i>
Transaction Code	3KEH


If the *Set Controlling Area* dialog-box appears, enter the following data and then choose .

Field	Europe	Description
Controlling area	1000	CO Europe

Balance sheet account 792000 is stored in the table. As a result, inventory postings to this account are posted online to Profit Center Accounting.



You can set a default profit center in this table. Data will be posted to this default profit center if there is no profit center entered in the material master record.

4. Choose  until the overview tree appears.

5. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Inventory Management → Goods Movement → Goods Receipt → Other</i>
Transaction Code	MB1C

Here, you post a goods receipt for a material to display the realtime recording of the balance sheet values in Profit Center Accounting.

6. Enter the following data:


Field	Data	Description
Document date	Today's date	
Posting date	Today's date	
Movement type	501	Receipt w/o purchase order into warehouse
Plant	1000	
Storage location	0001	

7. Choose .


Realtime Transfer of Balance Sheet Items

8. Enter the following data:

Field	Data	Description
Material	P-100	Pump GG IDESNORM 100-200
Quantity	1	

9. Choose .

10. Make a note of the document number.


11. Choose  until the overview tree appears.


12. Call up the transaction as follows:

Menu Path	From the <i>Inventory Management</i> node, choose <i>Material Document</i> → <i>Display</i>
Transaction Code	MB03

13. Enter the following data:

Field	Data
Material document	Document number that you noted down
Mat. doc. Year	Current year

14. Choose .


15. Choose .

The system displays the material document.


16. Choose *Accounting docs*.

17. In the dialog box, choose *profit center doc*.

You see that the inventory posting in account 792000 has been posted online to Profit Center Accounting.

18. Choose .

19. Choose .

20. Choose  until the overview tree appears.

Periodic Transfer of Balance Sheet Items

Periodic Transfer of Balance Sheet Items

At period end, you first split the receivables and payables in FI to the business areas. Parallel to this, the system distributes the receivables and payables to profit centers and makes them available for Profit Center Accounting.

1. Call up the transaction as follows:


Menu Path	<i>Accounting → Financial Accounting → General Ledger → Periodic Processing → Closing → Regroup → Balance Sheet Adjustment → Calculate</i>
Transaction Code	F.5D

2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG

3. Choose .

The system displays the number of documents. You can now transfer payables and receivables in Profit Center Accounting.

4. Choose  until the overview tree appears.

5. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Actual Postings → Period-End Closing → Transferring Payables/Receivables</i>
Transaction Code	1KEK

6. If the *Set Controlling Area* dialog-box appears, enter the following data:

Field	Europe	Description
Controlling area	1000	CO Europe

7. Choose .

8. Enter the following data:

Field	Data
Period	03
Fiscal year	1998
Line items	Select
Test run	Deselect
Log	Detail log

9. Select company code 1000 (IDES AG).

10. Choose .

11. Choose .

Periodic Transfer of Balance Sheet Items

The system displays a list, divided into profit centers and customers/vendors.

12. Choose  to open another session.


13. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Information System → Reports for Profit Center Accounting → Line Item Reports → Profit Center: Actual Line Items</i>
Transaction Code	KE5Z


14. Enter the following data:


Field	Data	Description
Record type	0	Actual
Version	0	Current
Controlling area	1000	CO Europe
Company code	1000	IDES AG
Posting period	003	
Fiscal year	1998	
Profit center	1010	
Account	140000-160000	

15. Choose .

16. Choose .


17. In the column, choose *Customer*, then choose .

18. Now select *Vendor* and choose  again.

19. Choose .

The system compares the list with the documents posted for the chosen profit center.

20. Choose *System → End session*.

21. Choose  until the overview tree appears.

Balance Carryforward in Profit Center Accounting

Balance Carryforward in Profit Center Accounting

Use

If you post material stock, assets, work in process or other balance sheet items transaction based to Profit Center Accounting, you have to carry the balance forward to Profit Center Accounting at year-end closing.

In the following scenario, you display the necessary customizing settings for carrying the balance forward and subsequently carry forward a balance yourself.

You can find more information about this process under [i \[Page 93\]](#).

Process Flow

You can find the data for this process under [? \[Page 94\]](#).

Then select the first of the processes listed below:

1. [Customizing the Balance Carryforward \[Page 95\]](#)
2. [Carrying Forward a Balance \[Page 96\]](#)

Additional Process Information

If you post material stock, assets, work in process or other balance sheet items transaction based to Profit Center Accounting, you have to carry the balance forward to Profit Center Accounting at year-end closing.

In addition to balance sheet accounts, the system also carries forward the profit and loss accounts for each profit and loss statement account type to the retained earnings account set in Customizing. This makes it possible to display the profit/loss carried forward in Profit Center Accounting.

Data Used During This Process**Data Used During This Process**

Field	Data	Description
Chart of accounts	INT	International chart of accounts
Company code	1000	IDES AG
Balance carried forward to fiscal year	2001	
Version	0	


Customizing the Balance Carryforward

1. Call up the transaction as follows:


Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO


2. Choose  SAP Reference IMG.

3. Call up the transaction as follows:


Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Basic Settings → Balance Carryforward →  Allow Balances to be Carried Forward</i>
Transaction Code	2KET

4. Select *Carryforward allowed*.

5. Choose .

6. Choose .

7. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Basic Settings → Balance Carryforward →  Maintain Retained Earnings Accounts</i>
Transaction Code	SPRO

You can maintain one retained earning account for each chart of accounts.


8. Select the chart of accounts *INT*.

9. Choose  Position.

10. Enter the following data in the dialog box:

Field	Data	Description
Chart of accounts	INT	International chart of accounts

11. Choose .

12. Choose  until the overview tree appears.

Carrying Forward a Balance


Carrying Forward a Balance

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Actual Postings → Period-End Closing → Carrying Forward of Balances</i>
Transaction Code	2KES


2. Enter the following data:

Field	Data	Description
Company code	1000	IDES AG
Carryforward to fiscal year	2001	
Test run	Select	

3. Choose .

You now see a list of postings made. The list is divided according to balance sheet accounts and retained earnings accounts.

Balance sheet account postings are divided according to controlling area, profit center, partner profit center, partner company, functional area, activity, depreciation area (assets) and results analysis version (work in process); retained earnings accounts are divided according to controlling area, profit center, origin object type and activity.

4. Choose  until the overview tree appears.

Integrated Planning in Profit Center Accounting

Use

Integrated planning in Profit Center Accounting allows you to transfer plan data to Profit Center Accounting from other areas. In the following scenario, you will transfer valuated sales planning to Profit Center Accounting. You will then transfer overhead cost planning and statistical key figures from Cost Center Accounting.

You can find more information about this process under [i](#) [Page 98].

Process Flow

You can find the data for this process under [?](#) [Page 99].

Then select the first of the processes listed below:

1. [Displaying Data to be Transferred from Profitability Analysis](#) [Page 102]
2. [Transferring Planning Data](#) [Page 104]
3. [Transferring Data from Costing Center Accounting](#) [Page 106]
4. [Transferring Statistical Key Figures from Costing Center Accounting](#) [Page 109]

Additional Process Information

Additional Process Information

Profit center planning forms an essential part of your overall corporate planning.

The integrative character of corporate planning is particularly evident in profit center planning, as it allows you to summarize, expand and change planning data from other areas of your company.

The aim of profit center planning is to provide all the data and key figures available for a self-contained area of responsibility (profit center).

If the required pieces of data already exist, they can be transferred from their original objects to the profit centers. Any missing information (such as revenues, changes in stock, and so on) can be planned directly in Profit Center Accounting. For further information, see [Direct Planning in Profit Center Accounting \[Page 66\]](#).

For the purposes of this scenario, the data is transferred from costing-based Profitability Analysis and Overhead Cost Controlling. You will transfer revenues and material costs from sales and profit planning.

You will transfer overhead costs and statistical key figures from the Cost Center Accounting application.

To display the Customizing settings, choose [Additional Demo Information \[Page 100\]](#).

Data Used During This Process

Field	Data	Description
Operating concern	IDEA	IDES global operating concern
Kostenrechnungskreis	1000	CO Europe
Layout	IDES350	Profit center
Version	110	Sales planning
Fiscal year	1999	
From period/to period	001/012	
Cost center	4230	Pump assembly
Profit center	1010	High speed pumps
Profit and loss accounts	OAS	Operating profit
Statistical key figure	9100	Employees



If you have activated transfer prices in your system, use the following data:

Field	Data	Description
Operating concern	IDEA	IDES global operating concern
Type of Profitability Analysis	Costing-based	
Controlling area	1000	CO Europe
Layout	IDES360	Profit center (currency)
Version	0	Plan version 1
Fiscal year	1999	
From period/to period	001/012	
Cost center	4230	Pump assembly
Profit center	1010	High speed pumps
Profit and loss accounts	OAS	Operating profit
Statistical key figure	9100	Employees

Additional Demo Information

Additional Demo Information

Use

The following additional information is aimed at IDES users with prior knowledge of Customizing for Profit Center Accounting and Controlling. The aim is to show the way in which applications are linked, using the example of the data contained in this process. Because this text refers to this IDES demo, you should read it after completing the process chain.

If you want to transfer data to Profit Center Accounting from costing-based Profitability Analysis, the value fields with which costing-based Profitability Analysis works must contain G/L accounts.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

2. Choose  *SAP Reference IMG*.


3. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Planning → R/3 internal plan data transfer → Transfer of plan data from costing-based CO-PA →  Maintain Account Determination</i>
Transaction Code	KEDP

4. If a dialog box appear, enter the following data:

Field	Data
Operating concern	IDEA
Costing-based	Select

5. Choose .

6. On the screen *Account Determination for Transfer of Plan Data to EC-PCA*, select the derivation rule *IDES standard derivation* and choose .

7. Choose  *Maintain rule values*.

8. If a dialog box appears, enter the following data:

Field	Data
Controlling area	1000

9. Choose .

You see the assignment of value fields to accounts.


10. To see the names of the value fields, choose  *On/Off*.

11. Choose  until the *Display IMG* screen appears.

Additional Demo Information

Once all values have been stored in Profitability Analysis, you must define which value fields you want to transfer to Profit Center Accounting with which +/- sign rules.

12. Call up the transaction as follows:


Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Planning → R/3 internal plan data transfer → Transfer of plan data from costing-based CO-PA →  Maintain +/- Sign Rules</i>
Transaction Code	KESF

You now see which value fields have been transferred to Profit Center Accounting with which +/- sign rule.

13. Choose  until the *Display IMG* screen appears.

If you want to transfer overhead costs from Cost Center Accounting to Profit Center Accounting, you must define in the plan version, at Profit Center Accounting level, whether the data is to be transferred to Profit Center Accounting online or posted subsequently in a report.


14. Call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Planning → Basic Settings for Planning →  Maintain Plan Versions</i>
Transaction Code	OKEQ

15. Select *version 0*.

16. Now choose *Settings for Profit Center Accounting* from the dialog structure on the left,

Use the Online Transfer field to decide whether the data is to be transferred from Cost Center Accounting to Profit Center Accounting online or subsequently using a special report.

17. Choose  until the overview tree appears.

Displaying Data to be Transferred from Profitability Analysis


Displaying Data to be Transferred from Profitability Analysis

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Profitability Analysis → Environment → Set Operating Concern</i>
Transaction Code	KEBC

2. Enter the following data:


Field	Data
Operating concern	IDEA
Costing-based	Select

3. Choose .





If you have activated transfer prices in your system, you must first transfer your Profitability Analysis plan data to a plan version of your own. Carry out process steps 4-9.

If you have not activated transfer prices, proceed to process step 10.

To do so, call up the following transaction at planning level  *IDES360*.

4. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Profitability Analysis → Planning → Edit Planning Data</i>
Transaction Code	KEPM

5. Im Bild Planungseinstieg: Gesamtübersicht wählen Sie die Planungsebene  *IDES 360* aus, indem Sie  klicken.






Es erscheint das zugehörige Planungspaket *IDES 360*.

6. Wählen Sie mit Doppelklick das Planungspaket  *IDES 360* aus.



Auf der rechten Bildschirmseite sehen Sie die Merkmale, die für diese Planungsebene ausgewählt wurden mit den entsprechenden Merkmalswerten, die die Merkmalskombination bestimmen, für die die Planung vorgesehen ist.



