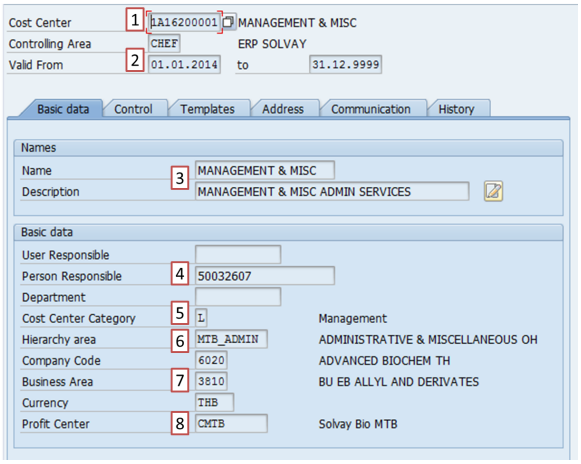
Cost Center - Master Data

Cost center master are displayed with KS03 - Display cost center



The codification of cost centers is different in WP2 & PF2. Depending on the type of request, you must follow the corresponding rules.

An useful reference to the codification of the cost centers is the Assessment cycle rules file for WP2 or for PF2. This file is particularly helpful in identifying the codification for technical cost centers.

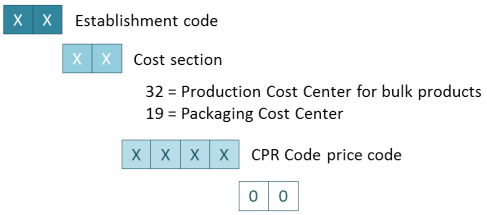
Production cost centers

Standard codification

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

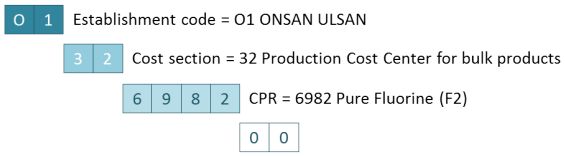
- Establishment code
- Cost section
- Code Prix de Revient (=CPR) that can be found with PF2 - Table ZZRT179V - Product hierarchies

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.



Example

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

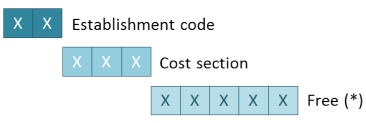


Other cost centers

Standard codification

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

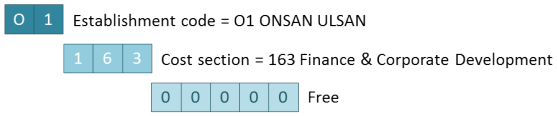
- Establishment code
- Cost section



- 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

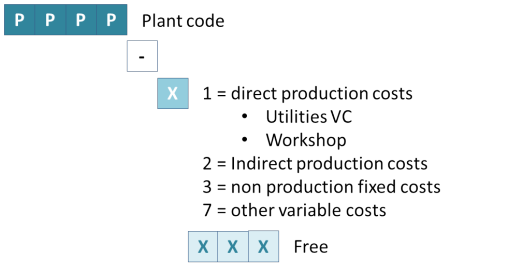


Production cost centers

Standard codification

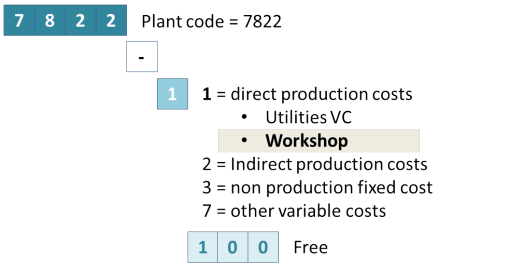
The codification of a cost center used for production is the combination of :

- The plant code (4 digit)
- "-"
- 4 digits, the first digit depends on the use of the cost center



Example

Codification of a cost center used for the workshop "Compounding" in the plant 7822 Belle-Etoile

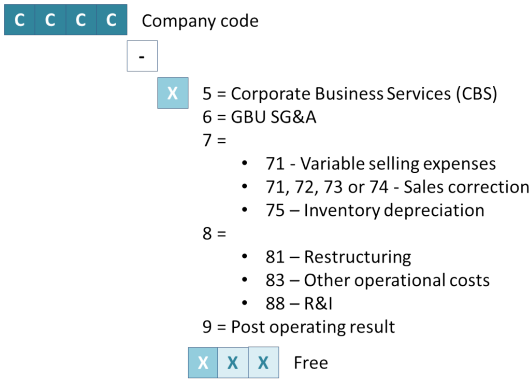


Other cost centers

Standard codification

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

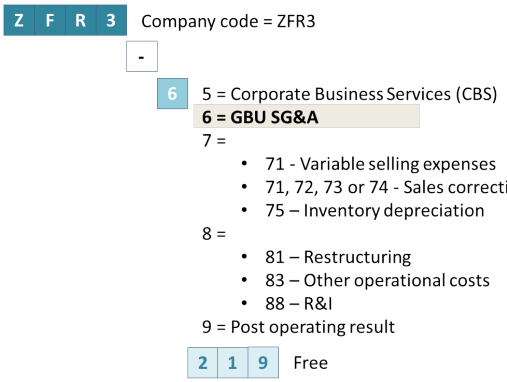
- Company code
- "-"
- 4 digits, the first digit (or the first 2 digits) depend on the use of the cost center



Cost centers starting with 8* are technical cost centers. If the codification range for 83* is completed, 85* codification should follow. An helpful resource is the file Assessment cycles rules for WP2.

