

Haiti Orphanage

Financial Statements

Year Ended June 30, 2016

Bob Roberts, CPA, CIA

Certified Public Accountant and Certified Internal Auditor

REPORT OF INDEPENDENT AUDITOR

To the Board of Directors
Haiti Orphanage Foundation

I have audited the accompanying statement of financial position of **Haiti Orphanage Foundation** as of June 30, 2016, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Haiti Orphanage Foundation** as of June 30, 2016, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bob Roberts, CPA
October 16, 2016

**HAITI ORPHANAGE FOUNDATION STATEMENT
OF FINANCIAL POSITION**

June 30, 2016

ASSETS

Cash	\$ 179,456
Investments	147,493
Investments receivable, net	20,000
Certificates of Deposit	133,616
Accounts receivable, net (Commonwealth Catholic Charities)	23,268
Pledges receivable, net	0
Other receivables - Endowment Fund Pledges	<u>435,725</u>
Total Assets	<u>\$ 939,558</u> *

LIABILITIES

Liabilities

Accounts payable	\$ 100
Accrued expenses	0
Funds held as intermediary	0
Note payable (House Project)	<u>0</u>
Total Liabilities	<u>100</u>

Net assets

Unrestricted	240,456
Temporarily restricted	<u>699,001</u>
Total net assets	<u>939,457</u>
Total liabilities and net assets	<u>\$ 939,557</u> *

*Note: Difference between Total Assets and Total Liabilities and Net Assets is due to rounding.

The accompanying notes are an integral part of these financial statements.

**HAITI ORPHANAGE FOUNDATION STATEMENT
OF ACTIVITIES**

Fiscal Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and support		0	
Contributions	\$ 412,875	\$ 109,513	\$ 522,388
Pledges, net	0	28,450	28,450
Donated materials, facilities and services	0	0	0
Special events, net	0	0	0
Sale of commemorative prints, net	0	0	0
Investment income (loss)	67	13,858	13,925
Net assets released from restrictions	0	0	0
	<u>412,942</u>	<u>151,821</u>	<u>564,763</u>
Expenses			
Grants and awards			
Tuition, uniforms, and books	18,925	75	19,000
Generator and parts	2,028	8,325	10,353
Well and pumps	4,000	0	4,000
Solar panels and batteries	0	6,100	6,100
Furnishings	7,500	0	7,500
Building renovations	47,000	1,900	48,900
Bikes	6,467	0	6,467
Donated materials, facilities and services	0	0	0
Wellness expense	0	4,668	4,668
Library expense	0	459	459
Internet expense	0	1,500	1,500
Other operational expenses	143,859	0	143,859
Other program expenses	484	0	484
Fundraising expenses	2,963	0	2,963
	<u>233,225</u>	<u>23,027</u>	<u>256,252</u>
Change in net assets	179,717	128,794	308,511
Net assets - beginning of year	<u>60,739</u>	<u>570,207</u>	<u>630,946</u>
Net assets - end of year	<u>\$ 240,456</u>	<u>\$ 699,001</u>	<u>\$ 939,457</u>

The accompanying notes are an integral part of these financial statements.

**HAITI ORPHANAGE FOUNDATION STATEMENT
OF CASH FLOWS**

Fiscal Year Ended June 30, 2016

Cash flows from operating activities

Cash from contributions	\$	428,652
Cash from pledges		72,598
Cash from interest earned		67
Payments for operating and administrative expenses		<u>(356,252)</u>

**Net cash from operating
activities**

145,065

Cash flows from investing activities

Net increase in investments		0
Transfer to endowment investment account		(44,459)
Transfer to endowment CD		(20,000)
Increase in construction-in-progress		<u>0</u>

**Net cash from investing
activities**

(64,459)

Cash flows from financing activities

Proceeds from note payable		<u>0</u>
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**Net cash from financing
activities**

0

Net change in cash

80,606

Cash - beginning of year

98,850

Cash - end of year

\$ 179,456

The accompanying notes are an integral part of these financial statements.

**HAITI ORPHANAGE FOUNDATION STATEMENT
OF FUNCTIONAL EXPENSES**

Fiscal Year Ended June 30, 2016

	Total Program Expenses	Fundraising	Management and General	Total
Salaries	56,400	0	0	56,400
Property rental	15,600	0	0	15,600
Generator and parts	10,353	0	0	10,353
Tuitions	19,000	0	0	19,000
Property taxes	1,000	0	0	1,000
Examination and Spirituality Program	2,000	0	0	2,000
Well and pumps	4,000	0	0	4,000
Solar panels and batteries	6,100	0	0	6,100
Building renovation	48,900	0	0	48,900
Furnishings	7,500	0	0	7,500
Container shipment	225	0	0	225
Endowment Fund	0	0	0	0
Bicycles	6,467	0	0	6,467
Library	459	0	0	459
Wellness	4,667	0	0	4,667
Supplies	0	0	52	52
Printing	0	2,296	4,338	6,634
Postage	0	0	509	509
Travel	0	667	733	1,400
Internet	1,500	0	0	1,500
Wire fees	0	0	500	500
Pay Pal fees	0	0	484	484
P.O. Box fee	0	0	44	44
Other Operating Expenses*	62,388	0	70	62,458
	246,559	2,963	6,730	256,252

*Other operating expenses include items such as food, fuel, maintenance, medical, etc.

The accompanying notes are an integral part of these financial statements.

**HAITI ORPHANAGE FOUNDATION NOTES TO
FINANCIAL STATEMENTS**

June 30, 2016

1. Nature of Activities

Haiti Orphanage was founded in February of 2000 with just four boys in space leased from the Diocese. Since then the number of children has continued to grow rapidly. Many of the children now at the orphanage are here because their parents have either passed away or are simply too sick or poor to care for them any longer. Many of the recent arrivals were orphaned by the January 12, 2010 earthquake which devastated Port-au-Prince.

Today Haiti Orphanage provides 200 resident children with food, shelter, clothing, and an education, all in a loving Christian environment. In addition to caring for the children living at the orphanage, it has expanded it's services to provide an education and meal each day to more than 150 additional children that attend the free day school on campus.

While much has been accomplished, there is still much more to be done. From continuing to provide the very basic needs of food, shelter, clothing, and clean drinking water, to providing an education, and basic healthcare. The children's needs are many, and the number of children at the orphanage continues to grow.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. The statements are presented in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets. A description of the three net asset categories follows:

**HAITI ORPHANAGE FOUNDATION NOTES TO
FINANCIAL STATEMENTS**

June 30, 2016

Unrestricted

Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted

Net assets whose use by the Foundation is subject to donor-imposed restrictions that can be fulfilled by action of the Foundation pursuant to those restrictions or that expire by the passage of time, such as pledges receivable.

Permanently Restricted

Net assets subject to donor-imposed restrictions that may be maintained permanently by the recipient organization. At June 30, 2016, the Foundation did not have any permanently restricted net assets.

Receivables

Accounts Receivable, Net (Commonwealth Catholic Charities) consists of donated funds collected during the year by Commonwealth Catholic Charities intended for the Foundation. Other Receivables – Endowment Fund Pledges represents donors' pledged amounts intended for the Foundation's Endowment Fund that haven't been collected yet. Donors pledged assets such as cash, life insurance proceeds, and will bequests. Investments Receivable, Net consists of funds the Foundation had transferred to Commonwealth Catholic Charities for the purpose of depositing into the Foundation's Endowment Fund investment account. These funds hadn't been deposited by fiscal year end.

Investments

The Investments account consists of donor-restricted funds that were deposited into the Foundation's Endowment Fund and the related market gains/losses. The Foundation's Endowment Fund assets are deposited into a joint account centrally managed by the Catholic Diocese, which includes investment funds from other organizations in the Diocese. The centrally managed account allows the Foundation to assume less investment risk and take advantage of lower administrative fees for the account.

**HAITI ORPHANAGE FOUNDATION NOTES TO
FINANCIAL STATEMENTS**

June 30, 2016

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily or permanently restricted support, depending on the existence and nature of donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released for restrictions.

Tax Status

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Transitioning Residential Care Cost Estimation Tool

Example 1

Introduction

About this Tool ☐ ?

Who this Tool is For ☐

How to use this Tool ☐

When to use this Tool ☐

The Phases of Transition ☐

Limitations and Disclaimer ☐

Privacy ☐

Cost Estimation Tool

Step 1: Baseline Data

In this section you will be asked to provide some baseline data about your organization's existing operations, programs and costs. This baseline data will be used to inform estimates throughout the tool. Please work through each of the numbered sub steps in this section, using the various interactive features (drop-down menus, tick boxes, multiple choice options, toggle bars) to respond to questions or to adjust figures.

1.1 Number of Children in Care

The size of your residential care service is one factor that will influence the cost of many of the other variables. Median estimates given throughout the tool are based on the number of children in care.

How many children are currently in your residential care facility? ?

Default baseline cost data has been classified into 5 different ranges based on the size of the residential care facility. Your residential care facility falls into the "**110+ children**" baseline cost range.

1.2 Baseline Programs and Operations

Consider your current situation and tick all boxes below that are relevant to your organization:

- ☒ Current residential care facilities are rented
- ☐ Currently provide aftercare services and support to young people who transition into independent living
- ☒ Currently run other community or family-based services that children transitioning out of care may be able to access

1.3 Type of Transition Being Pursued

There are two different pathways that organizations might pursue when transitioning their residential care services. Pathway A is full transition to other non-residential services, which means that the organization intends to start or scale up family and/or community-based programs as they close the residential care service. Pathway B is safe closure and reintegration, which means that the organization does not intend to start new programs, but is committed to implementing a planned closure of the residential care facility and ensuring all children are reintegrated, supported to transition or placed in family-based care placements before closure. You can read more about these two different pathways and what they entail in the [Phases of Transition Diagram](#).

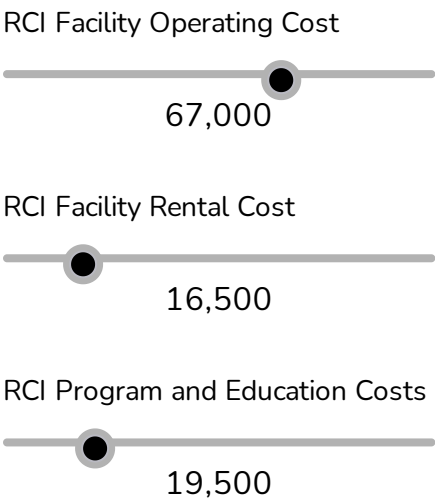
Which of these pathways does your organization intend to pursue?

- ☒ Pathway A: Full Transition to Other Non-Residential Services
- ☐ Pathway B: Safe Closure and Reintegration

1.4 Baseline Costs

The following tables provide the typical line items in a residential care facility budget. The amounts are set at the USD average for a residential care facility (RCI) your size. For a more tailored result, adjust the costs for each line item based on your actual baseline costs and current budget. You can also download a worksheet [here](#), that will assist you to categorize your expenses under the same sub-categories as the tool. ?

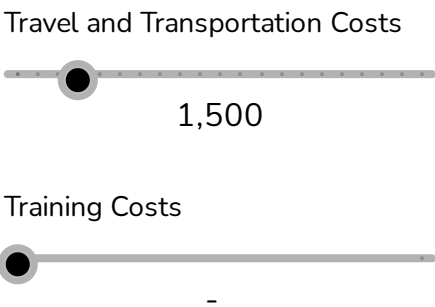
Program and Operations

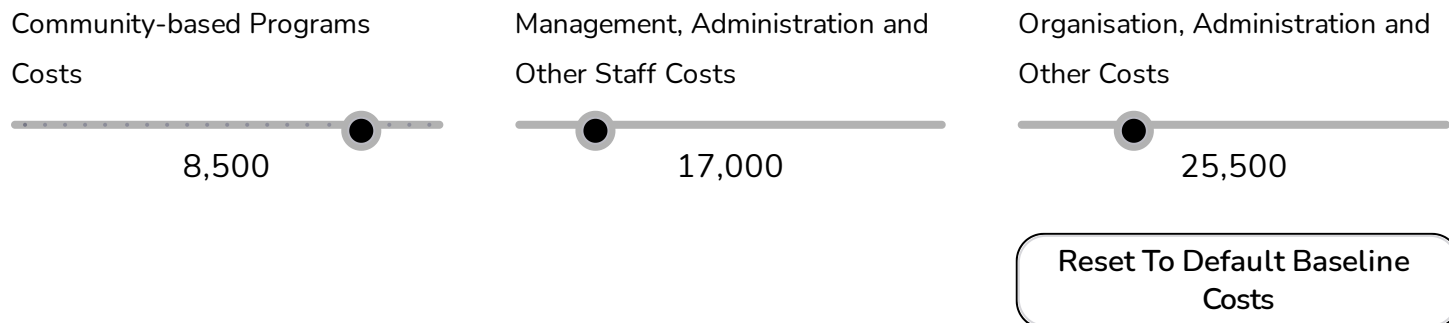


Staff



Overheads





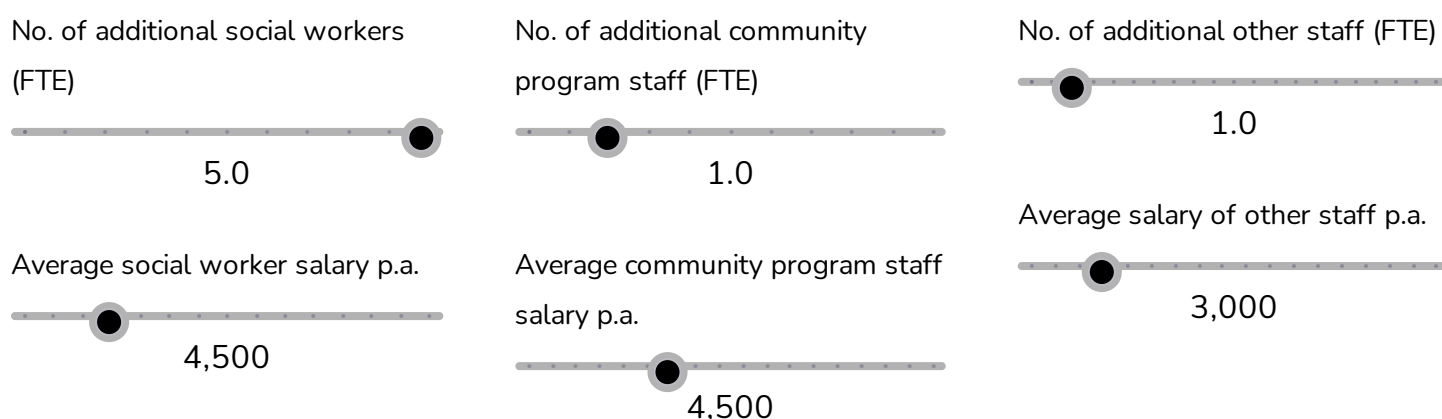
The total annual baseline budget for your residential care service is **\$194,500**.

Step 2: Core Spike Costs

Transitioning a residential care service typically causes a spike in costs in five core cost categories. The five categories are listed in this section below. The estimates for each cost item are currently set at the USD average amount of spike in cost experienced by a residential care service your size. You can use the toggles to adjust, based on your knowledge of your context and the unique situation of your RCI.

2.1 Additional Staffing ☒

Most organizations undergoing transition need to hire additional staff. This may include additional social workers, new or additional staff to run or to scale up community programs, or other staff to bring the facility up to minimum standards to provide support to the transition. The figures below represent the median number of additional staff organizations your size hired to support their transition, across categories. The salary for each staff category is also set at the USD median amount. *Note: FTE stands for full time equivalent, and p.a. stands for per annum.* [?]