Sie sehen, daß die Planung u.a. für das Geschäftsjahr 1999 erfolgen soll, für das Profit Center 1000.

7. Wählen Sie unter Planungsmethoden (unten links)  *IDES 360*  und  *Kopieren*.

Displaying Data to be Transferred from Profitability Analysis



Es erscheint die Parametergruppe, die bestimmt, welche Daten kopiert werden.

8. Wählen Sie mit Doppelklick  *IDES 360* aus.
9. Choose  until the overview tree appears.
10. Call up the transaction as follows:


Menu Path	<i>Accounting → Controlling → Profitability Analysis → Planning → Edit Planning Data</i>
Transaction Code	KEPM

11. Choose planning level  *IDES350* by clicking on .


The level is now expanded so that planning package  *IDES350* appears.

12. Double click on the planning package to call it up.

On the right of the screen, you now see the characteristics and values defined for this planning level. These determine the combination of characteristics used for planning purposes.

13. Under *Planning methods* (bottom left of the screen) choose *Enter planning data*. The corresponding parameter group appears. Double click on the  *IDES350* to call it up.

You now see the planned profit for each plant and product in the chosen profit center. Take a note of the total planned values for revenues and material usage. These values are also transferred to Profit Center Accounting.

14. Choose  until the overview tree appears.

The planning data is now transferred from Profitability Analysis to Profit Center Accounting.

Transferring Planning Data

Transferring Planning Data

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Plan data transfer → Costing-based CO-PA</i>
Transaction Code	KE1V

2. Enter the following data:

Field	Data
From period	001.1999
To	012.1999
Version	110
Record type	F
Test run	Deselect

3. Choose *Selection criteria*.



If you have activated transfer prices in your system, change your entries as follows:

Field	Data
Version	0

4. On the *Transfer to PCA: Selection criteria* screen, enter the following data:

Field	Data
Profit center	1010

5. Choose *Processing Instructions*.

On the screen *Transfer to EC-PCA: Processing instructions*, check that the *Ret* (transfer) indicator is checked for all characteristics.


6. Choose *Value fields*.

7. Enter the following data:

Field	Data
Revenue	Select
Material Input	

8. Choose .

The screen *Transfer to EC-PCA: Log* now displays a process log with your selection settings and the result of the transfer. Check whether the transfer has been completed without errors. Now call up the Profit Center Accounting Information System to display the results of the plan data transfer from costing-based Profitability Analysis.


9. Choose  until the overview tree appears.

10. Call up the transaction as follows:


Menu Path	Starting from <i>Profit Center Accounting</i> , choose <i>Information system</i> → <i>Reports for Profit Center Accounting</i> → <i>Interactive Reporting</i> → <i>Profit Center Group: Plan/actual/variance</i>
Transaction Code	S_ALR_87013326

11. Enter the following data:

Field	Data
From period	001
To	012
Fiscal year	1999
Profit center group or values	1010
Profit & loss accounts group	OAS
Plan version	110

12. Choose .



If the *Set Controlling Area* dialog box appears, enter *1000* and choose .

If the system displays a dialog box, confirm it with *Continue*.


You now see the revenues and material costs transferred from costing-based Profitability Analysis for the selected profit center.



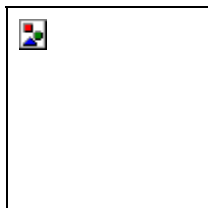
You can expand cost element group OAS by clicking on the OAS node in the right-hand half of the screen.

If you have activated transfer prices in your system, change your entries as follows:

Field	Data
Version	0

13. Choose  until the overview tree appears.

14. If a dialog box appears, confirm it with *Yes*.



Transferring Data from Cost Center Accounting

Transferring Data from Cost Center Accounting


Before transferring data from Cost Center Accounting, display the plan values on the screen.

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Cost Center Accounting → Environment → Set Controlling Area</i>
Transaction Code	OKKS

2. Enter the following data in the dialog box:

Field	Data
Controlling area	1000

3. Choose .

4. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Cost Center Accounting → Information System → Reports for Cost Center Accounting → Planning Reports → Cost Centers: Planning Overview</i>
Transaction Code	KSBL

5. On the *Planning Report: Initial Screen*, enter the following data:

Field	Data
Cost center	4230
Fiscal year	1999
Period from/to	01; 12
Version	110


6. Choose  *Execute*.



If you have activated transfer prices in your system, change your entries as follows:

Field	Data
Version	0

You now see the result of cost center planning for the selected cost center.

7. Choose  until the overview tree appears.
8. In the dialog box, choose Yes.

The data is now transferred from Cost Center Accounting to Profit Center Accounting.

9. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Plan Data Transfer → CO Plan Data</i>
------------------	--

Transferring Data from Cost Center Accounting

Transaction Code	1KEO
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10. Enter the following data:

Field	Data
Plan version	110
Fiscal year	1999
Objects: Cost center	Select
Cost centers	4230
Test run	Deselect
Log	Select

11. Choose .




If you have activated transfer prices in your system, change your entries as follows:

Field	Europe
Version	0

12. In the *delete* dialog box, choose Yes.

You now see plan data transfer log. You can use the Profit Center Accounting information system to analyze the results of the plan data transfer.


13. Choose  until the overview tree appears.

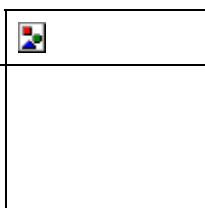
14. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Information System → Reports for Profit Center Accounting → Interactive Reporting → Profit Center Group: Plan/Actual/Variance</i>
Transaction Code	S_ALR_87013326

15. Enter the following data:

Field	Data
From period	001
To period	012
Fiscal year	1999
Profit center group	1010
Profit & loss account group	OAS
Plan version	110

16. Choose .



Transferring Data from Cost Center Accounting


If the system displays a dialog box, confirm it with *Continue*.

You now see the revenues and material costs transferred from costing-based Profitability Analysis as well the plan costs transferred from Cost Center Accounting for the selected profit center.

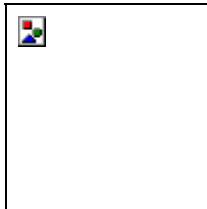


If you have activated transfer prices in your system, change your entries as follows:

Field	Data
Version	0

17. Choose  until the overview tree appears.

18. In the dialog box, choose Yes.



Transferring Statistical Key Figures from Cost Center Accounting

Transferring Statistical Key Figures from Cost Center Accounting

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Planning → Plan data Transfer → Statistical Key Figures</i>
Transaction Code	1KEE

2. Enter the following data:

Field	Data
Fiscal year	1999
Version	110
Object type	KS
Test run	Deselect
Log	Select

3. Choose .




If you have activated transfer prices in your system, change your entries as follows:

Field	Data
Version	0

4. In the dialog box, choose *Yes - live run*.

On the screen *EC-PCA: Transfer Planned Statistical Key Figures*, the system displays the transfer log. You can use the Profit Center Accounting information system to analyze the results of the plan data transfer.

5. Choose  until the overview tree appears.

6. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Information System → Reports for Profit Center Accounting → List-Oriented Reports → Profit Center: Statistical Key Figures</i>
Transaction Code	S_ALR_87013342

7. Enter the following data:

Field	Data
Controlling area	1000
Fiscal year	1999
From period	001

Transferring Statistical Key Figures from Cost Center Accounting

To	012
Plan version	110
Profit center group or values	1010
Statistical key figure or values	9100


8. Choose .



If you have activated transfer prices in your system, change your entries as follows:

Field	Data
Version	0

You see the statistical key figures transferred from Cost Center Accounting for the selected profit center.

9. Choose  until the overview tree appears.

10. In the dialog box, choose Yes.

Setting Up and Activating Transfer Prices in CO and FI

Purpose

Transfer prices allow organizations that divide tasks among different organizational units to value and control the goods and services exchanged between these units.

By valuating the exchange of goods and services using transfer prices, you can significantly influence the actual success of your corporate divisions or profit centers. Especially in this context, today's accounting systems need to be able to provide decision support that represents operational results from different points of views and using different currencies. This can be achieved using multiple valuation approaches and transfer prices.

The following is a description of the settings which you need to make in Customizing to use multiple valuation approaches and transfer prices in controlling area 1000 of IDES.

If you do not want to carry out the various steps and settings yourself, the system contains a CATT called "ZIDES_TP_BASIS". Once you have started this CATT, multiple valuation approaches and transfer prices are set up automatically in controlling area 1000 (including the settings in Asset Accounting → [Customer Exits in Asset Accounting \[Ext.\]](#)).

You can find more information about this process under [i \[Page 112\]](#).

Process Flow

You can find the data for this process under [? \[Page 117\]](#).

1. [Basic Settings for the Activation of Transfer Prices \[Page 118\]](#)
2. [Displaying the Currency and Valuation \(C&V\) Profile \[Page 119\]](#)
3. [Assigning the C&V Profile to the Controlling Area \[Page 120\]](#)
4. [Maintaining Versions in the Controlling Area for Valuations \[Page 121\]](#)
5. [Activating a Parallel Local Currency in FI \(Optional\) \[Page 123\]](#)
6. [Activating the Valuation Area for the Material Ledger \[Page 125\]](#)
7. [Setting up Transfer Prices in Profit Center Accounting \[Page 127\]](#)
8. [Activating Transfer Prices \[Page 131\]](#)
9. [Creating Transfer Price Conditions \(Optional\) \[Page 132\]](#)
10. [Maintaining Pricing Procedures \[Page 134\]](#)
11. [Setting Valuation Areas to Productive \[Page 136\]](#)
12. [Setting up Transfer Prices in CO-PC \[Page 138\]](#)
13. [Setting up Transfer Prices in CO-PA \[Page 148\]](#)

Additional Process Information

A. The significance of transfer prices

Transfer prices allow organizations that divide tasks among different organizational units to value and control the goods and services exchanged between these units.

Particularly large corporations are often divided into a number of independently operating divisions or companies that exchange various goods and services with one another. Transfer prices are becoming an increasingly critical method for controlling corporate units as the division of labor between internationally operating units increases, value-added chains become more complex and responsibilities become more decentralized.

By allocating the exchange of goods and services (valuated at transfer prices), you can significantly influence the success of your corporate divisions or profit centers. Especially in this context, today's accounting systems need to be able to provide decision support that represents operational results from different points of views and using different currencies.

The view of the individual company and the valuation of business transactions in accordance with national legal reporting requirements shows the economic reality of the group of companies from "just" one of the possible angles. The financial statements of the individual companies are influenced significantly by balance sheet and tax considerations. To be successful, though, corporate and group management needs other information that shows business activities from the point of view of the whole group or of individual profit centers in addition to this legal view.

First, to control the entire group, you need to value these business transactions using a cost of goods manufactured that is valid on a group-wide basis. Moreover, in many groups the management structures do not always correspond to the legally independent accounting units. Internal prices guide the individual profit centers according to market principles. Consequently, the value flows need to be represented from the point of view of profit centers for the purpose of internal profitability management.

Thus you need controlling and information systems that let you value and analyze these business activities from all three different perspectives (legal, group, and profit center points of view).

B. Aims of Transfer Pricing

Transfer prices may be used to achieve entirely independent aims depending on the various views needed for your organization. For example, the central controlling department of the group might have aims and information requirements that differ completely from those of the controlling departments for the individual divisions or companies.

These aims may sometimes even conflict with one another:

- Transfer prices are often used to represent profits optimally in the annual reports of the group companies for tax purposes or other external reporting purposes.
- Management is primarily interested in determining the profits and profit margins of individual areas of responsibility and coordinating their activities accordingly.
- Strategic decisions for the whole group are made based on the assumption that the group acts as a single company. Since the transfers between member companies include internal profits, these need to be eliminated in order to provide a sound basis for decisions for the

group as a whole and value business transactions using corporate-wide costs of goods manufactured.

C. The need for parallel valuation methods

The above-mentioned views of a group of companies result in different valuation views which are to some extent independent and have the aims described above.

