**Diversifying Services – Tradies Charge Out Rates Verification**

Accounting firms provide services to a significant number of trade businesses. One of the most crucial business activity that accountants, providing business advisory services, can provide is to calculate realistic charge out rates for the various team categories.

The charge out rate needs to take into account a number of factors:

* wages for the various employee categories
* labour on cost
* expected productivity
* overhead costs
* markup on direct purchases for the clients
* realistic profit

The calculation process incorporates each of these items and will give the tradie charge out rates for each team person.

It’s a valuable exercise to be conducting a verification process monthly or quarterly during the year to determine whether any “fine tuning” should be made to the charge out rates.

This would then give the tradie an ongoing review of the adequacy of their main source of income.

ESS BIZTOOLS includes a complete Tradie’s Charge Out Rate Calculator – for more information please visit - <https://www.essbiztools.com.au/index.php?option=com_content&view=article&id=2059&Itemid=1304>