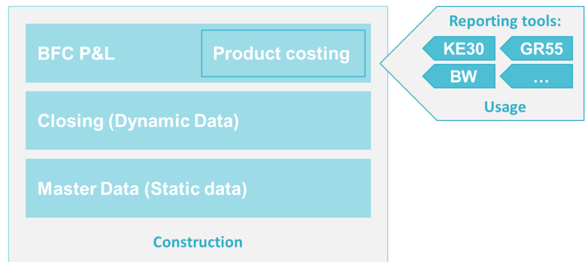
SYMPA Academy

SYMPA ACADEMY

Structure of the training

1- The first part explains the construction of the BFC P/L. Several concepts need to be presented such as Master Data, closing process and Product Costing. **Master Data** are the static concepts used to carry out properly the closing process. **Closing** subsection demonstrate the dynamic use of the master data. **Product costing** is a sub-product but it is an important section because a big amount of the Cost of Goods Sold (COGS) is built during product costing process.

2- The second part presents all the **reports** to be used to carry out performance analysis and how you can use those reports.



Read me first

Info

- *Initial inventory = 0*
- *Variable cost = 60*
- *Fixed Cost Period = 40*
- *Dep. Period = 10*
- *Sales = 60%*

BFC P/L before the implementation of SYMPA model.

	P&L PF1 Before SYMPA	
R10000 SALES		72
R15400-Variable COGS	36	
R25460-FC period	0	
R25470-Non proportional Cost absorbed	0	
R25490-FC COGS	20	
R25860-Dep Period	10	
R25870-Dep Absorbed	0	
R25890-Dep COGS	0	
	66	72
		6

- **R25460-FC period = 0**
- **R25470-Non proportional Cost Absorbed = 0**

Those two lines are every month equal to 0 in the BFC P/L before the implementation of SYMPA model.

FC + Dep. Period = 40 + 10 = 50

We have sold 60% => 50*60% = 30

R25490 COGS FC = 30 – Dep. = 30 – 10 = **20**

R25860 Dep. Period is a FI information available in the balance sheet. In this example, **Dep. Period = 10**

Let's imagine that next month there are no sales => COGS has to be equal to 0 but Dep. Will be still equal to 10. => COGS = 0 – Dep. = 0 – 10 = -10 It is not relevant.

BFC P/L : Theory

	P&L To be (theor)	
R10000 SALES		72
R15400-Variable COGS	36	
R25460-FC period	40	
R25470-Non proportional Cost absorbed	-40	
R25490-FC COGS	24	
R25860-Dep Period	10	
R25870-Dep Absorbed	-10	
R25890-Dep COGS	6	
	66	72
		6

- **R25460-FC period = 40** => In PF1 model all the costs of the period are sent to inventories.
- **R25470-Non proportional Cost Absorbed = -40** => this amount reflects the counterpart in the P/L of the balance sheet posting (inventory account). Full absorption is the model applied in PF1, so Non proportional cost absorbed corresponds to the full amount of FC period.
- **R25490-FC COGS** = variable cost * sales = 40 * 60% = **24**
- R25860 Dep. Period is a FI information available in the balance sheet. In this example, **D ep. Period = 10**
- **R25870 Dep. Absorbed = -10** => Full absorption is the model applied in PF1, so Dep. absorbed is the absorption of the full amount of Dep. period.
- **R25890-Dep. COGS** = dep. period * sales = 10 * 60% = **6**

BFC P/L : From theory P/L to PF1 P/L after implementation of the SYMPA model

The theoretical P/L has been not selected and implemented because the use of **R25870-Dep Absorbed** and **R25890-Dep. COGS** would have driven erroneous REBITDA calculation.

	P&L To be (theor)		P&L PF1 SYMPA	
R10000 SALES		72		72
R15400-Variable COGS	36		36	
R25460-FC period	40		40	
R25470-Non proportional Cost absorbed	-40		-50	
R25490-FC COGS	24		30	
R25860-Dep Period	10		10	
R25870-Dep Absorbed	-10		0	
R25890-Dep COGS	6		0	
	66	72	66	72
		6		**6**

- **R25460-FC period = 40** => In PF1 model all the costs of the period are sent to inventories.
- **R25470-Non proportional Cost Absorbed =** Full absorption of FC period + full absorption of Dep. = -40 + -10 = **-50**.
- **R25490-FC COGS** = variable cost * sales + Dep Period * sales = 40 * 60% + 10 * 60% = 24 + 6 = **30**
- R25860 Dep. Period is a FI information available in the balance sheet. In this example, **Dep. Period = 10**
- **R25870 Dep. Absorbed = 0**
- **R25890-Dep. COGS = 0**

In SAP, it is not possible to obtain a report that explains the origin of the costs. The split between fixed costs, variable costs and depreciation are available in BFC P/L thanks to a specific program that combines PCA + ML + FI.

Here, you have a representation of what is used in each P/L line.

TO BE UPDATED WITH AFTER SPS PROJECT

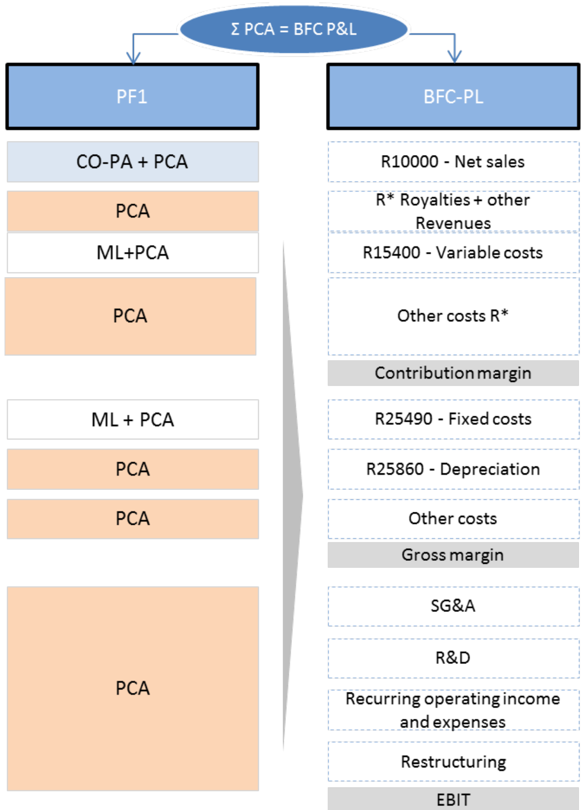
Business Financial Consolidation (BFC)

P&L statements and BFC interfaces are produced through

- CO-PA for sales data (by country, partner, etc.)
- CO-PCA for other P/L reporting items
- Material ledger for COGS (split VC / NVC / DEP)

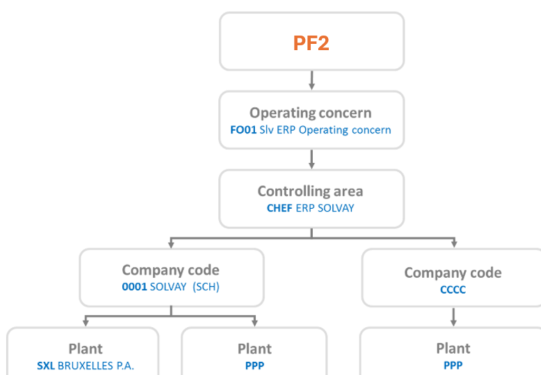
A specific transaction in PF1 (**ZZF_BFC_COLLECTIVE**) is used to extract the data to send to BFC, from the different sources.
The assignment of financial accounts and cost elements to BFC reporting items is done via **sets of accounts** (centrally managed) (GS03 - Display Set)

- **COCA PL-BFC mapping-Active accounts**



SECTION 1 Construction of the P/L

	Code	Description
Operating concern	**FO01**	Slv ERP Operating concer
Controlling area	**CHEF**	ERP SOLVAY
Company code	List	
Plant		



Business Structures

[Definitions] [Training] [Going further]

Definitions

>> Syensqo is organized in Global Business units, Groups of activities and Activity 1. This structure is used to provide the proper reports for business follow-up.

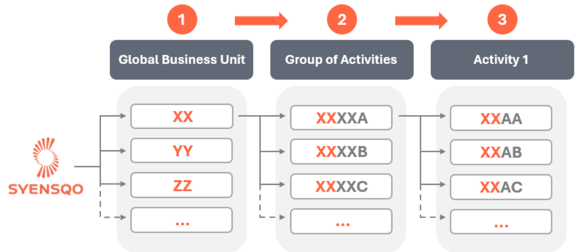
The Business Structure is maintained in Syensqo consolidation tool – SAP BFC (Business Object Financial and Consolidation)

Codification

- GBU : 2 Letters
- Groups of Activities : 5 Letters
- Activity 1 : 4 Letters or 2 digits

The business structure is maintained by Group & Accounting Reporting team and the updated list can be found in AODocs:

- Business information Syensqo



Training

>> Click on the image to open a training and learn how business structures are managed in Syensqo.

You can also find the Illustrated Training Transcript in PDF format here

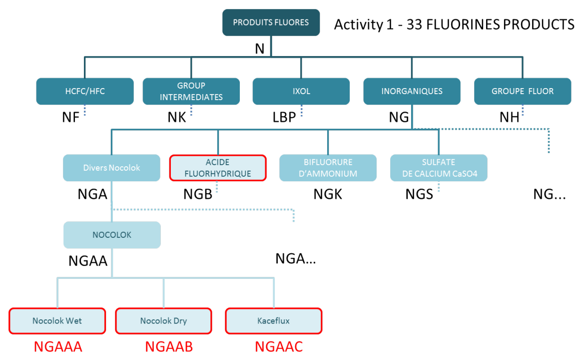
Going further

WP2	• Rules - WP1 - IECRA — The aim of this page is to provide the definition of the IECRA that is used in WP1 to allocate sales to an Activity 1, a group of Activities and an GBU. • Rules - WP1 - Working Capital - Activity 1 & 2 — The aim of this page is to explain how the determination of the "BFC Activity 1" or the "BFC Activity 2" is done in the Working Capital depending on the type of accounts.
PF2	• Rules - PF1 - PIF — The aim of this page is to provide the definition of the PIF (group of materials with similar characteristics) that is used for the determination of the Activity 1 in PF1. • Rules - PF1 - Profit center — In PF1, the Profit center is used to allocate sales to an Activity 1, a group of Activities and an GBU. • Rules - PF1 - Working Capital - Activity 1 & 2 — The aim of this page is to explain how the determination of the "BFC Activity 1" or the "BFC Activity 2" is done in the Working Capital depending on the type of accounts. • Rules - PF2 - Activity 1 — The aim of this page is to explain how the allocation of sales is done in PF2 by Activity 1. • Rules - PF2 - Business Area — The aim of this page is to explain how the determination of a group of Activities is done for inventories. • Rules - PF2 - Sector code — The aim of this page is to provide the definition of the sector code that is used in the codification of the business area.

It is a family of products

- It is a Code assigned to the materials.
- It aggregates the materials with similar characteristics.
- Material link to PIF is done via the Product hierarchy.

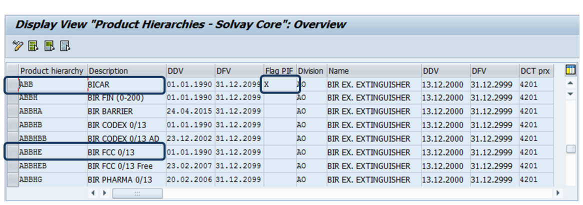
To display the product hierarchy use the table PF2 - Table ZZRT179V - Product hierarchies

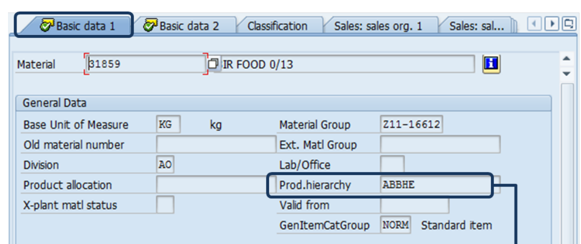


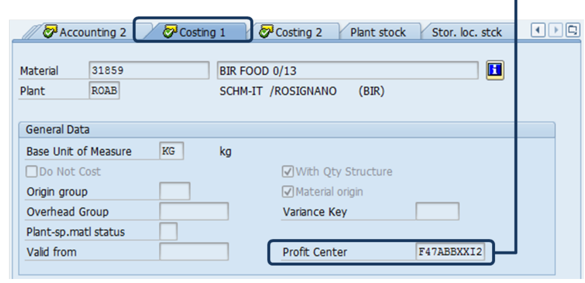
The Product Hierarchy is stored in the view "Basic data 1" or the material master data.

It is consistent with the codification of the reporting profit center that is stored in the view "Costing 1" and contain the corresponding PIF code

For instance the product hierarchy of the material 31859 is ABBHE and its profit center is F47**ABB**XXI2 where ABB is the PIF.







Logistics Organizational Unit representing the place where either materials are produced or goods and services provided.

Identification of production and non production plants.

Use in CO:

- Organizational Cost Centers standard hierarchy
- Profit Centers standard hierarchy
- Cost Object Hierarchy (first 2 levels in the structure)

- Materials: To identify the ones relevant for costing and to be updated during the Project (Accounting / Costing views).
- Material Ledger activation (customizing).

1 digit code identifying the country inside Solvay ERP.

Use in CO:

- Reporting Profit Centers codification at PIF level (position before last)

It is used in the codification of the Cost Centers (=first two digits) in PF1.

The establishment code is a combination of a legal company on a site

- SM = cy 0001 SCH
- XR = cy 0270 Solvay Quimica, Italian in Rosignano
- SV = cy 0306 Solvay Portugal, Prod Quim.

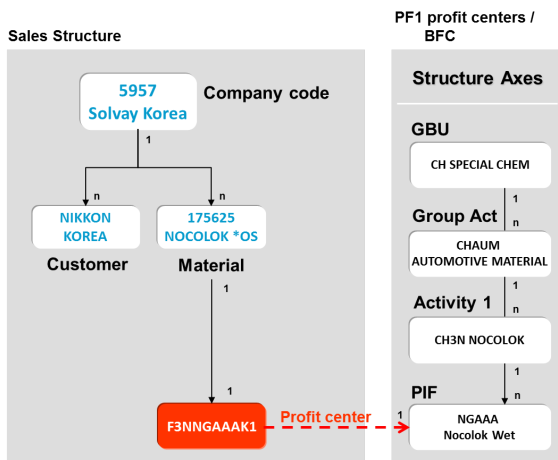
The codes are part of the enterprise structure and managed by Core Tables

The establishment code can be displayed with PF2 - ZPRI Display table ETAB

Structure Axes
In PF2, a material sold is assigned to an Activity 1 through its profit center.

Know more

Allocation of the profit center to the activity 1



SAP t-code

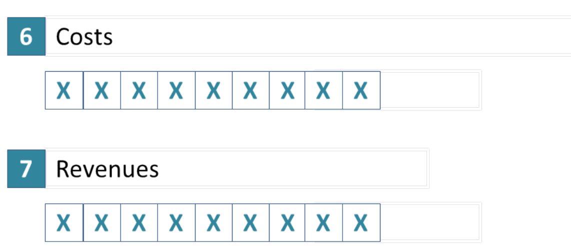
KA03 - Display Cost Element

A primary cost elements is for CO the equivalent as accounts in FI with the same codification that is detailed in the page GL Accounts codification tables.