Business results as well as material inventories need to be shown using these different methods in order to meet the various information requirements. The various views required must:

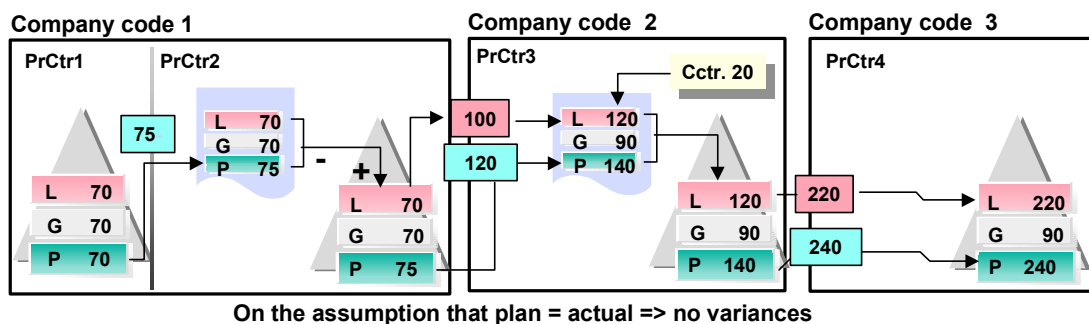
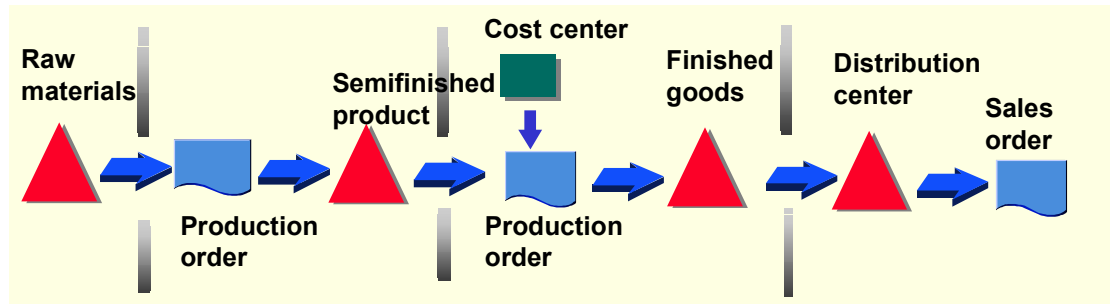
- provide a view of the exchange of goods and services between independently balancing companies in accordance with legal reporting requirements (**legal view**)
- value the exchanged goods and services within the group using corporate-wide costs of goods manufactured with internal profits between member companies being eliminated (**group view**)
- value exchanges of goods and services between profit centers using internal prices in order to determine the profitability of those profit centers and manage them accordingly (**profit center view**)

Example:

Many companies that require all these different valuation methods are therefore faced with the dilemma of storing these in parallel or creating them at period-end by means of value adjustments.

The following example describing a multi-stage production process involving several different companies and profit centers shows how different values arise when transactions are viewed from a different perspective.

Example for the motivation of multiple valuation approaches



An organization purchases raw materials from “third parties” (or companies outside the group) during different stages of the manufacturing process, and processes or resells them in different responsibility areas (legal units or profit centers).

This example makes it clear that the only way to be ensured of reliable controlling information is to represent the quantity flows involved in the logistic process using multiple value flows. One of the most basic features of transfer pricing in the R/3 System lets you value your quantities using different methods in parallel and thus analyze multiple value flows in the accounting components.

If you were to only value the quantities in this situation with one value, you would need to apply blanket valuation methods to your quantities at period end to achieve the information necessary for controlling at the group level. This procedure, however, would bring with it a high risk of inaccuracy and a considerable amount of effort.

D. Concepts in the R/3 System

A transfer price is a price used to value the transfer of a good or service between independently operating units of an organization. In Release 4.0A, transfer prices can be used to value goods movements. Activities cannot be valued with transfer prices at this point.

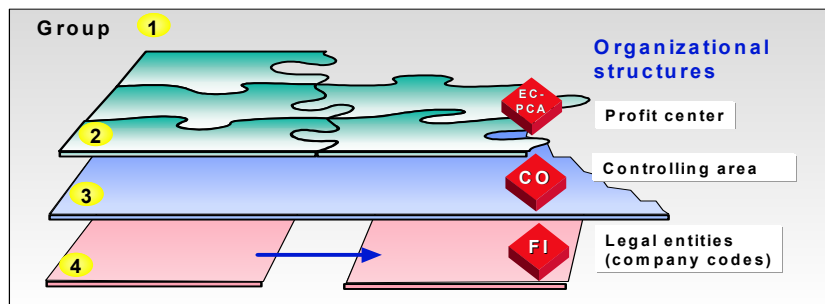
The R/3 System supports three types of transfer prices that represent the three primary views of goods movements within a corporate group.

- Transfer prices from the legal viewpoint
- Transfer prices from the viewpoint of the group
- Transfer prices from the viewpoint of the profit center

In the **legal** view, transfer prices represent the value (sales price) of goods or services transferred between legally independent member companies in the group. These values are reflected in the individual financial statements of these companies.

Transfer prices according to the group view are the costs of goods manufactured, which can be used for the allocation of goods and services within a group of companies. From the legal view, these are transfer prices from which the internal profits have been eliminated.

In the **profit center** view, transfer prices are the prices negotiated for goods and services exchanged between areas of responsibility (profit centers) and used to determine internal profitability.



- (1) Transfer price from the **group** view = costs of goods manufactured
- (2) Transfer price from the **profit-Center** view = management view
- (3) Internal prices for services/activities between cost centers
- (4) Transfer price from the **legal** view = sale and purchase price

The following concepts are also of importance for an understanding of transfer pricing in the R/3 System:

- Valuations/valuation views
- Valuation approach
- Currency and valuation profile

The three different views of business transactions - those of the individual company, the group as a whole and the profit center - are referred to as **valuations** or **valuation views**.

In the R/3 System, each valuation view is assigned to a single **currency type**. The combination of currency type and valuation view is referred to as the **valuation approach**.

In a **currency and valuation profile**, you can specify up to three valuation approaches that you want to store simultaneously in your system. This allows you to ensure that all three approaches are updated consistently throughout all the affected application components.

Additional Process Information**E. Organizational Units Affected By Transfer Pricing**

In order to use transfer prices in the R/3 System, you need to store multiple valuation approaches in parallel throughout the financials application components. Consequently, the following organizational units play an important role:

- **Group**

In Release 4.0, the controlling area represents a group of companies in which transfer prices can be used.

In Profit Center Accounting, this group of companies is divided into areas of responsibility that act as independent units and have responsibility for their own profits.

- **Group company**

If you employ cross-company accounting, the company codes represent the individual companies, which you assign to your controlling area.

- **Plant**

In each company code, material inventories are stored according to plant. The plant represents the level at which these material inventories are valued using parallel approaches.

Data Used During This Process

Field	Data
Currency and valuation profile	ID01
Exchange rate type	M
Cost component structure	IE
Company code	1000 2000 2100 2300
Currency type	30
Source currency	2
TrsDate type	1
Ledger	T1 T2
Valuation area	1000 1100 1200 1300 1400 2000 2100 2300
Plant	1200 2000

Basic Settings for the Activation of Transfer Prices

Basic Settings for the Activation of Transfer Prices



Once transfer prices are activated, you cannot reverse these settings.

Transfer prices are then active in controlling area 1000 and cannot be de-activated.

Displaying the Currency and Valuation (C&V) Profile

Use

To begin with, you select a C&V profile. This profile dictates which valuation approaches are used in the system. The system can parallel process a maximum of 3 valuation approaches in 2 currencies.


Procedure


1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

2. Choose  SAP Reference IMG.

3. Call up the transaction as follows:

Menu Path	<i>Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings →  Maintain Currency and Valuation Profile</i>
Transaction Code	8KEM

4. Select row "ID01" and choose  Detail.


Three valuation approaches (legal, group and profit center) are stored in C&V profile ID01. Two currencies are assigned to these three valuation views. The legal valuation uses the company code currency (providing the basis for closing in accordance with tax laws), while the group and profit center valuations use the group currency.

5. Choose  until the *Display IMG* screen appears.

Assigning the C&V Profile to the Controlling Area





Assigning the C&V Profile to the Controlling Area

1. Call up the transaction as follows:

Menu Path	From the <i>Basic Settings</i> node, choose  <i>Assign Currency and Valuation Profile to Controlling Area</i>
Transaction Code	8KEQ


2. In the row *1000 CO Europe*, enter the following data:

Column	Data
C&V profile	ID01

3. Choose .
4. Choose .
5. Make an entry in the *Short Description* field.
6. Choose .
7. Choose .



You have now assigned the C&V profile that you had displayed to controlling area 1000.

8. Choose  until the *Display IMG* screen appears.
If the *Exit Maintenance* dialog box appears, choose *No*.


Maintaining Versions in the Controlling Area for Valuations


Use

In this step, we display two further versions in addition to version 0. Operative version 0, which was already functioning without transfer prices, stores all data completely. In IDES, version 0 represents the legal view. To use transfer prices, two additional versions are required: a delta version to store differences arising from the group valuation (OKO) and a delta version to store differences arising from the profit center valuation (OPC).


Procedure

1. Call up the transaction as follows:


Menu Path	From the <i>Basic Settings</i> node, choose  <i>Create Versions for Valuation Methods</i>
Transaction Code	SPRO

2. In the screen area on the right, select the *OKO* row.
3. Choose  *Settings in Controlling Area*.
4. Enter the following data in the dialog box:

Field	Data
Controlling area	1000

5. Choose .
6. Confirm the dialog box with Yes.
7. Enter the following data:

Field	Data	Data
	OKO	OPC
Actual	Select	Select
Valuation view	Group valuation	PrCtr valuation
WIP/RA	Select	Select
Variance	Select	Select

8. Select the line for version *OKO*.
9. Choose  *Settings for fiscal year*.
10. Choose *New Entries*.
11. On the *Planning* tab, enter the following data:


Field	Data
Fiscal year	2001

Maintaining Versions in the Controlling Area for Valuations


Exchange rate type	M
Value date	01.01.2001
Integrated planning with cost centers/bus. processes	Select
Valuation version for IAA	0

12. On the *Price calculation* tab, enter the following data:

Field	Data
Purely iter. price	Select
Plan methods	Period price
Actual methods	Cumulative price
Actual revaluation	Do not revalue
Cost component structure	IE

13. Choose  until the *Change Fiscal Year Settings: Detail* screen appears.


14. In the navigation area, choose the view  General version definition.

Use  to scroll up.

15. Repeat steps 2 to 10 for *OPC*.



Note that value profit center valuation is now entered in the valuation view, to define the version for Profit Center Accounting.

16. Choose  without saving, to return to the *Change Basic Settings for Version: Overview* screen.

17. Choose  *Valuation*.

You now see an overview of the 3 valuation views you created in the C&V profile, with a message confirming that your settings are correct.

18. Choose .

19. Choose .

20. In the dialog box, choose .

You have now carried out the basic steps for valuating versions *OKO* and *OPC*.

21. Choose  until the *Display IMG* screen appears.

Activating a Parallel Local Currency in FI (Optional)


Use

This step is optional and is not essential for setting up transfer prices. This makes it simple for you to display postings in all three views for a material in external accounting.

By making the following settings, you determine which additional valuation approaches are used in Financial Accounting and in which additional ledgers this is to happen.

Procedure

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Financial Accounting</i> → <i>Financial Accounting Global Settings</i> → <i>Company Code</i> → <i>Multiple Currencies</i> →  <i>Define Additional Local Currencies</i>
Transaction Code	SPRO

2. Choose *New Entries*.

3. In the *Company Code* field, enter 1000 and choose .

You now see the settings for legal valuation in company code 1000.

4. Enter the following data:


Field title	Field	Data
2 nd Local currency	Currency type	30
	Valuation	1 (for group valuation)
	Exchange rate type	M
	Srce curr.	2
	TrsDte type	1
3 rd Local currency	Currency type	30
	Valuation	2 (for profit center valuation)
	Exchange rate type	M
	Srce curr.	2
	TrsDte type	1

5. Choose .

6. Skip the following messages by choosing .

7. Choose .


8. In the dialog box, choose .

9. Choose  to return to the *Change view: Additional local currencies for company code overview* screen.

10. Select the row containing company code 2000 and choose  *Detail*.

Activating a Parallel Local Currency in FI (Optional)

11. Enter the same data for this company code as you did for company code 1000.

12. Choose .

13. Repeat steps 10 to 12 for company codes 2100.

14. Repeat steps 1 to 9 for company code 2300.




You have now made the basic valuation settings in company codes 1000, 2000, 2100 and 2300 for updating group and profit center values in Financial Accounting.