Example

Codification of a cost center used for Strategic Marketing in the company ZFR3 Rhodia Operations



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

Usually the name & description of a cost center is free but in some cases there can be special needs listed below

Regarding the name and description is important that, whenever the language of the country where we are creating the cost center is different from English, we add a description in the local language. There are several users that are using SAP in their local languages and not English.

Note: The countries that have a non EN language are properly customized when using the PRS workflow for the cost center creation /update. If there's any specific situation where it has been identified that the PRS workflow can not be used, the non EN languages have to be manually entered by entering in SAP in the required non EN language and update the name and description though KS02 - Update a Cost Center accordingly.

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

When creating a new cost center, you need to select the correct code using the following matrix ⭐.

- List of codes to be used in SYENSQO

=> You can filter by GBU/Function, name or position to find the code to be used.

> **Find out more about SRM7**
>
> Rules - Cost Center Responsible - FAQ

⭐ if the link is not working you can also use the file (same data source)

> The category is a letter, it depends on the type of cost center.

Category	WP2	PF2
F	Direct production cost centers - all cost centers related to workshops - codification : PPPP-1xxx	Plant cost sections related to direct production costs
H	Other cost centers started with the plant code but not direct production	Plant cost sections related to indirect production costs, such as: • Other fixed costs not included in inventory value (e.g.: warehousing, commercial shipping, engineering,…) • Variable costs not included in inventory value (e.g.: tolling on raw materials).
W	All cost centers starting with the company code	All other cases
E	Exceptional category used in the USA for tax purpose "Vertex" (thus limited to companies in the USA and duly justified by the controller)	

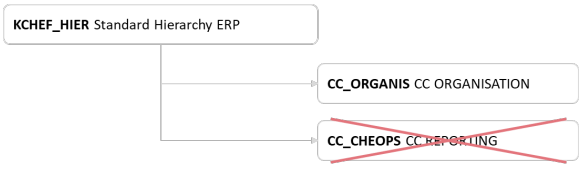
> Other categories are historically present in SAP. They can no longer be used

[Cost center hierarchy in PF2] [Cost center hierarchy in WP2]

Cost center hierarchy in PF2

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

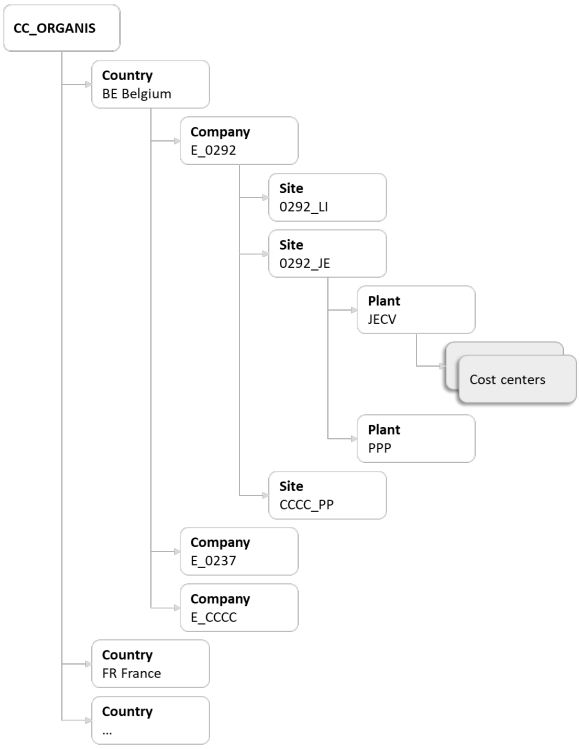
- XX - Country
  - E_CCCC - Company
    - CCCC_PP - Site
      - PPP - Plant
        - Cost center 1
        - Cost center 2

XX = Country code

CCCC = Company code

PPP = plant code

PP = First 2 digits of the plant code



Cost center hierarchy in WP2

In WP2, there is one standard hierarchy per Controlling Area

The structure must follow the standard rule:

