



# Effective Labor Rate Calculation

## Notable Microvertical Expertise:

For Services organizations who post employee labor costs to the GL, in many circumstances, the organizations would like to use a more accurate rate for labor costs as opposed to standard rates. Natively, NetSuite leverages standard labor rates for labor costing.

**In leveraging Caravel's Effective Labor Rate module, users will benefit from:**

- Automated effective labor rate calculations with a single button click
- Higher accuracy in employee labor costing and allocation of employee time

## IP Highlights:

Caravel has created a SuiteBundle that will calculate and apply Effective Labor Rates to the GL during the Job Costing / Posting process in a two (2)-step process:

1. Calculation of Effective Labor Rates – The calculation is performed by dividing the employee labor cost for a single pay period by the number of approved hours worked.
2. Application of Effective Labor Rates – During the NetSuite Time Posting process, the effective labor rates will be applied to the employee time hours for posting totals.

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## About Caravel

Caravel has served more than 500 clients over the past decade, providing a comprehensive range of services, including accounting, strategy, business processes and technology selection. Our commitment to excellence drives us to continually improve and refine our approach, helping our clients solve complex problems with modern tools.

Caravel is proud to be a part of the technology services group of BPM LLP, a top 40 accounting and advisory firm. With our team by your side, you can unlock your business's true potential and drive success in an ever-evolving marketplace.

**CONTACT US:**  
714-253-4455 or  
[Info@Caravel-Partners.com](mailto:Info@Caravel-Partners.com)