

**Addis Ababa University
Office of Community Service
Consultancy Policy (Draft)**

1. General

Policy Title: Consultancy Policy

Policy File Number:

Date Approved: DD MMM YYYY

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Purpose: The purpose of this policy is to provide principles and guidelines on consultancy services to be delivered by AAU on the bases of knowledge and innovations gained in academic teaching, research and work experience

Relevant to: All academic units and collaborating Diaspora and Alumni Institutions

Relevant Legislations: Relevant national legislations, Higher Education Proclamation 650/2009, and AAU senate legislation on education and research.

Approved by: AAU President

Authorized by: AAU Board

Related Guidelines:

Related Forms:

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2. Preamble

Addis Ababa University (Hereafter referred to as AAU) recognizes that appropriate consulting activities are mutually beneficial to the University and to different communities and the society at large. The benefits include enhancing the knowledge, expertise and experience of the faculty; assisting in maintaining knowledge of practice and applications; opening and expanding contact and communication with other institutions, organizations, industry, governmental agencies and other clients; and fostering public service activities otherwise unavailable. This in turn may result in improved teaching, research, and service.

Specifically the University's aim is to:

- Transfer knowledge and innovations to society and the economy, to improve quality of life and sustainability, create opportunities, employment and wealth;
- Improve AAU's engagement and interaction with businesses, development agencies, the public sector, other higher education institutions and the wider community, for mutual understanding and benefits; and
- Ensure that all stakeholders benefit appropriately and fairly from the services rendered.

The provision of professional consultancy services is entirely concordant with these objectives and will contribute to greater interaction with businesses and society, the sharing of skills and knowledge, and the creation of economic opportunity.

The University further recognizes staff members' rights to engage in such consulting activities. However, such engagements shall accord with the parameters of this policy, the overall visions and missions of the University and/or those of the specific college, School, Institute or Department, and comply with the standards of the academic profession.

3. Definitions of consultancy:

- In this policy, consultancy is broadly defined as any form of professional or technical service rendered through the appropriate University channel or through links created or initiated by individual faculty with any organization or individual from outside AAU. It consists of the following features:
 - a) All consultancy services need to have memoranda of agreements expressing the commitments of all involved parties;
 - b) Work of a professional nature, undertaken by the University faculty in their field of expertise, for clients outside the institution, for which some financial return is provided;
 - c) Consultancy is the transfer of knowledge and innovations to address a client's articulated needs;
 - d) Consultancy will produce some form of contracted output which may be partly or wholly owned by the client;
 - e) The University normally does not have freedom of publication over the results of consultancy unless and otherwise explicitly stated in the terms of reference or negotiated with the client;
 - f) In general, consultancy assignments are short-term contracts, make minimal use of University resources and should primarily involve extra work for University faculty. However, it is possible to undertake consultancy assignments over a longer time period provided that the assignments do not compromise regular university duties, and provided that all costs of the service are covered by the client.

4. Activities to be excluded within the framework of consultancy arrangements

- This policy does not apply to those activities, paid or unpaid, which are in furtherance of scholarship or general dissemination of knowledge and innovations, such as:
 - a) Authorship of, or royalties from, the publication of books
 - b) Service on public sector or charitable committees
 - c) External examiner duties
 - d) Lecture tours and conference presentations or attendance
 - e) Editorship of academic journals/books, refereeing papers or the publication of academic articles
 - f) Professional arts performances
 - g) Research assessment exercises panel membership
 - h) Knowledge transfer partnership
 - i) Teaching quality assessors

5. Types of consultancy

- a. AAU recognizes two types of consultancy, namely, University Consultancy and Private Consultancy.
- b. University Consultancy is where a faculty member engages with a client as an employee of the university, thereby benefiting from the full support of the university including Professional Indemnity Insurance cover.
- c. Private Consultancy is where a faculty member operates in a personal and private capacity in his/her own time independent of the university, and in this capacity the faculty member cannot benefit from the support of the university.

