

# Consultancy Policy

## 1 Introduction

PIEMR has a rich tradition of Teaching, Research and Industrial Consultancy and is dedicated to the spread of knowledge for the purpose of building a modern technologically enabled India. In addition to offering formal undergraduate and post-graduate courses, PIEMR endeavours to encourage its faculty and other academic staff members to undertake consultancy projects with Industry and other Institutions to expand and fortify the research profile of PIEMR and to create new knowledge, widen and expand current knowledge and experience of faculty and staff members. A formal framework to guide the implementation of this process is covered in this document.

## 2 Aim of the Document

**2.0** PIEMR wants to be an innovative University, aiming to imbibe best practices in the way it engages with external organisations. PIEMR recognises that consultancy work and external activity undertaken by staff shall form an important and valuable part of its function. PIEMR believes that this is the important part of the Knowledge Exchange which would go on to yield mutually beneficial results for both PIEMR and the External Organizations. Therefore, PIEMR has established this policy to support Staff in the delivery of approved consultancy. This policy is intended to provide the information to the Staff who intend to undertake consultancy work in accordance with PIEMR's approved procedures. This Policy is a part of PIEMR's Human Resources Management procedures and therefore forms part of contract of employment of the academic staff.

## 3 Purpose

**3.1** The purpose of this Policy is to set out the guidelines governing Consultancy and other Outside Services undertaken by Staff Members of PIEMR.

**3.2** PIEMR recognises the value of its staff undertaking consultancy for outside bodies, especially the Industry. PIEMR considers this work as an important channel through which knowledge and expertise can flow to and from businesses and other external agencies and therefore contributes to the development of mutually beneficial relationships with these bodies. PIEMR therefore encourages Staff Members to undertake Supported Consultancy and other similar work provided, it does not conflict with the interests of PIEMR.

**3.3** It is the expectation of PIEMR that engaging in external consultancy will;

- Increase the professional and/or academic competence and experience of the Staff Member and would provide the Staff a continuing professional education opportunity through working with the Industry.
- Create and increase relations between the PIEMR and external organisations such that it will support PIEMR in areas such as increasing research opportunities, student admission and placement, and ultimately help PIEMR to achieve knowledge exchange for the benefit our country.
- Generate additional income for the Staff Member and increased funding for PIEMR.





#### 4 Applicability

4.1 It is PIEMR's policy to encourage staff to engage in consultancy wherever appropriate and in a manner that is consistent with PIEMR's rules and regulations governing the employment of the Staff.

4.2 PIEMR encourages academic staff to undertake reasonable amounts of consultancy where appropriate to the discipline, and where it does not interfere with the primary purpose of the School.

4.3 This Policy applies uniformly to all academic and academic related Staff Members and administrative Staff Members of PIEMR.

#### 5 Definitions

5.1 "PIEMR" means PIEMR, Indore and in context may mean a subsidiary or affiliate designated as an appropriate entity for the conduct of Consultancy activities.

5.2 "Consultant" means any full-time faculty members of Departments, Core Research Scientists of Schools / Departments / Centres and all other employees of PIEMR. Any employee of PIEMR undertaking consultancy shall hereinafter be referred to as Principal Investigator (PI).

5.3 "Consultancy" is defined as 'the provision of expert advice, analysis and interpretation, which draws upon and applies the expertise and knowledge of PIEMR's members of staff'. It means work of a professional nature, undertaken by PIEMR staff in their field of expertise, for external clients, for which payment is generally received. Consultancy also includes teaching commitments undertaken outside the PIEMR. Consultancy may be PIEMR Consultancy or Personal Consultancy, as defined under this policy. Essential features of Consultancy are:

- Consultancy is work of a professional nature, undertaken by PIEMR's staff in their field of expertise, for clients outside the institution, for which some financial return is provided;
- It does not have as its main purpose, the generation of new knowledge;
- Consultancy will produce some form of agreed output which may be partly or wholly owned by the client;
- It tends to be governed by short-term contracts, and involves extra work for existing staff rather than the employment of new staff.

