



Ulster University
Consultancy Policy and Procedures

Effective from 1st January 2012

Approved by Resources Committee – 14th November 2011

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Ulster University

Section A: Consultancy Policy

1.0 Policy Statement

- 1.1 Consultancy work by University staff is an important strand of the University's contribution to the social, cultural and economic wellbeing of the region. This Policy sets out the conditions under which the University will support and encourage consultancy work and which helps to deliver its strategic objectives and aims as set out in the Corporate Plan.
- 1.2 The University recognises consultancy activity as an important outlet for the dissemination of its staff expertise in the area of knowledge transfer to the benefit of business and the wider community and encourages its staff to be leaders in the promotion of creativity and innovation through consultancy.
- 1.3 The social and economic benefit of consultancy activity has the potential to contribute as evidence of impact within the Research Excellence Framework.
- 1.4 The intellectual and innovation resources of the University are of particular importance to the Small Medium Enterprise (SME) sector in Northern Ireland and the University identifies this as a particular priority within its strategic aims.
- 1.5 This Policy also sets out how the University will support and reward staff who engage in consultancy work and describes how the consultancy activity will be supported and managed by Research and Impact.

2.0 Definitions

Certain terms are used in this document with specific meanings, as defined in this section. These definitions do not necessarily conform to customary usage.

- 2.1 **University** means Ulster University
- 2.2 **Consultancy** is professional work carried out on behalf of a third party utilising the knowledge and expertise of a member(s) of University staff and, in some cases, the equipment and facilities of the University.
- 2.3 **Innovation Ulster Limited** is the legal entity wholly owned by the University, which manages the commercialisation of the University's intellectual property portfolio, University's consultancy activity, equity and license agreements that relate to start-up businesses and technology transfers, on behalf of the University.
- 2.4 **Innovation Ulster Overhead** is the overhead charged to cover professional and administrative services including Professional Indemnity Insurance and the reasonable use of University facilities and resources. Income derived from this charge is utilised by Research and Impact to further promote and support a wide range of Academic Enterprise activities across the University. Such support includes investment in the development of consultancy opportunities, the technical and market assessment of new technology disclosures, new venture creation and the on-going validation, promotion and marketing of the University's technology pipeline.
- 2.5 **Research and Impact** is the Department of the University that manages the exploitation of the University's knowledge and technology base through consultancy activity. Staff from within Research and Impact are responsible for the administration of consultancy activity on behalf of Innovation Ulster Limited under a Governance Framework with the University.

- 2.6 **Staff** means Academic Staff, Academic-Related Staff and Technical Staff (including full time and part time) employees contracted by the University to perform the duties in the course of their employment as defined by the Ulster University Human Resources Department.
- 2.7 **Line Manager** means the person appointed with the authority to approve consultancy activity. In the case of Academic Staff, this shall mean the Head of School, for Heads of School this shall mean Deans of Faculty, for Senior Management this shall mean the Vice Chancellor, for Academic-Related Staff this shall mean the Department Director and for Technical Staff this shall mean the relevant Head of Department.

3.0 Types of Consultancy

Consultancy work utilises the specialist skills and knowledge of University staff. In all cases the activity will bring benefits to the individual staff member, their school, faculty and/or the University.

- 3.1 A *standard* type of consultancy is when a member of University staff provides professional expertise and services to a third party.
- 3.2 *Technical/Facilities* related consultancy is where the third party client is granted access to specialist infrastructure and / or equipment owned by the University that is not widely available in the marketplace.
- 3.3 *Private Consultancy* is where a member of University staff undertakes work in a personal capacity wholly independent of the University. **The University does not support or approve of staff undertaking Private Consultancy.** (Section B - 6.1)

4.0 Eligibility

Subject to the appropriate agreement of line manager (Section A – 7.2)

- 4.1 Academic staff are eligible to undertake consultancy on behalf of the University whether they are contract, temporary or permanent members of staff.
- 4.2 Academic-Related and/or Technical staff may undertake consultancy only when part of an academic led team and subject to Section A - 6.2

5.0 Activity Not Covered by Consultancy Policy

- 5.1 Consultancy projects are defined as distinct from activities that form part of research and other conventional academic activities. This policy does not cover activity funded with the main aim of undertaking research. Examples of normal/conventional academic activities that would be excluded from this policy include:-
- a. Lecturing
 - b. Research Assessment or Evaluation panel memberships
 - c. Knowledge Transfer Partnerships
 - d. Teaching Quality Assessment
 - e. Refereeing and reviewing papers, books or grant applications
 - f. External Examining
 - g. Credit bearing training projects

The Research and Impact team can advise on how any particular activity relates to this policy.

