

# Job Costing and Product Costing

Tracking individual projects or jobs throughout the year is essential to understanding the financial performance of your business. Accurate tracking allows you to:

- Measure **work in progress**
- See **labour and other project costs**
- Monitor **profit margins**
- Stay **proactive** rather than reactive in managing your business

## 1. Understanding Job and Product Costing

Measuring each job or project gives you visibility into:

- **Quoted amount**
- **Invoiced amount**
- **Labour costs**
- **Other expenses**
- **Total profit and profit margin**

You can view this information in reports:

- The **Profit & Loss Report**
- The **Work In Progress Report**

## 2. Creating a Job or Project in SortMyBooks

1. **Go to:** Sales > Quotes
2. **Create a new quote**
  - You don't need to send it to a customer.
  - The purpose is to populate the **Work In Progress Report**
3. **Enter the amount you want to quote to the customer, select the line, click + in the Job box**
4. **Add a new job, and enter the project name in the Code field.**  
Every transaction related to a project must be tagged with the correct Job name.

**Details** Convert to invoice Close Delete

No: 5

Document Type: Quote

Customer: Classics from Cavan

VAT Type: Normal Processing

Date: 04/08/2022

Follow-Up: 11/08/2022

Note:

Reference:

Currency: Euro

Exchange Rate: 1

Scan URL:

Edit Rate

**Adding new Job**

Code:

☒ - Is Active

Description:

**Add a New Job or Project Code**  
As you record sales and purchases and other payments, you can assign the job or project they are related to. Go to Tools and Jobs to see the expected profit for a Job or Project so you can measure against the actual profit or loss being made.

Ok Cancel

**Details**

Add New Line

Item	Description	VAT rate	Quantity	Price
Ulster		23.00 %	1.0000	
		Net: 20325.20	VAT: 4674.80	Gross: 25000.00
Subtotal:				20325.20
VAT total:				4674.80

Save Cancel

### 3. Invoicing for a Project

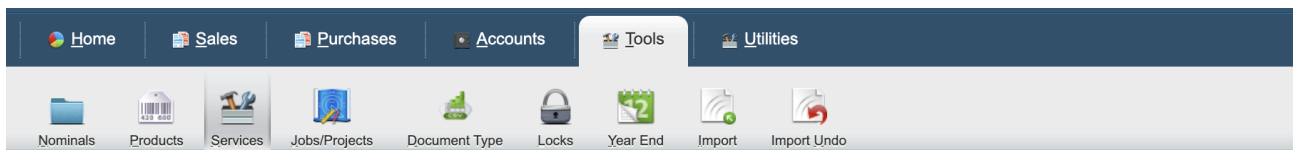
When creating an invoice:

- Select the same Job name in the Job field
- If using **AutoEntry**, this is called the **Cost Centre**
  - When publishing the invoice, assign the correct **Cost Centre**

### 4. Setting Up Employees for Labour Cost Tracking

1. Go to: Purchases > Suppliers > Add
2. Enter the **employee's name**
3. In the **Payee Type**, select **Employee**
4. Go to: Tools > Services > Add, enter the **employee's name**, and go to **Sales Defaults**.
5. Enter Selling Description, Sales Nominal, wages per hour in the Price box.
6. Assign the **Job name**.

If you have many employees with the same wages, you can just enter them together and type in Labour in the Selling Description box.