In PF2

The codification of a primary cost element is:

- **6** when it is a cost & **7** a revenue
- 9 digits : it can depend on the use of the cost element

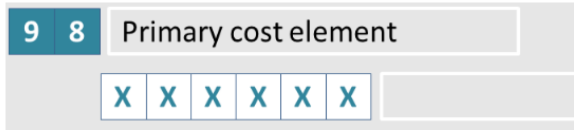


In WP2

The codification of a primary cost element is:

- 98 : primary cost element

- 6 digits that can depend on the use of the cost element



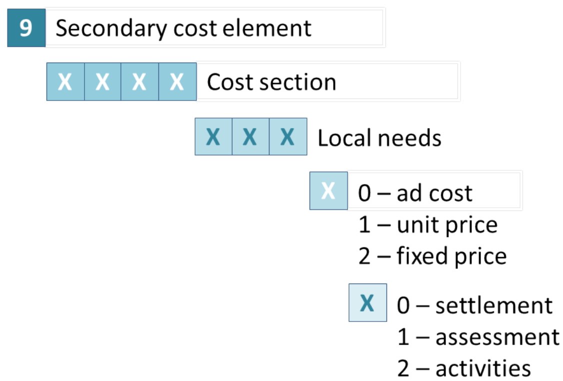
There are 2 types of secondary cost elements:

- Cost elements to transfer costs between cost centers, orders & WBS
- Cost elements to transfer costs from the cost centers to COPA (in PF2 we speak about "Reporting cost elements")

In PF2

The codification of a cost element to transfer costs between cost objects is:

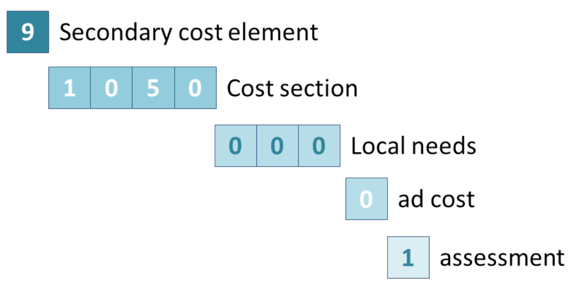
- 9 : secondary cost element
- 4 digits : cost section
- 3 digits : local need
- 1 digit
  - 0 - ad cost
  - 1 - unit price
  - 2 - fixed price
- 1 digit
  - 0 - settlement
  - 1 - assessment
  - 2 - activities



Example

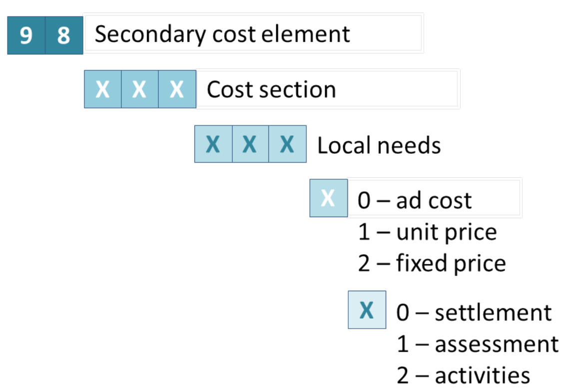
Codification of a non reporting secondary cost element used to settl e Maintenance with assessment cycles

- *9 : secondary cost element*
- *4 digits : cost section :* ***105*** *Maintenance*
- *3 digits : by default* ***000***
- *1 digit :* ***0*** *- ad cost*
- *1 digit :* ***1*** *- assessment*



The codification of a Reporting cost element (to transfer costs from a cost center to COPA):

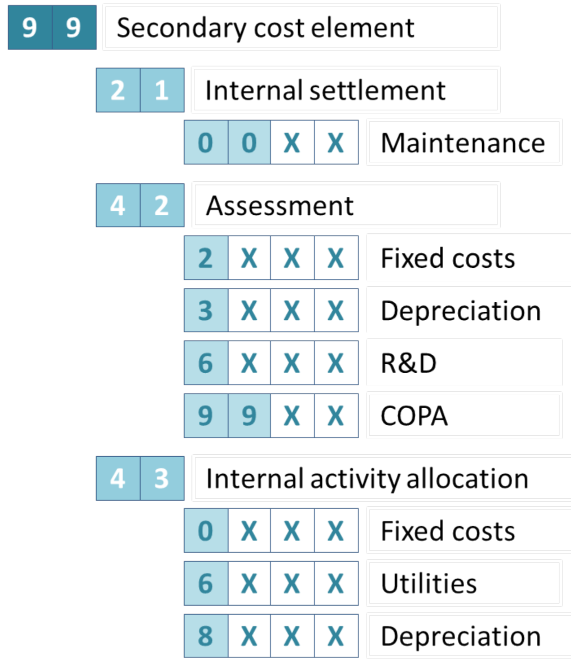
- 98 : reporting cost element
- 3 digits : cost section
- 3 digits : local need
- 1 digit
  - 0 - ad cost
  - 1 - unit price
  - 2 - fixed price
- 1 digit
  - 0 - settlement
  - 1 - assessment
  - 2 - activities



In WP2

The codification of a secondary cost element is:

- 99 : secondary cost element
- 6 digits : the first digits depend on the use of the cost element

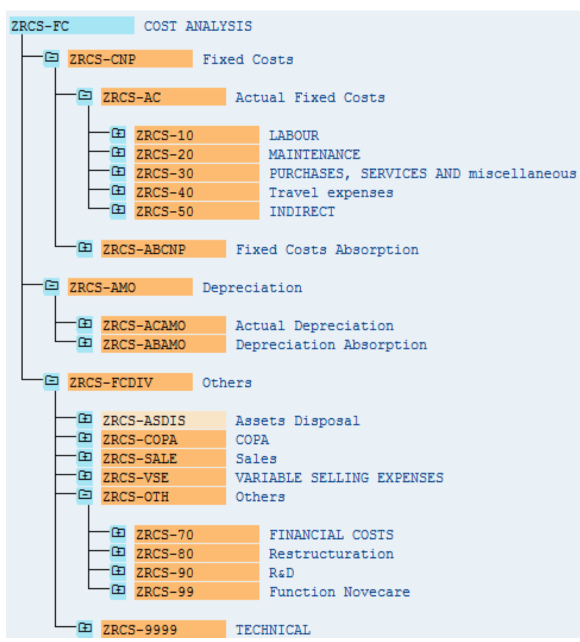


SAP t-code

KAH3 - Display cost element group

The group **ZRCS-FC** is created in PF1 & WP1 and is used

- in BW & Qlikview for the fixed costs reports
- in assessment cycles



SAP t-code

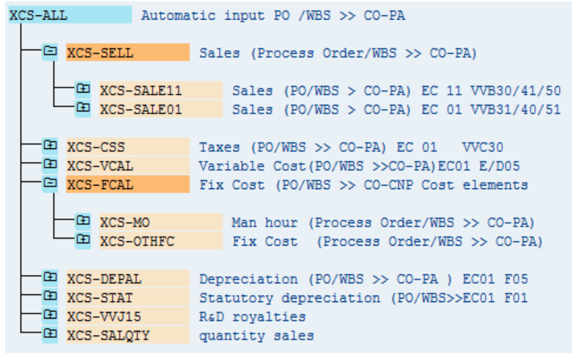
KAH3 - Display cost element group

Warning

From 01 Jan 2022 **the group ZRCS-FC is replaced by the Cost element Group ZSOLV**

- In PF2, the group **XCS-ALL** is the base for allocation structures of Utilities and for new Splitting Structures
- In WP2, the group **XCS-ALL** is used in the PA transfer structures for settling

WBS elements, process orders and internal orders to CO/PA

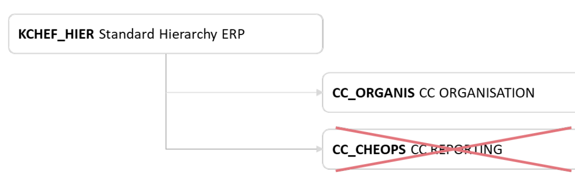


SAP t-code

KAH3 - Display cost element group

The code of the standard hierarchy in PF2 is KCHEF_HIER and it is structured in 2 main sub-groups:

- CC_ORGANIS
- CC_CHEOPS



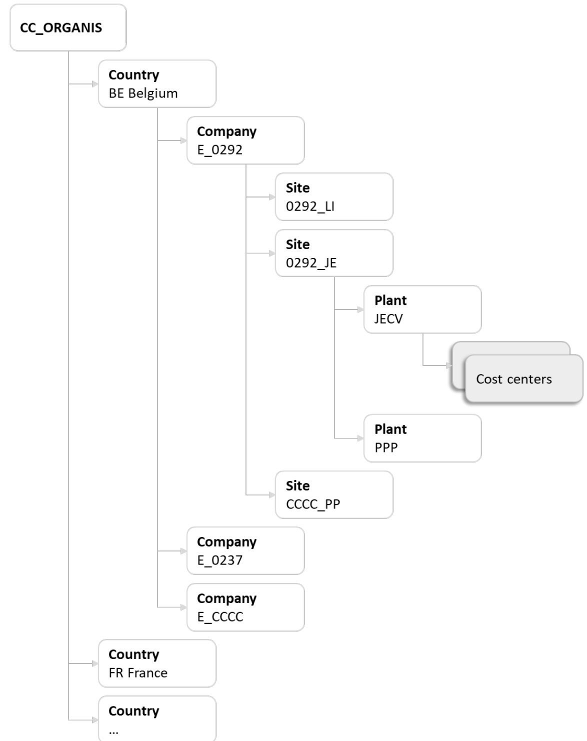
The group CC_CHEOPS was used for reporting cost centers. These cost centers are not used anymore.

In other words the group CC_CHEOPS should not be used anymore and all active cost centers should now be included in the group CC_ORGANIS.

The group CC_ORGANIS is only harmonized until the plant level, afterwards it is free for every site.

CC_ORGANIS

- XX - Country
    - E_CCCC - Company
        - CCCC_PP - Site
            - PPP - Plant
                - Cost center 1
                - Cost center 2



XX = Country code

CCCC = Company code

PPP = plant code

PP = First 2 digits of the plant code

Reporting cost centers are not used anymore. They were all blocked in May 2021 and should not be created anymore.

The Cost Centers depending on “CC_CHEOPS” are mapped with the corresponding “reporting” profit center.
There are the mirrors, by company, of the “Result Profit centers”. All the operations relevant for reporting are posted in the Profit Centers through those Cost Centers.
They represent generally the 3 levels of the reporting:

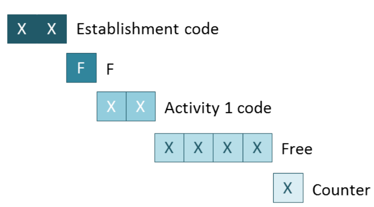
- Company – with split by partner (level 1)
- Division – with split by origin or by partner (level 2)
- PIF / origin / packaging (level 3)

PIF level

Standard codification

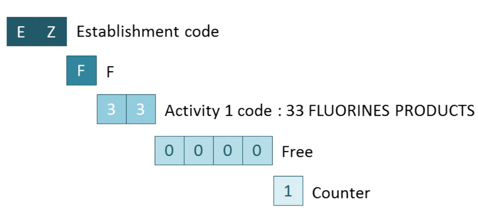
The codification of a reporting cost center used at PIF level

- Establishment code
- Letter F
- Activity 1 code



Example

Codification of a reporting cost center for the PIF NGAAA Nocolok Wet in the plant SEF Seoul



Activity 1 level

Standard codification

The codification of a reporting cost center used at Activity 1 level

- Establishment code
- Letter D
- Sector code
- Activity 1 code

| X | X | Establishment code
| D | D
| X | Sector code
| X | X | Activity 1 code

Example

Codification of a reporting cost center for the Activity 1 = 33 in the plant SEF Seoul

| E | Z | Establishment code
| D | D
| 7 | Sector code
| 3 | 3 | Activity 1 code

Company level

Standard codification

The codification of a reporting cost center used at Company code level:

- Establishment code
- Letter E
- Company code

| X | X | Establishment code
| E | E
| X | X | X | X | Company code

Production cost centers

Standard codification

The codification of an organizational cost center used for production is the combination of :

- Establishment code
- Cost section
- Code Prix de Revient (=CPR) that can be found with PF2 - Table ZZRT179V - Product hierarchies

Note: Finance workflow is checking if the "Cost section" code is valid, reading table "ZZK_SECTION" in PF1_050; it should be maintained when required.

| X | X | Establishment code
| X | X | Cost section
32 = Production Cost Center for bulk products
19 = Packaging Cost Center
| X | X | X | X | CPR Code price code
| 0 | 0 |

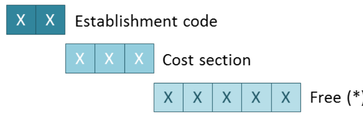
Example

Codification of a cost center used for the workshop F2 in the plant OSF Onsan

| O | 1 | Establishment code = O1 ONSAN ULSAN
| 3 | 2 | Cost section = 32 Production Cost Center for bulk products
| 6 | 9 | 8 | 2 | CPR = 6982 Pure Fluorine (F2)
| 0 | 0 |

Other cost centers

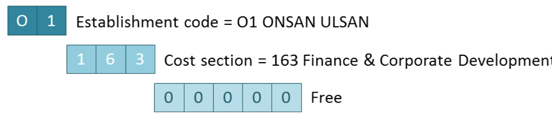
Standard codification



The codification of an organizational cost center not used for production is the combination of :

- Establishment code
- Cost section
- Free (for utilities it depends on the utility type listed here)

Example



Codification of a cost center used for Finance & Corporate Development in the plant OSF Onsan

ZCBS is the code of the alternative cost centers hierarchy that is mainly used for reporting purposes (ex: Co$ta - Reports , Fixed costs).

You can display the ZCBS hierarchy:

- in SAP using the transaction KSH3 - Display cost center hierarchy

You can also use the report FC - Cost centers master data to display all cost centers with their assignment in the hierarchy ZCBS.

All active must be assigned to the lowest level in the hierarchy so that the full ZCBS levels are properly shown for the related cost center.

A cost center in included in ZCBS according to the following principles:

- 1. There is a direct link between the first level of the ZCBS hierarchy and the Activity 1
- 2. There is a direct link between the first (or second) level of the ZCBS hierarchy and the P&L
- 3. There is a direct link between the lowest level of the ZCBS hierarchy and a BSA

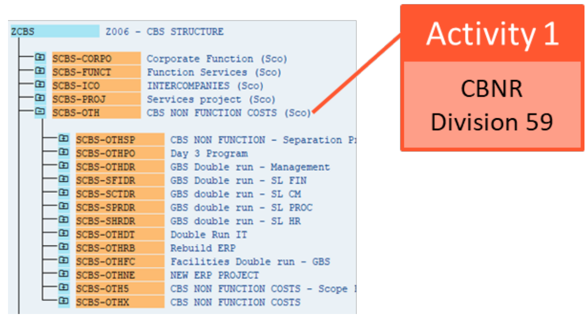
1. There is a direct link between the first level of the ZCBS hierarchy and the Activity 1

CBS cost centers

- All cost centers included in the groups **SCBS-CORPO** Corporate Function & **SCBS-FUNCT** FUNCTION SERVICES are assigned to the Activity 1 CBSS in WP2 (=IECRA00569) and PF2 (=DIV 50 or =BA 8500).
- Cost centers included in the group **SCBS-ICO** INTERCOMPANIES are assigned to the Activity 1 CBSS in WP2 (=IECRA01148) and PF2.

Non allocated cost centers

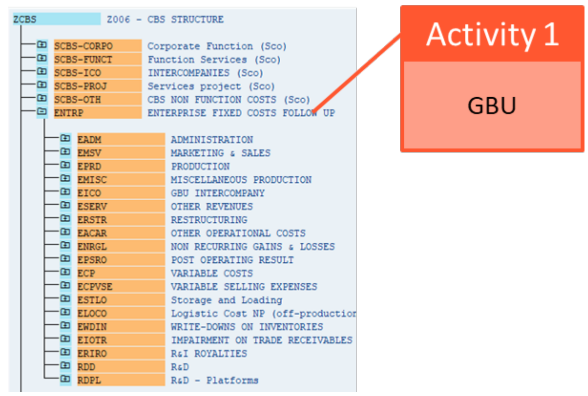
- All cost centers included in the group **SCBS-OTH** CBS NON FUNCTION COSTS are assigned to the Activity 1 **CBNR** in WP2 (=IECRA00450) and PF2 (=DIV 59 or =BA 8590).



