

CONSULTANCY POLICY



INDIAN INSTITUTE OF INFORMATION TECHNOLOGY UNA

HIMACHAL PRADESH, INDIA

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List of abbreviations

- ICF** : Institue Corpus Fund
IPR : Intellectual Property Rights
PI : Principal Investigator
Co-PI : Co-Principal Investigator
MoU : Memorandum of Understanding

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01. INTRODUCTION:

Industrial consultancy is an important aspect of applied research activity and involves giving technical/scientific advice or time bound and focused research inputs to industries, government bodies and public sector undertakings. Industries from all sectors avail the expertise and facilities of the Institute through any one of the following avenues for a period ranging from six months to three years.

02. TYPE OF CONSULTANCY:

Type-I:

All Consultancy projects without use of Institute laboratory/workshop facilities will be classified as Type-I consultancy projects which is to be normally done after college hours.

Type-II:

Consultancy projects involving use of Institute laboratory facilities will be treated as Type-II consultancy Projects. Such projects will cover field testing and field measurements, calibration of equipment/instruments and testing of material/equipment in laboratory/field, will be classified as Type-II consultancy projects which can be done within the college hours or beyond it.

Note:

In case of multi-disciplinary/inter departmental projects, a single project can be divided into sub projects of the same type on mutually agreed terms, with the approval of Dean/Faculty In-charge Research & Consultancy of the Institution.

03. CHARGES FOR CONSULTANCY PROJECTS:

- A. The total agreed charges of a consultancy project will consist of the Institute share, actual expenses and the remuneration to be distributed to the associated faculty and staff.
- B. The actual expenses should cover the following costs related to the project.
 - Permanent equipment to be procured/fabrication of equipment or models.
 - Consumable materials
 - Travel expenses in connection with the project work.
 - Computational or other charges, the principle investigator may have to pay to the institute or any other outside agency in the course of the execution of work.
 - Contingency expenses to cover cost of supplies, preparation of report, typing, work processing, drawing, drafting, stationary, literature, postage, courier, FAX etc.
 - Expenses for work to be carried out on payment basis e.g. remuneration to the Students involved etc.

04. CONSULTANCY FEE:

There are no rigid norms for calculating the consultation fee. This depends upon several factors such as time spent, importance of advice and experience of the faculty. While estimating the consultancy fee chargeable to the client, principle investigator should keep in mind that only part of the total fee is available for distribution amongst the faculty, staff and students. The remuneration will be paid to the faculty/staff as per norms approved by the institute on the recommendation of the PI.

05. REALIZATION OF CONSULTANCY FEE:

The entire fee in connection with consultancy/testing work is to be deposited by the client in full, before the work commences. In exceptional cases where the work is started with only partial cost deposited in advance, the arrangement of subsequent receipt of fund from the client has to be clearly spelled out in advance and approved by the head of the institute.

06. TYPES OF CONSULTANCY FUNDS:

- A. There will be an Institute Corpus Fund (ICF) for the Institute share in each consultancy fee. Complete amount of consultancy (Both types) fee will be deposited by the client in institute account, while approved percentage of share of institute will submit in the account of ICF at the time of deposition of consultancy/Testing fee, by the approval of PI.
- B. Total amount of fee collected from the different consultancy in the account ICF will be used by the head of the institute in:
 - a) Purchase of equipment and consumables for research and academic works.
 - b) Travel for PI/students/co-authors/collaborators (within the country and abroad) for attending conferences, for research and related discussion. It can also be used to cover expenditure for institute approved journey, not reimbursed from other sources.
 - c) Purchase of books, journals subscription, and professional membership.
 - d) Purchase of teaching materials and teaching aids.
 - e) Hosting of professional visitors.
 - f) Any other expenditure as permitted from the I.C.F.
 - g) Payment for the project of students/faculties looking or filed for patent
 - h) Head of the institute will reserve the right to use the fund of I.C.F, as per the requirements and urgency in institute.

07. NORMS FOR EXPENDITURE:

- A. The Principle Investigator may engage Institute Students as Students assistants for consultancy work on payment of Rs.150/- per hour subject to a maximum of 50 hours per month.
- B. Expenses incurred on reasonable hospitality not exceeding Rs.500/- per meal and Rs.150/- per head for snacks etc, in connection with the consultation work can be charged as expenses.

08. DISTRIBUTION OF CONSULTANCY FEES IN INSTITUTE CORPUS FUND:

S.No	Nature of The Project	Type of Consultancy	Total Project Cost (A)	ICF/Overhead (B)	Distribution/Honorarium (C)=(A)-(B)
1.	Consultancy	Type-I	X	0.25X	0.75X
2.	Consultancy	Type-II	X	0.50X	0.50X

Note:

- i) Type-I Consultancy includes Sponsored projects from any government (in case of government sponsored projects, institute fund will be waived off while private organizations or industry sponsored projects will be treated as type-I consultancy), Inspections/Technical Evaluations/Visits, Individual consultancy based on expertization or project of any individual, Courses with industry (If the course will organize in Institute then 0.25X share will be transfer to Industry while 0.75X share will be transfer.in Institute and if course will organize in Industry then 0.25X share will be transfer to Institute while 0.75X share will transfer to Industry).
- ii) Type-II Consultancy includes Testing of materials, Conferences/workshops, or any other consultancy involving institute's/college's facilities.

