

# Academic Pursuits Funds Policy

## Section 1 - Policy

(1) The purpose of Academic Pursuits Fund accounts is to allow the separate management of funds specifically earned by or allocated to an individual academic.

(2) The Academic Pursuits Funds or APF accounts can only be used within the guidelines set out in University policy and in particular can only be utilised for business purposes.

(3) It is important to note that although assigned to an individual academic, these funds are University funds and as such remain the property of the University of New England, as does the ownership of any items purchased from these funds.

### Academic Pursuits Funds - TAXATION MATTERS

(4) The Australian Tax Office (ATO) in their advice to the University of New England, dated 8 September 1997 (reference ADVG/SBI/21422) reconfirmed their advice of 24 August 1990 in that:

- a. Head of Department Allowances
- b. Market Loadings
- c. Additional work performed for other departments
- d. External consulting invoiced by the University

would not be considered to be assessable income to the particular academic concerned providing it is clear from the way the accounts are established and run that:

- a. The income paid into the accounts cannot be applied for the personal (non business) purpose of the particular academic under any circumstances
- b. Assets purchased from APF funds remain the property of the University.

(5) The advice further goes on to state that payments made under the accounts would not be liable to FBT, as the "otherwise deductible rule" would apply to expenditure made from the account. That is, that the existence of the account itself does not attract FBT, however, certain transactions conducted within the account by their nature may be subject to FBT (such as HECS fees payments), as is the case with such transactions within any account held by the University.

### Academic Pursuits Funds - PRINCIPLES REGARDING ALLOCATION AND USE

(6) In addition to normal teaching and research duties, academic staff may undertake certain activities such as external consulting, for which a consideration is paid. Staff have the option of performing these activities under the auspices of the University or as private activities as provided by the University's "Outside Earnings Policy". Should a staff member elect to engage in the non-research activities under the auspices of the University, the monies generated may be credited to an Academic Pursuits Fund (APF) subject to the conditions set out in the APF guidelines. If the activities are of a research nature such amounts are not to be placed into an APF. Research activities must go through the Research Services Directorate and be accounted for in such a way as to maximise the University's

research income base.

(7) The use of APF's must be compliant with the following advice provided to the University by the Australian Taxation Office on 8th September 1997.

(8) Payments made into an APF "would not be considered to be assessable income to the particular academic concerned providing it is clear from the way the accounts are established and run that:

- a. the income paid into the accounts cannot be applied for the personal (non business) purposes of the particular academic under any circumstances
- b. assets purchased from the funds remain the property of the University."

(9) An APF is designed to permit the staff member to use monies to augment the funds available to support their academic or research activities. The University is the legal owner of the funds. The University supports the monies being used to fund official University expenditure related to the individual concerned, subject to the conditions set out in the following guidelines.

(10) Failure to comply with, or breach of, these guidelines by an individual, will result in the closure of that individuals APF.

## **Section 2 - Guidelines for the Operation of Academic Pursuits Funds**

### **Opening an APF**

(11) An APF will normally be opened only for full-time or part-time academic staff on continuous appointments or with fixed terms of greater than 12 months. Under special circumstances, approved by the Dean, consideration may be given for ex-University staff to maintain their APF in their capacity as Honorary Fellows or Emeritus Professors.

(12) A request to open an APF must be made by the Head of School/Director to the Deputy Chief Financial Officer, with advice to the Dean, using the "Application to Open an Academic Pursuits Fund" form.

(13) It is the APF holder's responsibility to ensure that their APF does not become overdrawn. If an APF becomes overdrawn, it is the APF holder's responsibility to take immediate steps to clear any deficit.

### **Depositing Funds into an APF**

(14) Funds may be credited to an Academic Pursuits Fund in the following ways:

- a. Approved Payroll Related Allowances (as determined by People and Culture (P&C)) APF HR Journal from People and Culture by the appropriate Personnel Officer;
- b. Approved Services within UNE — by an APF Journal usually in return for services rendered, on approval of the relevant Dean/Director. Note: Internal Transfer Journals are not to be used
- c. Approved Provision of Non-Research Service to an external body — by deposit of funds from sources external to the University.

(15) Funds to be deposited into an APF, other than from approved payroll related allowances, must be approved by the Dean/Director. This approval must be made using the "Approval to Invoice/Deposit Funds into Academic Pursuits Funds" form.

## **Head of School and Other Allowances**

(16) Salary related allowances may only be paid into an APF where an employee agrees to salary sacrifice the above award payment prior to the point of derivation, in exchange for non salary benefits. These types of non-salary benefits provided are usually those for which the employer will not be liable for fringe benefits tax.

(17) Part payments of allowances will not be paid into an APF.

(18) Note: For Research Quantum data collection purposes no funds from Research based activities are to be deposited into APF's. All research based activities and any contractual agreements must be directed to the Research Grants Office in Research Services.

