



S4 Service Cost Accounting-Item Based Accounting

PRESENTED BY:
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Introduction

S4 HANA Service is an enhanced version of CRM Service management. It has functionalities to support Customer Service to Field Service, Service Contract to Recurring Service, and Returns to In-House Service. In addition, Service is tightly integrated with billing, procurement, finance, logistics, master data management, and analytics.

Topics:

- # Basic Concepts
- # Master Data
- # Process Flow
- # Key Configurations Elements
- # System Screen Shots
- # Take-Aways

Topic #1 Basic Concepts

S/4HANA Service Management provides an integrated framework for planning, executing, costing, and billing customer service activities.

Connects logistics, finance, controlling, and customer experience processes into a single, real-time platform.

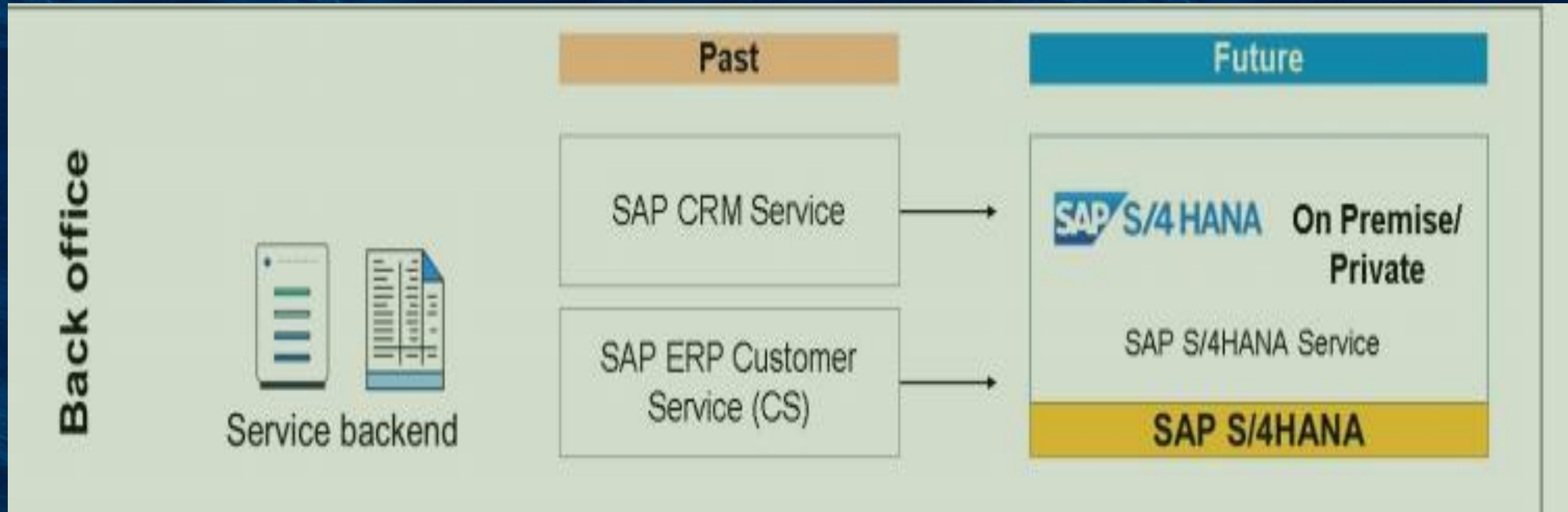
The goal is to ensure that service organizations can manage the full lifecycle of service.

Achieves financial accuracy and operational efficiency using S4 Cost Accounting, Results Analysis, Resource Related Billing, and Billing Document Requests.

S4 HANA Services covers 3 end-to-end processes, and the in-house repair process will be used to demonstrate the costing and accounting concepts. Common processes are similar in all.

End to End Process	Sub Details	Common Costing and Accounting Integration
Customer Service to Field Service	Customer Complaints → Service Quote → Service Order → Spare Parts Purchase → Service Confirmation (Technician performs the service) → Billing and Incoming Payments	• Service Order Plan Costs • Service Confirmation Actuals • Billing And Payments
Maintenance Contracts and Warranty Claim	Equipment Sold → Service Contact → Maintenance Plant → Warranty Claim → Service Order → Spare parts Purchase → Warranty Claim → Service Order → Service Confirmation → Billing and Incoming Payments	• Service Order Plan Costs • Service Confirmation Actuals • Billing And Payments
In house Repair	Customer Complaints → Equipment Return → In-house Repair Order → Spare parts Purchase → Service Confirmation → Billing and Incoming Payments	• Service Order Plan Costs • Service Confirmation Actuals • Billing And Payments

The Service Process in S4 HANA has been redesigned using the old-school CRM (Customer Relationship Management Service) module. All the processes hover around the service order or repair order that tracks materials and overhead items, and service confirmation that would post all goods movement and activity types, and overhead cost to a special Internal Order. This Internal Order is fully integrated with the service order.