GBU cost centers

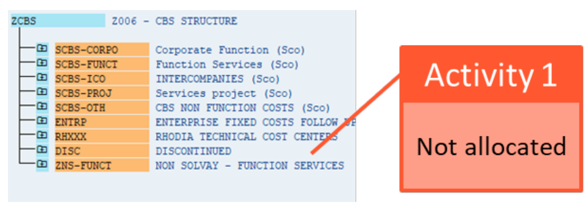
- All cost centers included in the group **ENTRP** ENTERPRISE are assigned to a GBU.

> There can not be cost centers allocated to CBS included in the group ENTRP.



Other groups

- The group **RHXXX** TECHNICAL COST CENTERS is used for technical cost centers (not reported in fixed costs report)
- The group **DISC** DISCONTINUED is used for cost centers that are blocked
- The group **ZNS-FUNCT** NON SOLVAY - FUNCTION SERVICES can be used for entities sold when they want to keep working with a fixed costs report with their own groups

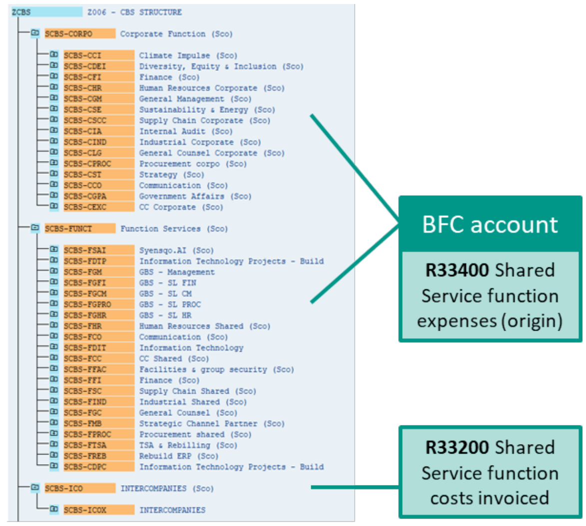


> **Group ZNS-FUNCT**
>
> Currently, the group ZNS-FUNCT does not exist in WP2 or PF2 because it doesn't need to be maintained.

2. There is a direct link between the first (or second) level of the ZCBS hierarchy and the P&L

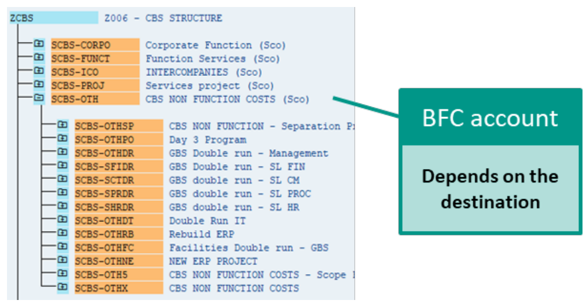
CBS cost centers

- All cost centers included in the group **SCBS-CORPO** Corporate Function & **SCBS-FUNCT** FUNCTION SERVICES are allocated to **R33400** Shared service function expenses (origin)
- All cost centers included in the group **SCBS-ICO** INTERCOMPANIES are allocated to **R33200** Shared services function costs invoiced



Non allocated cost centers

- Cost centers included in the group **SCBS-OTH** CBS NON FUNCTION COSTS : they will be allocated to corresponding BFC headings depending on its destination
(ie: Administrative or Commercial expenses, Other recurring operating income/expenses, etc)



GBU cost centers

- The allocation of cost centers included in the group **ENTRP** ENTERPRISE depends on the type of costs:

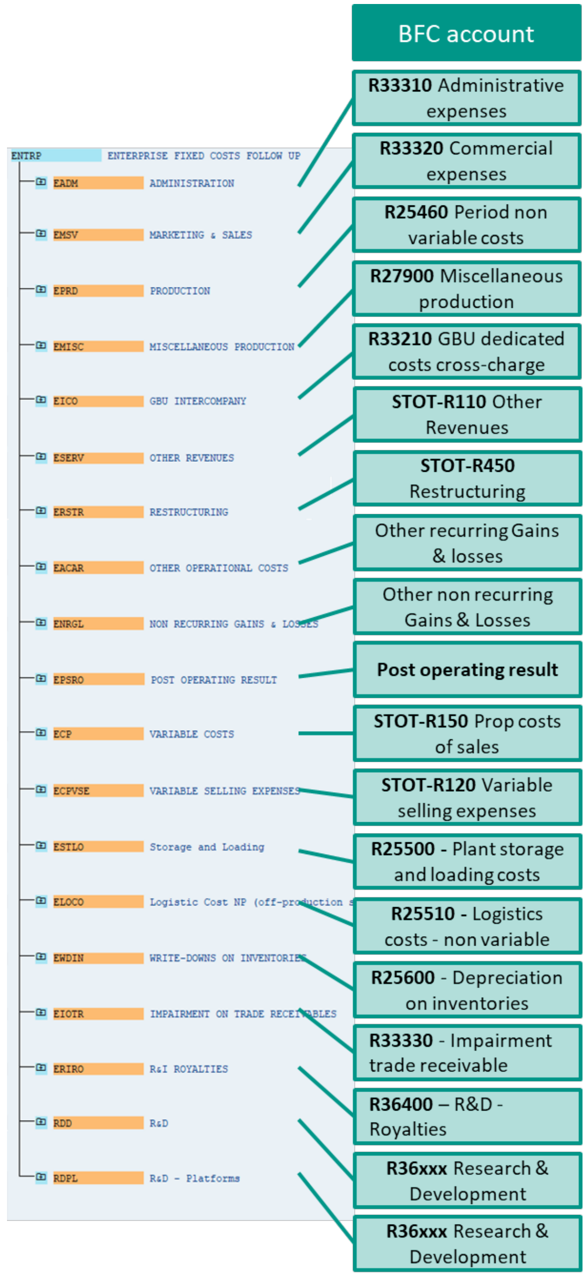
ZCBS group	Definition

EPRD	All production cost centers should be included in the group EPRD:
	▪ Indirect production cost centers (PPPP-2 in WP2) should be included in a group EPRD1=>EPRD6.
	  ▪ Utilities cost centers should be included in the group EPRD4Y in PF2 only. In WP2 they are included in the group ECP)
	▪ Direct production cost centers (PPPP-1 in WP2, EE32xxxxxx in PF2) should be included in the EPRD0:
	  ▪ EPRD0X when the production cost center is not mixed (all cost centers in WP2 and some cost centers in PF2)
	  ▪ EPRD0Y when the production cost center is mi xed (only in PF2)
	  ▪ EPRD0Z can be used to manage underactivity (only in very specific cases)
	
	=> Definition of Period non-proportional costs of production (R25460)

EADM	This group is used for cost centers allocated to the BFC account Administrative expenses (R33310) • A GBU can request the creation of sub-groups to detail its own organization.
EMSV	

	This group is used for cost centers allocated to the BFC account Commercial expenses (R33320) • A GBU can request the creation of sub-groups to detail its own organization.
RDD	This group is used for cost centers allocated to the BFC account Research and Development (R360) • A GBU can request the creation of sub-groups to detail its own organization.

For other groups you can look at the file by ERP in Assessment cycles Rules



Technical cost centers are not allocated to BFC

3. There is a direct link between the lowest level of the ZCBS hierarchy and a BSA

The ZCBS hierarchy is used for the allocation of cost centers to a BSA using.

The assignment of cost centers to a BSA is done with the cost center hierarchy = ZCBS_BSA which is built using the last level of the ZCBS hierarchy

Valid from

Normally, the “valid from” date of a cost center must follow the following criteria :

- be the first of a month
- be the current month until D-5 [to allow the closing test being performed D-3]
- be any month in the future
- for implementation project : date to be determined with the project – and validated by DMR

Reminder : cost centers creation requests for the current month are not processed during the closing period (from D-5 to D+3), except for urgent cases to be specifically validated by PE Leader Costing, via the workflow function “Ask the Process Expert for Validation”.

Action to undertake : during closing period, if **date « valid from… »** is in the month being closed, inform the requester that the creation will be processed next month. If the requester insists to get an urgent creation, validation from PE Leader Costing is needed, before proceeding.

Valid to

by default it is valid to “31.12.9999”.

If it is different from 31.12.9999, it must be justified

<u>The Result (Reporting) Profit Centers are the basis for Group reporting</u>

All elements for BFC statement are extracted from the Profit centers (except NETV, QTV and TPT which are extracted from CO-Profitability Analysis -> CO-PA). To make this extraction work (through interfaces), all objects in CO must be assigned to a profit center;

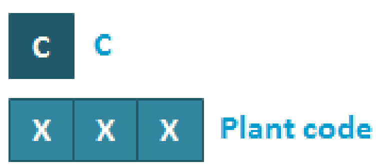
- Material (plant level, Costing view)
- Cost centers
- CO orders
- PM orders
- PP orders
- Cost collectors
- WBS

The Result Profit centers are depending on the Profit center group “CHEFCHEOPS”. These profit centers are generally assigned to all the ERP companies;
The non reporting Profit Center are in group “CHEF_CNTRL

Standard codification

The codification of an organizational profit center

- Letter C
- Plant code



PIF level

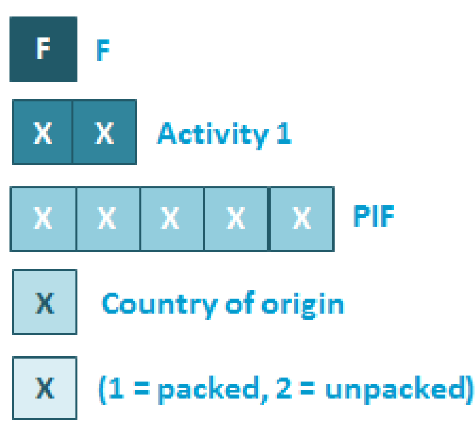
<u>Standard codification</u>

The codification of a reporting profit center used at PIF level:

- **Letter F**
- **Activity 1 code** - 2 characters of the Reporting Division from SM30 table V_134G, Division code (check in Material Master Data (MM03), tab Basic Data 1, the field Division) + Plant code, to get the correct Business Area.
- **PIF code** - Use the first 5 characters of the PIF code (complete with “X” to reach 5 characters). To identify the correct code, go to **T-code MM03 Basic Data 1** tab, check the **Prod. Hierarchy** field. In **SM30** table **ZZRT179V,** confirm that the **Prod. Hierarchy** code is marked with an “X” in the **Flag PIF** column.
- **Country of origin** - 1 character for the country code of the industrial origin, i.e. where the goods are manufactured - see appendix for the codes.
- A - Austria

  B - Belgium

  C - Switzerland



D - Germany

E - Spain

F - France

G - Great Britain - UK

H - China

I - Italy

J - Japan

K - Korea

L - India

M - Mexico

N - Netherlands

O - Russia (possible extension to other countries)

P - Portugal

Q - Not used

R - Brazil

S - Finland (possible extension to other countries)

T - Thailand

U - USA

V - Argentina

W - Not used

X - Improperly used for some “3rd parties” and some other strange ones

Y - Egypt, Saudi Arabia, Chile and other miscellaneous countries

Z - Inovyn Martorell - other / future use to determine

1 - Rhodia EMEA region (only for “green” GBU - when production center is not specifically known) - corresponding to industrial origin 9991

2 - Rhodia NAM region (only for “green” GBU - idem) - corresponding to industrial origin 9992

3 - Rhodia LATAM region (only for “green” GBU - idem) - corresponding to industrial origin 9993

4 - Rhodia APAC region (only for “green” GBU - idem) - corresponding to industrial origin 9994

9 - Third parties - corresponding to industrial origin 9997

- **Code packaging** - 1 character (normally a digit) to differentiate - normally odd for packed and even for bulk.

These profit centers are used for postings at the lower level of detail : PIF + industrial origin.

Activity 1 level

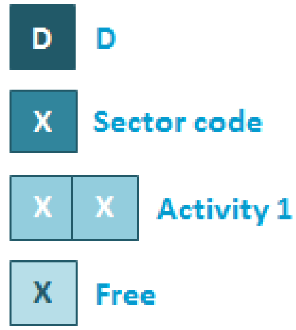
Standard codification

The codification of a reporting profit center used at Activity 1 level

- **D + Business Area**

- Letter **D**
  Business Area
- Sector code
- Activity 1 code
- Free

These profit centers are used for posting at “company code” + “BFC Activity 1” level. Should wait until the Business Area has been created by APDM and is available in PF2_020 before creating the D* profit center.



Profit centers at company & company/object levels should not be used anymore

Before the project SPS (COPA in PF2) there were 2 other types of reporting profit centers:

<u>**At company level**</u>

They were used for posting at “company code” level for which there was no subdivision between GBU or BFC Activities.

The codification of a reporting profit center used at Company code level was:

- Letter E
- Company code

<u>**At company & object level**</u>

These profit centers represent the shares of the company hold by other Solvay companies. Can be created for any Solvay companies, operating in the ERP Solvay or not.

The codification of a reporting profit center used at Company code and object level was:

- Letters SCHEF
- Company code

Reporting profit centers at company & company/object levels should not be used anymore

It's not possible to change the business area field during a fiscal year once there are already postings or planned postings in that fiscal year.

The Business area is used in **PF2** only and is used to identify the business involved in each transaction.

The codification of the Business area is:

- 1st digit : Rules - PF2 - Sector code
- the 2 middle characters : Rules - PF2 - Activity 1
- last digit is always "0", except for German companies

SAP t-code

PF2 - Table TGSB (view ZZRTGSBV) - Business area

The person responsible of a cost center is accountable for the elements allocated in the cost center

The companies using SRM7 for purchasing should have a SRM7 user ID (=BIP user ID) entered in this field, starting with 5, such as 50000000

To display the list of person responsible use the report PF2 - SRM Validators in cost centers
Usually the name & description of a cost center is free but in some cases there can be special needs.

> An **assessment cycle** is used in SAP to assign all primary cost elements and secondary cost elements from a sending cost center to the receiver cost center.When you want to transfer costs from one cost center to another through an assessment cycle, sap use a secondary cost element and accumulates all the primary cost and secondary cost and send it to the receiving cost center.

Definition

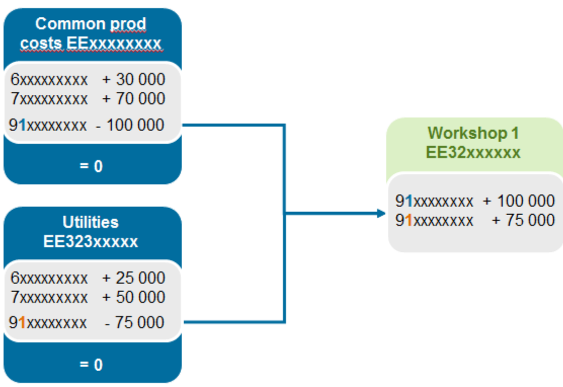
An **assessment cycle** is used in SAP to assign all primary cost elements and secondary cost elements from a sending cost center to the receiver cost center. When you want to transfer costs from one cost center to another through an assessment cycle, sap use a secondary cost element and accumulates all the primary cost and secondary cost and send it to the receiving cost center.

