



**RESEARCH MANAGEMENT CENTRE  
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA**

## Contents

<b>PART 1: INTRODUCTION</b>	<b>2</b>
1.1 OBJECTIVE .....	2
1.2 SHORT TITLE AND COMMENCEMENT.....	2
1.3 DEFINITION .....	2
<b>PART 2: STATEMENT AND ETHICS</b>	<b>4</b>
2.1 RESPONSIBILITIES OF IEC .....	4
2.2 RESPONSIBILITIES OF CONSULTANT(S).....	5
2.3 CONSULTANT(S) AND CONSULTANCY SERVICES .....	5
2.4 APPLICATION OF THE IIUM (DISCIPLINE OF STAFF) RULES, .....	7
<b>PART 3: PROCESS AND PROCEDURE</b>	<b>7</b>
3.1 GENERAL PROCESS .....	7
3.2 CONFIDENTIALITY .....	8
3.3 INTELLECTUAL PROPERTY RIGHTS.....	9
3.4 KEEPING RECORDS.....	9
3.5 TERMINATION .....	9
3.6 ARBITRATION AND DISPUTE RESOLUTION.....	10
3.7 AMENDMENT OF POLICY .....	10
<b>PART 4: PAYMENT AND DISTRIBUTION OF INCOME</b>	<b>10</b>
4.1 PAYMENT .....	10
4.2 DISTRIBUTION OF INCOME.....	11

## PART 1: INTRODUCTION

### 1.1 OBJECTIVE

The main objective of the Policy on Consultancy Services is to provide information required for the undertaken consultancy work by the university staff as consultant(s) in accordance with the University's approved procedures. The sub-objectives of the policy are to:

- i. Increase efficiency and productivity in consultancy activity to generate sustainable income to the University;
- ii. Build and sustain viable commercial relationship to develop resource to the University; and
- iii. Provide encouragements to staff to undertake consultancy activities by having structured financial return scheme or professional fee.

All the resources in the University including the experts and the facilities should be leveraged to provide Consultancy Services with high efficacy. The Consultancy Services is provided by the IIUM expert's know-how to government and its statutory bodies, private sectors, and industries.

The implementation of the Policy on Consultancy Services 2000 (Revised 2014) shall be governed by the under mentioned policy.

### 1.2 SHORT TITLE AND COMMENCEMENT

This policy shall be cited as the **IIUM POLICY ON CONSULTANCY SERVICES** and shall come into force on the date as determined by the Majlis.

### 1.3 DEFINITION

**1.3.1** RMC refers to Research Management Centre of the University.

**1.3.2** Consultant

**1.3.2.1** Consultant or a group of Consultants refers to academic staff of the University who has expertise in a specific area(s) and offers unbiased opinions and advice or renders any professional and, academic service(s), as specified in clause 2.3.6 of this Policy, for a professional fee .

**1.3.2.2** A Consultant may work independently and/or with the personnel of the client, or use employees, sub-consultants, or other expert as

## IIUM POLICY ON CONSULTANCY SERVICES

required for the specific project and in accordance with the agreement for the project.

**1.3.2.3** A Consultant is not an employee of the client but an independent contractor, contracted to perform a short-term or a long-term task, as stated in clause 2.3.6 of this Policy, and paid on an hourly, daily, or project basis or other fee arrangement as agreed by the parties concerned.

**1.3.2.4** The appointment of Consultant(s) shall be made by IECSB subject to the Dean/Director of respective KCDI/SBU.

### **1.3.3** Consultancy

**1.3.3.1** Any professional and academic service offered to the client by the staff of the university where in return the staff receives an agreed payment of professional fee(s) for the said service(s).

**1.3.3.2** The consultancy service is rendered in the interest of the client and can cover review, analysis, recommendations and implementation.

**1.3.3.3** Consultancy service is divided into two categories namely physical consultancy and non-physical consultancy (*Manual Perolehan Perkhidmatan Perunding, Ed. 2011, Kementerian Kewangan Malaysia*)

**1.3.3.4** The consultancy activities involved by the Consultant(s) must be related to the core business of the University, i.e. knowledge enhancement expertise, intellectual property, publications, and University facilities.