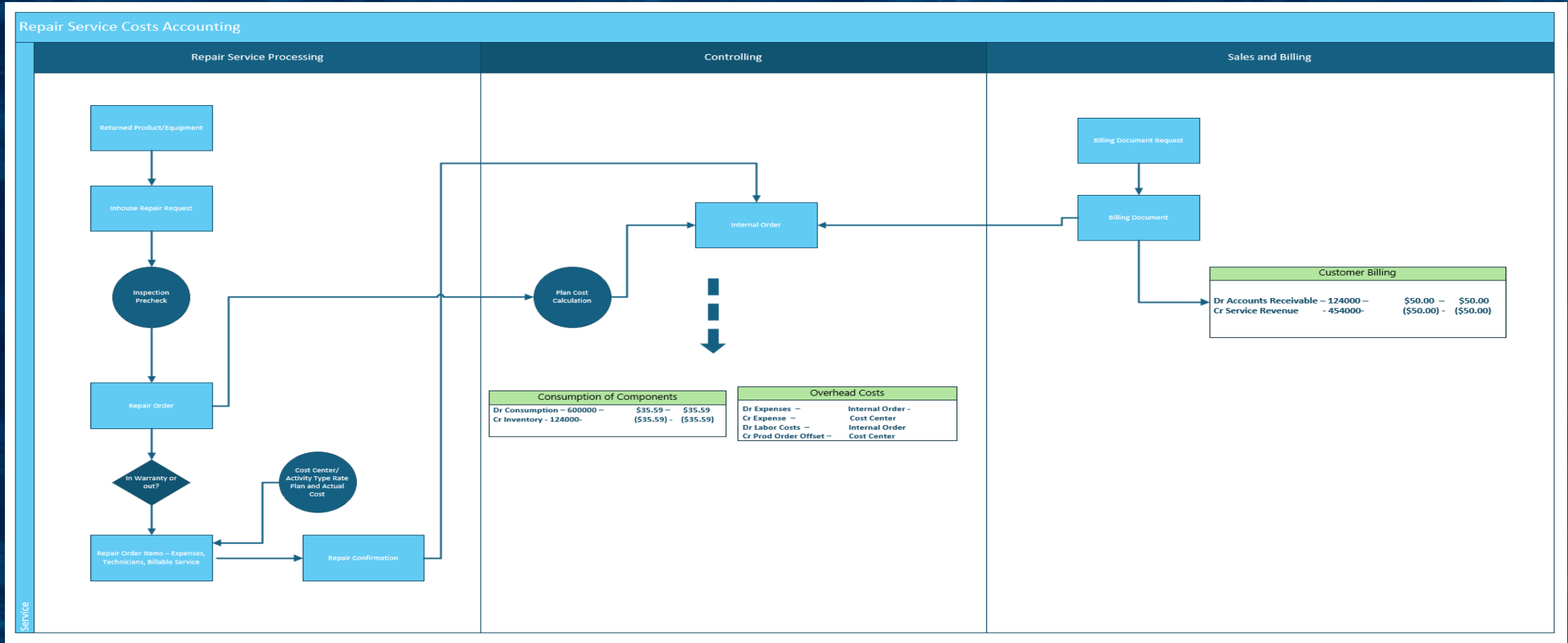
Topic #2 Master Data

- The following Master Data Elements are used in S4 Service

Data Element	Details
Organizational Management in Service	• Service offers us two options for organizational management. One option is the enterprise organizational management that allows you to directly use sales organizational structures from Sales and enterprise service organizations. Another option is the legacy organizational management option. The legacy option offers you a flexible tool for displaying your company's task-related, functional organizational structure as a current organizational model.
Service Teams	• The service team is an organizational unit to which service employees are assigned for performing service tasks. It facilitates the assignment of service employees in service transactions, related analytics, and the search for service transactions. We can implement service teams by using the team function in Responsibility Management. In the Manage Teams and Responsibilities app, you can create master data or maintain pre-delivered master data for your service teams by specifying team types of team category Service.
Business Partner	• An example could be an employee is a member of your company and involved in the interactions between your company and customers, prospects, vendors, and other parties.
Product	• Services provided (service product: material type group Service) • Service parts required for the service (service part: product type Material) • Products sold in relation to a service (sales product: product type Material)

