Why Book Processing Charges (BPCs) Vary So Much

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Abstract

Observers of monograph publishing often complain of a lack of transparency around publishing “costs.” There is the sense that BPCs are arbitrary and do not relate to real costs. In a landscape study covering eight European countries (Austria, Denmark, Finland, France, Germany, Netherlands, Norway and UK) my colleagues and I came across BPCs ranging from €500 to €18,500 ($585–$21,640). Here I aim to explain why by looking at what services are offered for a BPC and also explain why coming up with precise and comparable costs is problematic. The figures are taken mainly from UK and global English-language publishing, however, the basic considerations do not differ greatly from those found elsewhere. A glossary of accounting terms is provided at the end of this article. One purpose of this article has been to indicate that BPCs and APCs are not the same and to show how greater transparency can lead to getting to reasonable BPCs with less acrimony than has been the case with journal APCs.

1.1 Introduction

In a landscape study covering eight European countries (Austria, Denmark, Finland, France, Germany, Netherlands, Norway, and UK), my colleagues and I came across BPCs ranging from €500 to €18,500 ($585–$21,640). Here I aim to explain why it is that there is such a broad range of charges by looking at what services are offered for a BPC and how they vary. This review is also intended to explain why coming up with precise and comparable costs is problematic. This article is written from the perspective of a British academic publisher (most recently CEO of Manchester University Press), founder of Knowledge Unlatched, and Director of KU Research. Although the figures are taken mainly from UK and global English-language publishing, the basic considerations do not differ greatly from those found elsewhere in the publishing world. A glossary of accounting terms is provided at the end of this article.

1.2 Determining the cost of a monograph

Observers of monograph publishing often complain of a lack of transparency around publishing “costs.” There is the sense that BPCs are arbitrary and do not relate to real costs. The actual story is both simpler and more complicated. BPCs are based on direct and indirect, fixed and variable costs of acquiring, editing, designing, producing, and marketing a monograph. They carry within them an allocation for overheads, and profit or surplus. It is how these are accounted for that is the challenge in creating a generalizable understanding of costs. Ultimately, costs are not really opaque, but they are complicated.

Open access publishing lends itself to a “cost plus” accounting model rather than a “mark up” way of charging for costs because it is a service offer with costs recovered from sources other than the sale of individual “copies” (print or digital) of the book. We cover “cost plus” and “mark up” in greater detail below,
but suffice to say that traditionally publishers simply allocated a "mark up," usually expressed as a percentage of the various fixed cost to arrive at a price charged to the buyer. “Cost plus” models come from service industries, and mean literally just that. Take the full cost of a service, apply a percentage for profit, and you have a price to the buyer. Thinking of publishing as a service is new in the industry—but is now the direction of travel and well embedded in the larger corporations, especially in the Science, Technology, Engineering and Medicine (STEM) world, though at this point both models sit side-by-side within companies large and small—and often uncomfortably.

Another accounting challenge for university presses occurs when they are required to follow and comply with the accounting procedures of the university; this is especially likely when a press is either a department of the university or is embedded in the library. While this is in itself not a problem, it can lead to difficulties when comparing with profit and loss accounts of commercial companies. For example, handling of accruals and acquisitions can vary along with different write-off conventions.

Cost plus consists of direct costs plus various fixed costs, without reference to variable expenses traditionally associated with sales, such as fees paid to sales representatives and in some cases a proportion of other staff costs.

Extensive lists of publishing functions have been produced from time to time, ranging from 50 to 100 distinct tasks. The diagram below presented by Nancy Maron at an Association of Learned and Professional Society Publishers (ALPSP) seminar in London in February 2017 takes us through the key stages (acquisitions, manuscript editorial, design, production, marketing, and sales) and is reproduced further below in this article.

BPCs of OA publications are generally in line with costs incurred by the publisher, although traditional presses may include an element of income substitution for lost sales of print and digital versions. Below are a range of models describing what is included in the service before turning to how these costs are accounted for. Further on we look at the Ithaka study on monograph costs for US university presses.

The models to be found in the eight countries of the Landscape Study (Austria, Denmark, Finland, France, Germany, Netherlands, Norway, and UK) are:

- **Hosting and distribution of metadata through some channels.** This is a service provided by KIT Scientific Publishing, based in Germany. Generally charging under €1,000 for a BPC, KIT does not undertake peer review nor does it provide any editorial guidance or copyediting. The author is asked to put his or her book on a CC-BY-SA 4.0 license and produce a ready to load pdf to KIT. Print books are available through Amazon’s POD services. No bespoke marketing is offered.

