

CONSULTANCY PROJECTS: RULES AND REGULATIONS

1. Introduction

The NIT, Agartala, considers consultancy works/projects to be important components of its activities. Appropriate projects provide a much needed service to the industry. This helps in the country's industrial growth, and increases the institute's involvement with industry. They enrich the professional experience and knowledge of the faculty members and help them in their teaching and research. The projects provide a first hand knowledge of the current problems of the industry, which is very helpful in turning the curricula to industry's needs. Faculty members get an opportunity to apply their ideas to practical situations. Students working on these projects get practical experience, which helps them in their future careers. Finally, consultancy projects provide financial incentives to individuals, departments and the Institute as a whole to conduct research, to supplement the Institute's financial needs and to provide services to society as a whole.

2. Projects Initiation and Management.

2.1. Consultancy Projects.

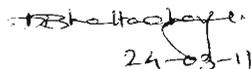
a) Each consultancy project will have a Principal Consultant who will be responsible for:

- i) Formulating the project proposal which may include (a) planning of the work to be done, (b) estimating costs according to guidelines provided in a later section, and (c) identifying other consultants if necessary.
- ii) Execution of work.
- iii) Handling all communications with the clients after the projects has been accepted.
- iv) Writing of intermediate and final reports according to the project proposal.
- v) Making recommendations to the Dean of Research & Consultancy (DORC)/Head of related Department regarding expenditure from the project funds and disbursement of funds to participants in the consultancy project.

b) **Appointment of Principal Consultant:** Industrial organizations usually approach the Institute for consultancy work through a faculty member or a functionary of the institute (i.e. Head, Dean or Director). When a faculty member is approached for work, he will be the Principal Consultant. If he does not wish to be the Principal Consultant or if the project is referred to a functionary, Principal Consultant would be identified through appropriate discussions and appointment will be made by the DORC.

c) The project proposal prepared by the Principal Consultant will be forwarded to the client by Dean, Research & Consultancy.

d) In extreme emergencies, a consultant may take up an assignment with intimation to the DORC and then seek post-facto approval within 7 (seven) days of the assignment.


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e) The Institute normally requires the cost of the project to be deposited by the client, in full, before the work commences. However, based on needs of the client and circumstances, the Institute may permit commencement of work with payment to be made as per agreed upon milestones.

All payments from clients will be received by the institute and expenditure and disbursements made through normal Institute procedures.

f) After the initial deposit has been made by the client, Dean of Research & Consultancy Office will assign a job number to the project and inform the same to the client, Principal Consultant and the Head of the concerned Department. This completes the process of initiation of a consultancy project. The above job number must be quoted in all subsequent correspondence.

The project file will be closed with the submission of the final project report and disbursement of fees to consultants and others.

2.2 Sponsored Projects

1. Each Sponsored Project will have a Principal investigator who will be responsible for:

i) Formulating the project proposal, which may include (a) planning of the work to be done, (b) estimating costs according to guidelines provided in section 3.2, and (c) identifying other consultants if necessary.

ii) Execution of work.

iii) Handling all communications with the clients after the projects has been accepted.

iv) Writing of intermediate and final reports according to the project proposal.

v) Making recommendations to the Dean of Research & Consultancy (DORC) regarding expenditure from the project funds.

2. **Appointment of Principal Investigator:** Sponsored Projects are usually based on a proposal written by a faculty member. In such cases, The Principal Investigator will be identified in the project proposal. In case the Institute is awarded a sponsored project directly, or a proposal is submitted at the Institute level, the Principal Investigator would be identified through appropriate discussions and appointment will be made by the DORC.

3. The project proposal prepared by the Principal Investigator will be forwarded to the client by the Dean of Research & Consultancy.

4. In extreme emergencies, a consultant may take up an assignment with intimation to the DORC and then seek approval.

5. The Institute normally requires the cost of the project to be deposited by the sponsoring agency, in full, before the work commences. However, based on needs of the agency and circumstances, the Institute may permit commencement of work with payment to be made as per agreed upon milestones.

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All payments from sponsoring agencies will be received by the institute and expenditure and disbursements made through normal Institute procedures.

6. After the project has been awarded, the Dean (Research & Consultancy) Office will assign a job number to the project and inform the same to the sponsoring agency, Principal Investigator and the Head of the concerned Department. This completes the process of initiation of a consultancy project. The above job number must be quoted in all subsequent correspondence.

