

DCU CONSULTANCY COSTING FORM

FOR INTERNAL PURPOSE ONLY

1. DCU Consultancy Costing Tips

The **total cost of the consultancy project** should include the following headings:

- **Direct Costs:** This should include receipted items such as materials, travel, access to equipment etc. If a researcher is employed to directly assist with some aspect of the work, the salary should be included as a direct cost.
- **Daily rate:** This is the price of the PI's time. This should be charged at market rates. If you are not sure what the market rates are, please consult with RIS. If the company requires justification for this rate, this justification could include comparisons with specialist firms or previous experience/projects. Consultancy work should be priced at its value rather than its cost. University staff are typically employed as consultants due to the fact that they have significant expertise and knowledge, gained from years working in their field, which is not readily found elsewhere. It is important that expertise and experience is valued and priced accordingly and that the effect of perceived value is not underestimated. Sample daily rates charged on previous projects include €300-€1000 for a postdoctoral researcher, €800-€1,500 for a Lecturer/Senior Lecturer and €1,000-€2,500 for a Professor. It is important to emphasize that these are just examples and that rates vary significantly depending on the market/discipline/level of expertise/specific role etc.

Any overspend on the Direct cost category will be charged to the daily rate budget. At the end of the project any funds left on the Daily Rate category will be transferred to the PI overhead or general account.

Any expenditure over and above the direct costs and daily rate budgets, arising due to incorrect costing of the project, will need to be covered by the PI from their Overhead or General Research account.

- **Contribution to University:** This is calculated at 30% of the daily rate. These funds are automatically ring-fenced on arrival and will be distributed to the university according to the consultancy policy.
- **VAT:** This must be included at 23% of total cost in all cases.

Example Consultancy Project (5 Days)

| Item | Detail | Note | € |
|----------------------------|-----------------------------------|------------------------------------------------------------------------|-------------|
| Direct Costs | Materials | Some lab consumables required | 200 |
| | Travel | Visit to industry partner costed in | 100 |
| | Equipment Access | 1 day on key piece of equipment required | 500 |
| | PG Salary x 2 days | PG not the consultant. Hired by PI to do 2 days of work on the project | 150 |
| Daily Rate | Daily Rate * No. of Days | PI charging daily rate of €800 * 5 days | 4000 |
| Contribution to University | 30% of Daily Rate | Distributed to the university according to the policy. | 1200 |
| Subtotal | | | 6300 |
| VAT | 23% of the total costs (subtotal) | | 1414 |
| Total | | | 7564 |

2. Instructions for Schedule of payments and invoicing

A minimum of 50% of the total costs should be invoiced up front. For amounts less than €10,000 it is recommended that the full amount is charged up front.

Note that raising the sales invoice is the sole responsibility of the PI (or delegated admin); deficits arising due to sales invoices not being raised will have to be funded by the PI.

PI raises a sales order to account code **19501**.

How to raise a sales order?

All invoices issued by DCU to third parties must be processed through the Finance Office. Invoice requests are made on Agresso using the Sales Order Process to ensure invoice and payments are processed correctly. Requests cannot be catered for by Email. Sales orders are raised by the buyer in each department/ school/ centre. The sales order (invoice) must include a description of the activity and an amount in accordance with the schedule of charges. Each sales order request should have the appropriate back-up, e.g. Copy of Consultancy Agreement signed by RIS and the customer. In order to facilitate the collection of invoices we need an Official Purchase Order from the customer or a letter on headed paper instructing DCU to carry out this work. Both should include a description of the activity and an agreed amount.

Please log on to <http://www.dcu.ie/finance/faq/agresso.shtml> for full notes on how to process a sales order (scroll down to last section headed "Sales Order").

3. Costing template.

COSTING TEMPLATE

Note: This completed form and the signed contract are required in order to set up the consultancy contract in Agresso

- **Consultant:**
- **Start date:**
- **End date:**
- **Effective number of days**
- **Daily rate:**

| Item | Detail | Note | € |
|----------------------------|-----------------------------------|------|---|
| Direct Costs | | | |
| | | | |
| | | | |
| Daily Rate | Daily Rate * No. of Days | | |
| | | | |
| Contribution to University | 30% of Daily Rate | | |
| Subtotal | | | |
| VAT | 23% of the total costs (subtotal) | | |
| Total | | | |