2.2 Training and Travel ☒

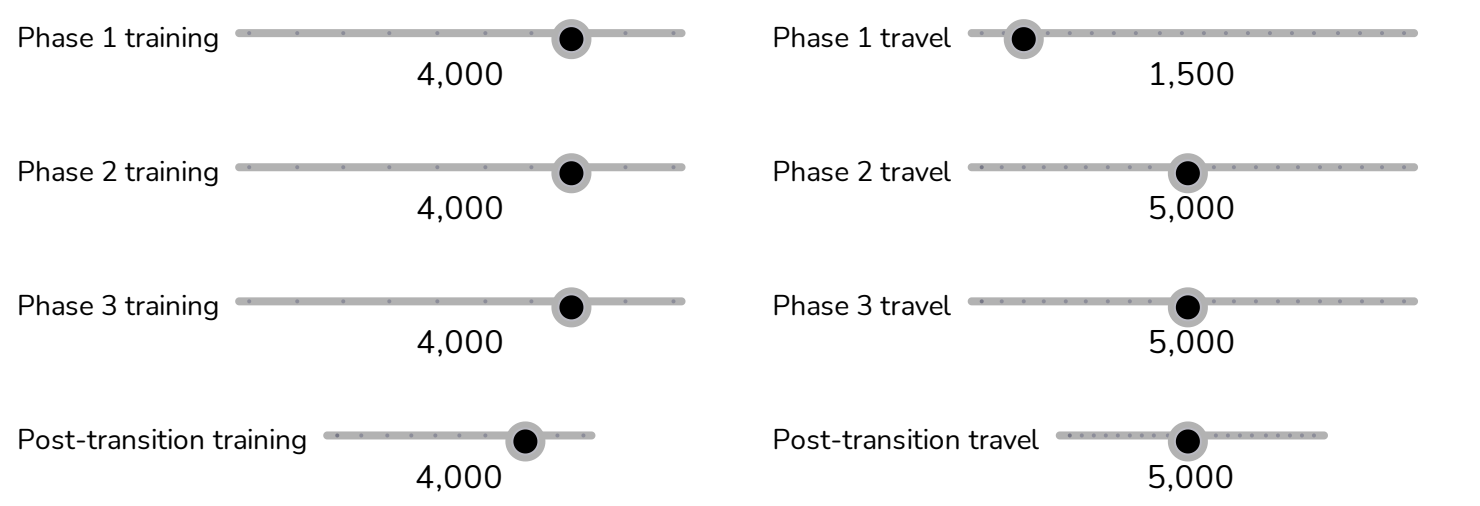
Most organizations experienced a spike in their training and travel costs throughout each phase of the transition.

Training costs are often incurred as organizations upskill staff in preparation for transition or post transition roles, and to facilitate family tracing, assessment, placement, and monitoring of children as part of case

management for reintegration.

Travel costs typically increase as organizations facilitate learning and upskilling opportunities for staff in phases 1 and 2 and as part of case management (family tracing, assessment, placement, and monitoring) in phase 3. Post transition travel often relates to ongoing monitoring of children, which may be required for several years post reintegration/placement.

The tables below reflect the USD average amount spent by organisations your size on training and travel across the phases of transition. [?]



2.3 Case Management

Organizations undergoing transition approach the case management aspect in the implementation phase in different ways. Some implement case management directly (in-house) and others chose to outsource the social work/case management component to more experienced social work organizations or consultants (outsource). These different approaches are both generally associated with a spike in costs, however the amount differs significantly based on the approach. Implementing case management in-house may be associated with a small spike in costs but will increase the training and additional staff hire costs, which should be reflected in step 2.2. Outsourcing may be associated with a more significant spike in costs. Costs may be offset or reduced in cases where organizations are able to partner with technical support organizations who are independently funded to support transition work. Where no such arrangement is available, outsourcing costs can be quite considerable.

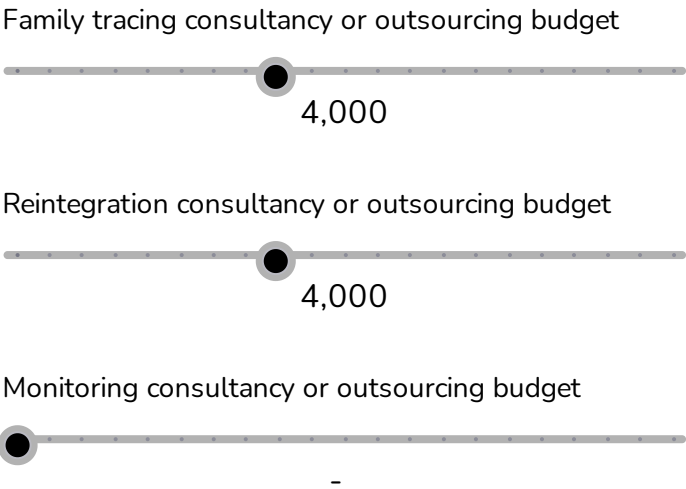
Consider these two scenarios:

1. **In-house case management.** We intend to implement case management directly and hire and upskill social workers for this purpose.
2. **Outsource case management.** We plan to engage consultants or outsource case management activities to more experienced social work organizations.

Select the scenario that best represents your planned approach. This will reveal the USD median spike costs for aspects of case management for an organization your size. Then adjust the estimates on the right to reflect your knowledge of your unique situation and context.

Which of these approaches does your organization intend to pursue? ?

- ☒ In-house case management
- ☐ Outsource case management

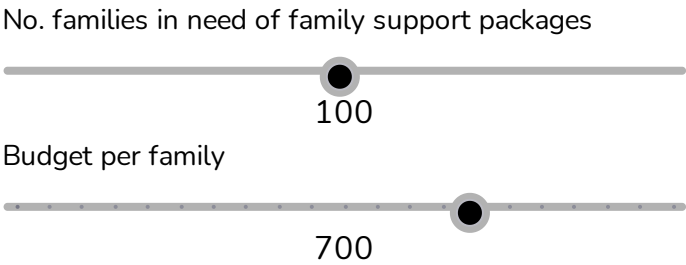


Reintegration during Phase 3 will usually include addressing family strengthening and addressing practical needs at a family level. This could include improvement to living conditions, security or sanitation for the family, vocational training for caregivers or other forms of income generation for the family.

Case management processes will look at the needs and requirements for each family placement and costs will vary between families based on their actual circumstances. There may also be the opportunity to access government services or low cost programs run by partner agencies.

Phase 3 Reintegration: Family Support

Adjust the top line toggle based on the number of families likely to require some form of family support package and the toggle below for your average budget per family.



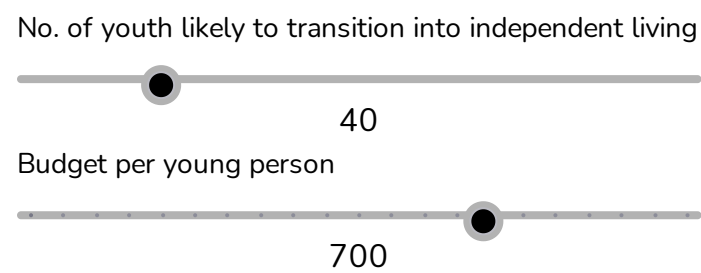
2.4 Aftercare Programs

In many cases, transitioning organizations have young people in care who may transition into independent living, and will require aftercare support and services to help them make the transition and achieve independence. Spike costs for transitioning youth are usually highest at the point of exiting care and may reduce overtime as each young person establishes a home, secures employment, and becomes increasingly integrated and independent.

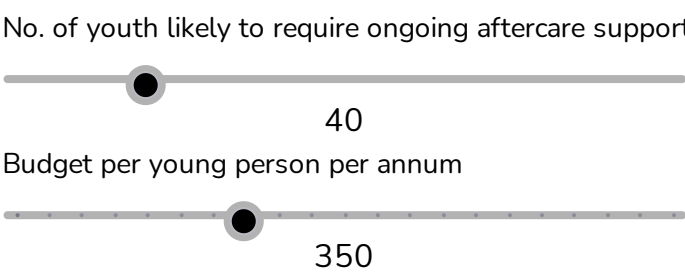
The tables below reflect the average aftercare support costs per young person for an organization your size. The costs are broken down into two phases; phase 3 implementation, which is when young people exit care, and post transition, which reflects ongoing aftercare support costs. This often includes ongoing education or vocational training costs. Actual costs are significantly influenced by whether or not you can access aftercare

services through government or non-government service providers or whether they need to be entirely provided by the transitioning organization. Adjust the top line toggle based on the number of young people who are likely to transition into independent living and require support during and post transition. Adjust the bottom-line cost estimate based on your context, unique situation and consider the feasibility of accessing aftercare services through government or partner agencies. [?]

Cost of transitioning youth and aftercare services in phase 3: Implementation



Cost of ongoing aftercare services post transition:



Summary of Core Spike Costs

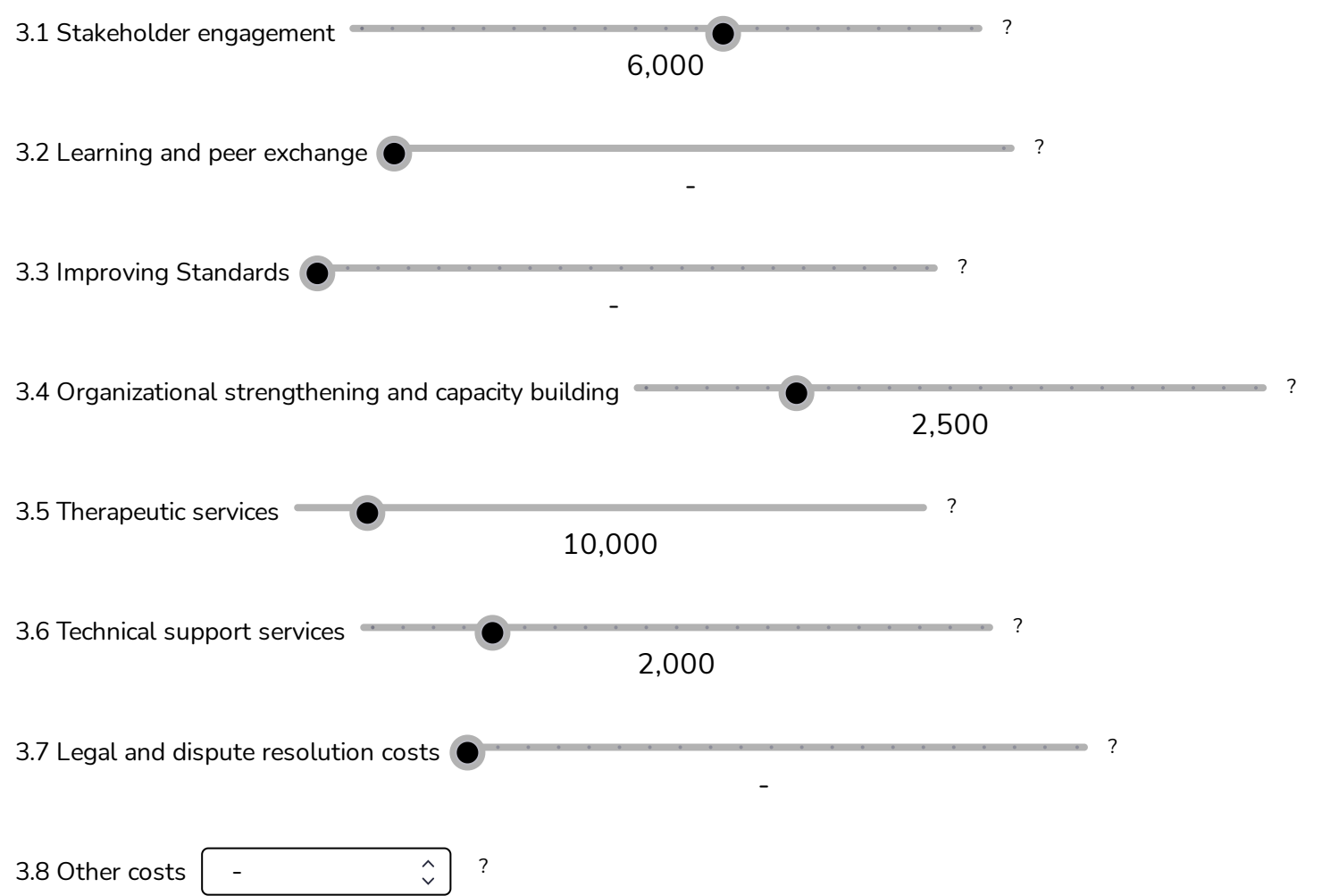
The table below represents the summary of your core spike cost estimates based on the information you have provided in this step. Costs are broken up according to phases of transition. Phase 2: Implementation is broken into two phases. The 1st half of phase 3 represents the point in your transition when 50% of the children and youth in care have been reintegrated or placed in family care. It is at this point that organizations typically experience a decrease in operational costs (reduction in baseline budget). This reduction has been built into your estimate. 2nd half of phase 3 represents the point when all the children and youth previously in care have been reintegrated, placed in families or transitioned into independent living. At this point the organization is no longer incurring residential care facility or service operation costs.

	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Core Spike Costs by Phase	5,500	42,500	97,500	69,500
2.1 Additional Staffing	-	25,500	30,000	30,000
2.2 Training and Travel	5,500	9,000	4,500	4,500
2.3 Case Management / Reintegration	-	8,000	49,000	21,000
2.4 New Aftercare Programs	-	-	14,000	14,000

Step 3: Additional Spike Costs

There are a range of other factors, including activities you may need to conduct to get everyone involved ready for transition, services you may need to access for children undergoing reintegration, or issues you may need to resolve, that have cost implications during a transition. The list below includes the most common additional factors and those that have the biggest impact on your budget. Each additional factor is currently set at the USD average cost as experienced by organizations your size. Use the toggles to adjust the costs based on your

context or knowledge of your specific service and situation. Hover over the tooltip icons to access information about what each cost factor is.



	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Additional Spike Costs by Phase	6,000	14,500	-	-

Step 4: New Services

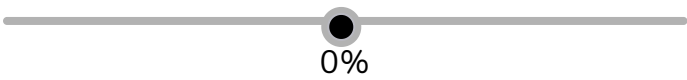
Another program related spike in costs that many transitioning organizations incur relates to designing and implementing new community and family-based programs in lieu of residential care. This is relevant to almost all organizations who pursue pathway A: Full transition. The cost of new programs is highly dependent on the type of service the organization choses to develop, and whether they are initiating brand new services or scaling existing ones. For those scaling up existing community and family-based services, the cost may be less. For those initiating brand new services, the costs will be greater. Community services aimed at preventing separation typically cost less per beneficiary than alternative care services, such as foster care.

4.1 Funding Position

For most organisations, the budget allocated for new programs will initially be heavily influenced by the amount of post transition funding that is available to be redirected.

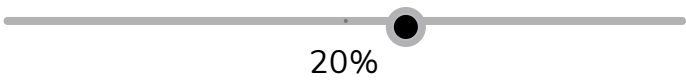
Consider your current funding position as well as your expected funding position at different phases in relation to your baseline costs.

Are your annual baseline costs currently under funded (-ve) or surplus funding (+ve)?



Current annual baseline funding **\$194,500**

Do you expect your annual baseline funding to increase or decrease post transition?



Expected annual post transition funding **\$233,400**

Estimated post transition funding available to be redirected **\$128,760**

4.2 New Non-Residential Care Services

Consider the type of program your organization intends to transition into, and whether this is an existing program being scaled up, or a new program being designed and developed. Use the toggles to adjust the estimates based on your knowledge of your unique situation, context and the type of program being planned.

Funding redirected into other forms of non-residential care can be expected to have a multiplied impact on the number of beneficiaries.

Family Based Care Impact Multiple ?

Community Based Services Impact Multiple ?

Adjust the slider to vary the proportion of post transition surplus funding to be redirected into either family based care or community based services. ?

Family Based Care **50%** **50%** Community Based Services

	No. Beneficiaries	Per Beneficiary Cost
Residential Care Services	200	\$930
New Services	748	\$266
- Family Based Care	214	\$465
- Community Based Services	534	\$186

Note: per beneficiary cost calculation takes into account relevant staff and overheads

The cost of these new services will be included as post transition spike costs.

