



## Consultancies

Policy document – No. Px

<b>Relevant UTas Ordinance and/or Rule Reference No.</b>	Ordinance 99 – Academic Senate
<b>Relevant State/Federal Govt. Legislation</b>	University of Tasmania Act 1992
<b>Commencement Date</b>	09 December 2005
<b>Review Date</b>	09 December 2006

### 1 Intent

UTAS is committed to encouraging and developing the research activities at the University by providing significant financial incentives to encourage UTAS employees to undertake consultancy activity, while ensuring an appropriate return to UTAS for the development of its services.

### 2 Scope

This policy applies to all UTAS employees, both academic and general with a 0.8 f/t or greater appointment.

### 3 Objective(s)

UTAS recognises that consultancy work can bring financial and other benefits both to the institution and its employees. Such activities also serve to link UTAS and its staff more closely to the wider community, especially industry and the public sector at state and federal levels.

In seeking to increase consultancy activity in UTAS, the Policy also aims to ensure that appropriate attention is paid to:

- legal and taxation issues,
- insurance coverage,
- competitive neutrality,
- protection of the name and reputation of UTAS.

Employees can undertake consultancy work:

- through the UTAS company, UTAS Innovation Ltd, as a University, Negotiated, or Community Service Consultancy,
- as a private individual as a Private Consultancy,

- serving on Commonwealth or State committees, boards or tribunals.

This policy outlines the requirements for these various forms of consultancy so that both UTAS and its employees may understand what is required in the conduct of all forms of consultancy.

#### **4. Definitions and Acronyms**

“SDF”	School Development Fund
“PVC (R)”	Pro Vice-Chancellor (Research)
“FMIS”	Financial Management Information System

#### **5. Policy Owner**

PVC (R)

#### **6. Policy Provisions**

##### **6.1 Types of Consultancies**

###### **6.1.1 University Consultancies**

A University consultancy is an arrangement for the provision by employees of the UTAS, through its company UTAS Innovation Ltd, for research or other services in return for a benefit to the Institution.

For the purposes of this policy, ‘benefit’ is construed as that which has more than just financial value, in particular, with some ongoing benefit to research.

The University, through UTAS Innovation Ltd, is the proper party to a University consultancy, whether or not the documentation refers to any individual employee as the principal consultant.

A University consultancy is conducted on a fee for service basis. The fee must be based on appropriate competitive market place considerations of full cost recovery and profit. All such consultancies must be formalised by appropriate contract documentation and be administered through UTAS Innovation Ltd.

Delegation for signing authority for consultancies through UTAS Innovation Ltd is arranged in the following way:

- Up to a total value of up to \$20K to be signed by Head of School or Dean of Faculty or PVC (R);
- Up to \$50K to be signed by Dean or PVCR;

- Over \$50K by PVCR, and in the absence of the PVCR, any member of the Senior Executive.

UTAS recognises that small consultancies (below \$2,000) can bring benefits in developing relationships. It also acknowledges that such consultancies still have administrative costs and UTAS Innovation Ltd will charge a minimum administration fee.

It is important to capture information on all contracts.

### **6.1.2 Private Consultancies**

A private consultancy is an arrangement for the provision, by any employee of UTAS, for research, teaching or other services (other than those services which the employee is contract to provide to UTAS), in return for a benefit to the employee.

The employee is the proper party to a private consultancy. A private consultancy must not use university resources or infrastructure and must not impinge on the normal University duties of staff member.

Employees undertaking private consultancy activity are not covered by UTAS insurance.

For **each** private consultancy a university staff member must provide the Pro Vice-Chancellor (Research) with a signed statutory declaration. This form is available electronically on the Research Services web site at the following address: <http://www.research.utas.edu.au/>

This declaration states that the consultant will not use:

*University facilities, space, resources or infrastructure including IT infrastructure (email address/internet access), title, letterhead, crest, business cards or any of its corporate systems.*

And further that:

*The consultancy involves no conflict of interest with the consultant's duties as a staff member of the university. The consultant undertakes to inform the Pro Vice-Chancellor (Research) if any such conflict arises. (Please refer to Financial Services policy 21.4,21.5)*

*The consultant acknowledges that the UTAS professional indemnity insurance does not extend to his or her private consultancy activity, and acknowledges that he or she has been advised to have in place professional indemnity insurance for his or her private consulting activity.*

*The consultant indemnifies the University and its representative from and against all actions, claims, loss, damage, costs and expenses arising directly or indirectly from or in respect of his or her private consultancy activity.*

*The consultant undertakes to notify any person or body for whom the consultancy is carried out that:*

- *The consultant is undertaking the consultancy in their private capacity;*
- *The University is not involved in the consultancy in any way;*
- *The University is therefore not liable for any claim whatsoever arising out of the consultancy arrangement.*

The consultant also undertakes to include a statement in those terms in any written contract setting up the consultancy arrangement and on any written report/result/specifications produced in the course of that arrangement.

Both the applicant and the Head of School must sign this declaration. If the applicant is also a Head of School, the relevant Dean must sign the declaration. If the Dean is the applicant then the Pro Vice-Chancellor (Research) must sign the declaration.

