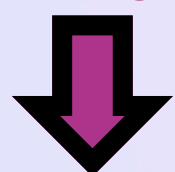


Do you know the cost of delivering your programmes and services?



3 Easy Steps to calculate



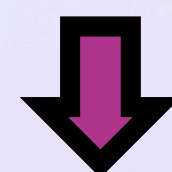
1. Calculate your **direct costs** specifically related to a programme /service and **indirect costs** for the whole organisation

Direct Costs	Indirect Costs
Programme Costs Stationery, promotion, resources, venue etc	Admin Labour GM, administrator, Accounts staff
Labour Wages, Contractor fees, Volunteer Expenses	Rent & Utilities Rent, Power, Phone, Internet
Travel Mileage reimbursement, Vehicle lease, Fuel	General Operating Insurance, subscriptions, website

+ any other costs directly related to the programme

- 2.**
- Example Community Centre has two programmes / services
 - We know from # 1 that **direct costs** for both programmes are \$45,000 and **indirect costs** total \$100,000 (Total Costs \$145,000)
 - **Service Delivery %** = estimated percentage of time spent on each programme /service
 - Calculate Indirect costs for each programme
(Total Indirect Costs X Service Delivery % = Indirect Costs)

Programme / Service	Direct Costs	Service Delivery %	Indirect Costs	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



3. Now that we know what each programme costs, we need to know what we have **delivered** so that we can calculate the cost per session and the cost for each client.

Counselling Services

- Total Cost = **\$125,000**
- Counselling Sessions Delivered = **724**

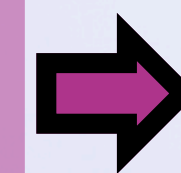
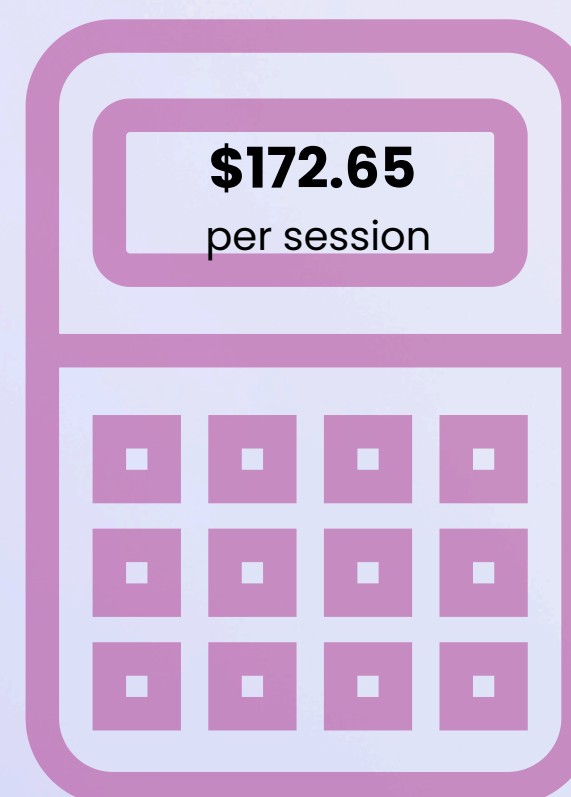
Calculate Cost per session

$$\mathbf{\$125,000 \div 724 = \$172.65}$$

Calculate Cost per client

$$\mathbf{10^* \text{ sessions} \times \$172.65 \text{ per session} = \$1,726.50}$$

* Assumes clients receive 10 counselling sessions



WELL DONE!



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

Website links

- Calculating CPI Increases - <https://socialink.org.nz/wp-content/uploads/2025/08/SocialLink-Calculating-CPI-Increases-FINAL-1.pdf>
- SocialLink's Organisational Advisor Financials + Funding - <https://socialink.org.nz/financials-funding/>