09. TERMINOLOGY:

- Project cost refers to the expense incurred by the PI for the duration of the project. It includes equipment, salaries, travel, consumables, and contingency.
- Overheads refer to the payment due to the institute from the grant approved by the funding agency/organization/industry.
- Sponsored project refers to one in which the PI carries out original research. Such projects generally do not have a provision for payment of honoraria.
- Consultancy project utilize prior skill and competence of the PI. They allow the PI to charge honoraria (including payments to the employees of the Institute).
- Testing refers to a very limited duration activity involving a calculation or a measurement.
- GST @18% is required to be paid for all consultancy projects.

10. DETAILS FOR CALCULATION OF OVERHEADS:

- **Sponsored Research:** Proposals submitted for sponsored research must show overheads of 25% on the project cost. (Example- If the project requirement is X, then overheads would be .25X and the total budget would be 1.25 X.
- **Consultancy:** At the stage of proposal submission, the budget will reflect-
 - Project cost (X),

- Overheads at 25% ($X_1=0.25X$) for Type-I consultancy.
- Overheads at 50% ($X_1=0.50X$) for Type-II consultancy.
- Service Tax (GST) @18% [$X_2=.18(X+X_1)$], which is subjected to periodic revision by the Government in India
- When money is received from the funding agency the following procedure will be followed:
 - At the first instance service tax is deducted (18% of $X+X_1+X_2$) (Subject to change by the GOI at time to time) institute overhead (as above for different types of consultancy) is transferred to Institute Corpus Fund. The balance fund will be distributed to associate as honoraria to PI and associated staff as per the approved rules.

11. PAYMENT OF HONORARIUM FOR CONSULTANCY:

A. For Type-I consultancy works, the norms for calculation of various percentages for distribution will be as follows:

1. Total fee received from the client = I

- Amount paid to I.C.F (Institute Corpus Fund) = $0.25I$
- Remaining amount (F) = $0.75I$
- Total expenditure on the project = E
- Savings = $S = F - E$
- Amount to be distributed amongst the investigators = S

2. Distribution of S

- Amount to be distributed among investigator(s) = $0.85S$
- Amount to be distributed for office support staff of all associated departments like accounts, establishment etc = $0.05S$
- Amount to be distributed in teaching supporting/laboratory staff = $0.10S$

B. For Type-II consultancy works, the norms for calculation of various percentages for distribution will be as follows:

1. Total fee received from the client = I

- Amount paid to I.C.F (Institute Corpus Fund) = $0.50I$
- Remaining amount (F) = $0.50I$
- Total expenditure on the project = E
- Savings = $S = F - E$
- Amount to be distributed amongst the investigators = S

2. Distribution of S

- Amount to be distributed among investigator(s) = $0.85S$
- Amount to be distributed for office support staff of all associated departments like accounts, establishment etc. = $0.05S$
- Amount to be distributed in teaching supporting/laboratory staff = $0.10S$

12. TOTAL AMOUNT OF REMUNERATION FROM CONSULTANCY:

The total remuneration to be received by a staff from Consultancy/Testing work will not exceed 75% of his gross salary received during the financial year. In such cases where the PI is supposed to involve in any consultancy due to his expertise in any field and his total income from all consultancy work exceeds the limit of 75% gross salary, then prior approval of Director will be required. If the total remuneration payable to a staff member exceeds the prescribed limit, without approval from Director the excess amount will be deposited in the Institute Corpus Fund.

13. GENERAL CONDITIONS:

- Any guidelines further needed for operating consultancy projects or any dispute arising in the institute will be framed/solved by the office of Dean/Faculty In-charge Research & Consultancy of the Institution.
- Individuals or departments may take up consultancy work only after taking approval of the Head of the institution. The report of the departmental consultancy projects will be signed by the investigators and countersigned by the Head of the department and the report of the individual consultancy project will be signed by the Principle Investigator.
- For projects involving only site visits for consultation work and/or personal discussion, fees may be charged on per day basis at mutually acceptable rate subject to a minimum of Rs.3000/- per man day, excluding the day spent on travel.
- For technical and other staff, making only site visits outside the scope of ongoing consultancy project, fees may be charged on per day basis at minimum of Rs.500/- per man day.
- The PI may, with the prior permission of the head of the institution avail the services of persons not in the Institute service as Investigators, provided that HoD certifies that the services are of a nature for which the expertise is not available in department/institute.
- No consultancy project from any agency can be taken up for an amount less than Rs.25000/. This limit may be reviewed from time to time by the office of Dean/Faculty In-charge Research & Consultancy of the Institution.
- Duty leave will be admissible for consultancy work for 15 working days in a session within the overall limits of the duty leave. For absence beyond 15 days for consultancy work, leave as due will be taken by the staff member.
- When a staff member is approached for the consultancy work, he will be the Principle Investigator. If he does not wish to be the Principle Investigator, the Head of the Institution will identify a suitable person as the PI.
- The P.I whom is due to retire from Institute service will identify a new P.I for the consultancy project at least three months before his/her retirement.
- A copy of all reports submitted to the client Firm will be filed in the department.

- The most expeditious and convenient mode of travel should be used for the consultancy work, to minimize period of absence from the institute.
- All legal action will be subject to the jurisdiction at Civil Court at the location of the Institute.
- In case any legal dispute arises between the investigator(s) and the clients such that the Investigator (s) are in any way, held responsible to make good the losses occurred by the client, such liability will be restricted to a maximum limit which will be calculated as follows:
Maximum Liability= the total amount charged for the project- total expenditure on the project.

14. CLAUSE ON CODE OF ETHICS FOR RESEARCH

As per UGC guidelines.

15. APPELLATE AUTHORITY

For any difficulty pertaining to this policy, the power to remove difficulties rests with the Director, IIT Una.

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