

Nonprofit Cost Analysis Toolkit: Six Steps to Finding the True Costs of Programs

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Authors' Note:

The Nonprofit Cost Analysis Toolkit was originally designed for use on the [Bridgespan.org](https://bridgespan.org) website. To download sample and template files, please visit the online version of the Cost Toolkit at www.bridgespan.org/nonprofit-cost-analysis-toolkit-introduction.aspx or use the live links found throughout this document. Please send any questions about or suggestions for the Cost Analysis Toolkit to info@bridgespan.org

Introduction

Why cost analysis?

Although nonprofits generally have a good understanding of their revenues, knowledge about costs can sometimes be less robust. This is particularly the case when it comes to the true, all-in costs of providing services, running programs, and otherwise operating the organization.

Lacking this information, nonprofit executives often must make important resource-related decisions on the basis of intangibles such as intuition, the skills and knowledge of the program staff, or the preferences and inclinations of the organization's funders. As a result, they run the risk of undermining their organization's mission (however inadvertently) by failing to allocate resources to the most appropriate programs and services. Given the limited resources available to nonprofits (especially during financially challenging times), gaining economic clarity around costs is critical to inform key strategic decisions.

Read more in "[Costs Are Cool: The Strategic Value of Economic Clarity](#)," by Susan Colby and Abigail Rubin.

What is true-cost analysis?

An effective true-cost analysis accurately allocates direct as well as indirect costs across focus areas such as programs, geographic sites or particular products, allowing nonprofit leaders to make more informed decisions about strategy and funding.

Most organizations have a good understanding of the direct costs incurred by each of their programs. But since traditional accounting breaks down indirect (or overhead) costs by functions (e.g. administration, marketing, operations), rather than by programs, it fails to capture the relationship between these costs and the organization's activities, and consequently, its mission. The result is a cloudy economic picture that blinds nonprofit leaders from truly understanding the financial health of each of their program areas.

The allocation of all organizational costs, direct and indirect, across relevant programs/sites is at the heart of true-cost analysis.

Who should use cost analysis?

This toolkit is intended primarily for senior leaders (e.g. executive directors, directors of finance, development directors, regional directors) of small to medium nonprofit organizations with multiple programmatic areas or multiple geographic sites. It may also be useful for leaders of larger nonprofits in those cases where this knowledge does not exist already among the organization's staff. Smaller nonprofits with a single program area and a single geographic site are unlikely to require true-cost analysis as offered in this toolkit, which focuses on allocating financials across multiple areas.

This toolkit may also prove useful for foundations looking to understand their grantees' true-cost structure, or to help their grantees gain economic clarity.

The toolkit assumes that its users possess a basic understanding of financial concepts and a strategic purview of the organization.

How do you actually do it?

The process of understanding the true costs of each of program area within an organization can seem somewhat complex for anyone conducting this analysis for the first time. This toolkit has been designed specifically to help guide nonprofit leaders through this process, which consists of six steps:

1. Determine purpose and scope
2. Gather financial data
3. Allocate direct costs
4. Allocate indirect costs
5. Check your data
6. Apply this knowledge

At each step, the toolkit offers an explanation of how to conduct the analysis. For relevant steps, we also provide blank financial templates and concrete examples.

In addition, this toolkit contains a [frequently asked questions](#) section and a list of additional [helpful resources](#), both internal and external to Bridgespan.

Before you start conducting the actual analysis, make sure you:

- Spend about one to two hours navigating through the six steps and glance over the [FAQs](#)
- Carefully review the “What do I need to get started?” section of the [FAQs](#)
- Read one or two [case studies](#) to understand how other organizations have used cost analysis
- Review the [one-page process overview](#) (print out a copy to serve as your overview/road map, if it is helpful)

Getting Started: The Cost Analysis Process at a Glance

Cost analysis process						
	Determine purpose and scope	Gather financial data	Allocate direct costs	Allocate indirect costs	Check your data	Apply this knowledge
Process	<ul style="list-style-type: none"> Determine the purpose Define your programs Determine programmatic scope 	<ul style="list-style-type: none"> Determine relevant data to gather Gather data Modify source and format of data, where necessary 	<ul style="list-style-type: none"> Allocate direct costs by programs (or sites) 	<ul style="list-style-type: none"> Identify cost drivers Allocate indirect costs by programs (or sites) 	<ul style="list-style-type: none"> Check your analysis for both accuracy and logical soundness 	<ul style="list-style-type: none"> Assess the results and draw implications for your organization Make decisions based on data Identify next steps
Timeline estimate	<ul style="list-style-type: none"> 2-3 days 	<ul style="list-style-type: none"> One week to a month 	<ul style="list-style-type: none"> 2-3 days 	<ul style="list-style-type: none"> One to two weeks 	<ul style="list-style-type: none"> One day 	<ul style="list-style-type: none"> Depends on organization
People to involve (beyond the person conducting analysis)	<ul style="list-style-type: none"> Management team Program directors 	<ul style="list-style-type: none"> Finance and HR departments All staff (if doing staff time interviews) 	<ul style="list-style-type: none"> Program or site directors Finance department 	<ul style="list-style-type: none"> Program or site directors Finance department 		<ul style="list-style-type: none"> Management team



Step 1: Determine Purpose and Scope of Analysis

Determine the purpose of your cost analysis

It is helpful to spend some time first thinking through the questions you are trying to answer with this analysis so that you can tailor subsequent steps to suit your purposes.

1. The primary reason for conducting cost analysis is generally to determine the true (full) costs of each of the programs under analysis (services and/or products). You can then utilize this knowledge to:
 - Identify and prioritize cost-saving opportunities
 - Fundraise from donors to cover the true costs of delivering the program
 - Price the service or product (for paying beneficiaries) at a level that covers the true costs of providing it
 - Report the true costs of a program when claiming government reimbursements

In all of these instances, knowing the true costs of a program allows you to determine the amount of revenue you need to generate from it (or the volume of funds you need to raise to support it) to ensure that the program is not a net consumer of resources for the organization.

2. When combined with an assessment of a program's revenue and degree of mission-alignment, understanding the true costs of a program will also allow you to understand how each program contributes to your organization's social mission and overall financial health. This information is instrumental to be able to:
 - Allocate human and financial resources effectively
 - Prioritize core programs that you must protect even in economically hard times
 - Identify peripheral and financially unhealthy programs to eliminate
 - Design smarter growth strategies
 - Improve the financial health and mission alignment of the organization as a whole

This second set of decisions requires additional analysis, but a good understanding of the true costs of your programs is the indispensable first step.

Define your programs

Determine how your programmatic areas are to be delineated for this analysis—they will constitute the categories into which you will distribute your costs. It is important to note that, to calculate the true costs of a program, all organizational costs (including overhead) will need to be allocated across its programs. Overhead is essential for the proper functioning of an organization and, therefore, is an integral part of a program's costs.

For organizations running programs that are very distinct from one another, delineating programs should be an intuitive step. If you have several overlapping and inter-connected services, however, it may be helpful to spend some time mapping out whether they should be split from one another or grouped together into cohesive units.

A useful test to differentiate distinct programs is through comparing these elements for each program:

- What is the service offered?
- What resources are needed to offer that service?
- At whom is the service targeted?

For programs that look similar in at least two out of these three dimensions, think carefully about whether they should be considered the same program in your analysis, even if they are usually categorized separately in fundraising.

The following Program Definition Template can help guide you through this process:

- [Program Definition Template](#)

This section has been devoted to programs, but its logic can also be applied to geographic sites or branches. A nonprofit leader who runs a single program but is administering it at multiple sites can conduct this same cost analysis to assess the financial demand of each site. We have not discussed “site definition” in detail in this toolkit as the process is generally straightforward for most nonprofits.

