

Calculating Sales Price with OH and Margins

Material Cost + Labor Cost = Cost

Cost x 1.15 (O/H) = Total Cost (15% OH %)

Total Cost x 1.72 (40% margin) + Total Sales Price (40% Margin)

EXAMPLE (Material/Labor Total Cost x 1.15 = Material/Labor/OH % x 1.72 = Total Job Sales Price)

Step One

Material Cost	\$1000.00
<u>Labor Cost</u>	<u>\$ 500.00</u>
Material/Labor Total Cost	\$1500.00

Step Two

Material/Labor Total Cost	\$1500.00
<u>X 1.15 Overhead %</u>	<u>\$ 225.00</u>
Material/Labor/OH % Cost	\$1725.00

Step Three

Material/Labor/OH % Cost	\$1725.00
<u>X 1.72 Mark Up</u>	<u>\$1242.00</u>
Total Job Sales Price	\$2967.00