

Costs and finance

Costs and financial planning

There are a number of costs you need to consider when setting up a centre:

- a one-off new centre registration fee
- an annual approval fee
- fees for candidate entries
- hiring premises (if you do not already have some)
- invigilators and other exam day staff
- cost of equipment
- Speaking Examiners and Team Leaders
- general costs of doing business – insurance, etc.
- Centre Exams Manager and administrative staff
- marketing and business development costs

One-off new centre registration fee

We charge a one-off new centre registration fee that is charged to new centres when they are approved. The fee varies by region and your local Cambridge English office can advise you of the fee in your country.

Annual approval fee

We charge centres an annual non-refundable approval fee.

The fee varies by region and your local Cambridge English office can tell you the fee for your country.

In your first year of operating as a centre you won't have to pay this fee. Afterwards you will be charged it annually, normally in September/October.

Entry fees

We charge you an entry fee for each candidate entry you submit to us.

The entry fees are different for each exam according to the cost of setting, administering, marking and supporting the particular exam. We also charge different entry fees in different countries to reflect the costs of supporting the exams. Even within the same country, we may charge a different entry fee for the same exam, if there is a particularly strong reason for doing so.

We aim to limit entry fee increases to UK annual inflation levels, but also take account of other factors, e.g. the effects of inflation in other regions where there are substantial numbers of candidates. We calculate our fees in Pounds Sterling, since many of our costs are incurred in the UK. However, for countries which use the Euro, entry fees are quoted and billed in Euros, and for some other countries in US Dollars.

Your regional Cambridge English office can advise you of the fees in your region as part of the application process. Once approved, you will be sent an updated fees list each year.

Premises

If you do not already have suitable premises, you will need to make suitable arrangements. This may be hiring rooms in an education institution or a hotel, for example.

Alternatively, you can arrange for a preparation centre to use its own premises and offer the test to the candidates in their own school.

The centre and venues will need suitable secure storage – please see [here](#) for more information.

Invigilators and other exam day staff

On the exam day, you need at least one invigilator per 25 candidates in each exam room, and some additional support staff (depending on the number of candidates and venues).

All invigilators must be trained each year, so you will need to factor this into your costs. The training can be completed online.

Cost of equipment

For some exams you will need to take photos of the candidates on the test day and therefore you will need a laptop with a camera in the venue. We can advise you if the exams you are applying for need test day photos.

If you are planning on running computer-based tests you will need to provide equipment that meets our standards – we can provide you with more information during the approval process. You might choose to buy the equipment or to hire it.

Speaking Examiners and Team Leaders

All centres establish and manage their own network of SEs and TLs. For more information about the requirements and costs please read [this article](#) on our Support site.

General costs of doing business – insurance, etc.

All centres must comply with the legislation of each country where they operate – this includes having any appropriate insurance, registering as a business where necessary and complying with any employment and child protection legislation.

Centre Exams Manager and administrative staff

The centre will need a CEM, and for larger centres you will need additional support staff. Many centres have additional staff to deal with enquiries, enrolment of candidates, timetabling and logistics, issuing of results and handling results enquiries, etc.

Marketing and business development costs

You will be expected to invest in marketing the exams and growing the number of candidates each year. Your nearest Cambridge English office can give you more guidance on what is expected in each region and what support is available locally.

Invoice terms

We invoice centres:

- for the entry fees after they submit their entries for a particular session
- for the one-off new centre registration fee once their application is approved
- for the annual approval fee in September/October each year

Invoices must be settled within 28 calendar days from the date of invoice.

If there are any problems for the centre in settling invoices by the due date (e.g. delayed or mislaid invoices) centres must inform our Finance department at creditcontrol@cambridge.org immediately. If invoices have not been settled by the time of the issuing of results for the relevant session, and we have not agreed with the centre that there is due cause for delayed settlement, then we reserve the right to withhold results until the account is settled and to reject entries for further sessions until the matter has been resolved. Further information is available in the centre agreement.

Repeated failures to settle invoices within 28 days may result in us permanently removing the centre's authorisation to administer examinations.

