

# I maintain a cost center hierarchy

Domain: Finance Data & Reporting

Responsibility area: Maintain Costing Master Data

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### Scope

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### ERP

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### Frequency

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### References

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[KSH2 - Change Cost Center Group](#)

### Forms

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[Rules - Cost center Standard hierarchy](#)

[Rules - Cost Center ZCBS hierarchy](#)

[I maintain a cost center hierarchy >>  
I update/block a cost center](#)

## 1. Objective and Scope

### 1.1. Objective of this Operation

There are 2 main cost centers hierarchies to be maintained in SAP:

- The [Standard hierarchy](#)
- The [ZCBS hierarchy](#)

The aim of this procedure is to explain how to create/update a group in a cost centers hierarchy

### 1.2. Scope

All entities in WP2 & PF2

## 2. Definitions

See [Finance - Glossary](#)

## 3. Tasks description

### 3.1. I receive the request to create/update a cost center hierarchy

I am informed that a cost center hierarchy must be amended. It can happen when:

- There is a new cost center and its standard group doesn't exist: *for instance in WP2, in each legal entity, SG&A cost centers are included in a group that is dedicated to the GBU and may be used in assessment cycles. When there is a new GBU in a legal entity, a group needs to be created for the GBU,*
- A new type of cost centers is created in a legal entity: *for instance when it is the first a cost center is created for restructuring costs in a legal entity,*
- When there is a new organization: *for instance a new GBU is created, a new department is created,*
- In the frame of a project: *for instance SAP roll-out, carve-out...*
- ...

The request can be done through the [PRS workflow](#), Service one or in the frame of a project.

### 3.2. I confirm that the request is made by an authorized requester

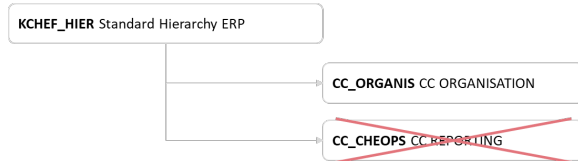
- **For the standard hierarchy:** As long as the request is standard and follows the rules describe in the following section, the new group can be created without prior validation.
- **For the ZCBS hierarchy:** the request should be done or approved by the dedicated controller: CBS controller (for all groups created in SCBS-CORPO, SCBS-FUNCT, SCBS-ICO, SCBS-PROJ), GBU controller (for all groups created in RDD, EMSV, EADM), SU MAC for all other groups

### 3.3. I analyze and validate the information provided in the request

When a group is created in the standard hierarchy, it must be consistent with the standard rules in WP2 or 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

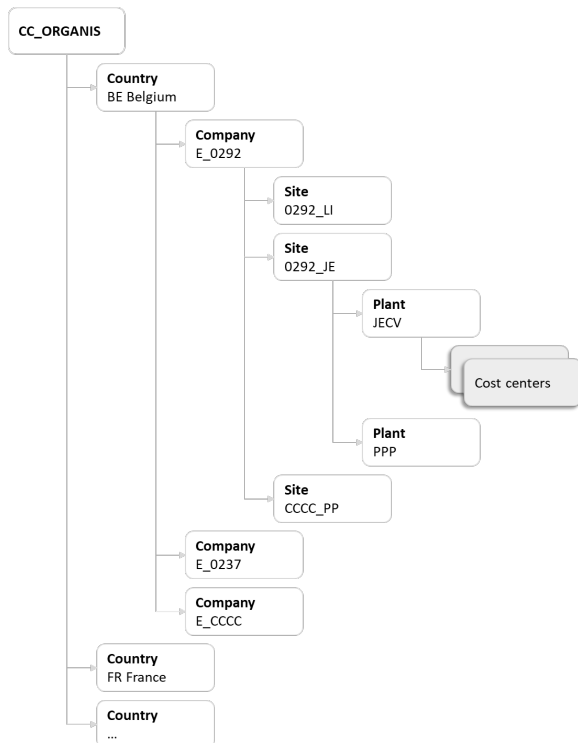
- XX - Country
  - E\_CCCC - Company
    - CCCC\_PP - Site
      - PPP - Plant
        - Cost center 1
        - Cost center 2