Determine appropriate programmatic scope

Is it realistic to conduct a comprehensive cost analysis of the entire organization, or should you only target the few programs in which you are particularly interested? This will depend on the situation and the type of decision you need to make. Some considerations include:

Scope	Advantages	Disadvantages
Comprehensive analysis of all programs	<ul style="list-style-type: none"> • Allows you to grasp the entirety of the organization’s work. Comprehensive cost analysis is vital for every organization and is where this toolkit can deliver the most powerful insights • Particularly useful for executive-level decisions, e.g., setting funding priorities, prioritizing among programs, or making staff allocation decisions (some of these may require additional analysis beyond costs) • Easier to ensure that all costs are being accounted for 	<ul style="list-style-type: none"> • Surveying all the line items may be time- and labor-intensive, especially for large nonprofits. Where a strict deadline exists, comprehensive cost analysis may not be possible • Particular decisions may not require the analysis of all programs, e.g., where there are funding restrictions in one particular geography, analyzing the costs of sites in that area may be sufficient
Analysis of targeted programs	<ul style="list-style-type: none"> • Appropriate for smaller-scale or program-specific decisions • Shorter time commitment • Lower complexity, which may require fewer staff involved 	<ul style="list-style-type: none"> • Will only expose issues in programs that you are already focused on, potentially resulting in blind spots • Cannot inform organization-wide strategic decisions

Identify appropriate time period

As cost is driven in part by the length of time and specific period analyzed, it is important to identify a timeframe that makes sense for your purposes.

- If a disruptive event occurred recently but is unlikely to reoccur, it may be more accurate to use a longer time unit, such as the past two fiscal years, to smooth out the anomaly.
- If the nonprofit has launched new programs recently, the last 6 months may be more representative than a longer time period.
- It is also preferable to choose a time period for which accurate and representative revenue data exists, in case further analysis is needed in the future.



Step 2: Gather Financial Data

Once you have decided on the time period and programmatic scope of your analysis, you can begin gathering the relevant data accordingly.

Financial information required for a comprehensive cost analysis

Information to Gather	Source	Contact
1. All organizational costs, both program specific (direct) and overhead (indirect)	Organizational budgets and accounting reports	Director of finance; CFO
2. Expenses incurred by each program, as reported by program heads	Program summary reports	Program directors/officers
3. Number of employees (specified by fulltime and part-time capacity) and summary of job responsibilities for each position	Job descriptions; payroll information	Program directors/officers; human resources
4. Estimates of how staff members spend their time, by program	Timesheets; interviews with staff, if necessary	Program directors/officers; human resources
5. Estimates of infrastructure usage (e.g. facilities, equipment, IT licenses) by program	Room scheduling records; equipment logs; interviews with operations, if necessary	Director of operations

The first two items provide you with the raw cost amounts that you will allocate in later steps, whereas items three to five provide information to help guide your allocations. If items four and five (breakdown of staff and infrastructure utilization by program) are unavailable through existing records, invest some time in conducting interviews. Not only is this data crucial for your analysis, it can also shed light on how effectively your organization is utilizing staff capacity—often the most expensive resource for nonprofits.

Use the following templates to help guide you through the information gathering process:

- [Staff Interview Template](#) (Download sample file)
- [Staff Interview Sample](#) (Download sample file)

(See Appendix 2 for example)



Step 3: Allocate Direct Costs

In this step we begin the cost allocation process, starting with program-specific expenses (direct costs). Direct costs include each program’s labor costs and other directly attributable expenses.

This should be a straightforward step for nonprofits that have been keeping finances in distinct program categories. The key here is to take the existing cost information and sort the line items into their respective program areas, as defined in Step 1 of this analysis ([Define Your Programs](#)).

If you decided in Step 1 to reorganize your programs in new ways, then this step may take more time as you think through where each cost fits in the new categorization. The principle is the same: distribute each cost item into one of the new program areas you have specified for this analysis.

Sample list of direct costs:

- Salaries and benefits for staff members working exclusively on one program
- Travel expenses and personal equipment costs attributable to these staff members
- Supplies and materials for particular programs
- Rent, where the program uses a particular facility in exclusivity
- Contract fees for the program’s partners

The following sample can help you with this process:

- [Direct Cost Allocation Sample](#) (Download sample file)

(See [Appendix 4](#) for example)



Step 4: Allocate Indirect Costs

In this step, you will allocate indirect costs in a meaningful way across the program areas you specified in step one. Indirect costs are costs shared across several programs; they include any expenses that are not directly tied to the operation of a specific program and, therefore, have not been distributed in the previous step. Indirect costs can include general administration and management expenses (e.g. management staff salaries and benefits), infrastructure costs (e.g. rent and utilities, transportation, equipment depreciation, technical licenses), and other costs that are incurred for the benefit of all the programs within the organization (e.g. marketing costs, advocacy expenses).

In order to allocate indirect costs, you'll need to do two things:

- Identify “drivers” for each cost item
- Using the drivers, allocate indirect costs to programs

Identify drivers

Cost drivers are measurable factors that allow you to determine the relationship between the indirect cost and each program area, and may vary for different cost items. Think of them as the variables that cause a particular indirect cost to grow or decrease. For instance, rent for an office space often varies depending on the number of staff members that need to be in a particular location: the more people in an office, the larger the space (and so the rent) needs to be. Thus, number of people is a good cost driver for the rent line item.

The appropriate driver may be different for each cost item, depending on what is the root unit that drives that particular expense, and it is up to you to determine the most relevant driver for your costs. By looking at how many units of cost driver a particular program has/uses, you can determine what a fair allocation of the indirect cost to that program is.

For example:

- Cost item: salary/benefits of the human resource director (HR)
- Guiding question: What unit can approximate the demand that each program places on the HR director? (i.e. How do we meaningfully distribute the HR director's time across programs?)

- Cost driver: number of staff working directly on each program, in that the more people there are, the more time the HR director will need to spend working on a particular program
- Allocation method: translate the number of staff working on each program into a percentage of the HR director's total time (e.g. 20 percent of time on education program staff (two people); 30 percent on health program staff (three people); 50 percent on housing program staff (five people))

For a more complete list of guiding questions and examples, see:

- [Sample Cost Drivers](#) (Download sample file)

(See Appendix 5 for example)

Wherever appropriate, it is best practice to use the same driver for multiple line items in order to keep your analysis as simple as possible. A total of six cost drivers is easier to manage than calculating 20 different ones.

For those cost drivers that you feel less confident about, check with someone else in your organization to see if the drivers you are considering make good intuitive sense (i.e. if other people had to define this cost driver, would they pick the same one you did?). This will help ensure the accuracy of your cost analysis results.

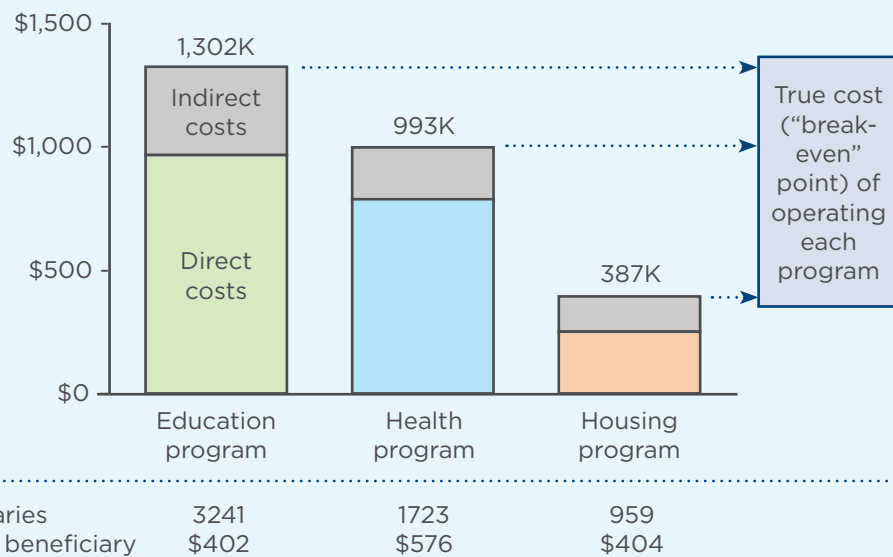
Allocate indirect costs

Using the allocation method defined in the previous section, distribute each cost item across the program areas according to the estimated percentages.