PF1

In PF1, assessment cycles are used to:

- Allocate common production & utilities cost centers to Workshops cost centers (EE32xxxxxx or EE193xxxxx)

The codification of the secondary cost element to be used is: 9**1**xxxxxx xxxx

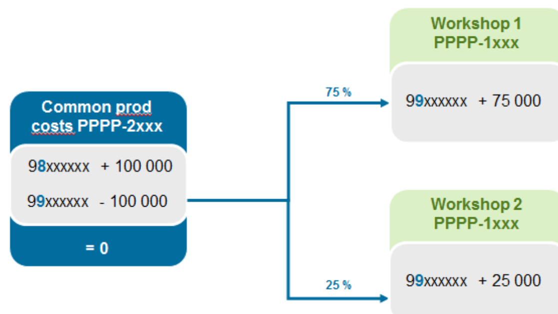


WP1

In WP1 , assessment cycles are used to:

- Allocate common production cost centers (PPPP-2xxx) to Workshops cost centers (PPPP-1xxx)

The codification of the secondary cost element to be used is: 9**9**xxxxxx xx



Maintenance of cycles in SAP

SAP transactions

- KSU1 - Create Actual Assessment Cycle
- KSU2 - Change Actual Assessment Cycle
- KSU3 - Display Actual Assessment Cycle

Example

- Cycles PF1 - Example

List of cycles

PF1

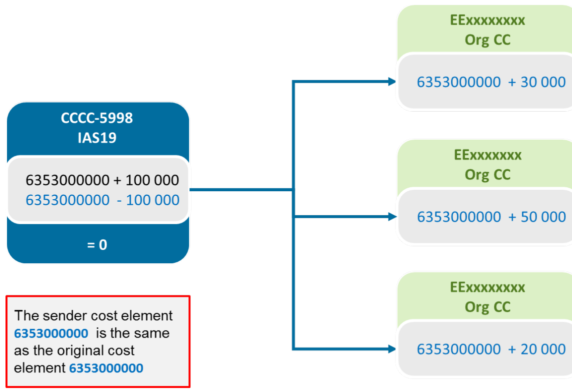
- IAS19 PF1 - cycle CCCCDV
- Restructuring PF1 - cycle CCCCR2
- Restructuring PF1 - cycle CCCCRT

WP1

- IAS19 WP1 - cycle CCCC19
- Restructuring WP1 - cycle CCCCR2
- Restructuring WP1 - cycle CCCCRT
- Cycles - codification WP1
- Cycle insurance WP1

A **distribution cycle** is used in SAP to transfer primary costs from a sender cost center to receiving controlling objects. The original cost element remains the same.

In PF1, distribution cycles are used for IAS 19



When you create a cycle to distribute corporate IAS19 costs in PF1, you must follow the following steps:

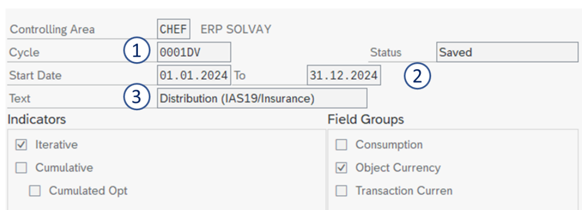
STEP 1

Create a distribution cycle with KS V1 - Create Actual Distribution Cycle

1. Cycle = *CCCC*DV

2. Start Date = 01.01.20YY to 31.12.20YY

3. Text = Distribution (IAS19)



STEP 2

Only one segment needs to be created

1. Segment name = *EE*800IAS19

2. Segment description = IAS 19 BFC Dotation

3. Sender values =

- Sender rule: Posted amounts
- Share in %: 100
- Act. vals

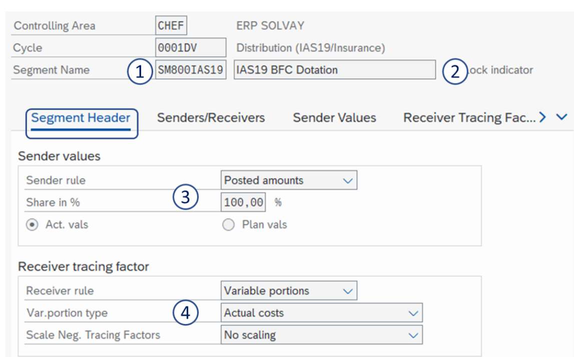
4. Receiver tracing factor

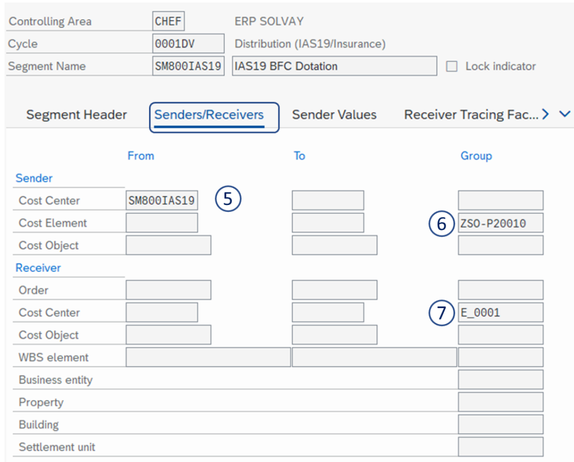
- Receiver rule: Variable portions
- Var.portion type: Actual costs
- Scale Neg. Tracing Factors: No scaling

5. Sender cost center = *EE* 800IAS19

6. Sender cost elements group = ZSO-P20010

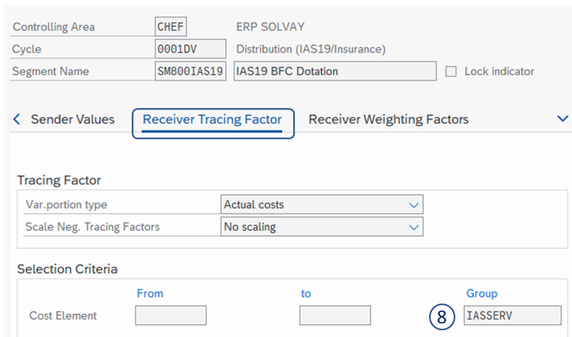
7. Receiver cost centers group = E_CCCC (= all cost centers of the company)





8. Cost Element Group = IASSERV

SAVE



COPA Assessment cycle assesses costs from a Cost Center to COPA Value Fields.

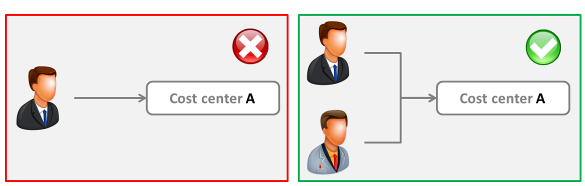
In PF2, the P&L is built in COPA, cost centers are assessed to a value field in COPA with a secondary cost element 98xxxxxxxx

[Cost center - Creation Rules] [Cost allocation - Rule] [Pricing - Rule] [Payroll expenses allocation] [Reporting assessment - rule] [Intercos - cycles] [Technical cost center usage] [Statistical key figures usage] [Working File 3]

Cost center - Creation Rules

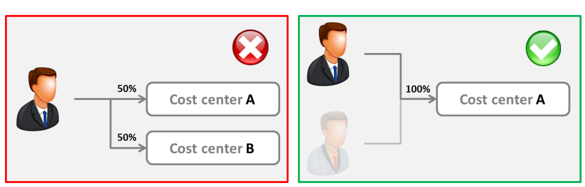
Rule 1

It is not allowed to create a cost center for less than two employees



Rule 2

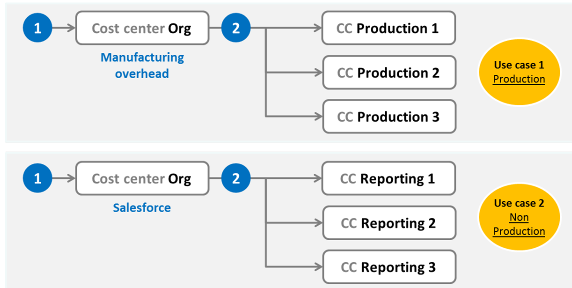
An employee is assigned to one cost center only



Rule 3

Threshold of minimum amount per year of primary expense.

Cost allocation - Rule



Recommendation: minimize the number of CC allocation

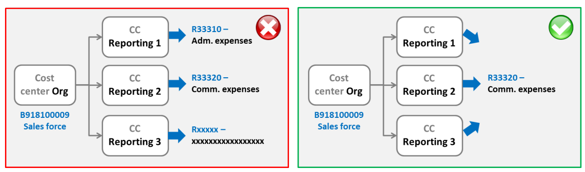
- For Production costs: allocation between organizational CC and another organizational CC
- For non Production costs: allocation from organizational CC to reporting CC

Exception

- Utilities
- Insurance (IAS 19)
- R&I: allocation from CC to WBS
- Intercos: from organizational CC to organizational CC other company

General rule:

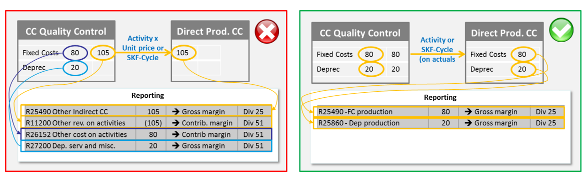
- All type of expenses - different than Manufacturing Costs (Indirect/Direct) and R&I - go directly to BFC (at different reporting cost center) and to only 1 BFC heading.



Pricing - Rule

General rule:

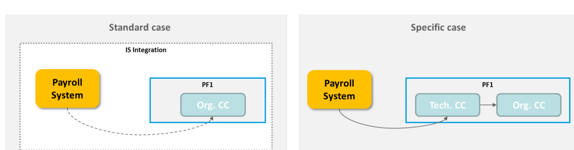
- "No pricing" rule: allocations between organizational cost center, within the same legal entity (same GBU normally, but could be also between 2 GBUs) should be done at cost.



Payroll expenses allocation

General rule:

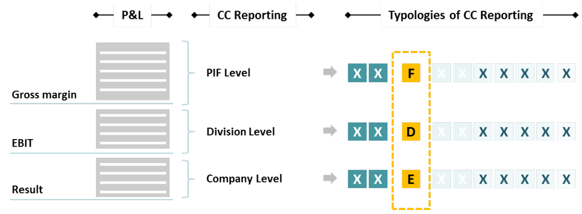
- Payroll expenses shouldn't be posted to technical cost center if HR/Payroll system is integrated.
- An employee is assigned to only one cost center



Reporting assessment - rule

General rule: A minimum level of detail is required for assessment to reporting cost center:

- For gross margin => Cost center reporting at “PIF” Level (see codification below)
- Below gross margin => Cost center reporting at “Division” level (see codification below)
- Below EBIT => Cost center reporting at “Company” level (see codification below)



Intercos - cycles

General rules:

1. For GBU cross charge

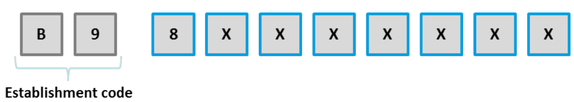
- Change the cycle usage: evolution from actual amounts to planned amount
  - Objective: anticipate the launch of cycles (from D2 to D-1) and reduce problems in D4
- Create and standard cost center for Cross charge (in order to align to method of CBS)

2. For CBS

- Create a specific Cost Section (160) for SBS invoicing

Technical cost center usage

Technical Cost Center can be used for the following cases:



- Use case 1: to centralize primary costs for corporate needs (e.g.: Insurance, IAS 19…)
- Use case 2: to post costs not directly linked to the organizational structure (e.g.: other non recurring expenses)
- Use case 3: to collect the result of income miscellaneous (e.g.: sales of scrap…)
- Use case 4: if the organization cost is not defined in the Cost Section narrative

Reminder: in all cases, the request has to be approved by the Central Costing Expert after approved the request by GBU.

Statistical key figures usage

Definition: “Statistical key figures” provide information on non-monetary data such as the number of employees, number of machines, capacity usage, market information…and can be used for internal cost allocations.

Recommendation: minimize the usage of SKF or avoid it (if possible)

2 conditions are identified to use the “Statistical key figures”

- Volumes of target CC

- High frequency (e.g.: every month) of update

Working File 3

> **Overview of Working file 3**
>
> Working File 3

All the companies harmonized in Sympa Model after a period of 2-3 months where some adjustment are done;

> Controllers should have access to their WF3. If you do not have; please request it

- Each year by the end of October you will be requested to review your allocation keys by RCOM. And this will be part of an Internal Control.

- Request Cycles changes with Costing forms
- Review of the roles and transactions access by the users has been done in January-16.

Cycles PF1 - Example

Cycles - codification PF1

Expand to see the last version of the cycle model in Gdrive:

Definition

Cost object in Product Cost by Period that collects the periodic actual costs incurred in the production of a material. When a cost collector is used, the product is the main cost object.

Use

Product cost collectors are independent of the production type. This means that costs can be collected on product cost collectors in the following production environments:

- In order-related production (using production orders) to analyze the costs by period rather than by lot;
- In process manufacturing (using process orders) to analyze the costs by period rather than by lot;
- Repetitive manufacturing: product cost collectors are used as cost objects.

> Cost collectors are independent of the production type. This means that costs can be collected