XX = Country code

CCCC = Company code

PPP = plant code

PP = First 2 digits of the plant code



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 - Novicare
- OG - Oil & Gas
- PA - Aroma Performance
- SP - Specialty Polymers
- TS - Technology Solutions

 The group PPPP-FUNCT is only used by the GBU Novicare

Zxxx	Controlling Area Name
CCCC	Company name
PPPP	Plant name - Plant
PPPP-MGT	Plant name - Management
PPPP-CP	Plant name - Variable Costs
PPPP-CPO	Plant name - Other Variable Costs
PPPP-CNP	Plant name - Production Fixed Costs
PPPP-1	Plant name - Direct Production
PPPP-2	Plant name - Indirect Production
PPPP-FUNCT	Plant name - Function
PPPP-CNPO	Plant name - CNP others
-CCCC	Company name
CCCC-MGT	Company name - Management
CCCC-VSE	Company name - VSE
CCCC-VS-GB	GB VSE - GBU name
...	
CCCC-SALE	Company name - Sales Others
CCCC-SA-GB	GB Sales Others - GBU name
...	
CCCC-CNP	Company name - CNP Others
CCCC-CN-GB	GB CNPO Others - GBU name
...	
CCCC-FAC	STOT - R330 SG&A
CCCC-FUNCT	R33400 - Shared services
CCCC-CO	Function - Communication
CCCC-FA	Function - Facilities
CCCC-FI	Function - Finance
CCCC-FXX	Function - Not allocated
CCCC-GM	Function - General Management
CCCC-HR	Function - Human Resources
CCCC-ICO	Function - Interco
CCCC-IND	Function - Industrial
CCCC-JUR	Function - Legal
CCCC-PIV	Function - Pivot
CCCC-PUR	Function - Purchasing
CCCC-SBS	Function - Solvay Business Services
CCCC-FACA	R33310 - Administrative costs
CCCC-FA-XC	ALL Management fees - All GBUs
CCCC-FA-GB	GB Administrative costs - GBU name
...	
CCCC-FACC	R33320 - Commercial costs
CCCC-FC-GB	GB Commercial costs - GBU name
...	
CCCC-RD	STOT - R360 R&D
CCCC-RD-GB	GB R&D - GBU name
...	
CCCC-RSTR	Company name- Restructuring
CCCC-RS-GB	GB Restructuring - GBU name
...	
CCCC-ACAR	STOT - R480 APCO
CCCC-AC-GB	GB Other costs ante ROP - GBU name
...	
CCCC-PSRO	Company name - Post ROP
CCCC-NA	Company name - Non actives
CCCC-JUNL	Company name - Non allocated

When a group is created in the ZCBS hierarchy, it must be consistent with the standard rules:

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 is 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.

2006 - CBS STRUCTURE	
SCBS-CORPO	Corporate Function (Sco)
SCBS-CCI	Climate Impulse (Sco)
SCBS-CDEI	Diversity, Equity & Inclusion (Sco)
SCBS-CFI	Finance (Sco)
SCBS-CGR	Human Resources Corporate (Sco)
SCBS-CGM	General Management (Sco)
SCBS-CSE	Sustainability & Energy (Sco)
SCBS-CSC	Supply Chain Corporate (Sco)
SCBS-CIA	Internal Audit (Sco)
SCBS-CIND	Industrial Corporate (Sco)
SCBS-CLG	General Counsel Corporate (Sco)
SCBS-CPROC	Procurement corpo (Sco)
SCBS-CST	Strategy (Sco)
SCBS-COM	Communication (Sco)
SCBS-OGA	Government Affairs (Sco)
SCBS-CCIC	CC Corporate (Sco)
SCBS-FUNCT	Function Services (Sco)
SCBS-FMFI	Synagp.AI (Sco)
SCBS-FMFP	Information Technology Projects - Build
SCBS-FM	GBS - Management
SCBS-FMFI	GBS - SL FIN
SCBS-FMOM	GBS - SL OM
SCBS-FMFRD	GBS - SL PROC
SCBS-FMHR	GBS - SL HR
SCBS-FMR	Human Resources Shared (Sco)
SCBS-FCO	Communication (Sco)
SCBS-FMFI	Information Technology
SCBS-FIC	CC Shares (Sco)
SCBS-FFAC	Facilities & group security (Sco)
SCBS-FFI	Finance (Sco)
SCBS-FFC	Supply Chain Shared (Sco)
SCBS-FIND	Industrial Shared (Sco)
SCBS-FMS	General Counsel (Sco)
SCBS-FMS	Strategic Channel Partner (Sco)
SCBS-FFROC	Procurement shared (Sco)
SCBS-FTIA	TIA & Rebilling (Sco)
SCBS-FREB	Rebuild ERP (Sco)
SCBS-CMFC	Information Technology Projects - Build
SCBS-ICO	INTERCOMPANIES (Sco)
SCBS-ICOX	INTERCOMPANIES

