

Perform product costing monthly closing

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The responsibility area is assigned to

GBS Service center

For questions related to Perform product costing monthly closing you can contact :

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Responsibility Area & Process

These operations applies to all personnel in the SBS-SC entity who are involved in the processing of the product costing operations.

Finance site (and SIS if necessary) is involved when errors during the processing cannot be solved by SBS-SC.

SU MAC is running the various transactions regarding the product costing and carries out the intermediate outcome checks.

In case of blocking errors, the corresponding corrections should be performed by SU MACpeople. If an error cannot be solved by them, it must be done by the finance site (or, if needed, by DT) after communication.

The flow of the product costing is composed of a series of standard transactions which are interconnected. This requires the processing in a certain sequence. The procedure starts in the cost center accounting referring to so-called production cost centers. Defined activity types are assigned to these cost centers. For the daily movements the activity prices are valuated at standard cost. In the closing of the product costing they will be revaluated at actual prices. The differences are credited on the production cost centers and debited on the production cost collectors, managed in the cost object hierarchy.

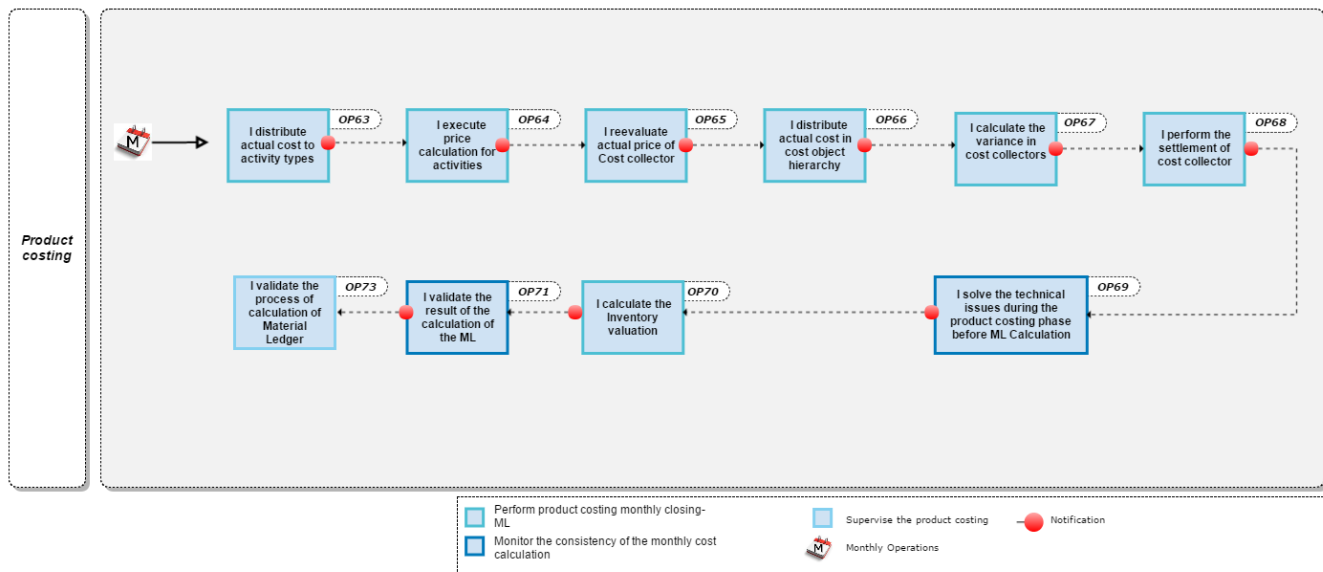
The procedure continues with the distribution of postings of actual costs on the cost object level to the assigned cost collectors.

All categories of variances between target costs and actual costs, like price and quantity variances in raw and packaging materials, same for consumed activities are calculated within the cost object hierarchy and posted on cost collectors. As the cost collectors are a certain kind of order, they must be settled at the end of the period.

Intermediate checks take place in order to look at the 'zero' balance of the cost accounting objects involved.

In a few businesses, production orders are used instead of cost collectors (because of a different use of PP), a few differences in the transactions appear, as mentioned in the list of activities (OP.064).

After perform OP.063 to OP.068, [KKRZ \(Cost Object Summarization\)](#) should be executed for reporting purposes.



Reverse of the Product Costing

In case of the need to reverse product costing, we should start reversing the transactions from the end to the beginning.

We only need to reverse the transaction that have this option:

KK88 (For the companies using production orders, the transaction is CO88)

KKP5

KKPX

KKN1 (For the companies using production or process orders, the transaction is CON2)

KSII and KKS2 is not possible to reverse.

Important:

After performing the reverse of the necessary transactions we must re-run the product costing process according with the sequence explained in **Responsibility area: Perform product costing monthly closing**

All transactions must be executed again, even the ones that haven't been reversed (KSII and KSS2). The system recalculates the related figures without having the need to reverse these steps of the process.

Operating procedures

PF1

- **OP.063** — I distribute actual cost to activity types
- **OP.064** — I execute price calculation for activities
- **OP.065** — I reevaluate actual price of Cost collector
- **OP.066** — I distribute actual cost in cost object hierarchy (the material codes)
- **OP.067** — I calculate the variance in cost collectors (production orders)
- **OP.068** — I perform the settlement of cost collector
- **OP.069** — I solve the technical issues during the product costing phase before ML Calculation

WP1

- **OP.021** — I run the monthly standard cost calculation
- **OP.023** — I validate the result of the calculation
- **OP.024** — I validate the process of calculation
- **OP.025** — I release the standard cost calculation

Local procedures
