

# I maintain cost element hierarchies

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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[KAH2 - Change Cost element group](#)

### Forms

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### Attachments

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[Rules - Cost element Group XCS-ALL](#)

[Rules - Cost element Group ZSOLV](#)

[I create a secondary cost element](#)  
>> I maintain cost element hierarchies

## 1. Objective and Scope

### 1.1. Objective of this Operation

The purpose of this procedure is to explain how to maintain a hierarchy of cost elements in SAP.

The hierarchies of cost elements are important in

- the costing model: they are used in [assessment cycles](#)
- in the reporting: they are used in [fixed costs reports & Co\\$ta](#)

There are 2 core hierarchies to be maintained carefully:

- [XCS-ALL](#) is used to split variable / fixed / depreciation cost elements in PF2 & WP2. It is also used in the [assessment cycles](#) of some cost centers in PF2 and in the reporting IMEP.
- [ZRCS-FC](#) is used in [assessment cycles](#) in PF2 & WP2 and in [fixed costs reports & Co\\$ta](#).

**From 01 Jan 2022 it is replaced by the hierarchy ZSOLV and ZRCS-FC will not be maintained anymore.**

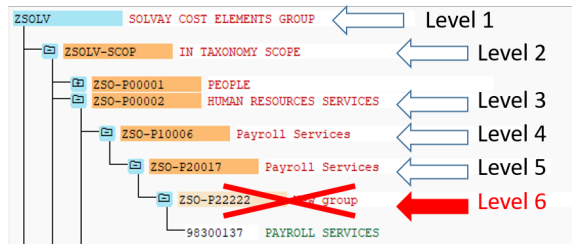
When you change one of these cost elements hierarchies, you must carefully follow the following rules:

1. A cost element hierarchy needs to be maintained in **WP2 & PF2**. For instance if you do a change in the hierarchy in WP2, you have to do it in PF2 (or vice versa).

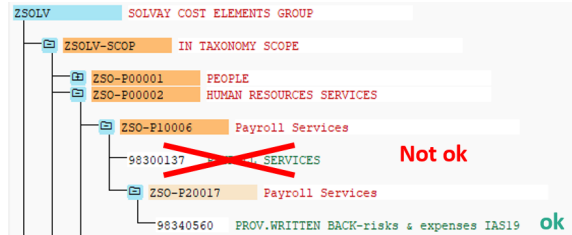
2. All cost elements should be included in the core hierarchies
3. A hierarchy is **unique**. A cost element can not be included in 2 groups (even if SAP does not prevent you from doing it). There are 10 exceptions in the hierarchy **XCS-ALL** in WP2 (no new exceptions are accepted without prior validation by a costing expert)
4. There is a **standard number of levels** in each core hierarchy, do not create new ones.
5. All cost elements should be included in the **lowest group**.

Examples:

there are 5 levels in the ZSOLV hierarchy, it is forbidden to create a 6th level >>



All cost elements should be included at the lowest level of the hierarchy >>



## 1.2. Scope

All entities in WP2 & PF2

## 2. Definitions

See [Finance - Glossary](#)

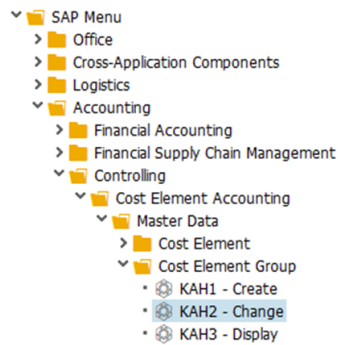
## 3. Tasks description

### 3.1. I update the cost element hierarchy

STEP 1

Start the transaction using transaction code KAH2

Double-click KAH2 - Change



Change cost element group : Initial Screen

Change Cost element group: Initial Screen

Cost element group

STEP 2

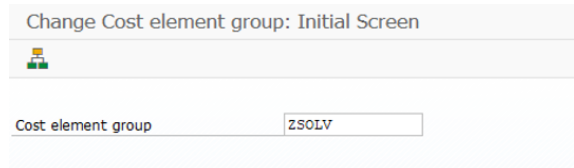
Enter the cost element group to be updated



and

Then you can:

- 1. Create a new group
- 2. Delete an existing group
- 3. Move an existing group
- 4. Rename a group
- 5. Include a new cost element
- 6. Change the group of a cost element