15. Choose  until the *Display IMG* screen appears.



You must also define the ledgers in which these Financial Accounting values are to be updated.

16. Call up the transaction as follows:

Menu Path	From the <i>Parallel Currencies</i> node, choose  <i>Define Additional Local Currencies for Ledgers</i>
Transaction Code	OBS2

17. Choose *Ledger* → *Create*.


18. In the *Ledger* field enter *T1*.

19. Choose .

20. In the *Ledger* field, overwrite any existing text with the text *group G/L account, trans.figures*.

21. In the *Valuation* field, enter *Group valuation (1)*.

22. Choose .

23. In the *Information* dialog box, choose .

24. Choose  until the *Create Ledger: Initial* screen appears.

Activating the Valuation Area for the Material Ledger

Use


In the next step, you activate the Material Ledger (ML) for the valuation areas. The material ledger is a subsidiary ledger to Materials Management and forms the basis for using multiple valuation approaches.




Note that while you cannot make any postings in Materials Management (MM) until you have reached the process step "Set Valuation Areas to Productive". Problems may also arise in the other applications which use the material ledger. You are therefore advised not to carry out any material ledger related transactions during this time.





Procedure

1. Call up the transaction as follows:

Menu Path	<i>Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings → Check Material Ledger Settings →  Activate Valuation Areas for Material Ledger</i>
Transaction Code	OMX1

2. In the dialog box, position your cursor on *Activate valuation areas for material ledger*.
3. Select  *Choose*.
4. Enter the following data:

Valuation area	ML active	Price determination
1000	Select	2
1100	Select	2
1200	Select	2
1300	Select	2
1400	Select	2
2000	Select	2
2100	Select	2
2300	Select	2
2400	Select	2
2500	Select	2

5. Choose . If any warning messages appear, choose .
6. In the dialog box, choose .
7. Choose  until the *Display IMG* screen appears.

Activating the Valuation Area for the Material Ledger

8. In the dialog box, choose .

You have now informed the system that you want to use a material ledger for plants 1000, 1100 and so on, which correspond to the valuation areas. You have also determined how closing control is to be carried out in each valuation area. In this case, it will be transaction-based.

Setting up Transfer Prices in Profit Center Accounting

The following application shows how you can set up transfer prices in Profit Center Accounting.

1. [Changing Profit Center Valuation \[Page 128\]](#)
2. [Setting up Account Determination for Goods Movements \[Page 129\]](#)
3. [Defining Valuation Approach Clearing Accounts \[Page 130\]](#)

Changing Profit Center Valuation

Changing Profit Center Valuation

Use


You have defined in the currency and valuation profile that the profit center valuation (2) is to be used in Profit Center Accounting. You now ensure that this also occurs in Profit Center Accounting at the controlling area level.



If you did not define in the currency and valuation profile that the profit center valuation is to be used, you could now choose the legal valuation approach or the group valuation approach instead.




Procedure

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Accounting</i> → <i>Enterprise Controlling</i> → <i>Profit Center Accounting</i> → <i>Basic Settings</i> → <i>Controlling Area Settings</i> →  <i>Maintain Controlling Area Settings</i>
Transaction Code	0KE5

2. Enter the following data:


Field	Data
Valuation view	PrCtr valuation
Store transaction currency	Deselected

3. Choose .
4. Skip the warning message by choosing .
5. Choose  until the *Display IMG* screen appears.

Setting up Account Determination for Goods Movements


In this step, you determine which accounts additional postings (internal revenues and costs, and changes in stock) arising from transfer prices are to be posted to.

- From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Enterprise Controlling → Profit Center Accounting → Transfer Prices → Settings for Internal Goods Movements →  Define Account Determination for Internal Goods Movements</i>
Transaction Code	OKEK

- Choose *New Entries*.
- Enter the following data:

Matl Type	No Receiver Record	Internal Rev.	Chg. Stock	Delivery from PrCtr
FERT		698000	698100	698200
HALB		698000	698100	698200
ROH	Selected	698000	698100	

- Choose .

As the material is assigned to a material type, the system can now post internal revenues and costs, and changes in stock arising from deliveries between profit centers to the right accounts.

- Choose  until the *Display IMG* screen appears.

Setting up Account Determination for Goods Movements


Defining Valuation Approach Clearing Accounts

Use

You now define valuation approach clearing accounts which pass on the exact credit and debit postings to the system when cross-company code deliveries take place. The difference which arises from a cross-company code delivery between two profit center balance sheet accounts, is cleared using a valuation transfer account.


Procedure

- From the *Display IMG* screen, call up the transaction as follows:




Menu Path	<i>Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Level of Detail →  Define Valuation Clearing Account</i>
Transaction Code	8KEN

- Enter the following data:

Field	Data
Posted in company code	1000

- Choose .
- Choose *New Entries*.
- Enter the following data:

Tr.prt	Debit	P&L acct	Credit	Cred. acct
No entry	40	230005	50	230005
2000	40	230005	50	230005

- Choose .
- In the dialog box, choose .
- Choose  until the *Display IMG* screen appears.

Repeat steps 1 - 6, entering company code 2000 in the dialog box in step 2. In step 5, enter 1000 instead of 2000 under Tr. Prt.

Activating Transfer Prices

Use


In this process step, you activate parallel valuation.



Once you have activated transfer prices in this step, you cannot deactivate them.




Procedure

- From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Activation →  Parallel Valuation Approaches: Check Activation / Execute</i>
Transaction Code	8KEP


- Enter the following data:

Field	Data
Controlling area	1000
Check activation	Deselect
Activate in controlling area	Select

- Choose .
- In the *Document Lines: Display Messages* dialog box, choose .
- In *Choose Currency and Valuation Profile* dialog box, choose  *Activate*.



The system confirms that the currency and valuation profile has been activated successfully in controlling area 1000. Ignore any other messages that may appear.

- Choose  until the overview tree appears.

Creating Transfer Price Conditions (Optional)

Creating Transfer Price Conditions (Optional)


Use

Here, you display information in Profit Center Accounting master data for materials AZ2-130 and AZ2-742. You see the price at which profit center 1005 receives material AZ2-130 from plant 1200 and the percentage markup at which profit center 1500 receives material AZ2-742 from plant 2000.


Procedure

1. Call up the transaction as follows:


Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Master Data → Transfer Prices → Prices → Display</i>
Transaction Code	AKE7

2. In the dialog box, select *Plant/Material/Partner PC*.
3. Choose .
4. Enter the following data:

Field	Data
Condition type	TPO1

5. Choose .
6. Enter the following data:


Field	Data
Plant	1200
Material	AZ2-130
Valid on	Today's date

7. Choose .



Conditions have already been created in the system. Condition TP01 represents a condition with a fixed transfer price of EUR 40.9 per unit of the material AZ2-130 from plant 1200 for deliveries affecting partner profit center 1005. This means that when this material is delivered from plant 1200 to profit center 1005, the system uses a fixed transfer price of EUR 40.9 per unit to determine the material costs for profit center 1005.


Alternatively, you can display the percentage markup for transfer price condition TP02.

8. Choose  twice.
9. Enter the following data:

Field	Data
-------	------


Creating Transfer Price Conditions (Optional)


Condition type	TP02
----------------	------

10. Choose .

11. Enter the following data:

Field	Data
Plant	2000
Material	AZ2-742
Valid on	Today's date

12. Choose .

13. Choose  until the overview tree appears.

Maintaining the Pricing Procedure for Transfer Pricing

Maintaining the Pricing Procedure for Transfer Pricing

Use

In the next step, you add the transfer price conditions to the pricing procedure for SD transfer pricing. By doing this, you ensure that when a cross-company code stock transfer is made between plants, the SD valuation will be made in the legal, profit center and group views.

Procedure

1. From the *IMG* screen, call up the transaction as follows:




Menu Path	<i>Sales and Distribution → Basic Functions → Pricing → Pricing Control → Define and Assign Pricing Procedures</i>
Transaction Code	SPRO

2. In the dialog box, double click on *Maintain Pricing Procedure*.
3. Select pricing procedure ICAA01 *Intercompany Billing* and double click on *Control Data* in the dialog structure.
4. Choose *New Entries*.
5. Enter the following data:

Field	Data
Step	911
Counter	0
Condition type	KW00
Reqt	22
Subtotal	No separate subtotal
Statistical	Selected
ActKy	ERL
Print	Not printed
Step	912
Counter	0
Condition type	PC00
Reqt	22
Subtotal	No separate subtotal
Statistical	Selected
ActKy	ERL
Print	Not printed

Maintaining the Pricing Procedure for Transfer Pricing

Step	943
Counter	0
Condition type	PCVP
Reqt	22
Subtotal	No separate subtotal
Statistical	Selected
Print	Not printed

6. Choose .
7. In the dialog box, choose .
8. Choose  until the *Display IMG* screen appears.

Setting Valuation Areas to Productive

Setting Valuation Areas to Productive

Use

In the process step [Activating Valuation Areas for the Material Ledger \[Page 125\]](#) you defined that you want to work with the Material Ledger. In the following step, you will set the valuation areas corresponding to the plants to productive.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Product Cost Controlling → Actual Costing/Material Ledger → Environment → Production Startup → Set Valuation Areas as Productive</i>
Transaction Code	CKMSTART

2. Enter the following data:

Field	Data
Plant	1000

3. Choose .



Once you have done this, you can perform multiple selections.

4. Now choose *multiple selection for plant* (the icon to the right of the *to* field) and enter the following values: 1100, 1200, 1300, 1400, 2000, 2100, 2300.

5. Choose .

6. Enter the following data:

Field	Data
Background processing	Select
Test run	Deselect

7. Choose .

8. Under *date/time*, select the *immediate start* box.

9. Choose  *Confirm*.

10. In the dialog box which now appears, enter your printer number.

11. Choose .

12. If any warning messages appear, choose .

13. Choose .



14. Choose *System → Own jobs*.

15. Choose  *job overview*.

Setting Valuation Areas to Productive



You can now display the status of the job.

16. To display the current status of each job, choose . Before proceeding to the next step, wait until the update of the job has the status "completed".
17. Choose  until the overview tree appears.

Setting up Transfer Prices in CO-PC

Setting up Transfer Prices in CO-PC

With the exception of the final process step, [Defining a Results Analysis Version \[Page 147\]](#), the following steps are shown in display mode only. You can therefore either acquaint yourself with all the steps necessary for activating transfer prices in the system or go straight to the process step *Defining a Results Analysis Version*.

1. [Determining the Transfer Strategy \[Page 139\]](#)
2. [Defining Reference Variants \[Page 140\]](#)
3. [Defining Partner Versions \[Page 141\]](#)
4. [Setting up Costing Types \[Page 142\]](#)
5. [Defining Costing Variants \[Page 143\]](#)
6. [Defining Cost Components \[Page 144\]](#)
7. [Defining Costing Versions \[Page 145\]](#)
8. [Activating the Cost Component Split in the Controlling Area Currency \[Page 146\]](#)
9. [Defining a Results Analysis Version \[Page 147\]](#)

Determining the Transfer Strategy

Use

By determining the transfer strategy, you can improve system performance. Previously broken down BOMs can be transferred, together with the quantity structure and corresponding values, and uses for further estimates.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

2. Choose  SAP Reference IMG.

3. Call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Material Cost Estimate with Quantity Structure → Costing Variant: Components →  Define Transfer Strategy.</i>
Transaction Code	OKKM

4. Select row *LEG* with the description *TP-Revaluation Material*.

5. Choose .

For the single-plant and cross-plant transfer strategies, "other cost estimates" has been set. The costing variant for both strategies is PPC1.

6. Choose  until the *Display IMG* screen appears.

Defining Reference Variants


Defining Reference Variants

Use


Once the transfer strategy has been defined, the reference variant tells the costing variant (see [Defining Costing Variants \[Page 143\]](#)) which costing components are to be revaluated. This helps you to further improve system performance.

Procedure

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Material Cost Estimate with Quantity Structure → Costing Variant: Components →  Define Reference Variants</i>
Transaction Code	OKYC

Reference variant 2 has already been created for transfer prices. When a reference variant has been created, the system uses existing cost estimates as templates.


2. Select the line for reference version 2.
3. Choose .

When a reference variant has been created, the system uses existing cost estimates as templates. The costing template used is LEG1, with which material components are to be revaluated.