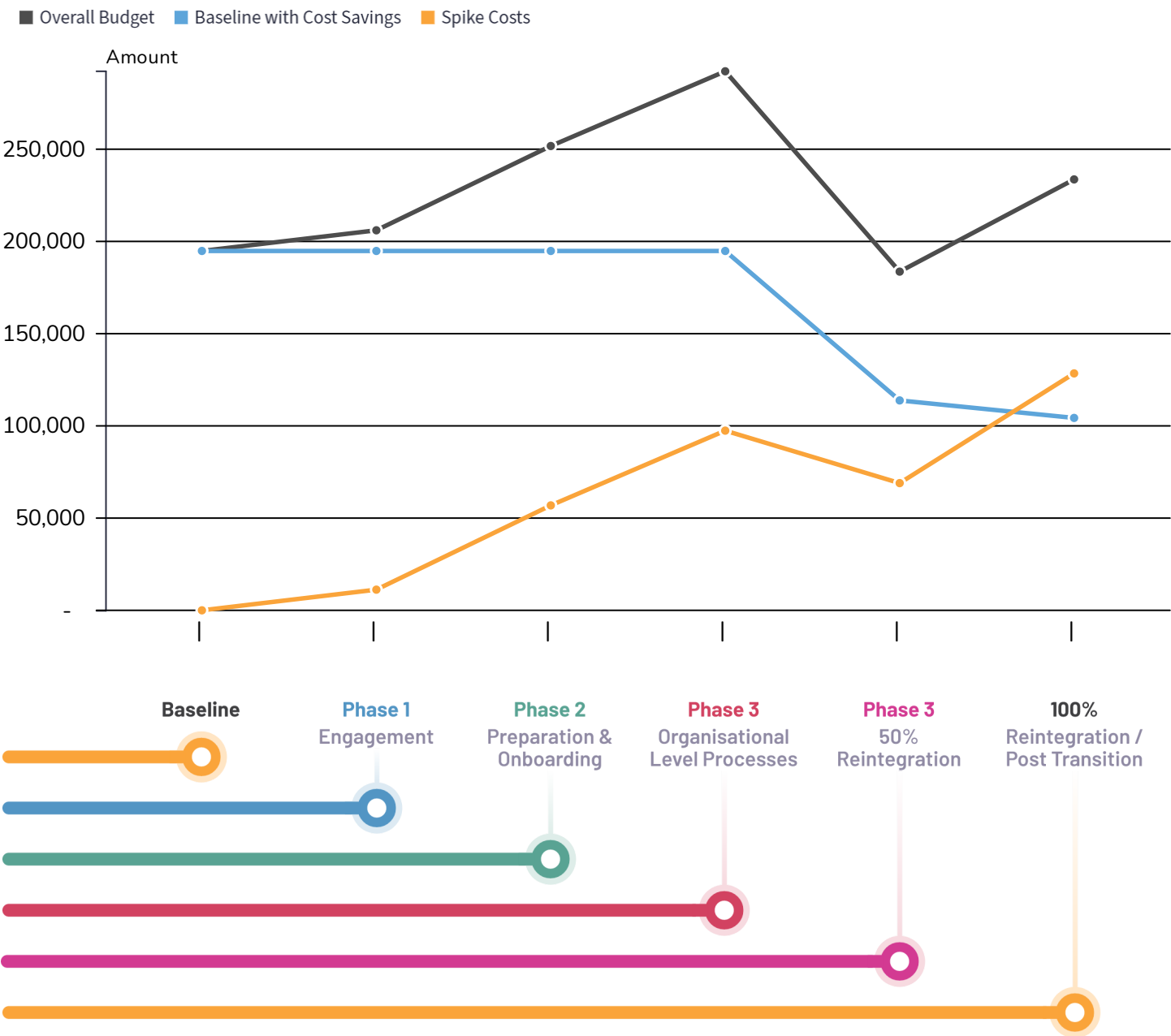
Step 5: Results

Example 1

This section of the tool displays the overall estimated cost of transition for your organization. The estimate is presented in a line graph and in a table. The line graph includes three lines: The overall budget implication, the baseline with cost saving implication and the spike costs. The estimated spikes, savings and overall budget implications are plotted over the phases of transition, which is graphically displayed on the x axis of the graph. This allows you to get a sense of the implications for funding and fundraising throughout the different phases. Phase 3 is broken up into three parts: Organizational level processes, 50% reintegration, which shows the costs at the point where 50% of all children have exited the residential facility, and the costs at the point when 100% of children have exited the facility. The table also includes the post transition budget, which is presented as an estimated figure per annum.

You can go back and adjust to estimates or data entered into any step of the tool and see how this affects your overall estimates and results.

Graph: Budget and Spike Costs by Phases of Transition



	Baseline	Phase 1	Phase 2	1st Half- Phase 3	2nd Half- Phase 3	Post- Transition
Overall Budget	194,500	206,000	251,500	292,000	183,445	233,400
Baseline with Cost Savings	194,500	194,500	194,500	194,500	113,945	104,640
Spike Costs	-	11,500	57,000	97,500	69,500	128,760

Note: post transition spike costs reflect the step 4 new services

Your Report

If you would like to receive a PDF report of your response and estimates, please enter a contact name and email in the fields below and press the submit button. A PDF report will be emailed to your nominated contact email.

Contact Name:

Contact Email:

[➡ Email PDF Report](#)

Annual accounts 2013

Balance sheet as per 31 December 2013

		31 december 2013 TZS	31 december 2012 TZS
Assets			
<i>Tangible fixed assets</i>		-	-
		-	-
<i>Cash at banks and in hand</i>	A	96,436,897	133,572,042
<i>Receivables</i>	B	0	5,294,877
Total assets		96,436,897	138,866,919
Reserves and liabilities			
<i>Reserves and funds</i>	C		
• Reserves freely available		-	-
• Continuity reserve		5,797,077	6,204,284
• Restricted funds		76,500,000	130,000,000
		82,297,077	136,204,284
<i>Other current liabilities</i>		14,139,820	2,662,635
Total reserves and liabilities		96,436,897	138,866,919

Example 2

Statement of income and expense for the year 2013

		Actual 2013		Actual 2012	
		TZS	TZS	TZS	TZS
Income					
Income from fundraising	D	100,014,000		238,242,130	
Transfers from Tanzania	E				
KidNet		372,823,971		329,539,548	
Other income	F	4,075,504		3,778,753	
Total income			476,913,475		571,560,431
Expenses:					
Food, health and clothing		139,527,800		110,975,270	
Personnel costs		107,430,356		76,370,822	
Education		28,630,860		36,760,000	
Security		10,440,000		8,910,000	
Rent and land lease		9,696,000		8,884,200	
Agricultural project		5,611,000		8,379,456	
General and administrative		56,643,978		56,759,763	
Bank charges		1,543,600		980,030	
Exchange gains/losses		540,208		-6,013	
Construction Children Village		170,756,880		170,297,772	
Total expenses			530,820,682		478,311,300
Result for the year			-53,907,207		93,249,131
Allocation of result 2013					
Allocated to:					
- Continuity reserve		-		-	
- Reserves freely available		-407,207		-2,371,517	
- Other restricted funds		-53,500,000		95,620,648	
		-53,907,207		93,249,131	

Example 2

Notes to the annual accounts 2013

General

The balance sheet and statement of income and expense comprise the balance sheet and statement of income and expense of Tanzania Kids Tanzania (Tanzania Orphanage Foundation).

The annual accounts 2013 have been prepared in accordance with the accounting principles generally accepted in Tanzania.

Reporting period

These annual accounts cover the book year 2013 of the Tanzania Kids Tanzania, which coincides with the calendar year.

Foreign currencies and translation into the reporting currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of Tanzania Kids Tanzania at the rates of exchange prevailing on the balance sheet date. Transactions in foreign currencies are translated at the rates of exchange approximating those at the date of the transactions. Resulting exchange differences are taken to income currently.

Use of estimates

The preparation of the annual accounts require that the Trustees make estimates and assumptions about the application of the accounting principles and the reported values of assets, liabilities and obligations, and of income and expenses. The actual amounts may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis. Revisions of the estimates are reported in the period in which the estimates are revised, and in future periods in which the revisions have consequences.

Accounting principles for the valuation of assets and liabilities

The valuation of assets and liabilities and the determination of the results are done in accordance with the historical cost convention. Assets and liabilities are valued at nominal value, unless stated otherwise. Income and expense are accounted for on the accruals basis.

Tangible fixed assets

Investments in the Children Village in Mkuranga are expensed immediately and are not capitalized due to the specific nature of the village. The refurbishment of the Reception Home in Kinondoni, Dar es Salaam, in 2007 is not included due to a lack of available information. The total cost of refurbishment is considered to be immaterial.

The annual rent of the Reception Home in Kinondoni, Dar es Salaam amounts to approximately TZS 7,600,000. In 2013 a new rental contract has been agreed for a three year period at an annual rate of approximately TZS 9,500,000.

Tanzania Kids Tanzania currently holds a number of Certificates of Occupancy for a number of adjacent plots of land in the Mkuranga District. These Certificates provide for a 99 year leasehold starting 1 April 2007 costing approximately TZS 1,200,000 per year. The plots of land were occupied by a number of local families, and Tanzania Kids Tanzania paid these families a certain amount of damages for relocation.

Example 2

Receivables and prepaid expenses

Receivables are valued at nominal value less any provision for incollectibility. Provisions are determined on an individual basis.

Reserves

Continuity reserve

The reserve for continuity is made to guarantee the continuity of the operations in case of (temporary) shortfall in income.

Restricted reserves

The restricted spending of the restricted reserves is determined by the Trustees. It does not constitute a contractual obligation, and the Trustees may lift the restriction at any time. The restricted reserves are specified as follows:

- Running cost Children's Home Dar es Salaam
- Running cost Relative Support Program
- Running cost Children's Village
- Foundation cost Children's Village
- Management Tanzania Orphanage Foundation, Tanzania
- Agricultural project in the Children's Village

Other reserves

Other reserves are the balance of the reserves and are freely available.

Accounting principles for the determination of results

Income

Donations received from fundraising and transfers from Tanzania Kids Network are reported in the year in which they are received, except for donations which can be allocated to a period in which special fundraising actions have taken place.

Donations in kind are valued at market values.

Expenses

Expenses are reported in the year using the accruals basis.

Example 2

Notes to the balance sheet

A. Cash at bank and in hand

Cash at banks and in hand comprises: **31 December 2013** 31 December 2012

FBME-TCAC	8,577,541	17,726,273
FBME-TSAV	14,868,426	679,596
FBME-TCAC	518,712	513,876
FBME-TSAV	39,443,858	1,015,474
FBME Fixed term deposits	30,000,000	100,000,000
NMB	2,433,120	12,191,583
Cash in hand	595,240	1,445,240
Total	96,436,897	133,572,042

All balances are freely available, except for the Fixed term deposits, which mature within one year.

B. Receivables

Receivables consist of the remaining portions of loans to employees. These loans will be repaid in 2014.

C. Reserves and funds

The movements in reserves and funds can be specified as follows:

	31 December 2012	Allocations 2013	Utilizations 2013	31 December 2013
Reserves freely available	-	-	-	-
Restricted reserve: continuity reserve	6,204,284	-	407,207	5,797,077
Restricted funds				
Running cost Children's Home Dar es Salaam	3,000,000	-	-	3,000,000
Running cost Relative Support Program	4,000,000	-	-	4,000,000
Running cost Children's Village,	13,500,000	-	-	13,500,000
Foundation cost Children's Village	103,000,000	-	51,000,000	52,000,000
Management Tanzania Orphanage Foundation, Tanzania	4,000,000	-	-	4,000,000
Agricultural project	2,500,000	-	2,500,000	-
Total restricted funds	130,000,000	-	53,500,000	76,500,000

Notes to the statement of income and expense

D. Income from fundraising

Income from fundraising consists of donations received from private donors and companies and of donations in kind. The donation in 2012 was donated by Foundation WG of the Netherlands specifically for the phase II of the construction of the Children's Village.

E. Transfers from Tanzania Kids Network

Transfers from the Tanzania Kids Network are the earmarked contributions for the monthly operating costs from Tanzania Kids in The Netherlands, UK and USA.

F. Other income

Other income comprises interest income earned on the balances with the banks (current accounts and internet savings accounts) and exchange gains on the bank balances denominated in US dollars.

G. Remuneration of Trustees

The Trustees receive no remuneration for their activities in the capacity of trustee for Tanzania Kids

Transitioning Residential Care Cost Estimation Tool

Example 2

Introduction

About this Tool ☐ ?

Who this Tool is For ☐

How to use this Tool ☐

When to use this Tool ☐

The Phases of Transition ☐

Limitations and Disclaimer ☐

Privacy ☐

Cost Estimation Tool

Step 1: Baseline Data

In this section you will be asked to provide some baseline data about your organization's existing operations, programs and costs. This baseline data will be used to inform estimates throughout the tool. Please work through each of the numbered sub steps in this section, using the various interactive features (drop-down menus, tick boxes, multiple choice options, toggle bars) to respond to questions or to adjust figures.

1.1 Number of Children in Care

The size of your residential care service is one factor that will influence the cost of many of the other variables. Median estimates given throughout the tool are based on the number of children in care.

How many children are currently in your residential care facility? ?

Default baseline cost data has been classified into 5 different ranges based on the size of the residential care facility. Your residential care facility falls into the "**51-80 children**" baseline cost range.

1.2 Baseline Programs and Operations

Consider your current situation and tick all boxes below that are relevant to your organization:

- ☒ Current residential care facilities are rented
- ☐ Currently provide aftercare services and support to young people who transition into independent living
- ☐ Currently run other community or family-based services that children transitioning out of care may be able to access

1.3 Type of Transition Being Pursued

There are two different pathways that organizations might pursue when transitioning their residential care services. Pathway A is full transition to other non-residential services, which means that the organization intends to start or scale up family and/or community-based programs as they close the residential care service. Pathway B is safe closure and reintegration, which means that the organization does not intend to start new programs, but is committed to implementing a planned closure of the residential care facility and ensuring all children are reintegrated, supported to transition or placed in family-based care placements before closure. You can read more about these two different pathways and what they entail in the [Phases of Transition Diagram](#).

Which of these pathways does your organization intend to pursue?

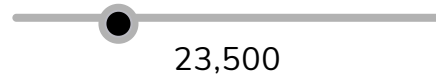
- ☒ Pathway A: Full Transition to Other Non-Residential Services
- ☐ Pathway B: Safe Closure and Reintegration

1.4 Baseline Costs

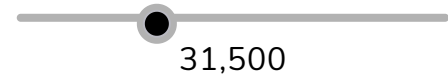
The following tables provide the typical line items in a residential care facility budget. The amounts are set at the USD average for a residential care facility (RCI) your size. For a more tailored result, adjust the costs for each line item based on your actual baseline costs and current budget. You can also download a worksheet [here](#), that will assist you to categorize your expenses under the same sub-categories as the tool. ?

Program and Operations	Staff	Overheads
RCI Facility Operating Cost	Care Giver Staff Costs	Travel and Transportation Costs
98,000	44,000	4,000
RCI Facility Rental Cost	Social Worker Staff Costs	Training Costs
6,000	-	1,500
RCI Program and Education Costs		
18,000		

Management, Administration and
Other Staff Costs



Organisation, Administration and
Other Costs



Reset To Default Baseline
Costs

The total annual baseline budget for your residential care service is **\$226,500**.

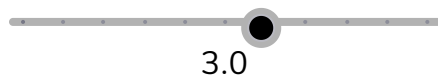
Step 2: Core Spike Costs

Transitioning a residential care service typically causes a spike in costs in five core cost categories. The five categories are listed in this section below. The estimates for each cost item are currently set at the USD average amount of spike in cost experienced by a residential care service your size. You can use the toggles to adjust, based on your knowledge of your context and the unique situation of your RCI.

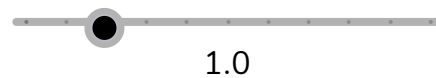
2.1 Additional Staffing ☒

Most organizations undergoing transition need to hire additional staff. This may include additional social workers, new or additional staff to run or to scale up community programs, or other staff to bring the facility up to minimum standards to provide support to the transition. The figures below represent the median number of additional staff organizations your size hired to support their transition, across categories. The salary for each staff category is also set at the USD median amount. *Note: FTE stands for full time equivalent, and p.a. stands for per annum.* [?]