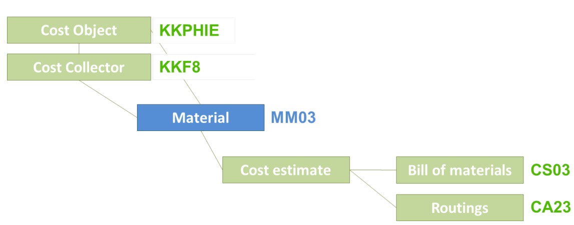
CO-Product Costing Object - Structure

KKPHIE - Insert a new Cost Object

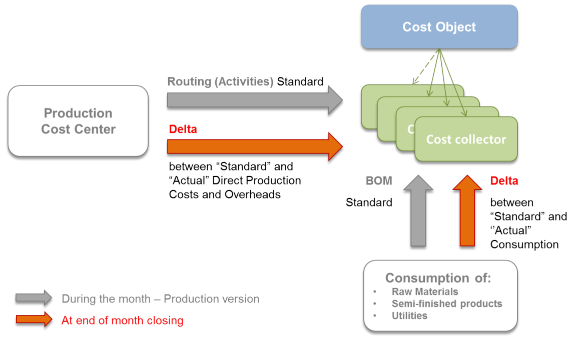
KKF8 - Display Product Cost Collector

CS03 - Display Material BOM

CA23 - Display Rate Routing

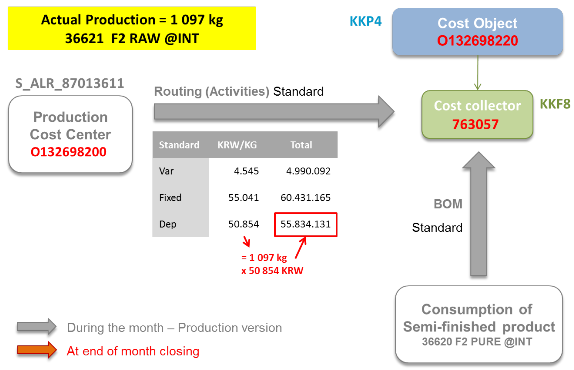


CO-Product Costing Object - Basic Schema

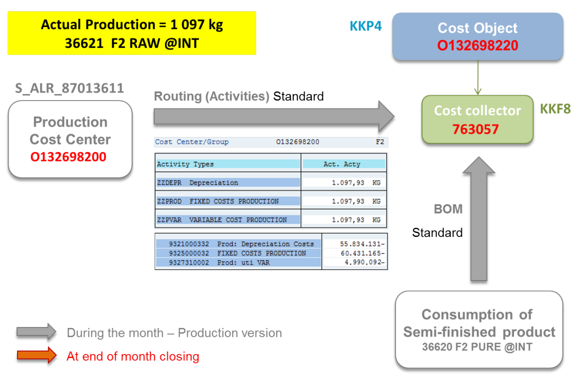


CO-Product Costing Object – Example – 1/3

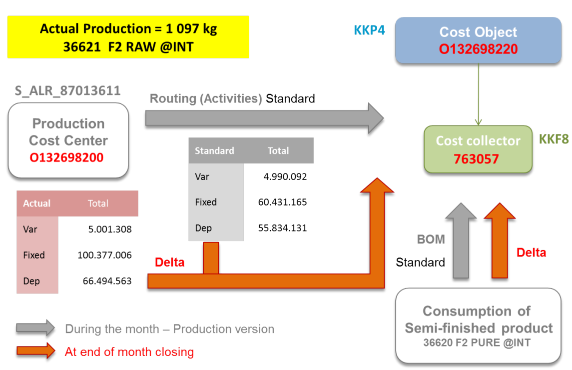
KKP4 - Display Cost Object Hierarchy



CO-Product Costing Object – Example – 2/3



CO-Product Costing Object – Example – 3/3



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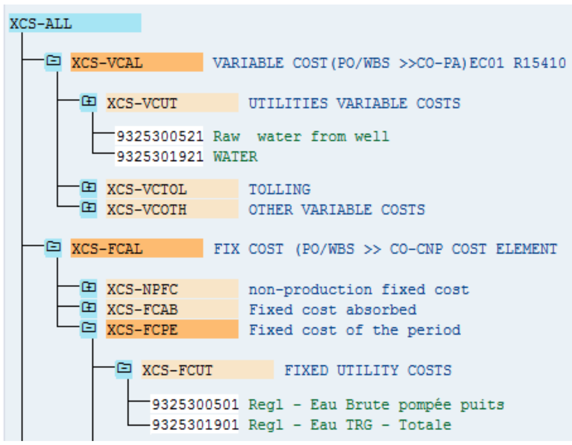
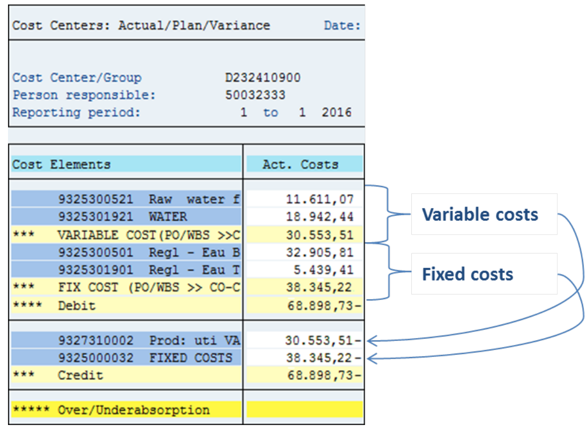
- Splitting structure is used in cost center planning to define which cost elements are considered for calculating which prices of activity types, when a cost center has more than one activity associated to it, and the price is not manually determined (most of the cases in production cost center). Splitting structure links Cost elements (and its amounts) with activities types of a given production cost center.
- During the costing process, actual price calculation of the activity types is run. In other word, activity types are reevaluated with actual prices of the month. The splitting structures provide the reference (actual price) for the reevaluation of activity types. This reference has to be defined for each cost center to do so a splitting structure has to be associated to each cost center.

For example, costs posted in the cost center D232410900 are considered as Variable or fixed and then allocated to the corresponding activity with the splitting structure that is based on the hierarchy XCS-ALL





- It is done at CC level.
- The level of complexity is determined by the different types of activity types used in production CC.
- The right design of the splitting Structure/Activity Types is a preliminary step to have the Cost Component structure as detailed or as simple as we want.

The most common splitting structures are Z1 and Z2. They are based on the Rules - Cost element Group XCS-ALL

The splitting structure can be displayed with OKES - Display splitting structure

Structure Name Z1 WW Common split VR/FX/DP

Assignments

Assgnmnt	Text	Rule	Text
DP	depreciation	12	Activity quantity
FX	fix cost	12	Activity quantity
VR	variable cost	12	Activity quantity

Structure Name Z2 WW Util/main/pers/ofc/vc/dp

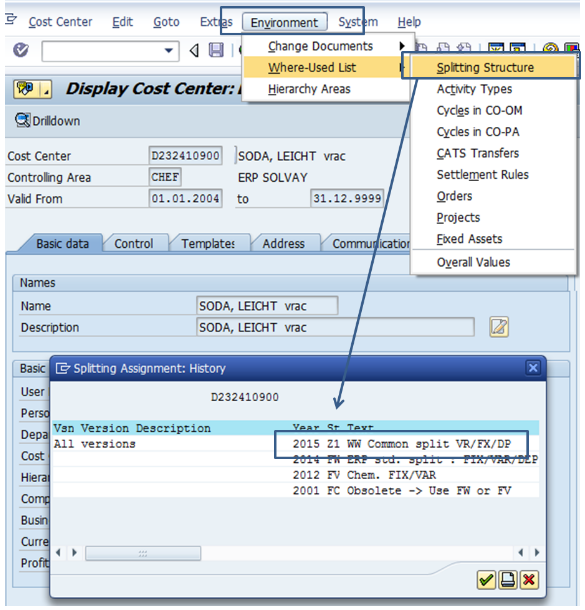
Assignments

Assgnmnt	Text	Rule	Text
DP	depreciation	12	Activity quantity
MAI	maintenance	12	Activity quantity
OFC	other fix costs	12	Activity quantity
PER	personal	12	Activity quantity
UTI	utilities (vr)	12	Activity quantity
VC	other variable costs	12	Activity quantity

- When a production CC is not included in a splitting structure… then the amount is split by the number of Activity types and it is allocated to each of them. Eg: 1000 with 3 act types >> 1000/3

You can check if the cost center is included in a splitting structure with KS 03 - Display cost center

*In the example the cost center D232410900 is included in the splitting structure **Z1***



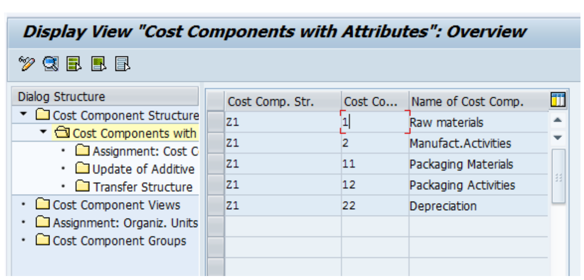
- If there is a posting in a CC in a given cost element linked to a activity type; but there is no posting of that activity type: the system will generate an error in the Product Costing step (activity type revaluation) and the balance of the cost element will remain in the cost center
- If there is posting of an activity type without any posting in the cost elements associated to it: actual price revaluation will bring its price to zero.

- Cost Component structure are used to classify within the cost collector which cost elements are fixed, variable or Depreciation. But not only this. The level of granularity depends on the GBU election (election of Cost Component), but it has to be coherent with activity types. It links them to material ledger classification.
- It is customized at Company level.
- The level of detail provided and its complexity is determined by the different types of activity types used in production CC.
- The right design of the Splitting structure / Activity Types is a preliminary step to have the Cost Component structure as detailed or simple as we want.

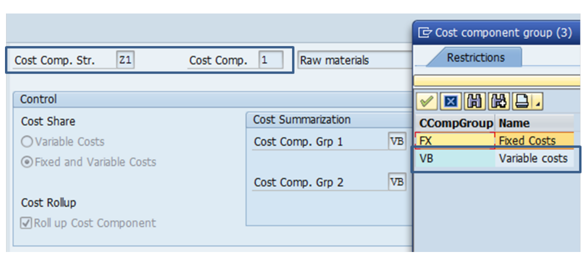
There are currently 12 different Cost Component Structures. The most popular one is Z1 that is a very basic one; its main purpose is to be able to split cost in VC-FC-Depr as requested by BFC

- It can be displayed with OKTZ - Display cost component structure

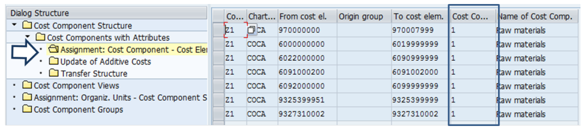
Each Cost component Structure can have different Cost Components elements:



Cost component Element is categorized as Fix or Variable / this is the base for interface to BFC



Each Cost Component element is compounded by the amount posted in the Cost collector in a given set of Cost elements



Co...	Chart...	From cost el.	Origin group	To cost elem.	Cost Co...	Name of Cost Comp.
Z1	CA	970000000		970007999	1	Raw materials
Z1	COCA	6000000000		6019999999	1	Raw materials
Z1	COCA	6022000000		6090999999	1	Raw materials
Z1	COCA	6091000200		6091002000	1	Raw materials
Z1	COCA	6092000000		6099999999	1	Raw materials
Z1	COCA	9325399951		9325399999	1	Raw materials
Z1	COCA	9327310002		9327310002	1	Raw materials

There are other cost components structure

ZF used by Special Chem (Not always)

Cost Comp. Str.	Cost Co...	Name of Cost Comp.
ZF		Prod. VARIABLE
ZF	40	Pack. VARIABLE
ZF	50	Prod. OTHERs
ZF	60	Pack. OTHERs
ZF	90	Utilities VAR
ZF	110	Prod: PERSONNEL
ZF	120	Prod: MAINTENANCE
ZF	130	Prod: DEPRECIATION
ZF	190	Utilities: FIX
ZF	200	Pack: PERSONNEL

ZC used by Soda Ash US

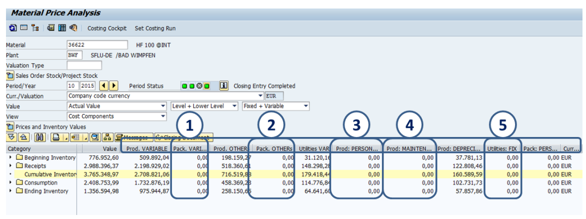
Cost Comp. Str.	Cost Co...	Name of Cost Comp.
ZC	10	Materials Variable
ZC	20	Production:Personnel
ZC	30	Production:Oth Fixed
ZC	40	Production: Deprec
ZC	50	Maintenance
ZC	70	Packaging Variable
ZC	80	Packaging Fixed
ZC	90	Utilities Variable
ZC	100	Other Variable Costs

ZY used by Specialty Polymer (not always)

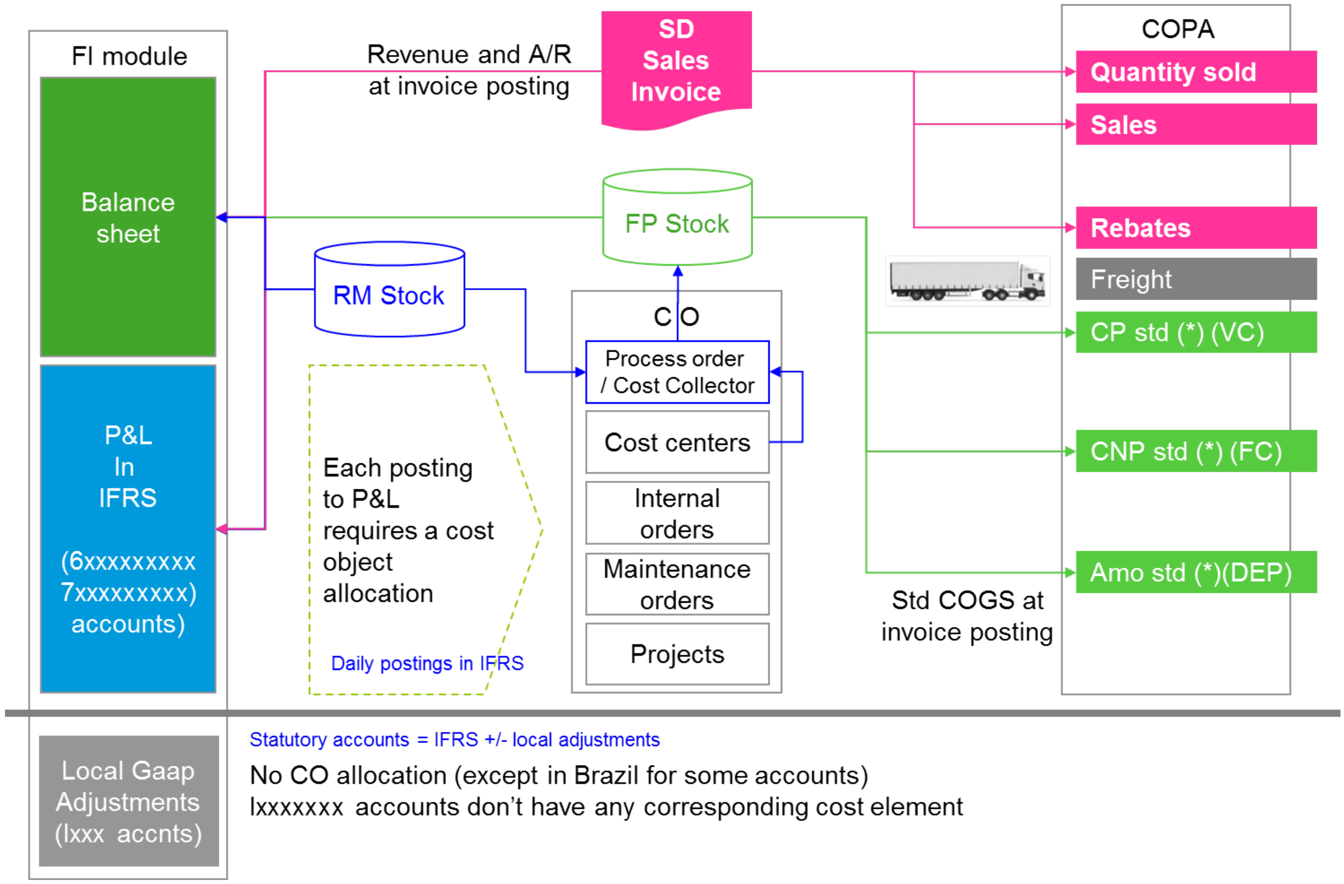
Cost Comp. Str.	Cost Co...	Name of Cost Comp.
ZY		Raw Materials
ZY	2	Catalysts/Chemicals
ZY	3	Utilities
ZY	8	Packaging
ZY	9	Other variable costs
ZY	10	Other fixed costs
ZY	12	Depreciation
ZY	13	Tolling Fees
ZY	15	Acetic Acid Returns
ZY	16	Thermal Oxidizers
ZY	17	Solid Waste

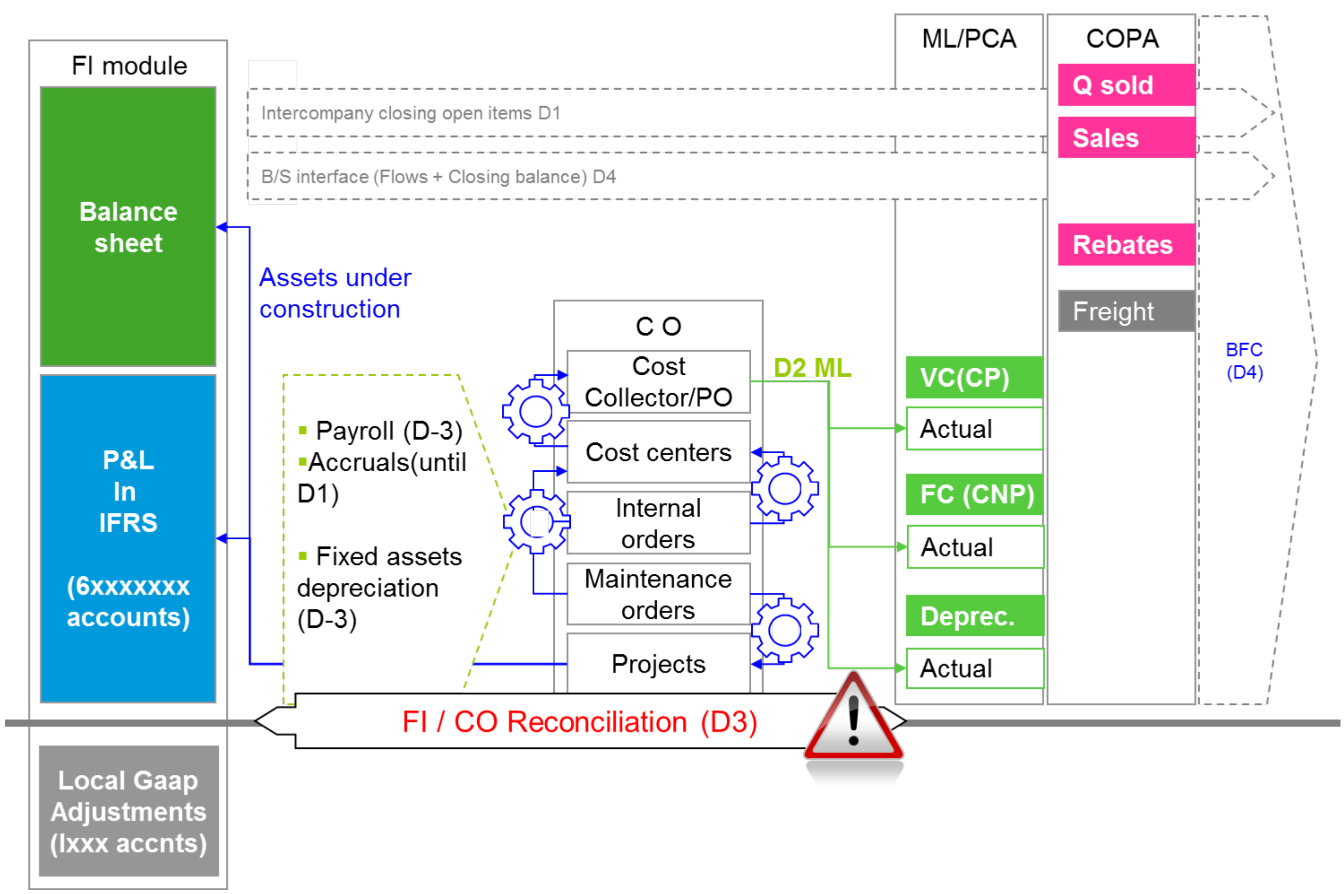
> The cost components structure must be consistent with the splitting structure