Topic #3 Process Flow

- Process flow a simple Service processing



Key Configuration Elements

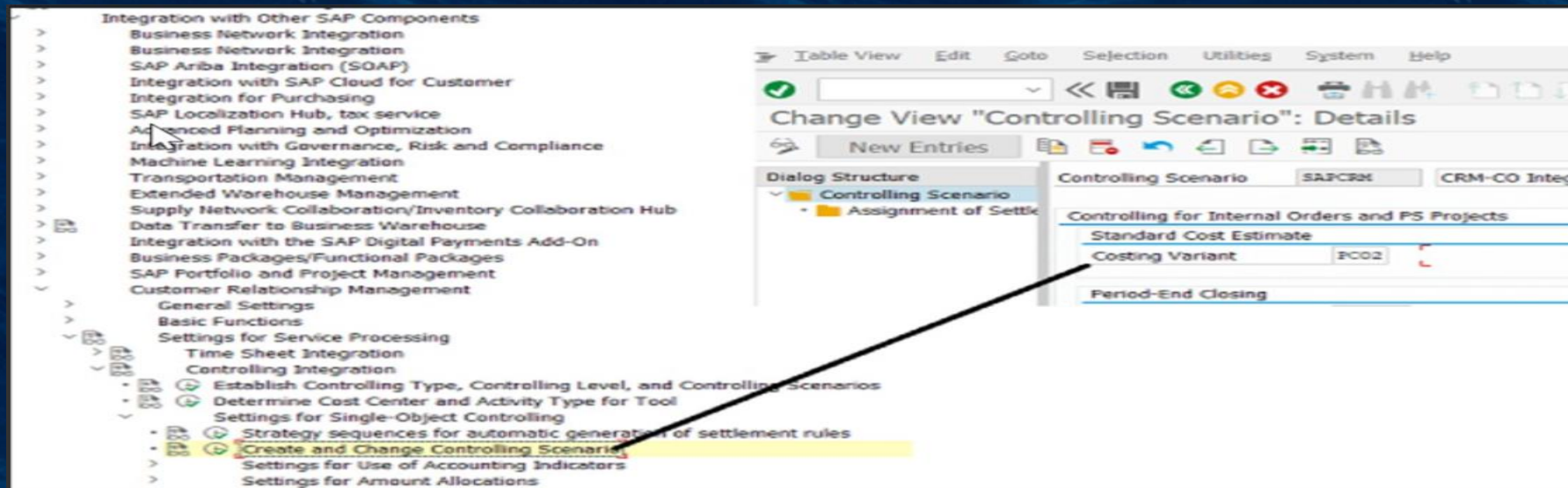


Topic #4 Key Configuration Elements

Controlling Scenario

Transaction Code: SPRO

Integration with Other SAP Components → Customer Relationship Management → Settings for Service Processing → Controlling Integration → Settings for Single-Object Controlling → Create and Change Controlling Scenario



Topic #4 Key Configuration Elements

Absorption Cost Center Derivation

Transaction Code: PA30

Cost center of Executive Employee: go to SAP Transaction PA30, select the Infotype "Organizational Assignment" and verify the field Cost Center

The screenshot displays the SAP PA30 transaction interface. The title bar at the top reads "Display Organizational Assignment". The left sidebar shows a tree view with "Person" selected. The main area contains the following data:

Personnel Data		Assignment Data	
Pers. No.	627	Pers.Assgn	00000627 99999999 00000627
Personnel No	627	Name	Harry Potter
EE group	1 Active	Personnel ar	ZUS1 United States Headquarter
EE subgroup	U3 Standard salary	Status	Active
Start	01.05.2019 to 31.12.9999	Chng	07.06.2019 VEITT

Enterprise structure			
CoCode	F002	Tools Inc. America	Leg.person
Pers. area	ZUS1	United States Headquarter	Subarea
Cost Ctr	2002	Sales	Bus. Area
			F002 Pumps

Personnel structure		Payroll Data	
EE group	1 Active	Payr.area	US HR-RU: Semi-monthly
EE subgroup	U3 Standard salary	Contract	

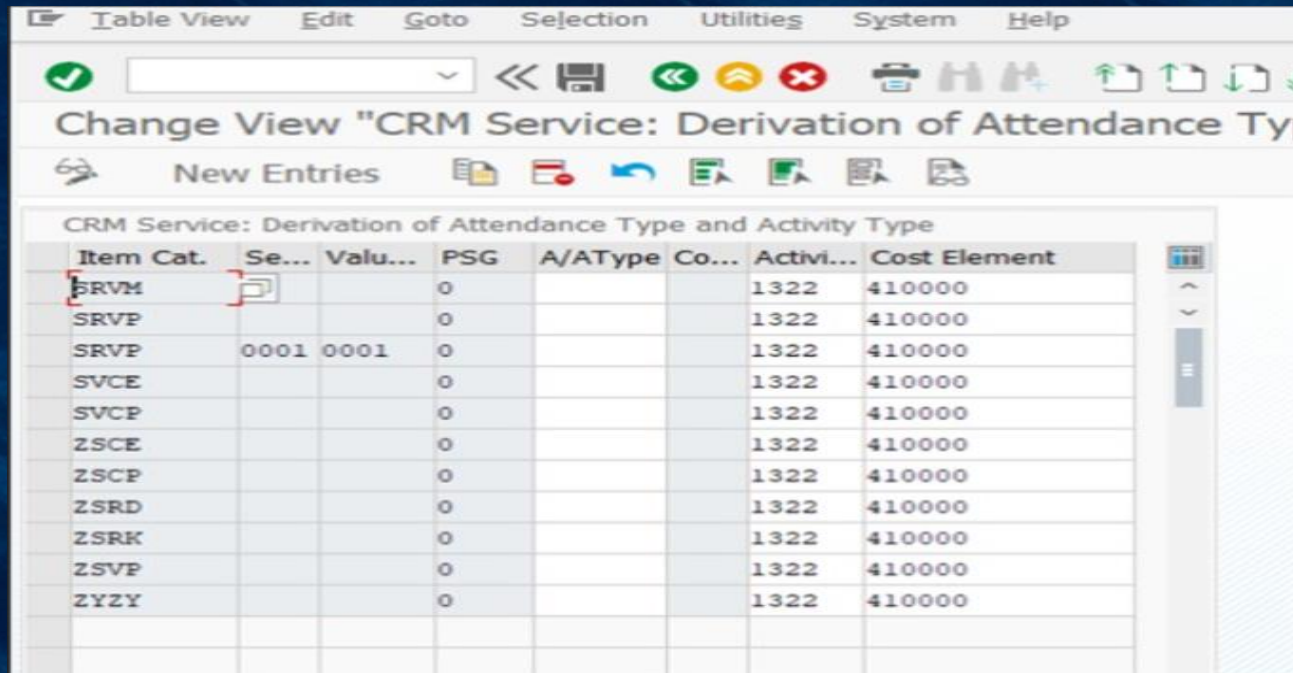
Topic #4 Key Configuration Elements

Activity Type and Service Material Expense Account

Transaction Code: PA30

Customizing: Integration with Other SAP Components → Customer Relationship Management > Settings for Service Processing > Time Sheet Integration > Define Derivation of Attendance Type, Activity Type, and Cost Element.