4. Choose  until the *Display IMG* screen appears.

Defining Partner Versions

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Selected Functions in Material Costing →  Define Partner Versions</i>
Transaction Code	OKYB



On the screen which now appears, you see version 1, which has already been set up for the combination CCODE/PLANT/PROFIT CENTER.


By defining the partner version, you make it possible to create a cost component split in group costing, which makes all value added transparent. This allows you, for example, to see which partners have provided which resources. By setting the *Direct Partners* tab page, you can include the value added from the preceding partners in the cost component split for the direct partner. For each organizational unit been chosen here, the system creates a cost component split.

2. Choose  until the *Display IMG* screen appears.


Setting up Costing Types

Setting up Costing Types

- From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling</i> → <i>Product Cost Controlling</i> → <i>Product Cost Planning</i> → <i>Material Cost Estimate with Quantity Structure</i> → <i>Costing Variant: Components</i> →  <i>Define Costing Types</i>
Transaction Code	OKKI

Costing type *01* (profit center view P1) has already been created in the system for standard costing from the group viewpoint.

- Select row *01* and choose .




On the screen, the price updated for *01* is the material price for the standard price in group valuation. The partner version (*Update* tab) is active in costing type *01* (*Misc.* tab), as previously described in [Defining the Partner Version \(Display\) \[Page 141\]](#).

- Choose  until the *Display IMG* screen appears.

Defining Costing Variants

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Material Cost Estimate with Quantity Structure →  Define Costing Variants</i>
Transaction Code	OKKN

Two costing variants have already been set up in the system: *IKO1* and *IPCA*. In this process, you display product cost variant *IKO1*.

2. Select row *IKO1* and choose .




You now see the costing variant for standard costing from the group view. This variant takes into account all basic settings and so determines the basic parameters of the costing run. In this case, the [costing types \[Page 142\]](#) and [reference variant \[Page 140\]](#) which you displayed previously are also taken into account.

3. Choose  until the *Display IMG* screen appears.



Defining Cost Components

Defining Cost Components

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling</i> → <i>Product Cost Controlling</i> → <i>Product Cost Planning</i> → <i>Basic Settings for Material Costing</i> →  <i>Define Cost Component Structure</i>
Transaction Code	OKTZ

Cost components 310 and 320 have already been created in cost component structure 01.

2. Select the row *cost component structure 01*.
3. Choose  *Cost components with Attributes*.
4. In the *cost component* column, scroll down and select cost component 310.
5. Choose .




The group cost estimate stores the valuation differences to the legal valuation and the profit center valuation in additional cost components for the cost of goods manufactured. These additional cost components must be created separately and be designated as such in the *Delta profit for group costing: Company code* field.

6. Choose  until the *Display IMG* screen appears.

Defining Costing Versions

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Selected Functions in Material Costing →  Define Costing Versions</i>
Transaction Code	OKYD




The costing version determines which transfer price variant from Profit Center Accounting is used for costing. In this case, the variant PC01 is used.

2. Choose  until the *Display IMG* screen appears.

Activating the Cost Component Split in the Controlling Area Currency

Activating the Cost Component Split in the Controlling Area Currency

1. From the *Display IMG* screen, call up the transaction as follows:


Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Selected Functions in Material Costing →  Activate Cost Component Split in Controlling Area Currency</i>
Transaction Code	OKYW






The two costing types K1 and P1 for the group/profit center standard cost estimate have also been assigned to company codes 1000 and 2000.

2. Choose  until the *Display IMG* screen appears.

Defining a Results Analysis Version

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Cost Object Controlling → Product Cost by Sales Order → Period-End Closing → Results Analysis →  Define Results Analysis Versions</i>
Transaction Code	OKG2

2. Choose *New Entries*.
3. In the dialog box, select *OKO*.
4. Choose .
5. Choose .
6. In the dialog box, choose .
7. Choose  until you return to the *Change view "Results Analysis version": Overview* screen.
8. Repeat steps 2 to 5 for results analysis version *OPC*.
9. Choose  until the *Display IMG* screen appears.

Setting up Transfer Prices in CO-PA


Setting up Transfer Prices in CO-PA

The following describe how you can set up transfer prices in CO-PA.

1. [Checking Value Fields \[Page 149\]](#)
2. [Activating Profit Center Valuation in the Operating Concern \[Page 150\]](#)
3. [Activating the Characteristic Partner Profit Center \[Page 151\]](#)
4. [Assigning Value Fields for Internal Goods Movements \[Page 152\]](#)
5. [Activating Profit Center Valuation \[Page 153\]](#)

Checking Value Fields

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling</i> → <i>Profitability Analysis</i> → <i>Structures</i> → <i>Define Operating Concern</i> →  <i>Maintain Value Fields</i>
Transaction Code	KEA6


As only one document is posted for both the group view and legal view with costs of goods manufactured under the same cost element, and only one value field exists for them, additional value fields must be created to handle the different views separately. It is also necessary to create value fields for internal revenues. You can find these as value fields VVK10, VVK15, VVK20, VVK25 and VVK30.

2. Choose  until the *Display IMG* screen appears.

Activating Profit Center Valuation in the Operating Concern

Activating Profit Center Valuation in the Operating Concern

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling</i> → <i>Profitability Analysis</i> → <i>Structures</i> → <i>Define Operating Concern</i> →  <i>Maintain Operating Concern</i>
Transaction Code	KEA0

2. Enter the following data:

Field	Data
Operating concern	IDEA
Sub-object	Select


3. Choose  *Change*.

4. In the dialog box, choose .

5. Enter the following data:

Field	Data
Operating concern currency	DEM
Company code currency	Select
OpConcern crcy, prctr valuation	Select
Comp. code currcy, prctr valuation	Select
Fiscal year variant	K4
Act. 2 nd per. Type	Deselect
Plan 2 nd per. type	Deselect

6. Choose .

7. To skip any error messages, choose .

8. Choose  until the *Display IMG* screen appears.


Activating the Characteristic Partner Profit Center

Use

In the following process step you make the partner profit center characteristics usable/visible.

Procedure

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Profitability Analysis → Structures →  Set Operating Concern</i>
Transaction Code	KEBD

2. In the next dialog box, enter the following data:


Field	Data
Operating concern	IDEA
Costing-based	Select

3. Choose .
4. Choose  until the *Display IMG* screen appears.

Assigning Value Fields for Internal Goods Movements


Assigning Value Fields for Internal Goods Movements

- From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Profitability Analysis → Flows of Actual Values → Multiple Valuation Approaches/Transfer Prices →  Assign Accounts for Internal Goods Movements</i>
Transaction Code	KEAD01

- In the next dialog box, enter the following data:

Field	Data
Operating concern	IDEA
Controlling area	1000

- Choose .

You see the assignment of internal goods movements to various accounts.

- Choose  until the *Display IMG* screen appears.




Activating Profit Center Valuation

1. From the *Display IMG* screen, call up the transaction as follows:

Menu Path	<i>Controlling → Profitability Analysis → Flows of Actual Values → Multiple Valuation Approaches/Transfer Prices → Activate Profit Center Valuation</i>
Transaction Code	KEKG

2. Enter the following data:

Field	Data
Controlling area	1000
Operating concern	IDEA
Prctr valuation	Select

3. Choose .
4. In the dialog box, choose .
5. Choose  until the overview tree appears.

Running the CATT to Activate Transfer Prices

Running the CATT to Activate Transfer Prices

Purpose

Instead of activating transfer prices manually in IDES, you can run a CATT, which will make the settings automatically for you.

CATTs (Computer Aided Test Tool) can test either individual transactions or entire processes in the R/3 system. They are created from test modules. Creation of test modules is simplified by a recording function. The individual test modules in a process are then linked together by referencing.

In the process described here, the CATT **ZIDES_ECPCA_INSTALL** is used to activate transfer prices and transfer pricing settings in Asset Management in your IDES system. The CATT also performs cost estimates in order to find standard prices for the materials used in the transfer pricing processes. It performs these cost estimates in all three views (legal, group, profit center).

Prerequisites

Make sure that the material master records are not locked and that no user-specific parameters have been set for company codes.

Process Flow

You can find the data for this process under [?](#) [Page 155].

1. [Run CATT \[Page 156\]](#)
2. [Check Activation of Transfer Prices in the System \[Page 157\]](#)

Data Used During This Process

Field	Data
Test case	ZIDES_TP_INSTALL

Run CATT

Run CATT

Use

In this process, you run CATT **ZIDES_TP_INSTALL** in order to activate transfer prices in controlling area 1000 in your IDES system.



Once you have activated transfer prices, you cannot deactivate them.

This means that you can only perform this process once, and that transfer prices are then activated irrevocably in your IDES system.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Tools → ABAP Workbench → Test → Test Workbench → CATT</i>
Transaction code	SCEM

2. Enter the following data:


Field	Data
Test case	ZIDES_TP_INSTALL

3. Choose .

The *CATT - Run Test Case ZIDES_TP_INSTALL* screen appears.

4. Enter the following data:


Field	Data
Display Errors	Selected

5. Choose .

The CATT now starts running.



When the CATT has finished running, you can view the steps and parameters it has run through by expanding the relevant nodes.

6. Choose  until the overview tree appears.

Check Activation of Transfer Prices in the System

Use

You now check whether transfer prices have actually been activated for controlling area 1000.


Procedure

1. Call up the transaction as follows:


Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

2. Choose  SAP Reference IMG.

3. Call up the transaction as follows:

Menu Path	<i>Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings →  Assign Currency and Valuation Profile to Controlling Area</i>
Transaction Code	8KEQ

You can see that the column *1000 CO Europe* has been checked. This shows that transfer prices have been activated in this controlling area.

4. Choose  until the overview tree appears.

Transfer Prices: Stock Transfer Between Plants

Purpose

Transfer prices allow organizations that divide tasks among different organizational units to value the goods and services exchanged between these units.

Particularly large corporations are often divided into a number of independently operating divisions or companies that exchange large quantities of goods and services with one another.

By valuating the exchange of goods and services using transfer prices, you can significantly influence the actual success of your corporate divisions or profit centers.

The following scenarios are portrayed in IDES to display the multiple valuation of logistical processes:

- Setting up and Activating Transfer Prices in CO and FI
- Running the CATT to Activate Transfer Prices
- Product Cost Planning with Transfer Prices
- Transfer Prices: Stock Transfer Between Plants
- Transfer Prices: Order Processing for Stock Transfers

In this scenario you perform a stock transfer and analyze the multiple valuation of this business transaction.

You can find more information about this process under [i \[Page 159\]](#).

Prerequisites

To execute this scenario, you need to have activated transfer prices. To find out how to activate transfer prices in your system, see the scenario on setting up and activating transfer prices in CO and FI.

