

# Product Average Cost

04/30/2025 3:21 pm CDT

## Overview

The **Average Cost** is the continually updated average of a **Product's Cost** on **Purchase Orders (POs)** at the time of their receipt. Sometimes, PO shipping costs or third-party costs can also be factored into the **Average Cost** – see [Purchase Order Costs Explained](#) to learn more.

Sellercloud considers quantities received in the following [Warehouse Types](#) in the **Average Cost** calculation:

- **Sellable** – included in the calculation
- **Non-Sellable** – included in the calculation
- **Dropship** – excluded from the calculation

Learn more about how Average Cost is used during an [Order Item Cost Calculation](#).

---

## Average Cost Calculations

There are two different types of **Average Cost** calculations – Simple and Weighted Average Cost.

You can also contact [Sellercloud Support](#) to request [Customizations](#) that can change the Average Cost calculation in any way to fit your business needs. Building any type of new customization is billable, and the cost will depend on the complexity of the customization.

### Simple Average Cost

This Average Cost Type is averaged only by the dollar value, ignoring unit quantities.

For example:

- You receive a PO of 10 units at \$2 per unit.
- You receive a PO of 20 units at \$3 per unit.
- The **Simple Average Cost** is the average of \$2 and \$3, which is \$2.50.

This is the default calculation applied when the client setting **Use Weighted Average Cost for PO** is disabled.

### Weighted Average Cost

This Average Cost Type factors in both quantity and price.

[Client Setting Use Weighted Average Cost for PO](#) must be enabled to use this cost calculation type.

For example:

- You receive a PO of 10 units at \$2 per unit (\$20 in total)
- You receive a PO of 20 units at \$3 per unit (\$60 in total).
- The **Weighted Average Cost** is the total item cost (\$80) divided by all received units (30), which is \$2.67.

The Weighted average calculation type only weighs units received against units currently in stock, not units since Day One.

You can also see the Gross Cost on the [Product Details Page](#) if you enable **Enable PO Based Extra Costs** in the [Client Settings](#). The **Gross Cost** is similar to the **Average Cost**, but it excludes the quantity from its calculation:

**Gross Cost = Average of the Adjusted Price + Extra Cost (Per Unit) + Extra Cost (PO Based Per Unit)** for the product from all previous POs

## Kit Products

When the [Client Setting Enable ALL Kits Cost calculation Once a day](#) is enabled, the **Average Cost of All Components** and **Main Component** kit parents will be updated once daily based on the costs of their kit components.

To do the same for **Independent** kit parents, enable **Enable Kit Cost Calculation For Independent Kits Too**. Otherwise, the cost calculation of independent kit parents will come only from [Assembling](#) and [Receiving POs](#), and kit component costs won't be considered.

## Adjust Average Cost

There are three ways to adjust the **Average Cost**:

- **Manually** per product
- **In bulk** for multiple products
- **Prime** the cost to a specific value

The [Client Setting Enable Average Cost Adjustments](#) must be enabled for this workflow! The functionality is restricted only to users with a [Client Admin](#) role.

See [Order Item Cost Regeneration](#) to learn how to recalculate P&L on an order after adjustments.

## Per Product

To update a single product:

1. Go to a [Product Details Page](#).
2. Click **Edit** on the top right or on the **Purchasing** panel.
3. To the right of the **Average Cost** field, click the **Open Average Cost Details** option.



PURCHASING	
Default Vendor	Vendissimo
Vendor SKU	SC-TEE
Average Cost	\$65.039
<input type="checkbox"/> Discontinued	
Site Cost	\$90.00
Gross Cost	\$25.01
Qty Per Case	50
Qty Per Pallet	0
Purchaser	System

4. In the **Average Cost Details** panel that appears, click the **Add cost adjustment** plus icon.

AVERAGE COST DETAILS										
<input type="checkbox"/>	Ref. ID	Received on	Transaction type	PO#	Reason	Qty before	Qty Adjusted	Price	Avg. cost	<input type="checkbox"/>
<input type="checkbox"/>	80056	07/24/2023 11:46 AM	Avg Cost Adjustment	0	Per Unit Adjustment, Per Unit...	1061	0	\$20.00	\$65.04	<input type="checkbox"/>
<input type="checkbox"/>	80055	07/24/2023 11:45 AM	Avg Cost Adjustment	0	Not Per Unit Adjustment, Total...	1061	0	\$0.02	\$45.04	<input type="checkbox"/>
<input type="checkbox"/>	80054	07/24/2023 11:45 AM	Avg Cost Adjustment	0	Manual adjustment test, Per Un...	1061	0	\$20.00	\$45.02	<input type="checkbox"/>
<input type="checkbox"/>	79410	05/09/2023 01:37 PM	PO	1234452603		991	255	\$25.00	\$25.02	<input type="checkbox"/>
<input type="checkbox"/>	79149	02/24/2023 12:41 PM	PO	1234452174		0	1000	\$25.03	\$25.03	<input type="checkbox"/>