Continuing with the previous example:

- Cost item: salary/benefits of the HR director= \$100,000
- Allocation method: 20 percent of HR director's time is spent on education program staff; 30 percent on health program staff; 50 percent on housing program staff
- Allocated indirect costs: \$20,000 to education; \$30,000 to health; \$50,000 to housing
- Repeat the process for all the indirect cost items until you have allocated all the overhead costs into the appropriate program areas
- The information you have gathered gives the true price of operating each of your programs, which can be graphically depicted as:

True cost of Nonprofit Anonymous by program (K)



Use the following template and sample to help guide you through this process:

- [Indirect Cost Allocation Template](#) (Download sample file)
- [Indirect Cost Allocation Sample](#) (Download sample file)

(See Appendix 6: [Template](#), [Sample](#) for examples)



Step 5: Check Your Data

Spend a few minutes double-checking the numbers to make sure that you haven't missed any of the costs during the allocation, and that everything makes intuitive sense. Conduct these four simple checks:

1. Check to see that all costs have been allocated.

To do this, sum up the allocated costs for all program areas and make sure that the sum is the same as the total original costs (direct plus indirect costs).

2. Check whether each cost item has been allocated correctly.

For each cost item, make sure that the costs allocated to each program area sum up to the original cost item total. Ensure that there are no negative allocations. Finally, for cost categories where the allocation to a program is 0 (or 0 percent), make sure there is a legitimate reason for this.

Example:

		Cost	Education Program	Health Program	Housing Program	Check
Allocation Framework	Salaries/benefits of executive director		20%	40%	40%	100%
	Office rent and utilities		33%	33%	33%	100%
	Contracting fees		0%	90%	10%	100%
Indirect Cost Allocation	Salaries/ benefits of executive director	\$200,000	\$40,000	\$80,000	\$80,000	\$40,000 +\$80,000 +\$80,000 =\$200,000
	Office rent and utilities	\$20,000	\$6,667	\$6,667	\$6,667	\$6,667 +\$6,667 +\$6,667 =\$20,000
	Contracting fees	\$5,000	\$0	\$4,500	\$500	\$0 +\$4,500 +\$500 =\$5,000

3. Check job descriptions/rosters against your cost allocation.

Ensure that you have accounted for all staff members' time (including part-time staff and contractors/consultants).

4. Verify the logic of your results.

- For each program, do the biggest cost allocations make sense to you?
- Across programs, do the relative proportions of each cost category make sense?

For a more detailed example, see:

- [Sense Check Sample Spreadsheet](#) (Download sample file)

(See Appendix 8 for example)



Step 6: Apply This Knowledge

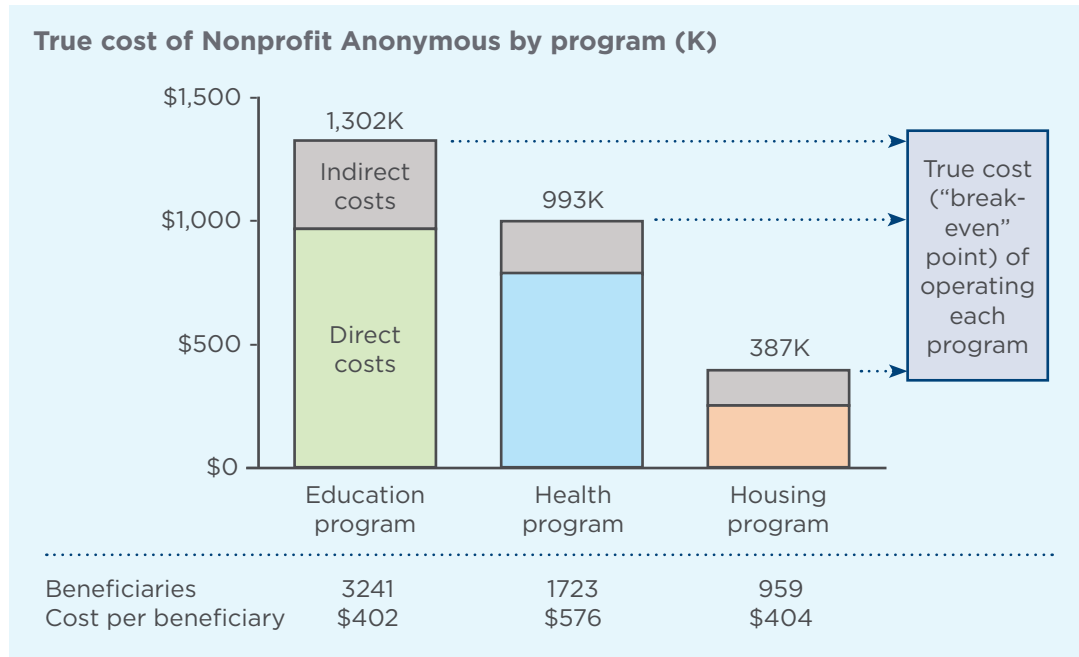
The information you have gathered gives the true cost of operating each of your programs. This knowledge can be used immediately for key decisions related to true costs, or combined with additional revenue and mission-alignment analyses to drive other decisions. Depending on the question you are trying to answer, further analysis may be required:

No More Analysis Required	Require Revenue Analysis	Require Revenue and Mission Analysis
<ul style="list-style-type: none"> • What is the minimum amount of funding we need to keep this program solvent? <ul style="list-style-type: none"> - How should we price this particular service or product to the paying beneficiaries (fee)? - How much should we fundraise from grant-makers/donors? - What do we report as true cost for government reimbursements? • What are our biggest cost-saving opportunities that won't hurt the organization? <ul style="list-style-type: none"> - Which programs cost the most and should therefore be targeted first? - Which cost items (within a program) should we focus on? 	<ul style="list-style-type: none"> • For which programs should we prioritize fundraising? • Are we maximizing our use of restricted funding before tapping onto the unrestricted? • Should we raise additional unrestricted funding? • Which sites or locations should we exit if the financial situation worsens? (assuming that all sites run equivalent programs) • Which sites should we protect and prioritize because they are self-sufficient and contribute funds to the organization? 	<ul style="list-style-type: none"> • Are there financially unhealthy and peripheral programs that can be cut? • What are the key programs that we must protect even in economically challenging times? • How should we prioritize growth and design sustainable expansion strategies? • How can we improve the financial health and mission alignment of the organization as a whole? • How do we allocate our human and financial resources to maximize impact?

True-cost related decisions

For questions that fall under the “No More Analysis Required” category, your data from Step 5 should allow you to generate the observations you need to guide your decisions.

For the example of Nonprofit Anonymous, the data compiled up to this point, together with the associated graph (below) can offer a number of insights:



- The education program incurs half of the organization's overall expenses, but also serves 55 percent of the organization's beneficiaries.
- The housing program has a disproportionately large overhead cost given the size of its program direct costs, while the health program seems to be leanest of the three.
- The biggest overhead drivers for the housing program are its usage of: office space, ED's time, CFO's time and media relations director's time (see [Step 4 Excel sample](#)).
- The CFO and the media relations director spend a disproportionate amount of their time on the housing program, contributing to the largest overhead cost percentage (see [Step 4 Excel sample](#)).

Other possible observations:

- For analyses that allocate across sites instead of programs, you can identify the most financially demanding locations and the most economically efficient ones.
- For programs with particularly intensive start-up costs (fixed costs), such as foster homes, their allocation of overhead is likely to decline as the programs grow.

The development director and the ED can now use the true cost data to make key decisions:

1. “Price” each program in order to:
 - Fundraise the right amount of funds from donors (total cost of program)
 - Set a fee for paying beneficiaries (cost per unit)
 - Request government reimbursements (cost per unit) so that all costs are adequately covered.
2. Prioritize cost-reduction efforts by identifying the program with the largest costs and/or the largest cost categories within a particular program

Decisions requiring additional analyses

If one of your questions requires revenue and/or mission analysis, you will need to complement your true cost information with: 1) revenue analysis similar to what you just conducted for costs, and/or 2) a diagnosis of how each of your programs fits with your overall mission. It is not within the purview of this toolkit to offer detailed explanations of these additional analyses, but below are some snapshots to give you an idea of what is possible. You can also look at our [featured case studies](#) to get a contextualized understanding of how other nonprofits have added revenue analysis and mission alignment to their cost analysis results.

