

What is Cost Element Accounting in SAP | SAP CO-CEL

What is SAP Cost element accounting

In SAP, cost element accounting (CO-OM-CEL) deals with the collection of costs and summarizes costs within controlling and posts to reconciliation ledger account. For every profit & loss type G/L account type, corresponding cost elements are to be created in SAP R/3 system.

What are cost elements?

Cost element is an item in the chart of accounts, which is used in [controlling area](#) to record the values assigned consumption of production factors like raw material, utilities, etc. cost elements are divided in to two types i.e.

1. Primary Cost / Revenue Elements
2. Secondary Cost Elements

Primary Cost Elements: –

Primary cost elements describes the costs that occurs outside of controlling. It links to SAP financial accounting (FI) expenses account (corresponding to G/L account required for costs). When you are creating new primary cost elements, the SAP check if a corresponding accounts are available in [SAP Financial accounting](#).

Cost Element Categories: –You need to assign a particular cost element category when you are implementing cost element accounting in SAP.

- 01 – Primary costs / cost reducing revenues
- 11 – Revenues
- 12 – Sales deductions

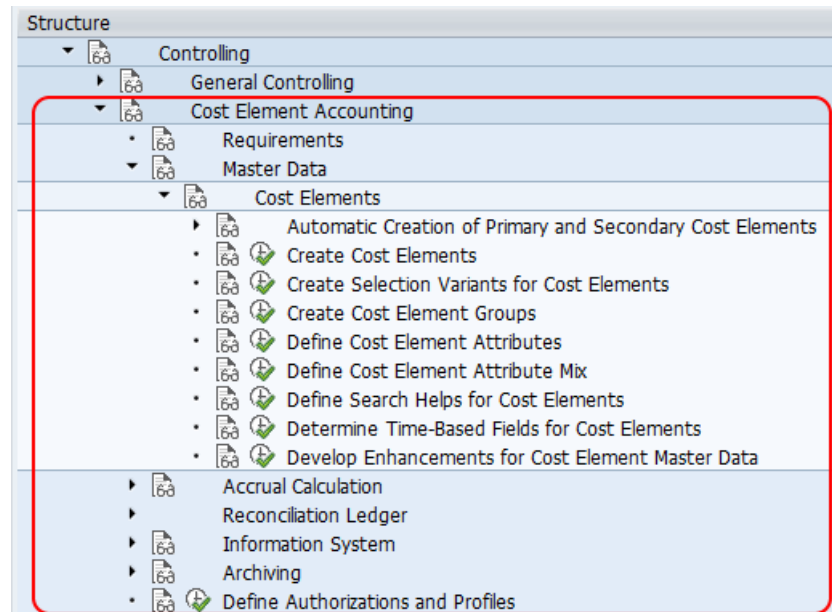
Secondary Cost Elements

It describes the costs flows that occurs only within controlling like allocations, overhead cost calculations, etc. No link to SAP FI expense accounts.

Secondary Cost element category: – Similarly you need to assign a cost element category when you are creating secondary cost elements. Some of the important secondary cost element category are

- 01 – Internal Settlements
- 31 – Order/ Project results analysis
- 41 – Overhead
- 42 – Assessment
- 43 – Internal activity allocation

The primary configuration of cost element accounting in SAP involve maintenance of cost element master data and information system.



The important configuration steps of SAP CO-CEL are

- Creation of primary cost elements
- Creation of secondary cost elements
- Creation of cost element group
- SAP CO/FI reconciliation in company code currency
- Cost element master data reports.

Also read: [what is cost center accounting in SAP.](#)

SAP CO

- SAP CO Tutorial

Basic SAP CO Settings

- Maintain controlling area

- Assign Company code to controlling area

- Define number range interval for SAP co documents

- Maintain Versions

SAP CO Cost Center Accounting

- What is SAP Cost center accounting

- Create Cost center

- What is cost element accounting

- Create primart cost elements

- Create cost element group

- Create secondary cost elements in SAP

- Activate cost center accounting

- Define cost center categories

- Define cost center standard hierarchy

SAP CO Profit Center Accounting

- Create dummy profit center

- Define profit center group

- Maintain Profit center standard hierarchy

SAP CO cost element Accounting

SAP CO Internal Orders

SAP CO Profitability Analysis

SAP CO Reports, Tables

SAP TCodes

- SAP TCodes

- SAP CO TCodes