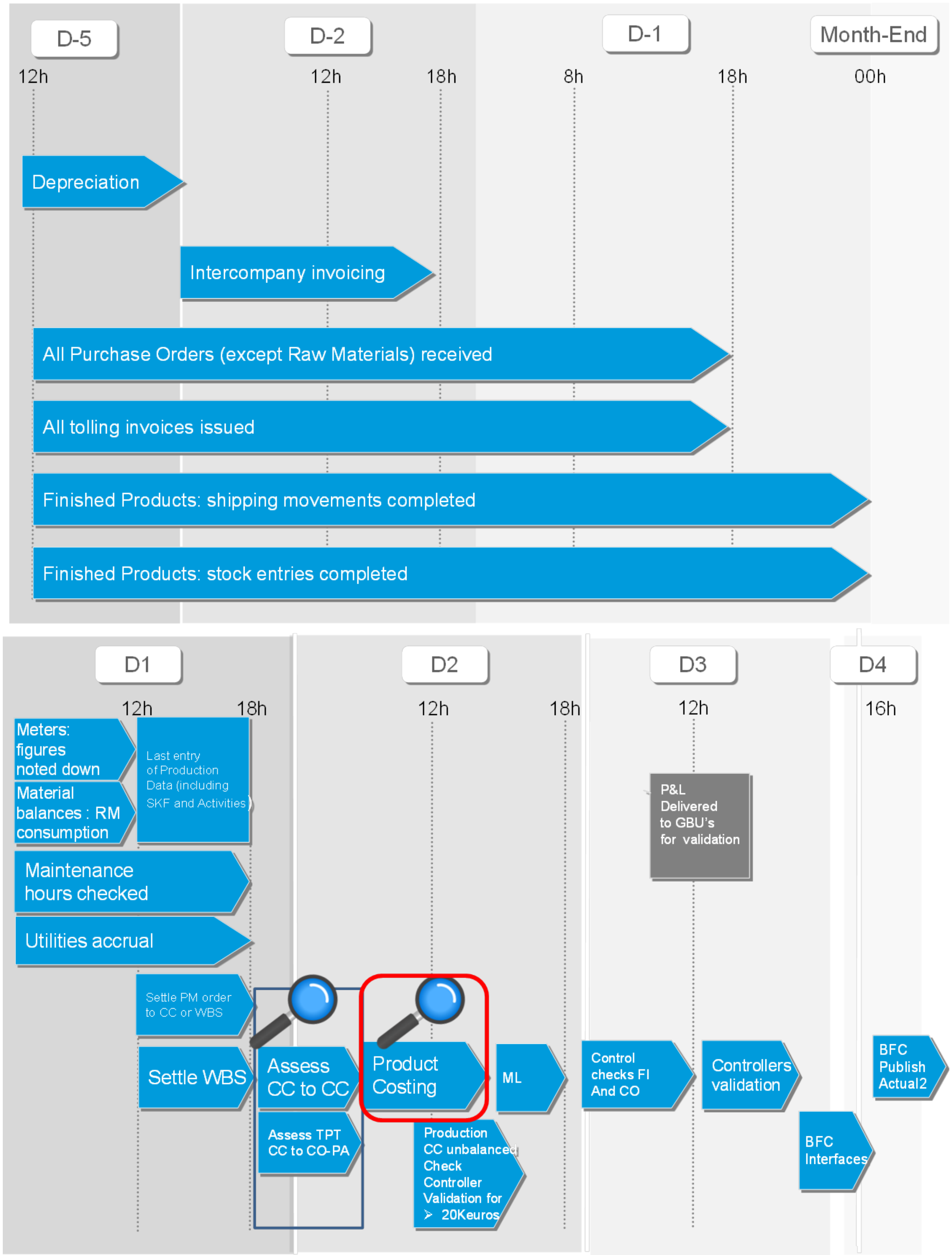
- The Cost Components Structure can be very detailed, but if it is not consistent with the activity type and the Splitting structure, the result won't be as detailed as expected.
- In this example, Fixed Costs in the production CC are only used in one activity type: ZZPROD. So we can not get more detail.

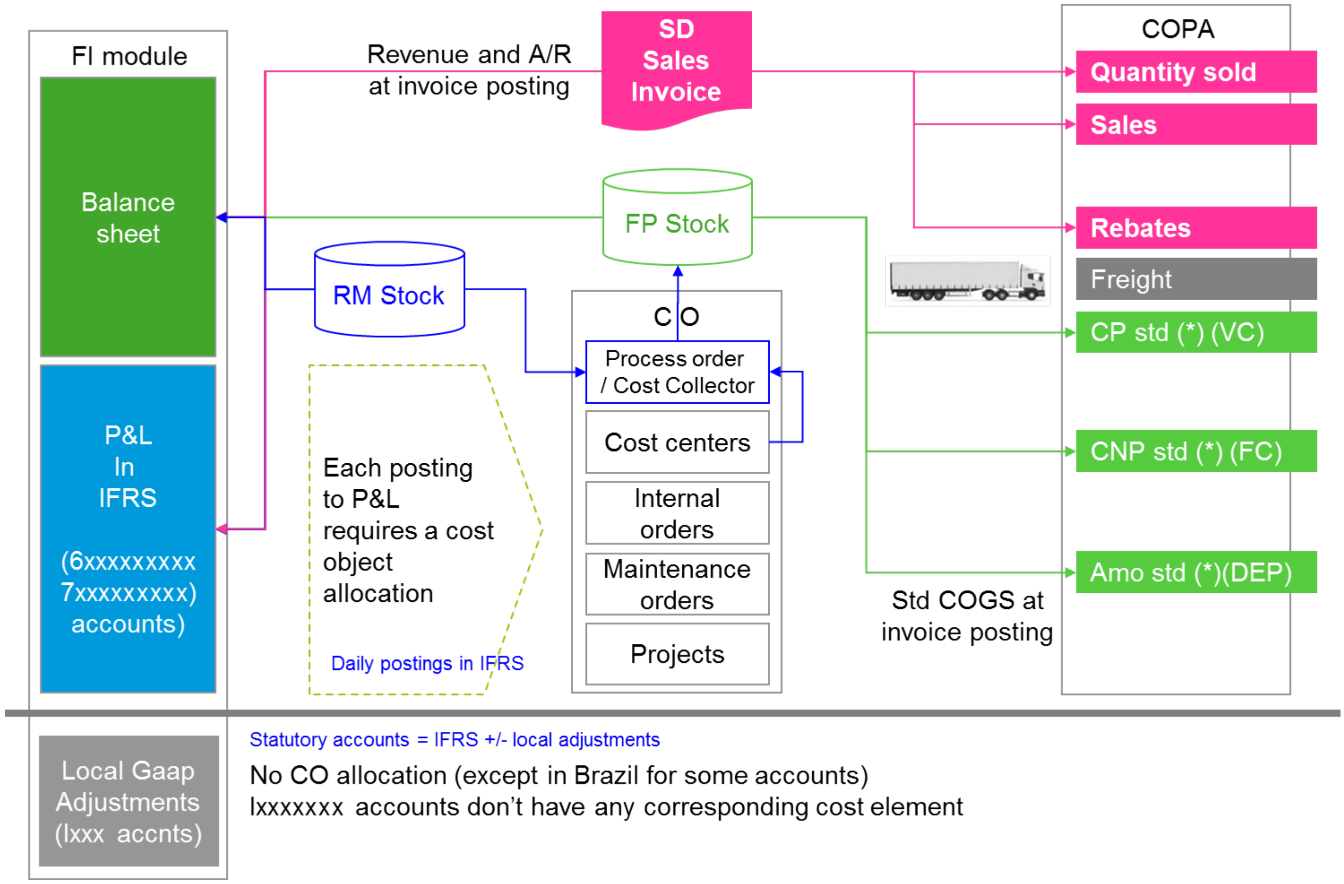


ZF				Prod. VARIABLE
ZF	1	40		Pack. VARIABLE
ZF		50	2	Prod. OTHERs
ZF		60		Pack. OTHERs
ZF		90		Utilities VAR
ZF	3	110		Prod: PERSONNEL
ZF		120	4	Prod: MAINTENANCE
ZF		130		Prod: DEPRECIATION
ZF	5	190		Utilities: FIX
ZF		200		Pack: PERSONNEL

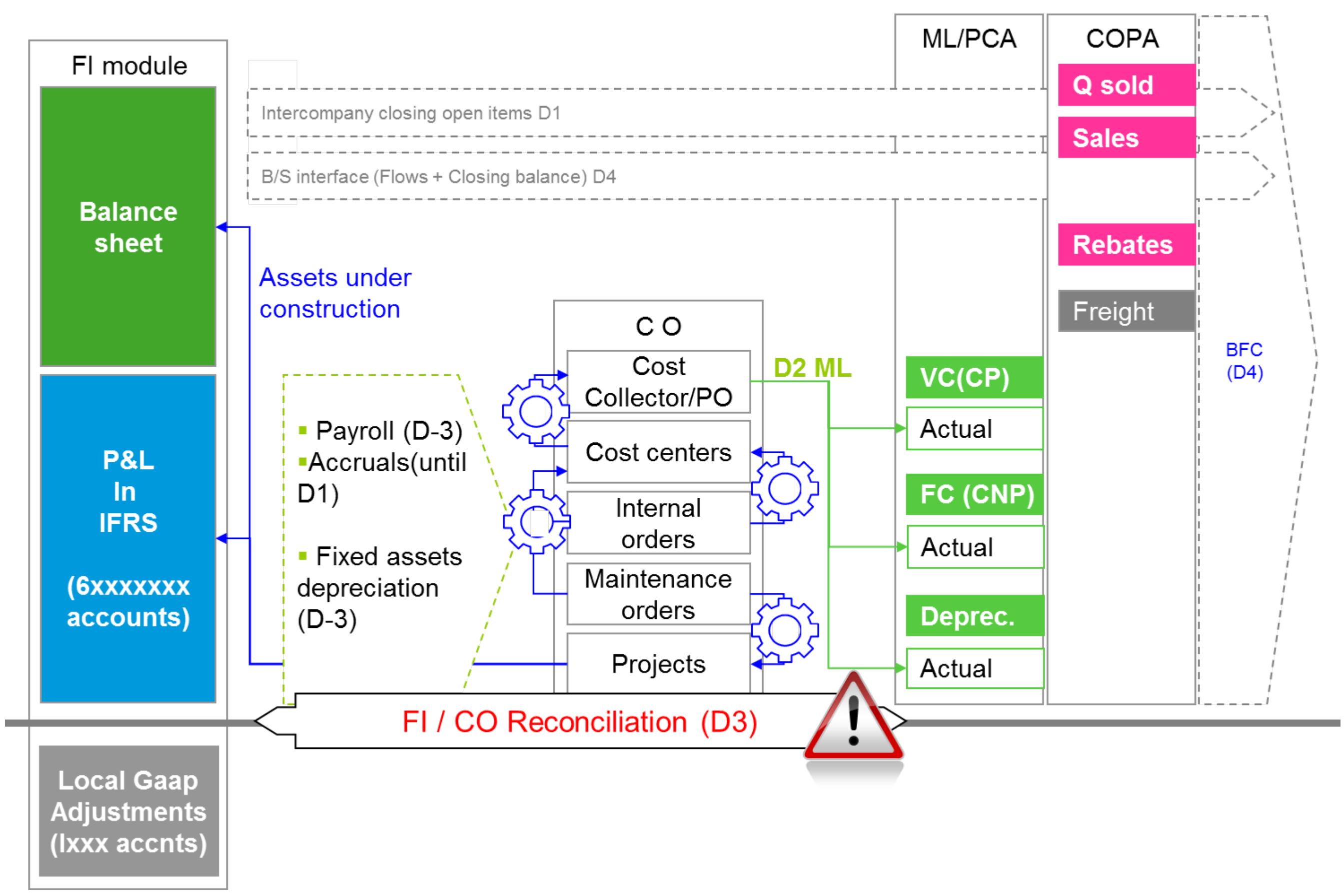

FI module
Balance sheet
P&L In IFRS
(6xxxxxxxxx 7xxxxxxxxx) accounts)
Revenue and A/R at invoice posting
SD Sales Invoice
COPA
Quantity sold
Sales
Rebates
Freight
CP std (*) (VC)
CNP std (*) (FC)
Amo std (*)(DEP)
FP Stock
RM Stock
C O
Process order / Cost Collector
Cost centers
Internal orders
Maintenance orders
Projects
Each posting to P&L requires a cost object allocation
Daily postings in IFRS
Std COGS at invoice posting
Local Gaap Adjustments (Ixxx accnts)
Statutory accounts = IFRS +/- local adjustments
No CO allocation (except in Brazil for some accounts)
Ixxxxxxx accounts don't have any corresponding cost element


FI module
Balance sheet
P&L In IFRS
(6xxxxxxx accounts)
ML/PCA
COPA
Q sold
Sales
Rebates
Freight
Intercompany closing open items D1
B/S interface (Flows + Closing balance) D4
Assets under construction
C O
Cost Collector/PO
Cost centers
Internal orders
Maintenance orders
Projects
D2 ML
VC(CP)
Actual
FC (CNP)
Actual
Deprec.
Actual
BFC (D4)
Payroll (D-3)
Accruals(until D1)
Fixed assets depreciation (D-3)
FI / CO Reconciliation (D3)
Local Gaap Adjustments (Ixxx accnts)