The project file will be closed with the submission of the final project report.

3. Rules and Regulations.

3.1 Budget Heads

There will be a separate Institute account for project funds. All funds received for projects will be deposited in this account. Bank account of this fund will be operated by Dean (R&C) and the Registrar.

Besides the funds for ongoing projects, this account will be used to maintain number funds of the Institute as described below:

1. **Institute Development Fund (IDF):** Overheads from the projects and the portions of payment made to consultants etc. will be credited to this fund as per details given below. The utilization of this fund will be decided by the Committee comprising of the Director, DORC & H.O.D.s. Bank account of this fund will be operated by the Director and the Dean (R&C).
2. **Department Promotion Fund (DPF):** Each department and center of the Institute will have a separate fund in which its earnings may be deposited. This includes portions of consultancy fees and costs charge to projects for use of department facilities. This fund will be operated by the Head of the Department. Bank account of this fund will be operated by the Head of the Department and Coordinator of the respective Department.
3. **Professional Development Fund (PDF):** Every faculty (and class A technical staff) member may have a separate fund. A faculty may deposit his/her consultancy fees due, to this fund. Other earnings, such as from short-term courses, may also be deposited in this account. The faculty member will operate this fund (with approval from DORC) and the following expenditures will be permitted:

- Travel of self or other employees for professional work. Consultancy project travel rules will apply.
- Purchase of books, journals, and membership fees of professional societies.
- Purchase of consumables for professional work.
- Cost of photocopying, binding etc.
- Cost of telephone (deposited charge, rentals and call charges of phones at the office or residences)
- Hiring manpower.

- Purchase of equipment (these will be property of NIT Agartala, but may be used exclusively for the member's professional work) and maintenance charges.

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- Hiring of service such as taxis, caterers etc. needed for professional work.
- Any other expenses permitted by DORC.
- Bank account of this fund will be operated by the respective Consultant.

The following funds are not Dean of Research & Consultancy funds, but funds of the Institute into which transfers will be made from consultancy projects as per details given below:

4. Staff Welfare Fund: A fund of the Institute, to be utilized by the Chairman, Staff Welfare Committee, or a person nominated by the Director. Bank account of this fund will be operated by the Director and the Registrar.
5. Students Welfare Fund: A fund of the Institute, to be utilized by the Dean of Students Affairs, or a person nominated by the Director. Bank account of this fund will be operated by the Director and the Dean (SA).

3.2 Costs.

Cost of a project will consist of Overheads. Actual expenses- for consultancy projects, payments to employees, external consultants and students.

3.2.1 Institute Overhead charges

For Consultancy Projects, ten percent (10%) of the total project cost and for Sponsored Projects, fifteen percent (15%) of the total project will be charged as Institute overhead and paid to the Institute Development Fund (IDF). For sponsored projects, if the sponsoring agency is a Govt. agency, then its norms for overheads will be followed.

3.2.2. Actual Expenses.

The Actual expenses will cover the following costs related to the project:

- 1) Permanent equipment to be procured.
- 2) Consumable materials to be used.
- 3) Computational charge (at commercial rates)
- 4) Charges to be paid for the use of specific equipment in the department or central facilities.
- 5) Contingency expenses; These will cover
 - a) Cost of supplies, stationary, reproduction.
 - b) Cost of books, journals, membership fees of professional societies.
 - c) Payment for typing and other office work to outside agencies.
 - d) Postage and telephone (including phone deposit charge, rentals and call charges of phones at the office or residences).
 - e) Entertainment expenses (this is to cover costs incurred in meeting clients in the Institute or during tours).
 - f) Costs charged by a department for facilities provided to the project (such as large amounts of photocopying, use of computational and printing facilities, etc).

- 6) Traveling expenses.

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- a) Travel may be undertaken for site meetings outside the institute, participation in Conferences/Workshops/Seminars in India and abroad.
 - b) Regular TA/DA rules of the institute will be relaxed in the following manner for travel within India. For travel abroad, Institute rules will apply:
 - i) Rates may be fixed between the sponsor and the consultants when the proposal is made, and these need not be as per Institute rules.
 - ii) Where no rates are fixed beforehand.
 - iii) No restrictions will be made on mode of travel due to eligibility, maximum of twice the daily gross salary at the ceiling of the scale of the concerned employee (gross excludes HRA), will be paid.
 - vi) Actual taxi/auto charges incurred, including hiring of taxis on an hourly basis will be allowed. Where no cash memos can be obtained, signature of the driver on a prescribed form will be obtained.
 - c) For consultancy projects, for each site visit a fee can be charged at a rate specified in the project proposal subject to a maximum specified from time to time by the DORC.
- 7) Salaries of project employees.