Zxxx = Controlling Area

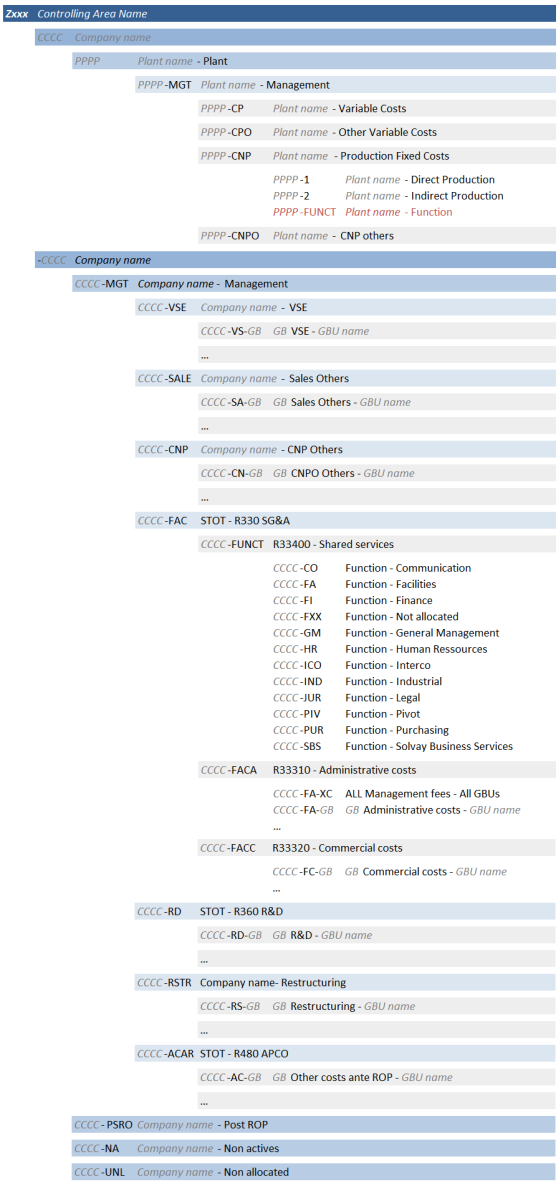
PPPP = Plant code

CCCC = Company code

GB = GBU code

- CB - Corporate Business Services
- CM - Composite Materials
- CS - Novecare
- OG - Oil & Gas
- PA - Aroma Performance
- SP - Specialty Polymers
- TS - Technology Solutions

> The group PPPP-FUNCT is only used by the GBU Novecare



> ⚠ 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

[Profit center to be used in PF2] [Profit center to be used in WP2]

Profit center to be used in PF2

The profit center to be used in the master data of a cost center is the organizational profit center of the plant.

Standard codification

The codification of an organizational profit center

- Letter C
- Plant code

Profit center to be used in WP2

The profit center to be used in the master data of a cost center in WP2 must be chosen carefully as it is used for several purposes :

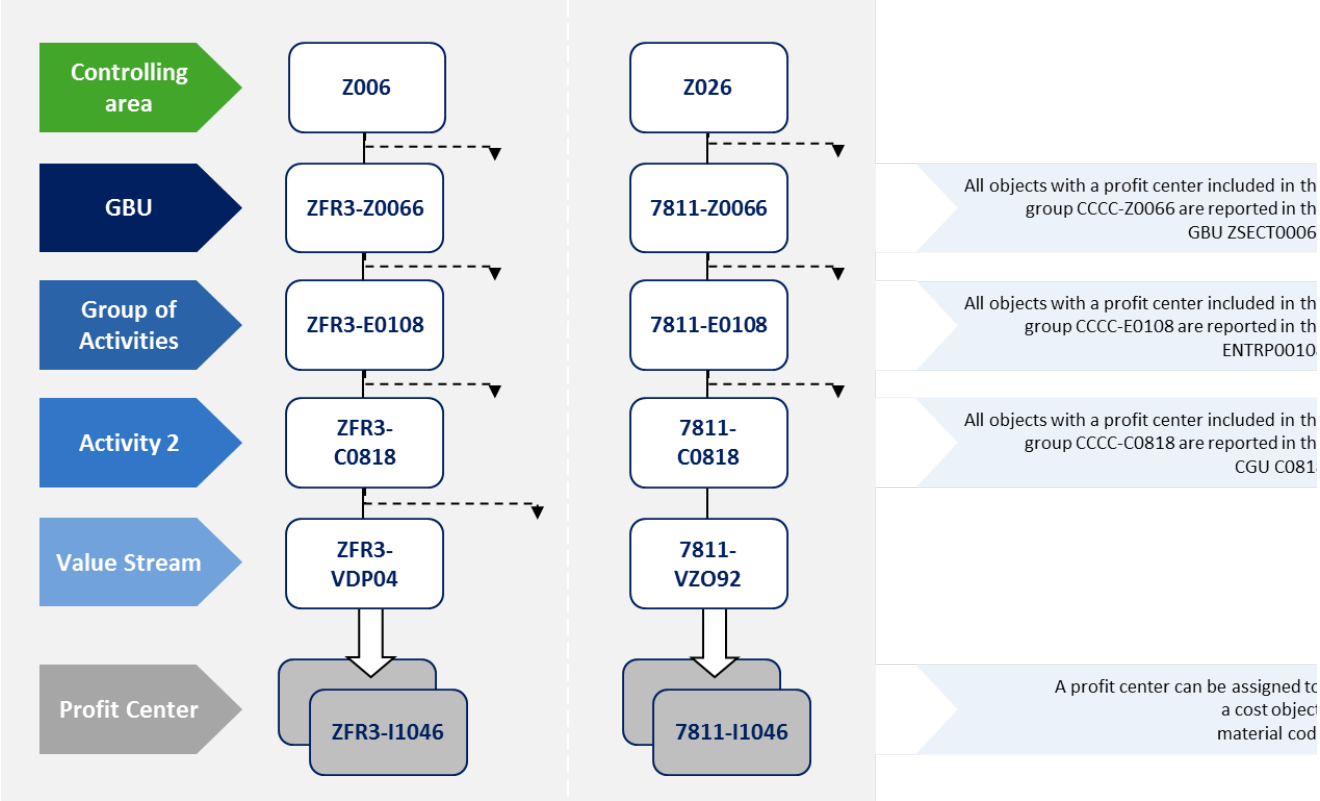
- Fixed costs dashboard
- Industrial dashboard
- Working Capital