6. Guidelines for both types of consultancy

6.1. The following guidelines relate to University Consultancy:

- a) The Office of Community Services (OCS) manages consultancy services on behalf of the university. Any faculty member undertaking a University Consultancy has the privilege to utilize OCS's services.
- b) University Consultancy should be within the area of expertise of the faculty member and should, where possible, offer a level of expertise which is not common in the marketplace.
- c) A faculty member undertaking a University Consultancy must gain approval for the consultancy from the Unit Head. The *University Consultancy Approval Form* can be obtained from the OCS.
- d) In signing the *University Consultancy Approval Form* the Unit Head is agreeing that there is no conflict with the University Consultancy and existing duties and responsibilities, and ensures to provide the necessary services during the progress of the consultancy activity.
- e) The faculty member (s) engaged in the consultancy activity will provide the OCS with the appropriate reports as per the consultancy agreement document

6.2 The following guidelines relate to Private Consultancy:

- a) The faculty member should ensure that there is no conflict with the interests of the university in undertaking the Private Consultancy.
- b) The university has the right to ensure that Private Consultancies are undertaken without detriment to the faculty member's capacity to discharge his/her core duties.
- c) In undertaking a Private Consultancy, it is the faculty member's responsibility to make clear to a client that they are not acting on behalf of the University.
- d) A faculty member undertaking a Private Consultancy shall not use the University name, logo, and intellectual property. Use of University services, facilities, and equipment requires prior negotiation with the university.

- e) Under conditions where a faculty member wishes the University to administer financial matters of his/her consultancy, he/she shall pay 15% of the total project cost and administrative fee.
- f) A faculty member undertaking a Private Consultancy is not covered by the university's professional indemnity policy.
- g) The university has no legal contractual responsibility for any irregularities that may be created in the Private Consultancy activities.
- h) The University has no interest in the conditions under which Private Consultancy is conducted and has no claim on any income earned. However, the University would advise that commercial rates to clients should not undercut the market rate for the relevant profession.
- i) It is the faculty member's responsibility to account for any income tax, insurance, VAT or any other taxes due to the appropriate tax authorities on amounts earned from Private Consultancy work.

7. Time spent on University Consultancy

7.1. During the Academic Year, faculty members are permitted to undertake a maximum of 30 days University Consultancy which requires time away from regular duties, on days when an individual would be expected to attend work at the University.

7.2. Where a faculty member needs more than 30 days to undertake University Consultancy during any academic year, he/she should obtain permission from his/her Unit Head, who will seek assurance that the regular duties of the Unit are not compromised.

8. Procedures governing University Consultancy

8.1. Approvals

- a) OCS approves all University Consultancies.

- b) In undertaking University Consultancy, the faculty member should complete a *University Consultancy Approval Form*.
- c) All forms should finally be sent to OCS where project records are filed.
- d) Heads of Units and/or Deans/ Directors shall not withhold the approval process of University consultancies unless it would adversely affect the interests of the University.
- f) In considering approval, Unit Heads and/or Deans/Directors shall ensure equality of opportunity among all staff for which they are responsible.

8.2. Appeal Process

If a faculty member believes that he/she is unfairly prevented from undertaking consultancy activities by his/her Unit Head, he/she may appeal to the Director of OCS for a ruling.

8.3. Contractual Arrangements

University Consultancies should be negotiated in line with the University's contractual requirements. This will mean the faculty member should ensure the following documents are submitted:

- University Consultancy Approval Form
- Proposal (technical and financial)
- Contract or Term of Reference

9. Financial Management of University Consultancy

9.1. Distribution of Income

Income obtained from the consultancy, following any payment for facilities used in the consultancy work, shall be distributed as follows:

- **75 %** of the gross income is payable to faculty members providing the consultancy service.

- 5% of the gross income is payable to the university, university unit, a group of faculty members or an /individual who solicited or implored the consultancy project
- 10 % of the gross income is payable to OCS
- 10 % of the gross income is payable to AAU

9.2. Mode of payment

- a) OCS invoices the client on behalf of the faculty member.
- b) OCS pays the faculty member in two ways:
 - i. Individual payments are processed through cheques and are subject to Income Tax.
 - ii. Individual payments are made on installment basis as follows:
 - 30% upon the signing and approval of the consultancy, subject to income tax.
 - 70% upon the completion of the consultancy work, subject to income tax.

10. Non-compliance

10.1. Failure to comply with the terms of the contract agreement may be considered as a breach of policy which may result in disciplinary action as per the legislation of the University and the contract agreement of the consultancy activities.

10.2. Employees should also note that in appropriate cases, the university could pursue recovery of all costs and damages to which it has been exposed as a result of break of the contract.

11. Review of Policy

This policy is effective from and may be revised as deemed necessary.