5 items / 1255 total qty    Current Physical Qty: 1061    Average Cost: \$65.04

5. Enter the adjustment **Amount** – it can be a positive or negative value.

6. The **Per Unit Adjustment** box works as follows:

- a. When it is **unchecked**, the adjustment amount will be distributed across the inventory currently in stock. For example, if you have 100 units in stock with an **Average Cost** of \$100 and you add an adjustment of \$10, the **Average Cost** will become \$100.10, since  $10/100 = 0.1$ .
- b. When it's **checked**, if you add an adjustment of \$10 and your previous **Average Cost** was \$100, the new **Average Cost** will be \$110, regardless of how many units you currently have in stock.

7. Specify the **Reason** for the adjustment and click **Add**.

**ADD COST ADJUSTMENT** ✕

**Amount \***

**Per Unit Adjustment**

**Reason \***

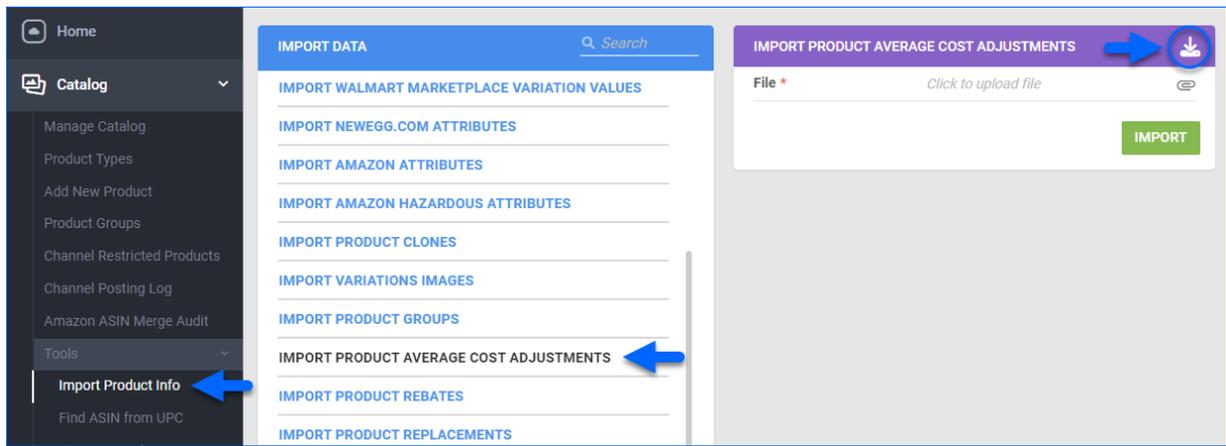
**CANCEL** **ADD**

The product's **Average Cost** will be automatically recalculated to include the adjustment. The notification message will appear, and the relevant record will be logged in the **Average Cost Details** panel.

## In Bulk

To update multiple products:

1. Go to **Catalog > Tools > Import Product Info**.
2. Select **Import Product Average Cost Adjustments**.
3. To download a sample template file, click the **Download** icon.



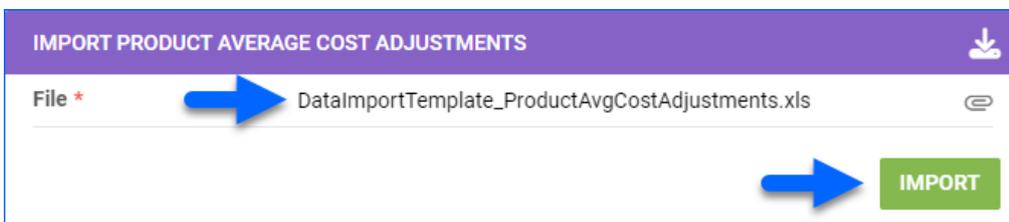
4. Populate the following columns and save the updated file:

- a. **ProductID** – Enter a product’s SKU.
- b. **Amount** – Enter the adjustment amount.
- c. **IsAmountPerUnit** – TRUE or FALSE.
- d. **Reason** – Enter a reason for the adjustment.