**1.3.3.5** The Consultancy Service must be legal and not in contravention of any law of Malaysia.

**1.3.3.6** The agreed payment for Consultancy Service including the percentage to the University should follow the current endorsed rate in the policy.

**1.3.3.7** The Consultancy Service should have a Consultancy Service Agreement or as such to provide security to all the parties involved in the activity.

**1.3.4** Dean means Deans of the Kulliyah and Directors of Institutes or Centres.

**1.3.5** IECSB means IIUM Entrepreneurship and Consultancies Sdn. Bhd.

## IIUM POLICY ON CONSULTANCY SERVICES

- 1.3.6** KCDI means Kulliyah, Centre, Department, Institute and it includes Strategic Business Unit of the University.
- 1.3.7** Majlis means the University Authority established under article 17 of the constitution of the University.
- 1.3.8** University means the International Islamic University Malaysia
- 1.3.9** Scope of work means the scope of work that has been agreed by the Client and the Consultant and has been incorporated into the Consultancy Service Agreement as agreement for service.
- 1.3.10** Consultancy Service Agreement means an agreement that represents the contractual intention of the parties pertaining to consultancy services as mentioned in clause 2.3.6 of this Policy.

## PART 2: STATEMENT AND ETHICS

### 2.1 RESPONSIBILITIES OF IECSB

- 2.1.1** All the Consultancy Services are under the purview of IECSB as such IECSB is responsible to:
  - 2.1.1.1** Register the Consultancy Service
  - 2.1.1.2** Continuously getting the feedback from Consultant(s) in order to increase quality and quantity of consultancy project
  - 2.1.1.3** Encourage KCDI to market their resources and administrate Consultancy Service
  - 2.1.1.4** Promote Consultancy Service related activities like meeting the client, the consultant and actively involved in negotiation of Consultancy Service.
  - 2.1.1.5** Draft the Consultancy Service documents
  - 2.1.1.6** Manage the financial matters of Consultancy Service
  - 2.1.1.7** Monitoring the progress of Consultancy Service following the agreement
  - 2.1.1.8** Maintain list of Consultants
  - 2.1.1.9** Prepare appointment letter to Consultant(s) for the approval of the Dean/Director of the respective KCDI.
  - 2.1.1.10** Update RMC of Consultancy Service

## 2.2 RESPONSIBILITIES OF CONSULTANT(S)

- 2.2.1** As Consultant(s) , he shall abide to the following responsibilities:
- 2.2.1.1** Maintain the good name of the University in rendering the Consultancy Service
  - 2.2.1.2** Work together with IECSB, KCDI and other university staff in marketing the Consultancy Service
  - 2.2.1.3** Follow the agreement that has been set forth
  - 2.2.1.4** Maintain the secrecy of the Consultancy Service upon the request of client
  - 2.2.1.5** Follow the standard ethics set forth by the client
  - 2.2.1.6** Ensure the fund is managed properly
  - 2.2.1.7** Inform IECSB or KCDI to prepare invoice to client
  - 2.2.1.8** Settle all the commitment set in the agreement including financial commitment to assisting personnel and, good and service providers
  - 2.2.1.9** Propose assistant for consultancy work
  - 2.2.1.10** Discuss with IECSB or KCDI in facing any difficulties in rendering Consultancy Service
  - 2.2.1.11** Submit written report upon the completion of the work in accordance to the agreement
  - 2.2.1.12** Submit a copy of all important documents to IECSB for record purpose including Consultancy Service administrated at KCDI.
  - 2.2.1.13** Render efficient and suitably qualified and experienced personnel, acceptable to the client to carry out the duties as specified in the Consultancy Service Agreement

## 2.3 CONSULTANT(S) AND CONSULTANCY SERVICES

- 2.3.1** Dean/Director of KCDI may appoint Consultant(s) or any of staff member on the terms and conditions hereinafter set forth, it is being agreed and accepted that the Consultant shall be responsible for carrying out the Services for the study or project as described in the Terms of Reference set forth in the Consultancy Service Agreement.
- 2.3.2** The Consultant(s) may nominate non academic staff of the University to assist in consultancy work but not to interfere with his main duties at the University after getting the approval from the head of KCDI. His appointment shall be under the Director of IECSB or the relevant Dean/Director of KCDI and payment should be clearly mentioned in the Consultancy Service Agreement.
- 2.3.3** Consultant(s) may procure any Consultancy Service on his own efforts.
- 2.3.4** Consultancy Service is professional and expert service rendered by IIUM academic staff to client where the staff is to be remunerated in term of

professional fee. The product of the service is in the form of analysis, design and development, report, paperwork, software and product.

