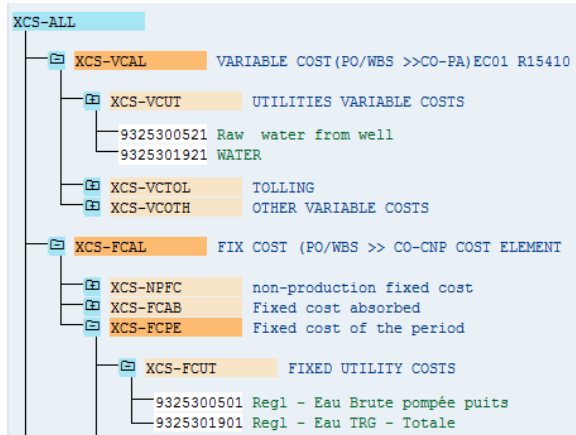


# Splitting structure - PF1

- 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



Cost Centers: Actual/Plan/Variance		Date:
Cost Center/Group	D232410900	
Person responsible:	50032333	
Reporting period:	1 to 1 2016	
Cost Elements		Act. Costs
9325300521	Raw water f	11.611,07
9325301921	WATER	18.942,44
***	VARIABLE COST (PO/WBS >>C	30.553,51
9325300501	Regl - Eau B	32.905,81
9325301901	Regl - Eau T	5.439,41
***	FIX COST (PO/WBS >> CO-C	38.345,22
****	Debit	68.898,73-
9327310002	Prod: uti VA	30.553,51
9325000032	FIXED COSTS	38.345,22
***	Credit	68.898,73-
****	Over/Underabsorption	

Variable costs

Fixed costs

- 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

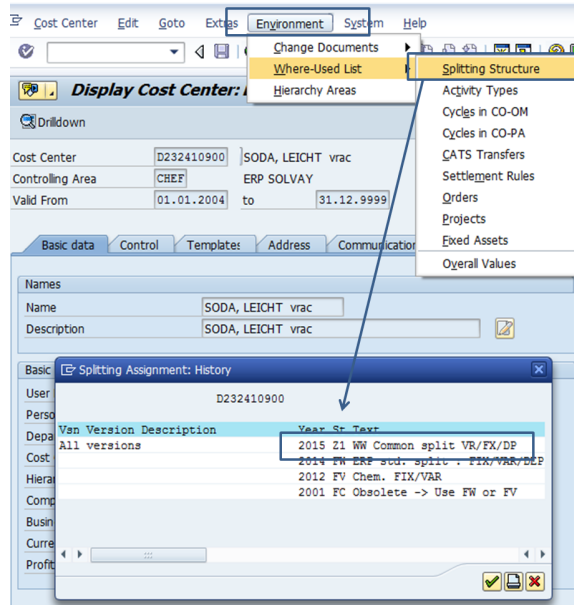
Structure Name Z1 WW Common split VR/FX/DP			
Assignments			
Assgnmnt	Text	Rule	Text
DP	depreciation	12	Activity quantity
FX	fix cost	12	Activity quantity
VR	variable cost	12	Activity quantity

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 KSO 3 - 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.