Note: Consultancy may be for entities owned / may be owned by PIEMR. Where a member of staff has / may have an interest is also included within the scope of this document.

This Policy is also applicable when undertaking any work for such companies.

5.4 "Client" also known as customer means any external individual or legal person/s who approaches PIEMR or its staff to carry out consultancy work for them.

5.5 "Recommending Authority" means the delegated officer, who is generally the Head of the Department / Dean / Director as appropriate, or any other Authority so nominated by the management of PIEMR, who is responsible for recommending the consultancy work.

5.6 "Approver" means the delegated officer, who is generally the Head of the Department of Sponsored Research and Industrial Consultancy (SpoRIC), or any other Authority so nominated by the management of PIEMR, who is responsible for approving the consultancy work.

5.7.1 "PIEMR Consultancy" means consultancy work undertaken by an individual academic, or other member of staff (including technicians), or a team of collaborators, departments or schools, on behalf of PIEMR. Such consultancy will be undertaken within the terms of the member of staff's contract of employment. In this case, the contractual relationship is between the client and PIEMR and not with the individual Staff. In this case, the Office of the Sponsored Research and Consultancy would enter into a written agreement with the Client.

5.7.2 "Personal or Private Consultancy" means consultancy undertaken by a member of staff in a private capacity and in his or her own time, for which there is no conflict of interest with the University's



works. However, the payment for the consultancy rendered on personal basis shall be remitted by the client directly to the account of PIEMR only. The relationship between PIEMR and the external party with regard to the work being undertaken is limited to the extent of receiving the consultancy fee. It is expected that the employee must make sure that the external party is aware of this. In this case, the individual acts entirely in a private capacity and has no legal link to the University. No liability passes on to the University and none of the University resources may be used for this activity. Examples of such resources are equipment and machinery, any consumables such as chemicals, cutting tools, welding rods, electronic and electrical components, other staff, their expertise and PIEMR's Intellectual Property Rights (IP). Personal Consultancy must be undertaken outside normal working hours and duties.

Note: If an initial enquiry for consultancy work is made to a member of staff through their PIEMR address, telephone or email address then this shall be construed as PIEMR Consultancy only and would not be considered to be Private Consultancy.

Personal Consultancy will not be allowed typically in the following circumstances:

- When the Consultancy services are to support projects, such as research projects, which are already being conducted at PIEMR;
- When such Consultancy would contractually preclude PIEMR or its Staff from engaging in other research or other consultancy;
- When there is any potential to bring PIEMR into disrepute;
- Whether the proposed personal consultancy will impact on the individual's work with PIEMR;
- To protect the available Intellectual Property of PIEMR.

## **5.8 Exclusions**

This policy does not apply to those activities, which may be paid or unpaid, and which are in furtherance of scholarship or general dissemination of knowledge, such as but not limited to:

- Authorship of or royalties from publication of books,
- Research, training and teaching,
- Guest Lectures, serving on Scientific Advisory Boards, Research Councils and Professional Associations and Statutory Bodies,
- Service on charitable committees,
- External examiner duties,
- Lecture tours and conference presentations or attendance,
- Editorship of academic journals or publication of academic articles,
- Professional arts performances, and
- Any other activity as defined by the job description of the Staff.

**5.9 "Approvals"** Any consultancy proposal received by a Staff of PIEMR should be passed on to their Head of Department / Dean / Director as appropriate, for recommendation / approval.

**5.9.1** The Head of Department / Dean / Director as appropriate, will then take the decision as to whether to accept or reject the proposal.

**5.9.2** The decision to accept a proposal to undertake consultancy activity is not automatic and various factors will be considered for arriving at the decision.

**5.9.3** In case of any ambiguity whether a proposed work constitutes consultancy, Staff should seek advice from their Head of Department / Dean / Director as appropriate. The office of the Sponsored Research and Industrial Consultancy (SpoRIC) will provide clarifications where ever necessary to Head of Department / Dean / Director as appropriate, in reaching a decision about the classification of a



particular piece of work. In case of any difference of opinion, the final decision shall however rest with the Pro-Vice Chancellor / Vice Chancellor.

