



South Carolina Enterprise Information System

# LESSON 11: Managing Cost Allocation

STATE INFORMATION  
TECHNOLOGY



SC BUDGET AND CONTROL BOARD

# Lesson 11 Learning Objectives

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- Upon completion of this lesson, you should be able to:
  - Understand the various cost allocation methods and bases available.
  - Understand internal orders and their use for planned costs.
  - Understand key transactions necessary for year-end controlling reports.

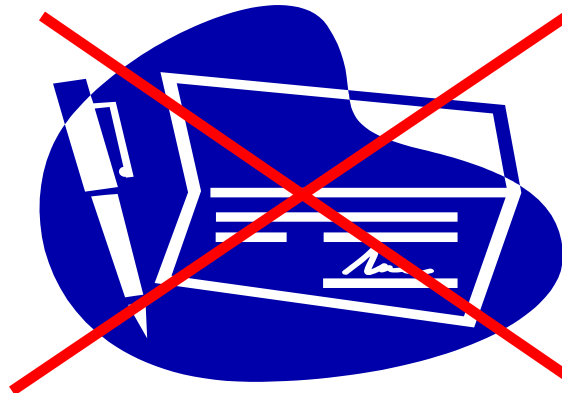
# Allocations & Settlement In Controlling



Method	Automation / Timing	Cost Elements	Allocation Basis
Distribution	Automated / Month-end	Primary	Statistics, \$, %
Assessment	Automated / Month-end	Secondary	Statistics, \$, %
Settlement (only WBS and Internal Orders)	Automated / As required	Primary or Secondary	%, \$
Direct Activity Allocation	Manual / As required	Secondary	Price/Unit x Units
Manual Allocation	Manual / As required	Primary	Manual \$ amount
Manual Reposting of Primary Costs	Manual / As required	Primary	Manual \$ amount

# Internal Orders & Plan Costs

- Internal Orders can be used to track Plan costs.
- Internal Orders can give you “What if” scenarios.
- Keep in mind that this does not create a budget check.



- If you run out of money in the internal order, there is no notification, as budgets are not maintained at the Internal Order level.

# Controlling Reports to Review

Title	Transaction Code	Purpose
Cost Centers Actual/Plan/Variance	S_ALR_87013611	Compares actual, plan and variance figures with respect to cost center
Orders: Actual/Plan/Variance	S_ALR_87012993	Compares actual, plan and variance figures with respect to internal orders
Cost Centers: Actual Line Items	KSB1	Displays the actual cost line items for cost centers
Orders: Line item Report (User Friendly )	KOB1	Compares total plan, actual period, current period and cumulative figures with respect to internal orders.

# CO Settlements

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- CO settlements will be run after FI closing period accrual entries have been made.
- Settlements will be run centrally for now.

# Lesson 11 Summary

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- You should now be able to:
  - Understand the various cost allocation methods and bases available.
  - Understand internal orders and their use for planned costs.
  - Understand key reports and transactions necessary for year-end controlling reports.