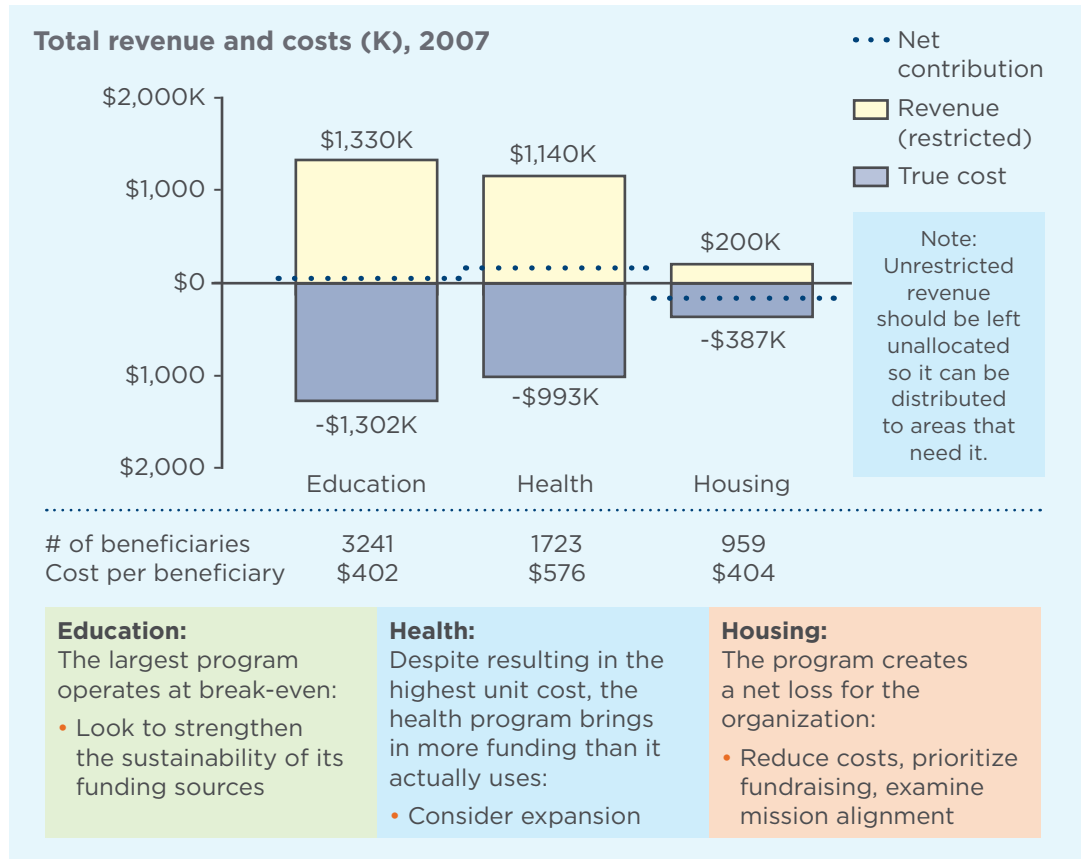
1. Adding revenue analysis

The process of conducting a revenue allocation analysis follows a similar logic as the steps laid out in this toolkit to conduct cost allocation. By adding revenue analysis, nonprofit leaders may gain insights into the financial health and the net financial contribution of each program to the organization. This will allow them to:

- Prioritize fundraising initiatives
- Maximize impact by utilizing restricted funding effectively
- Exit or grow particular sites/locations, depending on their financial health (assuming they all administer the same program with comparable impact)

Example of adding revenue analysis to cost analysis:

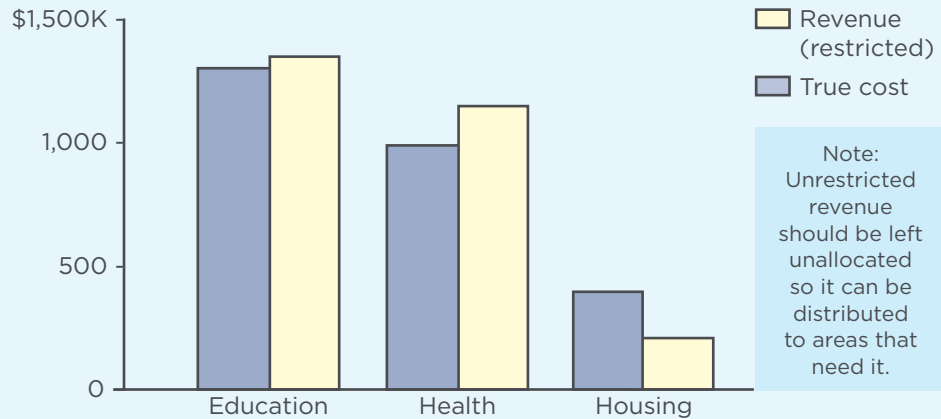
Adding revenue analysis



The same information can also be displayed in other ways, such as:

Adding revenue analysis

Total revenue and costs (K), 2007



Net contribution	\$28K	\$147K	(\$187K)
# of beneficiaries	3241	1723	959
Cost per beneficiary	\$402	\$576	\$404

Education:

The largest program operates at break-even:

- Look to strengthen the sustainability of its funding sources

Health:

Despite resulting in the highest unit cost, the health program brings in more funding than it actually uses:

- Consider expansion

Housing:

The program creates a net loss for the organization:

- Reduce costs, prioritize fundraising, examine mission alignment

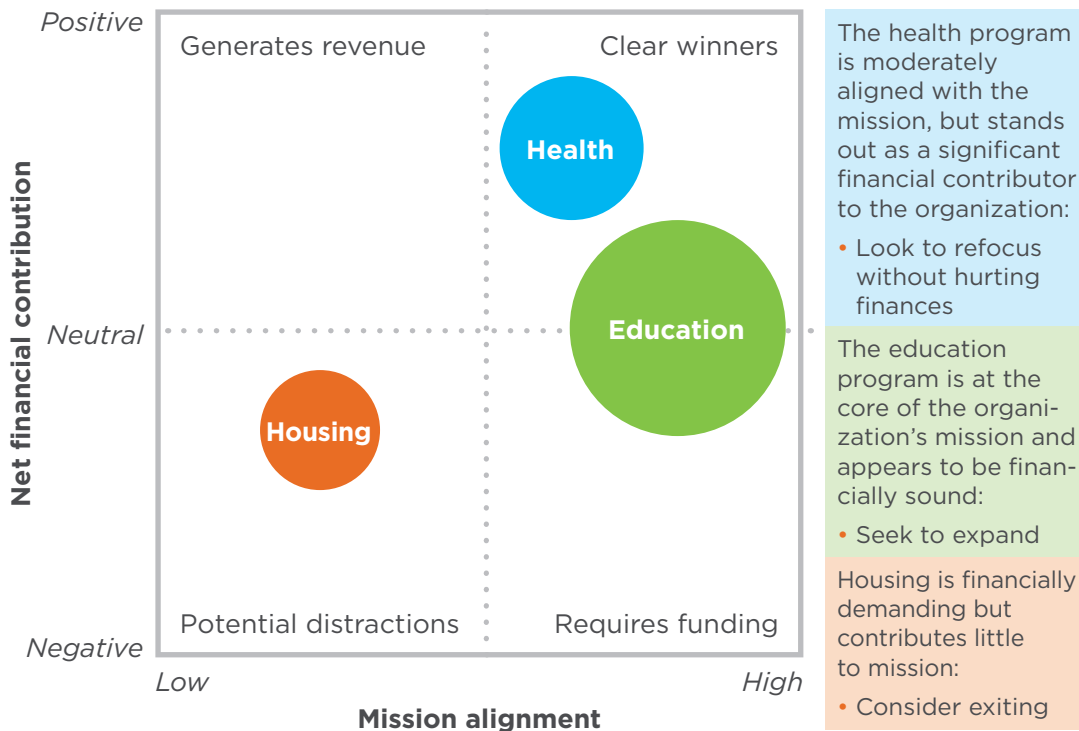
2. Adding mission alignment analysis

Mission alignment analysis brings an important value-based perspective to your financial data. By adding mission alignment analysis to previous insights, nonprofit leaders may be able to:

- Allocate human and financial resources to serve the greatest need
- Prioritize core programs that must be protected even in economically hard times
- Identify peripheral and financially unhealthy programs to eliminate
- Design smarter growth strategies
- Improve the financial health and mission alignment of the organization as a whole

Example of adding mission alignment analysis to revenue and cost analyses:

Mission economic contribution



Clear winners	Requires revenue	Generates funding	Potential distractions
Core to the organization's work; contribute to both funding and social mission	Core to the social mission but need financial support from other programs	Contributor of funding for the organization but not well-aligned with the social mission	Peripheral to the organization; misaligned with mission and financially unhealthy

FAQs

1. Why is cost analysis relevant for me?

Different from traditional methods of accounting, an effective true-cost analysis offers a clearer picture of the financial demand that each of your programs (or geographic sites or particular products) places on your organization. This allows you to make smarter strategic decisions around program prioritization or fundraising.