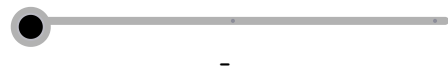
No. of additional social workers
(FTE)



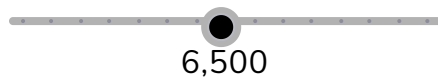
No. of additional community
program staff (FTE)



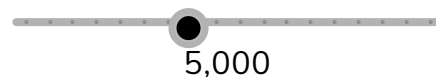
No. of additional other staff (FTE)



Average social worker salary p.a.



Average community program staff
salary p.a.



Average salary of other staff p.a.



2.2 Training and Travel ☒

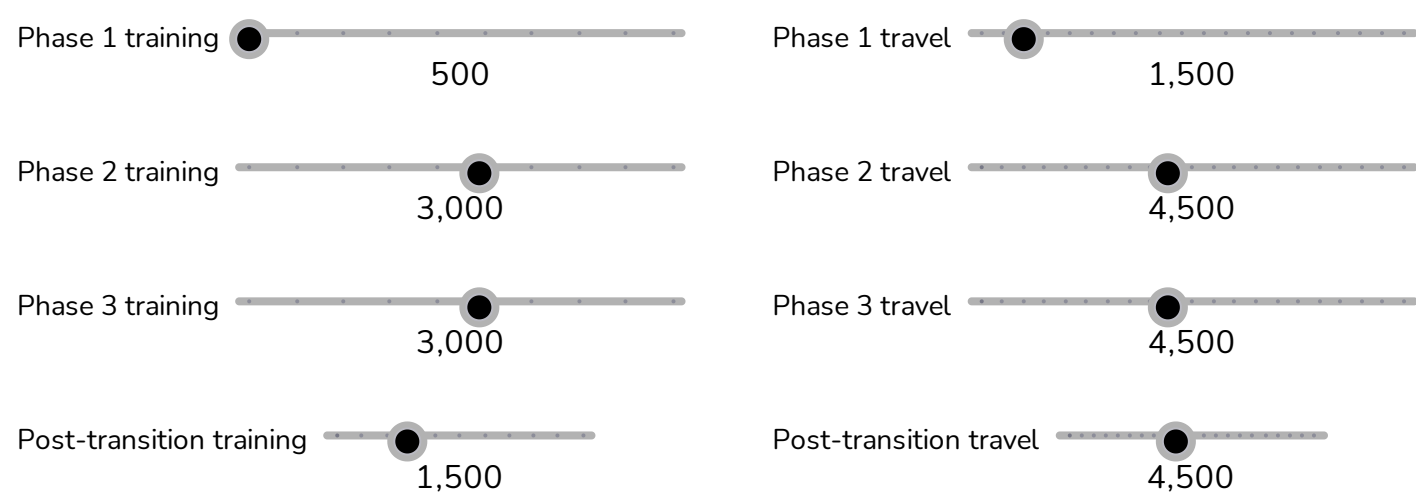
Most organizations experienced a spike in their training and travel costs throughout each phase of the transition.

Training costs are often incurred as organizations upskill staff in preparation for transition or post transition roles, and to facilitate family tracing, assessment, placement, and monitoring of children as part of case

management for reintegration.

Travel costs typically increase as organizations facilitate learning and upskilling opportunities for staff in phases 1 and 2 and as part of case management (family tracing, assessment, placement, and monitoring) in phase 3. Post transition travel often relates to ongoing monitoring of children, which may be required for several years post reintegration/placement.

The tables below reflect the USD average amount spent by organisations your size on training and travel across the phases of transition. [?]



2.3 Case Management

Organizations undergoing transition approach the case management aspect in the implementation phase in different ways. Some implement case management directly (in-house) and others chose to outsource the social work/case management component to more experienced social work organizations or consultants (outsource). These different approaches are both generally associated with a spike in costs, however the amount differs significantly based on the approach. Implementing case management in-house may be associated with a small spike in costs but will increase the training and additional staff hire costs, which should be reflected in step 2.2. Outsourcing may be associated with a more significant spike in costs. Costs may be offset or reduced in cases where organizations are able to partner with technical support organizations who are independently funded to support transition work. Where no such arrangement is available, outsourcing costs can be quite considerable.

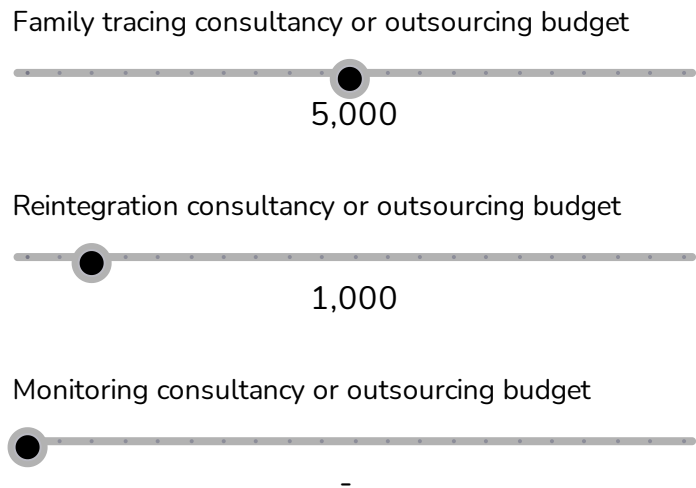
Consider these two scenarios:

1. **In-house case management.** We intend to implement case management directly and hire and upskill social workers for this purpose.
2. **Outsource case management.** We plan to engage consultants or outsource case management activities to more experienced social work organizations.

Select the scenario that best represents your planned approach. This will reveal the USD median spike costs for aspects of case management for an organization your size. Then adjust the estimates on the right to reflect your knowledge of your unique situation and context.

Which of these approaches does your organization intend to pursue? ?

- ☐ In-house case management
- ☐ Outsource case management

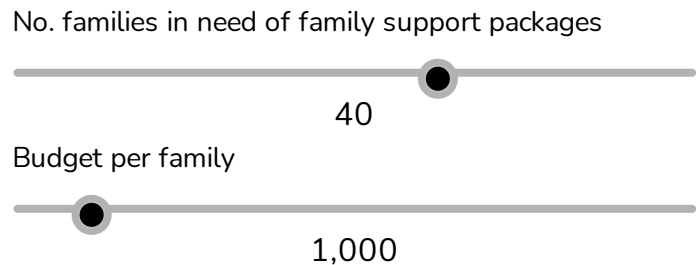


Reintegration during Phase 3 will usually include addressing family strengthening and addressing practical needs at a family level. This could include improvement to living conditions, security or sanitation for the family, vocational training for caregivers or other forms of income generation for the family.

Case management processes will look at the needs and requirements for each family placement and costs will vary between families based on their actual circumstances. There may also be the opportunity to access government services or low cost programs run by partner agencies.

Phase 3 Reintegration: Family Support

Adjust the top line toggle based on the number of families likely to require some form of family support package and the toggle below for your average budget per family.



2.4 Aftercare Programs

In many cases, transitioning organizations have young people in care who may transition into independent living, and will require aftercare support and services to help them make the transition and achieve independence. Spike costs for transitioning youth are usually highest at the point of exiting care and may reduce overtime as each young person establishes a home, secures employment, and becomes increasingly integrated and independent.

The tables below reflect the average aftercare support costs per young person for an organization your size. The costs are broken down into two phases; phase 3 implementation, which is when young people exit care, and post transition, which reflects ongoing aftercare support costs. This often includes ongoing education or vocational training costs. Actual costs are significantly influenced by whether or not you can access aftercare

services through government or non-government service providers or whether they need to be entirely provided by the transitioning organization. Adjust the top line toggle based on the number of young people who are likely to transition into independent living and require support during and post transition. Adjust the bottom-line cost estimate based on your context, unique situation and consider the feasibility of accessing aftercare services through government or partner agencies. ?

Cost of transitioning youth and aftercare services in phase 3: Implementation

No. of youth likely to transition into independent living

5

Budget per young person

1,000

Cost of ongoing aftercare services post transition:

No. of youth likely to require ongoing aftercare support

5

Budget per young person per annum

650

Summary of Core Spike Costs

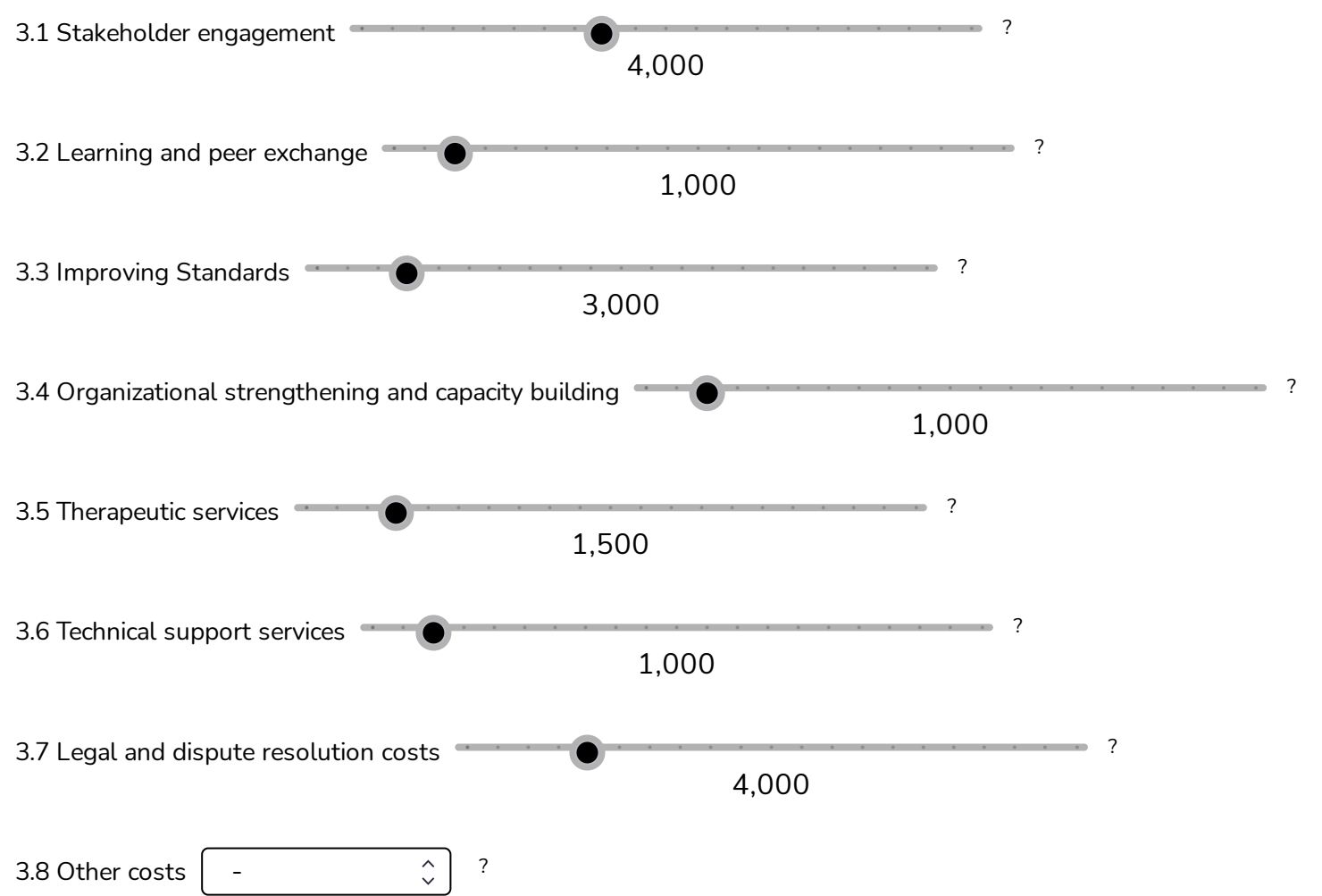
The table below represents the summary of your core spike cost estimates based on the information you have provided in this step. Costs are broken up according to phases of transition. Phase 2: Implementation is broken into two phases. The 1st half of phase 3 represents the point in your transition when 50% of the children and youth in care have been reintegrated or placed in family care. It is at this point that organizations typically experience a decrease in operational costs (reduction in baseline budget). This reduction has been built into your estimate. 2nd half of phase 3 represents the point when all the children and youth previously in care have been reintegrated, placed in families or transitioned into independent living. At this point the organization is no longer incurring residential care facility or service operation costs.

	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Core Spike Costs by Phase	2,000	33,000	58,750	42,750
2.1 Additional Staffing	-	19,500	24,500	24,500
2.2 Training and Travel	2,000	7,500	3,750	3,750
2.3 Case Management / Reintegration	-	6,000	28,000	12,000
2.4 New Aftercare Programs	-	-	2,500	2,500

Step 3: Additional Spike Costs

There are a range of other factors, including activities you may need to conduct to get everyone involved ready for transition, services you may need to access for children undergoing reintegration, or issues you may need to resolve, that have cost implications during a transition. The list below includes the most common additional factors and those that have the biggest impact on your budget. Each additional factor is currently set at the USD average cost as experienced by organizations your size. Use the toggles to adjust the costs based on your

context or knowledge of your specific service and situation. Hover over the tooltip icons to access information about what each cost factor is.



	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Additional Spike Costs by Phase	5,000	6,500	2,000	2,000

Step 4: New Services

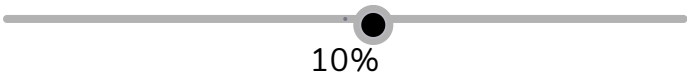
Another program related spike in costs that many transitioning organizations incur relates to designing and implementing new community and family-based programs in lieu of residential care. This is relevant to almost all organizations who pursue pathway A: Full transition. The cost of new programs is highly dependent on the type of service the organization choses to develop, and whether they are initiating brand new services or scaling existing ones. For those scaling up existing community and family-based services, the cost may be less. For those initiating brand new services, the costs will be greater. Community services aimed at preventing separation typically cost less per beneficiary than alternative care services, such as foster care.

4.1 Funding Position

For most organisations, the budget allocated for new programs will initially be heavily influenced by the amount of post transition funding that is available to be redirected.

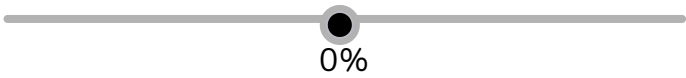
Consider your current funding position as well as your expected funding position at different phases in relation to your baseline costs.

Are your annual baseline costs currently under funded (-ve) or surplus funding (+ve)?



Current annual baseline funding **\$249,150**

Do you expect your annual baseline funding to increase or decrease post transition?



Expected annual post transition funding **\$249,150**

Estimated post transition funding available to be redirected **\$164,480**

4.2 New Non-Residential Care Services

Consider the type of program your organization intends to transition into, and whether this is an existing program being scaled up, or a new program being designed and developed. Use the toggles to adjust the estimates based on your knowledge of your unique situation, context and the type of program being planned.

Funding redirected into other forms of non-residential care can be expected to have a multiplied impact on the number of beneficiaries.

Family Based Care Impact Multiple ?

Community Based Services Impact Multiple ?

Adjust the slider to vary the proportion of post transition surplus funding to be redirected into either family based care or community based services. ?

Family Based Care **25%**  **75%** Community Based Services

	No. Beneficiaries	Per Beneficiary Cost
Residential Care Services	63	\$3,595
New Services	357	\$685
- Family Based Care	51	\$1,198
- Community Based Services	306	\$599

Note: per beneficiary cost calculation takes into account relevant staff and overheads

The cost of these new services will be included as post transition spike costs.