**2.3.5** Type of Consultancy Service can generally be categorized into three type of services namely academic and technical training service (course, workshop and seminar), facility management service (equipment rental, testing work) and expert advice service (analysis, design and development, report). The parties may refer the rate of the services based on the *Manual Perolehan Perkhidmatan Perundingan, 2011* (1).

**2.3.5.1** Academic and technical training service is short term course, workshop and seminar that involved payment of professional fee. This service is offered by IECSB or KCDI and shall be registered with IECSB. IECSB or KCDI may arrange for the marketing, venue, equipment, food, lodging course material and certificate. All the application to conduct the service shall go to Dean/Director of KCDI through IECSB. The application shall details the title, course synopsis, course duration, staff involved, expected participant, financial proposal and Consultancy Service Agreement (MOA if required).

**2.3.5.2** Facilities management service mostly requested by industries and private sectors are equipment rental and testing service that involved payment of professional fee. The use of the facilities however shall not interfere with the academic and research activities of the University. The use of the facilities is under the purview of the respective KCDI and IECSB.

**2.3.5.3** Expert Advice Service is Consultancy Service that is requested by the client to Consultant(s) to analyze, design and develop, and create report.

**2.3.6** Sponsored or Contract research is not considered as Consultancy Service. Sponsored or Contract research is research based project that involves the expertise and facilities in IIUM and managed by Research Management Centre, IIUM. Sponsored or Contract research is a project that does not have component of professional fee in the proposal.

**2.3.7** The following services or similar services are not considered as Consultancy Service; participation in conference, external examiner, external assessor, invited speaker, journal editor and publication based on expertise and profession.

**2.3.8** Before Consultancy Service commences, client shall produce offer letter to the University to execute the work.

- 2.3.9** The Consultancy Service shall only commence the consultancy work after the Consultant(s) received and accept the appointment letter.
- 2.3.10** Upon completion of the registered Consultancy Service, Consultant(s) is entitled to record the service in the CV online system.

## **2.4 APPLICATION OF THE DISCIPLINE RULES OF THE UNIVERSITY**

- 2.4.1** Consultant(s) when offering his service shall be subjected to the relevant disciplinary rules of the University.

Subject to the written permission of the Rector, the consultant during his consultancy project shall not:

- 2.4.1.1** Take part directly or indirectly in other trade or employment, whether part-time, casual or on a consultancy basis; or
- 2.4.1.2** Undertake for reward any work for any institution, company, firm or private individual; or
- 2.4.1.3** As an expert, furnish any report or give expert evidence, whether gratuitously or for reward.
- 2.4.2** Any authorization granted under the above paragraph shall be subjected to the condition that the staff member's duty to the IIUM shall take priority over the matter in respect of which the authorization is granted.
- 2.4.3** Save as may be otherwise determined by the Deputy Rector, where any sum is received by a staff member by way of professional fee or otherwise in respect of any matter for which authorization has been granted, he may retain such portion thereof as may be payable to him under any provision relating to terms and conditions of service that may be applicable.

## **PART 3: PROCESS AND PROCEDURE**

### **3.1 GENERAL PROCESS**

In general the whole process of Consultancy Service involved four main stages that are preparation of proposal, endorsement and appointment, service execution, and completion of service.

- 3.1.1** Preparation of Proposal  
The University accepts the request for Consultancy Service from two channels namely, the IECSB (including KCDI) and IIUM staff. The requested

## IIUM POLICY ON CONSULTANCY SERVICES

Consultancy Service shall be evaluated by IECSB or KCDI to determine the readiness.

