

## Policy & Procedures on Consultancy, Fee for Service, Non-Standard Teaching Programmes and Outside Work

<b>Policy Category:</b>	Financial
<b>Subject:</b>	Academic activities that fall outside research and the mainstream teaching of credit-bearing courses
<b>Approving Authority:</b>	SMT
<b>Responsible Officer:</b>	President & Principal
<b>Responsible Office:</b>	Finance Directorate/Human Resources Directorate
<b>Related Procedures:</b>	Procedures for University Contracted Services and Consultancies Procedures for Self-Employed/Private Consultancies Procedures for Private Medical or Dental Practice Procedures for Non-standard Teaching Procedures for Self-Employed/Private Teaching <a href="#">Financial Procedures</a> <a href="#">Code of Practice for Short Courses</a>
<b>Related College Policies:</b>	<a href="#">Finance Regulations</a> <a href="#">Declaration of Interests Policy</a> <a href="#">Policy and Procedures on External Funding &amp; Collaboration</a> <a href="#">Policy &amp; Procedures on Administration of Research Grants and Contracts</a>
<b>Effective Date:</b>	14 April 2022
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### I. Purpose & Scope

- 1.1 This policy is concerned with academic activities that fall outside research and the mainstream teaching of credit-bearing courses. It is classified using the following categories:
- (i) University Contracted Services ('Consultancy') Processes
  - (ii) Self-employed (Private) Consultancy, including private teaching
  - (iii) Private Medical or Dental Practice
  - (iv) Non-standard Teaching Policies and Processes
  - (v) External scholarly activity
- 1.2. It includes, but is not limited to, consultancy (including expert witness work), fee-for-service work (e.g., testing or so-called 'contract research'), non-standard or customised teaching programmes, conferences, private medical practice, evaluation and review, market research, design, journalism and other non-research publications.
- 1.3 It does not include activities, such as the Modern Language Centre or the English Language Centre, which operate as stand-alone business units within the university. Such units will be expected to operate effectively as departments in their own right and be managed on that basis.

- 1.4 All staff as well as emeritus staff, KHP NHS Trust staff holding honorary university appointments acting in an approved university capacity (carrying out fee-for-service work only and where the funds are to be processed via the university) and students are eligible to participate in such activities, but depending on their role and the needs of their department/directorate, or in the case of students, the requirements of their programme, may be limited in terms of the time that they may allot to them.

## II. Policy

1. The university actively encourages staff to engage in a broad range of activities that enable its ideas, technologies and expertise to be put into practice locally, nationally and internationally, whether directly (e.g., by providing expert services) or indirectly (e.g., through shaping policy). These activities are integral to the university's strategy and in addition to bringing a broad range of benefits to the university and its staff, they also contribute key metrics submitted by the university to HESA's annual Higher Education Business Interaction Survey (HE-BCIS) and the Knowledge Exchange Framework (KEF). They may also:
  - advance the professional development of the individuals involved
  - play a role in the performance and promotion process
  - promote the university's profile and reputation, including in the Research Excellence Framework (the REF) through impact case studies and outputs
  - lead to research and teaching collaborations as well as other opportunities (e.g., secondments, joint programmes or staff exchanges)
  - enhance the sustainability of university resources
  - provide income, either for individuals or for departmental activities (e.g., research groups, subscriptions, access fees or student support)
2. The university makes a clear distinction between a contracted service provided in its name (University Contracted Service) and the scenario where an individual member of staff provides services in a private capacity (Private Consulting). With a University Contracted Service, the contractual relationship is between the external client and the university and not with the individual member of staff.
3. Staff engaged in any outside work in a private capacity may not use university resources in order to carry out that work and will not be covered by the university's insurance.
4. Commitments to outside work must not be such that a staff member's availability for or ability to participate in their regular, university employment responsibilities are compromised.
5. When staff are engaged in work covered by these Procedures, they must be keenly aware of and promptly report any potential conflicts of interest they, their immediate family, anyone with whom they have a close personal relationship or researchers working on their project, may have with regard to the funder or collaborators on that work. This applies to both to services provided in the university's name as well as to services provided outside their contractual university role in a private capacity.

Examples of conflicts of interest may be found in the Declaration of Interests Policy.

6. All staff and students, including honorary and emeritus staff, carrying out work covered by these procedures and who also supervise or work on projects funded by the NIH, any [NIH institutes](#) or the Public Health Service of the US Department of Health & Human Service should read and make any necessary declarations under the [NIH Financial Conflict of Interest policy](#). This policy is supplemental to the university's own policies and procedures.
7. All engagements in outside work must be authorised at the appropriate level. This will vary depending on the individual involved and they type of outside work in which they wish to engage.

