

## COVENSTEAD PRESS TYPICAL BOOK PROFIT CALCULATION

The amount of profit a book makes is dependant upon the author and the quality of the book. Typically, books range from \$8-\$20 to print. Authors make between \$1 and \$10 a book. Authors make half that on bulk catalog sales to independent bookstores. We take this hit because we're supporting the indies...it is a moral stand. An author can choose to make even less on a special sale. The 13 books for 13 dollars for CUEW members of All One Wicca nets the author NADA.

Currently, a book's non-author profit per book is calculated thuswise:  
 $\{[\text{Sale price}] - [\text{production cost}]\} - [\text{royalties}] - [\text{total price to get book on shelves}] - [1\% - 10\% \text{ of price if non-zero}] = \text{Non-Author Profit}$ . {Note:  $[\text{Sale price}] - [\text{production cost}]$  is figured out by the printer.}

Most of that 1%-10% of price fee, which only kicks in when the book has paid off its expenditures, goes to capital improvements of CSP and getting other books on the shelves.... One of our major expenditures will be the purchase of a machine which will greatly reduce  $\{[\text{Sale price}] - [\text{production cost}]\}$  for wholesale books. The exact amount of this fee is worked out between the CEO and the author. A chunk of it goes to taxes, too.

Exact details of how a book's profit is calculated are done on a per-book method.

An Oversimplified Example:

Joe's Book *Esoteric Fruitcake* sells for 12.99. The Production cost is 8.99. Of the \$4 that remains, \$2 goes to Joe, and \$2 goes to "[total price to get book on shelves]"

Joe's book cost us \$100 to get on the shelves. After 50 books are sold, the [total price to get book on shelves] is wiped out.

On the 101<sup>st</sup> book and every book afterwards, \$2 goes to Joe, \$0.50 goes to Covenstead Press for improvements (an amount Joe agreed on) and \$0.50 each goes to the members, CEO and Partners.

Covenstead pays no taxes on the amount members get. They need to work that out with their own accountants!