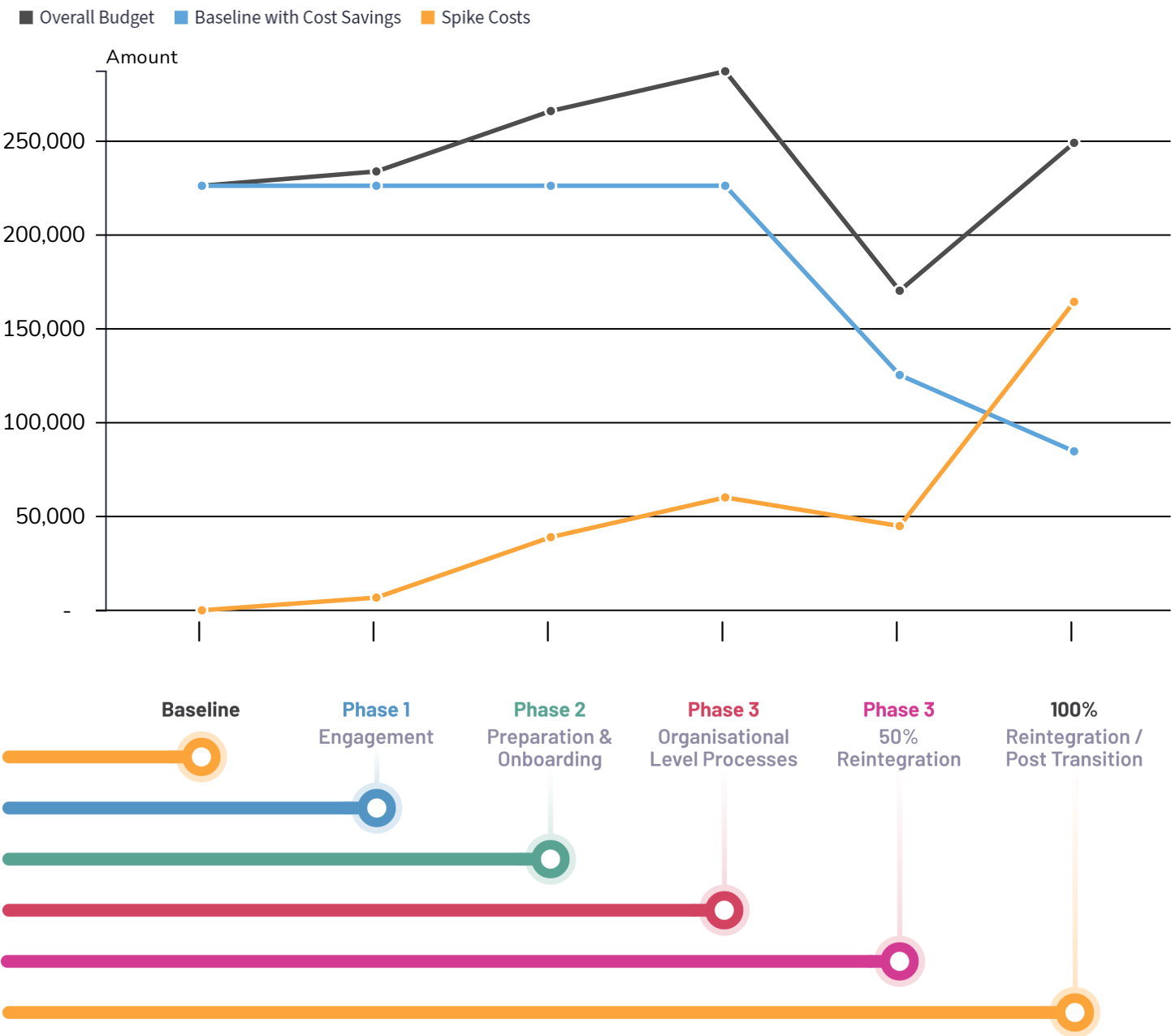
Step 5: Results

Example 2

This section of the tool displays the overall estimated cost of transition for your organization. The estimate is presented in a line graph and in a table. The line graph includes three lines: The overall budget implication, the baseline with cost saving implication and the spike costs. The estimated spikes, savings and overall budget implications are plotted over the phases of transition, which is graphically displayed on the x axis of the graph. This allows you to get a sense of the implications for funding and fundraising throughout the different phases. Phase 3 is broken up into three parts: Organizational level processes, 50% reintegration, which shows the costs at the point where 50% of all children have exited the residential facility, and the costs at the point when 100% of children have exited the facility. The table also includes the post transition budget, which is presented as an estimated figure per annum.

You can go back and adjust to estimates or data entered into any step of the tool and see how this affects your overall estimates and results.

Graph: Budget and Spike Costs by Phases of Transition



	Baseline	Phase 1	Phase 2	1st Half- Phase 3	2nd Half- Phase 3	Post- Transition
Overall Budget	226,500	233,500	266,000	287,250	170,530	249,150
Baseline with Cost Savings	226,500	226,500	226,500	226,500	125,780	84,670
Spike Costs	-	7,000	39,500	60,750	44,750	164,480

Note: post transition spike costs reflect the step 4 new services

Your Report

If you would like to receive a PDF report of your response and estimates, please enter a contact name and email in the fields below and press the submit button. A PDF report will be emailed to your nominated contact email.

Contact Name:

Contact Email:

[➡ Email PDF Report](#)

Employee

No	Item	Staff Budget		Month		Beneficiary		Volume		Annual
		Salary/Cost	Mob Credit	Total	Qty	Subject	Qty	Object	Total	
1	Director-Piter-NO THR/13th Salar	9,000,000	500,000	10,500,000	1	Person	12	Months	126,000,000	Inclusive of oncosts 141,564,011 67,411,434 30,335,145 30,335,145 28,312,802 18,201,087 19,279,670 14,830,515 20,223,430 13,482,287 35,053,946 24,268,116 24,268,116 22,919,887 27,638,688 10,785,829 14,830,515 Wages on-costs Wages on-costs Wages on-costs 59,780,624 0.1235 543,740,624
2	Finance/HR-Lyna-NO THR/13th S	5,000,000		5,000,000	1	Person	12	Months	60,000,000	
3	HouseParents-Desy	2,000,000	50,000	2,250,000	1	Person	12	Months	27,000,000	
4	HouseParents-Rio	2,000,000	50,000	2,250,000	1	Person	12	Months	27,000,000	
5	Head Admin & Carer-Ika	2,000,000	100,000	2,100,000	1	Person	12	Months	25,200,000	
6	Logistic & Carer-Mei	1,350,000		1,350,000	1	Person	12	Months	16,200,000	
7	Head Cook-Oma Kim	1,430,000		1,430,000	1	Person	12	Months	17,160,000	
8	Cook-Rofi	1,100,000		1,100,000	1	Person	12	Months	13,200,000	
9	Staff Coordinator-Feny	1,500,000		1,500,000	1	Person	12	Months	18,000,000	
10	Driver-Rudy	1,000,000		1,000,000	1	Person	12	Months	12,000,000	
11	SKCM-Greg	2,000,000	500,000	2,600,000	1	Person	12	Months	31,200,000	
12	Street Kids Teacher-Ketut	1,800,000		1,800,000	1	Person	12	Months	21,600,000	
13	Street Kids Teacher-Sri	1,800,000		1,800,000	1	Person	12	Months	21,600,000	
14	Workshop Coordinator	1,700,000		1,700,000	1	Person	12	Months	20,400,000	
15	Self Sustain Manager-Zaen	2,000,000	50,000	2,050,000	1	Person	12	Months	24,600,000	
17	Farmer-Eko	800,000		800,000	1	Person	12	Months	9,600,000	
18	Farmer-Hendri	1,100,000		1,100,000	1	Person	12	Months	13,200,000	
21	THR/13th Salary	16,382,000		16,382,000	16	Person	1	Annually	16,382,000	
22	BPJS/Health Insurance	1,309,000		1,309,000	22	Person	12	Months	15,708,000	
23	BPJS/Super Annuation	2,307,552		2,307,552	18	Person	12	Months	27,690,624	
	Employee			60,328,552					543,740,624	

Children's Home

AMOUNT									
No	Item	Description	Month		Beneficiary		Volume		Annual
			Qty	Subject	Qty	Subject	Qty	Object	Total
1	Kitchen and Dining	basic needs	10,358,318	40	Person	12	Months		124,299,820
2	School & Education	Fee, books, uniforms.	3,924,717	40	Person	12	Months		47,096,600
3	House Needs & Maintenance	Equipment, chemical, maintenance.	4,718,768	40	Person	12	Months		56,625,220
4	Extracuriculler (Workshop)	Dance, music, computer,sports, english.	7,039,533	40	Person	12	Months		84,474,400
5	Transportation	Petrol for 1 bus,1 mini van, & 2 bikes, services	4,489,750	40	Person	12	Months		53,877,000
6	Personal Hygiene	Soap, tooth paste, detergents	789,577	40	Person	12	Months		9,474,920
7	Bills	electricity, water, & Phone	3,489,667	40	Person	12	Months		41,876,000
8	Kids Spending Money	Pocket money and snacks	2,048,767	40	Person	12	Months		24,585,200
9	Clothing	Children's clothing, shoes, socks, shorts, shirts	270,333	40	Person	12	Months		3,244,000
10	Medical	Accident, doctor,medicine.	1,089,076	40	Person	12	Months		13,068,914
11	Office & PR	Networking,promotions,Marketing, legal, trave	6,499,868	40	Person	12	Months		77,998,414
12	Others-Misc	Survey, misc/suddenly cost	399,167	40	Person	12	Months		4,790,000
	Children's Home	TOTAL	34,759,222						541,410,488

Self Sustain Monthly Budget

No	Item	Description	Month		Beneficiary		Volume		Annual
			Qty	Subject	Qty	Subject	Qty	Object	Total
1	Food & Drink	basic needs	553,317	40	Person	12	Months		6,639,800

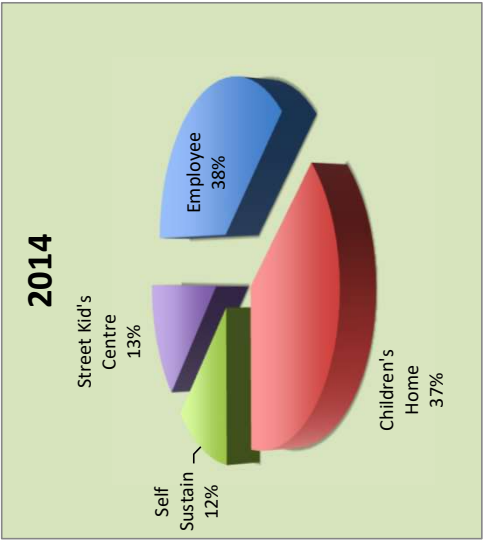
2	Equipment Needs & maintenance	Equipment, chemical, maintenance.		650,200	40	Person	12	Months	7,802,400
3	Transportation	Petrol for 1 truck		1,018,950	40	Person	12	Months	12,227,400
4	Farm & Agriculture needs	Seeds, Fertilisers, Etc		11,684,575	40	Person	12	Months	140,214,900
	Electricity			408,667	40	Person	12	Months	4,904,000
	Self Sustain		-	14,315,708					171,788,500

Street Kids Centre

No	Item	Description		Month	Beneficiary	Volume	Annual Total
1	Kitchen and Dining	basic needs		4,000,000	40	Person	12 Months 48,000,000
2	Extracuriculler (Workshop)	Dance, music, computer, bahasa, arts,books et		2,000,000	40	Person	12 Months 24,000,000
3	House Needs & Maintenance	Equipment, chemical, maintenance.		1,000,000	40	Person	12 Months 12,000,000
4	Street Van	Meals etc		4,000,000	40	Person	12 Months 48,000,000
5	Transportation	1 car		200,000	40	Person	12 Months 2,400,000
6	Personal Hygiene	Soap, tooth paste, detergents.		200,000	40	Person	12 Months 2,400,000
7	Bills	electricity, water, & Phone		800,000	40	Person	12 Months 9,600,000
8	Medical	Accident, doctor,medicine.		500,000	40	Person	12 Months 6,000,000
9	Property	Centre Leasing Annual	40,000,000	3,333,333	40	Person	12 Months 40,000,000
	Street Kid's Centre	TOTAL	-	16,033,333			192,400,000

CURRENCY									
IDR		TOTAL BUDGET							Annually
AUD		10,500		90,677,594					#####
USD		12,100		8,636					138,032
				7,494					119,780

RECAP	PROGRAM	2014	
IDR	Employee	543,740,624	
	Children's Home	541,410,488	
	Self Sustain	171,788,500	
	Street Kid's Centre	192,400,000	
	Total	#####	



Transitioning Residential Care Cost Estimation Tool

Example 3

Introduction

About this Tool ☐ ?

Who this Tool is For ☐

How to use this Tool ☐

When to use this Tool ☐

The Phases of Transition ☐

Limitations and Disclaimer ☐

Privacy ☐

Cost Estimation Tool

Step 1: Baseline Data

In this section you will be asked to provide some baseline data about your organization's existing operations, programs and costs. This baseline data will be used to inform estimates throughout the tool. Please work through each of the numbered sub steps in this section, using the various interactive features (drop-down menus, tick boxes, multiple choice options, toggle bars) to respond to questions or to adjust figures.

1.1 Number of Children in Care

The size of your residential care service is one factor that will influence the cost of many of the other variables. Median estimates given throughout the tool are based on the number of children in care.

How many children are currently in your residential care facility? ?

Default baseline cost data has been classified into 5 different ranges based on the size of the residential care facility. Your residential care facility falls into the "20-50 children" baseline cost range.

1.2 Baseline Programs and Operations

Consider your current situation and tick all boxes below that are relevant to your organization:

- ☐ Current residential care facilities are rented
- ☐ Currently provide aftercare services and support to young people who transition into independent living
- ☒ Currently run other community or family-based services that children transitioning out of care may be able to access

1.3 Type of Transition Being Pursued

There are two different pathways that organizations might pursue when transitioning their residential care services. Pathway A is full transition to other non-residential services, which means that the organization intends to start or scale up family and/or community-based programs as they close the residential care service. Pathway B is safe closure and reintegration, which means that the organization does not intend to start new programs, but is committed to implementing a planned closure of the residential care facility and ensuring all children are reintegrated, supported to transition or placed in family-based care placements before closure. You can read more about these two different pathways and what they entail in the [Phases of Transition Diagram](#).

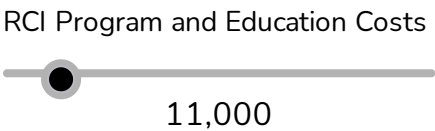
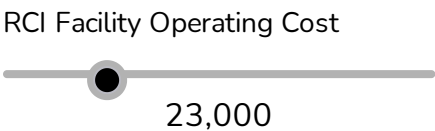
Which of these pathways does your organization intend to pursue?

- ☒ Pathway A: Full Transition to Other Non-Residential Services
- ☐ Pathway B: Safe Closure and Reintegration

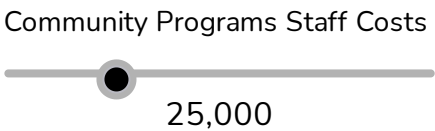
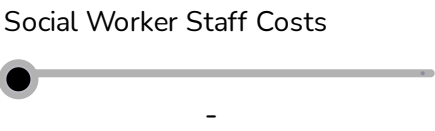
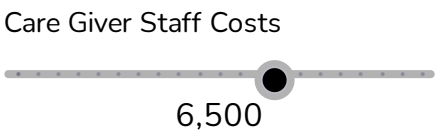
1.4 Baseline Costs

The following tables provide the typical line items in a residential care facility budget. The amounts are set at the USD average for a residential care facility (RCI) your size. For a more tailored result, adjust the costs for each line item based on your actual baseline costs and current budget. You can also download a worksheet [here](#), that will assist you to categorize your expenses under the same sub-categories as the tool. ?

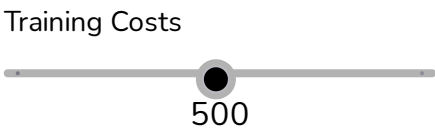
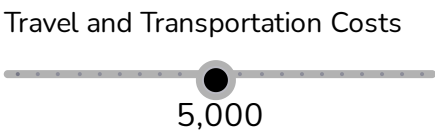
Program and Operations



Staff



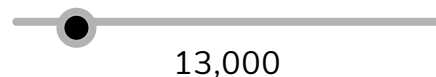
Overheads



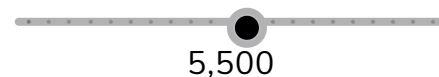
Community-based Programs
Costs



Management, Administration and
Other Staff Costs



Organisation, Administration and
Other Costs



Reset To Default Baseline
Costs

The total annual baseline budget for your residential care service is **\$119,500**.