## Procedures for University Contracted Services (Consultancies)

### 1. General

1.1 In these procedures, the term 'University Contracted Services' covers consultancy (including expert witness work) and fee-for-service work (sometimes also referred to as 'contract research') where the funds are to be processed via the university. University Contracted services draw on university employees' and students' existing skills and knowledge to provide expertise to external organisations tailored to address their particular needs – ranging from advice and problem-solving through to the use of facilities, compound analyses and product development. These activities do not have the creation of new knowledge and intellectual property as their prime intent in the way that carrying out research does, and their outputs will normally belong to the client outright.

1.2 The university makes a clear distinction between a contracted service provided in its name (a [University Contracted Service](#)) and the scenario where an individual member of staff provides services in a private capacity ([Private Consulting](#)). With a University Contracted Service, the contractual relationship is between the external client and the university and not with the individual member of staff. Under this arrangement, university staff and students are covered by the university's insurance and may use university resources (including equipment and e-mail) to carry out the work.

1.3 The Research Management and Innovation Directorate ([RMID](#)) provides support and administration for all University Contracted Services.

1.4 In addition to these Procedures, all Contracted Services are governed by

- [The university Financial Regulations](#)
- [The Procedures for the Acceptance of External Funding and Collaboration with Organisations and individuals](#)
- [The Declaration of Interests Policy](#)

1.5 The carrying out of any contracted service must not detract from the core university duties and activities for which an individual is employed, and must:

- (i) comply with all applicable university policies, regulations, and procedures;
- (ii) be approved by the Head of Department/Division/Faculty, as appropriate, before the work commences; and
- (iii) be covered by a fully signed contract between the university and the client before the work commences in the case of University Contracted Services.

### 2. Scope

2.1 These procedures regarding contracted services apply to all substantive employees of the university as well as to emeritus staff, KHP NHS Trust staff holding honorary university appointments acting in an approved university capacity (carrying out fee-for-service work only and where the funds are to be processed via the university) and

students. All such individuals may provide the services covered by these procedures to external clients subject to formal approval from their Head of Department (Arts & Sciences Faculties), Head of Division/School (Health Faculties) or Executive Dean (if the staff member is themselves a Head of Department/Division/School).

- 2.2 Professional Services staff may carry out contracted services if the activity is outside normal working hours and beyond the scope of their job description (university staff employed on teaching-only contracts are permitted to consult on the same basis as academic staff).
- 2.3 For clarity, these procedures do not apply to KHP NHS Trust staff holding honorary university appointments who are providing services directly through the NHS or in a personal capacity; nor does it apply to other visiting staff.
- 2.4 University staff who are employed on a working visa should contact HR for advice before undertaking any Contracted Services, as such work may violate the terms of their visa. Students carrying out Contracted Services should contact Student Services for the same reason.
- 2.5 Staff are permitted to spend a maximum of 30 calendar days carrying out contracted services (whether university or private) in any university financial year, subject to their Head of Department's/Division's/School's approval. Exceptionally, at their Head of Department's/Division's/School's discretion, staff may provide University Contracted Services for more than 30 days per year where an outstanding benefit to the university can be demonstrated. Part-time staff may undertake Contracted Services up to a pro rata limit based on the percentage of time that they work for the university. This annual quotient includes any [self-employed \(private\) teaching](#).
- 2.6 Staff undertaking Advisory Consultancy (as defined below) may choose to receive any personal fee costed into the project budget if authorised by the relevant Faculty, School or Departmental approver via an associated [Worktribe](#) Project Record as a payment made through the university payroll. Further details are set out [elsewhere](#) in these Procedures.

### **3. Categorisation**

3.1 University Contracted Services fall into two distinct categories:

#### **3.1.1 *Fee-for-Service***

Activity that uses resources or facilities of the university, either staff employed on the activity (beyond the lead staff member/s), equipment or other facilities to deliver a service. Examples include routine testing and analysis, evaluation, feasibility studies, validation work (information, data, materials and products etc), use of facilities, some pilot projects, pump-priming work, the delivery of an end product to the client's specification, and work which does not meet the HESA/Frascati definition of research (e.g., on publication or rights to use project results), etc. Any work using the university's name is also considered to be a contracted service, except as expressly

provided for otherwise in this policy. Fee-for-service work may not be undertaken on a private basis.

### 3.1.2 *Advisory Consultancy*

Activity undertaken by an individual expert that makes no or only minimal use of the university's facilities and which is undertaken by that individual only as an employee of the university delivering an agreed 'service' to a client. Examples include specific advice or review of a client's products, evaluating strategy for a business, protocol review, literature review, sitting on advisory boards, data analysis, audit, translation, policy review or development and expert witness work.

3.2 All work that involves the use of the university's resources (including the university or an academic unit's name, stationery, materials, data, intellectual property, meeting rooms, computers, facilities etc.) must be undertaken as a university contracted service and may not be arranged as private consultancy.

## **4. Costing, Pricing & Use of Worktribe**

4.1 All University Contracted Services can be costed and priced using [the Worktribe system](#), via the initiation of a Project Record, subject to the costing and price having been approved by the relevant Faculty/School/Department approvers and by the [Contracts Team](#) in RMID.