**5.9.4** Prior Approval in writing shall be obtained by the Staff for all consultancy work, whether PIEMR or Private.

**5.9.5** PIEMR reserves the right to reject any consultancy, without assigning any reasons.

**5.9.6** It is the responsibility of individual members of staff to maintain their records and ensure it is signed by the appropriate authority.

**5.9.7** Any Staff found violating the Policy is liable to face disciplinary action.

#### **5.10 Recording**

Agreement and recording of consultancy activity are essential to:

- Enable PIEMR to meet formal monitoring and reporting requirements, both Internal and External, current and future, and that may be required by Government or Government agencies.
- Prevent uncontrolled or inadvertent transfer of PIEMR's Intellectual Property to a Client.
- Ensure the protection of individuals and PIEMR and to identify unduly high-risk projects for special treatment.
- Enable Heads of Department / Schools or equivalent who are responsible for workload allocation for the faculty to ensure that both Private and PIEMR consultancy activity undertaken by Staff does not interfere with their normal duties and does not give rise to immediate or potential future conflicts of interest within the staff member's terms of employment.
- Safeguard the PIEMR's charitable status.

#### **6 Annual Declaration**

**6.0** PIEMR recognizes that from time to time members of staff may undertake external work outside their official duties. In order to identify potential conflicts of interest and in the interests of transparency, every member of staff, academic and other, shall make an annual declaration of external work undertaken whether paid or not. Examples of such activities are directorships of companies, partnerships, private professional practice, trusteeship and charitable work.

Note: Where the Consultancy calls for rendering of expert services or evidence in Courts of Law, in Arbitrations, or before Government Committees or Agencies, such Consultancy should also be undertaken with the express approval of PIEMR.

#### **7 Scope of this policy**

**7.1** This policy applies to all consultancy activity carried out by all PIEMR staff. It should be read in conjunction with PIEMR's other policies.

**7.2** Consultancy Services may be offered to Industries, Service Sectors, Government Departments and other National & International agencies in areas of expertise available within PIEMR.

**7.3** Research projects sponsored by the Government (DST, DBT, ICMR, DRDO, etc.) would not fall under the purview of consultancy services.

#### **8 Roles and Responsibilities**

Role and Responsibility of Recommending Authority / Approver.

**8.1** Recommending Authority shall consider:

- Individual Faculty or School objectives/targets for that year.
- Arrangements in place for ensuring that core activity is not adversely affected by the Consultancy.
- Individual workloads.





#### 8.2 Approver shall factor:

- PIEMR's strategic objectives for Research and Innovation.
- The reputational risks and benefits of engaging in the activity.

#### Recommending Authority / Approver is responsible for:

#### 8.3 Recommending Authority shall:

- Ensure that the recommended consultancy work is forwarded to the Office of the SpoRIC for approval.
- Ensure a register is kept of all consultancy activity within their faculty.
- Send an Annual Report of the Consultancy Works carried out in the Department to the Office of the SpoRIC for onward transmission to the Office of the Pro-Vice Chancellor / Vice Chancellor. The Annual Report shall be submitted on or before 31<sup>st</sup> December of each year.
- Where the agreement with the client requires periodic reporting to the client, ensure that the PI complies with the agreement terms and conditions and forward copies of such progress reports to the office of the SpoRIC for review.
- Ensure that the progress of the PIEMR consultancy is as agreed to with the client, through periodic review of the work of the PI and his team and provide intervention and support as required to ensure that the progress of PIEMR Consultancy work is on track.