Activity 1

CBSS  
Division 50

### 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).

2006 - CBS STRUCTURE	
SCBS-CORPO	Corporate Function (Sco)
SCBS-FUNCT	Function Services (Sco)
SCBS-ICO	INTERCOMPANIES (Sco)
SCBS-FROJ	Services project (Sco)
SCBS-OTH	CBS NON FUNCTION COSTS (Sco)
SCBS-OTRSP	CBS NON FUNCTION - Separation P
SCBS-OTRFO	Day 3 Program
SCBS-OTHRD	GBS Double run - Management
SCBS-OTHR	GBS Double run - SL FIN
SCBS-OTHR	GBS double run - SL OM
SCBS-OTHRD	GBS double run - SL PROC
SCBS-OTHRD	GBS double run - SL HR
SCBS-OTHRD	Double Run IT
SCBS-OTHRB	Rebuild ERP
SCBS-OTHRF	Facilities Double run - GBS
SCBS-OTHRN	NEW ERP PROJECT
SCBS-OTHR	CBS NON FUNCTION COSTS - Scope 1
SCBS-OTHR	CBS NON FUNCTION COSTS

Activity 1

CBNR  
Division 59

### 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.

2006 - CBS STRUCTURE	
SCBS-CORPO	Corporate Function (Sco)
SCBS-FUNCT	Function Services (Sco)
SCBS-ICO	INTERCOMPANIES (Sco)
SCBS-FROJ	Services project (Sco)
SCBS-OTH	CBS NON FUNCTION COSTS (Sco)
ENTRP	ENTERPRISE FIXED COSTS FOLLOW UP
EMIN	ADMINISTRATION
EMSV	MARKETING & SALES
EFPR	PRODUCTION
EMISC	MISCELLANEOUS PRODUCTION
EICO	GBU INTERCOMPANY
ESERV	OTHER REVENUES
ESTR	RESTRUCTURING
EACAR	OTHER OPERATIONAL COSTS
ENRGL	NON RECURRING GAINS & LOSSES
EPSBO	POST OPERATING RESULT
ECP	VARIABLE COSTS
ECPFSE	VARIABLE SELLING EXPENSES
ESTIO	Storage and Loading
ELOC	Logistic Cost NP (off-production
ENDIN	WRITE-DOWNS ON INVENTORIES
EIOTR	IMPAIRMENT ON TRADE RECEIVABLES
ERIPD	R&I ROYALTIES
RDD	R&D
ROPL	R&D - Platforms

Activity 1

GBU

**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

ZCBS	2006 - CBS STRUCTURE
SCBS-CORFO	Corporate Function (Sco)
SCBS-FUNCT	Function Services (Sco)
SCBS-ICO	INTERCOMPANIES (Sco)
SCBS-FROJ	Services project (Sco)
SCBS-OTH	CBS NON FUNCTION COSTS (Sco)
ENTRP	ENTERPRISE FIXED COSTS FOLLOW UP
RHXXX	RHODIA TECHNICAL COST CENTERS
DISC	DISCONTINUED
ZNS-FUNCT	NON SOLVAY - FUNCTION SERVICES

**Activity 1**  
Not allocated

**i 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-CORFO** 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**