- **Small university/library-based publishing,** such as University of Huddersfield Press (UHP), that have specific aims—in this case to act as an outlet for early career researchers as well as an outlet for niche/interdisciplinary research for Huddersfield scholars—and are not intended to divert authors from publishing with traditional, prestigious publishers. Monograph production costs for two books a year amount to £4,500 per book. However, management, administrative support, and infrastructure support are absorbed by the university. Nevertheless, UHP contributes from its own budget £2,000 toward repository maintenance and £1,000 on marketing along with another £2,000 for annual expenditures to support Directory of Open Access Books (DOAB), Directory of Open Access Journals (DOAJ), and Scholarly Publishing and Academic Resources Coalition (SPARC). If these costs were included in the direct book costs the full BPC would, in all likelihood, be over £7,000 per book.

- **Larger new university/library-based publishing,** such as UCL Press in the UK. In this case UCL absorbs the publishing costs for UCL authors. It also offers publication to non-UCL authors for a fee of £5,000.

- **Traditional university presses in the UK** that charge anything from £8,000 to £10,000 for a BPC. This includes supporting a full suite of infrastructure costs that some refer to as legacy costs. These chiefly concern the fixed costs associated with servicing sales and distribution, which are still expected of these presses. Whether these BPCs cover all such costs is contested mainly because it is difficult to ascribe these costs to any single book, as is shown below. Most university presses prefer to publish under a CC-BY-NC license. This is because there is still a significant market for print books, and publishers that have invested in the content want to reserve the right to generate income from other formats. Over 50% of OA books so far carry the non-derivative (ND) restriction, often at the request of the authors, who are concerned about maintaining the integrity of the text and the quality of
translations.

- **BPC charges from commercial presses**, which are generally higher, either because more infrastructure investment is being charged to each monograph, or licensing terms are more liberal, or there is a need to provide a profit, though this is generally significantly less than can be extracted from journal publishing. These charges are typical where licenses are restricted to CC-BY-NC: Brill, €8,500, deGruyter €10,000, Bloomsbury up to £8,500, Routledge, £10,000. Examples of BPCs with a CC-NC license are: Brill €18,500 and Palgrave €17,000. In these cases there is an assumption that there will be no further sales from other formats to cover the full costs of publishing. Many of these publishers offer chapter OA opportunities; charges for making a chapter OA are listed on their websites. They also have varying policies concerning what can be hosted as OA on the author’s website (or the author’s institution’s website)—usually pre-prints of a single chapter.

Before looking at how traditional companies determine the cost of a monograph we summarize here the way Open Book Publishers, based in the UK, account for their costs.

The title setup cost is based on fixed costs, but the allocation of overheads depends on dividing the total annual overhead costs by the number of books published in the year. The costs for sales and distribution are the result of sales of the five formats in which the book is available, with the average above calculated after the end of the year by dividing the costs by the number of units sold (all at different prices and with different discount structures).

In the twelve months between 1 September 2014 and 31 August 2015 Open Book Publishers revenues came from four sources: sales—$82,873; grants to OBP—$15,708; library membership—$30,986; and “title grants” (BPCs from outside sources such as research funders) —$68,396. The total costs for 18 new books were covered by income of $189,216. Further details on the types of formats and sources of sales are available here: [http://blogs.openbookpublishers.com/introducing-data-to-the-open-access-debate-obps-business-model-part-three/](http://blogs.openbookpublishers.com/introducing-data-to-the-open-access-debate-obps-business-model-part-three/)

Open Book Publishers is an example of an academic-led press that has over the years tried to offer both new and traditional services to authors. To do so well requires infrastructure investments that often take time to bear fruit.

The best-resourced new university press in the UK is UCL Press, which had in 2016 a budget of £400,000. In 2016 it published 25 books and six journals. UCL Press includes less in its direct costs than OBP; however, as OBP says, their “title setup (direct costs) is a catchall for everything else—including all staff costs—as that is our primary day-to-day activity, but I should note that some of this time is also spent in R&D,
developing innovative products and systems." Many of these costs are in UCL Press’s “digital development
and systems” heading under operational costs and in staff costs that are accounted for separately.
https://www.ucl.ac.uk/ucl-press/docs/UCL_Press_Annual_Report/

Both models are essentially cost plus models with some costs associated with variables dependent on
sales. In the case of traditional presses some are shifting some of their publications to cost plus while still
aiming to find ways to cover all costs. Whether they make a profit/surplus and what happens with this
money is a different issue from establishing ways of understanding and accounting for true costs.