Two controls must be performed when assigning a profit center to a cost center :

1. The GBU & the value stream

The profit center that is assigned to a cost center is used to identify to which GBU & value stream the cost center belongs. The profit center used must be included in the right value stream & GBU.

All profit centers must be attached to a node in the standard hierarchy
In WP2, there is one standard hierarchy per Controlling Area. Its structure must follow the standard rule



The profit center hierarchy can be displayed in SAP with:

- KCH3 - Display profit center hierarchy
- WP2 - ZWFAI052 - Display profit centers
- table ZWFAT186

Value stream

The value stream (VS) is the lower level of the profit center hierarch in WP1 system, where the profit centers are assigned through the "Profit Ctr Group".

Historically, the value stream nodes in the profit center hierarchy were used for some Industrial reporting on specific production lines but currently this reporting level is no longer used, unless there's a justified request for it. Nevertheless, we need to maintain the value stream node at a standard level.

Most of the value stream codes are already defined for a certain GBU and geographical zone and just need to be extended to a particular company code. It has to be always checked before creating a new code.

VALUE STREAM CODIFICATION in the profit center hierarchy:

X	X	X	X	-	V	Z	Y	M	N

XXXX - Stands for the company code

V - Standard for all the VS codes

ZY - Is used to define a specific GBU code as follows (the currently active GBU's are the ones highlighted):

•ZA for a VS under GBU ACETOW
•ZB for a VS under GBU PEROXIDES
•ZC for a VS under GBU COATIS
•ZD for a VS under GBU SODA ASH
•ZE for a VS under GBU ECO SERVICES
•ZF for a VS under GBU FIBRAS
•ZG for a VS under GBU ENG PLASTICS
•ZH for a VS under GBU SPECIAL CHEM
•ZI for a VS under GBU EMERGING BIOCHEMICALS
•ZJ for a VS under GBU TECHNOLOGY SOLUTIONS
•ZK for a VS under GBU COMPOSITES MATERIALS
•ZL for a VS under GBU SOLD ACTIVITIES (2003-2010)
•ZM for a VS under GBU SPECIALTY POLYMERS
•ZN for a VS under GBU NOVECARE
•ZO for a VS under GBU AROMA PERFORMANCE
•ZP for a VS under GBU POLYAMIDE & INTERMEDIATES
•ZQ for a VS under GBU Oil & Gas
•ZR for a VS under GBU CBS (former NON REPARTI RHODIA)
•ZS for a VS under GBU SILICA
•ZT for a VS under GBU RARE EARTH SYSTEMS
•ZY for a VS under GBU ENERGY

M - stands for the geographical zones, as follows:

EU: 0, 1, 2
NA: 3, 4
LA: 5, 6
AP: 7, 8
WW: 9

N - it's a serial number

Note: The value stream codes have to be included in table ZWFAT187 to be able to define the related descriptions in several standard languages.

For this, the codification has to be converted to an 8 digit code as follows (some of the digits are already defined when establishing the VS node in the profit center hierarchy):

C	G	U	Z	Y	0	M	N

CGU - Standard for all the standard VS codes

ZY - Is used to define a specific GBU code, as per list above

0 - Always zero

M - stands for the geographical zones, as per list above

N - it's a serial number

Link to the old WP2 Codification Value Streams Master (OBSOLETE).

⚠ Usually a specific value stream is used for production cost centers (PPPP-1xxx & PPPP-2xxx) and a non allocated value stream is used for other cost centers.

2. The department of the profit center

⚠

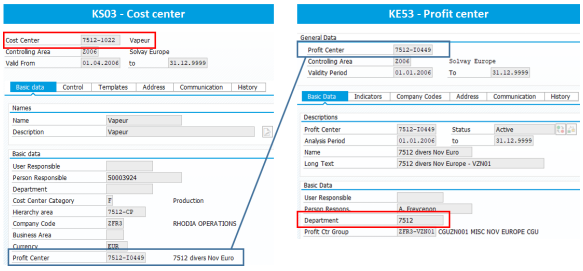
- A profit center with a department = plant code is assigned to production cost centers (PPPP-1xxx & PPPP-2xxx)
- A profit center with a department = GBU plant is assigned to other cost centers especially for SG&A, R&I...

