

Document Information

1. Document Details

Title:	Staff Consultancy & Buyout Procedure
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Version No:	1
Status:	Final

Important Note: If the 'Status' of this document reads 'Draft', it has not been finalised and should not be relied upon.

2. Revision History

Version	Revision Date	Summary of Changes	Changes tracked?
1	Aug 2022	Document and Formalise the procedure for consultancy payments and buyout of hours for academic & research staff	-

3. Relevant Existing/Related Documents

Staff Consultancy and Buy Out Policy v1 (April 2021)

4. Consultation History

This document has been prepared in consultation with the following bodies:

Circulation to Finance Managers, Heads of Research, for comment

5. Approvals

This document requires following approvals (in order where applicable):

Name	Date	Details of Approval Required
Approval	15/09/2022	Approval by VP Corporate Affairs & VP Finance & Admin

Staff Consultancy & Buy Outs

1. Basis for Procedure

The University's Staff Consultancy and Buy Out Policy requires that the University shall have a set of Staff Consultancy & Buyout Procedures, which shall be based on the two methods set out par 3 of that policy, *namely: Workload Allowances and Consultancy Payments*, and shall include details on the approval process for such work.

2. Scope

This procedure applies to all full-time and part-time staff.

3. General Procedures

There are two methods by which academic staff may be compensated for such activity;

3.1 Consultancy Payment

Staff may make a claim for payment from the income received by the University for research and/or consultancy work undertaken. Such work must be undertaken outside of normal working hours.

3.2 Buy Out

Staff may charge their time to the research or consultancy funding as part of their existing workload. In this case no additional payments are made to the academic staff member.

For academic staff, this is based on a buyout of the contact hours. For all other staff, hours are recorded on the time recording system (Acti-time) and costs apportioned.

In line with the application of the 'One Person One Salary' principle applied in the Public Sector, staff should only hold one employment and any additional payments in that employment including overtime, consultancy payment etc. should not exceed 20% of salary within an academic year. (Please also see par 13 on engaging in private work)

4. Basis of Costing

The basis of costing set out in the policy provides that buyout of staff time shall be based on the principle that *'the cost follows the person'*. The minimum charge will therefore be based on the person's actual cost. Costs can be calculated in three ways:

4.1 Time & Materials (Direct Costs)

This method only recovers the actual person pay costs, (plus any other direct costs such as materials and travel). The direct cost in this instance will be the agreed cost of a consultancy payment (inclusive of Employers PRSI) or the in case of a buy out the actual cost of the staff members time.

4.2 Full Costs (Direct & Indirect Costs)

Any engagement will result in overheads, which can include the costs of premises and utilities, insurances and support services such as Finance, Human Resources and IT. It is expected that all engagements should contribute to recovering the universities overheads. This method recovers the direct cost outlined above, plus overheads, which are typically based on a percentage of the direct cost. As a rule of thumb, the University's overheads are approximately 100% of its direct pay costs.

4.3 Cost Plus

This method recovers the Full Cost outlined above, plus a margin which can vary according to circumstances.

5. Costing of Consultancy of Private Research Engagements

It is expected that any non-state / EU funded research or consultancy would recover at a minimum the Full Costs. It is recognised that there may be exceptional circumstances which are consistent with the University's mission which can include:

- Strategic Development / Growth
- Work of a Charitable Nature

Where there is a proposal to cost an engagement at less than **full costs basis**, approval needs to be sought in advance from the relevant manager within the University per the schedule in par. 7.

6. Costing for Research & Other Grants

Most state and EU funding agencies/grantors will set out maximum cost and/or overhead recovery rate. This is usually limited to Direct Costs plus a defined overhead based on unit rates or a percentage. It is therefore, necessary to ensure that the correct direct pay costs figures are included in the grant application. In some instances, EU funding programmes such as Erasmus Plus for example, provide maximum daily rates which may not cover the Direct Costs.

Where there is a proposal to cost an engagement at less than a **time & materials basis** approval needs to be sought in advance from the relevant manager within the University per the schedule in par 7

7. Subsidised Research & Consultancy Costs

In instances set out in par. 5, where private engagements do not cover the full costs and in par. 6 where the funding agency contract does not cover the time and materials cost, the University may approve the subsidisation of such engagements or contracts. The approvers are provided in the table below and the reason must be stated on the approval.

It should be noted that under-costed grants awards are not a basis for the University subsidising the cost of this research.

Nature of Engagement/Contract	Approver
State or EU Funding Bodies	Head of Research (Cork) Head of Research (Kerry)
Privately funded research or Consultancy. (including EI Innovation Vouchers)	Industry Liaison manager (Cork) Head of Research (Kerry)
All other engagements not covered above	Head of Research (Cork) Head of Research (Kerry)

8. Prior Approval

The staff member must seek prior approval from the Budget Holder and their Head of Department to engage in consultancy work and agree on the appropriate method of remuneration. Where it is proposed that a staff member be remunerated for such work i.e. a buy out on existing duties is not possible, the staff member must seek prior approval for paid consultancy by submitting the relevant form to their Head of School with the approval of the Head of Department.

Approval may be granted by the Head of School on the basis that:

- The staff member has fully allocated timetable/workload
- It does not interfere with the performance of normal academic duties and is recommended by the Head of Department
- It does not give rise to any conflict of interest
- All additional payments to include part time hours and other payments do not exceed 20% of salary. In rare and exceptional cases, payments to staff that exceed 20% of salary will require the approval of the Vice President for Finance & Administration / Corporate Affairs

9. Contract & Cost Centre

Where consultancy is undertaken by a staff member, the contractual agreement must be provided to the Finance Office (Self Financing Section) and the necessary project set-up procedures completed to allow the project to be processed through the appropriate cost centre.

10. Approval Process

Application for approval of a workload allowance must be made by completing and returning Form H07 - *Buy Outs & Workload Allowances*

Application for approval for paid remuneration must be made by completing and returning Form H08 - *Consultancy Approval*

All forms are available on the Finance website at <http://finance.mtu.ie/forms>

11. Revoking Approval

Engaging in consulting activity without prior approval is a breach of University policy. The relevant Head of School / Vice President may revoke permission at any stage if the conditions on which it was granted change.

12. Payment

Payment for pre-approved research and/or consultancy work should be claimed by completing Form H09 – *Consultancy Payment Request*. The form must be approved by the Budget Holder and Head of Department and submitted to the Finance Office (Self-Financing) for approval and onward submission to HR for payment through the Payroll System.

13. Recording Hours

For audit purposes, hours worked, must be logged in the time recording system (Acti-time) based on standard productive hours (with the exception of Enterprise Ireland Innovation Vouchers)

14. Private External Work

External work undertaken in a private capacity is covered under the University's External Work Policy.

15. Changes to Procedures

These procedures may be modified from time to time in line with University Policy.

16. Approval

These Staff Consultancy & Buy Out Procedures have been approved by the Vice President for Finance & Administration / Corporate Affairs on the date noted below.



Mr Paul Gallagher
VP for Finance & Administration

22 Sept 2022

Effective Date



Ms Ciara Looney
VP for Corporate Affairs

22 Sept 2022

Effective Date