Step 2: Core Spike Costs

Transitioning a residential care service typically causes a spike in costs in five core cost categories. The five categories are listed in this section below. The estimates for each cost item are currently set at the USD average amount of spike in cost experienced by a residential care service your size. You can use the toggles to adjust, based on your knowledge of your context and the unique situation of your RCI.

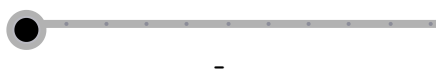
2.1 Additional Staffing

Most organizations undergoing transition need to hire additional staff. This may include additional social workers, new or additional staff to run or to scale up community programs, or other staff to bring the facility up to minimum standards to provide support to the transition. The figures below represent the median number of additional staff organizations your size hired to support their transition, across categories. The salary for each staff category is also set at the USD median amount. *Note: FTE stands for full time equivalent, and p.a. stands for per annum.* [?]

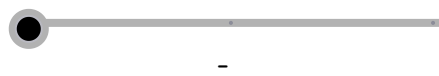
No. of additional social workers
(FTE)



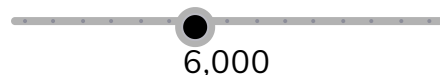
No. of additional community
program staff (FTE)



No. of additional other staff (FTE)



Average social worker salary p.a.



Average community program staff
salary p.a.



Average salary of other staff p.a.



2.2 Training and Travel

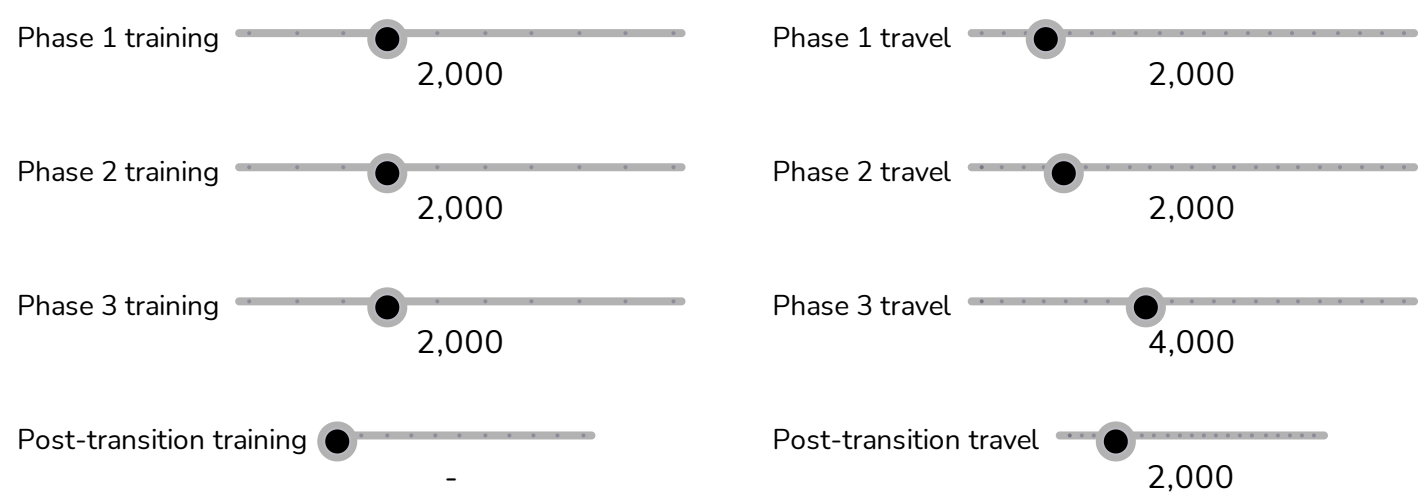
Most organizations experienced a spike in their training and travel costs throughout each phase of the transition.

Training costs are often incurred as organizations upskill staff in preparation for transition or post transition roles, and to facilitate family tracing, assessment, placement, and monitoring of children as part of case

management for reintegration.

Travel costs typically increase as organizations facilitate learning and upskilling opportunities for staff in phases 1 and 2 and as part of case management (family tracing, assessment, placement, and monitoring) in phase 3. Post transition travel often relates to ongoing monitoring of children, which may be required for several years post reintegration/placement.

The tables below reflect the USD average amount spent by organisations your size on training and travel across the phases of transition. [?]



2.3 Case Management

Organizations undergoing transition approach the case management aspect in the implementation phase in different ways. Some implement case management directly (in-house) and others chose to outsource the social work/case management component to more experienced social work organizations or consultants (outsource). These different approaches are both generally associated with a spike in costs, however the amount differs significantly based on the approach. Implementing case management in-house may be associated with a small spike in costs but will increase the training and additional staff hire costs, which should be reflected in step 2.2. Outsourcing may be associated with a more significant spike in costs. Costs may be offset or reduced in cases where organizations are able to partner with technical support organizations who are independently funded to support transition work. Where no such arrangement is available, outsourcing costs can be quite considerable.

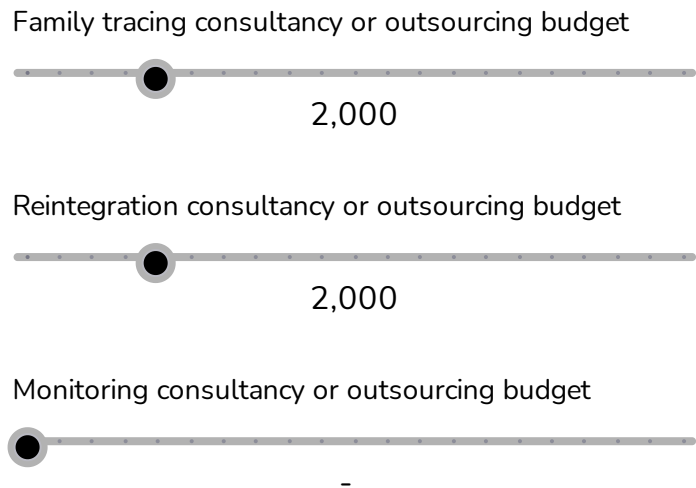
Consider these two scenarios:

1. **In-house case management.** We intend to implement case management directly and hire and upskill social workers for this purpose.
2. **Outsource case management.** We plan to engage consultants or outsource case management activities to more experienced social work organizations.

Select the scenario that best represents your planned approach. This will reveal the USD median spike costs for aspects of case management for an organization your size. Then adjust the estimates on the right to reflect your knowledge of your unique situation and context.

Which of these approaches does your organization intend to pursue? ?

- ☐ In-house case management
- ☐ Outsource case management

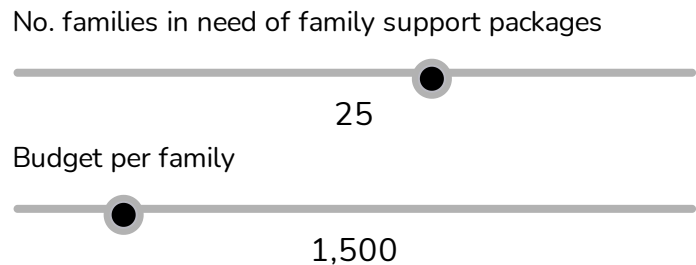


Reintegration during Phase 3 will usually include addressing family strengthening and addressing practical needs at a family level. This could include improvement to living conditions, security or sanitation for the family, vocational training for caregivers or other forms of income generation for the family.

Case management processes will look at the needs and requirements for each family placement and costs will vary between families based on their actual circumstances. There may also be the opportunity to access government services or low cost programs run by partner agencies.

Phase 3 Reintegration: Family Support

Adjust the top line toggle based on the number of families likely to require some form of family support package and the toggle below for your average budget per family.



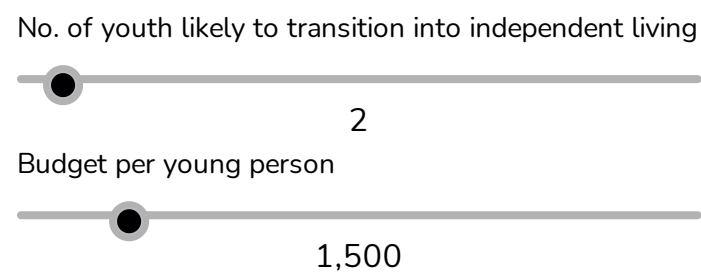
2.4 Aftercare Programs ☒

In many cases, transitioning organizations have young people in care who may transition into independent living, and will require aftercare support and services to help them make the transition and achieve independence. Spike costs for transitioning youth are usually highest at the point of exiting care and may reduce overtime as each young person establishes a home, secures employment, and becomes increasingly integrated and independent.

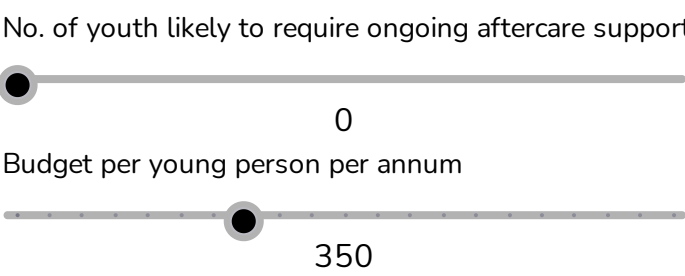
The tables below reflect the average aftercare support costs per young person for an organization your size. The costs are broken down into two phases; phase 3 implementation, which is when young people exit care, and post transition, which reflects ongoing aftercare support costs. This often includes ongoing education or vocational training costs. Actual costs are significantly influenced by whether or not you can access aftercare

services through government or non-government service providers or whether they need to be entirely provided by the transitioning organization. Adjust the top line toggle based on the number of young people who are likely to transition into independent living and require support during and post transition. Adjust the bottom-line cost estimate based on your context, unique situation and consider the feasibility of accessing aftercare services through government or partner agencies. ?

Cost of transitioning youth and aftercare services in phase 3: Implementation



Cost of ongoing aftercare services post transition:



Summary of Core Spike Costs

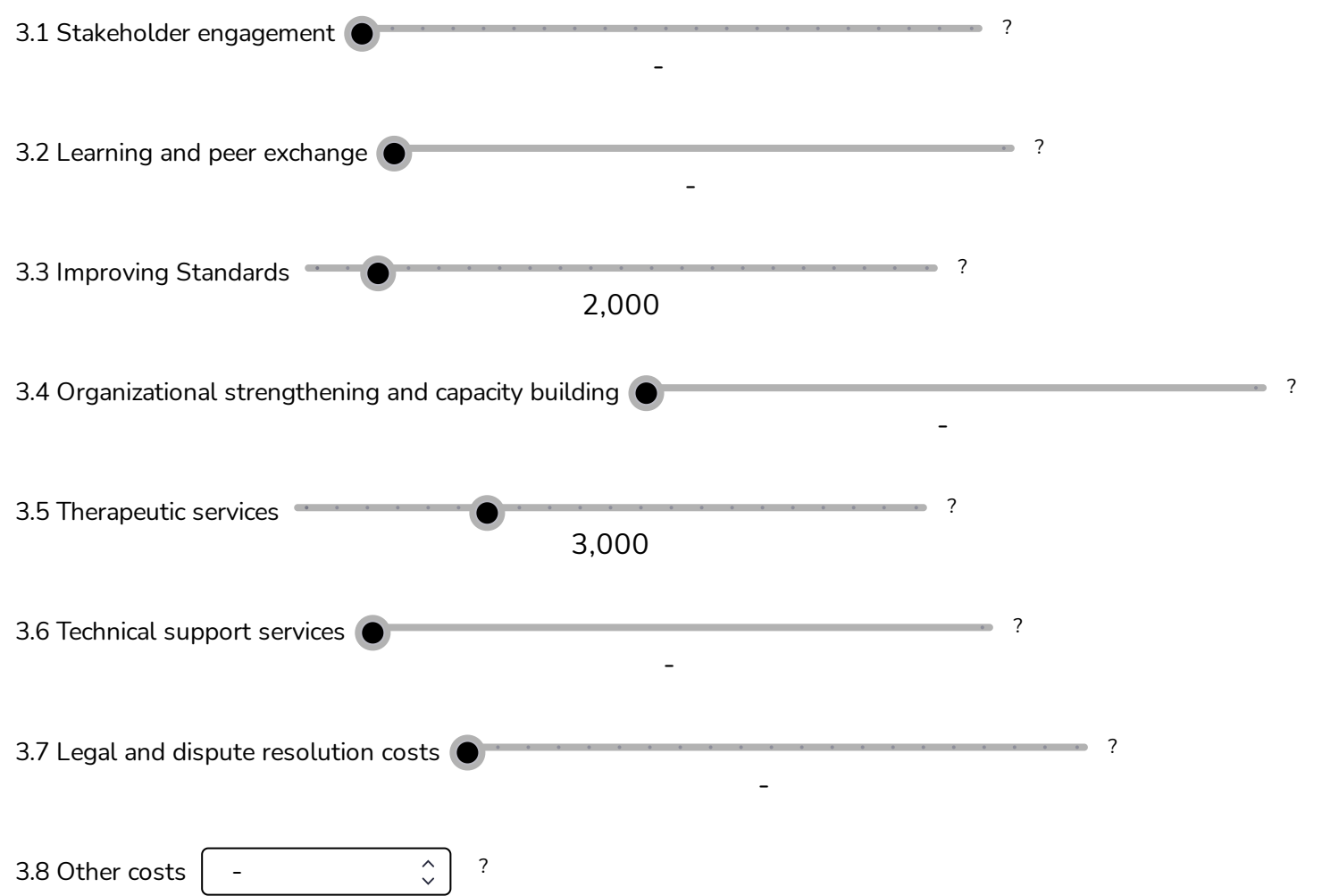
The table below represents the summary of your core spike cost estimates based on the information you have provided in this step. Costs are broken up according to phases of transition. Phase 2: Implementation is broken into two phases. The 1st half of phase 3 represents the point in your transition when 50% of the children and youth in care have been reintegrated or placed in family care. It is at this point that organizations typically experience a decrease in operational costs (reduction in baseline budget). This reduction has been built into your estimate. 2nd half of phase 3 represents the point when all the children and youth previously in care have been reintegrated, placed in families or transitioned into independent living. At this point the organization is no longer incurring residential care facility or service operation costs.

	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Core Spike Costs by Phase	4,000	20,000	42,750	27,750
2.1 Additional Staffing	-	12,000	12,000	12,000
2.2 Training and Travel	4,000	4,000	3,000	3,000
2.3 Case Management / Reintegration	-	4,000	26,250	11,250
2.4 New Aftercare Programs	-	-	1,500	1,500

Step 3: Additional Spike Costs

There are a range of other factors, including activities you may need to conduct to get everyone involved ready for transition, services you may need to access for children undergoing reintegration, or issues you may need to resolve, that have cost implications during a transition. The list below includes the most common additional factors and those that have the biggest impact on your budget. Each additional factor is currently set at the USD average cost as experienced by organizations your size. Use the toggles to adjust the costs based on your

context or knowledge of your specific service and situation. Hover over the tooltip icons to access information about what each cost factor is.



	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Additional Spike Costs by Phase	-	5,000	-	-

Step 4: New Services

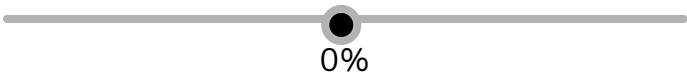
Another program related spike in costs that many transitioning organizations incur relates to designing and implementing new community and family-based programs in lieu of residential care. This is relevant to almost all organizations who pursue pathway A: Full transition. The cost of new programs is highly dependent on the type of service the organization choses to develop, and whether they are initiating brand new services or scaling existing ones. For those scaling up existing community and family-based services, the cost may be less. For those initiating brand new services, the costs will be greater. Community services aimed at preventing separation typically cost less per beneficiary than alternative care services, such as foster care.

4.1 Funding Position

For most organisations, the budget allocated for new programs will initially be heavily influenced by the amount of post transition funding that is available to be redirected.