4.2 Any employees wishing to initiate University Contracted Service costings on Worktribe should have first attended relevant Contracts Team Consultancy training.

4.3 Once a price has been agreed with the funder, the Contracts Team will draft, negotiate and sign the legal agreement for the work; individual academic or research staff are not empowered to sign such agreements in the university's name.

4.4 Income received from University Contracted Services will be administered and invoiced by the [Post-Award Section](#) in RMID.

4.5 Where companies in which the university or a member of the team carrying out the work has a shareholding, directorship/controlling interest or other interest, commission University Contracted Services, transparency and operational integrity are especially important. Such companies should not be given preferential discounts on the price they pay for services (i.e., they should not be subsidised by public funds), but must be treated in the same way as any other commercial organisation as regards price and other terms of engagement (e.g., payment terms, use of name, confidential information, warranties and indemnities). To do otherwise would raise concerns about breaches of State Aid regulations. All such potential or actual conflicts of interest should be brought to the attention of member of RMID handling the negotiation as early as possible and declared as set out in the university's [Procedure for Disclosing](#)

[External Interests and Managing Conflicts](#). It should be noted that Section 2.2 of the university's [Financial Regulations](#) states that "Officers and staff must not allow their private interests to conflict with their official duties and must register any pecuniary or other interests. They may be requested to withdraw or be excluded from certain decision-making processes as a result of such registration."

- 4.6 All costs and their distribution are to be approved by the Faculty/School/Department by means of the Worktribe approvals process. If approved, all consultancy fees payable to university staff and students from Advisory Consultancy will be made through the payroll by the Faculty/School/Department, be taxable and will attract National Insurance (NI) charges; all such charges should be budgeted for when pricing the work.
- 4.7 Agreed consultancy fees from University Contracted Services that are not taken personally may be transferred to a suitable local Departmental/Divisional account, to be specified and agreed between the academic and their local managements, preferably during the Worktribe application and approval process.
- 4.8 *Fee-for-Service*
- 4.8.1 Fee-for-Service work will be costed by the [Contracts Team in RMID](#) using Full Economic Cost (FEC) principles and priced with the minimum acceptable cost recovery being full FEC, except in exceptional, agreed circumstances. It should be noted that the OFS's '*Terms and conditions of Funding for Higher Education Institutions*' state that - "As part of ensuring its long-term sustainability, an HEI should know the full cost of its activities and use this information in making decisions. If it does not seek to recover the full cost, this should be the result of a clear policy set by the governing body and included in the financial strategy of the institution We do not expect public funds to subsidise non-public activities." Therefore, only in exceptional circumstances should a price below FEC be charged to a client.
- 4.8.2 Wherever possible, a premium will be added to the FEC cost to reflect the market value and opportunity cost of the service being provided. Premia will be agreed with the lead consultant and approved, along with all other direct and indirect costs, by the Faculty/School/Department through the approval of the Worktribe Project record and subsequently distributed on the basis agreed by the approvers. The distribution and split of any premia will be agreed by the relevant Faculty, School or Department and if any amount is apportioned to the university staff member this can only be forwarded to an employee's departmental research account and cannot be taken as personal salary payments
- 4.8.3 The university will also seek to charge PI time above the basic FEC amount (the FEC amount is usually 10-15% FTE) to reflect the value and expertise of the university expert; these additional amounts may be taken as personal consultancy fees once the university's and any external costs are covered in full and subject to Faculty/School/Department approval. All amounts will be distributed as agreed by the

approvers.

- 4.8.4 Honorary staff substantively employed by one of the university's KHP partner NHS Foundation Trusts acting in a capacity approved by the university and their employing Trust may carry out Fee-for-Service work.
- 4.8.5 VAT is chargeable on Fee-for-Service work at the prevailing rate.
- 4.9 *Advisory Consultancy*
- 4.9.1 Given the nature of Advisory Consultancy, costing the activity is more straightforward than Fee-for-Service work, as the costs generally comprise just the consultant's fee and sundry minor costs or expenses. However, the consultant benefits from the university's Professional Indemnity insurance as well as drafting, advice, negotiation, invoicing and other services provided by the [Contracts Team in RMID](#). This cost is covered by charging a 25% overhead fee. It should be noted that this fee is not a top slice taken from a consultant's fee but is an amount added to that fee (and any costs).
- 4.9.2 Generally, the amounts for the consultant's salary and the premia can be distributed to the consultant as personal salary payments. However, a Faculty, Division, School or Department may choose to distribute the premia according to a different arrangement.
- 4.9.3 Working with the consultant, the Contracts Team will negotiate the consultant's fee with the client to reflect their market value using rates appropriate for the discipline and taking due account of what is appropriate for the funder (e.g., a small charity or a large company). The fee is usually based on an hourly or daily rate, made up of the consultant's actual salary costs, an agreed premium relative to the funder type and the 25% overhead charge. In exceptional cases, a department may wish to include a more generalised opportunity cost in the budget of a consultancy.
- 4.9.4 VAT is chargeable on Advisory Consultancy work.