Activity type must be defined per item category. For example



The screenshot displays the SAP PA30 transaction interface. The title bar indicates 'Change View "CRM Service: Derivation of Attendance Type and Activity Type"'. Below the title bar, there is a toolbar with various icons for navigation and editing. The main table is titled 'CRM Service: Derivation of Attendance Type and Activity Type' and contains the following data:

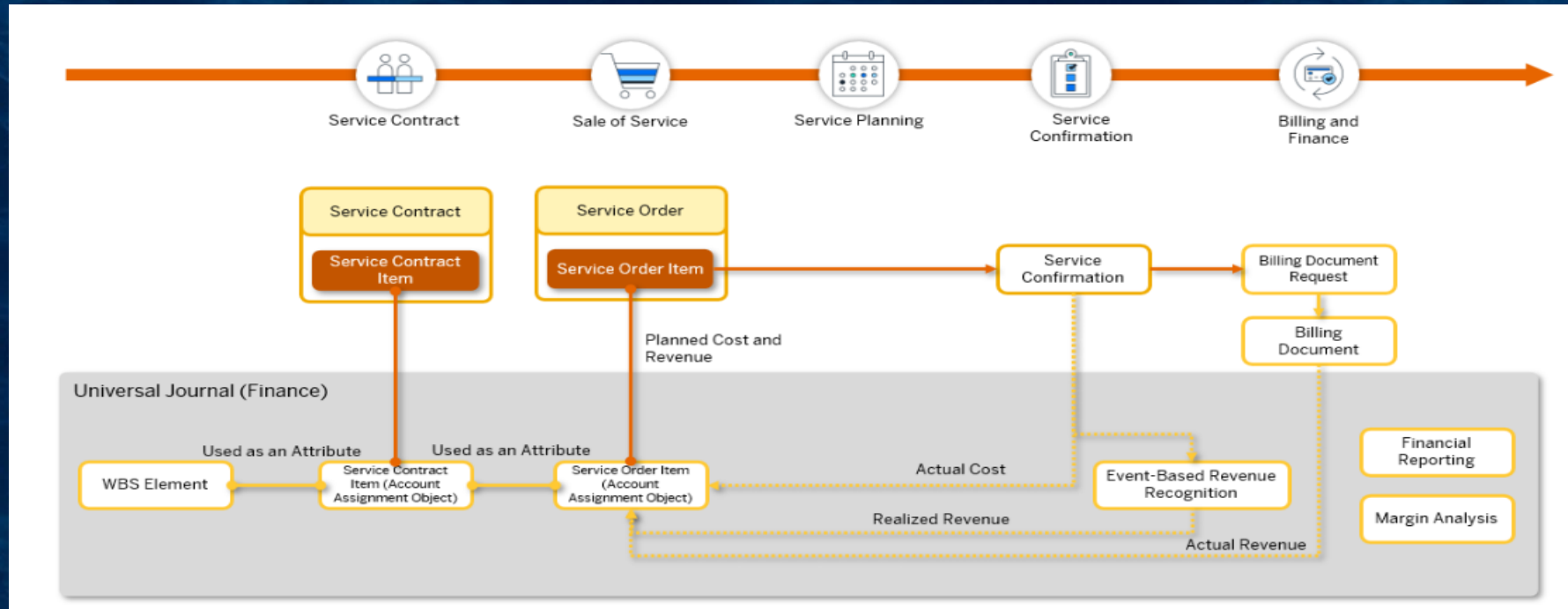
Item Cat.	Se...	Valu...	PSG	A/AType	Co...	Activi...	Cost Element
SRVM			0			1322	410000
SRVP			0			1322	410000
SRVP	0001	0001	0			1322	410000
SVCE			0			1322	410000
SVCP			0			1322	410000
ZSCE			0			1322	410000
ZSCP			0			1322	410000
ZSRD			0			1322	410000
ZSRK			0			1322	410000
ZSVP			0			1322	410000
ZYZY			0			1322	410000

Topic #4 Key Configuration Elements

Item-Based Accounting Option

Transaction Code: SPRO

Service → Transactions → Settings for Service Transactions → Integration → Enable Item-Based Accounting for Service



System Demo Screenshots



Topic #5 System Screen Shots

Manage In house Repair Initial App

<

SAP

Manage In-House Repair Details

▼

1000000468

ConfirmEdit

Account

General Information

Service Contracts

Status

Sold-To Party: LA , \$LA COUNTRY CLUB INC INC.

Created On: 02/26/2026

0

Open

In-House Repair Details

Notes

Repair Objects

Change Documents

Transaction Data

Account

Organizational Data

Responsibility

Transaction Type:
In-House Repair

Sold-To Party:
1000000000

Contact Person:
—

Ship-To Party:
LA , \$LA COUNTRY CLUB INC INC.

Sales Organization:
1010

Distribution Channel:
10

Division:
10

Sales Office:
—

Sales Group:
—

Employee Responsible:
Surajit Mohanty

Notes

Customer Instructions:

GRIP TYPE & SIZE:

LIE:

ERROR SYMPTOM:

HEAD:

LENGTH:

SWINGWEIGHT:

CONTACT PERSON:

SHAFT TYPE & FLEX:

LOFT:

SPECIAL INSTRUCTIONS:

Topic #5 System Screen Shots

Several Decision Points to Choose From

The screenshot displays the SAP 'Perform Precheck Details' interface for a repair object. The header shows a back arrow, the SAP logo, and the title 'Perform Precheck Details' with a dropdown arrow. On the right, there is a search icon and a user profile icon labeled 'SAP'. Below the header, the main content area is divided into sections. The top section displays 'Club serial label' with the value '10051007' and an 'Edit' button. Below this, a table-like structure shows details for the repair object, account, and status. The status is 'Precheck: Decision Pending'. The bottom section contains four decision points, each with an icon and a description:

