

CONSULTANCY EXPENSE GUIDELINES

Approved by	Council
Date of Next Review:	August 2007
Contact Officer:	Management Accountant

1. Overview

The University's Commercial Research policy advises that:

"The University of Wollongong considers it desirable that the special experience and skills of members of the academic staff should be available to the community at large. Members of the academic staff of the University are therefore encouraged to undertake contract research, consultancy and any other similar external work, provided that this is not done in a way which conflicts with the interests of the University.

Such work should be related to the staff member's research and teaching carried out within the University and should be of a standard which enhances the prestige of the University and the professional reputation of the staff involved. It should also serve as a means of creating or enhancing links between the University and external organisations and help to foster an effective flow of knowledge and information, both into and out of the University."

The policy also includes the following in respect of income received for this work:

"All fees payable to an individual for a consultancy may either be credited to an individual's research account within the University's accounting system or be paid as taxable salary. Payments made from this account to or on behalf of the consultant for purposes not directly related to academic-related activities shall appear on the consultant's group certificate."

Apart from this statement, existing policy is silent on the nature of expenditure that should be made from contract research and consultancy income.

The purpose of this document, therefore, is to provide guidance in regard to:

- a) Control of accounts in the University's financial system;
- b) the nature of expenditure which is appropriate from an individual's account;
- c) the controls that should be exercised in approving expenditure from accounts.

2. Control of Accounts

The University has established procedures to control the establishment of new cost centres or accounts within its business systems. In terms of contract research or consulting accounts, one of the following Financial Services officers must approve the new account before it is created:

- Management Accountant
- Commercial Analyst
- Research Grants Finance Officer

It is expected that Deans or Heads will ensure that accounts remain in credit. That is, management control is exercised when requests for expenditure are made to ensure sufficient funds are available in accounts to cover the payment required.

Should an account record a deficit balance, this will be transferred to the Housekeeping account for the department or unit. Financial Services will review and action such accounts periodically.

Where accounts remain inactive for a continuous period of 18 months, (i.e. no transactions recorded for 18 months), the account owner will be contacted to determine the status of the account. If no transactions are recorded after 24 months the balance will be cleared to the Housekeeping account of the department or unit. The account will then be disabled in the financial system.

Where a staff member resigns from the University, any balance remaining from consulting activities may be paid as salary. Funds remaining in contract research accounts vest in the University. For such accounts the balances will be transferred to the Housekeeping account of the department or unit. The account will then be disabled in the financial system.

3. Expenditure from Accounts

A range of expenditure items may be charged to contract research and consultancy income accounts. In general terms such expenditure should be integral to the employment activities of the individual concerned.

The following are the types of expenditure that would be expected to be incurred:

- Salaries & wages (including overtime & other oncosts) of staff undertaking the consultancy or contract research;
- Equipment – calculators, computers, electronic work organisers, teaching aids, audio/visual items;
- Books & journals;
- Professional subscriptions;
- Travel & entertainment expenses in accordance with the University's travel & entertainment policy;
- Conference fees and other self-education expenses;
- Stipends.

It should be noted that any equipment purchased from consultancy funds remains the property of the University.

It is University policy to lease rather than purchase motor vehicles. It follows that lease payments and running costs for vehicles typically extend over at least a two year period. Given the nature of contract research and consultancy income, in most cases it will be inappropriate to use these funds to acquire a motor vehicle. Where such a need is identified the request should be reviewed by the Dean and referred to the Director of Financial Services for approval.

Any other expenditure of a private or personal nature is generally prohibited and may give rise to a tax liability for the staff member concerned.

4. Expenditure Control

All purchases and payments must conform to the University's policies in regard to Corporate Credit Card and Purchasing & Procurement.

Accordingly, all transactions must be evidenced by tax invoices/receipts from suppliers of goods and services.

All expenditure must be approved in accordance with the University Delegations Policy

All requests for approval of spouse travel expenses must be referred in advance to the Vice Principal (Administration) or Vice-Chancellor for consideration.

No staff member should approve their own items of expenditure.

Modification History

Date:	Resolution no:	Authority:	Details:
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