	A	B	C	D
1	ProductID (required)	Amount (required)	IsAmountPerUnit (required)	Reason (required)
2	SKU-1	10	TRUE	New vendor price
3	SKU-2	10	TRUE	New vendor price
4	SKU-3	10	TRUE	New vendor price
5	SKU-4	10	TRUE	New vendor price

5. Click the **File** field and select the updated file on your computer.

6. Click **Import**.



## Prime Average Cost

With Sellercloud, you can always reset the **Average Cost** and set it to a specific value. This is typically done during your initial account setup in order to prime the average cost of a product, but it can be done whenever you need to. To make **specific average cost adjustments**, populate this [Prime Average Cost import template](#) and submit it to [Sellercloud Support](#).

Once the **Prime Average Cost** file is imported, all inventory movements created **before** the date indicated will be ignored in the **average cost calculation**. Only inventory movements done **after** that date will impact the **Average Cost** value.

Average costs can even be *backdated* and retroactively applied to update item costs in existing orders. When [Recalculating the Orders](#), the item cost is updated based on the value of App Setting **PredictMissingAverageCostMovementIDForOrder**. This update can be either based on the historical average cost at the order's creation or the most recent average cost. Custom plugin "**Update Average Cost Order Export**" may be required to perform this action. Contact [Sellercloud Support](#) if you ever need to do this!  
[Client Setting Use Weighted Average Cost for PO](#) must be enabled for this workflow!

## Client Settings

Refer to the table below for a list of **Average Cost**-related [Client Settings](#) and their descriptions.

CLIENT SETTING	DEFINITION
<b>Enable PO Based Extra Costs</b>	Select to see the <b>Gross Cost</b> on the <a href="#">Product Details Page</a> . The <b>Gross Cost</b> is similar to the <b>Average Cost</b> , but it excludes the quantity from its calculation:  <b>Gross Cost = Average of the Adjusted Price + Extra Cost (Per Unit) + Extra Cost (PO Based Per Unit)</b> for the product from all previous POs
<b>Include PO Based Extra Costs in Average Cost too</b>	Counts the extra costs on POs towards the products' <b>Average Cost</b> calculation.  <b>Note:</b> The Client Setting <b>Enable PO Based Extra Costs</b> must be enabled.
<b>Allow Free PO Items to affect product cost</b>	Allows items with zero cost in POs to affect the <b>Average Cost</b> calculation.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Do not create average cost for inventory count disabled POs</b>	If a PO is marked as <b>Inventory Disabled</b> , received units will not affect the current <b>Average Cost</b> .  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Rebuild average cost if cost changes on PO</b>	Allows you to update the item cost on already received POs, and the <b>Average Cost</b> will update accordingly.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Do Not Consider Over Received PO Qty For Average Cost</b>	If you have a PO with a certain quantity ordered, the <b>Average Cost</b> will be calculated for only for that quantity, even if you actually receive a different amount.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Do not adjust Avg Cost when receiving Credit Memos</b>	If you receive <a href="#">Credit Memos</a> , the <b>Average Cost</b> will not be affected.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Enable PO Price as AverageCost for specific Vendors</b>	Adds a new checkbox on the <a href="#">Vendor Details</a> page called <b>Treat PO Prices on Average Cost</b> .  If you have a PO connected to a vendor that has this enabled, regardless of the unit cost on the PO, the <b>Average Cost</b> will not be affected.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Do not create average cost for inventory adjustments</b>	The <b>Inventory Cost</b> entered in <a href="#">Inventory Adjustments</a> will not be considered in <b>Average Cost</b> calculations.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.
<b>Enable Ignore Specific Warehouses From Average Cost Movement</b>	Once you enable this, a new setting will appear on the <a href="#">Warehouse Details</a> page called <b>Ignore inventory when calculating average cost</b> , that allows you to exclude warehouses from <b>Average Cost</b> calculations.  <b>Note:</b> The Client Setting <b>Use Weighted Average Cost for PO</b> must be enabled.

### Update SiteCost when updating AverageCost

Automatically updates the **Site Cost** based on the item's **Average Cost**. However, note that the **Site Cost** won't be set to 0 if the **Average Cost** is updated to 0.