This toolkit is intended primarily for senior leaders (e.g. executive directors, directors of finance, development directors) of small to medium nonprofit organizations with multiple programmatic areas or sites. It may also be useful for leaders of larger nonprofits, in those cases where this knowledge does not exist already among their staff. Smaller nonprofits with a single program area and only one site are unlikely to require true-cost analysis. This toolkit may also prove useful for foundations looking to understand their grantees' true cost structure or to help their grantees gain economic clarity.

2. What do I need to get started?

Before you begin, make sure you secure: 1) a staff member who possesses a basic understanding of financial concepts and a strategic purview of the organization, who will take lead on this analysis, 2) cooperation from the rest of your staff, and 3) basic financial and operational information. For the third element in particular, you will need recent financial data, including the organization's budget and other program-specific budgets, as well as staff-related information and resource utilization data (e.g. timesheets, equipment records, job descriptions). Where relevant data does not currently exist, you may need to conduct brief interviews with your staff to acquire this or make reasonable assumptions about allocation. See [Step 2](#) for more details.

3. What are the most challenging steps in the cost analysis process?

Of the six steps laid out in this toolkit, the first and fourth require the most thought. They are also the ones that generate the most insights. Ensure you invest sufficient time in Step 1 to come up with program definitions that make intuitive sense for your organization, as these will be the basis of your entire cost analysis and will determine how useful your analysis results end up being. Step 4 is often challenging because the concept of indirect cost allocation can be unfamiliar. In this step, pay particular attention to the concept of "cost drivers," then use your knowledge of the organization to select the most meaningful ones. Reach out to other knowledgeable members of your staff if you feel unsure about a particular cost driver.

4. I am unsure of how to allocate organization-wide expenses such as fundraising or the executive director's salary across my programs. How should I think about this?

Allocating non-program-specific resources can seem tricky at first, but is manageable once you understand the logic of utilizing cost drivers. The key is to identify factors that can reasonably approximate how much each program demands from a particular resource. For example, for a general finance staff member who might not be able to readily identify his/her hours by program, using “total program costs” (relative to the entire organization’s cost) can be a meaningful marker of how much time each program demands from the finance staff. See Step 4 for more information.

5. What can I do with true-cost information?

Completing this analysis will show you the true cost of operating each of your programs. This knowledge can be used immediately for key decisions related to true costs, such as informing pricing and fundraising or prioritizing cost-saving opportunities. This knowledge about true costs can also be combined with additional revenue and mission-alignment analyses to drive other decisions such as resource allocation and program prioritization/elimination. See Step 6 for more information.

6. How do I get additional help on analyzing or cutting my costs?

Please visit our [Links and Resources](#) section for additional examples, case studies, and helpful tools and tips for cost-saving.

7. How do I give feedback to improve this toolkit?

Your feedback is appreciated. Please email us at info@bridgespan.org.

Bridgespan Group Resources

Articles

[Costs are Cool: The Strategic Value of Economic Clarity](#)

To make resource-related decisions intelligently, nonprofit leaders need to have a clear picture of the full costs of operating their programs and services.

[Don't Compromise "Good Overhead" \(Even in Tough Times\)](#)

In tough times like today's, donors are scrutinizing overhead costs more than ever. But both funders and nonprofits have a stake in protecting the "good overhead" that forms the backbone to impact.

[Managing Through Tough Times](#)

Tough times require trade-offs. Making good trade-offs requires clarity about the results an organization intends to deliver and about the resources it will need to succeed.

Tools

[Managing in Tough Times Resource Center](#)

This center features articles and research that help both nonprofits and funders make critical decisions during today's turbulent economy.

Case studies

[Harlem Children's Zone: Learning to Grow with Purpose](#)

To help HCZ refine its intended impact and chart a clear growth plan, Bridgespan used true-cost analysis to bring economic clarity to each of HCZ's 16 programs in order to zero in on the core of HCZ.

[The Association for the Advancement of Mexican Americans: Focusing for Impact](#)

True-cost analysis played a role in helping AAMA clarify the net financial contribution of each of its programs to inform program prioritization and fundraising target-setting.

[Expeditionary Learning Schools/Outward Bound: Staying True to Mission](#)

ELS utilized true-cost analysis as part of an effort to compare financial health and mission advancement across their 126 schools to decide what to prioritize.

[More Bang for the Buck](#)

Can nonprofit organizations become more efficient without sacrificing quality? Experiences from Teach for America, Jumpstart, and Year Up show the value of truly understanding a program's "cost per outcome."

[Our Piece of the Pie: From Data to Decision-Making](#)

OPP utilized true-cost analysis to identify variation in economic efficiency across two sites. With this information, OPP relocated resources to the more cost-efficient of the two, allowing OPP to serve more youth with the same budget.

[VolunteerMatch: Balancing Mission and Margin](#)

VolunteerMatch had developed two revenue-generating business units, and the management team believed there were other possibilities worth pursuing. But neither of the existing operations was profitable, and many on the VolunteerMatch staff feared that some of the new options might make the organization too commercial. Were there ways to improve the performance of existing ventures? And which of the potential new activities, if any, could contribute to the organization's margin without compromising its mission?

External Resources

[20 Cost Cutting Ideas for Nonprofits](#) (Fieldstone Alliance)

[185 Cutback Strategies](#) (Fieldstone Alliance)

[25 Ways to Cut Costs \(PDF\)](#) (The Nonprofit World)

[A Guide to Navigating Changing Times](#) (Nonprofit Finance Fund)

Appendices

Appendix 1: Program Definition Template

Describe each of the programs offered by your organization today along three dimensions:

1. Service offering, which, for an afterschool program, could include:
 - One-on-one tutoring
 - Homework help
 - Mentoring
 - Arts and crafts
 - Others
2. Resources required, including:
 - People
 - Equipment
 - Space
3. Target population characteristics
 - Age/gender
 - Needs
 - Geography
 - Other defining characteristics

If programs share two of the three categories above, consider whether they should be treated together as a single program.

If the programs look the same to your participants (beneficiaries served), then they likely should be treated together as one core program—even if they have different funding sources and are split out separately for grant and/or contract reporting.

