

Report TNB8: Cost Center Accounting

Overhead costs of Cost Type Accounting will be allocated to cost centers

	Total	Overhead	Direct Costs
			Classic
Material Costs			
Input Materials / Parts	21.09	0.00	21.09
Factory Materials	2.00	0.00	2.00
Staffing Costs			
Wages / Salaries (*)	37.46	13.47	23.99
Recruitment / Dismissals / Training	1.83	1.83	0.00
Additional Dismissal Costs	0.00	0.00	0.00
Non-Salary Staff Costs	14.99	5.39	9.60
Pension Reserves	1.87	0.67	1.20
Depreciation			
Buildings	0.25	0.25	0.00
Production Lines	6.75	6.75	0.00
Environ. Techn.	0.15	0.15	0.00
Finished Products	0.00	0.00	0.00
Other Costs			
Other Fixed Costs	3.25	3.25	0.00
Maintenance / Rationalization	7.00	7.00	0.00
Process Optimization	0.00	0.00	0.00
Environmental Tax	1.35	1.35	0.00
Rework / Scrap	1.23	0.00	1.23
Storage Costs	1.25	1.25	0.00
Advertising / Market Research / CI	8.10	2.10	6.00
Other Costs R&D	3.50	0.00	3.50
Transport Costs	1.08	0.00	1.08
Total	113.14	43.46	69.68
(*) with Overtime Costs			

	Total	Purchasing	Production	R&D	Sales	Administration
Material Costs						
Input Materials / Parts	0.00	0.00	0.00	0.00	0.00	0.00
Factory Materials	0.00	0.00	0.00	0.00	0.00	0.00
Staffing Costs						
Wages / Salaries (*)	13.47	0.54	1.57	1.54	4.00	5.82
Recruitment / Dismissals / Training	1.83	0.01	1.48	0.03	0.11	0.20
Additional Dismissal Costs	0.00	0.00	0.00	0.00	0.00	0.00
Non-Salary Staff Costs	5.39	0.22	0.63	0.62	1.60	2.33
Pension Reserves	0.67	0.03	0.08	0.08	0.20	0.29
Depreciation						
Buildings	0.25	0.01	0.18	0.01	0.01	0.04
Production Lines	6.75	0.00	6.75	0.00	0.00	0.00
Environ. Techn.	0.15	0.00	0.15	0.00	0.00	0.00
Finished Products	0.00	0.00	0.00	0.00	0.00	0.00
Other Costs						
Other Fixed Costs	3.25	0.00	3.25	0.00	0.00	0.00
Maintenance / Rationalization	7.00	0.00	6.00	0.00	0.00	1.00
Process Optimization	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Tax	1.35	0.00	1.35	0.00	0.00	0.00
Rework / Scrap	0.00	0.00	0.00	0.00	0.00	0.00
Storage Costs	1.25	0.75	0.00	0.00	0.50	0.00
Advertising / Market Research / CI	2.10	0.00	0.00	0.00	2.10	0.00
Other Costs R&D	0.00	0.00	0.00	0.00	0.00	0.00
Transport Costs	0.00	0.00	0.00	0.00	0.00	0.00
Total Costs	43.46	1.56	21.43	2.27	8.53	9.68
(*) with Overtime Costs						

Cost Type Accounting

Cost Center Accounting

Report TNB8: Cost Center Accounting

Cost Center accounting: Allocation of overhead costs to cost centers – here Staffing costs

	Total	Purchasing	Production	R&D	Sales	Administration
Staffing Costs						
Wages / Salaries (*)	13.47	0.54	1.57	1.54	4.00	5.82
Recruitment / Dismissals / Training	1.83	0.01	1.48	0.03	0.11	0.20
Additional Dismissal Costs	0.00	0.00	0.00	0.00	0.00	0.00
Non-Salary Staff Costs	5.39	0.22	0.63	0.62	1.60	2.33
Pension Reserves	0.67	0.03	0.08	0.08	0.20	0.29

- **Purchasing, R&D, Sales and Administration:** all staffing costs are overhead costs; the figures can be directly assigned from THB6
- Overhead Costs of Cost Center **Production** varies from the HR report, as a part of the HR costs was already considered as direct costs (799,66 people were needed to produce the cost object (copy classic) but 852 people work in this cost center – so 52,44 people were not working directly for the product – they were e.g. ill or on vacation and thus are overhead costs)

