

EXPLANATION OF HOURLY RATE CALCULATIONS

- Salaries are added to Benefits to find the Total for each employee.
- The percentage of Indirect (“% Indirect”) is the percentage of time for each employee that is not billable. This number is taken from the Net Productive Hours spreadsheet for each employee.
- The amount of Direct Salaries and Benefits (“Direct S&B”) is calculated by taking the Indirect percentage and multiplying it by the Total amount of Salaries and Benefits and then subtracting that figure from the total. This will give you the actual dollar amount of direct salaries and benefits.
- The number of Productive Hours (“#Prod. Hrs/yr”) per year is also taken from the Net Productive Hours spreadsheet. It is the Net Available Hours for each employee.
- The Direct Productive Hours (“Direct Prod. Hrs.”) is also taken from the Net Available Hours spreadsheet. It is the number of Net Productive Hours (Billable) for each employee.
- The Hourly Wage is determined by taking the amount of Direct Salaries & Benefits for each employee and dividing it by the number of Direct Productive Hours.
- The Indirect Rate is calculated by dividing the Overhead expenses for LAFCO by the Total Budget. The Overhead is made up of the indirect costs of each employee (Indirect percentage multiplied by Total Salaries and Benefits), the total operating expenses, and the Salaries and Benefits of the part-time Administrative Assistant.
- The Hourly Rate (“Rate w/Indirect”) is determined by taking the Hourly Wage for each employee, multiplying it by the Indirect Rate and adding the result to the Hourly Wage.