3.2.3 Payment to employees, external and students in Consultancy Projects;

Payment can be done one of the following:

- Consultation fees to faculty and technical staff.
- Honorarium to students.
- Honorarium to overtime to other staffs.
- Payment to students.
- Fees to external consultants.

Any payment due will be divided into two parts: Seventy percent (70%) of the amount will be paid to the person concerned and the remaining thirty percent (30%) will be credited in the following manner:

- Forty (40%) of the amount to the Institute Development Fund (IDF)
- Fifty (50%) to the concerned departments, Promotional Fund (PPF). In case more individual department funds will be specified when the project is initiated.
- 5% to the staff welfare fund.
- 5% to the student welfare fund.

As mentioned in section 3.1 above, a faculty member or a class a technical staff member may deposit part or all of the payment due into his/her Professional Development Fund (PDF).

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3.3 Testing Fees in Consultancy Projects.

The Institute will undertake routine and non-routine testing jobs provided facilities are available and such testing does not interfere with any teaching or Research & consultancy work at standard rates or at the rates estimated by the Faculty who will supervise the testing work. The testing fees charged from the clients will be divided into three parts. First 40% will be deposited in the concerned departments Promotion Fund (DPF), second 10% will be deposited in the Institute Development Fund (IDF) and third 50% will be distributed to Faculty and Staff who will execute the work.

Accounting procedure at a glance for testing and consultancy works.

Sl. No.	Items	Amount (Rs.)	Balance
1.	Total amount	X	X
2.	Service charges	Y	X-Y
2.	Actual expenses	Z	X-Y-Z
3.	Institute Development Fund (IDF)	0.10 (X-Y-Z)	0.90(X-Y-Z)
4.	DPF	0.40 (X-Y-Z)	0.50(X-Y-Z)
5.	Payment to Faculty, faculty, Staff, students & external consultants	0.45 (X-Y-Z)	0.05(X-Y-Z)
6.	Departmental / Institute office staff	0.05 (X-Y-Z)	0

3.4 External Consultants in Consultancy Projects.

The services of external consultants may be utilized to a limited extent in order to provide comprehensive services to clients. Such external candidates will be entitled to a lump sum honorarium/ fees. Disbursement norms are detailed in section 3.2.3 above. The honoraria payable to external consultants may not exceed 40% of the total consultancy fee.

3.5 Accounting Procedure at a glance for Consultancy Projects.

An example below illustrates the accounting procedure for a consultancy project:

Sl.No.	Items	Amount (Rs.)	Balance (Rs.)
1	Total Amount of the Project	X	X
2.	Service Charges	Y	X-Y
2	Institute Overhead (IDF)	10% of (X-Y)-0.1(X-Y)	0.9(X-Y)
3	Actual Expenses	Z	{0.9(X-Y)-Z}
4	Share to Institute Funds	30% of {0.9(X-Y)-Z} - S: 0.3 {0.9(X-Y)-Z}	0.70 {0.9(X-Y)-Z}
5	Payment to Faculty, staff, students and external consultants	65% of ({0.9(X-Y)-Z} - P:0.7 {0.9(X-Y)-Z}	0.05(h-y-z)
6.	Departmental/Institute Office staff	5% of ({0.9(X-Y)-Z} - D: 0.05 {0.9(X-Y)-Z}	0

Distribution of Share to Institute Funds

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Sl.No.	Items	Amount (Rs.)	Balance (Rs.)
1	Total Amount to Institute Funds	S	S
2	Share to IDF	40% of S = 0.4S	0.6S
3	Share to DPF	50% of S = 0.5S	0.4S
4	Share to Staff Welfare Fund	5% of S = 0.05S	0.05S
5	Share to Students Welfare Fund	5% of S = 0.05S	0

Payment to Faculty, staff, students and external Consultants.

