

## Compassion for Orphans – How we are funded

'Compassion for Orphans' is a registered charitable entity, under the Charities Act 2005.

'Compassion for Orphans' is funded through donations, grants and adoption programme fees.

Funds received are used to cover the operating expenses with any and all surplus being placed in a 'reserve fund'. The reserve fund serves two purposes, firstly to ensure the financial viability of the organisation, and secondly to contribute towards the applicants 'adoption programme' fees.

One of our aims is to increase the affordability by New Zealand families on average incomes. Our approach has been:

- to challenge and remove all unnecessary costs
- to minimise unavoidable costs e.g. for translations
- to minimise our internal operational costs through efficient processes and systemisation

In combination with external funding, the result of this approach has been that, to date, it has not been necessary to charge an adoption programme fee.

Adoption programme fees are calculated as follows:

$$\frac{\text{Total cost of providing adoption services for 12 months} \\ \text{(less any contribution made from reserve fund)}}{\text{divided by } \rule{10cm}{0.4pt}} \\ \text{Projected number of adoptions for 12 months}$$

Also, notwithstanding the above calculation, the adoption programme fee will not exceed what is regarded as 'reasonable' for New Zealand i.e. 'Compassion for Orphans' calculates 'reasonable fees' based on recovery of actual and reasonable costs, not on any normative comparison to other providers of similar services in New Zealand or overseas.

As a sole focus provider, adoption programme fees for providing adoption services in New Zealand will be based on total cost recovery, e.g. of staff costs, administrative overheads, training and education, communications and publications.