The Consultant(s) is to prepare the technical and financial proposals where the latter shall be prepared by referring to IECSB. The financial proposal has to follow the prescribed mechanism to determine the rate as stated in *Manual Perolehan Perkhidmatan Perunding 2011* (1). It includes the professional fee, reimbursement, and other costs. The percent of profit to the university is based on profit sharing ratio of 70:30 in favour of Consultant(s) as stipulated in clause 4.2 of this Policy.

### 3.1.2 Endorsement and Appointment

An offer letter from the client should be obtained after the proposal is agreed by the client. The Consultant(s) shall register the Consultancy Service to IECSB directly or through KCDI. In case the registration is done through KCDI, the KCDI shall update the IECSB in the manner as determined by IECSB. The prepared proposals and the offer letter from the client are required for endorsement by the Dean/Director of KCDI. IECSB shall then produce the appointment letter to the Consultant(s).

### 3.1.3 Service Execution

Consultant(s) shall be responsible for the execution of the consultancy work and to follow the procedure in accordance with the Consultancy Service Agreement. The Consultant(s) who is involved in the consultancy work should not exceed a time frame of 3 man-months in a year. For a longer duration of consultancy work, the approval of the Dean/Director of KCDI is required. For a project that takes over 1 year, a copy of progress report has to be prepared by the Consultant(s) and submit to IECSB. The application of advancement and claim from the project fund has to be recorded by submitting a copy of the document to IECSB.

### 3.1.4 Completion of Service

IECSB shall arrange a meeting with the client and Consultant(s) upon the completion of Consultancy Service. Consultant(s) who is remunerated under a Consultancy Services is subjected to the University Policy on the distribution of consultancy remuneration. Money pertaining to the Consultancy Service shall be parked under IECSB or KCDI and shall be disbursed according to clause 4.2.1 of this Policy.

## 3.2 CONFIDENTIALITY

**3.2.1** The Consultant(s) shall not, at any time during or after the project duration, divulges or allows to be divulged to any person, any information whatsoever relating to the project or any part thereof other than to



## *IIUM POLICY ON CONSULTANCY SERVICES*

person(s) who have been appointed by the client or the University or any other authority of IIUM, except where such information is already in the public domain.

- 3.2.2** The Consultant(s) shall not, at any time during or after the project duration, indicate the nature of his involvement in the project to any third party, either for purposes of including it in his resume otherwise, except with the prior approval of the Client or the University or any person appointed by the IIUM.
- 3.2.3** All documentation, data, graphs, charts reports, survey and/or results arising from the performance of the Scope of Work are the property of the client. Therefore the Consultant(s) is at all times prohibited from publishing all or any part of such consultancy reports, survey, results and/or conclusions whether documented, compiled, composed, collected, distilled or otherwise, except with the prior written approval of client, as the case may be.

### **3.3 INTELLECTUAL PROPERTY RIGHTS**

- 3.3.1** The Consultant(s) shall govern the intellectual property rights (subsisting in any of the work or materials handled) as stipulated in IIUM Policy on Intellectual Property.

### **3.4 KEEPING RECORDS**

- 3.4.1** The Consultant(s) shall keep accurate, systematic and up-to-date records and accounts with respect to the provisions of the said project in such form and detail as is customary in the profession or as may be required by the University from time to time.

### **3.5 TERMINATION**

- 3.5.1** In the event the Consultant(s) fails and/or neglects, to undertake his duties according to the Scope of Work in professional and timely manner, the Dean/Director of KCDI as advised by IECSB, in his opinion deems fit may terminate the Consultant(s) and makes the necessary arrangement for a replacement.

## IIUM POLICY ON CONSULTANCY SERVICES

- 3.5.2** Unless proven otherwise, the Consultant(s) may be subjected to a disciplinary action under the relevant Disciplinary Rules of the University.

### 3.6 ARBITRATION AND DISPUTE RESOLUTION

- 3.6.1** All disputes, controversies or differences arising between the parties here with respect to the consultancy work shall as far as practicable be settled amicably through mutual discussion.
- 3.6.2** In the event any such dispute, difference or question that may arise under, out of, in connection with or in relation to the consultancy work cannot be resolved amicably, the same shall be referred for mediation under Malaysian Mediation Centre.
- 3.6.3** Should there be any ambiguities or doubts on consultancy work, the KCDI could bring the matter to the University Management Committee for further clarification.