## 5. Approvals

- 5.1 It is the responsibility of Heads of Faculty/School/Department/Division to approve and account for all University Contracted Services and private consulting carried out by staff and students in their area of authority and to ensure that the pursuit of such activities does not conflict with the member of staff's other university duties or the student's programme of study.
- 5.2 All activity carried out by individuals covered by the scope of these Procedures requires the approval of that activity (including, as appropriate, its price and use of any university resources), by the appropriate Head of Department/Division/School/Faculty or their nominated representatives before the start of the work. Such approval will be given through the approval of the relevant Worktribe Project record.
- 5.3 The [CA2 form](#) is to be used for all [Private Consulting](#). These approval forms are for internal university purposes only and must not be disclosed to the client or any other



external organisation.

## **6. General Considerations & Requirements**

6.1 When providing University Contracted Services, King's good name and academic integrity must be maintained and protected. King's will not accept funding or in-kind support (e.g., the provision of material or equipment and exchanges of materials) from organisations or individuals, or enter into collaborations with them, where the nature of the activity or the association with the organisation or individual may bring the name and integrity of the university into disrepute. Examples of this would be collaborations with the arms trade, overseas governments that are subject to UK sanctions or the tobacco industry (as defined in [Cancer Research UK's Code of Practice on Tobacco Funding](#)), or engaging in activity that:

- involves or arises from the violation of international conventions (such as those on human rights or the environment), or
- entails corruption (including bribery or other forms of inducement), or
- could lead to breaches of law or regulation (e.g., regarding data protection or informed consent), or to breaches of the university's own procedures (such as those relating to procurement, recruitment, expenses, academic governance or promotion).

Further details can be found in the '[Procedures for the Acceptance of External Funding and Collaboration with Organisations and Individuals](#)'.

6.2 The independence and academic integrity of the conduct of all University Contracted services and their findings must not be compromised and in any agreement for the work, the university must always be able to protect its reputation in the way that any outputs can be disseminated, presented and used as well as in the way that both its and its researchers' identities can be used. All Contracted Services should fully adhere to the standards and values set out in the university's [Statement on Research Integrity](#).

6.3 The university will not allow its name to be used to in advertising or endorsing products or brands created as a result of Contracted Services work or associated with that work.

6.4 Where project reports are permitted to be used publicly by a client or are to be used as a policy document, the university must always retain control over how its name and reputation are managed.

6.5 Where any aspect of a proposed activity raises significant concerns, that activity will be put through a due diligence process to ensure that the risks are assessed and, where appropriate, mitigated and managed. Alternatively, the proposed collaboration may be declined.

6.6 Some sources of funding or collaborations may be politically sensitive and such activities may also have to comply with certain national and international

requirements, such as UK export controls (which apply to the export of project deliverables / findings and the provision of materials), or trade sanctions on activity in, or supported from, particular countries or by organisations and individuals with links to those countries. It should be noted that in extreme cases, export controls may even apply to academic publication itself. Further information regarding trade sanctions and export controls can be found on the [RMID webpages](#).

- 6.7 The academic undertaking a University Contracted Service is responsible for drafting the scope of work with the client's approval to be included in the schedule of the contract. The project to be undertaken must be clearly defined with achievable goals. The start date and agreed period of work must be realistic and the fee charged must cover all the costs of the engagement and project, including any substantial discussion and preparatory time prior to the execution of the contract. Where required, milestones and interim reporting will be incorporated into the contract. The academic is responsible to ensure compliance with the terms of the agreement as it could result in the client withholding payment with repercussions on both the academic and their Faculty, Division, School and/or Department in respect of any lost revenue or potential legal action against the university
- 6.8 Where a project requires certain contributions from the funder (e.g., the supply of software, compounds or datasets to be analysed), investigators should bring this to the attention of RMID so that these requirements can be expressly set out in the contract.
- 6.9 The terms in legal agreements for University Contracted Services are very similar to those for research that are set out in the Policy and Procedures on Administration of Research Grants and Contracts. Many of the same principles, considerations and concerns apply, for example with regard to liability and indemnity, risk, confidentiality, data protection, dispute resolution, foreign currency, choice of law and jurisdiction, cash flow, signatories and subcontracting. The most significant differences from the terms and conditions in research contracts are:
- 6.9.1 *Intellectual Property (IP)* - The results of University Contracted Services will generally belong to the client, although in certain cases the university may be able to negotiate the right to use the results of their work for further academic purposes and be able to publish. However, where providing services to a client involves either the creation of new tools and techniques for the university to carry out the work, or else improvements to existing university tools and techniques, the contract terms will be negotiated so that those tools and techniques remain the property of the university. Examples of such tools and techniques are computer source code, questionnaires, databases, datasets, sets of DNA or tissue samples or animal models. Although carrying out a contracted service frequently draws on university pre-existing or 'Background' intellectual property, no transfer of ownership of those rights or a grant of exclusive rights of use may be permitted when providing contracted services.
- 6.9.2 *Publication* - The nature of a Contracted Service is to provide to provide a specific,

non-research service to the client for a fee, hence the outputs of the work will normally be the confidential property of the client and publication may not be permitted in most cases.

