JUPITER PRIME
Consulting • Training • Advisory
جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

# Cost Behaviour and Overhead Recharges Training Course

3 – 7 May 2027
Geneva

# Cost Behaviour and Overhead Recharges Training Course

**Ref:** 2478_93824 **Date:** 3 – 7 May 2027 **Location:** Geneva **Fees:** 6500 GBP

Cost Behaviour and Overhead Recharges is a 1-week training course for operational and departmental managers without a finance background, built around a departmental cost reading guide that explains every line charged to a cost centre. As shared services grow and central overheads are pushed down to budget holders, managers need to tell which costs they control and which arrive by allocation. Jupiter Prime Training runs this course for budget-owning managers.

## Why Cost Behaviour and Overhead Recharges Matters Now

Three forces shape this subject today. Shared service centres and outsourced support now recharge facilities, technology and people services to operating departments. Volume swings blur whether a cost rise reflects activity or waste. Finance teams also expect department heads to defend their numbers in monthly reviews. Departments that read recharges clearly argue for resources with evidence; others absorb charges they cannot challenge and cut the wrong spending when targets tighten. The course rests on established management accounting practice for cost classification, contribution analysis and support cost allocation.

## Who Gains Most from Cost Behaviour and Overhead Recharges

- Heads of operating units who hold a cost centre budget and answer for its monthly variance
- Service and support leads whose departments both receive and send internal recharges
- Project and facility managers who decide on staffing, shifts or equipment with cost consequences
- Clinical, engineering and technical leads who sign off spending without formal accounting training
- Procurement and contract owners who commit fixed costs on behalf of a department

A management group from one division gains most when several members attend together, to agree one reading of their recharge keys.

## Cost Behaviour and Overhead Recharges Capabilities

Participants learn to separate the costs their activity drives from those that arrive through allocation.

- Classify departmental costs as fixed, variable, semi-variable or stepped — staffing and capacity decisions
- Calculate contribution and a break-even activity level for a unit — service expansion proposals
- Trace an overhead recharge back to its allocation key — challenges raised with finance partners
-

Assess whether a variance stems from volume, price or efficiency — monthly review meetings
- Weigh controllable against uncontrollable costs in a cost centre report — performance discussions with senior leaders
- Build a departmental cost reading guide for the unit — new budget holders and deputies

## Key Cost Behaviour and Overhead Recharges Terms

- Cost behaviour — the way a cost changes, or stays level, as the activity of a department rises or falls.
- Stepped cost — a cost that stays flat across a range of activity, then jumps when a new shift, machine or post is added.
- Contribution — revenue or funding minus variable costs, the amount left to cover fixed costs and overheads.
- Break-even point — the activity level at which contribution exactly covers the fixed costs of a unit.
- Overhead recharge — a share of central support cost transferred to an operating department through an internal charge.
- Allocation key — the basis, such as floor area, headcount or transactions, used to divide a shared cost between departments.

## Cost Behaviour and Overhead Recharges Day by Day

### Day 1: How Departmental Costs Behave

- Fixed and Variable Cost Classification — What Changes When Activity Changes
- Semi-Variable Cost Splitting — Separating Standing Charges From Usage
- Stepped Cost Thresholds — Timing of New Shifts and Posts
- Relevant Range Boundaries — Where Cost Patterns Stop Holding
- Cost Centre Report Layout — Reading the Lines a Manager Owns

### Day 2: Contribution and Break-Even Thinking

- Contribution per Unit of Service — Pricing and Funding Requests
- Break-Even Activity Calculation — Viability of New Services
- Margin of Safety Measure — Exposure to Falling Demand
- Operating Leverage Comparison — Choice Between Staff and Outsourced Capacity
- Sensitivity Tables for Volume and Price — Planning Under Uncertain Activity

### Day 3: Overhead Recharges and Allocation Keys

- Shared Service Cost Pools — Which Central Costs Reach a Department
- Allocation Key Selection — Fairness of Area, Headcount and Usage Bases
- Direct and Step-Down Reallocation — Order of Support Department Charges
- Activity-Based Recharge Drivers — Linking Charges to Consumption
- Recharge Challenge Request — Evidence to Dispute an Internal Charge

## Day 4: Variances and Controllable Costs

- Flexed Budget Comparison — Separating Volume Effects From Spending
- Price, Usage and Efficiency Variances — Root Causes of Overspend
- Controllable Cost Statement — Fair Basis for Manager Accountability
- Commitment and Accrual Reading — Timing Gaps in Monthly Reports
- Variance Commentary Drafting — Explanations Senior Leaders Accept

## Day 5: Practising the Departmental Cost Reading Guide

- Hospital Ward Case on Stepped Staffing Costs — Shift Planning Choices
- Logistics Depot Case on Break-Even Volumes — Contract Bid Decisions
- Recharge Mapping for a Participant Unit — Agreement With Finance Partners
- Peer Critique of Variance Commentaries — Clarity for Senior Reviewers
- Departmental Cost Reading Guide Assembly — Handover to Deputies and Successors

## Applying Cost Behaviour and Overhead Recharges After the Course

- Map each recharge on the cost centre report to its allocation key with the finance partner.
- Split the largest semi-variable lines into standing and usage elements for the next variance commentary.

## Cost Behaviour and Overhead Recharges Questions FAQ

### What is cost behaviour and overhead recharges, and why does it matter now?

It is the study of how departmental costs respond to activity and how central support costs are charged to units. It matters now because shared services push more overhead to budget holders, who must explain and challenge those charges.

### Which roles gain most from cost behaviour and overhead recharges training?

Managers who hold a cost centre budget without a finance background gain most. They use the methods to read reports and question internal charges.

### How does cost behaviour and overhead recharges differ from a general finance course for non-finance managers?

It goes deeper into one area. A general course surveys statements and ratios; this one focuses on cost patterns, break-even and allocation keys.

## What do you bring back from cost behaviour and overhead recharges training?

You bring back a guide that explains each line of your cost centre report. It classifies costs by behaviour and traces recharges to their keys.

## Cost Behaviour and Overhead Recharges: The Way Forward

The departmental cost reading guide first informs the next monthly review, where the manager separates volume effects from spending and raises any recharge worth questioning. Deputies and finance partners use it as a shared reference. After its first use, revisit the allocation keys, since changes in headcount, space or service usage can shift the charges a department receives.