

# I receive a request to create a secondary cost element

Domain: Finance Data & Reporting

Responsibility area: Maintain Costing Master Data

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### Scope



### ERP



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### References

[KA06 - Create a secondary cost element](#)

### Forms

### Attachments

[Cost element - Master Data](#)

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## 1. Objective and Scope

### 1.1. Objective of this Operation

A secondary cost element represents postings that occur between controlling objects within CO and from CO to COPA. A secondary cost element is essentially an account that exists only in the CO module, not in FI. When costs are moved (e.g., from one cost center to another using an assessment, or from a cost center to a production order), no postings are made in FI.

The secondary cost element [category](#) is 21, 42 or 43

The codification of a [secondary cost element](#) depends on the system:

- In PF2 = 98xxxxxxxx
- In WP2 = 99xxxxxx

The creation of new secondary cost elements should be done in very limited cases. Usually it is done in the frame of a project when a new process is set-up and requires the creation of a new cost element.



### Exception

Certain secondary cost elements are designated for Lump Sum invoicing, each with a specific coding structure.

The codification depends on the system:

- In PF2 = 92xxxxxxxx
- In WP2 = 99422xxx

Requests related to this should be initiated by the Intercompany Team.

For more information about this process, please refer to the following link:

[\[Insert link to ppt about the process\]](#)

## 1.2. Scope

In PF2 (Controlling Area: CHEF) & WP2 (Controlling Areas: Z006, Z013, Z025, Z026 and Z028)

## 2. Definitions

See [Finance Glossary](#)

## 3. Tasks description

*3.1. I receive the request to create a secondary cost element*

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

*3.3. I analyze the information provided in the request and ask validation to PE Costing*

A secondary cost element is created in limited cases and must follow the standard rules:



There are 2 types of secondary cost elements:

- Cost elements to transfer costs between cost centers, orders & WBS
- Cost elements to transfer costs from the cost centers to COPA (in PF2 we speak about "Reporting cost elements")

## In PF2

**The codification of a cost element to transfer costs between cost objects is:**

- 9 : secondary cost element
- 4 digits : [cost section](#)
- 3 digits : local need
- 1 digit
  - 0 - ad cost
  - 1 - unit price
  - 2 - fixed price
- 1 digit
  - 0 - settlement
  - 1 - assessment
  - 2 - activities

9 Secondary cost element

X X X X Cost section

X X X Local needs

X 0 – ad cost

1 – unit price  
2 – fixed price

X 0 – settlement  
1 – assessment  
2 – activities

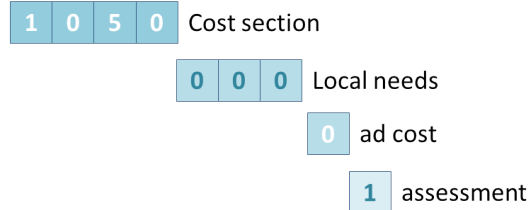
### Example

*Codification of a non reporting secondary cost element used to settle Maintenance with assessment cycles*

- 9 : secondary cost element

- 4 digits : cost section : 105 Maintenance
- 3 digits : by default 000
- 1 digit : 0 - ad cost
- 1 digit : 1 - assessment

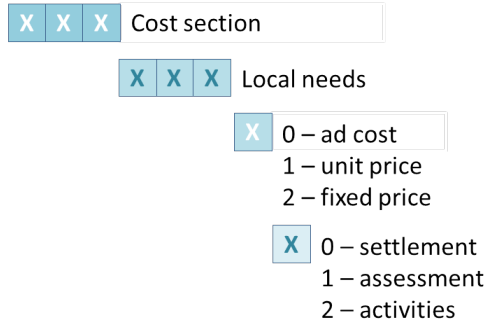
### 9 Secondary cost element



**The codification of a Reporting cost element** (to transfer costs from a cost center to COPA):

- 98 : reporting cost element
- 3 digits : cost section
- 3 digits : local need
- 1 digit
  - 0 - ad cost
  - 1 - unit price
  - 2 - fixed price
- 1 digit
  - 0 - settlement
  - 1 - assessment
  - 2 - activities

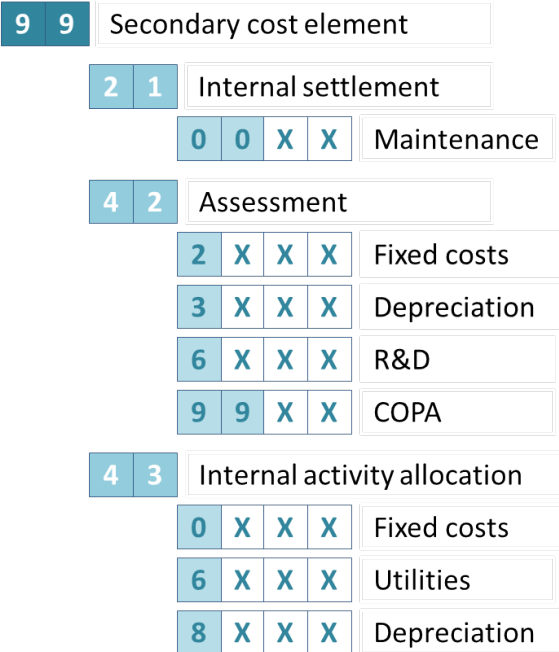
### 9 8 Secondary cost element



## In WP2

The codification of a secondary cost element is:

- 99 : secondary cost element
- 6 digits : the first digits depend on the use of the cost element



If the need of a new secondary cost element is confirmed, I [create a secondary cost element](#)