- 6.10 One way in which the university manages the financial risks associated with working with commercial funders (non-payment, bankruptcy etc.) is by carrying out credit checks on funders that are new to the university or whose status gives potential cause for concern (e.g., new, small or start-up/spin-out companies). Where a credit check indicates that a company is not financially robust, the company is too new for the credit check to yield any meaningful financial data or if there are other grounds to be cautious, the university will put in place measures to ensure that the university is not financially exposed if it is decided to proceed with working with that company.
- 6.11 The payment terms need to be carefully considered and where possible, payments will generally be made in advance so that the university is not carrying the cost of undertaking the work and claiming for it in arrears, although it may be reasonable for a moderate portion of the price to only be paid at the end of a project pending the completion of the work.
- 6.12 Some projects that are initially anticipated to be a contracted service may subsequently prove to be more accurately and beneficially classified as 'research' as detailed [here](#) and in accordance with HESA/ Research England guidance, provided that suitable contract terms can be negotiated. In such cases, the work will then be handled as a research project and not as a contracted service, or, in some cases where it is possible and worthwhile, the work may be disaggregated into a research element and a contracted services element. Where it is unclear how the work should be classified, the Contracts Section of RMID will resolve the matter with the relevant Dean of Faculty and/or Head of Division/Department.

## **7. Project Administration & Finances**

- 7.1 Each University Contracted Services project will be given an individual activity code in the university finance system and allocated with full budgets applied in line with the activities identified on the Worktribe Project budget section and, where applicable, the financial schedule of the contract for the work. The nominated budget holder will receive notification of the project cost code and breakdown once the contract for the project has been fully executed, all approvals are in place and the project has been fully set up on Worktribe and the finance system.
- 7.2 All University Contracted Services income must be banked in the university's bank account and as university income, must only be used for valid university purposes.
- 7.3 Faculties, Departments, Schools and Divisions should only authorise staff with suitable levels of skill and knowledge to undertake the local management of University Contracted Services, including the appropriate levels of knowledge of:
- (i) relevant university procedures, processes and systems,
  - (ii) the terms and conditions of the client, and

- (iii) any other applicable conditions, regulations, processes and guidelines that may apply.

7.4 Budget holders on University Contracted Services accounts will generally be the sole or lead consultant. They have overall responsibility for the scientific, technical and local financial management of their consultancy projects, which includes the management of the project in accordance with university financial regulations and procedures as well as with the client terms and conditions (i.e., requirements concerning the submission of reports, notification of significant changes to the project or the completion of any time sheets). It is therefore the responsibility of budget holders to familiarise themselves with the relevant terms, conditions, procedures and regulations and where they are unclear as to what may be required of them, to seek guidance from RMID. Where financial information is to be included in scientific reports, only financial data provided by RMID should be used.

7.5 The [Post-Award Section](#) of RMID is responsible for the financial administration of all University Contracted Services. This includes:

- verifying the receipt of funding for any staff who are to receive payment
- verifying the availability of funding for any staff who are to be appointed
- setting up any staff positions in advance of approving staff recruitment
- advising lead consultants, Divisions, Schools and Faculties on expenditure
- monitoring expenditure through the duration of a project and controlling deficit accounts in liaison with PIs and local Faculty, Divisional, School or Department administration
- collating supporting documentation and invoicing clients
- producing financial information and detailed analysis on projects as required
- credit control, including pursuing unpaid invoices
- tracking progress
- provision of regular high-level, detailed financial project analyses to advise the university on potential bad debts and client payment trends to enable strategic decision-making.

7.6 Post-Award will pro-actively monitor and remove all ineligible expenditure that has been incorrectly charged to University Contracted Services activity codes at regular intervals; all such amounts will be recharged to the Faculty/School Division/Department overhead activity code. Post-Award will provide the Faculty/School/Division/Department with information that identifies the original activity code and an explanation as to why the costs have been deemed ineligible.

7.7 All personal consultancy fees payable directly to university staff and students from University Contracted Services must be authorised by the appropriate Head of Faculty/Division/School/Department through completion of the payment request form (PR1). Once completed, the PR1 form should be sent directly to King's Payroll and copied to the appropriate RMID [Post-Award](#) contact for the project.

