

LOG HAULING COSTS Spreadsheet Notes:

INPUTS:

- Dates: simply the date ranges the costs cover. Start to finish.
- Fixed Costs: Gives you the option of separating your fixed costs (what it costs your business just to be operationally ready each day such as office salary and license tags and truck insurance) from your Variable (Production) costs (costs you accrue every hour and mile you operate such as driver wages and fuel and tires). Most corporations and accountants will insist on these being separated.
- Management salaries and costs should include owner, shop, and administrative salaries that don't vary with the amount the business produces. Should include all associated costs with these salaries such as W/C insurance, payroll taxes, benefits, etc.
- Company insurance - liability, equipment, umbrella, and other insurance costs that are not production based
- Capital equipment costs: the cost of capital equipment - trucks and trailers and other capital equipment purchases that are depreciated. To simplify these estimates, we suggest using a 5-year straight depreciation with 20% residual value. You can adjust this if you choose of course. Interest on equipment loans should be included here.
- Miscellaneous fixed costs - any other fixed costs that doesn't fit in other categories
- Variable (Production) Costs: separated from above Fixed costs - you can separate these out to as much or as little detail as you need. If you don't use the input category just leave it zero.
- Driver wages: all wages and costs associated with the truck driver. Includes payroll taxes, W/C insurance, benefits, etc.
- Highway Fuel - total amount of fuel the trucks use.
- Production consumables: used in the daily operation of the truck. Oil, DEF, tires, etc.
- Equipment Maintenance and Repairs: self-explanatory.
- Total Miles Traveled: comes straight off the odometer of the truck during the time period you're looking at with the above specified dates.

RESULTS:

- Percent of total cost category. A calculation of each line item you input divided by the Total Fixed and Variable Costs.
- Cost per Total Mile: Each line item divided by the total miles, including the Total Cost per Mile. This cost is inversely related to the percent of loaded miles (how most log trucks are paid - loaded miles only). For example, if a truck is loaded 50% of the total miles, the fraction is 1/2 so you would multiply the total cost by 2 to get the total cost per paid mile like the way most trucks are paid.