If an activity or program amounts to less than 5 percent of total expenses, it should be combined with other such activities under a separate category of its own (e.g. “Other” or “Miscellaneous”)

Click on links above each table to download live samples from Bridgespan.org

Appendix 2: Staff Interview Template

Link to [Staff Interview Template Worksheet](#)

Bridgespan Cost Analysis Toolkit: Step 2

Sample: STAFF TIME ALLOCATION INTERVIEWS

Useful guiding questions and tips:

- Of the following program areas, approximately what percentage of your time is spent on each?
- If your work is cyclical or highly variable, be sure to capture the entire cycle in your time estimation *(Capture the average distribution for the time period you have chosen)*
- If your work on areas that don't seem to belong directly to any program, think about how each part of your work contributes to particular programs *(For example, an annual symposium might not map to a particular program, but you could think about how the funds raised from the symposium are distributed between the programs, or how staff attendance at the symposium breaks down among respective programs)*
- In determining your time allocations, focus on allocating the activities that take more than 5% of your overall time (around 2 hours a week) *(To keep the process simpler, you can disregard any activity that takes less than 5% of your overall time for the purpose of this analysis)*

Allocate your time: enter percentages for each program area

Length of time period considered:	FISCAL YEAR 2007					
		Time spent on:				
Name/position of staff	Total	Education	Health	Housing	Check	Notes
Executive Director	100%	-	-	-	-	Cannot estimate time by program (allocate later)
Chief Finance Officer	100%	-	-	-	-	Cannot estimate time by program (allocate later)
Human Resources Director	100%	60%	30%	10%	100%	
Accountant	100%	-	-	-	-	Cannot estimate time by program (allocate later)
Media Relations Director	100%	30%	30%	40%	100%	
Associate 1	100%	90%	10%	0%	100%	
Associate 2	100%	50%	30%	20%	100%	
Associate 3	100%	50%	10%	40%	100%	

Appendix 3: Staff Interview Sample

[Link to Staff Interview Sample Worksheet](#)

Bridgespan Cost Analysis Toolkit: Step 2								
Sample: STAFF TIME ALLOCATION INTERVIEWS								
<p>Directions: complete the areas in blue with your preferred timeframe and your list of programs; once this is done, distribute template to staff or conduct in-person interviews with them</p>								
<p>Useful guiding questions and tips:</p> <ul style="list-style-type: none"> • Of the following program areas, approximately what percentage of your time is spent on each? • If your work is cyclical or highly variable, be sure to capture the entire cycle in your time estimation (<i>Capture the average distribution for the time period you have chosen</i>) • If your work on areas that don't seem to belong directly to any program, think about how each part of your work contributes to particular programs (<i>For example, an annual symposium might not map to a particular program, but you could think about how the funds raised from the symposium are distributed between the programs, or how staff attendance at the symposium breaks down among respective programs</i>) • In determining your time allocations, focus on allocating the activities that take more than 5% of your overall time (around 2 hours a week) (<i>To keep the process simpler, you can disregard any activity that takes less than 5% of your overall time for the purpose of this analysis</i>) 								
<p>Allocate your time: enter percentages for each program area</p>								
Length of time period considered:								
		Time spent on:						
Name/position of staff	Total	Program 1	Program 2	Program 3	Program 4	<i>Expand as necessary</i>	Check	Notes and comments
	100%							

Appendix 4: Direct Cost Allocation Sample

[Link to Direct Cost Allocation Sample Worksheet](#)

Bridgespan Cost Analysis Toolkit: Step 3

Sample: DIRECT COST ALLOCATION

Organization: Nonprofit Anonymous 501(c) 3

Time period: fiscal year 2007

Scope: comprehensive (entire organization)

Number of program areas: 3

Note: This tab (Direct cost allocation) is drawing on data from the organizational budget on the Budget tab

Direct costs allocation			TOTAL: Direct costs		
Program	Cost items	Amount	Education program	Health program	Housing program
Education	Salaries/benefits of program director Ed	\$95,000	\$946,550	\$780,667	\$246,116
Education	Salaries/benefits of assistant director Ed	\$70,000	48%	40%	12%
Education	Salaries/benefits of curriculum specialist	\$80,000	\$1,973,333		
Education	Salaries/benefits of community relations officer Ed	\$65,000			
Education	Salaries/benefits of master tutor	\$65,000			
Education	Salaries/benefits of tutor 1	\$35,000			
Education	Salaries/benefits of tutor 2	\$35,000			
Education	Salaries/benefits of tutor 3	\$35,000			
Education	Salaries/benefits of tutor 4	\$35,000			
Education	Salaries/benefits of tutor 5	\$35,000			
Education	Salaries/benefits of tutor 6	\$35,000			
Education	Salaries/benefits of tutor 7 (PT)	\$15,000			
Education	Salaries/benefits of tutor 8 (PT)	\$15,000			
Education	Afterschool program (Mission) rent and utilities	\$52,900			
Education	Supplies and equipment	\$134,500			
Education	Storage rental	\$9,800			
Education	Printing and media materials	\$29,000			
Education	Curriculum contracting fees	\$34,000			
Education	Food and drink expenses for participants	\$56,000			

Education	Mailing	\$6,500			
Education	Role Model program speakers transportation	\$2,800			
Education	Role Model program speakers meals	\$450			
Education	Travel expenses for community relations officer	\$5,600			
Health	Salaries/benefits of program director Health	\$100,000			
Health	Salaries/benefits of assistant director Health	\$81,000			
Health	Salaries/benefits of nurse 1	\$65,000			
Health	Salaries/benefits of nurse 2	\$65,000			
Health	Salaries/benefits of nurse 3	\$65,000			
Health	Salaries/benefits of nurse 4	\$65,000			
Health	Salaries/benefits of counselor	\$79,000			
Health	Printing and media materials	\$35,000			
Health	Walk-in clinic (downtown) rent and utilities	\$49,788			
Health	Medical supplies	\$98,790			
Health	Other supplies	\$47,800			
Health	Transportation (emergency)	\$9,467			
Health	Free vaccine day expenses	\$19,822			
Housing	Supplies	\$57,300			
Housing	Transportation for staff	\$21,016			
Housing	Networking and lobbying expenses	\$7,800			
Housing	Salaries/benefits of program director Housing	\$110,000			
Housing	Salaries/benefits of assistant director Housing	\$50,000			

Appendix 5: Sample Cost Drivers


Cost drivers are **measurable factors that allow you to determine the relationship between the indirect cost and each program area**. They are **program-related units that cause an indirect cost to increase or decrease**. Another way to think about it would be **factors that can approximate the demand that each of your program places on the particular resource item**. **The appropriate driver may be different for each cost item**, depending on which is the root unit that drives that particular expense, and it is up to you to determine the most relevant driver for your costs.

For each cost item, you can use this guiding question to determine the most appropriate driver:

What program-related factor causes this cost item to increase or decrease?

(How do we meaningfully distribute this cost across programs?)

Cost item	Cost per program varies with...	Possible cost driver (units)
Salaries/benefits of staff members who work on more than one program (on activities identifiable by program)	Time required of staff member	<ul style="list-style-type: none"> Hours spent by the staff member on each program/total hours worked by the staff member
Salaries/benefits of staff members who work toward general organizational initiatives (not identifiable by program)	Time required of staff member (if possible to allocate by program); otherwise, size of program	<ul style="list-style-type: none"> Hours spent by the staff member on each program/total hours worked by the staff member (if identifiable) Proxy drivers: for marketing, number of beneficiaries/total beneficiaries; for fundraising, finance, and management, total costs of program/total costs of organization; for human resources, size of staff on program/total staff
Office space rent and facilities maintenance	Number of people; amount of space utilized	<ul style="list-style-type: none"> Number of office staff in each program/total staff Sq. ft. occupied per program/total sq. ft.
Utilities	Utilities used	<ul style="list-style-type: none"> Number of office staff in each program/total office staff
Supplies	Supplies used	<ul style="list-style-type: none"> Supplies ordered by program/total supplies Other potential drivers, depending on the supply category (paper, toner, stamps, ...)

IT hardware and maintenance		Number of people using IT equipment; units of equipment requiring service	<ul style="list-style-type: none"> • Number of laptops used by program/total laptops • Proxy drivers: number of staff per program/total staff
IT software licenses		Number of licenses required	<ul style="list-style-type: none"> • Number of software licenses utilized by program/total licenses • Proxy driver: flat allocation across programs
Depreciation (equipment)		Equipment used	<ul style="list-style-type: none"> • Amount of equipment ordered by program/total equipment • Hours that the equipment is used by each program/total hours used
Legal fees		Hours of legal services required	<ul style="list-style-type: none"> • Legal hours billed by program/total hours billed by organization • Proxy drivers: flat allocation across programs
Shared marketing materials and advertising costs		Materials printed; number of advertisements; number of beneficiaries	<ul style="list-style-type: none"> • Materials ordered by program/total materials (if available) • Advertisements produced for each program/total ads (if available) • Proxy driver: number of beneficiaries per program/total beneficiaries
Subscriptions used by more than one program		Number of subscriptions	<ul style="list-style-type: none"> • Number of readers per program/overall staff
Training, conferences and special events		Staff attendance	<ul style="list-style-type: none"> • Number of attendees per program/overall staff

* The cost drivers listed here are meant to be illustrative, not exhaustive. The cost driver may change depending on how your organization operates.