Publishers build a profile of each publishing project, making assumptions about how much it will cost to
make the book and then how much income can be expected. In the case of monographs the cost of sale
generally consists of both fixed and variable costs. These include the production costs and royalties (or
fees) to the author. These days monograph royalties can be anything from 0% to 10% of sales, though
generally not much more than 5%. Where a fee is payable, this can be extremely low and only notional—in
the region of £200 or so. In the days of print this would include all pre-press fixed costs and printing costs
that are variable. The unit print cost of a book depends on how many are printed but the cost of sale in any
year depends on the numbers actually sold. For the digital object the cost of production is the cost of
getting to first digital file. There is no print cost for the digital object, but there are other costs associated
with it that are both fixed and variable, such as file maintenance and storage, and these are different from
the cost of the printed object. While establishing an overall cost of sale the project needs to take into
account all costs of production, and this typically includes estimates of print costs based on the number to
be printed and sold over a designated period (anything from one to three years).

At this point in time Humanities and Social Science (HSS) publishers of English-language books still derive
approximately 80% of their sales from printed books, though this is expected to drop at some point—
though perhaps not as great a drop as was predicted a few years ago. Publishers in other languages derive
a lower percentage of sales from digital—at the moment.

Many presses incur losses on their monographs but finance them through cross-subsidization with profits
from other types of books. Some monographs, on the other hand, produce surprises, such as being
adopted for courses, which can lead to multiple print sales, or chapter sales in digital form if that opportunity
is available. Sales of backlist books produce income to cover fixed running costs.

If a royalty is to be paid to the author then the expected royalty is added to the cost of sale, and the same
thing applies if it is a fee. While the royalty is generally expressed as a percentage and is only paid if sales
are made (thereby a variable cost), a fee paid up front is divided by the number of units a publisher expects
to sell and allocated to each unit sale or written off in the first year of publication. The fee is not recoverable
if sales do not meet expectations. Some publishers pay no royalties at all on monographs. New
institutionally based university presses tend not to depend on sales to fund their operations, and tend not
to offer royalties to authors, and therefore this is not a consideration when calculating cost of sale.

So, if a cost of sale is, say, 30% of the price received by the publisher, that leaves another 70% to allocate to
all the other publishing costs. This is not 70% of the recommended retail price (RRP), but 70% of the
publisher's net receipts.

Establishing the total income from any single book project requires a certain amount of guesswork. It is not
derived from the recommended retail price (or cover price) listed in the publisher catalogues, but rather a
composite net figure that takes into account the varying discounts given off the cover price through
different channels. These discounts can vary from as low as 20% to as high as 70% depending on the
negotiating power of the intermediary seller (wholesalers, distributors, vendors such as Amazon, EBSCO,
ProQuest, JSTOR, MUSE, and others). Intermediaries mark up the item from the price they paid sufficiently
to cover their costs and then offer the item to their customers. (Amazon sells mainly, but not exclusively,
directly to the end reader, while the others sell mainly to libraries.) This can result in a price that is above that
paid the publisher but below the recommended retail price listed by the publisher. (The margin taken by the
intermediary can be on average up to 50% of the recommended retail price as noted in the Academic Book
of the Future report.)
The larger publishers (such as OUP, CUP, and Palgrave) are less dependent on sales through intermediaries, but instead invest in their own platforms and sell from there. The gross profits are then higher, but they do have higher operating costs of hosting and selling.

The sales also depend on where the potential readers are—whether the book is of local or global interest. Differing discounts and shipping costs are taken into account, as well as terms of credit. Generally, the further away the destination is, the longer the credit period will be.

The other publishing costs that sit between the cost of sale and the net profit are made up of both fixed and variable costs. They include staff (generally at all levels as well as acquisitions editors), office overheads, IT, (some) marketing, sales, distribution, and various post publication costs associated with taking care of the book after its launch. These can also be a mix of either fixed or variable costs. For example, a large company may employ a sales force (fixed costs) while a small company pays an agency a commission based on results (variable cost). But either way there is a management overhead in taking care of sales.

