

Consultancy Procedure: Appendix  
**Treatment of Costs, Margin and Surplus for Consultancies**

|          |   | Indirect Costs   |                         | Margin   |                 | Treatment of Surplus   |   |                  |   |   |
|----------|---|--|-------------------------|--|-----------------|--|---|------------------|---|---|
| Type     | Costs charged to project  | Recovery rate applied  | University Distribution | Applied (where possible)   | OU Distribution | Calculation of surplus   | Transfer permitted  | Fund code        | Personal Payment permitted  |   |
| Standard | 1   | All direct costs.  | Yes                     | Retained by OU   | Yes             | Defined by OU and distributed to OU.   | Project fully costed, therefore usually none.   | No               | 620   | No  |
|          | 2   | All direct costs excluding primary academic salary.  | Yes                     | In accordance with the <a href="#">Research and Consultancy Costing and Pricing Procedure</a> .  | Yes             | Standard rate of 15% of the mark-up of the contract price or nil. The decision to recover margin made by the OU on an individual contract basis. | Academic salaries not returned to OU, resulting in a surplus.   | Yes              | Projects – 621 (restricted)<br>Surplus – 622 (restricted)<br>Project – 623 (low value/low risk) | Consultancy Performance Payment eligible out of fund code 622* (not eligible for 623)                       |
| Teaching | A   | All direct costs excluding primary academic salary. UQ International Development - Payment for inputs made to OU - no personal payments or transfers to Consulting Accounts. Agreed standard personal payments or transfers to Consultancy Accounts of collaborating academics are charged to the consultancy project. | Yes                     | No distribution UQ International Development distributes an agreed annual contribution to DVC-GE | Yes             | Defined by OU and distributed to OU.   | Usually none unless there is commercial mark-up over and above margin and/or a project cost saving. Surplus will be available to the unit to fund its operations. UQ International Development used project margin to fund operating costs and fund agreed contribution to DVC-GE | Yes              | 623<br>UQ International Fund Code is 608  | Teaching Consultancy Payment Eligible*<br><br>UQ International Development - personal payment not permitted |
|          | B   | All direct costs excluding primary academic salary.  | Yes                     | No distribution  | Yes             | Defined by OU and distributed to OU.   | Academic salaries costed in project budget but not returned to local unit, resulting in a surplus.  | Yes              | 623 (restricted)  | No  |
| Academic | No separate project account required. No costs charged. Treatment of income in accordance with the <a href="#">Credit, Pre-billing and Collection Procedure</a> . | No   | No distribution         | Not applicable   | Not applicable  | Total income is treated as the surplus.  | Yes   | 623 (restricted) | Personal Payment eligible*  |   |

OU – Operating Unit of primary academic.

\* For conditions of Personal Payments, refer to the Consultancy Procedure.