ⓘ The field "Department" of the profit center is a critical field that is used in BW to assign a cost center to a plant and then to a site.

ex:

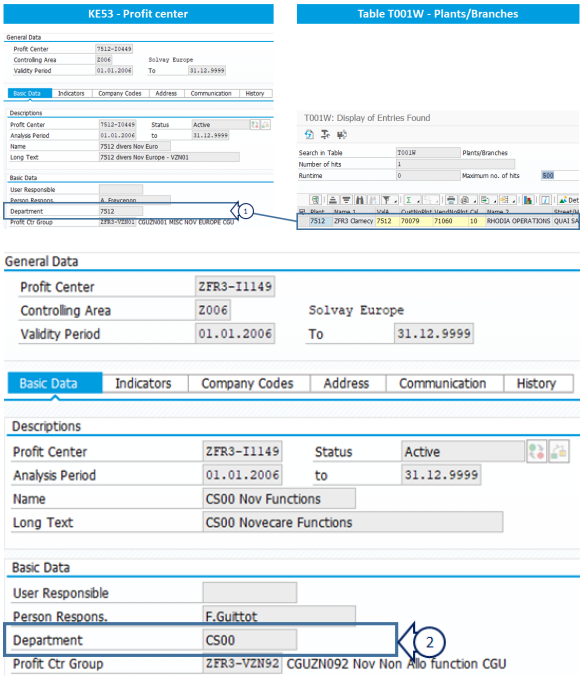
- The cost center 7512-1022 is assigned to the profit center 7512-I0449
- The department of the profit center 7512-I0449 is 7512

=> The cost center is assigned to the plant 7512

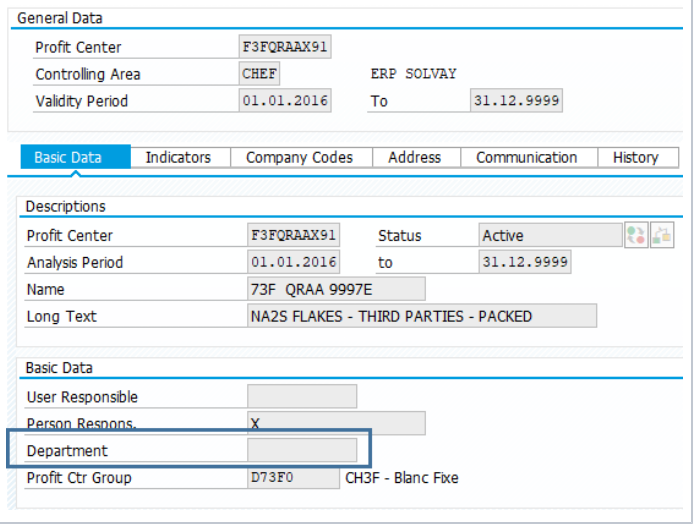


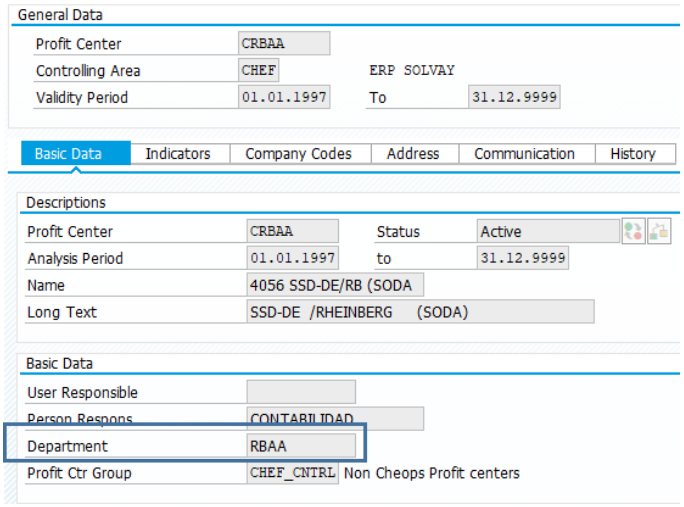
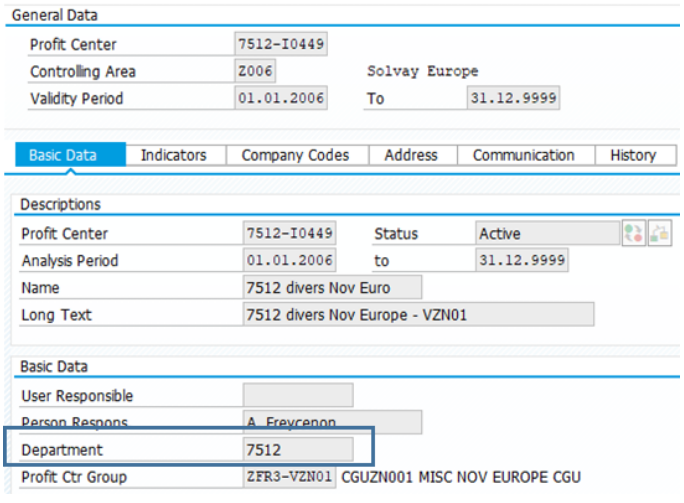
Depending on the type of profit center the department code can be:

- a plant code = a code maintained in table T001W in WP1 or PF1 (1)
- a generic plant code (only in WP1) created by GBU (2). This code doesn't exist in the table T001W.