- 7.8 Consultancy fees payable to university staff and students from University Contracted Services may only be paid into or transferred to a nominated Divisional/School/ Departmental account once the funding to cover those fees and any related taxation and NI has been received from the client.
- 7.9 Many contracts for Contracted Service stipulate procedures and timelines that the academic lead must follow regarding the submission of interim or final project reports and/or other deliverables including project milestones. Failure to comply with these conditions may result in the university being financially penalised by the client. As it is the responsibility of budget holders to ensure that these contractual obligations are met, any financial penalties will therefore be charged respective School, Divisional or Departmental funds. Budget holders should be aware that these obligations and the right to apply penalties to the university may extend beyond the end date of the project.
- 7.10 Budget holders should ensure that anyone to whom they delegate purchasing authority has the appropriate level of aptitude, knowledge and understanding of university policies and procedures as well as the client's terms and conditions. When delegating authority in this way, lead consultants should ensure that they pass all relevant details of the contract and its terms and conditions to the individuals concerned.
- 7.11 All expenditure should be charged directly to the project account for which a purchase is intended and must be in accordance with the budget awarded for the project as well as the terms and conditions of the client. Expenditure should also only be incurred between the actual project start and end dates set out in the contract and should also comply fully with the university's purchasing and procurement regulations. Where a project is annually renewable, until an amendment is signed that implements an annual renewal, the contract dates will remain changed and any further invoicing will be subject to the client's written agreement. Should a budget holder wish to incur expenditure in a manner that is different from the original amounts awarded and/or which falls outside of the terms and conditions of the contract, they should work in consultation with Post-Award to the client's formal written permission and will only be permitted by the university to proceed once this has been obtained.
- 7.12 Whenever expenses are moved to or between Contracted Services accounts, the budget holder is responsible for ensuring that the project activity code which ultimately bears the expense is the project which benefited from the expense and also that the expense is permitted under the client's terms and conditions. The budget holder must also ensure that there is adequate documentation to demonstrate the appropriateness of the transaction. The nature of the documentation required may vary depending on the client but must always be in line with university Financial Regulations and Procedures. Budget holders will also be required to complete a Post-Award transfer request form relating to the expense to ensure that there are explicit, transparent and auditable records on file.

- 7.13 Should a budget holder believe that their contract is at risk of early termination, they should promptly notify RMID .as well as their local administration. Post-Award will review and advise the budget holder regarding the terms and conditions of contract, expenditure and budget commitments, and will work with the budget holder and the Faculty/Division/School/Department on a suitable strategy to ensure the optimal outcome based on the circumstances.
- 7.14 University Contracted Services activity codes are closely monitored by Post-Award in the period towards the end of a project, with particular scrutiny being given to the nature and validity of transactions. Post-Award will work closely with Faculty/ Divisional/Departmental administration during this period to ensure that this process is managed in a timely and effective manner, and within three months of the end date of a project will produce final reconciliations for University Contracted Services accounts for approval by budget holders before submission to clients, where relevant.
- 7.15 Financial reports are available through access the university finance system that gives a summary of expenditure to date within the main budget categories.
- 7.16 Where an internal or external audit of a project disallows expenditure that has been made on an activity code, it is the responsibility of the Faculty / Division/ School/ Department to cover that expenditure from an appropriate local self-funding, non-research activity code (normally one for which the account holder is responsible).
- 7.17 On conclusion of a project (i.e., after the submission of all agreed project deliverables), Post-Award will verify that all expenditure incurred in undertaking the project has been correctly charged and ensure that all payments from the client have been received and accounts with a zero balance will be closed.
- 7.18 Should an account have a negative, i.e. debit balance, the debit will either be charged against an appropriate self-funding, non-research account (normally one for which the account holder is the Budget Holder for the project in question), or if that is not possible, the debit balance will be coded to the relevant Faculty/Divisional/School Departmental non-pay cost centre with appropriate documentation being agreed with the relevant Faculty/ Divisional/School Departmental management accountant. The consultancy account will then be closed.
- 7.19 The university's General Policy regarding residual credit balances in project accounts remaining at the end of a project once all costs have been charged to the account, the final report has been submitted and accepted by the client and there is no requirement to return unspent balances to the client is that any credit balance remaining on a University Contracted Services account at the end of the applicable university financial year will be treated as contribution to overheads and accounted for in the same way as indirect costs. The balance will be transferred to the Faculty overhead recovery account and the research account closed with a nil balance remaining. The total of the Faculty overhead recovery account is credited against the Faculty overhead recovery target and is taken into account in determining Faculty financial performance against

the contribution margin. This general policy applies in all circumstances unless the special policy (below) is applicable.

- 7.20 The university also operates a Special Policy regarding residual credit balances that applies where the project has recovered at least the full FEC of the work. In such cases, the balance on the account up to a maximum of £100,000 will be transferred to another account within the university specified by the principal investigator. Any remaining balance in excess of the £100,000 maximum will be accounted for under the general policy and transferred to the Faculty overhead recovery account and the Contracted Services account closed with a nil balance remaining. In any one University financial year no budget holder may receive more than £100,000 return of unspent (residual) balances in total across the whole of their research and Contracted Services portfolio.
- 7.21 If there is any uncertainty as to whether the general or special policy applies to any individual University Contracted Services account, the matter will be referred to the Chief Accountant.
- 7.22 By their nature, [Advisory Consultancy](#) projects should not have any residual balances, whereas it is possible for [Fee for Service](#) contracts to have unexpended balances on their conclusion.