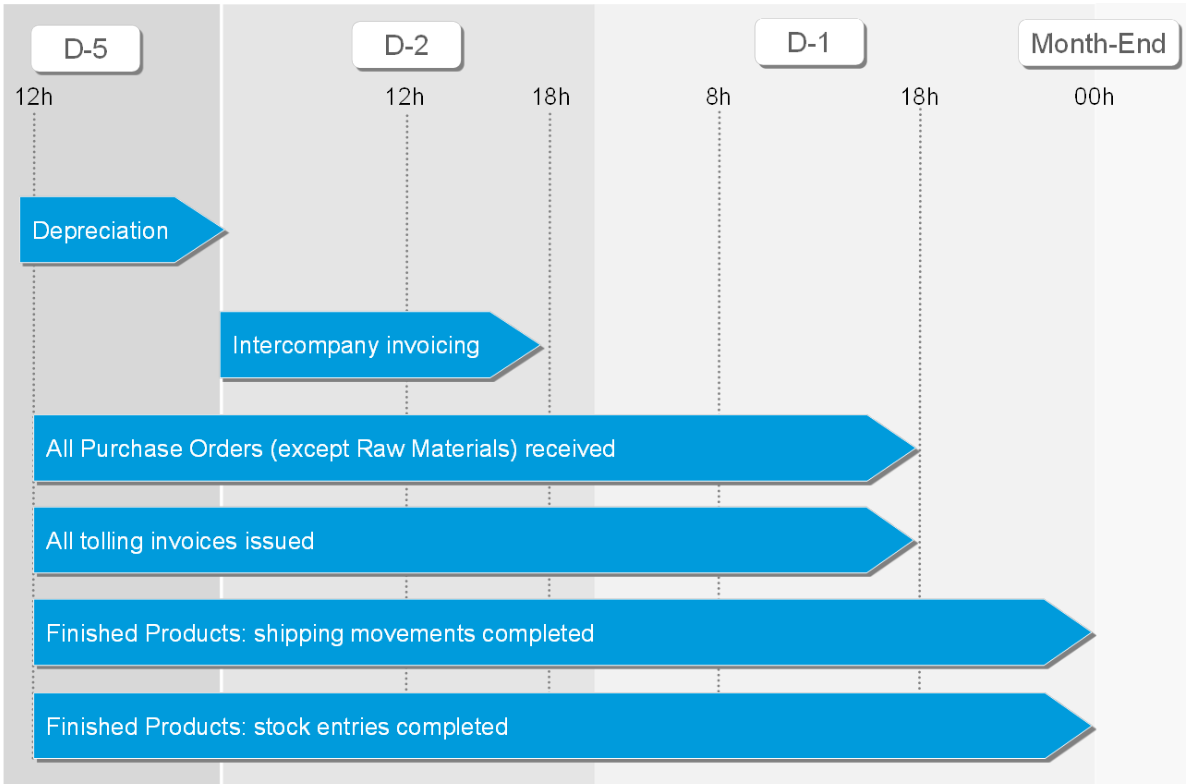

D-5
D-2
D-1
Month-End
12h
12h
18h
8h
18h
00h
Depreciation
Intercompany invoicing
All Purchase Orders (except Raw Materials) received
All tolling invoices issued
Finished Products: shipping movements completed
Finished Products: stock entries completed
D1
D2
D3
D4
12h
18h
12h
18h
12h
16h
Meters: figures noted down
Material balances : RM consumption
Last entry of Production Data (including SKF and Activities)
Maintenance hours checked
Utilities accrual
P&L Delivered to GBU's for validation
Settle PM order to CC or WBS
Settle WBS
Assess CC to CC
Assess TPT CC to CO-PA
Product Costing
ML
Production CC unbalanced Check Controller Validation for > 20Keuros
Control checks FI And CO
Controllers validation
BFC Interfaces
BFC Publish Actual2

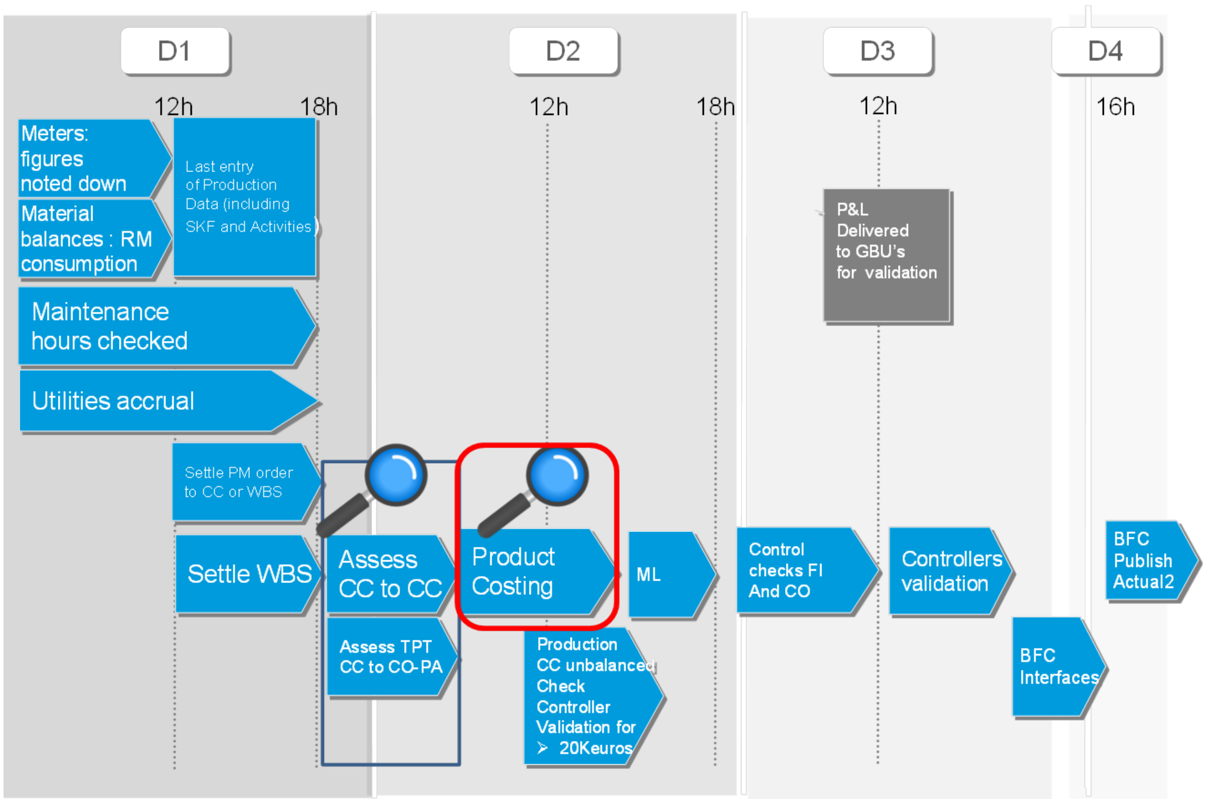


FI module
Balance sheet
P&L In IFRS
(6xxxxxxxxx 7xxxxxxxxx) accounts)
Revenue and A/R at invoice posting
SD Sales Invoice
FP Stock
RM Stock
C O
Process order / Cost Collector
Cost centers
Internal orders
Maintenance orders
Projects
Each posting to P&L requires a cost object allocation
Daily postings in IFRS
COPA
Quantity sold
Sales
Rebates
Freight
CP std (*) (VC)
CNP std (*) (FC)
Amo std (*)(DEP)
Std COGS at invoice posting
Local Gaap Adjustments (lxxx accnts)
Statutory accounts = IFRS +/- local adjustments
No CO allocation (except in Brazil for some accounts)
lxxxxxxx accounts don't have any corresponding cost element



FI module
Balance sheet
P&L In IFRS
(6xxxxxxx accounts)
ML/PCA
COPA
Intercompany closing open items D1
B/S interface (Flows + Closing balance) D4
Q sold
Sales
Rebates
Freight
Assets under construction
C O
Cost Collector/PO
Cost centers
Internal orders
Maintenance orders
Projects
D2 ML
VC(CP)
Actual
FC (CNP)
Actual
Deprec.
Actual
BFC (D4)
Payroll (D-3)
Accruals(until D1)
Fixed assets depreciation (D-3)
FI / CO Reconciliation (D3)
Local Gaap Adjustments (lxxx accnts)





SECTION 2 Usage of different reports to explain the P/L

Use PF2 - KE30 - Report Z1KCHEOPS to have a report of Sales (R10000) & variable logistic costs (R12910)

Cheops control

Navigation

Group code
Shipping Cond.
Trdg Part.BA
IndustOrigin

Division Displayed in	QTV 1 *	NETV 1 EUR	TPT 1 EUR
AA SYNTH LIGHT SODA ASH	3.129.840,000	685.381,56	43.836,05
AC SODA ASH DENSE SY	40.914.145,000	7.175.302,11	508.489,08
AO BIR EX. EXTINGUISHER	11.398.105,000	3.158.012,02	391.714,03
AY RAW BICAR BASED	378.800,000	103.162,86	41.895,15
CM CL2 GAS	0,000	0,00	0,00
CN CL2 LIQ	867.608,000	167.566,28	0,00
CT CS LIQ	2.177.690,000	703.950,65	0,00
CU H2	16.797,000	46.847,67	0,00
DB SODIUM HYPO	3.420.050,000	254.492,02	0,00
DT SYNTHETIC HCL	924.797,150	138.119,37	0,00
I3 H2O2 grades	357.422,000		
J9 LIME WATER	0,000		
S1 VIRGIN BRINE	0,000		
S2 PUR BRINE	0,000		
TA BOILED SALT ESSORE	0,000		
ZZ CODE OF GESTION	197,000	0,00	0,00
Total	63.585.451,150	12.636.578,85	1.009.191,49

SALES

LOGISTIC COSTS

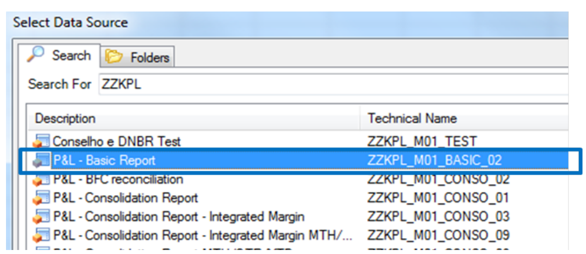
PF1 Data have been merged in BW – production - WBP to facilitate the analysis of GBUs using WP1 & PF1. For more details, you can visit RtR PE Reporting

Access WBP and Open data source or workbook or go to BW - Analysis Workbook Guide for more details regarding BW

To have the P&L in BW you can use the report ZZKPL_M01_BASIC_02

STEP 1

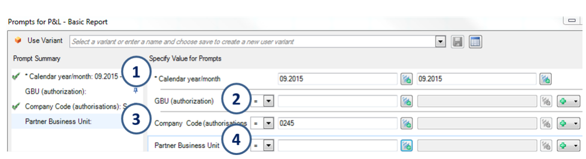
In WPB, Select the report ZZKPL_M01_BASIC_02



STEP 2

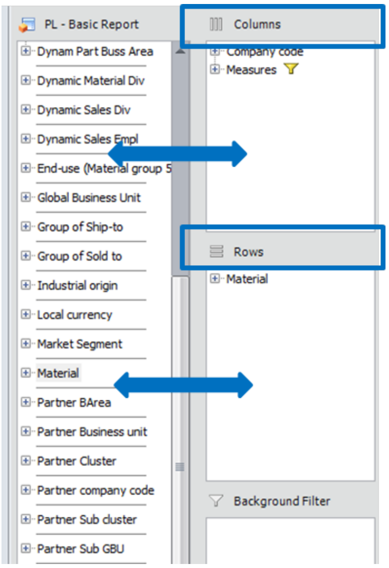
You can enter:

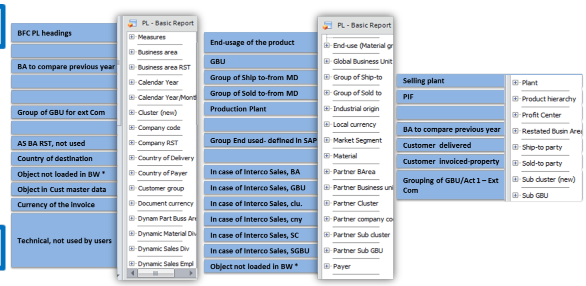
1. The period (compulsory)
2. GBU
3. Company code
4. Partner Business Unit



STEP 3

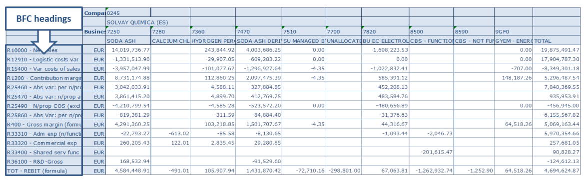
Create your report with your selection with criteria available





For further information on the characteristics and its attributes better contact to DMR Reporting team

The P&L is displayed



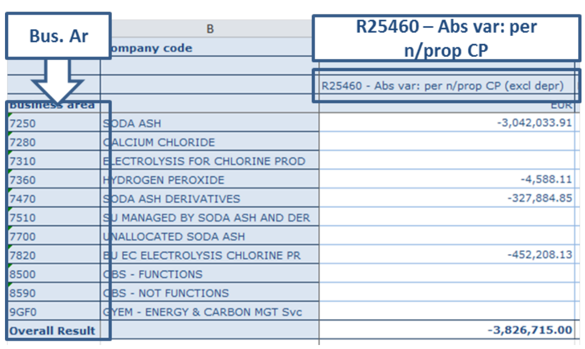
STEP 4

You can **detail a BFC heading**.

For instance, have the Non proportional costs of production:

- by material

- by business area



<u>Other reports that can be used</u>

Report	Description of the report
ZZKPL_M01_CONSO_01	P&L - Consolidation Report. Not used at legal entity level but used by GBU controllers. It is set-up with the consolidation methodology used in BFC

ZZKPL_M01_CONSO_03	P&L - Consolidation Report Integrated Margin. It considers the Margin taking in account the production cost at Origin. Only available for SpP and Soda Ash (active also for Peroxide but not validated yet with GBU controller).

Warning

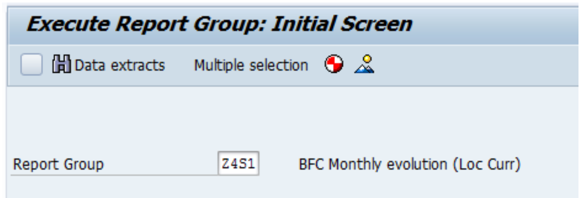
Since January 2018, this procedure is not applicable anymore in PF2

After project SPS, the P&L in PF1 can be displayed using KE30 - Profitability report

STEP 1

To display the P&L in PF1, use a report with transaction **GR55** :

- **Z4C1** - BFC Monthly evolution (EUR)
- **Z4S1** - BFC Monthly evolution (Loc Curr)

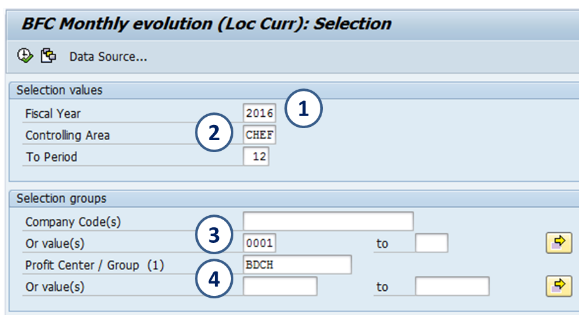


STEP 2

Enter

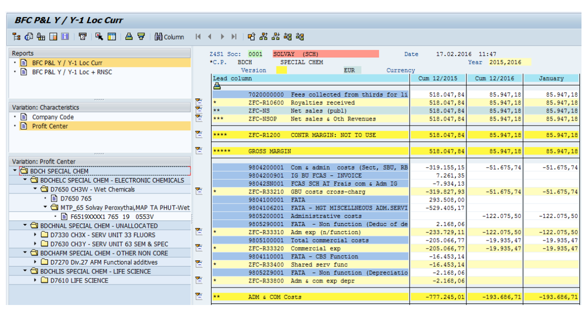
1. Fiscal year
2. Controlling Area : **CHEF**
3. Group of Company Codes or single value or leave it blank
4. Group of Profit Center ⭐ or single value or leave it blank

⭐ BD**xx** where **xx** is the GBU code



STEP 3

The P&L is displayed



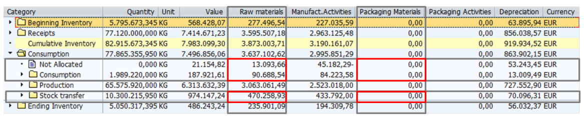
Main Material Ledger - Reports

CKM3	Z1K_CONS_ESTO	Z1K_ML_display(*)	Upper Level in CKM3	Description
Beginning Inventory	BEGINNING INVENTORY	AAA: BEGINNING INVENTORY	-	Beginning Inventory
Receipts	RECEIPTS	IN: RECEIPTS	-	Total inventory received : produced & purchased (mvt 1xx)

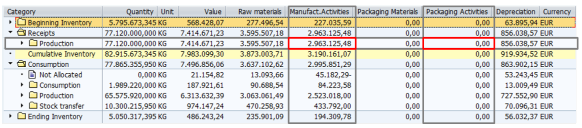
Stock transfer	TRANSFER (RECEIPT)	N: STOCK TRANSFER	RECEIPTS	Transfer from another plant (= mvt 311)
Production	PRODUCTION	N: PRODUCTION N: Purchase Order	RECEIPTS RECEIPTS	Production of the month Purchase of the month
Consumption		OUT: TOTAL CONSUMPTIONS	-	Sales + consumption in production + transfer to another plant
Not allocated	NOT ALLOCATED	OUT: NOT ALLOCATED	Consumption	ML Revaluation
Consumption	CONSUMP	OUT:CONS/SALES	Consumption	Sales (=mvt 6xx)
Production	CONSUMP PRODUCTION	OUT:CONS TO PRODUCTION	Consumption	Internal consumption (=mvt 26x)
Stock transfer	TRANSFER (ISSUE)	OUT:STOCK TRANSFER	Consumption	Transfer to another plant (= mvt 311)
Ending inventory	FINAL INVENTORY	ZZZ:ENDING INVENTORY	-	Ending inventory

Use CKM3 - Material Price Analysis with the view "Cost components".