- 5.2 In general the Consultancy Policy does not apply to traditional academic activity or to appointments as a University nominee on private or public boards where remuneration is less than £5,000 per year. Should remuneration for appointments as

a University nominee on private or public boards exceed £5,000 per year then the Consultancy Policy and Procedures will apply. If in doubt about particular activities Research and Impact will be happy to provide advice and guidance.

6.0 Time Spent on Consultancy

- 6.1 During any one financial year academic staff can undertake consultancy activity up to a maximum of 30 days, one day being equal to an eight-hour period, subject to formal approval as outlined in section 8.
- 6.2 Academic Related and Technical Staff are only permitted to undertake consultancy activity up to a maximum of 10 days per annum, one day being equal to an eight-hour period, subject to approval of their line manager.

7.0 Key Responsibilities

- 7.1 The Pro-Vice Chancellor of Research and Impact has responsibility to ensure the implementation and operation of the University Consultancy Policy in line with the overall strategy for Research and Impact.
- 7.2 Heads of School and, where there is significant use of research facilities, Research Institute Directors, have authority for the prioritising and objective setting of consultancy activity within their areas of operational responsibility. Consultancy contracts require formal approval from the Head of School, line manager and where appropriate, Research Institute Director. As with all areas of staff activity, Heads of School and Research Institute Directors should be aware of the time spent by members of staff on consultancy work. Any member of staff undertaking consultancy must first have the approval of their direct line manager.
- 7.3 It is the responsibility of each member of staff to familiarise themselves with the Consultancy Policy and ensure they are in compliance with its processes and procedures.
- 7.4 External consultancy partnerships (for example other educational institutions or external organisations) must be drawn up in co-operation with Research and Impact staff.

Section B: Consultancy Procedures

1. Approval Process

Research and Impact will provide administrative support in the creation of a consultancy application and will further ensure that all relevant and appropriate authorisation is provided before the consultancy application can proceed. However, the following sets out the authorisation which is required and the procedures to be followed.

- 1.1. When a consultancy opportunity is identified, the relevant Staff member should discuss the potential benefits, requirements and opportunities with their line manager. The project must have the Head of School's or line manager's support and approval.
- 1.2. If research facilities are to be used the approval of the Research Institute Director is an additional requirement.
- 1.3. The details of the consultancy project should be entered fully on a **Consultancy Approval Form** (Appendix 1) available from Research and Impact. The form should be signed by the appropriate line manager(s) to indicate the approval of the proposed project and forwarded to Research and Impact. Only when Research and Impact receives a correctly completed form may the project proceed.

2. Complaints / Appeals Process

- 2.1. Consultancy activity is valued as important activity within schools and approval by the line manager will not unreasonably be withheld, however, in considering the merits and implications on the school/department, the line manager may withhold consent.
- 2.2. In such instances, and if a member of staff feels they have been unfairly prevented from undertaking a consultancy opportunity, they may refer the matter to their Dean who will attempt to resolve the matter. In the unlikely event of this being unresolved at that point it may then be referred to the PVC (R&I) who will have the final decision.

3.0 Contractual Arrangements

- 3.1 Members of staff entering into contractual arrangements for the supply of consultancy services must discuss the drawing up of any agreements or contracts with Research and Impact before entering into commitments. This is a requirement of this policy and it is in the professional interests of the member of staff.
- 3.2 The advice and support of Research and Impact will enable members of staff to offer professional terms and conditions in advance to third parties and thus ensure the successful delivery of projects enhancing their own and the University's reputation. Contractual problems, disputes or disagreements are best avoided by clear terms and conditions setting out the financial arrangements and service delivery commitments.

