

# Know the cost of delivering your programmes and services?

No

Calculate in **THREE** easy steps!

**1** Determine the **direct costs** specific to your programme or service and **indirect costs** for the whole organisation.

## Direct Cost

**Programme Costs**  
Stationery, promotion, resources, venue, etc.

**Labour**  
Wages, contractor fees, volunteer expenses

**Travel**  
Fuel, vehicle lease, mileage reimbursement

## Indirect Cost

**Admin Labour**  
GM, administrator, accounts staff

**Rent & Utilities**  
Rent, power, phone, internet, etc.

**General Operations**  
Insurance, website, subscriptions

+ Plus any other costs directly related to the programme

**2** Calculate the **total direct** and **indirect** costs across each programme or service.



**Example:** A community centre has 2 programmes/services.

Programme/Service	Direct Cost	Service Delivery %	Indirect Cost	Total Cost
Counselling Services	\$40,000	85%	\$85,000	\$125,000
Adult Education Classes	\$5,000	15%	\$15,000	\$20,000
Total Costs	\$45,000	100%	\$100,000	\$145,000

**Direct Costs** = Costs calculated for each Service / Programme in Step #1

**Service Delivery** = Estimated % of time spent on each programme or service.

**Indirect Cost** = Total Indirect Costs (calculated in Step #1) x Service Delivery %

**Total Cost** = Direct Cost + Indirect Cost

**3** Identify what has been delivered to calculate the **cost per session** and **cost per client**.

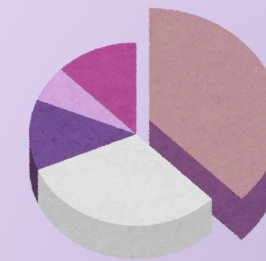
## Cost of Counselling Services

Total Cost: **\$125,000**  
Sessions Delivered: **724**

**Cost per Session** = Total Cost ÷ Sessions Delivered  
Cost per Session = \$125,000 ÷ 724 = **\$172.65**

**Cost per Client** = Estimated Sessions x Cost per Session  
Cost per Client = 10 Sessions x \$172.65 = **\$1,726.50**

+ Assumes client receives 10 counselling sessions



Yes

Well done! Make sure you:

- ✓ Use calculations when **negotiating contract amounts**.
- ✓ Add **CPI for multi-year agreements** or when contracts are renewed to keep pace with inflation.
- ✓ **Negotiate a reduction of deliverables** if the funder is unable to fund CPI adjustments.

+ Helpful **SocialLink Resource Links**  
[Calculating CPI Increases](#)

[SocialLink's Organisational Advisor Financials + Funding](#)