ZCBS	2006 - CBS STRUCTURE
SCBS-CORFO	Corporate Function (Sco)
SCBS-CCI	Climate Impulse (Sco)
SCBS-CDEI	Diversity, Equity & Inclusion (Sco)
SCBS-CFI	Finance (Sco)
SCBS-CER	Human Resources Corporate (Sco)
SCBS-CGM	General Management (Sco)
SCBS-CSE	Sustainability & Energy (Sco)
SCBS-CSCC	Supply Chain Corporate (Sco)
SCBS-CIA	Internal Audit (Sco)
SCBS-CIND	Industrial Corporate (Sco)
SCBS-CIS	General Counsel Corporate (Sco)
SCBS-CFROC	Procurement corpo (Sco)
SCBS-CST	Strategy (Sco)
SCBS-COM	Communication (Sco)
SCBS-CGFA	Government Affairs (Sco)
SCBS-CCSC	CC Corporate (Sco)
SCBS-FUNCT	Function Services (Sco)
SCBS-FMAY	SynergAI (Sco)
SCBS-FMFP	Information Technology Projects - Build
SCBS-FM	GBS - Management
SCBS-FMFI	GBS - SL FIN
SCBS-FMOM	GBS - SL CM
SCBS-FMFR	GBS - SL FROC
SCBS-FMHR	GBS - SL HR
SCBS-FMBS	Human Resources Shared (Sco)
SCBS-FMCO	Communication (Sco)
SCBS-FMIT	Information Technology
SCBS-FMCC	CC Shares (Sco)
SCBS-FMFC	Facilities & group security (Sco)
SCBS-FMFI	Finance (Sco)
SCBS-FMFC	Supply Chain Shared (Sco)
SCBS-FMID	Industrial Shared (Sco)
SCBS-FMGC	General Counsel (Sco)
SCBS-FMBS	Strategic Channel Partner (Sco)
SCBS-FMROC	Procurement shared (Sco)
SCBS-FMTR	T&A & Rebilling (Sco)
SCBS-FMBS	Rebuild ERP (Sco)
SCBS-FMFC	Information Technology Projects - Build
SCBS-ICO	INTERCOMPANIES (Sco)
SCBS-IOCK	INTERCOMPANIES

**BFC account**  
R33400 Shared Service function expenses (origin)

R33200 Shared Service 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)

ZCBS	2006 - CBS STRUCTURE
SCBS-CORFO	Corporate Function (Sco)
SCBS-FUNCT	Function Services (Sco)
SCBS-ICO	INTERCOMPANIES (Sco)
SCBS-FROJ	Services project (Sco)
SCBS-OTH	CBS NON FUNCTION COSTS (Sco)
SCBS-OTRSP	CBS NON FUNCTION - Separation P
SCBS-OTRFO	Day 3 Program
SCBS-OTRDR	GBS Double run - Management
SCBS-OTRIDR	GBS Double run - SL FIN
SCBS-OTRIDR	GBS double run - SL CM
SCBS-OTRIDR	GBS double run - SL FROC
SCBS-OTRIDR	GBS double run - SL HR
SCBS-OTRDT	Double Run IT
SCBS-OTRBS	Rebuild ERP
SCBS-OTRFC	Facilities Double run - GBS
SCBS-OTRNE	NEW ERP PROJECT
SCBS-OTRH5	CBS NON FUNCTION COSTS - Scope 1
SCBS-OTRH	CBS NON FUNCTION COSTS