### 3.7 AMENDMENT OF POLICY

- 3.7.1** The Majlis may review, amend and repeal any provision of this Policy from time to time. The Majlis shall undertake to notify staff members on such decision.

## PART 4: PAYMENT AND DISTRIBUTION OF INCOME

### 4.1 PAYMENT

- 4.1.1** The payment for the Consultancy Service is divided into three categories namely payment to the University, payment to Consultant(s) and reimbursement. These payments are based on the agreement in Consultancy Service Agreement.
- 4.1.1.1** Payment to the University is the payment calculated based on 30% of the professional fee and may be included in the preparation of financial proposal of Consultancy Service.
- 4.1.1.2** Professional fee is the payment to the Consultant(s).
- 4.1.1.3** Reimbursement is the payment to reimburse any out of pocket expenses including travelling, printing and reproducing of reports, accommodation, transportation etc.
- 4.1.2** Payment rate and cost for Consultancy Service shall be based on the *Manual Perolehan Perkhidmatan Perunding, 2011 (1)*.

## IIUM POLICY ON CONSULTANCY SERVICES

- 4.1.2.1** Direct cost is a total gross cost covering the cost of material, service (travelling, printing etc.) and facility costs.
- 4.1.2.2** Overhead cost is calculated from 30% of professional fee.
- 4.1.2.3** Total Consultation Service cost is calculated from the summation of Direct cost, Professional fee and Overhead cost. (i.e. Cost of Consultation Service = Direct cost + Professional fee + Overhead cost)

## 4.2 DISTRIBUTION OF INCOME

- 4.2.1** The percent of profit to the university is based on profit sharing ratio of 70:30 in favour of Consultant(s). The distribution of the 30% profit or known as overhead cost in Section 4.1.2.2 from the Consultancy Service shall be distributed as per **Table 1**.

**Table 1:** Distribution of Profit

Consultancy Service Administration (Secured by)	% Distribution of Income (Profit)		
	IECSB	KCDI	Consultants
IECSB	30%	0%	70%
KCDI	5%	25%	70%

- 4.2.2** In case of sole Consultant, disbursement of Professional fee shall be made to the Consultant upon the completion of the project or upon its part completion from time to time if the consultancy agreement so requires. In case of a group of Consultants, disbursement will be made upon completion of the project or upon its part completion from time to time depending on the consultancy agreement on instruction(s) of the principal Consultant.
- 4.2.3** Dean/Director of KCDI on the advice of IECSB may withhold the payment of professional fee in his opinion, whether in part or in full. The Consultant(s) may be requested to undertake the Scope of Work again and he may be subjected to disciplinary action if it is found that the Consultant(s) has not performed his obligations and/or responsibilities professionally or in a manner acceptable to complete the project.
- 4.2.4** The Consultant(s) may apply to the Dean/Director of KCDI to review the decision to withhold payment by submitting document(s) and other evidence to substantiate his claim that the work completed is compatible

## IIUM POLICY ON CONSULTANCY SERVICES

with the payments received within fourteen (14) days after receiving the notice aforesaid from the IECSB. The Dean/Director of KCDI decision on the application shall be final and conclusive.

- 4.2.5** Should the Consultancy Service has only professional fee component in the project or should the Consultancy Service is managed personally, the standard formula shall be applied as prescribed in *Manual Perolehan Perkhidmatan Perunding, 2011* (1) which is based on multiplier factor (i.e. faktor pengganda (FP)) as follows:

$$\text{Profit of Consultancy Service} = \frac{\text{Professional fee}}{FP} \times 30\%$$

where  $FP = 2$ .

The distribution of profit should follow the relative percent ratio shown in Table 1.

**Prepared by:**

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18<sup>th</sup> November 2014  
Table in URCM No.3/2014 on 27<sup>th</sup> November 2014  
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**Reference:**

1. *Manual Perolehan Perkhidmatan Perunding, Edisi 2011, Kementerian Kewangan Malaysia*