

Cost Reporting – Field Guide

version 2.1

Overview

To strengthen accountability, transparency, and value for money within the USAID education sector, it is essential that the true costs of USAID-funded interventions are captured and analyzed. A better understanding of the cost structure of USAID-funded interventions will help set realistic expectations and maximize limited resources to support education in developing countries.

Collection and utilization of cost data will enable USAID Missions and implementing partners to conduct a wide range of cost analyses at the activity level, country level and USAID global education portfolio level. The Cost Reporting Guidance¹ and Cost Analysis Guidance² outline general objectives and principles of cost measurement and methods for cost data analyses. Annexes³ to the Cost Reporting Guidance provide definitions, examples and reporting templates for collecting cost data.

USAID Education has introduced standard reporting categories that correspond to the most common technical objectives of USAID-funded activities in education. Collecting cost data according to standardized cost categories also allows for the modeling of future costs for scale up or sustainment of discrete intervention components.

Audience

This document provides supplemental guidance for USAID implementing partners on how to capture and report (1) activity expenditure, (2) contributions from government and non-government partners, and (3) details of the interventions. Cost reporting is a collective effort that involves three teams: finance team, operations team, and M&E team. This document presents information on roles and responsibilities for cost reporting for each of these three teams.



This guidance document describes concrete actions that each of these teams has to take in order to comply with the cost reporting requirements for USAID-funded education activities. For additional information, visit our website⁴ or email educost@usaid.gov.

¹ <https://www.edu-links.org/resources/usaid-cost-reporting-guidance>

² <https://www.edu-links.org/sites/default/files/media/file/USAID-Cost-Analysis-Guidance-Final-102921-508.pdf>

³ <https://www.edu-links.org/sites/default/files/media/file/USAID-Cost-Reporting-Annexes%202021.pdf>

⁴ <https://www.edu-links.org/resources/usaid-cost-measurement>



FINANCE TEAM

Expenditure Data

The activity finance team is composed of field staff and HQ support/oversight staff. The main responsibility of the activity finance team is to ensure accurate expenditure recording in real time, and financial reporting to the A/COR according to the timeline specified in the award. Under the cost reporting requirement, the entirety of activity expenditure must be recorded by USAID standard cost reporting categories, according to the intended purpose of the expenditure. These categories correspond to the most common technical objectives of USAID-funded activities in education. During activity startup, the partner must complete the following steps:

Step 1. Select cost reporting categories. Together with the A/COR, partner selects the appropriate cost categories from the list of standard cost reporting categories, based on the objectives of the activity. Additional sub-categories may be created to further disaggregate cost data.

Step 2. Develop cost reporting manual. The purpose of the cost reporting manual is to give partner staff clear guidance on how to code their labor, travel, and other expenses. This ensures clarity around billing staff time and continuity as new staff come onto the activity. Partners should use Cost Reporting Manual Template.⁵ Annex A of the Cost Reporting Guidance provides definitions and examples of tasks under each cost category.

Step 3. Train staff on cost reporting. Staff may be familiar with having different time codes based on CLINs from previous activities. The cost capture categories replace CLINs, but they are different in a very important way: billing to cost capture categories **must** capture staff time and expenses in real time. There may be assumptions in the budgeting stage around how much work specific tasks will require, but this is likely to change over the life of the activity, so the goal is to capture the **actual** expenditures and other inputs. Key guidelines for staff training include the following:

1. As required under all federally-funded activities, staff **must** record their time at the end of **every day**. They may be unable to correctly code their time if they wait until the end of the pay period.
2. Staff should bill to the correct cost category from their **first day working on the activity tasks**.
3. Staff should bill their time to the cost category that is **most closely related to the tasks they are performing**. Partner staff working on one activity are not expected to routinely split their time between many cost categories. If the employee's job description is broad and they support a range of different tasks, they should be assigned the general management and operations code.
4. Costs for international labor and travel must be reported separately from cost for locally-hired labor and travel.

Cost reports must be submitted to USAID following the award reporting requirements.