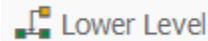


STEP 3

### 1. Create a new group

Click on the group above where you want to add a new subgroup

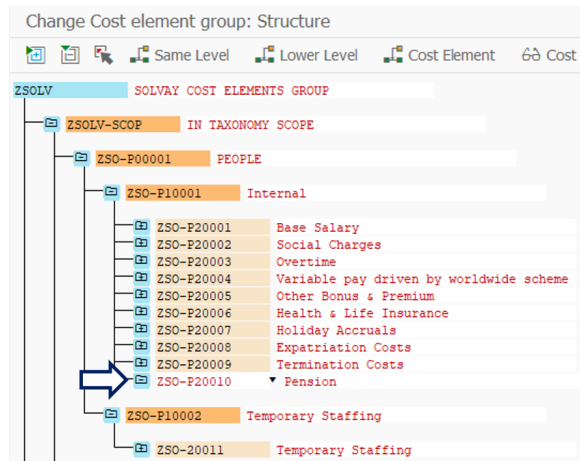
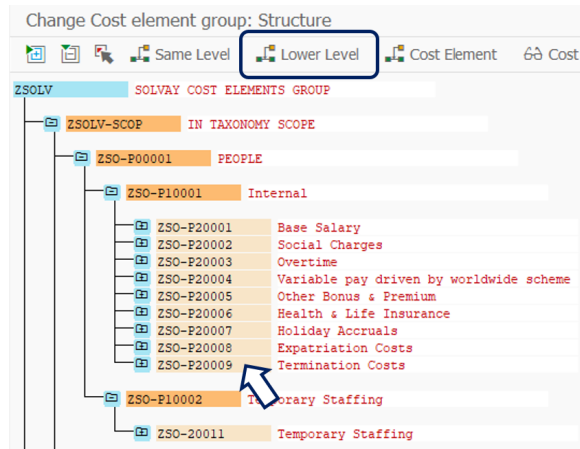
and then click



Enter the code of the new group and its description



Be careful, when the code is created, you can not change it anymore. If it is wrong and not consistent with the existing codification, you must delete the group and create a new one.



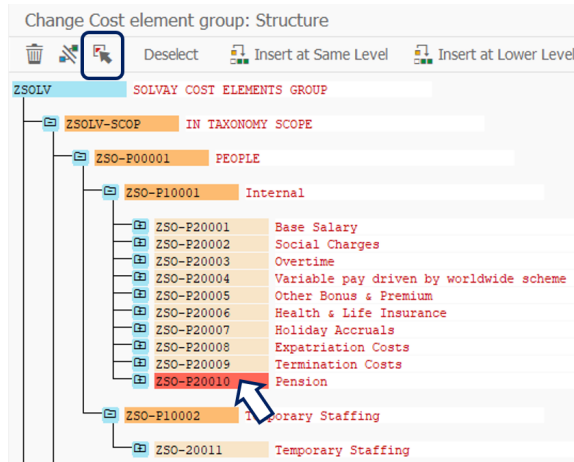
### 2. Delete an existing group

Click on the group you want to delete



and then click

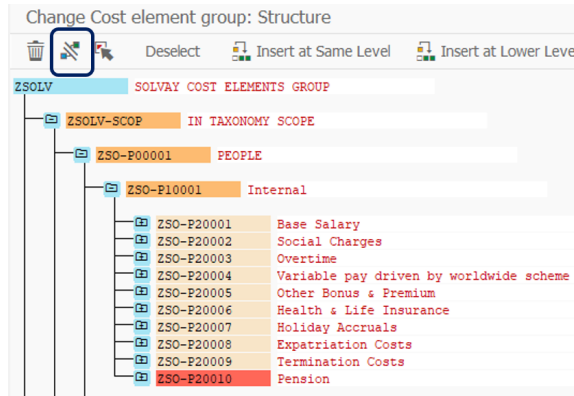
The group to be deleted is highlighted in red



Click the button remove



Before deleting a group, make sure there is no more cost element included in the group otherwise you must move them before in another group.