Wages: $52,44 \times 30.000 \text{ Euro} = 1,57 \text{ mEuro}$

Non Salary Staff Costs: 40% von 1,57 mEuro = 0,63 mEuro

Pension reserve: 5% von 1,57 mEuro = 0,08 mEuro

Recruitment / Dismissals / Training see THB 6 (as these costs are not considered as direct costs) 2

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Cost Center accounting: Allocation of overhead costs to cost centers – here Depreciation

	Total	Purchasing	Production	R&D	Sales	Administration
Depreciation						
Buildings	0.25	0.01	0.18	0.01	0.01	0.04
Production Lines	6.75	0.00	6.75	0.00	0.00	0.00
Environ. Techn.	0.15	0.00	0.15	0.00	0.00	0.00
Finished Products	0.00	0.00	0.00	0.00	0.00	0.00

- **Buildings:** this breakdown of the 0.25 mEUR stays the same in every period (if no new buildings will be added) – allocation see chapter 3.6.11.1
- All the depreciation costs for the **production lines and the environmental technology** are allocated to the production department.

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Cost Center accounting: Allocation of overhead costs to cost centers – here Other Costs (1)

	Total	Purchasing	Production	R&D	Sales	Administration
Other Costs						
Other Fixed Costs	3.25	0.00	3.25	0.00	0.00	0.00
Maintenance / Rationalization	7.00	0.00	6.00	0.00	0.00	1.00
Process Optimization	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Tax	1.35	0.00	1.35	0.00	0.00	0.00
Rework / Scrap	0.00	0.00	0.00	0.00	0.00	0.00
Storage Costs	1.25	0.75	0.00	0.00	0.50	0.00
Advertising / Market Research / CI	2.10	0.00	0.00	0.00	2.10	0.00
Other Costs R&D	0.00	0.00	0.00	0.00	0.00	0.00
Transport Costs	0.00	0.00	0.00	0.00	0.00	0.00

- **Other fixed costs and Environmental Tax:** will be allocated completely to the cost center „Production“ (the same would be done if we had overhead costs for process optimization and rework)
- **Maintenance / Rationalization:** 6 mEUR into production to run the lines, 1 mEUR to maintain facilities (e.g. cleaning the floor, mowing the lawn etc.) – see chapter 3.6.11.2

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Cost Center accounting: Allocation of overhead costs to cost centers – here Other Costs (1)

	Total	Purchasing	Production	R&D	Sales	Administration
Other Costs						
Other Fixed Costs	3.25	0.00	3.25	0.00	0.00	0.00
Maintenance / Rationalization	7.00	0.00	6.00	0.00	0.00	1.00
Process Optimization	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Tax	1.35	0.00	1.35	0.00	0.00	0.00
Rework / Scrap	0.00	0.00	0.00	0.00	0.00	0.00
Storage Costs	1.25	0.75	0.00	0.00	0.50	0.00
Advertising / Market Research / CI	2.10	0.00	0.00	0.00	2.10	0.00
Other Costs R&D	0.00	0.00	0.00	0.00	0.00	0.00
Transport Costs	0.00	0.00	0.00	0.00	0.00	0.00

- Storage Costs:**
 - 1,25 mEuro costs for storing input material bought by purchasing department
 - another 0,5 mEUR costs for storing finished goods (attributed to sales department, since it made a wrong forecast or was not able to sell everything)
- Advertising / Market Research / CI:** 2 mEUR spending to increase CI and 0,1 mEUR for the market research report. Sales department is responsible for both expenses.

Report TNB8: Cost Center Accounting

Cost Center accounting: Allocation of overhead costs to cost centers – here Total Costs

	Total	Purchasing	Production	R&D	Sales	Administration
Total Costs	43.46	1.56	21.43	2.27	8.53	9.68

- **Total Overhead Costs Purchasing:** 1,56 Indirect material costs
- **Total Overhead Costs Production:** 21.56 Indirect Production costs
- **Total Overhead Costs R&D, Sales and Administration:** Overhead costs of additional cost centers that are not directly involved in the production of the cost object