Process Flow

1. [Checking Material Availability \[Page 162\]](#)
2. [Checking Pricing in Profit Center Valuation \[Page 164\]](#)
3. [Executing Material Transfer \[Page 165\]](#)
4. [Analyzing the Materials Management Valuation \[Page 167\]](#)
5. [Displaying the Material Movement from the View of Profitability Analysis \[Page 169\]](#)

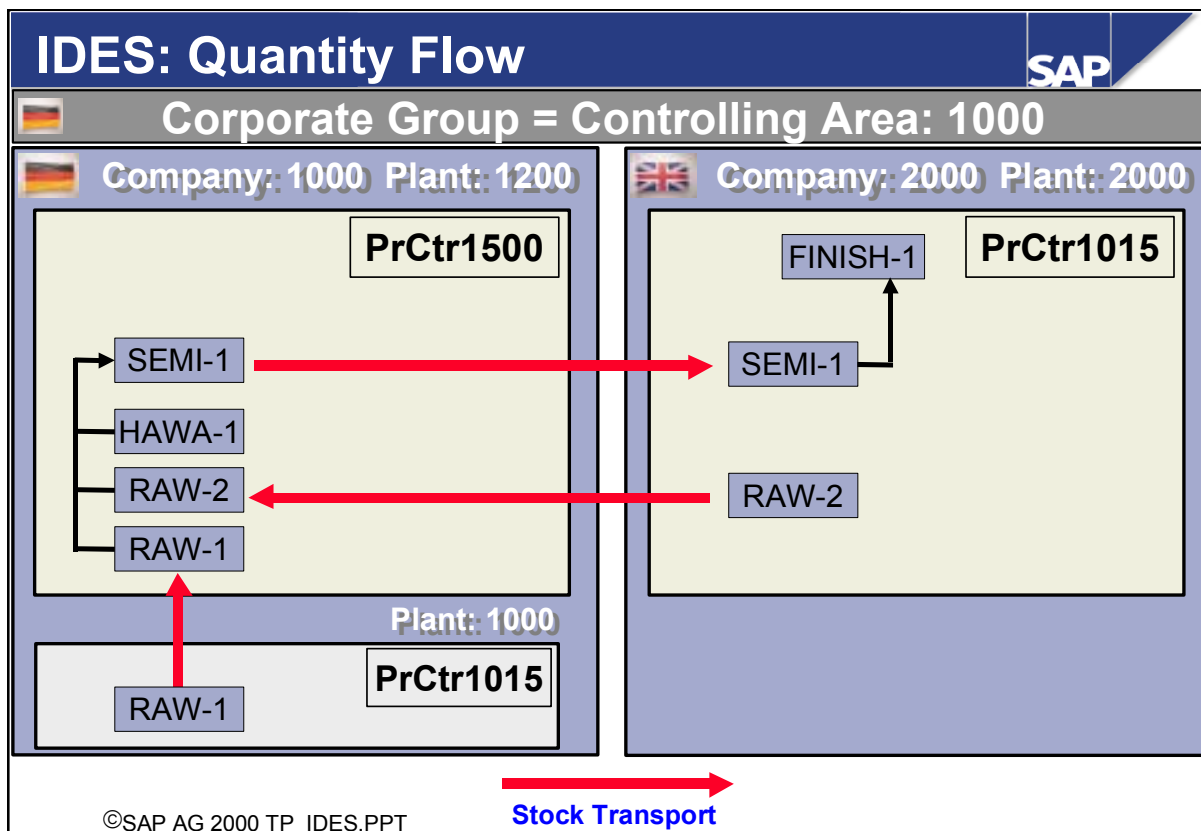
Additional Process Information

In the scenarios that display the multiple valuation of goods in the IDES company, you are active in the following business environment:

The IDES group (controlling area 1000) has a company in Germany (company code 1000) and in England (company code 2000). The German company has two plants, one in Hamburg (plant 1000) and one in Dresden (plant 1200). The English company has a plant in Heathrow / Hayes (plant 2000). These plants belong to different profit centers.

A navigation system is to be created in Heathrow / Hayes. A basis module is being created for this in Dresden. So that the basis module can be created, the casing is delivered from the Hamburg plant. The Heathrow / Hayes plant provides the required cabling.

The following graphic illustrates the organizational and production structure:



In this scenario, the cabling from the Hamburg plant is transferred to the Dresden plant.

For this purpose, check that there is sufficient stock in the Hamburg plant for a stock transfer of the required material. If required, enter an initial material stock using the physical inventory. Now transport the stock for the material from plant 1000 to plant 1200 and analyze the multiple valuation in Financial Accounting, Profit Center Accounting and profitability analysis.

The system now lists the settings which are required to show multiple valuation of a stock transfer.

Additional Process Information

1. In this scenario, goods movements are stored in three valuation views in two currencies. The following settings were made for this purpose:


Valuation view	Currency
Legal view	Company code currency (GBP/DEM)
Group view	Group currency (DEM)
Profit center view	Group currency (DEM)

Customizing

If you already have experience with the R/3 system, you can display the Customizing settings as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO


2. Choose  SAP Reference IMG.

Menu Path	<i>R/3 Customizing Implementation Guide → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings →  Maintain Currency and Valuation Profile</i>
Transaction Code	8KEM

Customizing for Profit Center Accounting

You can use fixed values or markups to calculate prices for valuation in the profit center view. To determine how the profit center valuation is to be calculated, you make settings in Customizing for Profit Center Accounting.


3. Choose  SAP Reference IMG:

Menu Path	<i>R/3 Customizing IMG → Enterprise Controlling → Profit Center Accounting → Transfer Prices →  Basic Settings for Pricing</i>
Transaction Code	8KEZ

Customizing for Profit Center Accounting

To be able to display internal goods movements (stock transfers within a company code) in the profit center valuation, accounts must be stored for internal goods movements in Customizing for Profit Center Accounting.


4. Choose  SAP Reference IMG:

Menu Path	<i>R/3 Customizing IMG → Enterprise Controlling → Profit Center Accounting → Transfer Prices → Settings for Internal Goods Movements →  Define Account Determination for Internal Goods Movements</i>
Transaction Code	0KEK

Customizing for Financial Accounting

In Financial Accounting, multiple valuation views are depicted using parallel local currencies.


5. Choose  SAP Reference IMG


Menu Path	<i>R/3 Customizing IMG → Financial Accounting → Financial Accounting Global Settings → Company Code → Multiple Currencies →  Define Additional Local Currencies</i>
Transaction Code	SPRO


6. For internal goods movements to be visible in costing-based Profitability Analysis, the following settings must be made:
7. Activation of profit center valuation in the operating concern.
8. Assignment of accounts for internal goods movements to value fields.


Customizing for Profitability Analysis

9. Choose  SAP Reference IMG:

Menu Path	<i>R/3 Customizing IMG → Controlling → Profitability Analysis → Structures → Define Operating Concern →  Maintain Operating Concern</i>
Transaction Code	KEA0

Menu Path	<i>Profitability Analysis → Flows of Actual Values → Multiple Valuation Approaches/Transfer Prices →  Assign Accounts for Internal Goods Movements</i>
Transaction Code	KEAD01

Menu Path	<i>Profitability Analysis → Flows of Actual Values → Multiple Valuation Approaches/Transfer Prices →  Activate Profit Center Valuation</i>
Transaction Code	KEKG

10. Choose  until the overview tree appears.

Checking Material Availability

Checking Material Availability

Use

To create a basis module in plant 1200, casing AZ2-130 needs to be transferred from plant 1000 to plant 1200.

This process step ensures that enough material is in the warehouse.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Inventory Management → Environment → Stock → Stock Overview</i>
Transaction Code	MMBE


2. Enter the following data:

Field	Data
Material	AZ2-130
Plant	1000

3. Choose .
4. The *Stock Overview: Company Code/Plant/Storage Location/Batch* screen displays the stock overview for the selected material.




If storage location 0001 has warehouse stock that can be used, continue with process step 11.

5. Choose  until the overview tree appears.
6. Call up the transaction as follows:


Menu Path	<i>Logistics → Materials Management → Physical Inventory → Difference → Entry without Document Reference</i>
Transaction Code	MI10


7. Enter the following data:

Field	Data
Count date	Today's date
Document date	Today's date
Plant	1000
Storage location	0001

8. Choose .
9. Enter the following data:

Field	Data
Material	AZ2-130
Quantity	5

10. Choose .

11. Choose  until the overview tree appears.

Checking Pricing in Profit Center Valuation

Checking Pricing in Profit Center Valuation

Use

Separate prices can be stored for the valuation of goods movements in profit center valuation. In this process step, you check pricing for material AZ2-130. The system finds the price for profit center valuation of this material by adding a markup to the standard price.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Enterprise Controlling → Profit Center Accounting → Master Data → Transfer Prices → Applied Overhead → Display</i>
Transaction Code	AKE10

2. In the dialog box, enter the following data:

Field	Data
Plant/Material/Partner PC	Select


3. Choose .

4. Enter the following data:

Field	Data
Plant	1000
Material	AZ2-130

5. Choose .

The system now displays the markup maintained for this combination.

6. Choose  until the overview tree appears.

Executing Material Transfer

Executing Material Transfer

Use

To create a basis module in plant 1200, casing AZ2-130 needs to be transferred from plant 1000 to plant 1200. In this process step, you carry out the material transfer.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Inventory Management → Goods Movement → Transfer Posting</i>
Transaction Code	MB1B

2. Enter the following data:

Field	Data
Document date	Today's date
Movement type	301
Plant	1000
Storage location	0001


3. Choose  *New Item*.

4. Enter the following data:

Field	Data
Material	AZ2-130
Unit of entry	1
Plant	1000
Storage location	0001
Receiving plant	1200
Storage location	0001

5. Choose .

The document number is displayed in the status bar. Take a note of this number.

6. Choose  until the overview tree appears.

Analyzing the Valuation in Materials Management

Use

The material reposting created an FI document. You can use this to analyze the goods movement in the three valuation views - legal valuation, group valuation and profit center valuation. In the profit center document, you see the goods movement according to the profit center view.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Inventory Management → Material Document → Display</i>
Transaction Code	MB03



2. Enter the following data:

Field	Data
Material doc.	Document number that you noted down
Mat. doc. year	Current fiscal year



3. Choose .
4. Choose Accounting docs.
5. In the dialog box, choose the following document by double-clicking:

Field	Data
Document category	Accounting document


The system displays the goods movement in the legal view, using the document currency.

6. Choose  *Display currency*.
7. In the dialog box, select the document *group currency, group valuation*.
8. Choose .


In the *Document Overview* screen, the goods movement is displayed in the group view and group currency.

9. Choose .
10. In the dialog box, select *group currency, profit center valuation*.
11. Choose .

The system display the goods movement in the profit center view, using the group currency.

12. Choose .
13. In the dialog box, select *profit center* document.

Analyzing the Valuation in Materials Management

14. Choose .

The system shows the goods movement from the Profit Center Accounting view, in the profit center valuation.

15. The following postings are made for a delivering profit center (1005).


PrCtr 1005		PrCtr 1500	
Stock		Stock	
	50	50	
P & L		P & L	
Stock change	50	Cost of stock transfer	30
Internal Revenues	80		

The following postings are made for the delivery of material from profit center 1005 to profit center 1500:

In the delivering profit center, a revenue posting is made, and the goods issue is posted to a stock change account.

In the P&L account, the result of this business transaction is displayed by comparing the revenues and the stock changes.

A goods receipt posting is made in the receiving profit center. Once the stock has been recorded using standard prices, the difference is posted at the standard price in an adjustment posting. This affects the net income.

16. Choose  until the overview tree appears.

Displaying the Material Movement from the View of Profitability Analysis

Displaying the Material Movement from the View of Profitability Analysis

Use

The stock transfer from the plant in Hamburg to the plant in Dresden also brings a profit center change.

From the view of the sender profit center, the stock transfer is a sale, which affects the profitability of the profit center. This process can be analyzed in Profitability Analysis.



Procedure

1. Call up the transaction as follows:



Menu Path	<i>Accounting → Controlling → Profitability Analysis → Information System → Execute Report</i>
Transaction Code	KE30

2. In the dialog box, enter the following data:

Field	Data
Operating Concern	IDEA
Costing-based	Select



3. Choose .
4. In the dialog box, choose Yes.
5. Select report *IDES-360*.
6. Choose .
7. Enter the following data:

Field	Data
Period/year	Current period/year

8. Choose .
9. Confirm the dialog box with  Yes.
10. In the drilldown list, choose profit center 1000/1005 by double-clicking on it.

The three value fields *PCA: Internal Revenues*, *PCA: Internal Costs* and *PCA: Delivery Quantity* display the result of the internal goods delivery.


To check the data, you can display the corresponding line items.

11. Choose *Goto → Line Items*.
12. In the dialog box, choose .
13. The system now displays the selected line items.
14. Choose  *Select* to display the relevant value fields in the list display.

Displaying the Material Movement from the View of Profitability Analysis

15. In the dialog box which appears, select the following:


Field	Data
Variant	/ZIDES-PCA1

16. Choose .

You now see the line items with the corresponding value fields.

17. You can select the generated document using the *reference document number* field.

The reference document number displays the material document number created by you material posting.

18. Choose  until the overview tree appears.

19. In the dialog box, choose Yes.

Transfer Prices: Order Processing for Stock Transfers

Purpose

Transfer prices allow organizations that divide tasks among different organizational units to value the goods and services exchanged between these units.

Particularly large corporations are often divided into a number of independently operating divisions or companies that exchange large quantities of goods and services with one another.

By valuating the exchange of goods and services using transfer prices, you can significantly influence the actual success of your corporate divisions or profit centers.

The following scenarios are portrayed in the IDES system to display the multiple valuation of logistical processes:

- Setting up and Activating Transfer Prices in CO and FI
- Running the CATT to Activate Transfer Prices
- Product Cost Planning with Transfer Prices
- Transfer Prices: Stock Transfer Between Plants
- Transfer Prices: Order Processing for Stock Transfers

In this scenario you process orders for stock transfers, and analyze the multiple valuation of this business transaction.

