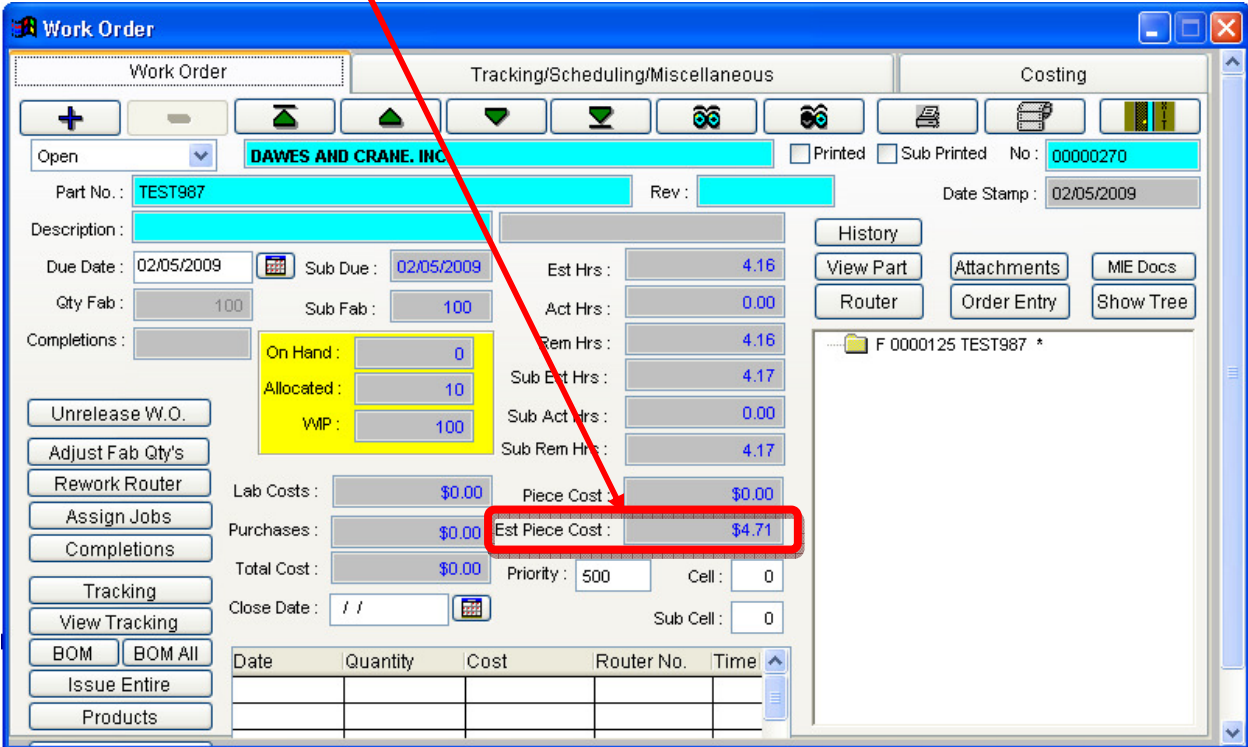


# HOW TO: Work Order Estimated Piece Cost Calculation

The Estimated Piece Cost calculation is calculated when the work order is released.



If a change is made to any of the fields the estimated cost on the work order itself is not updated. You would need to unrelease and then re-release the work order for it to be recalculated.

## ESTIMATED PIECE COST CALCULATION

If you go to the Costing tab and click on the Costing Summary button the breakouts of the different categories of costs are shown.