## **Requirements in relation to external body agreements and invoicing.**

(19) To ensure that all legal and insurance responsibilities are clearly identified, any agreement for the provision of services to an external body must be made in a format approved by the University with an appropriate signatory in line with the University's delegations of authority. A copy of all documentation is to be forwarded by the approving officer to the Records Team.

(20) The APF holder must ensure that the University issues a tax invoice to the external funding source. An amount relating to the Goods & Services Tax must be added to the agreed amount. Any funds deposited into an Academic Pursuit Fund where a tax invoice has not been raised, will have the appropriate amount of Goods & Services Tax deducted.

## **Distribution of Funds Deposited into an APF**

(21) All deposits into APF's, excluding approved payroll related allowances and internal allowances e.g. HoS Allowance, will be subject to the University's 20% management fee. The management fee will be applied to all external income. The management fee will be distributed as follows:

- a. 5% School of APF Holder
- b. 5% Faculty of APF Holder
- c. 5% UNE Overheads
- d. 5% Vice-Chancellor and Chief Executive Officer's Initiative Fund

(22) In special circumstances, the University may waive all or part of the management fee. Approval for waiver of the fee rests with the relevant Dean (for the Faculties component) and the Director Financial Services (for the overheads and initiatives component).

## **Closure of APF's**

(23) Any credit balance in an APF is the property of the University, and is therefore not transferable once a staff member ceases employment with the University. Once an APF holder ceases employment the APF will be closed, unless granted Honorary status (see point 1 of these guidelines), and the balance of the funds will be distributed equally between the Faculty and the School. The Faculty is encouraged to allocate these funds on a strategic basis rather than applying them to general operations. The responsibility of closing an APF fund rests with the relevant Faculty Dean. Closure of the accounts should be made on termination of the employment of that staff member.

(24) The relevant Dean or Deputy Chief Financial Officer may close an APF account at any time if it is determined that the account has been inappropriately used.

(25) When an account has been closed, any expenses subsequently charged to the account will become the personal responsibility of the individual concerned

(26) If an APF holder resigns from the University and their APF has a deficit balance, the University may take all necessary steps to withhold and/or recover the amount of the deficit balance from the APF holder. It should be noted that it is the responsibility of the Resource Manager/ Head of School not to authorise expenditure in excess of the funds available.

(27) All items purchased from an APF remain the property of the University. All items located off campus at the time of an APF's closure must be returned to the University.

## **Guidelines for the Use of Academic Pursuits Funds**

### **General**

(28) Funds credited to an Academic Pursuits Fund may be used for any legitimate University academic or research purpose. As these funds are University funds, they may be used to support any activity that would normally qualify for funding from operating grant resources.

(29) Expenditure from Academic Pursuits Funds must be authorised in accordance with the financial delegations approved by the Council and must adhere to the appropriate policy relating to the expenditure.

(30) Expenditure against an APF cannot be approved by the APF holder and must be authorised by the relevant Dean/Head of School/Director.

### **Purchase of Assets from an APF**

(31) Assets purchased from an APF remain the property of the University and must be accounted for as part of each annual stock take of assets. These assets would normally reside on University property. Any items that are removed from University premises, must be approved by the Head of School/Director on the "Approval to take equipment from UNE campus" form. These forms are to state the period that the items are to be located off campus and are to be forwarded to the Assets Officer in Finance for updating and monitoring. Failure to follow University procedures may prejudice any insurance claim in the event of a loss. In addition under the GST legislation the University is required to track all assets purchased after 30 June 2000 with a value of more than \$1,000 for at least 5 years.

### **Return of Assets Purchased through an APF on cessation of employment**

(32) Where an employee leaves the service of the University, all equipment etc. purchased with APF monies must be returned to the University before final monies will be paid. The Head of School must sign the staff member's "Cessation of Employment Form" to verify that all goods have been returned. The Finance will provide the Head of School with a list of items purchased from the APF to assist in the identification and return of the assets.

### **APF to support Study Leave**

(33) APF holders may use their APF to support their period of Study Leave. An APF may be used to support reasonable actual expenses incurred by the APF holder consistent with all other University policies. However, an APF may not be used to support the additional expenses incurred by APF holder due to being accompanied by their spouse/partner and/or children, as this would breach the Australian Taxation Office ruling.

(34) In addition, an APF holder may apply for payment of the short-term daily meal allowance as set out in the University's [Travel Procedures](#) (as per Australian Taxation Office Rulings for Reasonable Allowance Amounts — currently TR 2002/12 for the 2002/2003 period). The University may approve meal allowance claims for up to 35 days to a maximum of \$3,000 in line with the ATO overseas travel allowance rules. These sustenance allowances will be paid as a non-taxed allowance through the payroll. As such the allowance will appear on the APF holder's payment summary and it will then be the APF holder's responsibility to maintain all relevant documentation to meet taxation requirements to claim the appropriate deductions. The University accepts no responsibility for the individual's taxation

liability.

