What is a consulting agreement?

A consulting agreement is typically a formal agreement between a faculty member and an outside entity to engage the faculty member to provide expertise or guidance on a topical area. Consulting agreement should not utilize more than incidental use of institutional space or resources. In most cases, faculty members should pursue these agreements independent of the institution, on their own time.

Consulting services typically fall outside of the institution’s teaching and research mission, such as serving on an advisory board.

Examples of activities that may fall under a consulting agreement include, but are not limited to:

* Performing an evaluation or assessment of an external program, such as an educational or public health initiative
* Assisting a city government in urban planning

Successful consulting agreements can further contribute to a faculty’s expertise, a student’s educational development, and the reputation of the institution as a whole.

Who is permitted to undertake consulting activities?

This will vary by institution, but typically both faculty and staff are permitted to undertake consulting activities, provided they are discussed with their supervisor and reported to the institution.

In many cases, universities will have a faculty handbook and/or policy that specifies that external activities are allowed and, in some cases, encouraged so long as the commitment does not exceed a specific commitment (typically eight hours or one day a week), on average. Performing external consulting can strengthen industry relationships and provide public benefit, all of which are in line with most academic institutions’ mission and core values.

What is typically in a consulting agreement addendum?

The addendum is put in place to override any language within the contract that conflicts with both institutional and federal policy. The types of concerns captured under the addendum include, but are not limited to:

1. Conflicts of commitment with respect to either:
   1. The institution (i.e. ensuring the commitment does not exceed the eight hours per week allotted to faculty); or
   2. US federal funding agencies or other external sponsors.
2. Clarification of IP rights committed to or already owned by the institution
3. Perceived or real bias and influence on integrity of the institution’s related research
4. Anything that conflicts with institutional policies, including those related to Intellectual Property, Conflict of Commitment, Financial Conflict of Interest, External International Engagements, Export Controls and Research Security
5. Making it explicit that the primary appointment and obligation is to the academic institution. Accordingly, faculty have an obligation and requirement to abide by institutional policy, including disclosing the existence of the arrangement to the institution, as well as federal funding agencies, as required by law or statute.

The addendum does not require any type of contract revision or negotiation. A number of academic, research institutions either recommend or require the inclusion of an addendum to cover these topics, so companies are increasingly familiar with the process.

How should faculty complete the consulting agreement addendum?

The addendum should be incorporated by reference into the consulting agreement and the consulting agreement and addendum signed by both parties.

Resources & Sample Addenda:

There are several good resources and exemplars for consulting addenda, as well as accompanying guidance, including:

[Massachusetts Institute of Technology](https://ogc.mit.edu/latest/explaining-consulting-agreement-rider-outside-professional-activities)

[Harvard University](https://research.harvard.edu/research-policies-compliance/outside-activities-of-holders-of-academic-appointments/)

[Stanford University](https://doresearch.stanford.edu/policies/research-policy-handbook/conflicts-commitment-and-interest/consulting-and-other-outside-professional-activities-members-academic-council-and-medical-center-line-faculty)

[University of Nebraska, Lincoln](https://research.unl.edu/unl-guide-to-outside-activity-for-faculty-and-academic-employees/)

[University of Arizona](https://research.arizona.edu/OROI/Consulting-Agreements)

[Cornell University](https://researchservices.cornell.edu/forms/faculty-consulting-contract-addendum)

[Northeastern University](https://nu-res.compliance.northeastern.edu/)