Title of the Policy: Establishing and Generating Revenue Producing Activity

Functional Area: Business and Finance
Applies To: All Faculty and Staff
Policy Reference(s):

Number: N/A
Date Issued: September 1, 2011
Page(s): 2

Responsible Person
The Vice President for Business and Finance is responsible for maintenance of this policy, and for responding to questions posed regarding this policy.

Purpose / Rationale
To provide guidelines and procedures for the establishment of revenue producing activities by departments, units, and individuals.

Definitions

Revenue Producing Activity - A revenue producing activity is established when revenue is generated from the sale of products and/or services provided by the university or university employees.

External Sales – An External Sale is defined as an exchange by the university of tangible or intangible products and/or services with external customers for monetary consideration. For the purposes of this policy, an external customer is anyone not paying for the goods or services from a University account.

Internal Sales - An Internal Sale is defined as the sale of goods or services by one university department to another department within the university and to sales within a department.

Policy
Any revenue producing activity must be approved by the Vice President for Business. Revenues produced must remain in university accounts.

When revenue is generated from the sale of products and/or services provided by the university and/or university employees, the revenue must be deposited in an approved university account(s) and...
recorded with the appropriate general ledger account(s) and object code(s). The sale of products and/or services to internal and/or external customers must be consistent with the mission of the university (education, research, or public service), as well as the mission of the specific organization. If the sales are to internal customers, the sales activity is limited to a break-even basis and must comply with additional restrictions described below. If the sales are to external customers, the sales revenue may exceed expenses.

This policy does not apply to outside entity student organizations revenue activity. However, if the student organization processes the revenue activity through a university account, then that activity would be covered under this policy.

When planning or approving business activities, Deans, Department Heads, Vice Presidents and other appropriate administrators should ensure that these activities are consistent with this policy. Units that do not follow the guidelines set forth in this policy will at a minimum be held responsible for any fines or penalties externally imposed.

**Related Procedures**

To establish a new Revenue Producing Activity account the department must:

a. Seek guidance and approval from the unit/division Vice President
b. Schedule a preliminary review meeting/discussion with the Vice President for Business and Finance or AVP for Business and Finance before commencing with the following steps in establishing an account;
c. Create a business plan;
d. Submit a business plan, completed Conflict of Interest Disclosure Statement, if applicable, and any supporting paperwork to the Vice President for Business and Finance for approval.