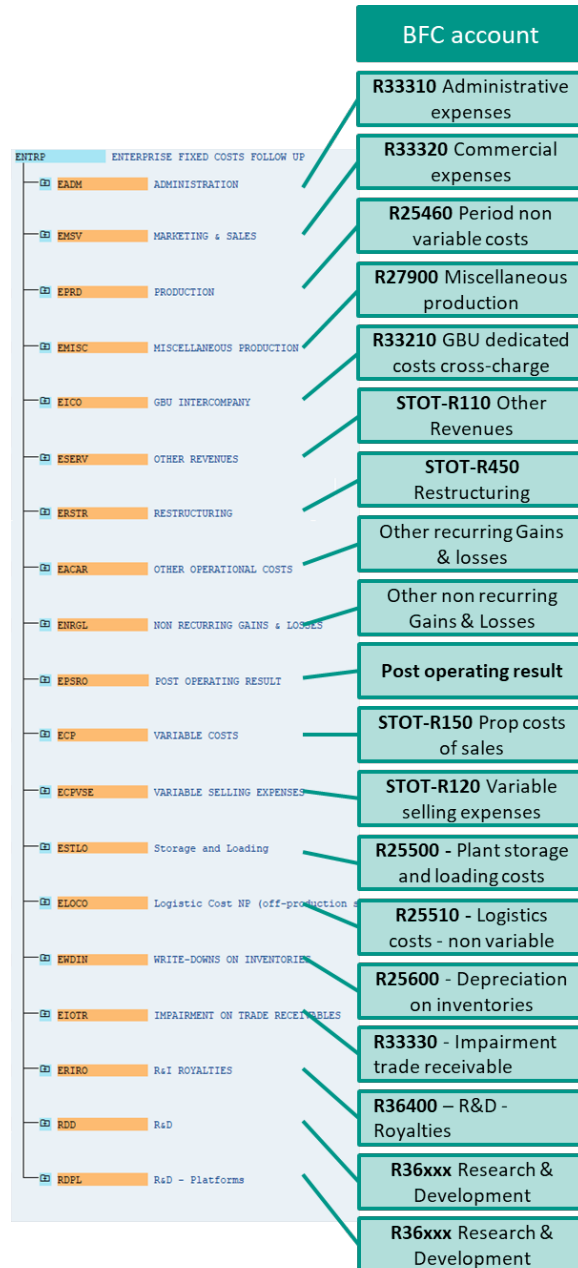
**BFC account**  
Depends on the destination

**GBU cost centers**

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

ZCBS group	Definition

EPRD	<p>All production cost centers should be included in the group EPRD:</p> <ul style="list-style-type: none"> <li>Indirect production cost centers (PPPP-2 in WP2) should be included in a group EPRD1=&gt;EPRD6. <ul style="list-style-type: none"> <li>Utilities cost centers should be included in the group EPRD4Y in PF2 only. In WP2 they are included in the group ECP)</li> </ul> </li> <li>Direct production cost centers (PPPP-1 in WP2, EE32xxxxxx in PF2) should be included in the EPRD0: <ul style="list-style-type: none"> <li>EPRD0X when the production cost center is not <b>mixed</b> (all cost centers in WP2 and some cost centers in PF2)</li> <li>EPRD0Y when the production cost center is <b>mixed</b> (only in PF2)</li> <li>EPRD0Z can be used to manage underactivity (only in very specific cases)</li> </ul> </li> </ul> <p>=&gt; Definition of <b>Period non-proportional costs of production (R25460)</b></p>
EADM	<p>This group is used for cost centers allocated to the BFC account <b>Administrative expenses (R33310)</b></p> <ul style="list-style-type: none"> <li>A GBU can request the creation of sub-groups to detail its own organization.</li> </ul>
EMSV	<p>This group is used for cost centers allocated to the BFC account <b>Commercial expenses (R33320)</b></p> <ul style="list-style-type: none"> <li>A GBU can request the creation of sub-groups to detail its own organization.</li> </ul>
RDD	<p>This group is used for cost centers allocated to the BFC account <b>Research and Development (R360)</b></p> <ul style="list-style-type: none"> <li>A GBU can request the creation of sub-groups to detail its own organization.</li> </ul>



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**

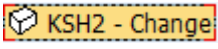
The ZCBS hierarchy is used for the allocation of cost centers to a **BSA** using.