As we’ve seen in the definition of fixed and variable costs (see glossary of terms at the end of the article), if fixed costs are spread across a diminishing number of units sold, then each unit must carry a greater burden of fixed costs, which are often overheads that are difficult to adjust quickly in a contracting market.

In taking a look in greater depth at what it costs to get to first digital file of a monograph we turn to an Ithaka S&R study funded by the Andrew W. Mellon Foundation, which produced a report titled *The Costs of Publishing Monographs: Toward a Transparent Methodology* authored by Nancy Maron. The report covered 20 US university presses. When the results were first published in February 2016 alarm bells rang as the cost of monographs ranged from $15,000 to $129,000! The latter was the outlier, but demonstrated the point that not all monographs cost the same. The report detailed the publishing processes and distinguished between three cost tiers. These were:

- Basic—including staff time, staff overheads, and direct costs.
- Full cost—including the above plus press-level overheads.
- Full cost plus—including all above plus in-kind contributions.

The study also showed how the above costs vary between small, medium, and large university presses, divided up into four groups—clarifying important differences.


The costing tool consists of an Excel workbook, where publishers can enter their data and see the results by title or in the aggregate. The accompanying User’s Guide offers step-by-step instructions on how to gather the information needed. Employing such a tool is a step toward finding numerous ways of identifying where costs can be reduced.

Maron illustrates below the key stages of monograph publishing ([from an ALPSP presentation 22 February 2017](https://www.aaupnet.org/resources/for-members/handbooks-and-toolkits/digital-monograph-costing-tool)). The first four steps are considered fixed costs. Just what marketing should consist of is hotly debated both within the publishing industry and amongst authors. It is not enough simply to put a book on a platform and hope people find it. A certain amount of marketing has to be carried out for OA books even if no sales are expected of other formats. Sales and distribution costs are generally calculated as a variable cost—depending on the number of units sold.
The Ithaka report provided the publishing industry with some benchmarks against which publishers can examine their own costs. Large European publishers appear to have lower costs than American university presses. But they still have the same issues around determining their true costs are on a title by title basis.

University presses vary everywhere with hidden and not so hidden institutional subsidies further complicating cost determinations. Nevertheless, most publishers calculate their costs by using templated cost sheets. Editors fill these in with help from their colleagues in production. These sheets accompany the initial proposal that then needs to pass scrutiny by the marketing and sales departments. Once a book project is approved, the costs are allocated to a budget that will then need to be calendarized to account for when payments become due.

1.3 Relating BPCs to the cost of publishing

The cost of publishing, even if it is known, is not the actual price charged as a BPC. That price will take into account the potential revenue of the book and other subsidies. It will look at whether cross-subsidizing open formats from sales of closed formats is a possibility and whether charging full cost recovery, including hidden overheads currently paid by institutions for most university presses, is necessary, or will be necessary at some future date.

For the moment BPCs are in flux as publishers are still gathering data to check that the project makes the kind of return they expect from a similar closed volume. All this is taking place during a time when monograph sales are tumbling due to a number of factors: library budget squeezes, the split between print and digital sales not having stabilized, and the fact that new buying options such as PDA, DDA, EDA, short term loans, etc., are still in experimental mode (see section 1.5 for more detail).

To date, the data on which publishers might reflect has been slow in coming in, given that there are still fewer than 10,000 titles in OA, spread across hundreds of publishers.

1.4 Relating BPCs to monograph sales

If monograph sales were static and predictable, it would be relatively easy for a publisher to determine income by past performance. The publisher would also know how much income was needed to cover costs. However, such sales are not predictable and there are a number of factors that need to be taken into account. They are:

- Monograph sales in terms of units are falling in print format (due to budget cuts, better interlibrary loan services, etc.),
- Digital sales grew a few years ago and now appear to have plateaued off, but they have, in any case, not reached the point where they substitute for the drop in print sales.
The various library schemes offered from vendors (PDA, DDA, EDA, STL) mean that sales are coming through later in the life cycle of the book and there are fewer automatic sales through approval and other types of predictable plans.

Library buying is driven less by collection profiles and more by the demands of their users. This leads to surprising and unpredictable sales patterns.

1.5 The changing models of monograph purchasing

Libraries, quite rightly, are moving away from collecting materials that may or may not have a collection rationale and focusing more on the services to their communities. As Caroline Brazier, chief librarian at the British Library, once said succinctly, “libraries are moving from collecting to connecting.” Libraries have been keen to work with vendors to reduce the cost of monographs by making best use of schemes that can be developed for digital content. The following models are therefore emerging:

- Demand driven acquisition (DDA).
- Patron driven acquisition (PDA).
- Evidence based acquisition (EBA).
- Short term loans (STL).
- Sale by chapter (eligible on some or all of the above schemes).