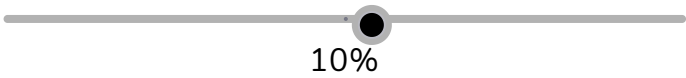
Consider your current funding position as well as your expected funding position at different phases in relation to your baseline costs.

Are your annual baseline costs currently under funded (-ve) or surplus funding (+ve)?



Current annual baseline funding **\$119,500**

Do you expect your annual baseline funding to increase or decrease post transition?



Expected annual post transition funding **\$131,450**

Estimated post transition funding available to be redirected **\$40,070**

4.2 New Non-Residential Care Services

Consider the type of program your organization intends to transition into, and whether this is an existing program being scaled up, or a new program being designed and developed. Use the toggles to adjust the estimates based on your knowledge of your unique situation, context and the type of program being planned.

Funding redirected into other forms of non-residential care can be expected to have a multiplied impact on the number of beneficiaries.

Family Based Care Impact Multiple ?

Community Based Services Impact Multiple ?

Adjust the slider to vary the proportion of post transition surplus funding to be redirected into either family based care or community based services. ?

Family Based Care **0%** **100%** Community Based Services

	No. Beneficiaries	Per Beneficiary Cost
Residential Care Services	40	\$2,238
New Services	134	\$559
- Family Based Care	-	\$-
- Community Based Services	134	\$559

Note: per beneficiary cost calculation takes into account relevant staff and overheads

The cost of these new services will be included as post transition spike costs.

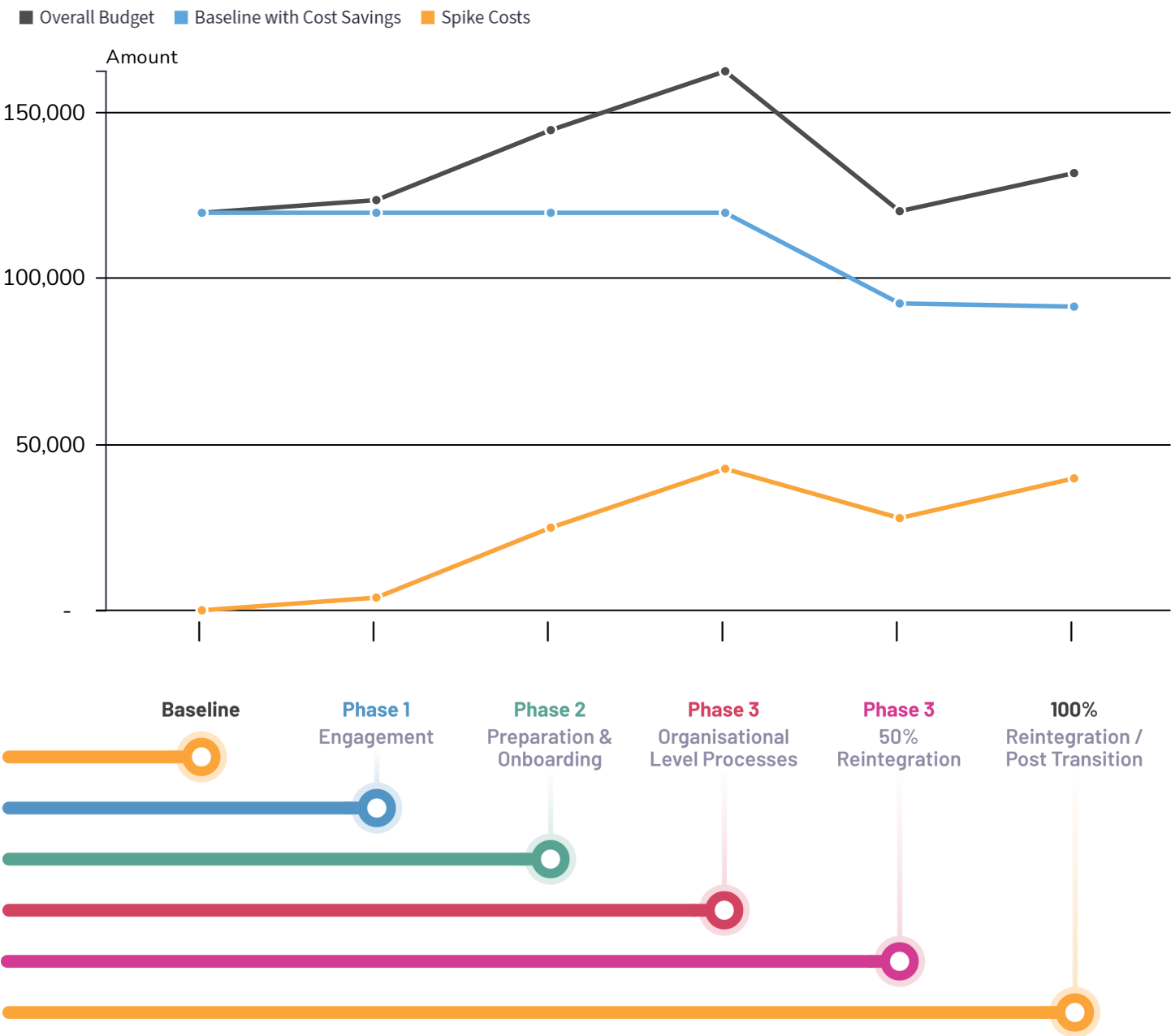
Step 5: Results

Example 3

This section of the tool displays the overall estimated cost of transition for your organization. The estimate is presented in a line graph and in a table. The line graph includes three lines: The overall budget implication, the baseline with cost saving implication and the spike costs. The estimated spikes, savings and overall budget implications are plotted over the phases of transition, which is graphically displayed on the x axis of the graph. This allows you to get a sense of the implications for funding and fundraising throughout the different phases. Phase 3 is broken up into three parts: Organizational level processes, 50% reintegration, which shows the costs at the point where 50% of all children have exited the residential facility, and the costs at the point when 100% of children have exited the facility. The table also includes the post transition budget, which is presented as an estimated figure per annum.

You can go back and adjust to estimates or data entered into any step of the tool and see how this affects your overall estimates and results.

Graph: Budget and Spike Costs by Phases of Transition



	Baseline	Phase 1	Phase 2	1st Half- Phase 3	2nd Half- Phase 3	Post- Transition
Overall Budget	119,500	123,500	144,500	162,250	120,180	131,450
Baseline with Cost Savings	119,500	119,500	119,500	119,500	92,430	91,380
Spike Costs	-	4,000	25,000	42,750	27,750	40,070

Note: post transition spike costs reflect the step 4 new services

Your Report

If you would like to receive a PDF report of your response and estimates, please enter a contact name and email in the fields below and press the submit button. A PDF report will be emailed to your nominated contact email.

Contact Name:

Contact Email:

[➡ Email PDF Report](#)

The Home of Faith Child Development Centre Sponsorship Program

The Home of Faith Child Development Centre is a home that provides residential care for children. It is registered under the Child Development Centers of the Department of Probation and Child Care Services of the Western Province Provincial Council.

The Home of Faith Sponsorship Program is run through a Local Based Charity Organization. The program provides an opportunity to contribute into the lives of the children to assist them with their health and nutrition, education and basic care.

At present there are 10 children who are a part of the Home of Faith Child Development Centre. As finances permit we will increase the total number of children to 24 over time. At present we have 4 full time staff and as more children are placed in the Home we will need to increase staff accordingly.

What we do:

Sponsorship will enable The Home of Faith Child Development Centre to:

- Provide Education (School, Tuition, Education needs such as stationary and books)
- Provide nutrition by providing the children with healthy meals, snacks and milk.
- Provide the children with daily vitamins to help in their overall development.
- Provide medical and dental assistance for the children (Immunization, doctor's / dentist's visits, medicine)
- Excursions to places of fun and interest
- Provide staff allowances to look after the staff who dedicate their time and life to care and nurture the children.

Expenses for the month

Food / Toiletries / Cleaning products	Rs. 44 000.00
Vitamins	Rs. 3 970.00
Medical / Dental Care	Rs. 2 800.00
Staff Allowances (4 Permanent Staff and 1 casual staff at present)	Rs. 41 500.00
Utilities (Electricity, Telephone, Gas)	Rs. 16 000.00
General Maintenance of Home	Rs. 5 000.00
Traveling	Rs. 18 200.00
Education	Rs. 8 150.00
Children's Personal Needs	Rs. 8 900.00
TOTAL MONTHLY EXPENSES	Rs. 1 48 520.00

Transitioning Residential Care

Cost Estimation Tool

Example 4

Introduction

- About this Tool ☐ ?
- Who this Tool is For ☐
- How to use this Tool ☐
- When to use this Tool ☐
- The Phases of Transition ☐
- Limitations and Disclaimer ☐
- Privacy ☐

Cost Estimation Tool

Step 1: Baseline Data

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1.1 Number of Children in Care

The size of your residential care service is one factor that will influence the cost of many of the other variables. Median estimates given throughout the tool are based on the number of children in care.

How many children are currently in your residential care facility? ?

Default baseline cost data has been classified into 5 different ranges based on the size of the residential care facility. Your residential care facility falls into the "<20 children" baseline cost range.

1.2 Baseline Programs and Operations

Consider your current situation and tick all boxes below that are relevant to your organization:

- ☐ Current residential care facilities are rented
- ☐ Currently provide aftercare services and support to young people who transition into independent living
- ☐ Currently run other community or family-based services that children transitioning out of care may be able to access

1.3 Type of Transition Being Pursued

There are two different pathways that organizations might pursue when transitioning their residential care services. Pathway A is full transition to other non-residential services, which means that the organization intends to start or scale up family and/or community-based programs as they close the residential care service. Pathway B is safe closure and reintegration, which means that the organization does not intend to start new programs, but is committed to implementing a planned closure of the residential care facility and ensuring all children are reintegrated, supported to transition or placed in family-based care placements before closure. You can read more about these two different pathways and what they entail in the [Phases of Transition Diagram](#).

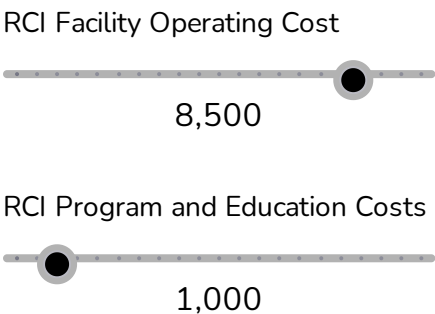
Which of these pathways does your organization intend to pursue?

- ☐ Pathway A: Full Transition to Other Non-Residential Services
- ☒ Pathway B: Safe Closure and Reintegration

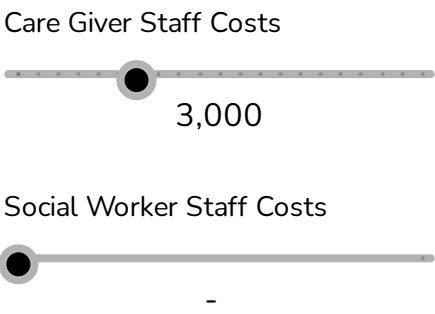
1.4 Baseline Costs

The following tables provide the typical line items in a residential care facility budget. The amounts are set at the USD average for a residential care facility (RCI) your size. For a more tailored result, adjust the costs for each line item based on your actual baseline costs and current budget. You can also download a worksheet [here](#), that will assist you to categorize your expenses under the same sub-categories as the tool. ?

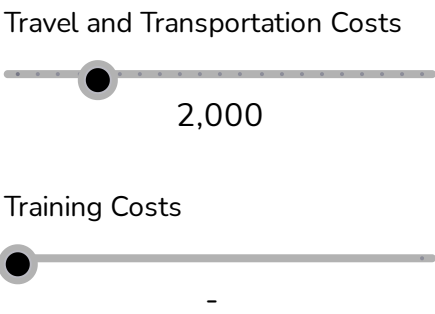
Program and Operations



Staff



Overheads



Management, Administration and
Other Staff Costs



Organisation, Administration and
Other Costs



Reset To Default Baseline
Costs

The total annual baseline budget for your residential care service is **\$16,000**.

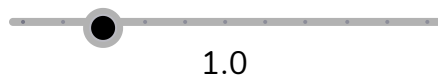
Step 2: Core Spike Costs

Transitioning a residential care service typically causes a spike in costs in five core cost categories. The five categories are listed in this section below. The estimates for each cost item are currently set at the USD average amount of spike in cost experienced by a residential care service your size. You can use the toggles to adjust, based on your knowledge of your context and the unique situation of your RCI.

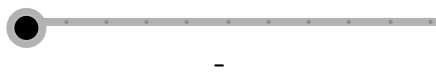
2.1 Additional Staffing

Most organizations undergoing transition need to hire additional staff. This may include additional social workers, new or additional staff to run or to scale up community programs, or other staff to bring the facility up to minimum standards to provide support to the transition. The figures below represent the median number of additional staff organizations your size hired to support their transition, across categories. The salary for each staff category is also set at the USD median amount. *Note: FTE stands for full time equivalent, and p.a. stands for per annum.* [?]

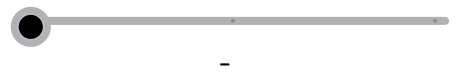
No. of additional social workers
(FTE)



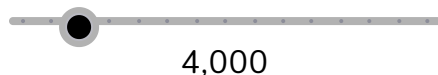
No. of additional community
program staff (FTE)



No. of additional other staff (FTE)



Average social worker salary p.a.



Average community program staff
salary p.a.



Average salary of other staff p.a.



2.2 Training and Travel

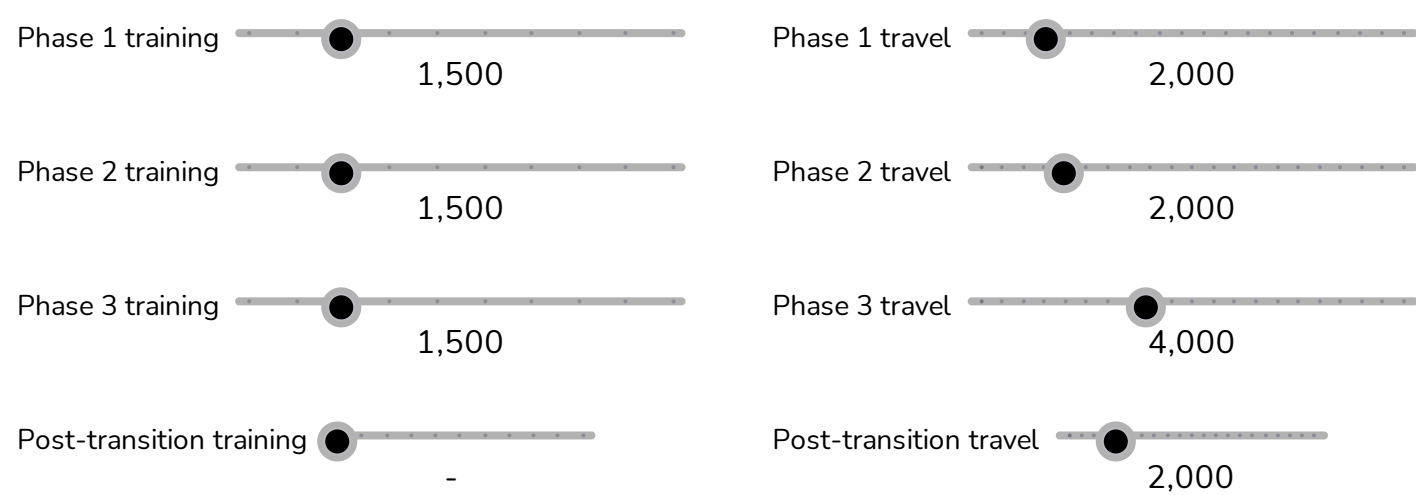
Most organizations experienced a spike in their training and travel costs throughout each phase of the transition.

Training costs are often incurred as organizations upskill staff in preparation for transition or post transition roles, and to facilitate family tracing, assessment, placement, and monitoring of children as part of case

management for reintegration.

Travel costs typically increase as organizations facilitate learning and upskilling opportunities for staff in phases 1 and 2 and as part of case management (family tracing, assessment, placement, and monitoring) in phase 3. Post transition travel often relates to ongoing monitoring of children, which may be required for several years post reintegration/placement.