#### 8.4 Approver is responsible for:

- Ensuring that all consultancy is approved in accordance with the requirements of this policy.
- Ensure that approval is accorded to the proposal in line with this policy or in case the proposal does not merit approval, return the proposal to the recommending authority with recorded reasons for rejection.
- Where there is any doubt, the Approver shall get the same clarified from the recommending authority.
- Evaluate the recommended consultancy fees proposed by the PI / recommended by the Recommending Authority (RA), and where required have the same revised by the PI.
- Where required, conduct discussions and negotiations with the client for the proposed fees and the scope, terms and conditions of the consultancy arrangement.
- Sign the mutually agreed consultancy agreement with the client.
- Forward the agreed consultancy arrangement to the Head of the Department / Director / Dean as appropriate.
- Arrange to raise applicable invoice/s, through the finance department of PIEMR, on the client and follow up for timely receipt of the consultancy fees from the client.
- In case of deviations on the agreement on PIEMR's consultancy, for example delay in completion of the consultancy; take up suitably with the client for remedy of the terms and conditions of the agreement.
- Where the scope of the consultancy is sought to be changed by the client, based on the progress of the consultancy, address the same appropriately by modifying the agreement with the client to reflect the changed scope.

8.5 Consultancy work which are unsafe or are too complex to handle, because of constraints within academic and research environment of PIEMR should not be normally approved.

## 9 Time Limits

9.1 A PI shall be allowed to spend normally one day per working week subject to a maximum of 60 days during the calendar year for consultancy. In no case, the number of working days in a calendar



week shall be in excess of two days. In special cases, the time limits can be extended with the written approval of the Pro-Vice Chancellor / Vice Chancellor.

**9.2** The Approver shall accord the approval or otherwise within 15 working days of the receipt of clear and complete consultancy proposal from the Recommending Authority.

**9.3** The Recommending Authority shall provide his recommendation or otherwise within 7 working days of the submission of a complete, clear and full proposal by the Principal Investigator.

## **10 Methodology**

**10.1** PIEMR's Costs identified on the Project Initiation Report (PIR) shall be fully recovered before the following income distribution model is applied.

**10.2** Costs shall include such expenses as payments to external consultants / Industry experts, sub-contractors, procurement costs including costs of materials, leasing of supplies, consumables, etc.

**10.3** The PIR form provides recommended rates for consultancy and only in exceptional circumstances (and with the approval of the Pro-Vice Chancellor / Vice Chancellor.) should consultancy be undertaken at below this rate.

Filled up PIR form should be initiated and signed by the Principal Investigator (PI) and approved by the Head of School and then forwarded to the SpoRIC for further processing.

**10.4** It shall be the responsibility of the PI to estimate the time and cost required to accomplish the task.

**10.5** Some consultancy work, especially where PIEMR's resources are being used (e.g. IP) are more appropriately managed under a separate service contract. In such cases, SpoRIC will enter into a separate Service Contract or Memorandum of Understanding (MoU) with due approvals.

**10.6** While entering into consultancy agreements, only the standard contract terms & conditions of PIEMR's consultancy agreement model shall be used. This is to ensure that the legal and statutory requirements like applicability of duties, taxes and other statutory levies are complied to by the contracting authority.

**10.7** The Head of the Department / Dean / Director as appropriate, can recommend work that can be undertaken under the PIEMR's standard terms and conditions. A copy of the recommendation must be forwarded to the Office of the SpoRIC, together with the signed PIR. SpoRIC shall then evaluate the recommendation and shall accord approval in line with this Policy. The information of the approval will be recorded by SpoRIC on the research system. Later, SpoRIC shall arrange for the appropriate information to be sent to finance office to enable invoice(s) to be raised.

**10.8** SpoRIC may be involved in the contract negotiations and shall advise the Head of Department on key issues arising from the terms of the contract. Where issues are considered problematic, approval of the Pro-Vice Chancellor / Vice Chancellor shall be sought prior to final sign-off.

**10.9** Where a Client insists for an Agreement on the Client's terms, SpoRIC will carry out a review of the Client's terms and conditions, in consultation with the Legal Department of PIEMR, for acceptance of the Client's terms or request renegotiation. Any Agreement with the Client, outside of the approved Standard Terms and Conditions can be entered into only after approval of the management of PIEMR and shall be done by SpoRIC.