During the short time that these schemes have been developed, trialed, and refined, publishers have been unable to predict what the impact will be on the overall income of a monograph that had hitherto sold most of its first print run to a stable set of libraries in the first year of publication, leaving a thin long tail for sale over a period of two to three years and possibly beyond. It’s also changed the pattern of cash flow.

Michael Zeoli, Vice President of Content Development & Partner Relations GOBI Library Solutions, has spoken at numerous conferences about the shifts in buying patterns from his work at GOBI Library Solutions and what was previously called Yankee Book Peddler, the well-known vendor to libraries, now part of EBSCO. He demonstrates with the data of three well-established university presses just what has happened between 2012 and 2015.

An extensive discussion of the impact of these changes can be found here, [https://www.slideshare.net/BaltimoreNISO/niso-virtual-conference-the-eternal-todo-list-making-ebooks-work-in-libraries](https://www.slideshare.net/BaltimoreNISO/niso-virtual-conference-the-eternal-todo-list-making-ebooks-work-in-libraries)

While the results differ a bit from publisher to publisher the changes are evident. The press illustrated below has seen a significant drop in print sales as well as a significant growth in DDA records being made available in the hope that digital sales will follow. Short term loans increased in 2015; however, in 2016 many publishers introduced embargos or increased the term of existing embargos for STLs because of fears that the overall revenue would decline very rapidly. Publishers also increased the STL charges. Approval plans, where the vendor matches purchases to library profiles and makes purchases at the point of publication (thus securing early returns for publishers), are on the decline.
There are numerous imponderables around these numbers as we know that HSS books take longer to become known in their communities and usage grows more slowly than in other disciplines. This makes it difficult to predict sales. Backlist digital books are often sold at a much greater discount than is customary for print books. And while print books carry the costs of manufacturing and distribution, the savings on digital sales are not always enough to compensate for the contribution that print used to bring to fixed overheads.

At the moment publishers, even many of the OA not-for-profit publishers, are attempting to keep all channels for both free and charged-for content serviced. Doing so has grown in complexity with the addition of various e-book formats, each of which require different ways of servicing for the various channels, thus adding additional costs. While none of this is insurmountable it does mean publishers need to have the right skills in house to manage these relationships if books are to be sold in any format.

1.6 What does this mean for monograph publishing and BPCs?

Income from sales has dropped significantly over the years and is now £7,000 to £11,000 per average (successful) monograph project in Europe and expected to drop further. This figure is derived from multiplying unit sales by average income per sale, and is based on interviews with publishers. For example, if (and it’s a big unknown “if” as we demonstrated above) the net receipt to a publisher for an £80 book is £40 and 200 copies (in all print and digital formats) have been sold, then the income to the publisher is £8,000.

Publishers continue to increase the prices of print and e-books in order to be able to amortize their fixed and indirect costs across an ever-smaller number of units sold. Major university and commercial presses are now selling less than 200 copies of monographs over three or more years. Getting the estimates wrong by only a few units makes the difference between profit and loss. Subsidies of all sorts, including hidden ones such as free space and services from parent universities of university presses, are drying up. Projecting the future is complicated!

The struggle to anticipate income is nevertheless a feature of any business or service. For example, if a university’s intake of students is 10% less than anticipated, then teaching each student will cost more as the fixed costs are amortized across the lower number of students. To compensate, universities may introduce more online courses, open campuses elsewhere, or raise fees where possible, etc. None of these types of concerns are restricted to academia or academic publishing. Most other sectors are struggling to adapt to...
The immediate future for scholarly publishing is full of risks. Increasingly though, publishers see BPC-funded OA as an opportunity that may mitigate that risk and are therefore willing to accept decreased income—provided they can cover their costs, which may be reduced with simpler workflows and more modern infrastructures.

Costs in the supply chain can be significantly reduced as well. The role of intermediaries will change. While libraries will continue to depend on a variety of services from companies such as EBSCO and ProQuest, the services around free content will be different and will conceivably (but not yet conclusively) cost less once duplications and complications are extracted from the supply chain. Publishers and vendors will be selling services rather than content. Improvements in access systems should result in more usage. With well-developed identifiers, metadata, and transparency, along with long term storage, there can be a system that produces monographs with less friction throughout the chain.