### Add Flag to Inventory Arrivals Page

Show a flag on the **Inventory Arrivals** page when a product's **Average Cost** changes.

Hovering the flag will show the original and new values, reminding you to adjust the **Site Price** accordingly.

### Enable ALL Kits Cost calculation Once a day

With this setting enabled, the **Site Cost**, **Last Cost**, and **Average Cost** of **All Components** and **Main Component** kit parents will be updated once daily based on the costs of their kit components.

### Enable Kit Cost Calculation For Independent Kits Too

With this setting enabled, the **Site Cost**, **Last Cost**, and **Average Cost** of **Independent** kit parents will be updated once daily based on the costs of their kit components.

## Overview

The **Average Cost** is the continually updated average of a **Product's Cost** on **Purchase Orders (POs)** at the time of their **Receipt**. Sometimes, PO shipping costs or third-party costs can also be factored into the **Average Cost** – see **Purchase Order Costs Explained** to learn more.

Sellercloud considers quantities received in the following **Warehouse Types** in the **Average Cost** calculation:

- **Sellable** – included in the calculation
- **Non-Sellable** – included in the calculation
- **Dropship** – excluded from the calculation

Refer to **Order Item Cost Calculation** to learn more about how Average Cost is used during an Order Item Cost Calculation or check out our **Calculating Item Cost** video tutorial!

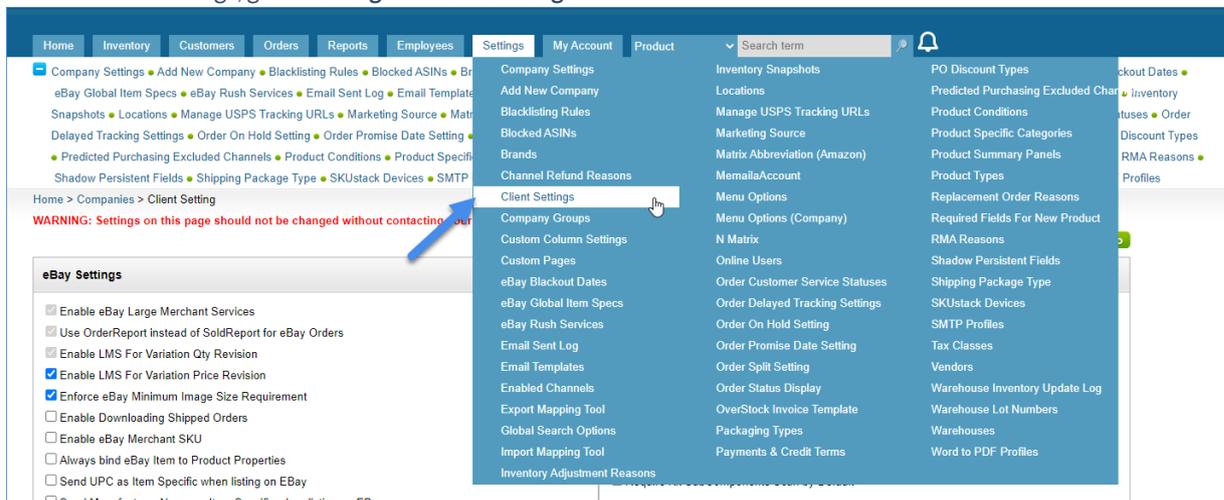
## Average Cost Calculations

Depending on the calculation type applied, there are two types of average cost: **Simple Average Cost** and **Weighted Average Cost**.

You can also contact **Sellercloud Support** to request **Customizations** that can change the Average Cost calculation in any way to fit your business needs. Building any type of new customization is billable, and the cost will depend on the complexity of the customization. Once we provide a quote, we will only bill you after receiving written approval of the quote.

To apply the **Weighted Average Cost** calculation, the **Use Weighted Average Cost for PO Client Setting** must be enabled.

