Consultancy Management Procedure

Section 1 - Purpose

(1) This procedure provides guidance on the standard process for the management of consultancies.

Section 2 - Scope

(2) This document applies to all staff and affiliates undertaking consultancy work under the auspices of the University.

(3) Excluded from this document is private consultancy work undertaken by staff or students in their own time and using their own resources, which must comply with the Outside or Additional Work Policy.

Section 3 - Procedure

Project planning

(4) Individuals wishing to undertake consultancy work must do so with an understanding of the full cost of the work, taking into account both direct and indirect costs and time commitment.

(5) Staff and affiliates undertaking a consultancy project must ensure that client expectations with regard to deliverables, expertise, resources and schedules can be met.

(6) Budgets for consultancy projects must be for full cost recovery, including direct costs and a University levy (minimum 25% indirect costs must be included). The Research Services (RS) intranet site maintains a Budget Tool that should be used by staff, as appropriate, to cost research consultancy projects.

(7) Direct costs comprise all outlays that are necessary for the conduct of the project. This includes, but is not limited to, salaries for staff recruited to work on the project (e.g., research assistants), salaries of the staff members undertaking the project (i.e., covering the salary for university employees for the period of working on the project), and/or salaries of any replacement staff, salary on costs, travel expenses, costs of material/equipment.

a. No salary or non-salary in-kind contributions can be included in budgets for consultancy;
b. Any non-salary costs (e.g., equipment or material usage) must be included in the consultancy budget.

(8) All amounts must be presented in Australian dollars, unless specifically required by the client agency, and GST excluded.

(9) Consulting projects should be considered for eligibility under Higher Education Research Data Collection (HERDC).

Project initiation and approval

(10) Staff and affiliates wishing to undertake a consultancy project must first seek the approval of their Faculty Dean, adhering to any internal processes.

(11) In approving consultancy projects, faculty deans confirm that the project has been fully costed, including a minimum 25% University levy, can be accommodated within the general facilities of the University, and that staff have the skills and time required to conduct the project.

Consultancies

(12) Faculty deans are responsible for confirming the appropriate classification of projects as research consultancies, in consultation with Research Services taking into account the Higher Education Research Data Collection (HERDC) definition of research.

(13) Research Services will assist staff in the preparation of an agreement, liaise with the funder as required on agreed conditions and terms, and ensure the agreement is signed by the appropriate authority within the University and the funder.

(14) Research Services require use of the University Research Consultancy Agreement template unless the funder requires otherwise. Where a document provided by the funder is to be used it must be reviewed by Research Services and, as appropriate, UC Legal.

(15) All projects deemed to be research consultancies, must be submitted through the online research management system, as for research grant applications. Failure to do so will result in the funds not being captured as HERDC income - which in turn affects the University's Research Block Grant allocations - and not appearing in the staff member's individual dashboard of research activities that is used for Performance and Development Plan (PDP) purposes.

(16) Research Services will ensure all milestones associated with the research consultancy, as specified in the agreement, are captured in the research management system to enable appropriate monitoring and management of the project.

(17) Any variations to the consultancy agreement , such as an amendment to the project end date or a change in budget as a consequence of the funder wishing to provide additional funds, must go through Research Services.

Project conduct and financial management

(18) Upon the signing of an agreement, a cost centre will be established for the consultancy project.

(19) Once the cost centre has been set up, Grant Accounting Services will deduct the applicable University levy and pass on the remaining funds to the relevant faculty cost centre, monthly in arrears.

a. For grants less than $10,000 all of the levy is returned to the faculty
b. For grants greater than $10,000 the levy is distributed as follows:
    i. 40% of the levy (capped at $5,000 per award) goes to the R&E portfolio and 60% to the faculty, for reinvestment in research-activities
    ii. Where the levy to R&E is capped, the remaining levy is allocated to the faculty
    iii. Where the consultancy activity is delivered from across different faculties the indirect cost recovered is split proportionately between the relevant faculties based on the number of FTE active on the project, unless a different arrangement is specifically negotiated between the faculties.

(20) Staff members will undertake the consultancy project as per the terms specified in the agreement and any other supporting documentation, ensuring the work is conducted to a high standard.

(21) Staff members will ensure all direct costs, including salaries of staff recruited to work on the project (e.g. research assistants, technicians), salary or replacement salary costs of the academic conducting the project, are charged

against the cost centre during the term of the project.

Project completion

(22) Once staff members have confirmed that the project has been completed and all direct costs have been charged against the cost centre, Grant Accounting Services will determine availability of surplus or deficit funds.

(23) For all consultancies, Grant Accounting Services will undertake an internal financial acquittal and ensure all relevant direct costs have been debited to the project, including relevant salary costs.

(24) As part of the internal financial acquittal process, Grant Accounting Services will perform the following:

a. run a transaction report for the project cost centre
b. verify that all income has been invoiced as per the agreement and paid by the funder
c. identify staff time spent on the project and the value of salary expenditure this represents
d. compare the expenses with the budget in the project file and seek explanation on variances from the staff member (cost centre owner). If the project had a one-line budget, Grant Accounting Services will compare expenditure with the internal budget agreed with the Faculty and used as a basis for annual budgeting, and seek explanation on variances from the staff member (cost centre owner) to identify any missing expenses. If a budget is not available for comparison, Grant Accounting Services will liaise with the staff member to identify any missing expenses
e. once the staff member confirms that the transactions report is correct, Grant Accounting Services will prepare the internal financial acquittal
f. the internal finance acquittal is to be signed by both the staff member and Grant Accounting Services
g. Surplus funds or deficit balances will be transferred to an Academic Consultancy Cost Centre (ACCC) managed by the staff member.

