

Full Cost Recovery

Funding should enable you to 'recover' the full costs of delivering your project.

Direct project costs.

- Salaries of project staff
- Training
- Travel Expenses
- Reference Materials
- Promotional materials/leaflets
- Event Costs

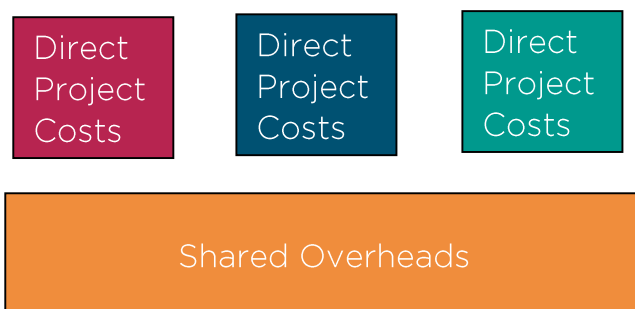
Overheads or Indirect project costs.

- Salaries of a manager or administrator
- Rent and Insurance
- Utilities
- Stationery, postage, telephone
- Maintenance
- Audit

Allocate your overheads

The costs of the overheads should be shared across all of your projects.

For example: an organisation runs three projects from one building



How should you share out or 'apportion' the costs?

Choose a method that is fair and reasonable.

- Staff hours
- Space used
- Time usage of building

Calculating the total cost of your project:

Total cost of project = direct project costs + share of overheads

Anywhere Centre - Example of full cost recovery

1. Identify Direct Project Costs

| | | Drop in | Workshops | New project | Total Anywhere |
|-----------------------------------|------------------|---------------|---------------|--------------|----------------|
| | | £ | £ | £ | £ |
| Direct Project costs | Hrs/wk | | | | |
| Salaries | Drop in advisers | 50 | | | 37,500 |
| | Workshop leader | 20 | 15,000 | | 15,000 |
| | Project worker | 10 | | 7,500 | 7,500 |
| | | 80 | | | 0 |
| Recruitment | | | | 150 | 150 |
| Training | | 300 | 250 | 200 | 750 |
| Staff & Volunteer expenses | | 500 | | 200 | 700 |
| Project Materials | | 400 | 1,000 | 300 | 1,700 |
| Events | | | | 1,000 | 1,000 |
| Publicity | | 300 | 150 | 250 | 700 |
| Total Direct Project costs | | 39,000 | 16,400 | 9,600 | 65,000 |

2. Identify Shared Overheads

| Shared Overheads | £ |
|----------------------|---------------|
| Manager | 21,000 |
| Rent & Insurance | 4,800 |
| Utilities | 1,400 |
| Stationery & postage | 700 |
| Telephone | 800 |
| Audit/IE fees | 400 |
| IT & Equipment | 900 |
| | 30,000 |

3. Select Allocation Method

| eg. Project staff hours | Drop in | Workshops | New Project | Total |
|--|---------------|--------------|--------------|---------------|
| Project Staff hours/week | 50 | 20 | 10 | 80 |
| % allocation | 62.5% | 25% | 12.5% | 100% |
| Allocate overheads = £30,000 x % allocation | 18,750 | 7,500 | 3,750 | 30,000 |

4. Calculate Total Project Cost

Total project cost = Direct project costs + share of overheads

| | Drop in | Workshops | New Project | Total Anywhere |
|----------------------|---------------|---------------|---------------|----------------|
| | £ | £ | £ | £ |
| Direct project costs | 39,000 | 16,400 | 9,600 | 65,000 |
| Shared overheads | 18,750 | 7,500 | 3,750 | 30,000 |
| Total | 57,750 | 23,900 | 13,350 | 95,000 |