

EXPLANATION OF NET PRODUCTIVE HOURS CALCULATIONS

Net productive hours are based on three (3) full-time employees working 2080 hours per year.

- Annual reductions for vacations, sick leave, managements leave, etc. are totaled for each employee.
 - Annual reductions are subtracted from total number of working hours per year which results in the Net Available Hours.
 - The Net Available Hours are divided by eight (8) to for the Net Available Days per employee.
- Annual partial day reductions for meetings, training, etc. are totaled for each employee.
- Daily reductions for break time and office hours are totaled for each employee.
 - Total daily reductions are annualized by multiplying the Total Daily Reductions by the Net Available Days at 8 Hours Per Day (the Net Available Days per employee).
- The Supervision and Administrative Hours is the number of non-billable hours calculated by adding the Total (Partial Day) Annual Deduction and the Total Daily Reductions Annualized.
- The Net Available Hours per Day is calculated by taking the Net Available Hours and subtracting the Supervision and Administrative Hours.
- The percentage of non-billable time (Supervision and Administrative Overhead) is the Supervision and Administrative Hours divided by the Net Available Hours per Day for each employee.
- The Remaining Available Time is the percentage of billable time for each employee.
- The Net Productive (Billable) Hours per Year is the same as the Net Available Hours per Day and is calculated in the same manner.