4.0 Contract Costing / Pricing

- 4.1 Research and Impact will provide advice on the pricing of contracts and will help the member of staff ensure that this takes account of the prevailing market and competitive conditions.
- 4.2 Consultancy projects must be accurately costed to ensure staff and equipment overheads are appropriately covered. If the consultancy work involves the use of equipment/facilities these must be charged at the full economic costing rate.
- 4.3 All consultancy fees should be quoted to include an overhead of 20% for the School to which the academic belongs and the 20% **Innovation Ulster Overhead** to cover the professional services identified above, the professional indemnity insurance, the

accounts and invoicing management, payment receipts and distribution and the marketing, where appropriate, of the member of staff's expertise and consultancy services. Overheads are not normally applied to expenses or external sub-contract work. These are billed to the client at cost. Overheads are only applied to the use of internal facilities and equipment when they are seen to be extensive in nature or disproportionate to the academic consultancy fee involved in the project.

4.4 Consultancy work is currently subject to VAT, which must be added at the prevailing rate.

4.5 Worked examples of income disbursements and contractual matters may be obtained from Research and Impact.

5.0 Distribution of Income

5.1 Members of staff may elect either to receive their consultancy fee as personal income via payroll or have it retained within the University to fund expenses related to their employment. The choice of payment method should be indicated on the **Consultancy Approval Form**.

5.2 When taken as personal income the payment is subject to income tax, and employers' and employees' National Insurance contributions. Note, an additional employers' national insurance contribution amount will be deducted prior to payroll processing as the standard employers' contribution is based on the employee's salary before these additional earnings are taken into account (further information or worked examples can be obtained from Research and Impact)

5.3 When the fee is retained within the University, for future expenditure on employment related expenses, the appropriate amount is held within a Research and Impact cost-code and administered by Research and Impact staff during the financial year in which the revenue is earned. Research and Impact is not permitted to carry forward any unexpended balances at yearend. Such residual funds will be transferred to the relevant faculties at yearend. These sums will be exempt from any restrictions that the University applies to expenditure out of accumulated unexpended balances, subject to the proviso that the money can only be used to support the core business activities of the University.

5.4 Expenditures against retained amounts will use the established University purchasing and approvals procedures. As tax and national insurance have not been paid these amounts may never be used on personal expenditures.

5.5 In the case of internal consultancy i.e. consultancy undertaken by a member of staff where a university department or school is the client, income may only be treated as retained amounts against employment related expenses (as described above) and not as personal payments.

5.6 Retained consultancy earnings cannot be used to "buy out" any teaching commitments.

6.0 Compliance

6.1 Failure to comply with this Policy will constitute a disciplinary offence under the University's Statutes and Ordinances.

University of Ulster

Addendum to the Consultancy Policy

Income distribution:

Paragraph 5.3. of the University's Consultancy Policy outlines how consultancy income is distributed. Following an excessive build up of unused consultancy earnings, it was agreed by VCAG that the current University central code for retaining consultancy monies (Research Office Consultancy Income code 40801S) would be cleared with the respective funds being transferred to the relevant faculties to administer.

After further consideration and discussion, it is proposed that members of staff continue to elect on the Consultancy Approval Form where they wish their consultancy earnings to be paid to. However to this end they will either elect to receive the funds as salary (taxed and NIC'd at source), elect to have them transferred directly to the Consultancy Income code within their respective faculty or a combination of both of these options if desired.

Administration of funds:

It should be noted that each faculty's HFA will administer these funds which are ring-fenced for academic use only, on employment related expenses. These unspent consultancy monies **do not** become part of faculty general core income. The faculty will continue to receive the normal 20% overhead on all consultancy projects.

Unspent consultancy monies which have not been spent within 12 months will be automatically diverted to the academic's salary. They will then be liable for tax and NIC. If the academic who earned the consultancy monies does not wish to receive the monies as salary, he/she will only be allowed to carry them forward for a further 12 months on provision of a memorandum of explanation, outlining the reason for retention, which must relate to predetermined future expenditure, for example attendance at an overseas conference in the coming academic year.

Transfer to faculty codes:

Transfer of the existing retained consultancy funds from Research Office Consultancy Income code 40801S will take place on 30 April 2013.

Date for implementation:

This change will be effective 01 May 2013.