(35) Note: These guidelines are to be read in conjunction with the following University policies. Nothing in these guidelines should preclude the operation of any part of these policies. This policy should be read in conjunction with the policies on the following web pages:

- a. Paid Outside Work
- b. Travel
- c. Assets
- d. Study Leave
- e. Research Grants Office
- f. UNE Delegations

## **Opening an Academic Pursuits Fund**

(36) Staff Member to Complete Application to Open an Academic Pursuits Fund Form and forward to Head of Cost Centre

(37) Head of Cost Centre to:

- a. authorise;
- b. complete sub department code and name of cost centre;
- c. forward to Director Financial Services; and
- d. copy to Dean or Director.

(38) Deputy Chief Financial Officer to:

- a. authorise; and
- b. forward to System Unit/Accounting and Budget Unit for allocation of code.

(39) System Unit/ Accounting and Budget Unit to:

- a. allocate code;
- b. advise academic of code; and
- c. advise cost centre of code.

## **Approval to allocate payroll allowances into an Academic Pursuits Fund**

(40) Staff Member to Complete Academic Pursuits Fund Journal — data to complete:

- a. account details where funds to be transferred from;
- b. Academic Pursuits fund account where funds to be transferred to;
- c. dollar value against above two lines; and
- d. narrative detailing source of funds (additional details to be provided in lower narrative section).

(41) Forward to relevant Dean/Director

(42) Dean to:

- a. authorise; and
- b. forward to People and Culture.

(43) People and Culture to:

- a. authorise; and
- b. forward to Finance for processing.

(44) System Unit/ Accounting and Budget Unit to process journal.

(45) Note: Distribution allocations not used against payroll allowance deposits.

### **Approval to allocate income from services within UNE into an Academic Pursuit Fund**

(46) Staff Member to Complete Academic Pursuits Fund Journal — data to complete:

- a. account details where gross funds to be transferred from;
- b. Academic Pursuits fund account where gross funds to be transferred to;
- c. calculate amount of management fee expense and charge to APF and credit relevant income accounts;;
- d. dollar value against lines relevant to Paragraph 46a-c;
- e. narrative detailing source of funds (additional details to be provided in lower narrative section); and
- f. attach any documentation regarding request to waive components of the Management Fees.

(47) Forward to Dean/Director

(48) Dean/Director to:

- a. authorise deposit;
- b. accept application to waive Faculty or School component of Management Fee and provide recommendation; regarding balance of Management Fee components; and
- c. forward to Director Financial Services.

(49) Finance to:

- a. authorise; and
- b. forward to Systems Unit/ Accounting and Budget Unit for processing.

(50) System Unit/Accounting and Budget Unit to process journal.

### **Approval to invoice/deposit funds into an Academic Pursuits Fund**

(51) Staff Member to complete Invoice/Deposit Form — data to complete:

- a. amount to be invoiced/deposited;
- b. description of service (document to be attached ie copy of contract);
- c. invoice details including:
  - i. name
  - ii. address
  - iii. other relevant contact details
- d. Academic Pursuits fund account where funds to be transferred to — Account to be credited
- e. indicate if invoice required or direct deposit
- f. application to waive component of Management Fee

(52) Forward to Dean/Director

(53) Dean to:

- a. authorise invoice/deposit;
- b. accept application to waive Faculty or School component of Management Fee and provide recommendation regarding balance of Management Fee components;
- c. forward to Director Financial Services if Management Fee waiver required;
- d. forward to Accounting and Budget Unit if Management Fee waiver not required.

(54) Deputy Chief Financial Officer to:

- a. authorise; and
- b. forward to Accounting and Budget Unit for processing.

(55) Accounting and Budget Unit to:

- a. complete section four: and
- b. process invoice/deposit.

### **Application to Close Academic Pursuits Fund (APF)**

(56) Resource Manager to complete Application — data to complete:

- a. APF Name, Account Number, amount and date;
- b. Distribution of Funds;
- c. authorise; and
- d. forward to Dean of Faculty.

(57) Dean to:

- a. authorise; and
- b. forward to Director Financial Services.

(58) Deputy Chief Financial Officer to:

- a. authorise: and
- b. forward to Systems Unit /Accounting and Budget Unit for processing

(59) Systems Unit/Accounting and Budget Unit to process closure.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	27th July 2015
<b>Review Date</b>	28th July 2015
<b>Approval Authority</b>	Vice-Chancellor and Chief Executive Officer
<b>Approval Date</b>	7th May 2005
<b>Expiry Date</b>	To Be Advised
<b>Unit Head</b>	Ilias Dimopoulos Head of Finance
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## Glossary Terms and Definitions

**"School"** - Is an organisational unit comprising academic staff in related fields of study who are responsible for teaching and research in those academic fields together with support staff. Each School also has lead management for the design and delivery of the courses within its responsibility.

**"Faculty"** - An organisational unit consisting of a group of related Schools, which is responsible for coordinating the management and quality of the teaching and research conducted by those Schools.