



APPENDIX 2 – COST CLASSIFICATION (SPC vs. DPC)

A. APPROVED LIST OF COSTS:

SHARED PROGRAM COSTS (SPC): List of costs to be allocated to donors using the SPC method.	DIRECT PROGRAM COSTS (DPC) for SPC: List of costs specific to program work classified under DPC for use to calculate SPC fair share.
SPC method is used to allocate support services that are cost-effective when purchased jointly and shared fairly by all grants and contracts rather than individually by each grant and contract.	DPC include specific project costs charged 100% to the projects, and specific group of projects costs shared among that group only (e.g. health sector coordinator costs shared among all health projects).
1. Personnel Costs	
General support costs: Time spent by staff in finance, administration, procurement, human resources, and information technology to provide support services to <u>all</u> grants, contracts, projects and programs (services <u>not</u> specific to a grant or contract).	Specific program work: Time spent by staff in Program, Finance and Program Support (HR, Administration, Procurement and Information Technology) to perform specific program work (e.g. field/sub-office staff, procurement officer dedicated to a large procurement project, etc.).
Security staff: general security costs allowed for COs where security is not a major element. Other security costs such as office guards outsourced to a third party are listed under facility costs.	Security staff: for COs where security is complex and large (e.g. AFG, PAK, SSDN) costs related to special security or larger security unit costs should be directly charged to donors.
Country Director: Time and effort spent by the country director to provide overall mission management (<u>not</u> specific to a grant or contract).	Country Director: Time spent on specific program activities (e.g. field visit, program startup, emergency project activities, new proposal development, etc.).
Assistant Country Director (Program and Program Support) or equivalent positions: Time and effort spent to provide mission management and support services to the entire CO (services <u>not</u> specific to a grant or contract).	Assistant Country Director for Program or similar positions (e.g. Program Director), Program Quality, Monitoring and Evaluation, Gender Advisor, Advocacy Advisor and other technical positions: Time and effort spent on specific program work providing technical expertise.
Auditor/Compliance officer: time spent on general compliance and audit for the entire CO.	Auditor/compliance officer: time spent on specific grant or contract audit or compliance work.
Other: miscellaneous personnel costs (e.g. job specific training) for staff performing SPC work	Project staff (e.g. field agent, project manager, emergency staff, project accountant, grant manager, etc.) and any other staff performing or expected to perform program work.
	Other: miscellaneous personnel costs (e.g. job specific training) for project or program staff.
2. Program and Office Operations	
Office supplies, materials and services, vehicle operations and maintenance, communication (internet, phone, etc.) incurred for general administrative support activities.	Office supplies, materials and services, equipment, vehicle operations and maintenance, communication (internet, phone, etc.), and training activities specific to projects or program.
Local and in-country travel costs <u>not</u> related to specific grants, contracts, projects or programs.	Local or in-country travel costs and any other costs specific to grants or contracts.
	International travel costs and any other costs specific to grants or contracts.



SHARED PROGRAM COSTS (SPC): List of costs to be allocated to donors using the SPC method.	DIRECT PROGRAM COSTS (DPC) for SPC: List of costs specific to program work classified under DPC for use to calculate SPC fair share.
3. Facility Costs	
Office rent, maintenance and repairs, utilities (electricity, water, gas, etc.) and security costs outsourced to third party (e.g. office guards) for office space occupied by staff who usually perform SPC work.	Office rent, maintenance/repairs, utilities (electricity, water, gas, etc.), security costs outsourced to third party (e.g. office guards) and other costs associated with office space occupied by project and program staff.
General insurance and miscellaneous costs related to office space/building, materials and equipment used by staff who usually perform SPC work.	Insurance and similar costs specific to projects or programs
4. Other Costs	
Costs related to CARE presence in a country (e.g. registration taxes), CO general risk assessment, professional services (e.g. legal services), etc.	Risk assessment, professional services, etc. specific to projects or programs.
Costs related to staff participation in workshops or meetings <u>not</u> specific to a grant, contract, project or program.	Participation in workshops/meeting benefiting projects or programs
Costs related to assets or equipment usage, rental, depreciation or amortization (<u>not</u> specific to a grant, contract, project or program).	Assets or equipment usage or rental costs specific to projects or programs.

B. COSTS TO BE EXCLUDED:

Costs To Exclude From SPC	Costs To Exclude From DPC
<p>This list is not exhaustive:</p> <ul style="list-style-type: none"> • Proposal development costs • Losses and write-off • Disallowed costs • When fixed assets or equipment are purchased CO need to ensure each property has a single owner at all time. A shared ownership of a property may create issues at the end of a grant or contract, hence fixed assets and equipment should not be charged to SPC. • Airfare for international travel should be charged as direct costs to grants/contracts and unrestricted funds as permitted by donors. 	<p>Except when <u>explicitly approved by donors</u> (list not exhaustive):</p> <ul style="list-style-type: none"> • Proposal development costs (e.g. new phase of an existing project). • Losses and write-off or similar costs. • Contingency