**Costing Summary**

W.O. No.: 00000270      Part Number: TEST987

Quantity: 100

	%	Actual	Estimated	Variance
Hours :		0.00	4.16	4.16
Direct Labor :	0.00	\$0.00	\$48.62	\$48.62
Employee Overhead :	0.00	\$0.00	\$20.83	\$20.83
Work Center Overhead :	0.00	\$0.00	\$60.00	\$60.00
Material Costs :	0.00	\$0.00	\$150.00	\$150.00
Hardware Costs :	0.00	\$0.00	\$41.66	\$41.66
Outside Processing :	0.00	\$0.00	\$150.00	\$150.00
Products Costs :	0.00	\$0.00	\$0.00	\$0.00
Sales Commissions :	0.00	\$0.00	\$0.00	\$0.00
Profit :	100.00	\$200.80	\$-270.32	\$471.12
Sales Revenues :		\$200.80	\$200.80	

(Includes Commission)

Each Price : \$20.08

Each Cost : \$0.00

Each Profit : \$20.08

OK

## Labor and Overhead

Direct Labor is calculated by taking the estimated hours for each sequence on the work order and multiplying it by the Average Employee Rate of that work center.

Example:

**Graphing Display**

Part Number: TEST987

Seq	Work Center	Quantity	Scrap Qty	Est/Hrs	Act/Hrs	Status	
1	ENGINEERING	0	0	0.50	0.00	Not Started	1942
2	LASER	0	0	1.17	0.00	Not Started	1943
3	PRESS BRAKE	0	0	0.83	0.00	Not Started	1944
4	OUTSIDE PROCESSING	0	0	0.00	0.00	Not Started	1945
5	HARDWARE INSERTION	0	0	1.42	0.00	Not Started	1946
6	PACKAGING	0	0	0.25	0.00	Not Started	1947

Summary/Detailed Tracking

On Hand : 0

W.I.P. : 100

Allocated : 10

Seq #	Workcenter	Estimated Hours	Avg. Employee Rate	Extended Labor Cost	Work Center Overhead	Extended Overhead Cost
1	Engineering	0.50	\$15.00	\$ 7.50	\$10.00	\$5.00
2	Laser	1.17	\$12.50	\$14.62	\$15.00	\$17.55
3	Press Brake	0.83	\$15.00	\$12.45	\$25.00	\$20.75
4	Outside Processing	0.00	\$0.00		\$0.00	
5	Hardware Insertion	1.42	\$8.50	\$12.07	\$10.00	\$14.20
6	Packaging	0.25	\$8.00	\$ 2.00	\$10.00	\$2.50
	<b>Totals</b>	<b>4.16</b>		<b>\$48.62</b>		<b>\$60.00</b>

**Work Centers**

Detail Machine Schedules

ID No.: 0060 Work Center: **PRESS BRAKE**  Disabled

SU Rate: \$60.00 Department: FORMING Type:  Sequence  Hardware  Material  Outside Processing  Assembly

Hourly Rate: \$60.00

Hourly Overhead: \$25.00  Standard Scheduling Mode  Force Finite Scheduling  Force Infinite Scheduling

Lag Time: 10.00

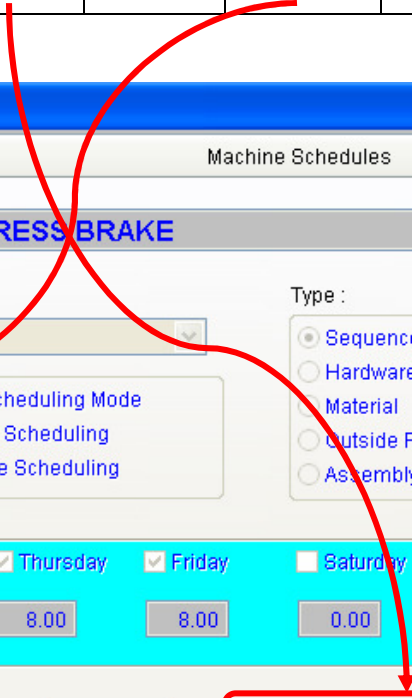
CAP Hours: 16

Monday  Tuesday  Wednesday  Thursday  Friday  Saturday  Sunday

Hours: Monday 8.00 Tuesday 8.00 Wednesday 8.00 Thursday 8.00 Friday 8.00 Saturday 0.00 Sunday 0.00