Rule by ERP + type of profit center

ERP	Type of profit center	Department	Example
PF1	Reporting profit center	= "blank"	

	Organizational profit center	**= plant code** *By default the department code = profit center code without the letter C* However the rule is to have one department code by site even if for historical reasons there can be several profit centers in the same site. ex: in Tavaux, all profit centers are assigned to the department TAU: **Profit center** / **Department** CTAH Slvfr-Fr /Tavaux (Spc) — **TAU** Tavaux CTAU Slvfr-Fr /Tavaux (Pvdc) There is one exception when there are several management units / GBU in the site (only in GBU Soda Ash). In the GBU Soda Ash, there should be one dedicated department for Soda Ash another one for Bicar. ex: in Torrelavega **Profit center** / **Department** CTOS Slvq-Es /Torrelavega (Su) — **TOSA** (management unit **Soda Ash**) CTOSA Slvq-Es /Torrelavega (Sod) CTOSB Slvq-Es /Torrelavega (Bir) — **TOSB** (management unit **Bicar**)	
WP1	Profit center used in the master data of production cost centers (the codification of the cost center starts with the plant code ⭐)	**= plant code** *= first digits of the profit center code* ⭐ *ex: department of profit center **7512** -I0449 = 7512*	

Profit center used in the master data of SG&A / CBS / Financial cost centers (the codification of the cost center starts with the company code ⭐)

These profit centers are used in cost center that could be shared between several plants /sites.

Ex: in Rhodia Operation, there can be people working in the same team located in Paris or Lyon. Then the cost center is allocated neither to the Paris site nor to the Lyon site but to a generic site.

By default this rule applies to all cost centers that are not used on production plants.

The only exception is the facilities cost centers in CBS.

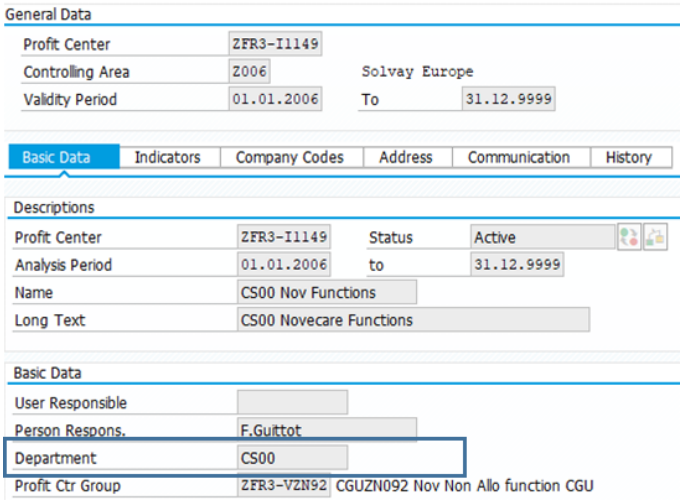
= generic GBU code

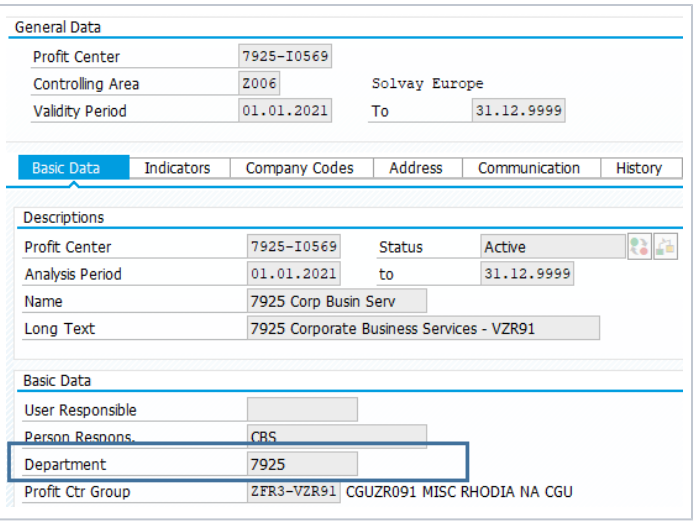
= BFC GBU code + 00

ex: Novecare = CS00

Last update: 13 Oct 2021

Generic code	
CB00	CB Corporate Business Services
CH00	CH Special Chem
CM00	CM Composite Materials
CS00	CS Novecare
CT00	CT Coatis
GY00	GY Energy Services
NB00	NB New Business Development
OG00	OG Oil & Gas
PA00	PA Aroma
PE00	PE Peroxides
SD00	SD Soda Ash
SI00	SI Silica
SP00	SP Specialty Polymers
TS00	TS Technology Solution



	Exception: Facilities cost centers included in the group ZCBS-FFAC of the ZCBS hierarchy	**= plant code** *= first digits of the profit center code* ⭐ *ex: department of profit center **7925** -I0569 = 7925*	