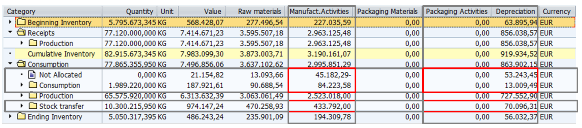
- R15400 Proportional costs of sales



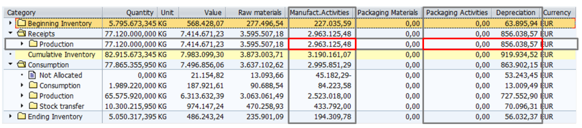
- R25460 - Absorption variance: Period non-proportional costs of production (excl depr)



- R25490 - Non-proportional costs of sales (excl depr)

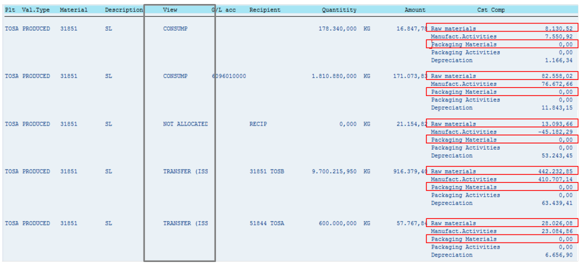


- R25860 - Absorption variance: Period non-proportional depreciation of production

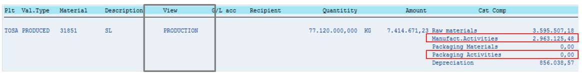


Use PF2 - Z1K_CONS_ESTO - Report consumption and final stock for a mass report

- R15400 Proportional costs of sales
- View
    - CONSUMP
    - NOT ALLOCATED
    - TRANSFER
- Cst Comp
    - Raw materials
    - Packaging Materials



- R25460 - Absorption variance: Period non-proportional costs of production (excl depr)
- View
    - PRODUCTION
- Cst Comp
    - Manufact. Activities
    - Packaging Activities



- R25490 - Non-proportional costs of sales (excl depr)
- View
    - CONSUMP

- NOT ALLOCATED
  - TRANSFER
- Cst Comp
  - Manufact. Activities
  - Packaging Activities
  - Depreciation

Plt	Val.Type	Material	Description	View	G/L acc	Recipient	Quantitity		Amount	Cst Comp	
TOSA	PRODUCED	31851	SL	CONSUMP			178.340,000	KG	16.847,78	Raw materials	8.130,52
										Manufact.Activities	7.550,92
										Packaging Materials	0,00
										Packaging Activities	0,00
										Depreciation	1.166,34
TOSA	PRODUCED	31851	SL	CONSUMP	6096010000		1.810.880,000	KG	171.073,83	Raw materials	82.558,02
										Manufact.Activities	76.672,66
										Packaging Materials	0,00
										Packaging Activities	0,00
										Depreciation	11.843,15
TOSA	PRODUCED	31851	SL	NOT ALLOCATED		RECIP	0,000	KG	21.154,82	Raw materials	13.093,66
										Manufact.Activities	-45.182,29
										Packaging Materials	0,00
										Packaging Activities	0,00
										Depreciation	53.243,45
TOSA	PRODUCED	31851	SL	TRANSFER (ISS		31851 TOSB	9.700.215,950	KG	916.379,40	Raw materials	442.232,85
										Manufact.Activities	410.707,14
										Packaging Materials	0,00
										Packaging Activities	0,00
										Depreciation	63.439,41
TOSA	PRODUCED	31851	SL	TRANSFER (ISS		51844 TOSA	600.000,000	KG	57.767,84	Raw materials	28.026,08
										Manufact.Activities	23.084,86
										Packaging Materials	0,00
										Packaging Activities	0,00
										Depreciation	6.656,90

- R25860 - Absorption variance: Period non-proportional depreciation of production
- View
  - PRODUCTION
- Cst Comp
  - Manufact. Activities
  - Packaging Activities
  - Depreciation

Plt	Val.Type	Material	Description	View	G/L acc	Recipient	Quantitity		Amount	Cst Comp	
TOSA	PRODUCED	31851	SL	PRODUCTION			77.120.000,000	KG	7.414.671,23	Raw materials	3.595.507,18
										Manufact.Activities	2.963.125,48
										Packaging Materials	0,00
										Packaging Activities	0,00
										Depreciation	856.038,57

With S_ALR_87013615 - Breakdown by Partner,

> To have a report of R25460 - Absorption variance: Period non-proportional costs of production (excl depr) & R25860 - Absorption variance: Period non-proportional depreciation of production

Select:

- Cost centers group : CCCCXXCC; where CCCC is company code XX the 2 digits of the division (or activity 1)
- Cost elements group. Use the group Rules - Cost element Group XCS-ALL or its subgroups
  - XCS-FCPE in case you want to report Period Fixed costs
  - XCS-DEPPE in case you want to report Period Depreciation

```
Breakdown by Partner                    Date:  24.03.2016              Page:      2 /    2

                                                                       Column:    1 /    2
Cost Center/Group           024525CC
Person responsible          *
Reporting period             10   to     10   2015
```

Cost Elements/Partner Object	Act. Costs	Plan Costs	Var.(Abs.)	Var.(%)
** FIXED UTILITY COSTS	757.396,86		757.396,86	
** MAINTENANCE COSTS	683.332,09		683.332,09	
** LABOR COSTS	641.455,51		641.455,51	
** OTHER FIXED COSTS	947.208,97		947.208,97	
*** Debit	3.029.393,43		3.029.393,43	
**** Over/Underabsorption	3.029.393,43		3.029.393,43	

> To have a report of Administrative expenses (non-functions) (R33310), Commercial expenses (R33320) & Shared service function expenses (function costs at the origin) (R33400)

Select:

- Cost centers group : all cost centers in Working File 3 using the allocation structure S2 (for R33310), S1 (for R33320) or S3 (for R33400)
- Cost elements group. Use the group Rules - Cost element Group ZRCS-FC

Breakdown by Partner	Date: 24.03.2016	Page: 2 / 2
		Column: 1 / 2
Cost Center/Group	SQ18402000..	
Person responsible	*	
Reporting period	10 to 10 2015	

Cost Elements/Partner Object	Act. Costs	Plan Costs	Var.(Abs.)	Var.(%)
**** LABOUR	59.299,89		59.299,89	
**** Purchases, Services and miscell	117.031,38		117.031,38	
**** Travel expenses	9.592,89		9.592,89	
**** INDIRECT				
***** ACTUAL FIXED COSTS	185.924,16		185.924,16	
****** FIXED COSTS	185.924,16		185.924,16	
****** DEPRECIATION	1.420,00		1.420,00	
****** OTHERS	1.322.673,91		1.322.673,91	
******* Debit	1.510.018,07		1.510.018,07	
***** COPA - CO PCA	1.510.018,07-		1.510.018,07-	
****** OTHERS	1.510.018,07-		1.510.018,07-	
******* Credit	1.510.018,07-		1.510.018,07-	
******** Over/Underabsorption				

The report will not tie with the P&L when:

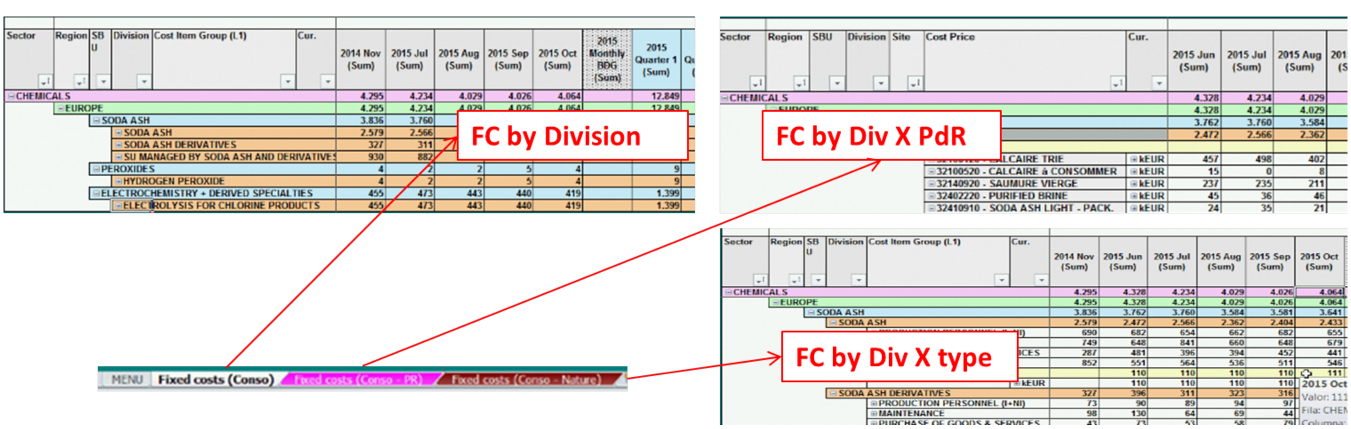
- there are direct posting in Reporting cost centers,
- there are costs centers not using the appropriate allocation structure

Unable to render {include} The included page could not be found.

Use the report PF2- Z1K_MATCOST_SYMPA - Prix de revient

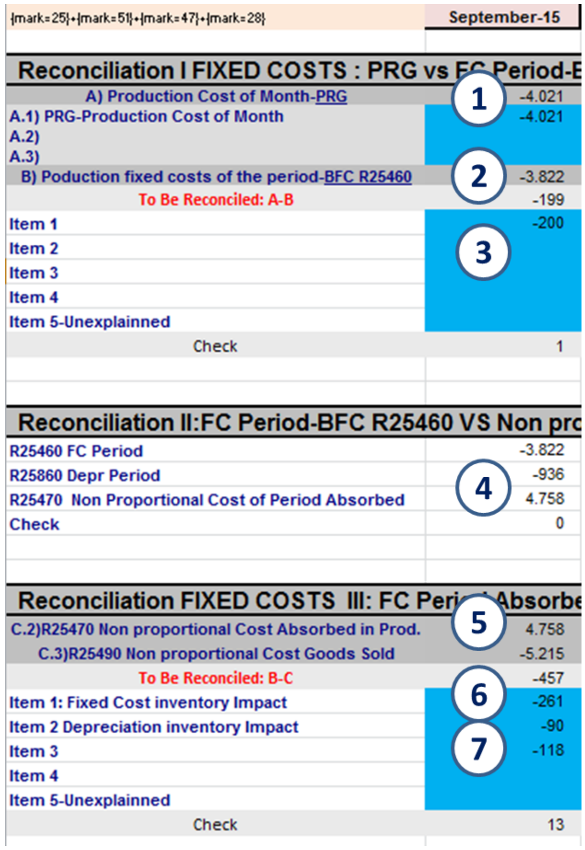
There are PRG templates that:

- Are provided to controllers for their scope: Entity - plant
- There are adapted to local request.
- Filters can be changed by controllers: eg unfilter depreciation services. Or they can add other dimension.



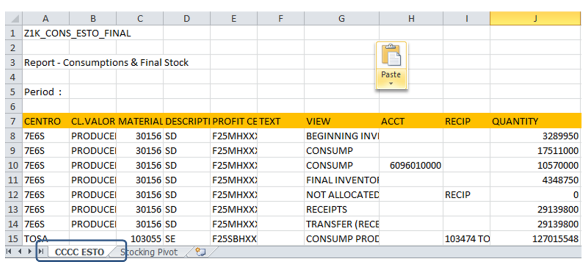
This task must be performed on D2 with the template Template Fixed Costs Reconciliation CCCC_September 2015.xlsx

1. PRG costs to be filled by the controller
2. Updated from BFC
3. Difference between PRG & BFC => **To be explained by the controller**
4. Updated from BFC. Non-proportional cost absorbed should be equal to FC Period + Depr Period
5. Updated from BFC.
6. Stock Effect
7. If after point F, there are still a discrepancy (Threshold >20), Costing process expert team should be contacted

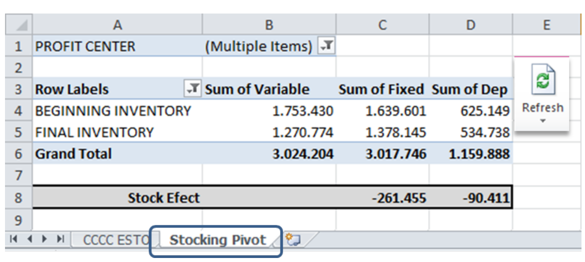


Analysis of the stock effect is done with PF2 - Z1K_CONS_ESTO - Report consumption and final stock with the template Template for Z1k_CONS_ESTO.xlsx

1. Export the report Z1K_CONS_ESTO in excel and copy data in the tab **CCCC ESTO**



2. Refresh the pivot table in the tab **Stocking Pivot** to get the stock effect.



Analysis of the stock effect

Stock Effect Fixed costs

= **(2) Final inventory** (Manufact. Activities + Packaging Activities) – **(1) Beginning Inventory** (Manufact. Activities + Packaging Activities)

Z1K_CONS_ESTO_FINAL — SOLVAY CARBONATE FR

Report - Consumptions & Final Stock

Plt	Val.Type	Material	Description	View	Quantitity		Amount	Cst Comp	
8FCC	PRODUCED	157974	BI-PROTEC S20 4PA-CPE P500 H	BEGINNING INV	4.500,000	KG	4.274,28	Raw materials	1.829,25
								Manufact.Activities	2.099,74
				1				Packaging Materials	221,49
								Packaging Activities	104,85
								Depreciation	18,95
8FCC	PRODUCED	157974	BI-PROTEC S20 4PA-CPE P500 H	FINAL INVENTC	3.500,000	KG	3.324,44	Raw materials	1.422,75
								Manufact.Activities	1.633,13
				2				Packaging Materials	172,27
								Packaging Activities	81,55
								Depreciation	14,74

<u>Stock Effect Depreciation</u>

= **(2) Final inventory** (Depreciation) – **(1) Beginning Inventory** (Depreciatio n)

Z1K_CONS_ESTO_FINAL — SOLVAY CARBONATE FR

Report - Consumptions & Final Stock

Plt	Val.Type	Material	Description	View	Quantitity		Amount	Cst Comp	
8FCC	PRODUCED	157974	BI-PROTEC S20 4PA-CPE P500 H	BEGINNING INV	4.500,000	KG	4.274,28	Raw materials	1.829,25
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