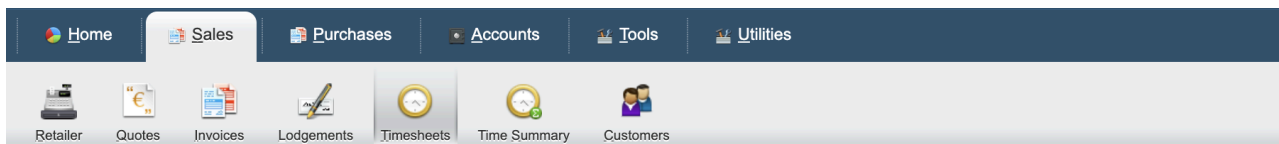


Buttons: Add, Export, Export Pricing, Set Default Service, Stock Report

Service	Is Default	Selling Description	Sales Nominal	Price/Unit	Price
<div>Quick Edit   <b>Sales Defaults</b>   Customer Pricing   Purchase Defaults   Supplier Pricing   Delete</div> <div><div><div>Selling Description: Labour</div><div>Sales Nominal: Sales:Wholesales:Leins</div><div>Sales Job: Project A</div></div><div><div>Price/Unit: 35</div><div>Selling VAT Rate: Zero</div><div>Sale Price (gross): 35.0000</div></div></div> <div>OK Cancel</div>					

## 5. Tracking Time via Timesheets

1. Go to: Sales > Timesheets > Add
2. Enter the following details:
  - **Job name**
  - **Date**
  - **Customer**
  - **Service**
  - **Employee**
  - **Hourly rate**
  - **Time spent**



All timesheets

Date	Customer	Employee	Job	Service	Total Spent (hh:mm)	Employee's
<div> <div> <b>Add</b> </div> <div> <div> Job: *  <input type="text" value="Project A"/> </div> <div> Date: *  <input type="text" value="28/07/2025"/> </div> <div> Customer: *  <input type="text"/> </div> <div> Service: *  <input type="text" value="John Smith"/> </div> <div> Employee:  <input type="text" value="Jonh Smith"/> </div> </div> <div> <div> <input checked="" type="checkbox"/> - Billable </div> <div> Employee's Hourly Rate: *  <input type="text" value="35"/> </div> <div> Total Spent (hh:mm): *  <input type="text" value="8"/> </div> <div> Description:  <div></div> </div> </div> </div> <div> <input type="button" value="OK"/> <input type="button" value="Cancel"/> </div>						

**You can add time for an entire week:**

- Click **Add Multiple Days**
- Select:
  - **Week**
  - **Employee**
  - **Service** (again, employee's name)
  - **Hourly rate**
  - **Job**
  - **Customer**
- Enter hours worked for each day

The **Service** and **Employee** fields must both contain the employee's name:

- **Service** → for calculating labour cost
- **Employee** → for recording the payee

You can also record part-day work (e.g. half-day shifts) by entering the exact number of hours worked.

## 6. Viewing Labour Costs and Profitability

- **Labour cost per job** is visible in the **Work In Progress Report**
  - Go to: Reports > Sales Reports > Work In Progress Report
- To see overall profitability:
  - Go to: Reports > Ledger Reports > Profit & Loss Report

## 7. Understanding the True Cost of Labour

Although an employee may have an hourly rate (e.g., €24/hour), the **true cost to the employer** is higher. Here's how to calculate it:

### Hourly Labour Cost Calculation Example

Description	Calculation	Extra Cost
Base hourly rate		€24.00
Annual Leave (4 weeks)	$(4 \div 52) \times 24$	€1.85
10 Public Holidays	$(10 \div 260) \times 24$	€0.95
Sick Leave (3 days)	$(3 \div 260) \times 24$	€0.28
Employer PRSI (11%)	$11\% \times €24$	€2.64
<b>Total true hourly cost</b>	—	<b>€29.69</b> ( $\approx 24\%$ more)

## 8. Annual Labour Cost Example

If an employee is paid **€936/week**, additional costs include:

Category	Amount
4 weeks' annual leave	€3,744
10 public holidays	€1,872
3 sick days	€562
Employer PRSI	€5,354
<b>Total extra cost per year</b>	<b>€11,532</b>

### Watch the SortMyBooks Job Costing & Project Costing Video

Get a visual walkthrough of everything covered here:

Click here to watch  [SortMyBooks Job Costing and Project Costing](#)

### Hourly Rate Calculation Video

Learn how to calculate your employee's real hourly rate:

Play video:  [SortMyBooks hourly rate.mp4](#)