The tables below reflect the USD average amount spent by organisations your size on training and travel across the phases of transition. [?]



2.3 Case Management

Organizations undergoing transition approach the case management aspect in the implementation phase in different ways. Some implement case management directly (in-house) and others chose to outsource the social work/case management component to more experienced social work organizations or consultants (outsource). These different approaches are both generally associated with a spike in costs, however the amount differs significantly based on the approach. Implementing case management in-house may be associated with a small spike in costs but will increase the training and additional staff hire costs, which should be reflected in step 2.2. Outsourcing may be associated with a more significant spike in costs. Costs may be offset or reduced in cases where organizations are able to partner with technical support organizations who are independently funded to support transition work. Where no such arrangement is available, outsourcing costs can be quite considerable.

Consider these two scenarios:

1. **In-house case management.** We intend to implement case management directly and hire and upskill social workers for this purpose.
2. **Outsource case management.** We plan to engage consultants or outsource case management activities to more experienced social work organizations.

Select the scenario that best represents your planned approach. This will reveal the USD median spike costs for aspects of case management for an organization your size. Then adjust the estimates on the right to reflect your knowledge of your unique situation and context.

Which of these approaches does your organization intend to pursue? ?

☐ In-house case management

☐ Outsource case management

Family tracing consultancy or outsourcing budget



Reintegration consultancy or outsourcing budget



Monitoring consultancy or outsourcing budget



Reintegration during Phase 3 will usually include addressing family strengthening and addressing practical needs at a family level. This could include improvement to living conditions, security or sanitation for the family, vocational training for caregivers or other forms of income generation for the family.

Case management processes will look at the needs and requirements for each family placement and costs will vary between families based on their actual circumstances. There may also be the opportunity to access government services or low cost programs run by partner agencies.

Phase 3 Reintegration: Family Support

Adjust the top line toggle based on the number of families likely to require some form of family support package and the toggle below for your average budget per family.

No. families in need of family support packages



Budget per family

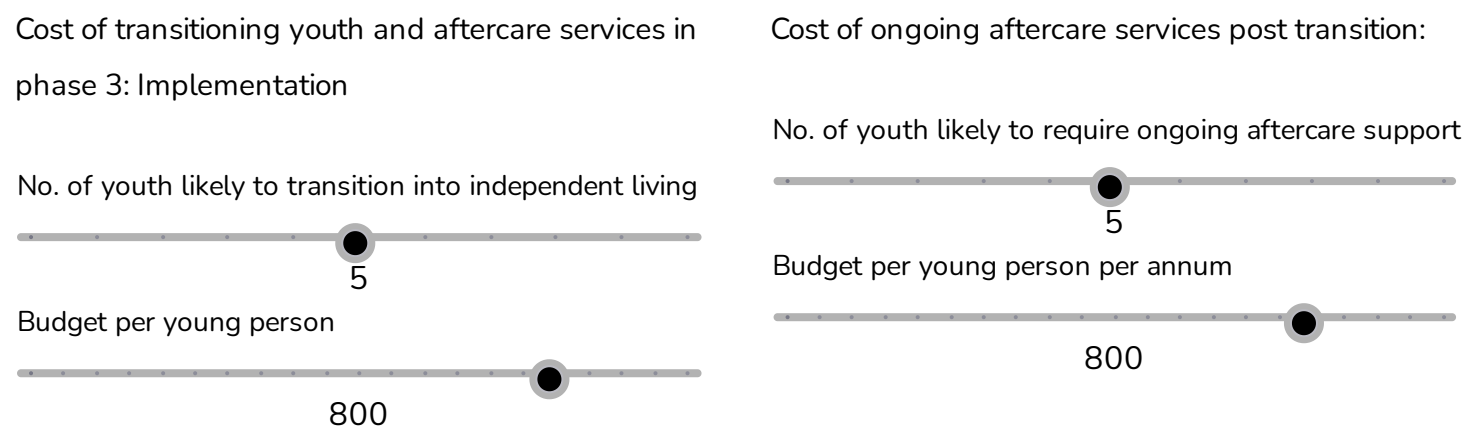


2.4 Aftercare Programs

In many cases, transitioning organizations have young people in care who may transition into independent living, and will require aftercare support and services to help them make the transition and achieve independence. Spike costs for transitioning youth are usually highest at the point of exiting care and may reduce overtime as each young person establishes a home, secures employment, and becomes increasingly integrated and independent.

The tables below reflect the average aftercare support costs per young person for an organization your size. The costs are broken down into two phases; phase 3 implementation, which is when young people exit care, and post transition, which reflects ongoing aftercare support costs. This often includes ongoing education or vocational training costs. Actual costs are significantly influenced by whether or not you can access aftercare

services through government or non-government service providers or whether they need to be entirely provided by the transitioning organization. Adjust the top line toggle based on the number of young people who are likely to transition into independent living and require support during and post transition. Adjust the bottom-line cost estimate based on your context, unique situation and consider the feasibility of accessing aftercare services through government or partner agencies. [?]



Summary of Core Spike Costs

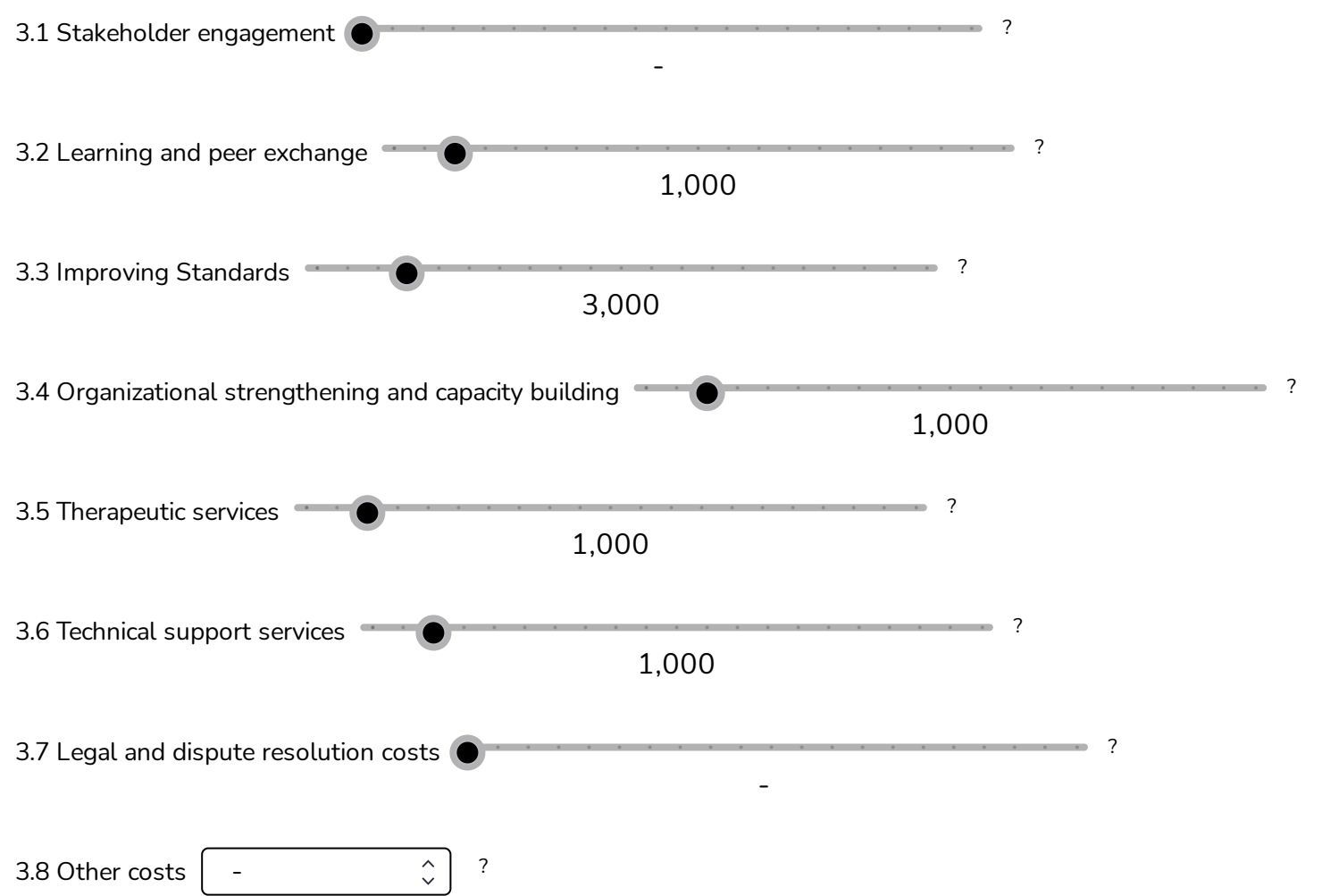
The table below represents the summary of your core spike cost estimates based on the information you have provided in this step. Costs are broken up according to phases of transition. Phase 2: Implementation is broken into two phases. The 1st half of phase 3 represents the point in your transition when 50% of the children and youth in care have been reintegrated or placed in family care. It is at this point that organizations typically experience a decrease in operational costs (reduction in baseline budget). This reduction has been built into your estimate. 2nd half of phase 3 represents the point when all the children and youth previously in care have been reintegrated, placed in families or transitioned into independent living. At this point the organization is no longer incurring residential care facility or service operation costs.

	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Core Spike Costs by Phase	3,500	10,500	11,550	9,950
2.1 Additional Staffing	-	4,000	4,000	4,000
2.2 Training and Travel	3,500	3,500	2,750	2,750
2.3 Case Management / Reintegration	-	3,000	2,800	1,200
2.4 New Aftercare Programs	-	-	2,000	2,000

Step 3: Additional Spike Costs

There are a range of other factors, including activities you may need to conduct to get everyone involved ready for transition, services you may need to access for children undergoing reintegration, or issues you may need to resolve, that have cost implications during a transition. The list below includes the most common additional factors and those that have the biggest impact on your budget. Each additional factor is currently set at the USD average cost as experienced by organizations your size. Use the toggles to adjust the costs based on your

context or knowledge of your specific service and situation. Hover over the tooltip icons to access information about what each cost factor is.



	Phase 1	Phase 2	1st Half-Phase 3	2nd Half-Phase 3
Total Additional Spike Costs by Phase	1,000	6,000	-	-

Step 4: New Services

Another program related spike in costs that many transitioning organizations incur relates to designing and implementing new community and family-based programs in lieu of residential care. This is relevant to almost all organizations who pursue pathway A: Full transition. The cost of new programs is highly dependent on the type of service the organization choses to develop, and whether they are initiating brand new services or scaling existing ones. For those scaling up existing community and family-based services, the cost may be less. For those initiating brand new services, the costs will be greater. Community services aimed at preventing separation typically cost less per beneficiary than alternative care services, such as foster care.

Note: per beneficiary cost calculation takes into account relevant staff and overheads

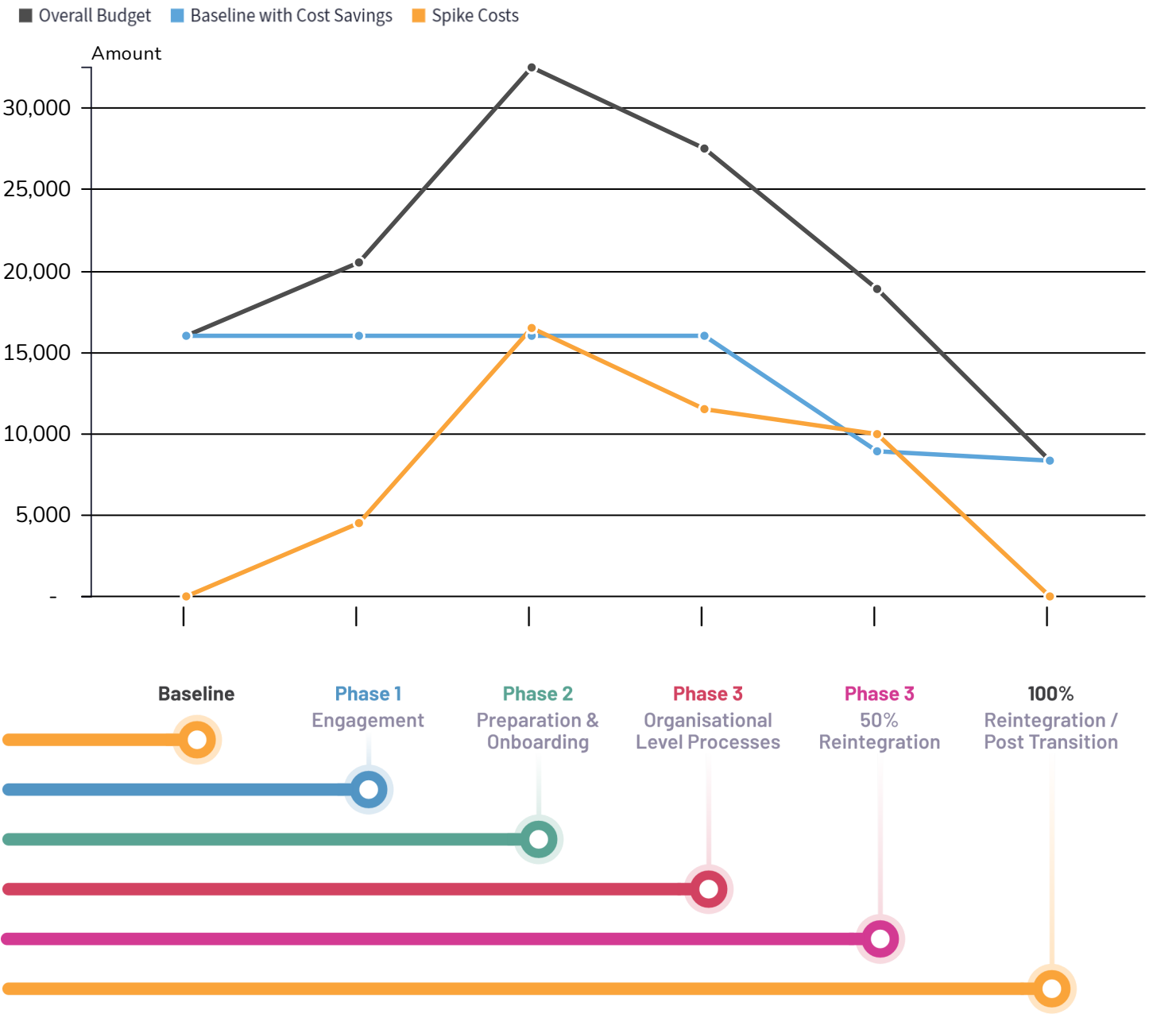
Step 5: Results

Example 4

This section of the tool displays the overall estimated cost of transition for your organization. The estimate is presented in a line graph and in a table. The line graph includes three lines: The overall budget implication, the baseline with cost saving implication and the spike costs. The estimated spikes, savings and overall budget implications are plotted over the phases of transition, which is graphically displayed on the x axis of the graph. This allows you to get a sense of the implications for funding and fundraising throughout the different phases. Phase 3 is broken up into three parts: Organizational level processes, 50% reintegration, which shows the costs at the point where 50% of all children have exited the residential facility, and the costs at the point when 100% of children have exited the facility. The table also includes the post transition budget, which is presented as an estimated figure per annum.

You can go back and adjust to estimates or data entered into any step of the tool and see how this affects your overall estimates and results.

Graph: Budget and Spike Costs by Phases of Transition Example 4



	Baseline	Phase 1	Phase 2	1st Half- Phase 3	2nd Half- Phase 3	Post- Transition
Overall Budget	16,000	20,500	32,500	27,550	18,930	8,375
Baseline with Cost Savings	16,000	16,000	16,000	16,000	8,980	8,375
Spike Costs	-	4,500	16,500	11,550	9,950	-

Note: post transition spike costs reflect the step 4 new services

Your Report

If you would like to receive a PDF report of your response and estimates, please enter a contact name and email in the fields below and press the submit button. A PDF report will be emailed to your nominated contact email.

Contact Name:

Contact Email:

[➡ Email PDF Report](#)