1. To access the settings, go to **Settings > Client Settings**.



2. Search for the requested setting and select it.

- Allow Free PO Items to affect average cost
- Use Weighted Average Cost for PO
- Allow zero cost adjustments for products
- Do not create average cost for inventory count disabled POs
- Rebuild average cost if cost changes on PO
- Do not consider over received PO qty for average Cost
- Do not adjust Avg Cost when receiving Credit Memos
- Enable PO Price as AverageCost for specific Vendors
- Do not create average cost for inventory adjustments
- Enable ignore specific warehouses from average cost movement
- Print Payment Terms on PO PDF
- Print Memo on PO PDF

3. Scroll down the page and click the Save button to apply the changes.

4. See the detailed definitions of both cost calculation methods in the table below.

TYPE	DEFINITION
Simple Average Cost	Cost of a single unit against the cost of another single unit. This Average Cost Type is averaged only by the dollar value, while quantities are ignored.  For example, there are 10 units at \$2.00 per piece and 20 units at \$3.00 per piece. Thus, the Average Cost is \$2.50.
Weighted Average Cost	This Average Cost Type factors in both quantity and price.  For example, there are 10 units at \$2.00 per piece (\$20.00 in total) and 20 units at \$3.00 per piece (\$60.00 in total). Then, the total cost of \$80.00 is divided by all units received, which is 30. $\$80.00 / 30 =$ Weighted Average Cost of \$2.67.  The <b>Use Weighted Average Cost for PO</b> Client Setting must be enabled to use this cost calculation type. Weighted average only weighs units received against units currently in stock, not units since Day One.

Sellercloud will consider both **Sellable** and **Non-Sellable** quantities in the warehouses, but quantities in **Dropship** warehouses will be excluded from the Average Cost calculation.

## Kit Products

When the [Client Setting Enable ALL Kits Cost calculation Once a day](#) is enabled, the **Average Cost of All Components** and **Main Component** kit parents will be updated once daily based on the costs of their kit components.

To do the same for **Independent** kit parents, enable **Enable Kit Cost Calculation For Independent Kits Too**. Otherwise, the cost calculation of independent kit parents will come only from [Assembling](#) and [Receiving POs](#), and kit component costs won't be considered.

## Average Cost Adjustments

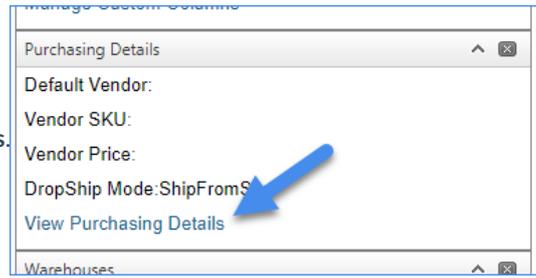
Average Cost Adjustments can be set on a product manually or added through a file import.

The [Client Setting Enable Average Cost Adjustments](#) must be enabled for this workflow! The functionality is restricted only to users with a [Client Admin](#) role.

## Adjust Average Cost Manually

1. Access **Inventory > Manage Inventory**.
2. Open the requested product.

3. On the **Purchasing Details** panel, click **View Purchasing Details**.



4. Select **Details**, next to the **Average Cost** field.

Home > Search > Manage Inventory > 123456789 > Purchasing

Product Name: 123456789

Discontinued	<input type="checkbox"/>
Inventory On Hand:	183
Qty in Independent Kits:	0
Inventory Non-sellable:	82
Inventory Low Notice On:	6
ReOrder Qty:	56
ReOrder Days:	0
Qty Per Pallet:	1
Qty Per Case:	5
Case Weight:	0 (LBs)
Case cs(L x W x H):	0 x 0 x 0
On Order:	40
Last Cost:	\$13.89
Sales Rep Cost:	16.5
Average Cost:	\$16.33
Cost per Case:	100

[Details](#)

5. In the **Amount** field, enter the adjustment amount. This can be a positive or negative value.
6. The **Per Unit Adjustment** box works as follows:
  - a. When it is **unchecked**, the adjustment amount will be distributed across the inventory currently in stock. For example, if you have 100 in stock with an **Average Cost** of \$100 and you add an **adjustment** of \$10, the **Average Cost** will become \$100.10, since  $10/100 = 0.1$ .
  - b. When it's **checked**, if you add an adjustment of \$10 and your previous **Average Cost** was \$100, the new **Average Cost** will be \$110, regardless of how many units you currently have in stock.
7. Specify the **Reason** for the changes.
8. Click **Add Adjustment**.