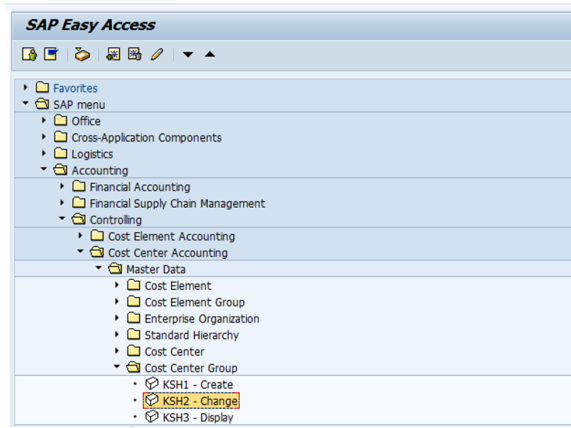
The assignment of cost centers to a BSA is done with the cost center hierarchy = **ZCBS\_BSA** which is built using the last level of the ZCBS hierarchy


### 3.4. I create/update the cost center hierarchy

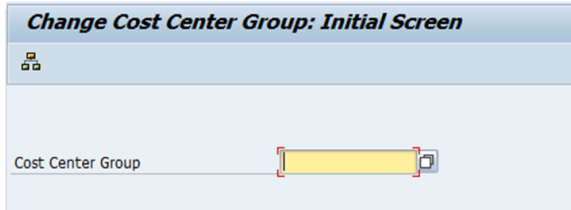
STEP 1

Start the transaction using the menu path or transaction code KSH2

Double-click 



 Change Cost Center Group : Initial Screen

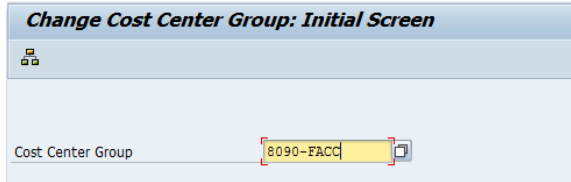


**STEP 2**

Enter the group in which you want to include a new group.

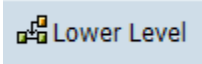
In our example, we create a group to include commercial cost centers or the GBU Novocare in WP2 - Legal entity

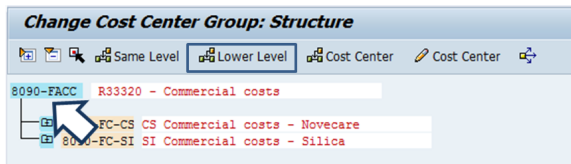
and 



**STEP 3**

Click on the group you want to include a new group. and click







**STEP 4**

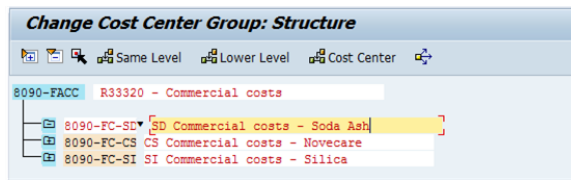
Enter the code & description of the new group in the blank row that

appeared and click . The group is created. Save 

There is a message at the bottom of the page

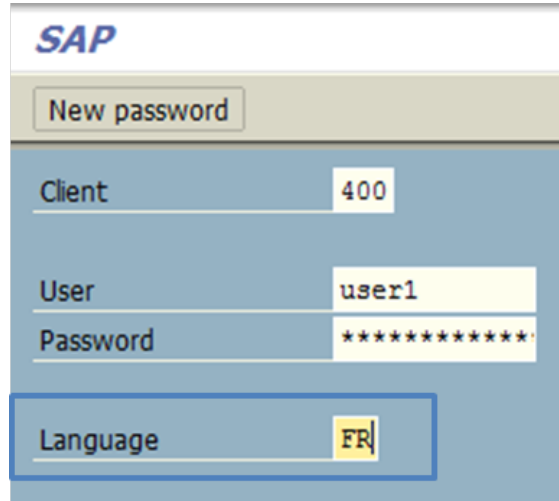
 The changes have been saved

You can leave the transaction 



STEP 5

If you want to update the description in another language, you must log in the language requested



The image shows a screenshot of the SAP login interface. At the top left is the SAP logo. Below it is a header bar with the text "New password". The main form area contains several input fields: "Client" with the value "400", "User" with the value "user1", "Password" with a masked value of "\*\*\*\*\*", and "Language" with the value "FR". The "Language" field is highlighted with a blue border.

*3.5. I communicate that the cost center hierarchy has been created/updated*

I inform the requester that the standard hierarchy is updated.