## Procedures for Self-Employed (Private) Consultancies, including private teaching

1. Consultancy work that does not draw on university resources (see below) may be undertaken by a member of staff or student in a private capacity (either acting personally or through an external organisation in a way that is wholly consistent with university policies and procedures), subject to the approval of their Head of Department, School, Division, or Executive Dean (in the case of Heads of Division/School).
2. The requirements and stipulations concerning who may carry out private consultancy and the number of days that an individual may devote to consulting are set out in Section 2.1, under '[Scope](#)'.
3. When consulting privately, staff and students are not covered by the university's insurance policies and should arrange for their own insurance as they see fit.
4. [Fee-for-Service work](#) may not be undertaken as private consultancy.
5. Private Consulting generally includes [external scholarly activities](#) as well as private teaching (where a member of staff is invited to deliver non-standard teaching for an external client for a fee in their own time).
6. When consulting privately, a consultant is acting entirely in a personal, self-employed capacity without use of university resources and not on university premises. Such private work should be carried out in the individual's own time, and the individual may not:
  - use any university address (postal or e-mail) in any communication with the client, nor make use of any university resources (e.g. staff, equipment, facilities, space, intellectual property, data, teaching materials)
  - do anything that could lead a client to believe that the individual is acting in their university capacity (e.g., by using university stationery, e-mail, crest, logo or address)
  - hold meetings on university premises, as this may be interpreted as an association with the university and hence the university's tacit endorsement of the private consultancy services
  - use university computing equipment or software, even if the university is reimbursed; university software licenses are generally for university academic use only and do not permit private, non-university usage.
7. When consulting privately, it is nevertheless permissible for a consultant to state that they are employed by the university, as this is a simple matter of fact. However, doing so creates a clear potential for misunderstanding and may lead a client to believe that it is contracting with the university rather than with a private individual. Therefore' anyone consulting privately should take positive steps to ensure that no such misunderstanding is able to arise and that there is no consequent risk to the university.



8. In a private consultancy, it is the consultant's responsibility to:
  - negotiate terms and conditions with the client, including any use of the results of the consultancy.
  - obtain their own legal advice.
  - inform the client, using a Disclaimer of Liability letter (a template will be provided by the Contracts Section in RMID), that they have no contractual relationship with the university and therefore there is no liability on the university for the work being undertaken.
  - collect their fees from the client. Fees from a private consultancy or private professional practice, except for [external scholarly activity](#), may not be paid directly by the external client into a university account.
  - account for their income tax, national insurance, VAT or any other taxes due on the activity.
  - assess the risks involved in carrying out the work and determine whether and how to obtain personal professional indemnity or liability insurance for their consultancy.
  
9. All private consultancies must have the prior approval by Head of Department/ Division/ School or Executive Dean, through the completion of form [CA2](#). If the Head of Department /Division or Executive Dean deems the project unsuitable for private Othe work may be carried out as a University Contracted Service subject to agreement on terms.
  
10. The member of staff acting as a private consultant is solely responsible for fulfilling all their personal taxation, VAT and National Insurance (NI) liabilities. Should the member of staff wish to donate income earned through self-employed activities to the university in a tax efficient manner, this can be done through Gift Aid.
  
11. Intellectual Property generated by members of staff in the course of their normal university duties is owned by the university, or in the case of some externally funded projects, by the funders of those projects. Even where intellectual property arising from externally-funded research belongs to the university, it may nevertheless have been licensed to the funder and/or have restrictions attached to its use by the university (e.g. restrictions specifying that it may not be used for commercial purposes). Therefore, consultants who act in a private capacity may not use any Intellectual Property that has been generated at the university or assign or grant licences to such Intellectual Property, because they, as individuals, will not own that Intellectual Property, will not have any right to grant rights to use it and will not have any right to use its themselves in a private capacity.
  
12. Where a consultant, acting privately, becomes aware that the Client requires access to Intellectual Property created at the university, they should advise the Client that it may be possible for them to obtain access to such Intellectual Property under a licence from the university or from the owner of the IP, where the university is not the owner.

However, where such a licence is required, the consultancy must be undertaken as a [University Contracted Service](#) and not as private consultancy.

13. Any Intellectual Property created in the course of private consultancy will usually belong to the Client and the university would not ordinarily lay any claim to it. Should the consultant wish to use any such Intellectual Property themselves in the future, they will need to obtain a licence from the Client to do so, and if the consultant wishes to use any of the Intellectual Property for university purposes (including in externally-funded research projects), they will first need to obtain a royalty-free licence from the Client to the university expressly for this purpose. The university will offer advice on this scenario on request, and may take the lead in the framing and negotiation of such licenses, as appropriate.