You can find more information about this process under [i](#) [Page 172].

Prerequisites

To execute this scenario, you need to have activated transfer prices. To find out how to activate transfer prices in your system, see the scenario on setting up and activating transfer prices in CO and FI.

Process Flow

You can find the data for this process under [?](#) [Page 176].

1. [Checking Material Availability \[Page 177\]](#)
2. [Creating the Stock Transfer Order \[Page 179\]](#)
3. [Processing the Delivery \[Page 181\]](#)
4. [Creating a Billing Document \[Page 183\]](#)
5. [Valuation Analysis for Financial Accounting \[Page 184\]](#)
6. [Displaying the Material Movement from the View of Profitability Analysis \[Page 185\]](#)

Additional Process Information

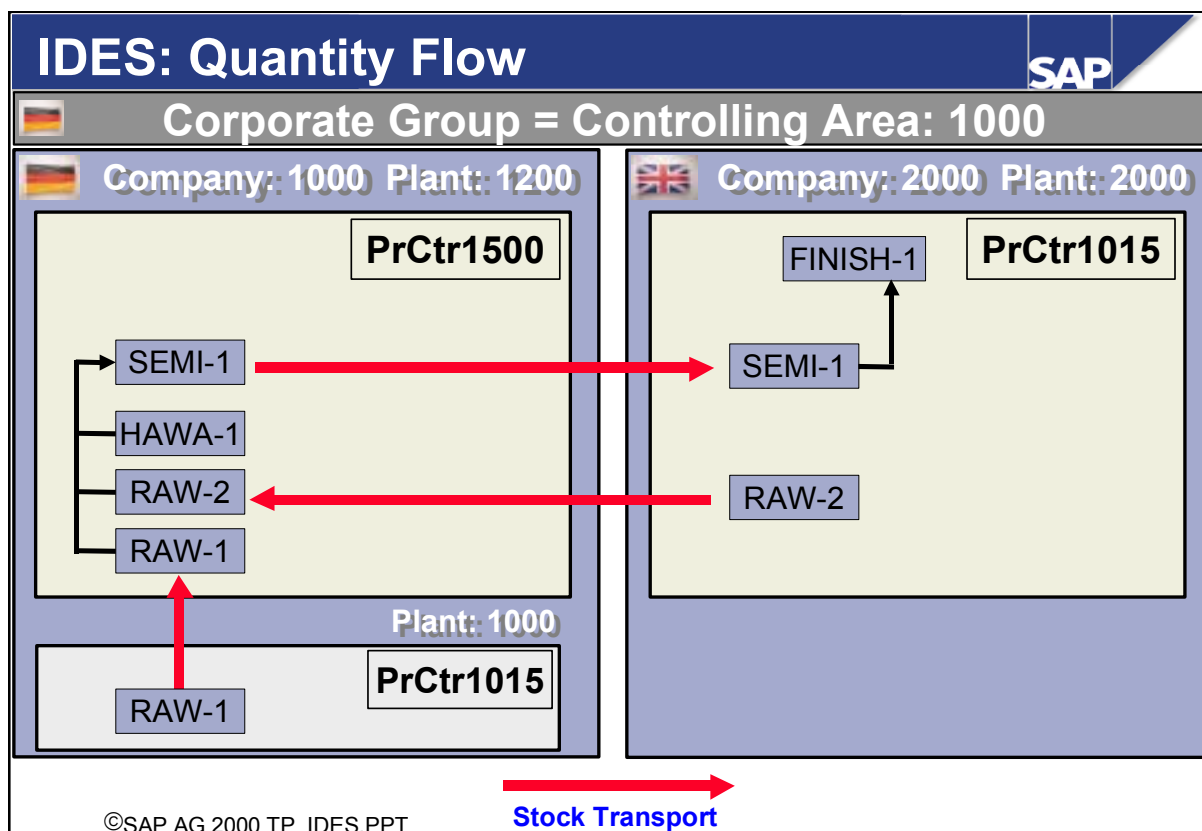
Additional Process Information

In the processes that display the multiple valuation of goods in the IDES company, you are active in the following business environment:

The IDES group (controlling area 1000) has a company in Germany (company code 1000) and in England (company code 2000). The German company has two plants, one in Hamburg (plant 1000) and one in Dresden (plant 1200). The English company has a plant in Heathrow / Hayes (plant 2000). These plants belong to different profit centers.

A navigation system is to be created in Heathrow / Hayes. A basis module is being created for this in the Dresden plant. So that the basis module can be created, the casing is delivered from the Hamburg plant. The Heathrow / Hayes plant supplies the required cabling.

The following graphic illustrates the organizational and production structure:



In this process, the cabling from the Heathrow plant is transferred to the Dresden plant.

For this purpose, check that there is sufficient stock in the Heathrow plant for a stock transfer of the required material. If required, enter an initial material stock using the physical inventory count. Then create a stock transfer order in the Dresden plant. Execute the delivery in the Heathrow plant, post the goods issue and create a billing document. Next, analyze the multiple valuation of this business transaction in Financial Accounting, Profit Center Accounting, and in profitability analysis.

Additional Process Information

The system now lists the settings which are required to show multiple valuation of a stock transfer.



In this scenario, goods movements are stored in three valuation views, using two currencies.

1. Make the following settings:

Valuation View	Currency
Legal View	Company Code Currency (DEM) / (GBP)
Group View	Group Currency (DEM)
Profit Center View	Group Currency (DEM)




If you already have experience with Customizing, you can display the Customizing settings as follows:

2. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

3. Choose  SAP Reference IMG.

Menu Path	<i>R/3 Customizing Implementation Guide → Controlling → General Controlling → Multiple Valuation Approaches/Transfer Prices → Basic Settings →  Maintain Currency and Valuation Profile</i>
Transaction Code	8KEM

4. Choose .

Valuation Views in Profitability Analysis

To show the three valuation views in Profitability Analysis, the corresponding conditions must be present in the pricing procedure.


The following conditions are required:

- Revenues in the legal view
- Revenues in the profit center view
- Revenues/costs in the group view
- Costs in the legal view
- Costs in the profit center view

1. Choose  SAP Reference IMG.

2. Call up the transaction as follows:

Additional Process Information


Menu Path	<i>R/3 Customizing IMG → Sales and Distribution → Basic Functions → Pricing → Pricing Control →  Define and Assign Pricing Procedures</i>
Transaction Code	SPRO

3. In the dialog box, choose *Maintain Pricing Procedures*.

The conditions are stored in pricing procedure ICAA01.

For transfer prices, the following conditions are used in the pricing procedure.


- PR00 Price
- VPRS Cost
- PC00 Profit center valuation (revenues)
- PCVP Profit center cost
- KW00 Group cost


4. Choose .

Valuation Views in Financial Accounting

In Financial Accounting, multiple valuation views are depicted using parallel local currencies.

1. Choose  *SAP Reference IMG*.


Menu Path	<i>R/3 Customizing IMG → Financial Accounting → Financial Accounting Global Settings → Company Code → Multiple Currencies →  Define Additional Local Currencies</i>
Transaction Code	SPRO


2. Choose .

Goods Movements in Costing-Based Profitability Analysis

For the goods movement to be visible in all three valuation approaches in costing-based Profitability Analysis, the profit center valuation must be activated in the operating concern. In Profitability Analysis, the legal and group valuations are displayed in separate value fields within a single view. The profit center valuation is displayed in a separate view.

1. Choose  *SAP Reference IMG*.

Menu Path	<i>R/3 Customizing IMG → Controlling → Profitability Analysis → Structures → Define Operating Concern →  Maintain Operating Concern</i>
Transaction Code	KEA0


Menu Path	<i>R/3 Customizing IMG → Controlling → Profitability Analysis → Flows of Actual Values → Multiple Valuation Approaches/Transfer Prices →  Activate Profit Center Valuation</i>
Transaction Code	KEKG


2. Choose .

Billing Documents in Profitability Analysis

If you want to value billing documents in Profitability Analysis with material cost estimates, you can transfer the corresponding estimates to Profitability Analysis in all three valuation views.

1. Choose  SAP Reference IMG.

Menu Path	<i>R/3 Customizing IMG → Controlling → Profitability Analysis → Master Data → Valuation → Set Up Valuation Using Material Cost Estimates →  Assign Costing Keys/Value Fields</i>
Transaction Code	KEPC,KE4R

2. Choose .

Data Used During This Process**Data Used During This Process**

Field	Data	Description
Material	AZ2-742	Cabling
Plant	2000	IDES UK
Storage location	0001	Warehouse
Vendor	4444	London Supplying Plant
Purchasing Organization	1000	IDES Germany
Purchasing Group	000	Boss H.
Company Code	1000	IDES AG
Shipping Point	2000	Heathrow / Hayes
Warehouse number	020	Heathrow

Checking Material Availability

Use

To create a basis module in plant 1200, cabling AZ2-742 needs to be transferred from plant 2000 to plant 1200.

This process step ensures that you have enough of the requested material in stock in the warehouse.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Inventory Management → Environment → Stock → Stock Overview</i>
Transaction Code	MMBE


2. Enter the following data:

Field	Data
Material	AZ2-742
Plant	2000

3. Choose .
4. The *Stock Overview: Company Code/Plant/Storage Location/Batch* screen displays the stock overview for the selected material.



If storage location 0001 has warehouse stock that can be used, continue with process step 11.

5. Choose  until the overview tree appears.
6. Call up the transaction as follows:

Menu Path	<i>Logistics → Materials Management → Physical Inventory → Difference → Entry without Document Reference</i>
Transaction Code	MI10

7. Enter the following data:


Field	Data
Count date	Today's date
Document date	Today's date
Plant	2000
Storage location	0001


8. Choose .

Checking Material Availability

9. Enter the following data:

Field	Data
Material	AZ2-742
Quantity	5

10. Choose .

11. Choose  until the overview tree appears.

Creating Stock Transport Orders

Use


To procure cabling from the Heathrow plant, the Dresden plant needs to create a stock transport order.



Procedure

1. Call up the transaction as follows:


Menu Path	<i>Logistics → Materials Management → Purchasing → Purchase Order → Create → Vendor/Supplying Plant Known</i>
Transaction Code	ME21N

2. Enter the following data:



Field	Data
	Standard purchase order
Vendor	4444

3. Choose .
4. If required, open the item data area and by choose  *Header*.
5. On the *Org.data* tab page, use the F4 input help to enter the following data:

Field	Data
Purchasing org.	1000 (IDES Deutschland/Germany)
Purch. Group	000 (Chef H.)
Company code	1000 (Ides AG)

6. If required, open the item data area and choose  *Item overview*.
7. On the *Org. Data* tab of the header data area, use the F4 input help to enter the following data:

Field	Data
Material	AZ2-742
PO quantity	1
Net price	150
Plant	1200

8. Choose .
9. If the *Save Document* dialog box appears, choose *Process*.
10. In the *Message* dialog box, select *Import files are incomplete*.
11. Choose  *Process*.


Creating Stock Transport Orders

12. Choose  *Item details*.

13. Choose the *Import* tab.


14. On the *Origin/Destination/Business* tab, enter the following data:

Field	Data
Import procedure	10000

15. Choose .



The document number is displayed in the status bar. Take a note of this number.

16. Choose  until the overview tree appears.

Processing Deliveries

Use

In the Heathrow plant in England, you process the shipping for the material required by the Dresden plant. You create a delivery from the open worklist from purchase orders, create a transport request and post the goods issue.

Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Sales and Distribution → Shipping and Transportation → Outbound Delivery → Create → Collective Processing of Documents Due for Delivery → Sales Orders and Purchase Orders</i>
Transaction Code	VL10G





2. Enter the following data:

Field	Data
Shipping point/Receiving point	2000
Deliv.creation date from	Today's date
Deliv.creation date to	Today's date +28

3. Choose the *Purchase orders* tab page.

4. Enter the following data:

Field	Data
Purchasing document	Your purchase order number

5. Choose .
6. On the *Deliver Documents Due for Delivery* screen, select the entry with your order number and choose  Background.
7. Choose .
8. Select the entry and choose *Documents*. Make a note of the delivery document number.
9. Choose  until the overview tree appears.
10. Call up the transaction as follows:



Menu Path	<i>Logistics → Sales and Distribution → Shipping and Transportation → Picking → Create Transfer Order → Single Document</i>
Transaction Code	LT03

11. Enter the following data:

Field	Data
Warehouse number	020

Processing Deliveries

Plant	2000
Delivery	Your delivery document number
Select items	Select
Foreground/background	Background
Adopt picking quantity	2

12. Choose .
13. Once processing is finished, the system displays the document number for the transfer order in the status bar.
14. Choose  until the overview tree appears.