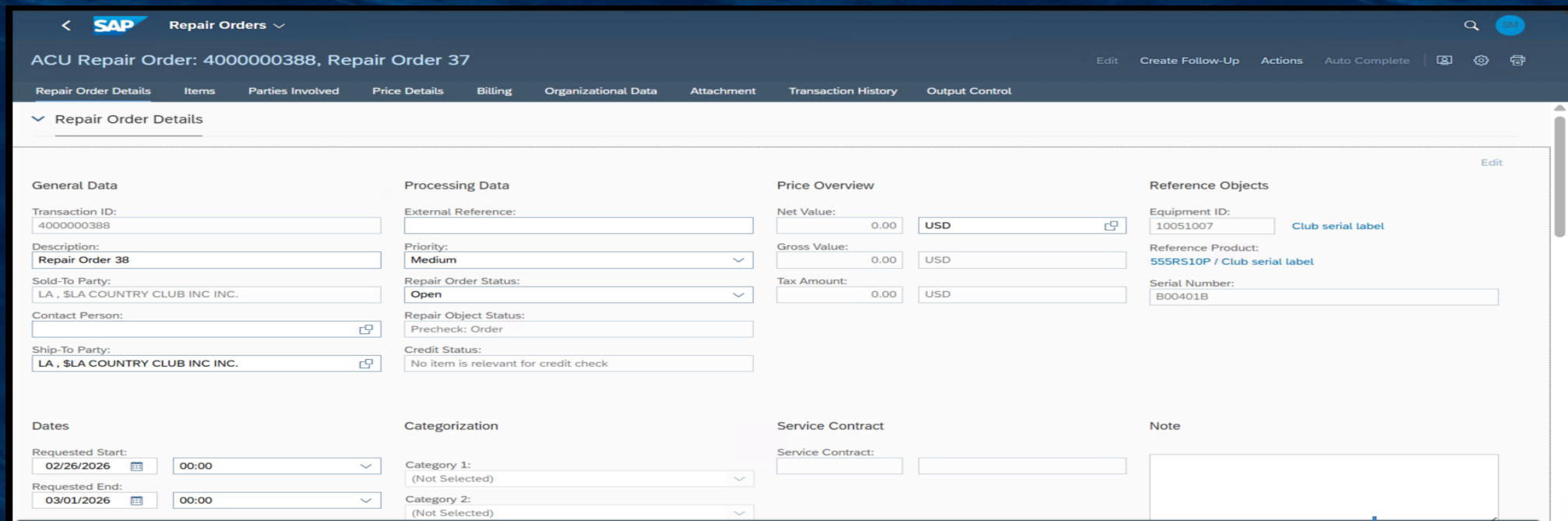
Repair Object	Account	Status
Equipment: Club serial label (10051007)	Sold-To Party: LA, SAP COUNTY CLUB INC INC.	Precheck: Decision Pending
Product: Club serial label (555RS10P)	Contact Person:	
Serial Number: B00401B	Ship-To Party: LA, SAP COUNTY CLUB INC INC.	

Below the table, there is a navigation bar with tabs: 'Decide', 'General Information', 'Notes', 'Service Contracts', and 'Transaction History'. The 'Decide' tab is active. The main content area below the tabs contains four decision points:

- Quotation**: Create a repair quotation or add the repair object to an existing quotation.
- Returns Order**: Create a returns order to manage the return of the repair object by the customer.
- Create Repair Order**: Create a repair order that you use to plan and perform the diagnosis or the repair.
- Set Repair Object to Completed**: Finalize the in-house repair process for the repair object.

Topic #5 System Screen Shots

Repair Order Creation



The screenshot displays the SAP Repair Order Creation interface. At the top, the breadcrumb navigation shows 'Repair Orders' with a dropdown arrow. The main title is 'ACU Repair Order: 4000000388, Repair Order 37'. To the right of the title are icons for 'Edit', 'Create Follow-Up', 'Actions', 'Auto Complete', and a search icon. Below the title is a horizontal menu with tabs: 'Repair Order Details' (selected), 'Items', 'Parties Involved', 'Price Details', 'Billing', 'Organizational Data', 'Attachment', 'Transaction History', and 'Output Control'. The 'Repair Order Details' section is expanded, showing a grid of data fields organized into four columns: General Data, Processing Data, Price Overview, and Reference Objects. The General Data column includes fields for Transaction ID (4000000388), Description (Repair Order 38), Sold-To Party (LA, SLA COUNTRY CLUB INC INC.), Contact Person, and Ship-To Party (LA, SLA COUNTRY CLUB INC INC.). The Processing Data column includes fields for External Reference, Priority (Medium), Repair Order Status (Open), Repair Object Status (Precheck: Order), and Credit Status (No item is relevant for credit check). The Price Overview column includes fields for Net Value (0.00 USD), Gross Value (0.00 USD), and Tax Amount (0.00 USD). The Reference Objects column includes fields for Equipment ID (10051007), Reference Product (555RS10P / Club serial label), and Serial Number (B00401B). Below the grid, there are sections for Dates, Categorization, Service Contract, and Note. The Dates section includes fields for Requested Start (02/26/2026 00:00) and Requested End (03/01/2026 00:00). The Categorization section includes fields for Category 1 and Category 2, both set to (Not Selected). The Service Contract section includes a field for Service Contract. The Note section is empty.