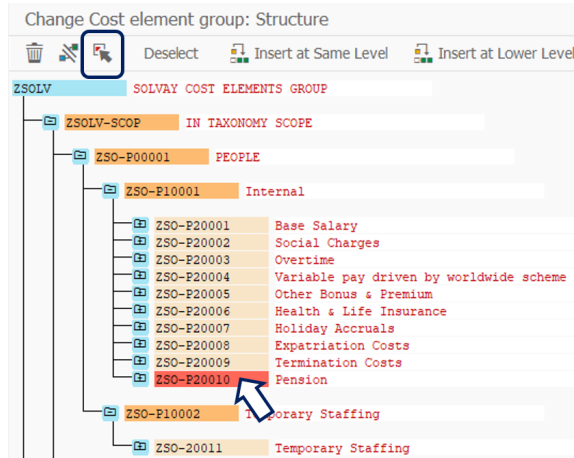
### 3. Move an existing group

Click on the group you want to move a

nd then click



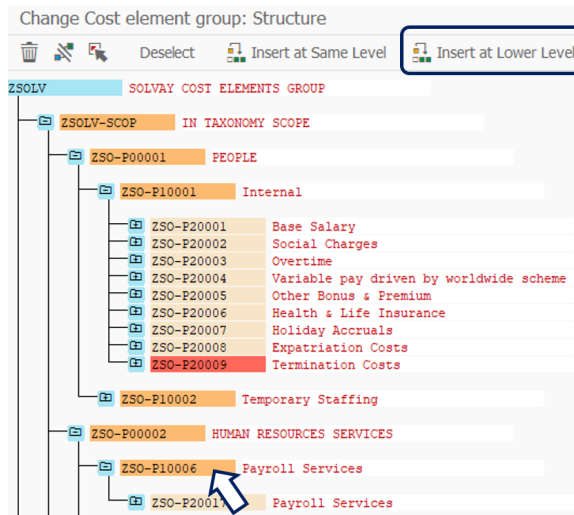
The group to be moved is highlighted in red



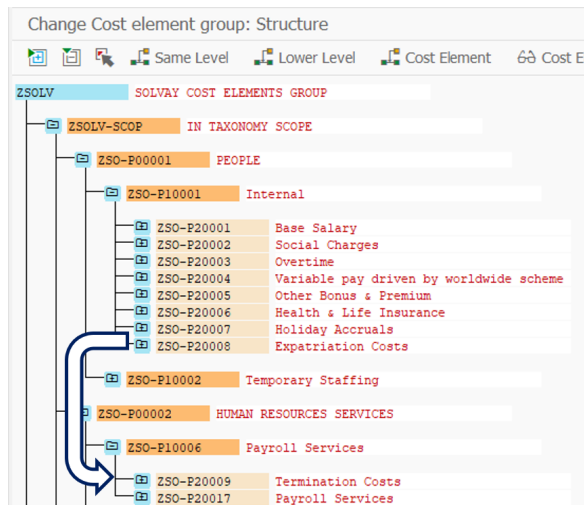
Click on the group in which you want to include the group and then click



Insert at Lower Level



The group has moved



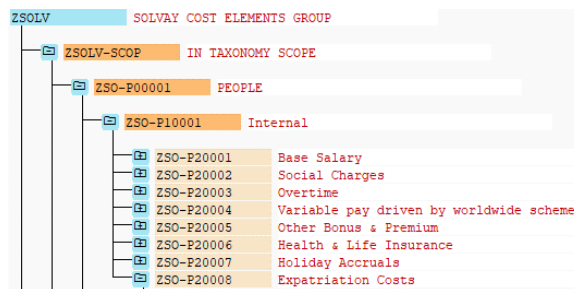
#### 4. Rename a group

You can easily change the description of a group



Remember that hierarchies are used in reporting tools. To make them easier to read:

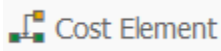
- Maintain consistency in descriptions (avoid mixing upper and lower case letters)
- Avoid too long descriptions



