

Production costing and reports

Manufacturing

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Production costing and reports

Understand what a finished item costs and use reports to monitor production.

Intermediate · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Available with the **Production** add-on, which any plan can add. Contact us to add it.

Overview

When you finish a work order, the finished item receives a **valuation rate** equal to the cost of materials used, plus operation costs and additional costs. This is your cost of goods for those items.

How cost is built

Part	Where it comes from
Raw materials	Valuation of the materials consumed
Operating cost	Time on a workstation times its hourly rate
Additional costs	Costs added in the *Manufacture* stock entry, such as electricity or packaging
Scrap	Value recovered from scrap items reduces the cost

To add costs, open the *Manufacture* stock entry and use the **Additional Costs** table before submitting.

Reports

Search for these reports.

Report	Shows
Work Order Summary	Status and quantities of every work order
Production Analytics	Output by period
BOM Stock Report	Whether you hold enough stock to make each BOM
Work Order Consumed Materials	Materials used against what the BOM expected
Cost of Poor Quality	Losses from rework and scrap, if tracked
Stock Ledger	Every movement of materials and finished goods

Practical example

A work order was expected to use 50 kg of flour but used 56 kg. The consumed materials report flags the 6 kg variance. The manager checks for waste and adjusts the BOM if the real recipe needs it.

Important notes

- Costing is only as accurate as your purchase rates and BOM quantities.
- Review variances monthly and correct the BOM when reality has changed.
- Ask your accountant how to treat labour and overheads for tax and reporting.

Common mistakes

- Never updating BOM costs after prices change.
- Recording additional costs outside the system, so the unit cost is too low.

Next steps

Return to Manufacturing overview.

Related documentation

- Work orders and production
- Stock valuation and reorder levels
- Financial reports