Repair Order Details

General Data

Transaction ID: 4000000388

Description: Repair Order 38

Sold-To Party: LA, SLA COUNTRY CLUB INC INC.

Contact Person:

Ship-To Party: LA, SLA COUNTRY CLUB INC INC.

Processing Data

External Reference:

Priority: Medium

Repair Order Status: Open

Repair Object Status: Precheck: Order

Credit Status: No item is relevant for credit check

Price Overview

Net Value: 0.00 USD

Gross Value: 0.00 USD

Tax Amount: 0.00 USD

Reference Objects

Equipment ID: 10051007 Club serial label

Reference Product: 555RS10P / Club serial label

Serial Number: B00401B

Dates

Requested Start: 02/26/2026 00:00

Requested End: 03/01/2026 00:00

Categorization

Category 1: (Not Selected)

Category 2: (Not Selected)

Service Contract

Service Contract:

Note

Topic #5 System Screen Shots

Repair Order Items – Service Materials and Labor

The screenshot shows the SAP Repair Order Items screen for ACU Repair Order: 4000000388, Repair Order 38. A dropdown menu is open, showing options for item types: ExpItem (Ad Hoc Bll), SrvPrt (Ad Hoc Bll), SrvItem (Ad Hoc Bll), Expense (FixedPrice), Service Part (FxFix), Service (FixedPrice), PurchReq ServicePart, Expense, Service Part Compon, Service Item-Labour, Service Expense Item, Service Product - Lib, Header Item, and Bundle Service Part. The main table displays items with columns: Actions, Item Num..., Higher Lev..., Product ID, Quantity, Quantity U..., Product, Net Value, Currency, Status, and Item Category Usage. The table shows two items: Item 10 (Service Material 1) and Item 20 (Service Material 1).

Actions	Item Num...	Higher Lev...	Product ID	Quantity	Quantity U...	Product	Net Value	Currency	Status	Item Category Usage
	10		151	2.000	EA	Service Material 1	320.00	USD	Open	
	20		151	1.000	EA	Service Material 1				

The screenshot shows the SAP Repair Order Items screen for ACU Repair Order: 4000000388, Repair Order 38. The main table displays items with columns: Actions, Item Num..., Higher Lev..., Product ID, Quantity, Quantity U..., Product, Item Category, Net Value, Currency, Status, and Item Category Usage. The table shows two items: Item 10 (Service Material 1) and Item 20 (Service Material 1). Below the table, the 'Parties Involved' section shows the Partner Function, Partner ID, Name, and Main Partner.

Actions	Item Num...	Higher Lev...	Product ID	Quantity	Quantity U...	Product	Item Category	Net Value	Currency	Status	Item Category Usage
	10		151	2.000	EA	Service Material 1	Service Item-La...	320.00	USD	Open	
	20		151	1.000	EA	Service Material 1	Expense (Fixed...	150.00	USD	Open	

Parties Involved

Partner Function	Partner ID	Name	Main Partner
Bill-To Party	1000000000	LA, SLA COUNTRY CLUB INC INC.	☒
Employee Responsible	20000518	Surjit Mohanty	☒

Topic #5 System Screen Shots

Repair Order Item – Accounting Indicator

The screenshot displays the SAP Repair Orders interface for 'ACU Repair Order Item: 10, Service Material 1'. The 'Accounting Indicator' field is highlighted with a red rectangle and contains the value 'COGS'.

General Data

- Product: 151 Service Material 1
- Quantity: 2.000 EA
- Planned Duration: 4.000 (Not Selected)
- Service Type: (Not Selected)
- Valuation Type: (Not Selected)
- Status: Open
- Credit Status: Not relevant for credit check
- Execution Status: Not Available
- Net Value: 0.00 USD

Dates

- Requested Start: 02/27/2026 00:00
- Requested End: 03/02/2026 00:00
- First Response By Date: 02/27/2026 18:02
- Due By: 02/28/2026 02:02

Service Contract

- Service Contract:

