What is a reasonable fee to charge?

Successful OSCAR services strive to be responsive to families in their local community – one aspect of this is striking a balance between meeting their running costs and charging an affordable fee.

Across the sector there is a <u>very wide</u> range of fees charged, including some services charging almost no fee at all. The results A recent survey on programme fees [can be found here.](#)

When setting fees we recommend you first make a realistic estimate of your annual operating costs. (New services might initially develop a 6-month operating budget and update this, based on actual expenses, once the programme has been running a while.) This budget will include estimates for all relevant costs such as: wages, facility rental, equipment and resources, consumables and administration costs.

Your main income source is probably fee payments (MSD OSCAR Grant Funding is usually fully allocated and not open to new services), so will your projected fee income match your projected operating costs? If there is a shortfall, how will you close this gap – higher fees, reducing expenditure (e.g. volunteer staff) or applying for grants Also consider how your fee compares with others in your area?

There are various options for how fees may be charged – sessional, part-sessional or hourly. Sessional fees are more common and easier to administer, as well as creating a fixed income level per child enrolled.

In 2011 OSCN released a report "The Costs of Auckland OSCAR Services" which discusses some of the issues for services managing their finances. Its findings were that:

- The overall cost of service provision has increased approximately 20-25% over the previous 10 years.

- Wages costs surveyed made up from 56-69% of the total programme expenditure.

- The remaining portion of expenditure depended on the circumstances of each provider. Some types of costs vary widely between different providers: for example, building rent or transportation costs.

If you would like more advice on setting fees or managing your finances, please use these [please contact OSCN](#).