⭐ For historical reasons, there may be exceptions to the codification

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

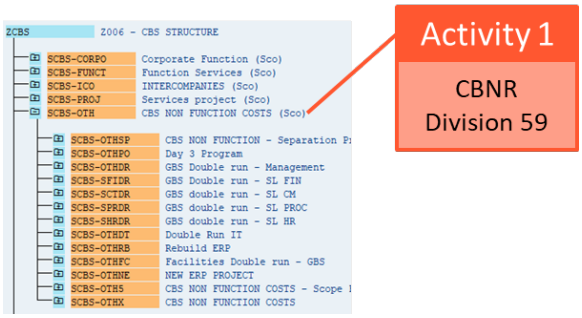
1. There is a direct link between the first level of the ZCBS hierarchy and the Activity 1

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

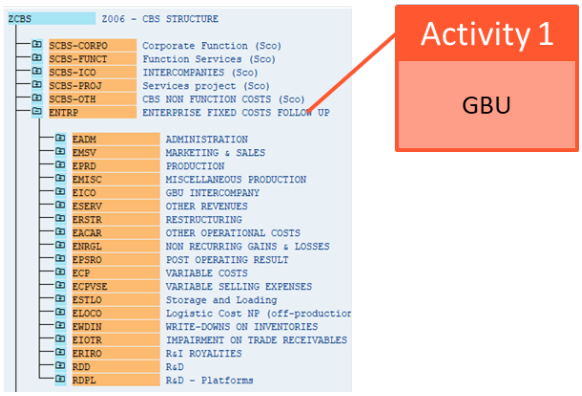
- All cost centers included in the group **SCBS-OTH** CBS NON FUNCTION COSTS are assigned to the Activity 1 **CBNR** in WP2 (=IECRA00450) and PF2 (=DIV 59 or =BA 8590).



GBU cost centers

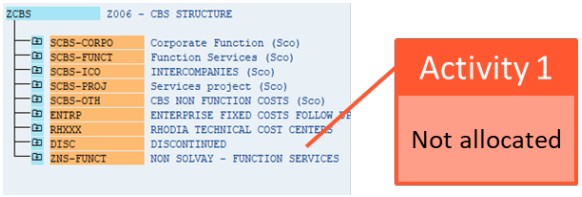
- All cost centers included in the group **ENTRP** ENTERPRISE are assigned to a GBU.

> 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

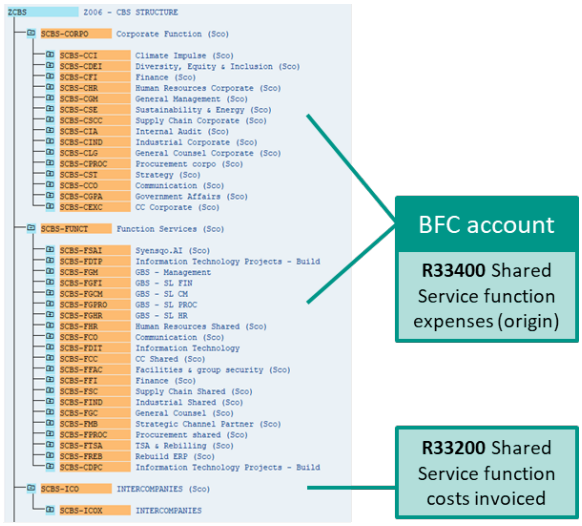


> **Group ZNS-FUNCT**
>
> Currently, the group ZNS-FUNCT does not exist in WP2 or PF2 because it doesn't need to be maintained.

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

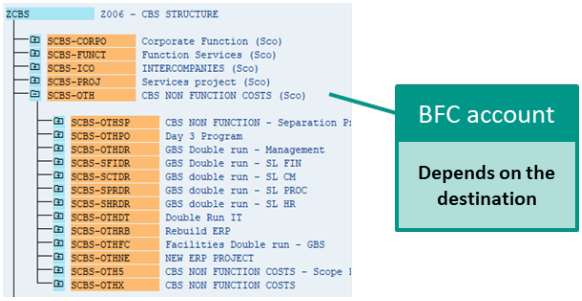
CBS cost centers

- 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)