Accounting Indicator: COGS

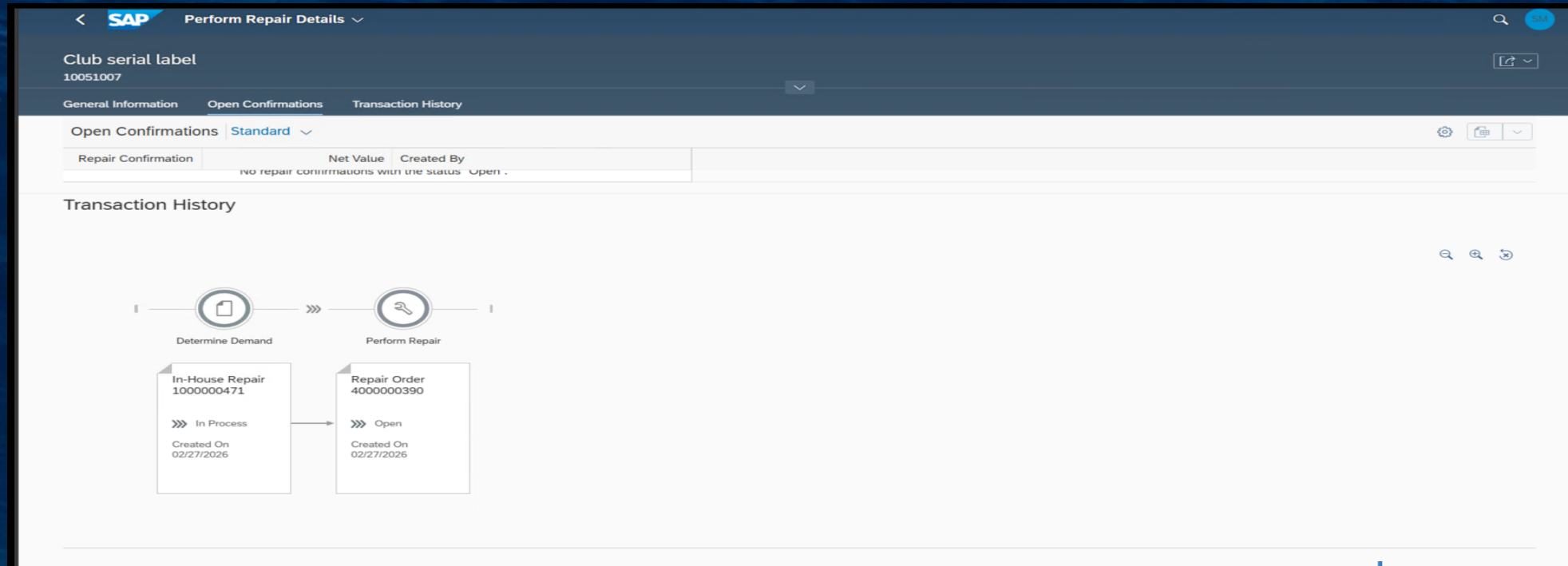
Categorization

- Category 1: (Not Selected)
- Category 2: (Not Selected)
- Category 3: (Not Selected)
- Category 4: (Not Selected)

Footer: count Assignment Snipping Tool Back

Topic #5 System Screen Shots

Repair Order Saved



The screenshot displays the SAP S/4HANA 'Perform Repair Details' interface. At the top, the header shows the SAP logo and the title 'Perform Repair Details'. Below this, the 'Club serial label' is identified as '10051007'. The interface is divided into three tabs: 'General Information', 'Open Confirmations', and 'Transaction History'. The 'Open Confirmations' tab is active, showing a table with columns for 'Repair Confirmation', 'Net Value', and 'Created By'. A message indicates 'no repair confirmations with the status Open'. The 'Transaction History' section features a process flow diagram with two steps: 'Determine Demand' and 'Perform Repair'. The 'Determine Demand' step is linked to an 'In-House Repair' (ID: 1000000471) with a status of 'In Process', created on 02/27/2026. The 'Perform Repair' step is linked to a 'Repair Order' (ID: 4000000390) with a status of 'Open', also created on 02/27/2026. The diagram uses arrows to show the flow from 'Determine Demand' to 'Perform Repair'.

Topic #5 System Screen Shots

Repair Confirmation and Item Copy Control

The screenshot shows the SAP 'Repair Confirmations' interface. The main screen is titled 'ACU Repair Confir.: New' and includes tabs for 'Repair Confirmation Details', 'Items', 'Parties Involved', 'Organizational Data', 'Attachments', 'Transaction History', 'Change History', and 'Reference Objects'. The 'Repair Confirmation Details' tab is active, showing fields for ID, Description (Repair Order 38), Sold-To Party (LA, \$LA COUNTRY CLUB INC INC.), Contact, Ship-To Party (LA, \$LA COUNTRY CLUB INC INC.), Executing Service Employee (Surajit Mohanty), and Account Assignment (Not Selected).

A 'Follow-Up - Select Items' dialog box is open in the center, displaying a table with the following data:

	Transfer	Item No.	Higher...	Product ID	Product	Quantity	Unit
☒	☒	10		151	Service Material 1	2.000	EA
☒	☒	20		151	Service Material 1	1.000	EA

The dialog box also includes a search bar, a list icon, a dropdown arrow, and a settings icon. At the bottom right of the dialog are 'Choose' and 'Close' buttons.

Topic #5 System Screen Shots

Document Flow of repair confirmation

The screenshot displays the SAP Repair Orders interface. The top navigation bar includes the SAP logo, a back arrow, and a dropdown menu for 'Repair Orders'. The main header shows 'ACU Repair Confir.: 5000000179, Repair Order 39'. Below this, a secondary navigation bar lists tabs: 'Repair Confirmation Details', 'Items', 'Parties Involved', 'Organizational Data', 'Attachments', 'Transaction History', 'Change History', and 'Reference Objects'. The 'Items' tab is active, showing a table with columns: 'Actions', 'Transaction', 'Transaction Type', 'Posting Date', and 'Status'. The table contains four rows of data. Below the table, there are expandable sections for 'Change History' and 'Reference Objects'. The 'Reference Objects' section is expanded, showing a table with columns: 'Actions', 'Functional Location ID', 'Functional Location Descri...', 'Equipment ID', 'Equipment Description', 'Product ID', 'Product Description', 'Serial Number', and 'Main Object'. The table contains one row of data.