## Procedures for Private Medical and Dental Practice

1. Private medical and dental practice is defined as the direct provision of care or treatment outside the NHS to patients by a clinician. The provision of services to the NHS is not private practice, even where it involves patient care, as the care is under the management of the NHS (and may therefore be undertaken either as self-employed or under the aegis of the university).
2. Private practice should always be conducted on a self-employed basis in accordance with the above rules. Clinicians should ensure that they have adequate professional indemnity cover (e.g., through the Medical Defence Union or equivalent) as they are not covered by the university's insurance.
3. Prior permission of a clinician's Executive Dean is required. Permission will not be withheld unreasonably, in particular outside normal working hours, but will be subject to academic and service commitments and reviewed annually. If private practice interferes with the availability for, or the performance of the academic or service commitment of the member of staff, permission will be rescinded.
4. Staff should be 'geographically' full time during normal departmental working hours. This means that any private practice should be undertaken only within the confines of the KHP NHS Foundation Hospital Trusts or adjacent private institutions.
5. This issue is also addressed in the [Conditions of Service for Clinical Staff](#) (Annex C 'Private Practice for Personal Gain')

## Procedures for Non-standard Teaching

1. Non-standard University Teaching covers all forms of short courses, delivered to external audiences for a fee, that use university resources, facilities or equipment or may involve more than one member of staff and which use the university name or logo, but which are not sufficiently well established or large enough to warrant treatment as a unit separate from the host department. All university short course activity must be undertaken in accordance with the university's [Code of Practice for Short Courses](#).
2. Short courses may be:
  - [King's Professional & Executive Development \(KPED\)](#) – a bespoke programme produced specifically for (and with) an external client who determines the content and attendees.
  - Open Enrolment – a course that is designed with a number of customers in mind that may be publicly advertised and open to any appropriate individual who may book to attend. It may be targeted at a particular sector or area of interest.

Further information on short courses in the university may be found [here](#).

3. All Open Enrolment courses must be approved in advance by the relevant Head of Department (Arts & Sciences Faculties) or Division/School (Health Faculties) through the completion and signature of the [Short Course Approval Form](#). Approval for a short course may be denied for a range of reasons, including lack of financial viability, staff workload, ethical and reputational risk or not of a suitable academic standard.
4. All KPED courses delivered using university resources or facilities or using the King's College London name and/or logo must be contracted in the name of the university and signed by an appropriately authorised individual. All KPED courses should be negotiated by External Relations. Where a contract is required for any short courses using university facilities, resources, and/or use of university name, this must be signed by an authorised signatory.
5. The form and wording of contracts and agreements is of great importance, and some words may carry unexpected and very specific legal meanings. Many of the principles outlined in [insert reference to appropriate section in Research Procedures] will apply.
6. A completed [Short Course Approval Form](#) and signature of a contract provides for the programme to be covered under university liability and indemnity insurance.
7. University non-standard teaching programmes must be properly costed taking into account all directly allocated and incurred costs and indirect costs. The budget for the course will be included in the [Short Course Approval Form](#) and approved by the Department/School/Division. The price of KPED programmes will be set at a

commercial rate based upon the costs described and will be negotiated with the client by KPED.

8. Courses hosted by the university will normally be exempt from VAT. If the course is to be run by another entity, such as a subsidiary company, then advice should be sought from the Tax Manager as to the correct VAT status.
9. All proceeds of university non-standard teaching must be banked in the university's bank account. The funds are funds of the university and must only be used for valid university expenditure; however, they may be credited to a department reserve account. A separate department reserve account will be established for each iteration of a short course in order to clearly track all relevant income and expenditure items and ascertain its profitability or otherwise. Accurate expenditure and income codes are to be used to allow for proper internal management analysis and institutional reporting.
10. Profits after deduction of all costs including overheads may be carried forward by the Department or Division/School (Health Faculties) as a departmental reserve for future investment in new activities. Directly incurred and indirect costs will be returned to the Faculty/Division/School.

## Procedures for External Scholarly Activities

The university encourages staff to join relevant committees of public and government bodies as part of its academic role and mission. Although such work may involve payment of modest fees by an external organisation, the contractual arrangements are generally made directly with the member of staff who may keep the honoraria, where applicable, and comply with taxation requirements directly. Staff may donate this personal income to the university to be held in a departmental account for general academic support purposes. Where a contract for external scholarly activity is required to be made with the university rather than with an individual, the activity may be treated as [Advisory Consultancy](#).

Examples of scholarly work include (i) participation in external assessment procedures (e.g. REF, QAA) carried out for national bodies, (ii) membership of committees in national institutes, Research Councils, UK Government Departments, (iii) editorial positions on scientific journals (iv) editing or authoring academic works, or (iv) speaking at conferences, giving university lectures or participating in academic debates, science festivals or similar dissemination events. Scholarly work may use the university's name for information purposes only.

Acting as an external examiner for another university or as a peer reviewer, whether paid or unpaid, is regarded as an educational service within normal academic duties.