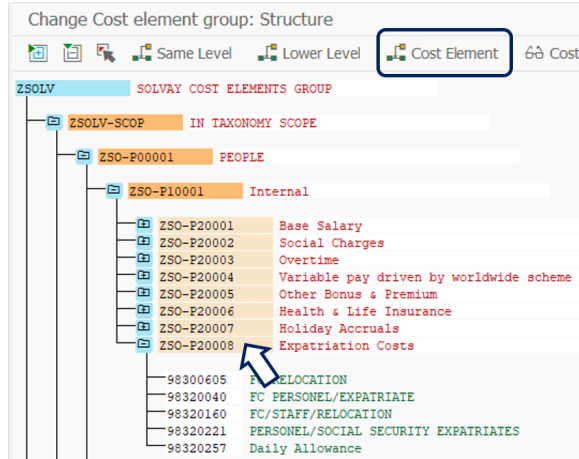
#### 5. Include a new cost element

Click the group in which you want to include a new cost element

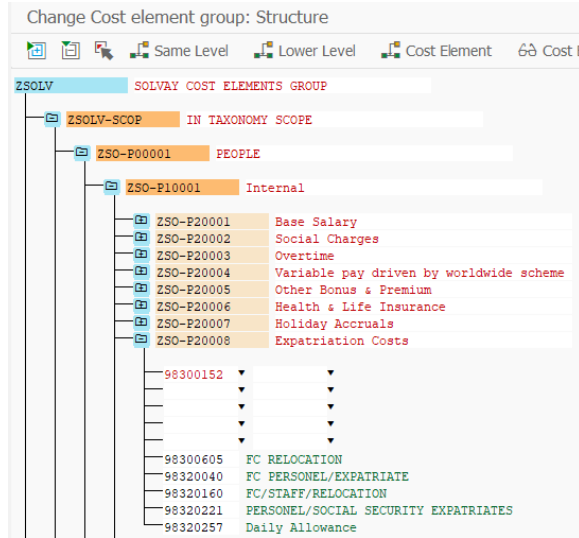
and then click



you can click several times if you want to include more than 5 cost elements



Enter the code of the cost element you want to include



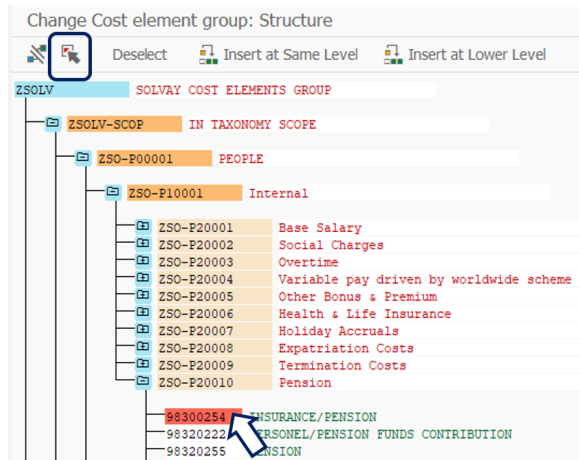
## 6. Change the group of a cost element

Click on the cost element you want to move

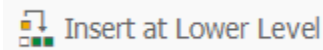


and then click

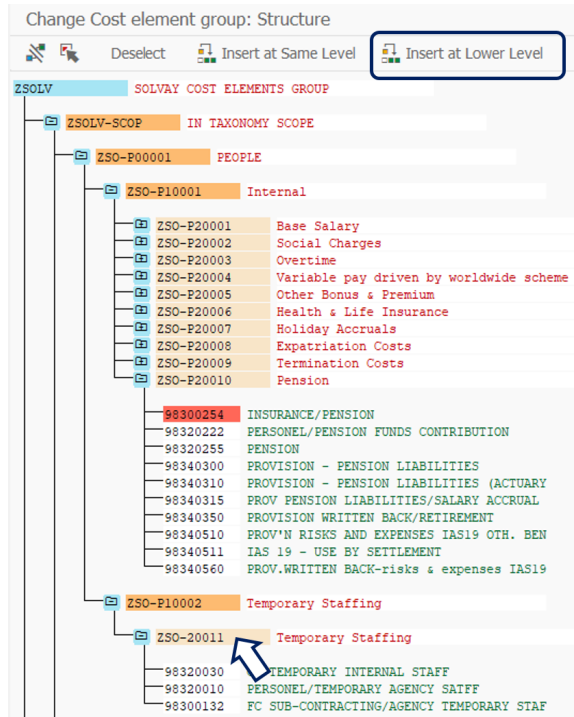
The cost element to be moved is highlighted in red



Click on the group in which you want to include the cost element and then click

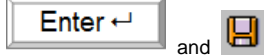


The cost element has moved

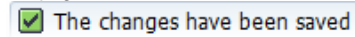


**STEP 4**

Once your changes are done



There is a message at the bottom of the page



You can leave the transaction



### 3.2. I communicate that the cost element hierarchy has been updated

## Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Apr 29, 2026	Actor	Type	Activity	Version
Published	ALVES, Sofia	State	changed state to <b>Published</b> at 11:02 am	v15
Draft	ALVES, Sofia	State	gave <i>Approvers</i> approval at 11:02 am	
		State	changed state to <b>Draft</b> at 11:02 am	v15
From Oct 30, 2025 to Apr 29, 2026				
Published	TORRES, Joao and ALVES, Sofia	Edit	multiple updates from <b>TORRES, Joao</b> and <b>ALVES, Sofia</b> Other contributors:	

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	TORRES, Joao	State	changed state to <b>Published</b> at 9:54 pm	v14
Draft	TORRES, Joao	State	gave <i>Approvers</i> approval at 9:54 pm	
		State	changed state to <b>Draft</b> at 9:54 pm	v14

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