## 11 Earnings Distribution Model

11.1 Distribution model is based on income per consultancy agreement per financial year.

### PIEMR: CONSULTANCY DISTRIBUTION

	Testing	Design / Inspection
PIEMR	50 %	30 %
Director	5 %	5 %
Office	5 %	5 %
HoD	5 %	5 %
Principal Investigator	10 %	15 %
Second Investigator	5 %	10 %
Team Members (x)	10 % / x	30 % / x
Lab Assistant (y)	10 % / y	NA
** Percentage of Amount to be distributed = Total Amount Received – Expenses		

\*\* Statutory deductions for income tax and other such taxes will be made, and staff will receive only the net amount after the applicable deductions. Amounts payable to the Staff cannot be drawn in cash or as a cash alternative for an individual's personal benefit and shall be paid only electronically into the salary bank account of the Individual. The share is exclusive of the salary payable to the Individual.

11.2 The price of any Consultancy Agreement contract shall be on a contract by contract basis, depending on the nature of the client and project.

11.3 In any financial year, a total consultancy income of a staff member permissible under the standard distribution model outlined above shall not exceed the total salary for the year of the Individual where Salary is defined as the Basic Pay + Standard Allowances such as Dearness Allowance. Salary does not include any other payments such as ex-gratia, monetary and non-monetary awards given to the Individual by PIEMR. Any amount in excess of this prescribed limit, due to a faculty member, will be remitted to the PIEMR's Development Fund (VDF).

11.4 The development of teaching and academic materials and other publications (books and articles) in a Consultancy shall be subject to PIEMR's Policy on Intellectual Property.

## 12 Clarifications

For all matters not covered in this document, as a general principle, Director / SpoRIC may be approached for clarifications required, if any.

## 13 General

13.1 All payments for consultancy shall be routed through PIEMR only. This means, that whenever payments are done, they should come in the name of the PIEMR, electronically into the designated bank account and PIEMR will then do the needful for complying with statutory laws and then give the share to the faculty/staff as the case may be. No individual faculty member shall receive any compensation either cash or in kind directly.

13.2 Breakup of the consultancy charges may not be shared with the client. Only a lump sum figure of total consultancy charges may be quoted. However, the working sheet should be maintained as a part of internal records and shall be subjected to Internal Audit as deemed necessary.



13.3 The consultancy agreement shall be in conformity with the laws of India as laid out in the Standardized Terms and Conditions. In exceptional circumstances after due approvals, compliance with both the Countries and/or International laws may be agreed upon.

13.4 The responsibility for completing the Project rests solely with the PI. The agreed deliverables are the responsibility of the PIs. PIEMR provides the PIs only the necessary support.

13.5 After completion of the project, a final Project Completion Report (PCR) shall be provided to the funding agency and two copies shall be sent to the office of SpoRIC for records.

13.6 A Completion Certificate (CC) should be obtained from the funding agency for successful completion of the project based on which only the project account will be closed by the Finance Department of PIEMR.

13.7.1 Testing & Evaluation services may be offered to meet the needs of governmental and related agencies, special clients and other outside educational institutions.

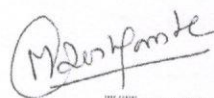
13.7.2 Standardization and Calibration services may be offered in areas in which facilities are available within PIEMR or can be augmented. Such services should normally be backed by periodic Calibration / Standardization of laboratory equipment used for such purposes.

13.8 While for large projects, where the value of consultancy is in excess of Rs. 5 Lakhs (Rupees Five Lakhs only) stage payments against agreed milestones may be accepted with due prior approvals, for small projects or for day-to-day consultancy works, payments shall be received in advance from the client/s.

13.9 In extraordinary cases, where the PIEMR consultancy work taken up cannot be completed by the PI, PIEMR reserves the right to reassign the consultancy work to another Investigator. Where it is not possible or where it is felt by PIEMR that successful completion of the consultancy is not feasible, the Approver would take it up with the client to close the project.

**Abbreviations used:**

Sl. No.	Abbreviation	Expansion
1	CC	Completion Certificate
2	IP	Intellectual Property
3	MoU	Memorandum of Understanding
4	PCR	Project Completion Certificated
5	PI	Principal Investigator
6	PIR	Project Initiation Report
7	RA	Recommending Authority
8	SpoRIC	Sponsored Research and Industrial Consultancy
9	VDF	PIEMR Development Fund



Director  
PIEMR, Indore