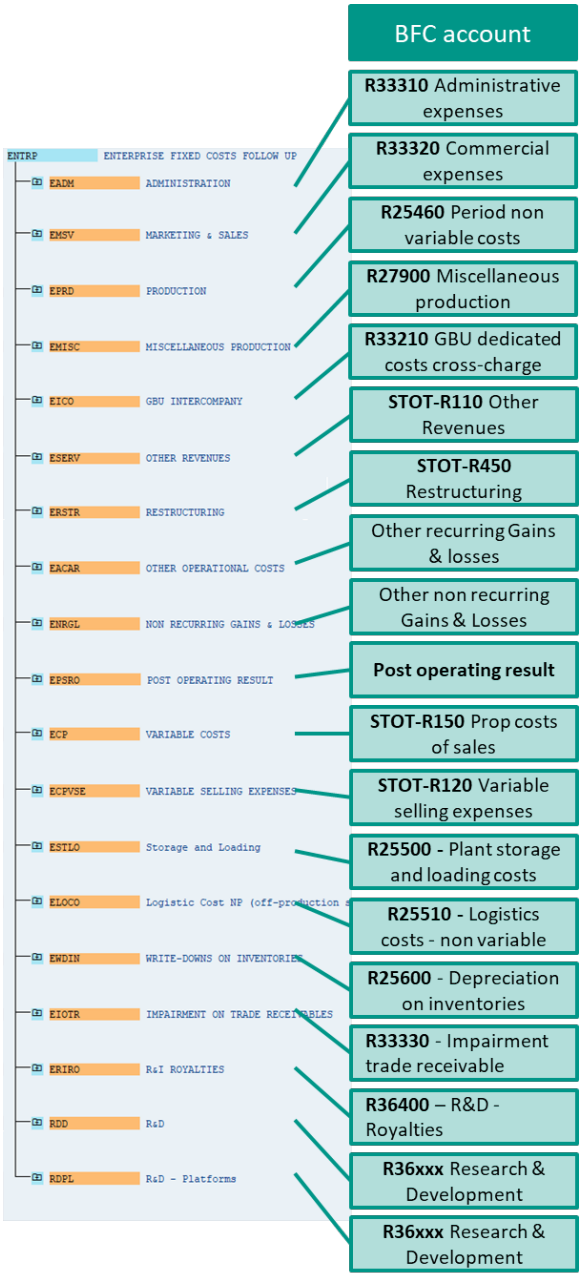
GBU cost centers

- 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 mixed (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



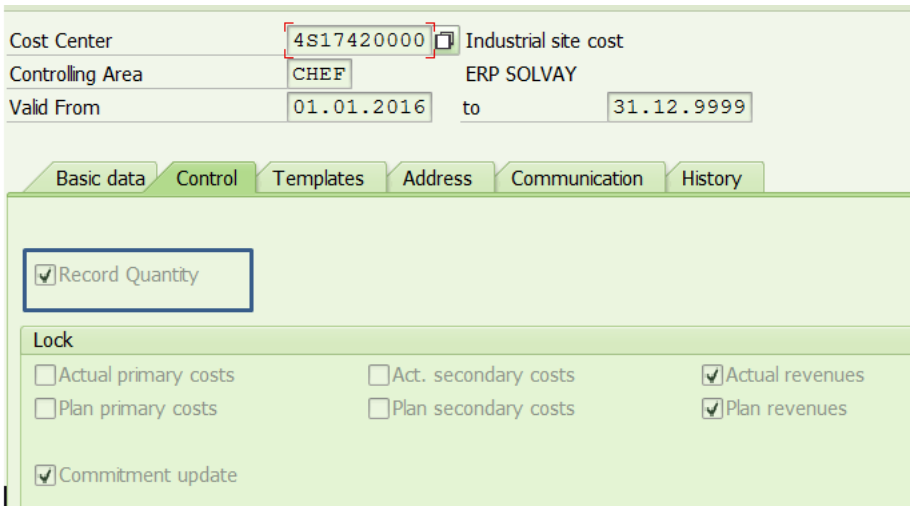
Technical cost centers are not allocated to BFC

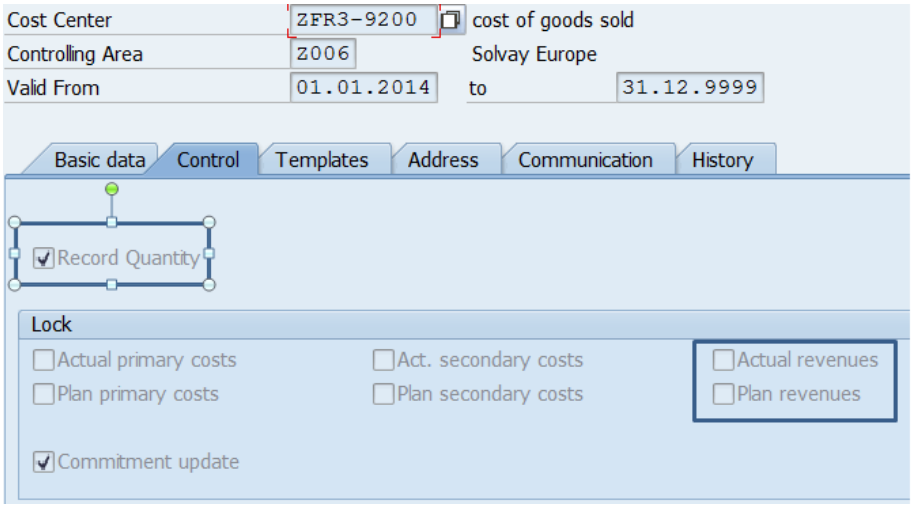
3. There is a direct link between the lowest level of the ZCBS hierarchy and a BSA

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

a) All the production cost centers (cost center category F) must have the "Record Quantity" field flagged:



b) Cost centers Cost of goods sold - Statistics (codification CCCC-9200 in **WP1**) must have the "Actual revenues" and "Plan revenues" fields not flagged and

the "Record Quantity" field flagged: