

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 Research and Consultancy Costing and Pricing Procedure .	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) Surplus – 622 (restricted) 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 UQ International Fund Code is 608	Teaching Consultancy Payment Eligible* UQ International Development - personal payment not permitted
	B	All direct costs excluding primary academic salary.	No	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 Credit, Pre-billing and Collection Procedure .	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.