Surplus funds and deficit balances

(25) Staff may use surplus funds held in ACCCs to support further activities.

(26) surplus funds from research consultancies must be used for research and research-related work or commercialisation of research purposes.

(27) Surplus balances accrued in any given year in an ACCC can be carried forward for a period of 2 years following the year in which the funds were transferred to the ACCC.

(28) Faculty deans approve further carry forward of funds conditional upon the staff member presenting a justification and detailed expenditure plan.

(29) Surplus funds not spent by the agreed period will be adjusted to a relevant faculty cost centre. The faculty dean/URI director will advise FBS of the cost centre to be adjusted.

(30) Deficit balances in ACCCs must be rectified by the end of the allowable carry forward period. Any outstanding deficit beyond this date will be adjusted to the staff member’s faculty base operating cost centre.

Staff exit

(31) When a staff member exits the University the transfer of unspent funds in an active consultancy project to another institution may be approved by the faculty dean, subject to the specific nature of the project. This may include the particular nature of the funder-staff member relationship or the specialised skills required for the conduct of the project. In such cases, transfer will only occur after all applicable costs associated with the project have been

deducted as well as any prior deficits the staff member may have incurred.

(32) Surplus funds associated with completed projects remaining in ACCCs may not be paid out to an exiting staff member, and they may not be transferred to another institution.

(33) After a staff member has left the University, the treatment of surplus funds will be at the discretion of the relevant faculty Dean but will generally be consolidated into faculty base operating cost centres.

Section 4 - Responsibilities

WHO	RESPONSIBILITIES
Deputy Vice-Chancellor (DVC)	Owner of this Procedure
Director, Research	Contact for this Procedure

Section 5 - Implementation and reporting

(34) Implementation of this procedure will occur through university-wide training for all members of staff involved in the conduct of consultancy work, as well as those involved in administration and management activities.

(35) Training will be delivered jointly with Research Services and Grant Accounting Services.

Section 6 - Definitions

TERM	DEFINITION
Academic Consultancy Cost Centre (ACCC)	A cost centre created for a specific staff member to temporarily hold surplus and/or deficits issuing from completed consultancy projects. Funds held in an ACCC may be carried forward from one year to the next.
Affiliates	Those people given Emeritus and Honorary (including Adjunct, Professional Associate and Visitor) appointments in accordance with the relevant University policies and procedures.
Consultancy	The provision of expert advice or specialist knowledge to an external organisation for a fee. Typically, the external organisation directs or determines the scope of the work and owns the intellectual property (IP) derived from the work. Consultancy that can be classified as research income: Services may include specialist knowledge or objective review within a particular research field and/or access to University equipment or facilities to work on a specific project. Such projects are typified as the use of existing knowledge in new ways to generate novel understandings, and income generated through these is reportable in the Higher Education Research Data Collection (HERDC) and influences Block Grant allocation. Other consultancy income: Other types of consultancy services that cannot be classified as research income may include routine laboratory and other testing of materials, devices, products or produce; analysis of data; surveys, including market and opinion surveys; quality control; field trials; the provision of professional advice including possible expert witness advice; the provision of professional services such as design, legal, medical and allied health and participation in fee-paying non-award courses.
Deficit	The negative amount remaining once all costs (including direct costs and the applicable indirect costs levy) have been deducted from funds received from an external organisation for a project.
Direct costs	Costs that are integral to the objectives of a project and are charged as project expenditure. Examples include salaries for staff recruited to work on the project (e.g. research assistants, technicians), salary or replacement salary costs of the academic conducting the project, travel expenses, costs of material/equipment required to conduct the work.

TERM	DEFINITION
Indirect costs	Costs of a project which are the University's overheads and include items such as the operations and maintenance of buildings, use of facilities and libraries, hazardous waste disposal, insurances, regulatory and research compliance and administration of research services. Although they are necessary for the conduct of the project, and although they may be incurred in the course of the project, they are costs that do not directly address the approved objectives of a consultancy.
Internal financial acquittal	An accurate income and expenditure report conducted by Grant Accounting Services where all revenue and eligible expenditures for the funded activities, including staffing costs, are accounted for. The primary purpose of the internal financial acquittal is to ensure the correct calculation of the project's balance of surplus or deficit before this surplus/balance can be moved to the ACCC.
Levy	An off-the-top amount to assist in meeting the indirect costs associated with the delivery of a consultancy project undertaken at the University.
Research	The concept of research is broad and includes the creation of new knowledge and/or the use of existing knowledge in a new and creative way so as to generate new concepts, methodologies, inventions and understandings. This could include synthesis and analysis of previous research to the extent that it is new and creative.
Staff	A person who is a member of the staff of the University, whether full-time, part-time, contract, sessional, or casual and includes all academic, professional, technical and administrative officers and employees.
Surplus	The amount available once all costs (including direct costs and the applicable levy) have been deducted from funds received from an external organisation for a project.

Status and Details

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Effective Date	3rd December 2024
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Custodian	Michelle Lincoln Deputy Vice-Chancellor
Responsible Manager	Faraz Hasan Director, Research Faraz.Hasan@canberra.edu.au
Author	Nick Markesinis Policy Specialist
Enquiries Contact	Nick Markesinis Policy Manager --- Policy