

Common Cost Policy



Technology Resource Communication & Service Centre

Welfare Tower, Flat # 105, Dimna Road, P.O.: Mango
Jamshedpur, Jharkhand – 831 012, India

Common Cost Policy

I. PREFACE

TRCSC is committed to the highest possible standards of transparency and accountability. In line with that commitment, it allocates the costs that aren't attributable to a single project or program, instead, they might benefit multiple projects or programs as common cost. Common costs cover indirect project costs, like travel or stationeries or administrative costs.

II. OBJECTIVES

The objectives of this Comon Cost Policy of TRCSC are –

- a) To create an opportunity of sharing common costs, so that multiple projects can benefit from access to resources, services, activities and processes without bearing the full financial load of their costs;
- b) To bring in a rational and justifiable distribution of costs among all proportionate to use / utilization; and
- c) To reduce financial burden on the organization in a transparent and acceptable manner.

III. POLICY AND ITS EFFECT

This Common Cost Policy has been in force effectively from 1st April 2024 and shall be amended from time to time to accommodate required changes as approved by the Board of Trustees of the organization.

IV. DEFINITIONS

- a) 'Common Costs' are organizational expenses that multiple programs / projects share;
- b) 'Allocation of Costs' means distribution of overall costs in a proportionate manner to multiple programs / projects.

V. INTERPRETATION

Terms which have not been defined in this policy shall have the same meaning as assigned to them in the relevant Act/Rules of the land and/or as amended from time to time.

VI. COST ALLOCATION METHODOLOGY

- a) **Human Resources:** If a staff or consultant works for multiple projects, his salary / honorarium shall be allocated proportionately among the projects on the basis of days or hour of his/her service to the individual projects.
- b) **Stationery and Supplies:** If office stationeries or any other supplies are utilized by multiple projects, the cost / expenses shall be allocated proportionately among the projects on the basis of the usage;

- c) **Office Equipment:** If office equipment like computers, printer, scanner, LCD projector, sound system or any other gadgets are utilized by multiple projects, the cost / expenses shall be allocated proportionately among the projects on the basis of the usage;
- d) **Rent and Occupancy:** The expenses on account of Rent, Maintenance/Upkeeping, and Repairing shall be allocated proportionately among the projects on the basis of the usage;
- e) **Utilities:** The cost of Electricity and LPG shall be proportionately allocated among the projects on the basis of the usage;
- f) **Communication:** The expenses on account of Telephone (Fixed Landline/Mobile), and Internet (Wi-Fi/LAN) shall be proportionately allocated among the projects on the basis of the usage;
- g) **Vehicle:** The expenses on account of Fuel for own vehicle or Hire charges for outside vehicle for transportation shall be proportionately allocated among the projects on the basis of the usage;
- h) **Hospitality:** The expenses on account hospitality for guests/staff/consultants/visitors shall be proportionately allocated among the projects on the basis of the number of persons/days; and
- i) **Capital Items:** The purchase price of capital items is charged directly to programs only if a contract or grant specifically authorizes such charges. The cost of capital items purchased with non-project funds, but used in a manner benefitting grants and contracts is recovered indirectly through depreciation charges.

VII. CONCLUSION

TRCSC's Common Cost Policy and Finance Policy, are part of a concerted endeavour to make the organization's policies and procedure cent percent transparent. It is committed to its policies for ensuring best practices within the organization and expects from all of its associates to respect these in their turn.
