

## Allocating Technician Costs Using Cost Per Hour / Day Calculation

**Overview:** Version 3.6.6 introduced a dollar calculation to the holiday, sick, RDO and LSL Allocations report that represents the total value of the outstanding entitlements for single or multiple employees. To calculate this value, we access the cost per hour recorded on the employee form under the payroll tab. This field is also used to calculate the cost per hour for each employee that flows through to the job profit report, the employee cost can be recorded by daily or hourly rate.

**Applying Technician Costs Using Cost Per Hour / Day Calculation:** To apply the cost values entered on the employee form open File / Site Settings / Database Settings, ensure the use employee cost per hour for profit report option is selected.

- ☒ Buy-Ins must be allocated to jobs
- ☐ Inventory is automatically allocated to jobs
- ☐ Service text goes to service comments on job card
- ☒ Use employee cost per hour for profit report
- ☒ Insert carriage return between text items
- ☒ Calculate diary tech time from estimated hours
- ☐ Estimated hours reminder for jobs over multiple days

**Employee Set-Up:** To enter cost values that flow through to both the entitlements report and the job profit report firstly open the employee form, we suggest you enter a value in the daily hours field

The screenshot shows the 'Employee' form with the 'Payroll' tab selected. The 'Details' section contains the following information:

- Last name: Smith
- First name: John
- Middle initial: E
- Emp. No.: 1
- TFN: 556 966 874
- Joined: 10/08/04
- Left: (empty)
- Type: Full-time
- Class: Technician
- D.O.B.: 26/02/04
- Gender: Male
- Technician: ☒
- Daily hours: 7.6 (highlighted with a red box)
- Inactive: ☐
- Phone: 9656 6587
- Mobile: 0411 999 888
- Email: js@ozemail.com.au

The 'Address' section contains:

- Address: 123 Harry Street
- Suburb: Hamilton Hill
- State: WA
- Postcode: 6963

The daily hours entered will be used to calculate the cost per hour if you record your entitlements on a daily basis in this case if we entered \$200 per day as a cost the calculation is  $\$200 / 7.5 = \$26.66$  per hour that will flow through to the job profit report. If no value is entered in this field then Automation will enter a default value of 8 hours. This calculation will only be used if a user is recording entitlements by days.

The screenshot shows the 'Entitlements' form with the following information:

- Sick pay: 10 days per year, 7.192 days accrued
- Holiday pay: 20 days per year, 22.384 days accrued
- Rostered days off: 0 days per year, 0.000 days accrued
- Long service leave: 0 days per year, 0.000 days accrued
- Wages account: Wages
- Payment frequency: Weekly
- Income stream: Voluntary cessation
- Entitlement units: days (highlighted with a red box)
- Hourly rate for labour allocated: \$0.00
- Cost per day: 200 (highlighted with a red box)
- Tax treatment code: RTXXXX

Buttons: Cancel, OK

To enter employee cost, select the payroll tab choose your entitlement units either days or hours and finally save your selections with OK (F12). The profit report will now reflect the above calculation as you can see the cost of 10 hours labour for this employee is \$266.70 calculated from  $10 \times (\$200/7.5) = \$266.70$ .

If you decide to use hours then the daily hours are ignored as you have already entered the rate.

In the second report example we have applied an hourly rate of \$25.00 to the same job as you can see the cost of labour is now \$250.00.

Job Profit Report based on entitlements entered as a daily rate of \$200 with 7.5 hours recorded in the daily hours field:

Qty	Item	Description	Cost	Price (Ex)	Profit	Profit%	FP
<b>Cost / Profit based on Charged Hours</b>							
Labour							
10.00	Labour	Labour	\$266.70	\$900.00	\$633.30	70.37	N
4.00	PFR7S8EG	Spark Plugs VW TIGUAN	\$62.32	\$96.04	\$33.72	35.11	N
		Total	\$329.02	\$996.04	\$667.02	66.97	
Grand Total			\$329.02	\$996.04	\$667.02	66.97	
Labour			\$266.70	\$900.00	\$633.30	70.37	
Parts			\$62.32	\$96.04	\$33.72	35.11	
<b>Cost / Profit based on Actual Hours</b>							
4.00	PFR7S8EG	Spark Plugs VW TIGUAN	\$62.32	\$96.04	\$33.72	35.11	N
10.00	Labour	Labour	\$266.70	\$900.00	\$633.30	70.37	
		Total	\$329.02	\$996.04	\$667.02	66.97	
Grand Total			\$329.02	\$996.04	\$667.02	66.97	
Labour			\$266.70	\$900.00	\$633.30	70.37	
Parts			\$62.32	\$96.04	\$33.72	35.11	

Sick pay

10 hours per year

7.192 hours accrued

Holiday pay

20 hours per year

22.384 hours accrued

Rostered days off

0 hours per year

0.000 hours accrued

Long service leave

0 hours per year

0.000 hours accrued

Wages account

Wages

...

Entitlement units

hours

▼

Entitlements log...

Payment frequency

Weekly

▼

Hourly rate for labour allocated

\$0.00

Cost per hour

25

Income stream

Voluntary cessation

▼

Tax treatment code...

RTXXXX

Cancel

OK

Job profit report based on the above hourly rate settings:

Qty	Item	Description	Cost	Price (Ex)	Profit	Profit%	FP
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**Cost / Profit based on Charged Hours**

Labour

10.00	Labour	Labour	\$250.00	\$900.00	\$650.00	72.22	N
4.00	PFR7S8EG	Spark Plugs VW TIGUAN	\$62.32	\$96.04	\$33.72	35.11	N
		Total	\$312.32	\$996.04	\$683.72	68.64	
		Grand Total	\$312.32	\$996.04	\$683.72	68.64	
		Labour	\$250.00	\$900.00	\$650.00	72.22	
		Parts	\$62.32	\$96.04	\$33.72	35.11	

**Cost / Profit based on Actual Hours**

4.00	PFR7S8EG	Spark Plugs VW TIGUAN	\$62.32	\$96.04	\$33.72	35.11	N
10.00	Labour	Labour	\$250.00	\$900.00	\$650.00	72.22	
		Total	\$312.32	\$996.04	\$683.72	68.64	
		Grand Total	\$312.32	\$996.04	\$683.72	68.64	
		Labour	\$250.00	\$900.00	\$650.00	72.22	
		Parts	\$62.32	\$96.04	\$33.72	35.11	