

Operational Costs

The following would be a typical budget for your monthly expenses:

Product Cost	Description
Inventory Purchases	Cost to replace inventory that is sold during the month. This can be calculated as a percentage which represents the cost of the product relative to the sale price.
Labor Cost	Description
Owner Salary	Compensation for owners.
Employee Wages	Hourly wage(s) times the number of hours worked per month they for each hourly employee plus monthly salaries for each salaried employee.
Payroll Taxes	Employer's share of employment taxes estimated at 10% of all wages. Includes Social Security and Medicare, Federal unemployment, and state unemployment.
Operation Cost	Description
Rent	Rent or lease payment for business space.
Telephone	Local phone service, long distance, cellular, paging and Internet services.
Supplies	Shop supplies, cleaning supplies or other supplies used in the business. Do not include inventory purchases.
Maintenance	Repairs or upkeep of your building, equipment, or company vehicles.
Ad/Promotion	Costs related to printing materials, advertising, direct mail, trade show exhibits, website, online marketing or other marketing activities.
Office Expense	Offices supplies and postage
Car/Travel	To reimburse employees for work-related travel in their own vehicles, gas for company vehicles, or travel and meal costs for attending trade shows, visiting customers, etc.
Acct & Legal	Fees for accounting or legal services, including tax return preparation.
Utilities	Includes gas, electricity, propane, water, sewer, and garbage collection fees.
Insurance	Can include cost of liability, health, fire, flood and worker's compensation insurance.
Credit Card Fees	Payment processing fees charged to a business who accepts credit cards. This is typically 3% of every credit card sale.
Miscellaneous	Other small expenses including Chamber of Commerce or professional organization dues, licensing fees, or subscriptions to business-related publications. May also include an amount as a cushion for unexpected expenses and one time startup costs.