ProductID : 123456789  
 average Cost: 16.33  
 Current Physical Qty: 265  
 Amount: 12  
 Amount is per unit adjustment  
 Reason: adjust

Select Action

<input type="checkbox"/>	ID	Reference ID	QtyReceived	ReceivedOn	Price	Trans. Type	PO #	Inventory Before PO	Average Cost
<input type="checkbox"/>	77211	12458	9	07/13/2021 05:13	13.88888888888889	PO	1234443895	269	16.33
<input type="checkbox"/>	77207	12456	7	07/12/2021 06:51	13.5714285714286	PO	1234443880	262	16.41
<input type="checkbox"/>	77185	12436	5	07/05/2021 09:59	98	PO	1234443763	257	16.49
<input type="checkbox"/>	77174	12094	10	07/01/2021 09:48	14.9	Adjustment		99	14.90
<input type="checkbox"/>	77120	12391	1	06/09/2021 08:36	16.6666666666667	PO	1234443438	-3	16.67
<input type="checkbox"/>	77065	12341	3	05/24/2021 12:02	8	PO	1234443221	7	7.65
<input type="checkbox"/>	77063	12340	2	05/24/2021 03:51	3	PO	1234443220	12	7.50
<input type="checkbox"/>	77062	12339	7	05/24/2021 03:26	7	PO	1234443219	5	8.25

9. The product's **Average Cost** will be automatically recalculated to include the adjustment. The notification message will appear, and the relevant record will appear in the grid.

Learn how to [Recalculate P&L on an Order After Adjustments](#).

## Adjust Average Cost in Bulk

To make average cost adjustments for multiple products, make sure you have the **Enable Average Cost Adjustments** Client Setting enabled and follow the steps below.

1. Access **Inventory > Import Product Info > Import Product Average Cost Adjustments**.

Home | Inventory | Customers | Orders | Advertising | Reports | Employees | Settings | My Account | Product | Search term

Search | Manage Inventory | Add New Product | Add Product via Amazon | Add Product via eBay | Add Product via OverStock | Add Product via Sears | Add Product via Walmart Marketplace | Add Product via Wayfair | Amazon ASIN Merge Audit | Amazon Listings Audit | Bin Lot Reconcile Audit Report | Bulk Update Products | Channel Posting Log | Channel Restricted Products | Cycle Count | Disconnected Inventory | eBay Listings | eBay Listings Failure | FBA Inbound Shipments | FBA Reconciliation | Feeds To Channels | Find ASIN From UPC | Find ASIN Result | **Import Product Info** | Inventory Arrival | Inventory Transfer Report | Kit Assembly Work Orders | Manage Product Warehouse Bins | NewEgg.com Inbound Shipments | Pending Order Reserves | PO FBA Plannings | Predicted Purchasing | Product Groups | Product Lot Number Report | Product Serials Report | Purchase Manifest | Purchasing | PutAway Lists | Replace Accessory Products | Replace Kit Products | Saved Searches | Saved Searches (eBay Listings) | Sears Active Inventory | Shadow Kits to Fix | SKU/UPC/Alias Reconciliation Report | Split SKU | Split SKU (WITR) | Transfer Between SKUs | Unfillable Products | Warehouse Bin Reports | Warehouse Inventory Adjustments | Warehouse Inventory Import | Warehouse Inventory Transfer | WFS Shipment Plans

Home > Search > Manage Inventory > Import Product Info > Import Product Average Cost Adjustments

Select File:  No file chosen

2. To download a sample template file, click the **Download template** button.
3. Populate the following columns: **ProductID**, **Amount**, **IsAmountPerUnit**, **Reason**. Use values **TRUE** or **FALSE** per the **IsAmountPerUnit** column.
4. Save the file.
5. Return to the **Import Product Average Cost Adjustments** page.
6. Click the **Choose File** field, select the appropriate file from your computer. Click **Upload File**.

## Prime Average Cost

With Sellercloud, you can always reset the **Average Cost** and set it to a specific value. This is typically done during your initial account setup in order to prime the average cost of a product, but it can be done whenever you need to. To make **specific average cost adjustments**, populate this [Prime Average Cost import template](#) and submit it to [Sellercloud Support](#).

Once the **Prime Average Cost** file is imported, all inventory movements created **before** the date indicated will be ignored in the **average cost calculation**. Only inventory movements done **after** that date will impact the **Average Cost** value.

Average costs can even be *backdated* and retroactively applied to update item costs in existing orders. When [Recalculating the Orders](#), the item cost is updated based on the value of App Setting **PredictMissingAverageCostMovementIDForOrder**. This update can be either based on the historical average cost at the order's creation or the most recent average cost. Custom plugin "**Update Average Cost Order Export**" may be required to perform this action. Contact [Sellercloud Support](#) if you ever need to do this!  
[Client Setting Use Weighted Average Cost for PO](#) must be enabled for this workflow!