Example 1:**Organization:** Nonprofit Anonymous**Program definition:** three programs

Program (traditional categories)	Program 1: Education	Program 2: Health	Program 3: Housing
Service offering	Afterschool and during-school reading and writing programs	Walk-in clinic and emergency medical services	Advocacy and training programs for transitional housing
Resources required	Staff, supplies and food, facilities, transportation, curriculum	Staff, facilities, transportation, supplies	Supplies, transportation, lobbying support
Target population	Boys and girls, ages 10-18, Bay Area	Boys and girls, ages 10-18, Bay Area	Boys and girls, ages 10-18, Bay Area
Program definition (for cost analysis)	Program 1: Education (only target population overlaps)	Program 2: Health (only target population overlaps)	Program 3: Housing (only target population overlaps)

Example 2:**Organization:** community relief organization for at-risk adults**Program definition:** two programs

Program (traditional categories)	Program 1: Soup-on-Go	Program 2: LA Cares	Program 3: Roof LA
Service offering	Soup kitchen services	Soup kitchen services	Temporary housing services
Resources required	Staff, soup supplies, kitchen facilities	Staff, soup supplies, kitchen facilities	Housing facilities, staff, housing supplies
Target population	Migrant workers, Los Angeles	Homeless adults, Los Angeles	Homeless adults, Los Angeles
Program definition (for cost analysis)	Program 1: Soup kitchen program (sharing both services and resources, serving populations with similar needs out of the same location)		Program 2: Homeless housing program

Appendix 6: Indirect Cost Allocation Template

Link to [Indirect Cost Allocation Template Worksheet](#)

Bridgespan Cost Analysis Toolkit: Step 4

Sample: INDIRECT COST ALLOCATION

Organization:

Time period:

Scope:

Number of program areas:

Cost item	Cost driver	Total (%)	Program 1	Program 2	Program 3	Program 4	Expand as necessary	Check (must be 100%)	SENSE CHECK (to be completed in Step 5 of the 6 step process)
		100%						0%	0%
		100%						0%	0%
		100%						0%	0%
		100%						0%	0%
		100%						0%	0%
		100%						0%	0%

Indirect cost allocation using above method

Cost item	Cost driver	Total (\$)	Program 1	Program 2	Program 3	Program 4	Expand as necessary	SENSE CHECK (to be completed in Step 5 of the 6 step process)	SENSE CHECK Correct?
0	0		\$ -	\$ -	\$ -	\$ -		0	correct
0	0		\$ -	\$ -	\$ -	\$ -		0	correct
0	0		\$ -	\$ -	\$ -	\$ -		0	correct
0	0		\$ -	\$ -	\$ -	\$ -		0	correct
0	0		\$ -	\$ -	\$ -	\$ -		0	correct

Appendix 7: Indirect Cost Allocation Sample

Link to [Indirect Cost Allocation Sample Worksheet](#)

Bridgespan Cost Analysis Toolkit: Step 4						
Sample: INDIRECT COST ALLOCATION						
Organization: Nonprofit Anonymous 501(c) 3						
Time period: fiscal year 2007						
Scope: comprehensive (entire organization)						
Number of program areas: 3						
Allocation method			Program areas			Allocation rationale
Cost item	Cost driver	Total	Education program	Health program	Housing program	
Staff salary/ benefits: executive director	Size of program (direct costs of program)	100%	48%	40%	12%	Time estimates unavailable; direct costs of program is a proxy for program's demand on ED's time
Staff salary/ benefits: CFO	Size of program (direct costs of program)	100%	48%	40%	12%	Time estimates unavailable; direct costs of program is a proxy for program's demand on CFO's time
Staff salary/ benefits: HR director	Size of program (FTEs of program)	100%	60%	30%	10%	Time estimates unavailable; FTEs of program is a proxy for program's demand on HRD's time
Staff salary/ benefits: accounting	Size of program (direct costs of program)	100%	48%	40%	12%	Time estimates unavailable; direct costs of program is a proxy for program's demand on accountant's time
Staff salary/ benefits: media relations director	Size of program (beneficiaries of program)	100%	30%	30%	40%	Time estimates unavailable; beneficiaries of program is proxy for program's demand on MRD's time
Staff salary/ benefits: associate 1	Estimated time devoted to program	100%	90%	10%	0%	Based on time utilization interviews conducted with staff
Staff salary/ benefits: associate 2	Estimated time devoted to program	100%	50%	30%	20%	Based on time utilization interviews conducted with staff
Staff salary/ benefits: associate 3	Estimated time devoted to program	100%	50%	10%	40%	Based on time utilization interviews conducted with staff
Office rent, utilities, and phone	Estimated space utilization*	100%	60%	10%	30%	Based on space utilization interviews conducted with program officers and facilities manager

Resource center rent, utilities, and phone	Estimated space utilization*	100%	25%	55%	20%	Based on space utilization interviews conducted with program officers and facilities manager
Transportation (gas and maintenance)	Estimated transportation utilization*	100%	30%	20%	50%	Based on transport utilization interviews conducted with program officers and facilities manager
Transportation (airfare for staff travel)	Estimated transportation utilization*	100%	35%	35%	30%	Based on transport utilization interviews conducted with program officers and administration manager
Office supplies and furniture	Estimated space utilization*	100%	60%	10%	30%	Based on space utilization interviews conducted with program officers and facilities manager
Printing and media materials	Flat across programs	100%	33%	33%	33%	Used for general media for the organization; no correspondence with programs
IT support	Estimated equipment utilization*	100%	50%	35%	15%	Based on service utilization interviews conducted with program officers and IT manager
IT software licenses	Flat across programs	100%	33%	33%	33%	These were one-time costs that were NOT proportionately related to usage
IT hardware purchases	Estimated equipment utilization*	100%	50%	35%	15%	Based on hardware utilization interviews conducted with program officers and IT manager
Special event: child advocacy networking conference	Estimated staff attendance	100%	50%	45%	5%	Cost of the event was based on number of attendees
Special event: annual gala	Estimated staff attendance	100%	50%	45%	5%	Cost of the event was based on number of attendees
Legal and other professional services fees	Flat across programs	100%	33%	33%	33%	These were ongoing costs that were NOT proportionately related to usage
Depreciation	Estimated equipment utilization*	100%	60%	10%	30%	Based on hardware utilization interviews conducted with program officers and facilities manager

*Where reliable estimates are not available, FTEs per program can be used as a proxy.

Indirect cost allocation using above method			Program areas		
Cost item	Cost driver	Total	Education program	Health program	Housing program
Staff salary/benefits: executive director	Size of program (direct costs of program)	\$120,000	\$57,560	\$47,473	\$14,967
Staff salary/benefits: CFO	Size of program (direct costs of program)	\$100,000	\$47,967	\$39,561	\$12,472
Staff salary/benefits: HR director	Size of program (FTEs of program)	\$75,000	\$45,000	\$22,500	\$7,500
Staff salary/benefits: accounting	Size of program (direct costs of program)	\$66,000	\$31,658	\$26,110	\$8,232
Staff salary/benefits: media relations director	Size of program (beneficiaries of program)	\$70,000	\$21,000	\$21,000	\$28,000
Staff salary/benefits: associate 1	Estimated time devoted to program	\$35,000	\$31,500	\$3,500	\$-
Staff salary/benefits: associate 2	Estimated time devoted to program	\$35,000	\$17,500	\$10,500	\$7,000
Staff salary/benefits: associate 3	Estimated time devoted to program	\$35,000	\$17,500	\$3,500	\$14,000
Office rent, utilities, and phone	Estimated space utilization	\$54,000	\$32,400	\$5,400	\$16,200
Resource center rent, utilities, and phone	Estimated space utilization	\$10,200	\$2,550	\$5,610	\$2,040
Transportation (gas and maintenance)	Estimated transportation utilization	\$10,200	\$3,060	\$2,040	\$5,100
Transportation (airfare for staff travel)	Estimated transportation utilization	\$8,450	\$2,958	\$2,958	\$2,535
Office supplies and furniture	Estimated space utilization	\$17,000	\$10,200	\$1,700	\$5,100
Printing and media materials	Flat across programs	\$9,800	\$3,267	\$3,267	\$3,267
IT support	Estimated equipment utilization	\$3,800	\$1,900	\$1,330	\$570
IT software licenses	Flat across programs	\$2,300	\$767	\$767	\$767
IT hardware purchases	Estimated equipment utilization	\$4,190	\$2,095	\$1,467	\$629
Special event: child advocacy networking conference	Estimated staff attendance	\$6,700	\$3,350	\$3,015	\$335
Special event: annual gala	Estimated staff attendance	\$8,500	\$4,250	\$3,825	\$425
Legal and other professional services fees	Flat across programs	\$14,000	\$4,667	\$4,667	\$4,667
Depreciation	Estimated equipment utilization	\$24,000	\$14,400	\$2,400	\$7,200