### **6.1.3 Negotiated Consultancy**

A Negotiated consultancy is one where it is appropriate for UTAS to make some charge for the use of UTAS resources, but not appropriate to look to make a profit or even for total cost recovery.

An employee may enter into such an arrangement provided the consultancy is for the purposes of achieving UTAS goals. Any fees arising from a Negotiated Consultancy would normally be returned to the SDF.

### **6.1.4 Community Service Consultancies**

UTAS recognises that its employees serve the wider community in a variety of ways.

A Community Service consultancy is an arrangement for the provision of advice or services as a contribution to the community. In such cases UTAS will not seek to charge for its human resource component, however associated outgoing expenses may need to be met. Any fees arising from a Community Service consultancy would normally be returned to the SDF.

### **6.1.5 Committees, Boards or Tribunals**

An employee may accept appointment to Commonwealth or State committees boards, or tribunals provided permission is granted by the Head of School. The Head of School must be satisfied that the

appointment is consistent with the School Plan and does not conflict with the performance of the staff member's University duties.

## **6.2 Operation of University Consultancies**

### **6.2.1 Approval**

UTAS Innovation Ltd is the proper party to all University consultancies. UTAS Innovation Ltd then enters into back to back subcontract arrangements with the University. All subcontract arrangements with UTAS Innovation Ltd must be approved in accordance with clause 6.1.1.

### **6.2.2 Costing Methodology**

UTAS, through UTAS Innovation Ltd, seeks to establish a flexible pricing structure for its consultancy operations. This will recognise both the variation in the costing structures for consulting between different fields of activity and the capacity of some individual staff to command substantially above the market norm.

UTAS Innovation Ltd will administer the pricing structure of the Policy to fit with the current market. UTAS will adjust its consultancy costs to take account of the CPI and review its charges every two years to ensure that the rates remain competitive and in accord with the principles of competitive neutrality.

#### ***Variations***

Special circumstances may warrant standard percentages being varied or reviewed by the Pro Vice-Chancellor (Research)

#### ***Distribution of Income***

Fifty percent of the minimum salary costs are to be returned to employees undertaking consultancy work ( or at their option be paid into the SDF ) and 100% of the salary costs above the minimum rate.

### **6.2.3 Financial Management of Consultancies**

Each approved University consultancy will be managed through a separate FMIS account. UTAS Innovation Ltd will arrange this as part of the approval process.

It is the responsibility of the principal consultant to ensure all relevant costs are charged to this account. Consultancy charges will be billed and

collected through the University's Financial Management System on a timely basis. An appropriate interest charge will be included in respect to working capital.

On completion of the project the principal consultant and the Head of School will be required to sign off that all expenses for the project have been accounted for. Only after this point will any distribution be made. UTAS Innovation Ltd will then arrange for the account to be closed.

#### **6.2.4 School Development Fund (SDF)**

Monies earned from University consultancies can at the option of the staff member concerned, be paid into the SDF. The SDF is an account within the FMIS, is available for the management of consulting generated by staff in a school. It can be used to fund any school activities within university guidelines. For example, it may be used to fund books, journals, research activities, secretarial staff, capital equipment, or staff travel to conferences. It cannot be used for remuneration to consultants.

#### **6.2.5 Conditions**

The Head of School controls the SDF. Normal university purchasing policy and procedures will apply to this account, including the procedure that all items of equipment purchased from these funds remains the property of the university.

### **7 Exceptions**

In exceptional circumstances, the Pro Vice-Chancellor (Research) may grant exceptions from the terms of this policy.

Staff may make written application on the above grounds to the Office of the Pro Vice-Chancellor (Research).

### **8 Non-compliance**

Failure to comply with the terms of this policy will render the employee liable to disciplinary action for misconduct or serious misconduct in accordance with the disciplinary provisions applicable under the University's enterprise agreement and industrial awards.

Employees should also note that in appropriate cases UTAS could pursue recovery of any costs and damages to which UTAS has been exposed as a result of a breach of this policy.

## 9 Review of Policy

This policy will be reviewed by the end of 2008.

## 10 Supporting/Related Documents

Templates for all these forms will be available electronically at the following address <http://www.research.utas.edu.au/>

## 11 Key Words

*Procedures will be housed on the UTAS web site. Identifying key words will assist students and staff to locate the relevant policy using the 'search' function.*

## 12 Supporting Procedures/Guidelines

*Links to procedures etc, relevant to the policy.*

## **Responsibilities**

Implementation	<i>PVC (R)</i>
Compliance	<i>All staff</i>
Monitoring and Evaluation	<i>The position/s responsible for monitoring and evaluating the policy (which may include both individual/s and committee/s).</i>
Development and/or Review	<i>The position/s responsible for developing and/or reviewing the policy (which may include both individual/s and committee/s).</i>
Interpretation and Advice	<i>The position/s responsible for interpreting and advising on the policy.</i>

## **Who Needs to Know this Policy?**

*Identify the position/s that need/s to know the details of the policy.*

- All staff
- UTAS Innovation Ltd.

**Effectiveness of this Policy**

Identify how the effectiveness of the policy will be established, including listing the key performance indicators.

- Value of consultancy
- Level of compliance.

**Policy History**

Policy No.	
Approved / Rescinded	<i>Approved</i>
Date	
Vice-Chancellor	