

SWEEP cycles



SWEEP Cycle is a tool developed to give efficiency to a key step of the closing which is the transition between the assessment cycles and the preliminary P&L in SAP.

Remaining amounts in cost centers up to a certain threshold after assessment cycles are systematically allocated to a PIVOT Cost Center that assesses this to SG&A (R33310) as a CBS Non-Function expense and this is automatically reversed in the next month.

SC has to investigate the reason for the unbalance and apply a solution in the root cause until D10 of the same month.

Rules and Codification

SWEEP Cycle is applicable for remaining amounts in cost centers after assessment cycles up to 10k EUR per cost center and per cost element. These remaining amounts are allocated to a PIVOT Cost Center, which has the following codification:

- PF1: EE800PIVOT (EE=Establishment Code);
- WP1: CCCC-5998 (CCCC=Company Code);

This entry has to be made using the original cost element causing the unbalance.

Also, it has to be immediately reversed to the next month, therefore, transaction FBS1 is always recommended whenever it is possible.

This cost center is then assessed by the SWEEP Cycle, which has the same codification in both systems: CCCC-S (CCCC=Company Code).

SWEEP cycles send the amounts finally to the P&L at heading R33310 using CBS Non-Function Market – In WP1 IECRA00450

STEP 1

Create a COPA cycle with KEU1

1. Cycle = CCCC-S
2. Start Date = 01.01.20YY to 31.12.20YY
3. Text = Sweep Cost Center
4. Sender Select. Type = 1
5. CO Area = Controlling area
6. TF Basis = 1

The screenshot shows the 'CO-PA Create Actual Assessment Cycle: Header Data' form. It includes fields for Operating concern (Z006 Rhodia Europe), Cycle (ZFR3-S), Start Date (01.01.2017 To 31.12.2017), Text (Sweep Cost Center), Indicators (Sender Select. Type 1, Aggreg. Tracing Factor), and Preset Selection Criteria (CO Area Z006, TF basis 1). Numbered callouts 1 through 6 highlight specific fields: 1 points to Operating concern, 2 to Start Date, 3 to Text, 4 to Sender Select. Type, 5 to CO Area, and 6 to TF basis.

STEP 2

Enter

1. Segment name = CCCC-5998
2. Segment description = Sweep Cost Center
3. Assessment CEle = 99429961 SGA COPA
4. Value Field All. = VVI25
5. Rule = Fixed percentages
6. Sender cost center = CCCC-5998
8. Company code
9. IECRA = IECRA00450

The screenshot shows the 'CO-PA Create Actual Assessment Cycle: Segment' form. It includes fields for Operating concern (Z006 Rhodia Europe), Cycle (ZFR3-S), Segment Name (ZFR3-5998), Segment description (Sweep Cost Center), Assessment CEle (99429961 SGA COPA), Value Field All. (VVI25), and Rule (Fixed percentages). Numbered callouts 1 through 5 highlight specific fields: 1 points to Segment Name, 2 to Segment description, 3 to Assessment CEle, 4 to Value Field All., and 5 to Rule.

Segment Header Senders/Receivers Receiver Tracing Factor

Sender From To Group

Cost Center ZFR3-5998 6

Cost Element 7 ZRCS-FC

Receiver

Product 8

Company Code ZFR3

WBS Element

Trading Partner From To Group

Sales Org.

Distr. Channel

Plant

IECRA IECRA00450 9

Profit Center C

Segment Header Senders/Receivers Receiver Tracing Factor

Receivers

CoCd IECRA

ZFR3 IECRA00450 10 Portion/percent 100

10. Portion/percent = 100

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When the SWEEP Cycle runs for next month (which has to be done in the next closing, never before that), this amount in P&L will be automatically reversed

A definitive solution for the issue must be implemented until D10 of the same month.



SWEEP Procedure is not applicable for the year-end closing;

Production Cost Centers in PF1 are still allocated via Clearing Cycles, therefore, these ones are out of SWEEP Scope.

Instructions for implementing SWEEP

Analyze the companies within the Service center scope on which the SWEEP Procedure might be helpful for the closing optimization, considering the following criteria:

- Unbalanced cost centers in a regular basis after cycles;
- Huge number of cost centers due to a complexity of the company;
- Large volume of amounts in the company's books every month;
- Need to improve efficiency in this specific part of the closure;

Follow the procedure to request cost centers creation : [Costing forms](#)

Remark: as we are in an "exceptional" case where the new Pivot CC creation is related to a "Process harmonization" need (not coming from Controllers request), the BO can prepare the request in the Workflow DMR and ask to submit to PE Costing.

First meeting has to be scheduled with the Regional Costing Manager(s) to ensure coordination and alignment in the procedure implementation across the region.

It is important to have their support, since they are the point of contact of the Controllers in the region and know well the costing structures and needs of the business. The RCOMs must also be invited to the meetings with CAMs and GBU's.

After the cost centers creation (or request for creation) and agreement from the Regional Costing Manager(s), meetings with CAMs and Business Controllers have to be scheduled in order to communicate the procedure.

Once everyone agrees in the implementation, Back Office has to make sure the cost centers are created in the correct validity date and cycles are properly setup to be used in the month, as well as the Monthly Excel Controlling.

At this point, Country Teams have to be informed of the implementation and how to use it.

Follow-up the first month of implementation to make sure everything will run OK and report to the Project Team.

[SBS-FRM-DRTR-02-016 Sweep Control to be loaded in GDrive.xlsx](#)

FAQ – Frequently Asked Questions

Threshold is 10k EUR (plus or minus, negative or positive) per cost center and cost element/account.

No, it is not. Remaining variances in Production Cost Centers are still balanced with clearing cycles.

In a year-to-date view, the impact is zero, since the SWEEP Procedure is reversed in the next month.

It is not used in the Year-End closing in order to not reclassify unbalances from one year to the other.

No. This procedure aims to help in the closing efficiency, which means that if there is any other better solution for the case, it will be taken into consideration. (e.g. In case it is faster to solve the unbalance of the cost center before proceeding with the closing, and it is only one or a few number of cost centers on the month, this will be done instead of the SWEEP).

Cost Element 9804100001 is the only one available for SG&A Non-Function (R33310/Div.59) and we do not aim to create more cost elements in the system, since there are different ways to filter internal reports.

No, it has other specific purposes. However, for the time being it has its usage restricted to the SWEEP Procedure. In the future, the other purposes of the PIVOT Cost Centers will be deployed in a proper timing.

Contact

WW Costing Process Expert for Monthly cost accounting closing