USAID standard cost reporting categories:

- Category 1. General operations, management, and reporting
- Category 2. Assessment and evaluations
- Category 3. Capacity strengthening of government systems
- Category 4. Capacity strengthening of local organizations
- Category 5. Pre-service educator training
- Category 6. In-service educator training
- Category 7. Teaching and learning materials
- Category 8. Safe, inclusive spaces and infrastructure
- Category 9. Parents and community engagement
- Category 10. Private sector engagement
- Category 11. Leadership development
- Category 12. Scholarships and cash transfers to individuals
- Category 13. Other

⁵ https://www.edulinks.org/sites/default/files/media/file/Template%20Cost%20Reporting%20Manual%20October%202021_1.docx

Finance Team: Frequently Asked Questions

Q: It's our first time developing a cost reporting manual. Does USAID provide guidelines?

A: Yes! The USAID Education Cost Reporting Manual can be used to specify which cost categories the activity will report on, and who is responsible for what. Because the codes are standardized across all USAID Education activities, partners who have already developed reporting manuals may be able adapt them for new activities.

Q: What if staff members are asked to help out for a couple of days on a task that they are not typically involved in, should they bill to a separate code?

A: Not necessarily. USAID recognizes that there may be “crunch” periods around accomplishing a specific deliverable, where multiple people in the office pitch in, even if that's not their job description. Staff members are not expected to learn new billing codes or change how they charge their time in these instances, instead they can continue billing their time to their assigned code(s).

Q: What if staff members sit in meetings where multiple topics are discussed, should they split the time according to each cost category?

A: No. Staff are only expected to bill their time to the codes that correspond to the work they routinely do. This means if a staff member who works on community engagement gives a 10-minute update during a management meeting on progress and challenges to-date, but the meeting covers a range of topics for a full hour, the staff member should still bill their entire hour to the community engagement code.

Q: How should we bill STTAs?

A: The same way you would for any other staff member! If an STTA is associated with a particular technical area, their labor and all associated costs should be billed to the relevant cost category. If the STTA is for providing overall management support, their labor and associated costs should be billed to Category I.

Q: Do subcontractors need to code their labor and expenses in the same way?

A: Yes! Often subcontractors are hired to work on a particular topical area or two. This makes it easy if all the work a subcontractor does can be billed to a single category code, including their management expenditure. If the subcontractor is working across categories, the Finance Team should assign them the relevant codes and train the subcontractor to make sure they understand how to accurately bill their time and other expenses. USAID/Washington staff are available to provide training and support, as well.

Q: How should partners report on labor?

A: Reporting on labor expenditure includes disaggregating labor by locally hired staff, international staff, and consultants. Fringe benefits may be reported separately or rolled up.

Q: We have more questions. Where can we find help?

A: Please review Annex A of the Cost Reporting Guidance. If you still have questions, USAID Center for Education provides on-demand technical assistance. Please reach out to your COR/AOR for guidance and to request support from Washington or email educost@usaid.gov.



OPERATIONS TEAM

Contributions Data

The operations team is composed of the Chief of Party, management field staff, and HQ support staff. The operations team has a holistic knowledge of the interactions between the

activity and other actors (the government, private companies, volunteers). The operations team is responsible for capturing **estimates** of the substantial and activity-critical contributions from other sources, which are not already included in the budget. Only those contributions that are necessary for accomplishing activity objectives and that would otherwise have to be purchased must be reported. Annex B templates should be submitted following the same reporting schedule as financial reporting. Partners are required to use standard reporting templates⁶; directions are found in the Annexes⁷ to the Cost Reporting Guidance.

Annex B1: Government Contributions. Often USAID activities work closely with partner governments and may even have staff embedded in government offices, or government staff working full time with teams. These contributions should be reported to USAID using **Template B1** following directions in Annex B1. The template is designed to capture the amount of government staff time donated to the activity tasks, the amount of government staff time spent in training, and the description of in-kind donations.

Annex B2: Non-Government Contributions. Similar to government contributions, inputs from community volunteers, private sector actors, or any non-governmental groups should be reported using **Template B2**, following directions in Annex B2. This template is very similar to Template B1 and captures the amount of donated time as well as the description of in-kind donations by private actors.