Creating a Billing Document

Use

By billing, you complete the process from the point of view of the supplying company. The billing document at the Heathrow plant leads automatically to an incoming invoice at the Dresden plant.



Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Sales and Distribution → Billing → Billing Document → Create</i>
Transaction Code	VF01

2. Enter the following data:

Field	Data
Document	Your delivery document number

3. Choose .
4. The billing document has been generated. The billing document number is displayed in the status bar. Make a note of the document number.
5. Choose  until the overview tree appears.

Valuation Analysis For Financial Accounting

Valuation Analysis For Financial Accounting

Use

The billing created an FI document. You can analyze the valuation in the three valuation views using the FI document. These views are legal valuation, group valuation and profit center valuation.




Procedure

1. Call up the transaction as follows:

Menu Path	<i>Logistics → Sales and Distribution → Billing → Billing Document → Display</i>
Transaction Code	VF03

2. Enter the following data:

Field	Data
Billing document	Document number that you noted down

3. Choose .
4. Choose  *Accounting*.
5. In the dialog box, choose the *Accounting document*.
You now see the goods movement in the legal view, using the document currency.
6. Choose *Display Currency*.
7. In the *Display Currencies for the Document* dialog box, choose *Group Currency/Valuation Currency*, and then choose *Continue*.
8. In the *Display Document: Overview* screen, the system displays the goods movement in the group view, using the group currency.
9. Choose *Display Currency*.
10. In the *Display Currencies for the Document* dialog box, choose *Group Currency/Profit Center Valuation*, and then choose *Continue*.
11. In this screen, the system displays the goods movement in the profit center view, using the group currency.
12. Choose  until the overview tree appears.

Displaying the Material Movement from the View of Profitability Analysis

Displaying the Material Movement from the View of Profitability Analysis

Use

The delivery of the cabling from the plant in Heathrow to the plant in Dresden brings a profit center change.

From the view of the sender profit center, the stock transfer is a sale, which affects the profitability of the profit center. This process can be analyzed in Profitability Analysis. Note that with costing-based CO-PA, the goods usage is not posted until the billing document is posted.



Procedure

1. Call up the transaction as follows:



Menu Path	<i>Accounting → Controlling → Profitability Analysis → Information System → Execute Report</i>
Transaction Code	KE30

2. Enter the following data:

Field	Data
Operating Concern	IDEA
Costing-based	Selected

3. Choose .
4. Select report *IDES-360*.
5. Choose .
6. Enter the following data:

Field	Data
Period/year	Current period/year

7. Choose .
8. Confirm the dialog box with Yes.
9. The following screen displays the profitability report.
10. In the drilldown list, choose *profit center 1000/1015* by double-clicking on it.
11. The detail list in the lower part of the screen shows you the various valuations for this process.
12. Choose  until the overview tree appears.
13. Confirm the dialog box with Yes.

Product Cost Planning with Transfer Prices

Purpose

Transfer prices allow organizations that divide tasks among different organizational units to value the goods and services exchanged between these units.

Particularly large corporations are often divided into a number of independently operating divisions or companies that exchange large quantities of goods and services with one another.

By valuating the exchange of goods and services using transfer prices, you can significantly influence the actual success of your corporate divisions or profit centers.

The following scenarios are portrayed in the IDES system to display the multiple valuation of logistical processes:

- Setting up and Activating Transfer Prices in CO and FI
- Running the CATT to Activate Transfer Prices
- Product Cost Planning with Transfer Prices
- Transfer Prices: Stock Transfer Between Plants
- Transfer Prices: Order Processing for Stock Transfers

In this scenario you make a standard cost estimate with group and profit center valuation. Then you analyze the settings in Customizing and make the standard cost estimate for the group and profit center valuation. Finally you analyze the standard cost estimate for the group valuation.

You can find more information about this process under [i](#) [Page 187].

You can find the data for this process under [?](#) [Page 188].

Process Flow

1. [Customizing Settings \[Page 189\]](#)
2. [Making a Standard Cost Estimate for Group and Profit Center Valuation \[Page 191\]](#)
3. [Analyzing the Standard Cost Estimate for Group Valuation \[Page 193\]](#)

Additional Process Information

In the scenarios that display the multiple valuation of goods in the IDES company, you are active in the following business environment:

The IDES group has companies in Germany (company code 1000), and in England (company code 2000). The German company has two plants, one in Hamburg (plant 1000) and one in Dresden (plant 1200). The English company has a plant in Heathrow / Hayes (plant 2000). These plants belong to different profit centers.

A navigation system is to be created in Heathrow / Hayes. A basis module is being created for this in Dresden. So that the basis module can be created, the casing is delivered from the Hamburg plant. The Heathrow / Hayes plant provides the required cabling.

Data Used During This Process**Data Used During This Process**

Field	Data
Material	AZ2-741
Plant	1200
Costing variant	IPCA, IK01
Costing version	1
Company code	1000
Controlling area	1000

Customizing Settings

Use

You need to make various settings in Customizing to enable a separate valuation of the materials in your three views. The basic settings are shown in the following process steps.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Tools → AcceleratedSAP → Customizing → Edit Project</i>
Transaction Code	SPRO

2. Choose  *SAP Reference IMG*.

3. Call up the transaction as follows:

Menu Path	<i>Controlling → Product Cost Controlling → Product Cost Planning → Material Cost Estimate with Quantity Structure →  Define Costing Variants</i>
Transaction Code	OKKN

4. Select the line for costing variant IPCA.

5. Choose .

6. Choose *Costing type*.

The valuation view shows that this costing type is used for the profit center valuation.

7. Choose the *Miscellaneous* tab page.

You can see that the combination of company code, plant and profit center has been selected for the partner cost component split. This setting specifies the hierarchy that is later used for each costing to be broken down. This means that it is later possible to break down the costing from top to bottom, in the order of company code, plant and then profit center.

8. Choose .

9. Choose *Reference variant*.

10. Choose *Transfer control*.

For cost estimates with costing variant IPCA, the setting under the strategy sequence specifies that you should check whether cost estimates already exist for the same material under costing version PPC1. If this is the case, then this costing is used with its BOM explosion and valuation. Providing you do not enter any new information, the system does not value this again.

11. Choose  until the *Change Reference Costing View: Detail* screen appears.

12. Choose the *Revaluation* tab.


The system uses the checkmark next to material components to specify that only the material components are revaluated, when the last cost estimates for costing variant

Customizing Settings

PPC1 are transferred. This improves performance significantly, and provides the required valuation using the profit center prices.

13. Choose  until the *Display IMG* screen appears.


14. Call up the transaction as follows:

Menu Path	<i>Controlling</i> → <i>Product Cost Controlling</i> → <i>Product Cost Planning</i> → <i>Selected Functions in Material Costing</i> →  <i>Define Costing Versions</i>
Transaction Code	OKYD

The table displays the assignments for costing type P1 for the profit center valuation, for the PC0 transfer price variant. The PC0 variant controls the whole valuation with all the prices and their markups.

15. Choose  until the *Display IMG* screen appears.


16. Call up the transaction as follows:

Menu Path	<i>Controlling</i> → <i>Profit Center Accounting</i> → <i>Transfer Prices</i> →  <i>Basic Settings for Pricing</i>
Transaction Code	8KEZ

17. On the left hand side of the screen under transfer price variants, choose the PC0 entry by double-clicking.


18. On the right hand side of the screen, select the row for fixed transfer prices.


19. Double-click to select TP01 under condition types on the left hand side of the screen.

20. On the right hand side of the screen, choose  *CondRcrds-Access*

21. Enter the following data:


Field	Data
Plant	1200
Material	AZ2-741

22. Choose .

23. Select the row from the table, then choose .

Plant 1200 and material AZ2-741 are uniquely assigned to profit center 1500 in this combination. When material is supplied by plant 1200 to plant 2000, the price of USD 600 is used for the profit center valuation.

You can use this method to display the other conditions.

24. Choose  until the overview tree appears.

Making a Standard Cost Estimate for Group and Profit Center Valuation

Use

In the following process step you make a standard cost estimate for the group valuation and the profit center valuation. You can see the different valuations by comparing both of the cost estimates.


Procedure

1. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Product Cost Controlling → Product Cost Planning → Material Costing → Costing With Quantity Structure → Create.</i>
Transaction Code	CK11N

2. Enter the following data:

Field	Data
Material	AZ2-741
Plant	1200
Costing variant	IKO1
Costing version	1

3. To confirm your entries, choose .

4. Choose .

The costing for material AZ2-741 for the group view appears.

5. Use the mouse to drag open the left hand side of the screen up to the resource column.

6. Choose  *Cabling and casing*.

In the resource column for the cabling, the material in plant 1200 costs USD 82.64, and only USD 30 in plant 2000. This means that the intercompany profit for the profit centers is divided accordingly. You can only see this because you are in the group-controller view, and have the corresponding authorization.

7. Choose  to open another session.




8. Call up the transaction as follows:

Menu Path	<i>Accounting → Controlling → Product Cost Controlling → Product Cost Planning → Material Costing → Costing With Quantity Structure → Create.</i>
Transaction Code	CK11N

9. Enter the following data:

Making a Standard Cost Estimate for Group and Profit Center Valuation

Field	Data
Material	AZ2-741
Plant	1200
Costing variant	IPCA
Costing version	1

10. To confirm your entries, choose .
11. Choose .
12. The costing for material AZ2-741 for the profit center view appears.
13. Use the mouse to drag open the left hand side of the screen up to the resource column.
14. Choose  *Cabling and casing*.

Now you are in the role of management accountant for receiving profit center 1500. If you compare the two standard cost estimates, you can see that profit center 1500 has a higher costed price. This is due to the transfer prices between the profit centers. For the group view, these internal revenues or intercompany profits from the profit centers are of no importance, and are thus eliminated.

15. Switch to the other session for the valuation from the group view.
16. To check whether you are in the correct costing or session, choose the *Costing data* tab page.

This shows that the costing variant is used for the group costing.
17. Switch back to the *Costs* tab page.



The following process step contains a short analysis, and illustrates integration to other important information.
18. Remain on this screen.

Analyzing the Standard Cost Estimate for Group Valuation


Use

In the application, you can carry out all required analyses for multiple valuation approaches in the same screen as where you execute costing.

Procedure

1. Choose  Partner.
2. Select material number AZ2-741.
3. Choose .


You can thus display the partner cost component split for the cost of goods manufactured, in the form of the material cost component groups and so on.

4. Choose .
5. Choose *Settings* → *Cost Display*.
6. Enter the following data:

Field	Data
Costs for view	
1 st Row	9
2 nd . Row	10
3 rd . Row	1
4 th Row	2
5 th Row	3

7. Choose .


On the right hand side of the screen the system displays the screens for the *delta company code* and *delta profit center* together with their values.

8. In the box below (currently displaying cost of goods manufactured), choose the *delta company code*.
In the lower screen, the system displays the where-used list for the company code delta from the group view.
9. Choose the delta profit center from the same box.
This provides you with the profit center delta from the group view.
10. Choose  to the right of the delta profit center box.
From this view, you can analyze the delta distribution with regards to fixed and variable portions.

Analyzing the Standard Cost Estimate for Group Valuation

11. Choose  Partner.


12. Select material number AZ2-741.

13. Choose .

This display shows you the breakdown of the costed price for each profit center in question.

14. Choose *Settings* → *Partner Sorting*.

15. Call up the following sort criteria, keeping to the specified order: 1. *Company code*, 2. *Plant*, 3. *Profit center*


16. Choose .

This enables you to resort the hierarchy.


17. Choose *Settings* → *Partner View*.

18. In the dialog box, choose *profit center* and choose  *Copy*.

You have chosen the direct view for the profit centers without any more hierarchies.


19. Choose .

20. On the left half of the screen, select the upper line *Box for profit center 1200*.

21. Choose .

22. Choose the *Accounting 1* tab page.

This view in the material master displays for example, the three different valuations for the AZ1-130 material for each period.

23. Choose  until the overview tree appears.