One purpose of this article has been to indicate that BPCs and APCs are not the same and to show how greater transparency can lead to getting to reasonable BPCs with less acrimony than has been the case with journal APCs. We believe the recent antipathy toward APCs has arisen due to them being in effect not only cost recovery charges but also profit input substitutions. Thus in some subject areas and for some publishers the APCs include a very high profit element for the publisher. In the case of monographs there is far less profit to be had and a larger proportion of books are published by a larger number of small publishers—many of whom do not seek profits at all. While there is no consensus on what should be included in a BPC, there is agreement that payment for publishing as a service with Open Access is one way of ensuring that monographs are published. With improved techniques for measuring usage and impact we will, over time, be better able to make the best use of the funds that are in the system to support publications that contribute to the knowledge inventory of humankind.

1.7 Glossary of accounting terms

**Cost**

In business, cost is usually a monetary valuation of (1) effort, (2) material, (3) resources, (4) time and utilities consumed, (5) risks incurred, and (6) opportunity forgone in production and delivery of a good or service. All expenses are costs, but not all costs (such as those incurred in acquisition of an income-generating asset) are expenses, [http://www.businessdictionary.com/definition/cost.html](http://www.businessdictionary.com/definition/cost.html).

In business, the cost may be one of acquisition, in which case the amount of money expended to acquire the item is counted as cost. In this case, money is the input that has gone in order to acquire the thing [cost can also refer to accounting cost, opportunity cost, historical cost, marginal cost, sunk cost, and transaction cost]. (Source: Wikipedia).

**Price**

*Price* sometimes refers to the quantity of payment requested by a seller of goods or services, rather than the eventual payment amount. This requested amount is often called the *asking price* or selling price, while the actual payment may be called the transaction price or traded price. (Source: Wikipedia).

**Recommended retail price (or “cover” or “list” price):** The list price, also known as the manufacturer's suggested retail price (MSRP), or the recommended retail price (RRP), or the suggested retail price (SRP), of a product is the price at which the manufacturer recommends that the retailer sell the product. (Source: Wikipedia).

**Discount**

Discounts can occur anywhere in the [distribution channel](http://www.businessdictionary.com/definition/distribution-channel.html), modifying either the manufacturer's list price (determined by the manufacturer and often printed on the package), the retail price (set by the retailer and
often attached to the product with a sticker), or the list price (which is quoted to a potential buyer, usually in written form). (Source: Wikipedia).

**Cost of goods sold, or cost of sale**

Costs of goods sold (COGS) are the direct costs attributable to the production of the goods sold by a company. This amount includes the cost of the materials used in creating the good along with the direct labor costs used to produce the good. Publishers tend to use the phrase “cost of sale.” (Source: http://www.investopedia.com/terms/c/cogs.asp#ixzz4ePB8Augk).

**Gross profit**

Gross profit is a company's total revenue (equivalent to total sales) minus the cost of goods sold. Gross profit is the profit a company makes after deducting the costs associated with making and selling its products, or the costs associated with providing its services. Publishers tend to include only the cost of the product—and this is discussed in more detail below. (Source: www.investopedia.com/terms/g/grossprofit.asp).

**Net profit**

Net profit, also referred to as the bottom line, net income, or net earnings, is a measure of the profitability of a venture after accounting for all costs. It is the actual profit without inclusion of working expense in the calculation of gross profit. (Source: Wikipedia). For a comparison of the differences between gross and net profit see http://www.investorwords.com/article/gross-vs-net.html.

**Margin**

Margin is the difference between a product or service's selling price and its cost of production or to the ratio between a company's revenues and expenses. In business accounting, margin refers to the difference between revenue and expenses, and businesses typically track their gross profit margins, operating margins, and net profit margins. Gross profit margin measures the relationship between a company's revenues and its cost of goods sold (COGS); operating profit margin takes into account COGS and operating expenses and compares them to revenue; and net profit margin takes all of these expenses. (Source: http://www.investopedia.com/terms/m/margin.asp#ixzz4ePDEbchV).

**Mark up**

The total cost reflects the total amount of both fixed and variable expenses to produce and distribute a product. Mark up can be expressed as a fixed amount or as a percentage of the total cost or selling price. Retail mark up is commonly calculated as the difference between wholesale price and retail price, as a percentage of wholesale. (Source: https://en.wikipedia.org/wiki/Markup_(business)).