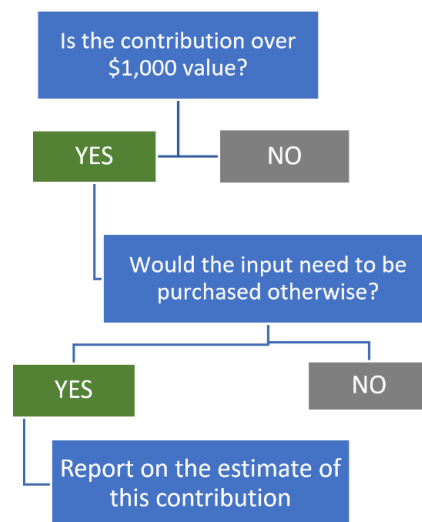
The following steps are recommended to ensure accurate reporting of contributions:

Step 1. Adapt reporting templates. During the startup phase, reporting templates should be adjusted based on the objectives of the activity and the expected contributions from the government and non-governmental actors as well as participants' inputs.

Step 2. Train senior staff. Activity staff responsible for individual activity components need to be aware of the requirement to report on the contributions and know how to document them when they occur.

Step 3. Report. Record contributions for the reporting period in the relevant Template B and submit with the financial report to USAID. Reporting on contributions of third parties should be based on written communication with contributors and on existing documentation, and it is not expected to be precise, validated by partner staff, or monitored using USAID's resources. For definitions, examples and detailed guidance, see Cost Reporting Guidance for USAID-Funded Education Activities: Annex B.

Reporting on contributions: decision tree



⁶ [https://www.edu-](https://www.edu-links.org/sites/default/files/media/file/Contributions%20and%20Dosage%20Reporting%20Templates%20FINAL.xlsx)

[links.org/sites/default/files/media/file/Contributions%20and%20Dosage%20Reporting%20Templates%20FINAL.xlsx](https://www.edu-links.org/sites/default/files/media/file/Contributions%20and%20Dosage%20Reporting%20Templates%20FINAL.xlsx)

⁷ <https://www.edu-links.org/sites/default/files/media/file/USAID-Cost-Reporting-Annexes%202021.pdf>

Operations Team: Frequently Asked Questions

Q: Our activity works closely with the partner government. How do we know what we are supposed to report on?

A: Remember that USAID is looking for estimates of substantial and activity-critical contributions that would otherwise need to be purchased. For example, the following needs to be reported on:

- Three MoE staff members are assigned to work with the team to develop primary grade reading curricula full time for the first year of the activity.
- The local higher education institution provides office space for the activity staff, without which additional office space would have needed to be rented.
- The TVET provides a venue for a job fair held by a USAID-funded youth activity, without which the venue would need to be rented.

All these contributions are substantial (over \$1,000 estimated value) and activity-critical, so they need to be documented using Template B. By contrast, the following contributions do NOT need to be reported:

- A high-level government official drops by an activity-sponsored event.
- Teachers' time for when they are doing their jobs, they would be doing that job regardless of the intervention.
- A private company donates a set of company-branded tablets. Partner staff already have necessary technology and do not need the tablets.

Q: Where should information on teacher coaches hired by the MoE be captured, in Annex B1 (government contributions) or Annex C (details of the intervention)?

A: Both. If the activity trains teacher-coaches that are hired through the MoE, their labor should be captured in government contributions (Annex B1). Their time spent coaching teachers should also be captured as "the number of hours of individualized training received by each teacher in the reporting period" in Annex C1.

Q: How is what's captured in these annexes different from cost share?

A: Cost-share is a specific requirement referring to the resources an awardee leverages to the total cost of an award. It is part of the approved award budget and is verifiable. Annex B3 captures cost-share data by relevant cost category. Partners may choose to submit existing cost-share reports as part of cost reporting, or Annex B3.

Q: How are partners supposed to document reported contributions?

A: Partners are not expected to engage in any verification activities to establish accuracy of contributions reported by third parties, nor they are expected to monetize such contributions. Basic documentation such as email exchanges, meeting notes, or an MOU with the government is sufficient. Contributions reporting will not be audited.



M&E TEAM

Outputs and Dosage Data

The M&E team is responsible for reporting on the activity's standard indicators and dosage. The M&E team should be familiar with collecting data and reporting on USAID's standard

indicators and any other output or outcome indicators deemed important through the development of the activity's monitoring, evaluation, and learning plan. Templates C1, C2 or C3 can be completed based on the activity design and the AMEL plan.