Sl.No.	Items	Amount (Rs.)	Balance (Rs.)
1	Total Amount to pay	P	P
2	Transfer to PDF of Principal Consultant	A	P-A
3	Payment to technical staff	B	P-A-B
4	Payment to students	C	P-A-B-C
5	Payment to External Consultant	D	P-A-B-C-D
6	Payment to Faculty	P-A-B-C-D	0

3.6 Hiring Norms

Open selection will be held for all project posts of duration more than one and a half (1.5) years. Otherwise there will be an internal circular within the Institute. If suitable candidates are not available, then open selection will be made. In special situations, on the recommendations of the Principal Consultant/Investigator, short term job contracts for up to 6 months may be given with the approval of the Dean of Research & Consultancy (DORC)

All project appointments will be contractual and the basis of consolidation monthly compensation.

Automatic transfer of contractual appointment of a project staff will be for the duration of the project or three years whichever is less.

The total period of contractual employment with Dean of Administration office in two or more projects in no case shall exceed five years.

A project employee shall execute a contract agreement on non judicial stamp paper of value Rs.10/- with the DORC at the time of joining with the explicit provision that contract may be terminated by either side by giving one month's notice or one month's consolidated compensation in lieu of the notice.

Selection shall normally be made as per the guidelines provided by the sponsoring agency, and as per Institute requirements, and with the approval of the DORC.

All appointment letters shall be issued under signature of Deputy Registrar/ Asstt. Registrar (Office of the DORC).

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The Principal Consultant/ Investigator shall consider prevailing compensation packages, general qualifications and experience of staff while preparing project proposals.

The Selection Committee for the recruitment of Project staff for each project will be constituted by the DORC as follows.

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| i) DORC or his nominee | - Chairman |
| ii) Principal consultant / investigator (PCI) | - Member |
| iii) HOD/HOC of the concerned deptt./
Center to which the PCI belongs | - Member |
| iv) An expert on the subject (to be
recommended by the Deptt./center) | - Member |
| v) An expert to be nominated by the DORC
if the PCI is the HOD/HOC. | -Member |

If the DORC is not the chairman of the selection committee, its recommendation shall be submitted to the DORC for consideration and approval. The DORC shall have the power to fix, on the recommendations of the selection committee, the monthly-consolidated compensation and the duration of the contractual appointment.

On the completion of each year of service during the contract period suitable enhancement of monthly compensation may be considered by the DORC on the recommendations of the PCI and the HOD/HOC of the concerned Deptt./ center.

The project employees shall be entitled to HRA, if accommodation of the campus is not made available to them. Expenditure towards subsidized in campus accommodation/ HRA and medical facilities shall be charged to the salary head of the respective project.

All projects staff shall work for the project in which he is employed, only unless requested otherwise by the PCIs concerned and agreed to by the DORC.

PCIs shall be the sanctioning and controlling authority for all types of leaves with respect to contractual project staff.

Conduct Rules: Project employee shall

- Follow general code of conduct as approved by the DORC.
- Maintain secrecy of the research findings/ technical information and shall not get involved in unauthorized communication of any official document or information.

DORC may, at his discretion, constitute committee(s) to conduct disciplinary proceedings, if necessary against project employees. On the basis of the report suitable disciplinary action may be invited and punishment will be imposed by the DORC.

Project employees may be allowed to register for the Ph. D. Programme as per institute norms if any.

3.7 Leave Provision

Faculty members going out of the town on consultancy work will be treated to be on duty subject to a maximum of 30 days per year, and subject to a maximum of 10 working days per regular semester. Approval for going out on duty on such work will be approved by the DORC.

4. Limitations

It is expected that only those consultancy projects and routing test will be accepted by the Institute which provide challenges befitting professional competence of the faculty members. Sufficient caution also needs to be exercised to ensure that consultancy projects do not interfere with the normal duties of faculty members. Thus the time spent by a faculty/staff member on consultation work should be limited, on an average to one day a week.

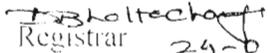
5. Consultancy Committee

To monitor the consultancy works a Consultancy Committee is as follows :

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| i) Dean (Research & Consultancy) | - Chairman |
| ii) Assoc. Dean (Research & Consultancy) | - Member-Secretary |
| iii) All HOD | - Member |

6. Interpretation of Rules

Wherever difficulties arise in interpreting rules or relaxations and changed are required for smooth functioning of consultancy works, the Consultancy Committee and Director will be the competent authority for approval on behalf of the Board of Governors.


Registrar 24-03-11.
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