It is the responsibility of centres to ensure that the entry fees paid by candidates are held securely until they are used to settle the invoices from us. We recommend that a separate bank account be set up solely for the purpose of holding entry fees. Procedures must be in place to prevent any unauthorised access to the account in which the entry fees are held.

Under no circumstances may entry fee revenue be used by centres for any purpose in the period before centres receive invoices from us, whether this purpose is related to the local exam administration (for which local fee revenue is intended) or non-exam business. No deductions may be made from entry fee revenue to cover any local deductions, bank charges, etc.

Covering your costs

Centres cover all the costs of running the exams.

Most centres add a '**local fee**' onto the entry fee. These two fees combine to make up the candidate fee. For example, if the entry fee per candidate for an exam is £52:

- Entry fee = £52
- Local fee (calculated to cover the centre's costs) = £59
- Total fee charged to the candidate by the centre = £111

To work out your candidate fee, calculate your costs and use this to decide how much you need to charge to cover these, plus any profit that you add on.

We monitor the fees to ensure that they are reasonable (i.e. a fee that provides affordable access to English language assessment). As part of this all centres are required to provide us with information about local fees when requested.

If necessary, centres may be asked to justify whether particular local fees and/or increases are reasonable, either for a given year or over a longer period. The fee must not exceed an amount considered reasonable for candidates by us at our absolute discretion.

Costs will vary within a country from region to region, for example, because premises may be more expensive in large cities than in small towns. However, it is important that candidates and schools do not encounter large differences in fees (unreasonably high fees charged by some schools and not others) for the same exams when candidates make enquiries at two centres in the same geographical area, unless these differences are clearly related to higher urban costs, or are demonstrably justified by a higher level of service offered by a particular centre.

You need to calculate carefully all local costs of running and supporting the exams and to use these costs as a basis for working out the per candidate fees.

Financial obligations

Centres have an absolute obligation to follow correct financial procedures in relation to candidate fees (e.g. in the matter of issuing receipts, keeping accounts, etc.).

Some centres allow candidates to pay their fees in instalments. This is a matter for the centre to decide, so long as the entry fee revenue is available to the centre when it is invoiced for payment.

By signing a Centre Agreement, the centre agrees that it fully expects to continue to be financially viable for the next three years, is able to issue official receipts to candidates' schools for examination fees and shall comply with requirements in discharging its responsibilities as a Cambridge English centre, including payments to Speaking Examiners and other examination staff.

It is also the responsibility of centres to ensure that, in those countries where exam fees are exempt from national taxes (the vast majority), the necessary steps are taken to ensure that the exemption is duly applied for, thus avoiding unnecessary expense for candidates.

Apart from the local fees there is no alternative or additional source of revenue to a centre (either CEM or institution) from running Cambridge English exams. In particular, it is a condition of approval of a centre that there are no initial or terminal gratuities or 'goodwill' payments from us or from any other source. It is the responsibility of the CEM and, where relevant, the competent authority of the institutional base, not to accept any such payments from a third party.

Cambridge University Press & Assessment is subject to the UK Bribery Act 2010. As part of a Centre Agreement, the centre signs up to clauses to confirm that it has not:

- committed offences under these Acts
- offered any gift or consideration as an inducement to enter into the agreement
- paid or agreed to pay any commission in relation to the agreement
- and that it will not do these things in relation to carrying out the Centre Agreement.

Breach of these clauses would be a reason for termination of the Centre Agreement.

Centre Agreements include a provision that pursuant to Item 3(a) of Group 6 of Schedule 9 of VATA 1994, the Services under the Centre Agreement are exempt supplies for UK VAT purposes. In the event that this statement should be shown to be incorrect, all payments due under a Centre Agreement shall be deemed to be exclusive of VAT, which shall be due and payable within 14 days' written notice of the same.

Centre Agreements also include a provision that the centre shall comply with all applicable local laws and regulations of its jurisdiction including, without limitation, that the centre shall pay any taxes including those applicable to Cambridge. Where any such taxes cannot by law be paid by the centre (e.g. a withholding tax applicable to Cambridge), the test fee shall be increased/grossed up to offset the amount withheld for such taxes.