



# University Procedure

## Earned Income Activities (Higher Education)

### 1. Purpose

This procedure sets out the process to be followed when entering into contracts with parties external to the University for earned income activities.

### 2. Scope

This procedure applies to all Higher Education School/Section and Centre earned income activities.

### 3. Definitions

**Direct Costs:** Are those costs directly incurred in providing the service.

**Earned Income Activities:** Are activities that are externally funded by non-DEST sources. This includes all research activity, fee paying international programs, short courses and consultancies. It excludes ARC and NHMRC grants.

**Submission:** A communication to a potential or existing customer with whom the University intends to work in a commercial arrangement. For example, this could be in the form of a proposal, a response to a Request for Tender, or a response to an Invitation to Register.

### 4. Actions

#### A Identification of an opportunity

1. Perform a preliminary analysis of the volume of work required and assess whether the resources are available or can be engaged to complete the submission.
2. Refer all potential opportunities to the Head of School or Director of Section/Centre to review the requirements of the client and determine whether to proceed with the submission.

#### B Development of the Submission

1. Develop the submission ensuring all University policy, procedures and guidelines are complied with.
2. Develop a budget for the service, including the determination of GST if applicable. All budgets must be developed using the relevant University costing proforma which can be located at [http://www.ballarat.edu.au/fdp/planning\\_strategy/forms.shtml](http://www.ballarat.edu.au/fdp/planning_strategy/forms.shtml). Budgets are to include all direct costs attributable to the project; the appropriate uplift factor required under the National Competition Policy and a profit margin. An exemption from Internal Infrastructure charges may be granted. This exemption must be sought from the Deputy Vice-Chancellor, who must inform the Director, Management Accounting and Budgeting of the exemption being granted.
3. Refer all projects with an anticipated budget exceeding \$250,000; and or relate to the provision of a service off-shore; and or relate to the provision of a service on-shore and involve international students, to the Manager, Business Development – Finance, for review. If an Earned Income Committee meeting is required to be convened prior to the lodgement of the submission, this will be arranged by the appropriate officer. Please allow at least 7 days for the Committee to be convened.

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4. If tender response, submission or proposal will, by default, result in the acceptance of a contract provided by the client, submit a copy to the Legal Office for review (together with a completed Request for Legal Services and Finance Checklist form).
5. Forward tender/proposal to the delegated University officer for approval. Refer to the University's Delegations – Contracts, Financial, Staffing and Tenders Policy.
6. Forward submission to the external party for consideration.
7. Advise the Head of School or Director of Section/Centre, of any significant changes to the submission requested by the external party.
8. Amend submission and re-submit if required.

#### C Contract Finalisation

1. Complete the Request for Legal Services and Finance Checklist for Agreements forms at <http://www.ballarat.edu.au/vco/legal/Forms/forms.shtml> and forward contract documentation to the Legal Office
2. Upon approval by the Legal Office, forward contract to the external party for signature.
3. Once signed by the other party, forward to the Legal Office to obtain the signature of the Vice-Chancellor on behalf of the University.

#### D Activation of a Project code in Finance System

1. Determine if the project requires a separate project account code.
2. Complete and send to Finance a Request to Raise a General Ledger Project Code Account form at [http://www.ballarat.edu.au/fdp/planning\\_strategy/forms.shtml](http://www.ballarat.edu.au/fdp/planning_strategy/forms.shtml)
3. Send an electronic version of the budget to the Manager, Business Development – Finance.
4. The Finance Department will activate the project code upon receiving the two documents listed.

#### 5. Responsibilities

**The Vice-Chancellor** has the responsibility to sign submissions and contracts as specified under the University's Delegations – Contracts, Financial, Staffing and Tenders Policy.

**The Deputy Vice-Chancellor** has the responsibility to sign submissions and contracts as specified under the University's Delegations – Contracts, Financial, Staffing and Tenders Policy.

**The Head of School or Director of Section/Centre** has the responsibility to ensure that this procedure is applied to all relevant earned income projects within their school/section/centre. Specific responsibility exists in signing off at certain points of the process and the responsibility that all activities are delivered as close as practical, on time and within budget.

**The Management Accounting & Budget** Section has the responsibility to update and provide advice on the use of University Costing Proformas; examine the financial aspects of all submissions that fall within the terms of reference of the Earned Income Committee; convene Earned Income Committee meetings when required; and provide recommendations to the Vice-Chancellor or Deputy Vice-Chancellor in relation to the authorisation of the submission.

#### 6. Policy Base

- [Delegations – Contracts, Financial, Staffing and Tenders Policy](#) as authorised by the Council of the University.
- [National Competition Policy](#).
- [Policy for Costing & Distribution of Earned Income in Higher Education](#).
- [Earned Income Committee – Terms of Reference](#).
- [Policy for Risk Management](#).

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### 7. Associated Documents

- [Forms.](#)
- [Costing Proformas.](#)
- [Request for Legal Services Form.](#)
- [Finance Checklist for Agreements Form.](#) (Link currently not available – to be rectified in final document)
- [Request to Raise a General Ledger Project Code Account Form.](#)

### 8. Forms/Record Keeping

Title	Location	Responsible Officer	Minimum Retention Period
Costing Proformas	Finance	Manager, Business Development (Finance)	Project Life
Request for Legal Services	Legal Office	Manager, Legal Office	1 year
Finance Checklist for Agreements	Finance	Head, Financial Operations	Project Life
Request to Raise a General Ledger Project Code	Finance	Finance Officer (Management Account & Budget)	Project Life

### 9. Implementation

The Earned Income Activities (Higher Education) Procedure is to be implemented throughout the University community via:

1. An Announcement Notice under 'Current News' on the 'myUB Gateway' website and on the 'What's New' page on the 'Policies and Procedures @ UB' website to alert the University-wide community of the approved Procedure.

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