Monthly Payments: \$0.00 Sq. Ft Space: 3,000 Avg. Employee Rate: \$15.00

Monthly Miscellaneous: \$1,000.00 Mfg. Supplies: % Productivity: 80.00



Seq #	Workcenter	Estimated Hours	Employee Overhead Rate	Extended Overhead Cost
1	Engineering	0.50	\$5.00	\$2.50
2	Laser	1.17	\$5.00	\$5.84
3	Press Brake	0.83	\$5.00	\$4.14
4	Outside Processing	0.00	\$5.00	
5	Hardware Insertion	1.42	\$5.00	\$7.10
6	Packaging	0.25	\$5.00	\$1.25
	<b>Totals</b>	<b>4.16</b>		<b>\$20.83</b>

**Rates Calculator**

Work Center Rates & Analysis      Employee Overhead Absorption Rate

**Income Sheet**      2000 PROJECTION

Revenue Dollars : \$0.00      Profit Dollars :

Total Direct Labor employees : 16      Total number of Hours per employee : 2080

Total Indirect Labor employees : 2      Average % Productivity per employee : 80.0%

Total Office employees : 4

**Total Employees** : 22      Total Active Employees : 20      Variance : -2

	Weekly	Monthly	Yearly
Total Direct Labor Hours :	640	2,773	33,280
Billable Direct Labor Hours :	512	2,218	26,624
Total Machine Hours :	676	2,929	35,152
Variance :	-164	-710	-8,528
Dollars to be Absorbed :	0.00		

**Calculated Results**      Adjusted Rates      **Current Rates**

Employee Hourly Overhead Rate : \$0.00      \$0.00      \$5.00

Update      Update Employee      OK

## Material and Hardware

The Material calculation takes the accounting method that has been set in system parameters and uses the value in that costing method field for each Material and Hardware BOM item and multiplies the Quantity Required for the item in the WOBOM table.

Root #	ID	Description	Stock Width	Stock Length	Status	Qty Req	Days Out	Part Wid
0000125	00008	CRS 16 GAGE (0.0598)	48.000	120.000	Released	3.000	1	10.000
0000125	00013	ANODIZE CLEAR	0.000	0.000	Released	100.000	0	0.000
0000125	00311	BSO 032-28	0.000	0.000	Released	400.000	0	0.000
0000125	00864	42 X 48 PALLET	0.000	0.000	Released	2.000	0	0.000
0000125	00865	18 X 10 X 10 CORRUGATED BOX	0.000	0.000	Released	7.000	0	0.000

### Material Costs

Description	Stock Width	Stock Length	Quantity Required	Cost per Unit	Extended Cost
CRS 16 GAGE (0.0598)	48.00	120.00	3.000	\$50.00	\$150.00
		Total			<b>\$150.00</b>

### Hardware Costs

Description	Quantity Required	Cost per Unit	Extended Cost
BSO 032-28	400.000	\$0.05	\$20.00
42 X 48 PALLET	2.000	\$11.95	\$23.90
18 X 10 X10 CORRUGATED BOX	7.000	\$0.86	\$6.02
Total			<b>\$49.92</b>

## Outside Processing

Outside Processing is calculated by taking the Override Price field on the BOM item and multiplying it times the quantity to fabricate. If there is no value in the override price field the estimated cost will be zero.

The screenshot shows a software window titled "Outside Processing" with a blue header bar. The main content area has a light gray background. At the top, a cyan bar contains the text "ANODIZE CLEAR". Below this, the "Description" field is highlighted in green and contains "ANODIZE CLEAR". The "Quantity Required For W.O.:" field is set to "100". The "Days Out:" field is set to "0". The "Vend Ship:" field is set to "EACH", "Vend Sell:" is set to "EACH", and "Vend Unit:" is set to "1.0000000". The "Part Size:" field shows "0.000 X 0.000". The "Vendor:" field is empty with a dropdown arrow. The "Sequence:" field is set to "4 OUTSIDE PROCESSING" with a dropdown arrow. The "Override Price:" field is highlighted with a red box and contains "\$1.50". Below it are two unchecked checkboxes: "Lot Price Override" and "Certifications Required". At the bottom center is an "OK" button with a green checkmark icon.

Description	Quantity Required	Cost per Unit	Extended Cost
ANODIZE CLEAR	100.000	\$1.50	\$150.00
Total			<b>\$150.00</b>