## Related Client Settings

To access the configuration options, go to **Settings > Client Settings**.

CLIENT SETTING	DEFINITION
<b>Enable PO Based Extra Costs</b>	Select to see the <b>Gross Cost</b> on the product's summary page. The Gross Cost excludes quantity from its calculation. <b>Gross Cost = Average of the Adjusted Price + Extra Cost (Per Unit) + Extra Cost (PO Based Per Unit)</b> for the product from all previous Purchase Orders.
<b>Include PO Based Extra Costs in Average Cost too</b>	Enabling this will count the extra costs on a Purchase Order towards the products' average cost calculation. <b>Note: Enable PO Based Extra Costs</b> must be enabled first.
<b>Allow Free PO Items to affect average cost</b>	Allows items with zero cost in Purchase Orders to affect the average cost calculation. <b>Note: Weighted Average cost calculation</b> must be enabled.
<b>Do not create average cost for inventory count disabled POs</b>	If a Purchase Order is marked as Inventory Disabled, units received will not affect the current average cost. <b>Note: Weighted Average cost calculation</b> must be enabled.
<b>Rebuild average cost if cost changes on PO</b>	If you have a PO that's received and the average cost is updated, you can go and change the item cost on a PO for its products. Enabling this setting will account for those changes and update the average cost for the products accordingly. <b>Note: Weighted Average cost calculation</b> must be enabled.
<b>Do not consider over received PO qty for average Cost</b>	If you have a PO with a certain quantity ordered, the average cost will be calculated for the quantity ordered only, no matter how much quantity was actually received. <b>Note: Weighted Average cost calculation</b> must be enabled.
<b>Do not adjust Avg Cost when receiving Credit Memos</b>	If you receive Credit Memos, the average cost will not be affected. <b>Note: Weighted Average cost calculation</b> must be enabled.
<b>Enable PO Price as AverageCost for specific Vendors</b>	This will add a new checkbox on the Vendor details page called <b>Treat PO Prices on Average Cost</b> . If you have a PO connected to a vendor (that has this enabled). Then, regardless of the unit cost on the PO, the average cost will not be affected. <b>Note: Weighted Average cost calculation</b> must be enabled.
<b>Do not create average cost for inventory adjustments</b>	The Inventory Cost entered in inventory adjustments will not be taken into consideration when calculating average cost. <b>Note: Weighted Average cost calculation</b> must be enabled.

<b>Enable ignore specific warehouses from average cost movement</b>	<p>You will be able to specify which warehouses you don't want to affect average cost calculation (when receiving POs in them, etc.) Once you enable this Client setting, a new setting will appear on the <b>Warehouse details</b> page called <b>Ignore inventory when calculating average cost</b>. <i>(If you don't see it in Delta, it's in Alpha)</i>. You can then set which warehouse you want to ignore.</p> <p><b>Note:</b> Weighted Average cost calculation must be enabled.</p>
<b>Update SiteCost when updating AverageCost</b>	<p>Automatically updates the <b>Site Cost</b> based on the item's <b>Average Cost</b>. However, note that the <b>Site Cost</b> won't be set to 0 if the <b>Average Cost</b> is updated to 0.</p>
<b>Enable ALL Kits Cost calculation Once a day</b>	<p>With this setting enabled, the <b>Site Cost</b>, <b>Last Cost</b>, and <b>Average Cost</b> of <b>All Components</b> and <b>Main Component</b> kit parents will be updated once daily based on the costs of their kit components.</p>
<b>Enable Kit Cost Calculation For Independent Kits Too</b>	<p>With this setting enabled, the <b>Site Cost</b>, <b>Last Cost</b>, and <b>Average Cost</b> of <b>Independent</b> kit parents will be updated once daily based on the costs of their kit components.</p>

*Does Average Cost differ from Gross Cost?*

Yes, the latter excludes quantity from its calculation:

**Gross Cost** – Average of the Adjusted Price + Extra Cost (Per Unit) + Extra Cost (PO Based Per Unit) for the product from all previous POs.

You can see Gross Cost on the [Product's Summary](#) if you select **Enable PO Based Extra Costs** in the Client Settings.

---



---