

Costing and Distribution of Earned Income (Higher Education) Policy

Policy Code: FN1326

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Purpose

Federation University Australia operates in the same context as all other Australian Universities in that the Higher Education division of the University must ensure that it can obtain funds from sources other than the Commonwealth Grant in order to grow, develop and extend the range of offerings to its region and beyond.

In order to grow its Non-DEST or earned-income activities, a number of programs and projects are being undertaken throughout the University.

These typically take the form of: Post-graduate fee paying programs, short courses, consultancy, contract research, and on and off-campus international fees.

The University must ensure that all of these activities are priced in a manner that covers the full cost of the project, not just the direct costs. This is referred to as the infrastructure component of the costing.

This infrastructure component will contribute toward maintaining the infrastructure of the University such as computing networks and facilities and the staffing of Portfolios. It also provides support for rising University-wide expenses including professional indemnity insurance.

Scope

The University is required under National Competition Policy to ensure that all of its commercial activities are costed in a manner that ensures that the University does not gain an unfair competitive benefit for the use of the infrastructure which is provided by through its Commonwealth funding. This is referred to as the "uplift" component of a tender costing and is determined as a percentage of the direct costs.

A range of proformas have been developed to assist Schools and Sections to undertake the two financial processes necessary prior to undertaking commercial activities. These are:

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Costing

The pricing-costing sheet contained in the proformas allow for the input of all direct costs attributable to the project and calculates the necessary "uplift" factor to ensure that the University complies with National Competition Policy. The template should be used to establish a price when tendering for any contract research or consultancy project, or when considering commencing a new course activity such as a new short course, new post-graduate course or international course. The "uplift" factor is determined as a percentage of direct costs.

Budgeting

The budget will show allocations to specific income and expenditure items as per the costing and also indicate the infrastructure charge that will be made. The infrastructure charge is determined as a percentage of total project income. Essentially this is an internal distribution of the "uplift" factor, and the two are not necessarily the same value. In most instances the infrastructure is a lesser amount meaning a share remains with the School/Section/Centre/staff.

All proformas can be found at <http://www.ballarat.edu.au> and contain instructions on how to complete both sections.

Definitions

ARC:	Australian Research Council.
Cohort:	Group of students enrolled together.
DEST:	Department of Education, Science and Training
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.
Infrastructure component	Costs related to undertaking Earned Income Activities that aren't direct costs.
Proforma	Workbook which contains spreadsheets to both cost and budget an Earned Income Activity.

Policy Statement

This policy is to explain and regulate the University's earned income activities. The University operates in the same context as all other Australian Universities in that the Higher Education division must ensure that it can earn funds from sources other than Commonwealth Grants in order to grow, develop and extend the range of offerings to its region and beyond.

Responsibility

The Vice-Chancellor has overall responsibility for the implementation of this policy, but will rely on the advice of the Vice-President, Finance or nominee.

Policy Base

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- [Competition Code Compliance Manual](#).
- [Earned Income Activities \(Higher Education\) Procedure](#).

Associated Documents

- Consulting and contract research projects > \$5,000 that will be completed in the current year (HECBPF 2) (Blue Costing and Budget pro-forma)
- Consulting and contract research projects > \$5,000 and running over two calendar years. (HECBPF 3) (Brown Costing and Budget pro-forma)
- International off-campus programs. (HECPF 4) (Grey Costing and Budget pro-forma)
- Short course (non-award) programs (HECBPF 5) (Purple Costing and Budget pro-forma)
- Domestic post-graduate fee paying programs. (HECPF 6) (Pink Costing and Budget pro-forma)
- Multipurpose Costing/Tender Proforma (HEMPCPF7) (Green Costing and Budget pro-forma)

All documents contain user notes and a staff contact number for enquiries.

Forms/Record Keeping

Title	Location	Responsible Officer	Minimum Retention Period
<i>Costing Proformas</i>	Finance	Manager, Business Development	Project Life

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