Appendix 8: Sense Check Sample

[Link to Sense Check Sample Worksheet](#)

Indirect cost allocation method

Bridgespan Cost Analysis Toolkit: Step 5

Sample: CHECK YOUR DATA

Organization: Nonprofit Anonymous 501(c) 3

Time period: fiscal year 2007

Scope: comprehensive (entire organization)

Number of program areas: 3

Indirect cost allocation method			Program areas		
Cost item	Cost driver	Total	Education program	Health program	Housing program
Staff salary/benefits: executive director	Size of program (direct costs of program)	100%	48%	40%	12%
Staff salary/benefits: CFO	Size of program (direct costs of program)	100%	48%	40%	12%
Staff salary/benefits: HR director	Size of program (FTEs of program)	100%	60%	30%	10%
Staff salary/benefits: accounting	Size of program (direct costs of program)	100%	48%	40%	12%
Staff salary/benefits: media relations director	Size of program (beneficiaries of program)	100%	30%	30%	40%
Staff salary/benefits: associate 1	Actual time devoted to program	100%	90%	10%	0%
Staff salary/benefits: associate 2	Actual time devoted to program	100%	50%	30%	20%
Staff salary/benefits: associate 3	Actual time devoted to program	100%	50%	10%	40%
Office rent, utilities, and phone	Actual space utilization	100%	60%	10%	30%
Resource center rent, utilities, and phone	Actual space utilization	100%	25%	55%	20%
Transportation (gas and maintenance)	Actual transportation utilization	100%	30%	20%	50%
Transportation (airfare for staff travel)	Actual transportation utilization	100%	35%	35%	30%
Office supplies and furniture	Actual space utilization	100%	60%	10%	30%
Printing and media materials	Flat across programs	100%	33%	33%	33%
IT support	Actual equipment utilization	100%	50%	35%	15%
IT software licenses	Flat across programs	100%	33%	33%	33%
IT hardware purchases	Actual equipment utilization	100%	50%	35%	15%
Special event: child advocacy networking conference	Actual staff attendance	100%	50%	45%	5%
Special event: annual gala	Actual staff attendance	100%	50%	45%	5%
Legal and other professional services fees	Flat across programs	100%	33%	33%	33%
Depreciation	Actual equipment utilization	100%	60%	10%	30%

Indirect cost allocation using above method			Program areas		
Cost item	Cost driver	Total	Education program	Health program	Housing program
Staff salary/benefits: executive director	Size of program (direct costs of program)	\$120,000	\$57,560	\$47,473	\$14,967
Staff salary/benefits: CFO	Size of program (direct costs of program)	\$100,000	\$47,967	\$39,561	\$12,472
Staff salary/benefits: HR director	Size of program (FTEs of program)	\$75,000	\$45,000	\$22,500	\$7,500
Staff salary/benefits: accounting	Size of program (direct costs of program)	\$66,000	\$31,658	\$26,110	\$8,232
Staff salary/benefits: media relations director	Size of program (beneficiaries of program)	\$70,000	\$21,000	\$21,000	\$28,000
Staff salary/benefits: associate 1	Actual time devoted to program	\$35,000	\$31,500	\$3,500	\$—
Staff salary/benefits: associate 2	Actual time devoted to program	\$35,000	\$17,500	\$10,500	\$7,000
Staff salary/benefits: associate 3	Actual time devoted to program	\$35,000	\$17,500	\$3,500	\$14,000
Office rent, utilities, and phone	Actual space utilization	\$54,000	\$32,400	\$5,400	\$16,200
Resource center rent, utilities, and phone	Actual space utilization	\$10,200	\$2,550	\$5,610	\$2,040
Transportation (gas and maintenance)	Actual transportation utilization	\$10,200	\$3,060	\$2,040	\$5,100
Transportation (airfare for staff travel)	Actual transportation utilization	\$8,450	\$2,958	\$2,958	\$2,535
Office supplies and furniture	Actual space utilization	\$17,000	\$10,200	\$1,700	\$5,100
Printing and media materials	Flat across programs	\$9,800	\$3,267	\$3,267	\$3,267
IT support	Actual equipment utilization	\$3,800	\$1,900	\$1,330	\$570
IT software licenses	Flat across programs	\$2,300	\$767	\$767	\$767
IT hardware purchases	Actual equipment utilization	\$4,190	\$2,095	\$1,467	\$629
Special event: child advocacy networking conference	Actual staff attendance	\$6,700	\$3,350	\$3,015	\$335
Special event: annual gala	Actual staff attendance	\$8,500	\$4,250	\$3,825	\$425
Legal and other professional services fees	Flat across programs	\$14,000	\$4,667	\$4,667	\$4,667
Depreciation	Actual equipment utilization	\$24,000	\$14,400	\$2,400	\$7,200
TOTAL INDIRECT COSTS		\$709,140	\$355,548	\$212,588	\$141,004

Direct cost allocation method

Direct cost allocation			
Salaries/benefits of program director Ed	\$95,000		
Salaries/benefits of assistant director Ed	\$70,000		
Salaries/benefits of curriculum specialist	\$80,000		
Salaries/benefits of community relations officer Ed	\$65,000		
Salaries/benefits of master tutor	\$65,000		
Salaries/benefits of tutor 1	\$35,000		
Salaries/benefits of tutor 2	\$35,000		
Salaries/benefits of tutor 3	\$35,000		
Salaries/benefits of tutor 4	\$35,000		
Salaries/benefits of tutor 5	\$35,000		
Salaries/benefits of tutor 6	\$35,000		
Salaries/benefits of tutor 7 (PT)	\$15,000		
Salaries/benefits of tutor 8 (PT)	\$15,000		
Afterschool program (Mission) rent and utilities	\$52,900		
Supplies and equipment	\$134,500		
Storage rental	\$9,800		
Printing and media materials	\$29,000		
Curriculum contracting fees	\$34,000		
Food and drink expenses for participants	\$56,000		
Mailing	\$6,500		
Role Model program speakers transportation	\$2,800		
Role Model program speakers meals	\$450		
Travel expenses for community relations officer	\$5,600		
Salaries/benefits of program director Health		\$100,000	
Salaries/benefits of assistant director Health		\$81,000	
Salaries/benefits of nurse 1		\$65,000	
Salaries/benefits of nurse 2		\$65,000	
Salaries/benefits of nurse 3		\$65,000	
Salaries/benefits of nurse 4		\$65,000	
Salaries/benefits of counselor		\$79,000	
Printing and media materials		\$35,000	
Walk-in clinic (downtown) rent and utilities		\$49,788	
Medical supplies		\$98,790	
Other supplies		\$47,800	
Transportation (emergency)		\$9,467	
Free vaccine day expenses		\$19,822	

Salaries/benefits of program director Housing				\$110,000
Salaries/benefits of assistant director Housing				\$50,000
Supplies				\$57,300
Transportation for staff				\$21,016
Networking and lobbying expenses				\$7,800
	Total	Education program	Health program	Housing program
TOTAL DIRECT COSTS	\$1,973,333	\$946,550	\$780,667	\$246,116
	Total	Education program	Health program	Housing program
FULL (TRUE) COSTS	\$2,682,473	\$1,302,098	\$993,255	\$387,120
Indirect costs as % of program's true costs	26%	27%	21%	36%

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NEW YORK

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