Actions	Transaction	Transaction Type	Posting Date	Status
	Repair Order 39	Repair Order	02/27/2026	Released
	500349	Internal order	02/27/2026	
	6	Time Sheet	02/27/2026	
	A0000200000618	Controlling Document	02/27/2026	

> Change History

Reference Objects

Actions	Functional Location ID	Functional Location Descri...	Equipment ID	Equipment Description	Product ID	Product Description	Serial Number	Main Object
			10051007	Club serial label			B00401B	

Topic #5 System Screen Shots

CATS Regular Integration and Transfer

The screenshot displays the SAP CATS: Transfer to Controlling interface. The top bar includes the SAP logo, a back arrow, and the title 'CATS: Transfer to Controlling'. Below the title bar, there are buttons for 'Save as Variant...', 'More', and 'Exit'. The main content area is divided into three sections: 'Selection Parameters', 'Date for Entry of Activity Allocation', and 'Parameters'. The 'Selection Parameters' section contains input fields for 'Personnel Number', 'Date', and 'Document Number', each with a 'to:' field and a copy icon. The 'Date for Entry of Activity Allocation' section has a 'Posting Date' field. The 'Parameters' section includes 'Max. No. of Parallel Tasks' (set to 1), 'Server Group', 'Personnel No. in CO' (checked), 'Ignore warnings', 'Test Run', 'Application Log', and 'No. entries btw commits' (set to 100).

< **SAP** CATS: Transfer to Controlling

Save as Variant... More Exit

Selection Parameters

Personnel Number: | to:

Date: to:

Document Number: to:

Date for Entry of Activity Allocation

Posting Date:

Parameters

Max. No. of Parallel Tasks:

Server Group:

Personnel No. in CO: ☒

Ignore warnings: ☐

Test Run: ☐

Application Log: ☐

No. entries btw commits:

Topic #5 System Screen Shots

Repair Internal Order – with Integration to Repair Order

Order: 500349 Order type: SAPS CRM Service DO NOT CHANGE!

Description:

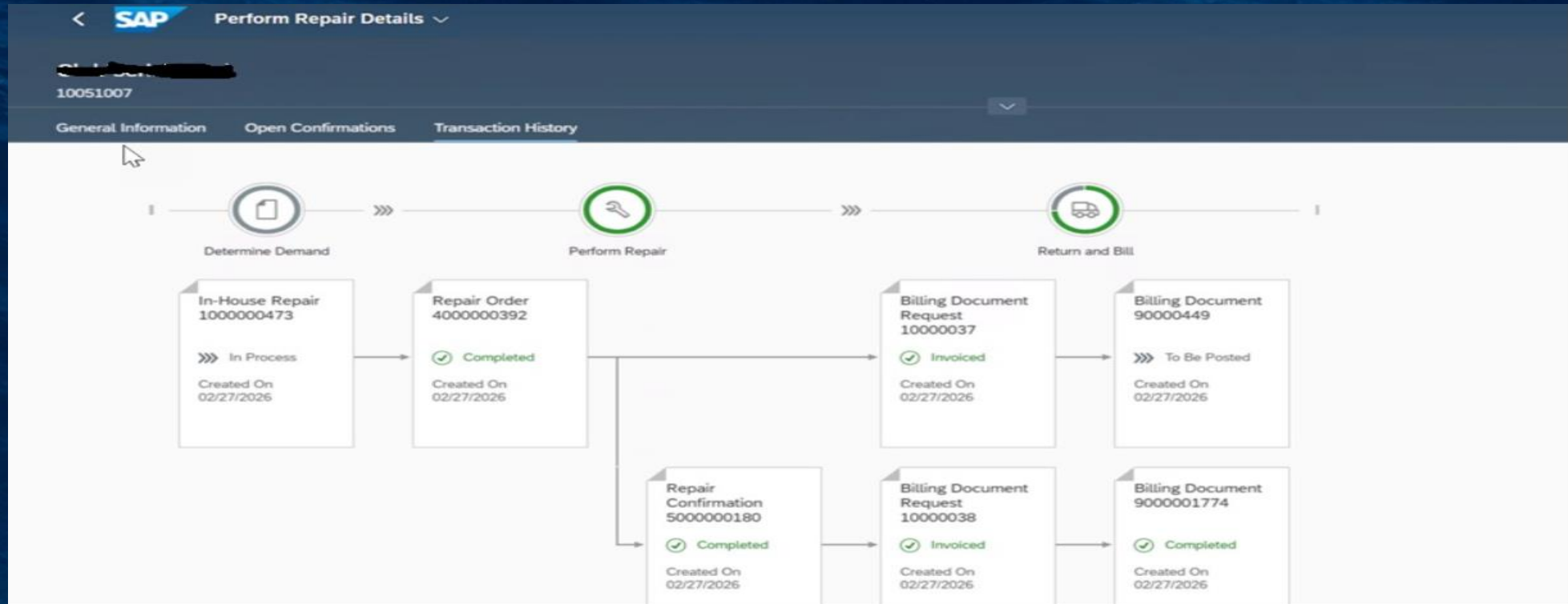
Assignments Control data Prd-end closing General data Investments

External order no.:

CRM Service	
Business Transaction	4000000391
Transaction Descrip.	Repair Order 39
CRM Trans. Type	REPO
Responsible org. unit (service)	
Service Organization	
Enterprise Service Organization	1010
Service Team	
Item	0
Item description	

Topic #5 System Screen Shots

Overall Document Flow



#6 Five Takeaways

- SAP CRM (customer relationship management) has been fully transformed to SAP S4 HANA Service
- Various processes for repair, warranty claims of products, and equipment sales can be mapped to a common service order process
- Fully Integrated special Internal Order Type SAP offers flexibility to track costs and reporting characteristics
- S4 Service Costing is fully integrated with logistics and other customer service transactions and offers the new item-based accounting functionality
- Various options to match revenue and cost using either event-based revenue recognition or results analysis and resource-related billings

Resources

Helpful SAP OSS Notes

- OSS 538198 – CRM-CO Integration Settlement with Accounting (RKABRBEMOT)

Questions & Answers

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Thanks for attending this session!

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SAP 2027 | CONTROLLING
FINANCIALS

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