Why capture information on details of the outputs and dosage?

Without details of outputs and dosage it is impossible to determine unit costs and interpret results in the context of the expenditure data. Whether students receive 20 minutes of reading instruction a week, versus an hour every day, should have an impact on activity level outcomes. Similarly, whether a teacher receives one large group training for 3 days, or dedicated coaching on a weekly basis, has significant implications for costs and is likely to impact outcomes. Therefore, one of the objectives of cost data collection is to also collect data on details of implementation, including information on beneficiary-level dosage of core intervention activities and products, outputs by cost category, and beneficiary-level outcomes, if this information is available.

Partners should fill out a template for each intervention they develop and/or implement. It is not uncommon that a single activity is implementing multiple interventions, for example, in different subjects, or with different types of beneficiaries. Partners are encouraged to provide as much information as possible without incurring additional cost or causing undue burden.

Annex C of the Cost Reporting Guidance includes three reporting templates. Each template is designed to collect necessary data on outputs and dosage to enable cost analyses of the activity (Table 2). Annex C also provides definitions and examples.

Table 1. Overview of templates for reporting on details of interventions

Template	Education Levels	Reporting Frequency	Associated Indicators
C-1	Early childhood through secondary; accelerated and non-formal designed as a replacement of formal.	Annually at the end of the school year	ESI-1 through ESI-59; CBLD9, 10
C-2	Secondary TVETs, post-secondary TVETs, higher education institutions	Annually at the end of the academic year	ES2-1 through ES2-55 EG6-1, EG6-2, EG6-3 CBLD9, 10
C-3	Youth interventions not linked to education levels	Rolling basis following reporting frequency specified in the award	EG6-1 through EG6-16 YOUTH-1, 6; CBLD9, 10

Annex does not contain a template for submitting outcome data. Cost analysts will use outcome data from available evaluation reports.

M&E Team: Frequently Asked Questions

Q: Our activity implements in grades 2 and 3. I don't see these grades in the CI template.

A: The templates must be adjusted to reflect the specific scope of the activity. Remove the fields in the template that are not relevant for your activity and add fields to reflect the actual scope of work.

Q: How is the number of TLMs received by each learner/youth derived?

A: The number of TLMs per learner should be determined based on the activity reach and performance targets. For example:

- If the activity is supposed to deliver one reading book and one workbook per grade 1 student, then the number reported should be Grade 1: 1 book, 1 workbook.
- If the activity is supposed to create small reading libraries with a set of 20 books per classroom, and the average number of children per classroom is 40, then the number recorded here should be one-half (.5).

Q: Template CI says the number of trained teachers reported in Template CI might differ from what is submitted through PPR system under ESI-6 standard indicator? How so?

A: It is not uncommon that the same teacher is trained by the activity multiple times in different roles. For example, a primary school teacher can be trained in reading pedagogy, in math pedagogy, and as a school-based coach. This means that the activity incurred expenses for training that teacher three times, in three different capacities. While standard indicators focus on capturing data on unique individuals, for the purpose of cost reporting actual number of functions performed as a result of USAID-supported training is more important.

Q: The templates ask for the description of the intervention. What if our intervention has evolved, in response to changes in the context?

A: Most interventions are not implemented exactly as planned. It is important that implementers provide as detailed information as possible on the implemented intervention each time they submit the outputs and dosage reports, with notes on the changes that were made and the reasons behind those changes.

Q: What is meant by coaching? Does this include mentoring?

A: Annex C asks M&E staff to split out time teachers spend in group-based training versus time spent in coaching or individualized training. USAID recognizes that the resources and inputs associated with each are quite different, though this difference is not captured in the standard indicators. If the USAID activity-trained staff are providing both group training and individualized coaching or mentoring, this should be reported in dedicated fields in the appropriate template.

Q: Should partners only report dosage on standard indicators?

A: If the activity reports on supplemental or custom indicators that are central to its performance management, it is recommended to include those in the reporting on details of the intervention. Templates for reporting on details of the intervention are included in Annex C.

Q: Why is USAID/Washington only asking for details on the output, not outcome indicators?

A: Information for outcome level indicators is collected separately, from associated evaluation report.