**Direct costs**

A direct cost is one that can be completely attributed to the production of specific goods or services. Some costs, such as depreciation or administrative expenses, are more difficult to assign to a specific product and therefore are considered to be indirect costs.

www.investopedia.com/terms/d/directcost.asp

**Indirect costs**

Indirect costs are costs that are not directly accountable to a cost object (such as a particular project, facility, function, or product). Indirect costs may be either fixed or variable. Indirect costs include administration, personnel, and security costs. Indirect costs are not directly related to production. Some indirect costs may be overhead. But some overhead costs can be directly attributed to a project and are
Fixed cost

A fixed cost is a cost that does not change with an increase or decrease in the amount of goods or services produced or sold. Fixed costs are expenses that have to be paid by a company, independent of any business activity. It is one of the two components of the total cost of running a business, along with variable cost. Examples of fixed costs include insurance, interest expense, property taxes, utilities expenses, and depreciation of assets. Also, if a company pays annual salaries to its employees irrespective of the number of hours worked, such salaries must be counted as fixed costs. A company's lease on a building is another common example of fixed costs.

Variable cost

A variable cost is a corporate expense that varies with production output. Variable costs are those costs that vary depending on a company's production volume; they rise as production increases and fall as production decreases. Variable costs differ from fixed costs such as rent, advertising, insurance, and office supplies, which tend to remain the same regardless of production output. Fixed costs and variable costs comprise total cost. Variable costs can include direct material costs or direct labor costs necessary to complete a certain project. For example, a company may have variable costs associated with the packaging of one of its products. As the company moves more of this product, the costs for packaging will increase. Conversely, when fewer of these products are sold the costs for packaging will consequently decrease. (Source: http://www.investopedia.com/terms/v/variablecost.asp#ixzz4ePHnj5h0).

Profit/surplus

Profit is a financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs, and taxes needed to sustain the activity. A surplus often occurs in a budget, when expenses are less than the income taken in. (Source: http://www.investopedia.com/terms/s/surplus.asp#ixzz4eVkCnhC0).

Frances Pinter: At the age of 23, I established Pinter Publishers in the social sciences, launched the environmental studies imprint Belhaven Press and acquired Leicester University Press. I was then invited by George Soros to devise multi-million dollar publishing programmes in C&E Europe and the former Soviet Union after the fall of Communism. In 2008 I was appointed founding publisher of Bloomsbury Academic and published the Winston Churchill Archive online. From 2013-16 I was CEO of Manchester University Press while continuing to work on Open Access through Knowledge Unlatched that I founded in 2012. In 2015 I was awarded an Honorary Doctorate from Curtin University for work in promoting access to knowledge. I've established companies, and advised others on how to set up new operations and transform existing ones. In the middle of my career I bought an old cognac distillery in France and converted the barns into holiday houses.

Charged more than once in a month. Charges don't happen once a month or at the end of the month. They happen throughout the month, and are based primarily on thresholds—or the set amount of costs that your account reaches. This amount triggers a charge, so it means you might be charged more than once in a month. For example, if your threshold is $50, you'll be charged every time that your
costs reach $50. However, our system makes sure that in a given billing period, you're never charged more than the number of days in that billing period multiplied by your average daily budget. For example, if you budget US$10 per day, and you're charged for a 30-day billing period, the maximum you would pay is US$300. How does EV charging work? Types of charging options, charging time, costs and potential savings. Food and Farms. The US food system should be providing healthy, sustainable food for everyone. Why isn't it? Learn more about Food. Sustainable Agriculture. Healthy Food. Food Justice. Solutions. We need to grow a resilient food system from the ground up. Processing charges are function of cost of manpower and documentation. For instance when you take home loan from bank, bank has to do lot of documentation and also has to use its legal services to check authenticity of documents. So banks charg...

So banks charge processing charges for home loan. As documentation is same irrespective of loan amount, typically processing charges are fixed or capped at certain amount like 5000 or 10,000. If you are paying EMIs for a loan, and if you have to make prepayment, then again bank will have to involve back-office staff to get the documentation done, and spend few m. Continue Reading. Processing charges are function of cost of manpower and documentation. F1000Research charges an article processing charge (APC) for all articles. Find out how much it will cost to publish your work. This is in recognition of the varying editorial time and effort involved in publishing different article types. Category A. Includes: Data Notes, Correspondence. $ 800 * †. Price breakdown. Category B.