

Non-Base Funded Activities Policy

Purpose To encourage the pursuit of non-base funded programs and service according to the established process.

Policy VCC will seek to expand its delivery of instruction and services through non-base funded activity to generate additional revenue, provide service to the community, forge linkages with business and industry, assist in the development and delivery of new courses, and provide new opportunities for employee growth and development.

Applies to All VCC employees entering into non-base funded contracts. *

* Exceptions:

- \$ Non-guaranteed Intakes (NGIs) from ITAC
- \$ Contracts for Centre for Curriculum Transfer and Technology (C2T2)
- \$ English Language Services for Adults (ELSA) contract
- \$ Part-time offerings of our full-time programs
- \$ Flow-through ministry grants such as Safer Campuses
- \$ Continuing Education base programming
- \$ Individual International Education Visa Students
- \$ Domestic or International Contracts initiated and negotiated solely by the Director of Ventures and International Enterprises or departmental delegate

Exceptions are subject to the same approvals as outlined in the procedures but costing will differ and departmental incentives do not apply.

Definition Non-base funded activity is instruction and/or services provided to external persons or organizations for a pre-determined contracted price. The activity can be domestic or international and is not usually open to the general public.

Procedures

1. All non-base funded contracts must be in writing and have necessary educational and financial approval.
2. The Project Sponsor (usually budget managers) seek educational approval prior to or concurrently with the costing process.
3. The Project Sponsor will cost the contract using the non-base funded contract form and *contact* the Manager of Budget Accounting who provides support to this process.*

*VCC maintains a computerized non-base funded activity contract approval and costing form on the college network. (See attached Appendix 1 - Contract Form). This form establishes the costing model, including the overhead, incentive and surplus sharing rates. The form also indicates the appropriate level of educational and financial approval. These rates and approvals are described in the attached Guidelines for Preparation of Non-Base Funded Activities Form.

VCC also maintains computerized Proposal Template, sample proposals and Sample Standard Contracts on the college network.

A hard copy of these forms will also be available in the Financial Services and Ventures and International Enterprises departments.

4. The Project Sponsor is responsible for ensuring routing procedures *on the non-base funded contract form are followed.*
5. The Project Sponsor keeps the Coordinator of Contract Training informed of new non-based funded projects and project progress, so that the Coordinator of Contract Training can provide support to the project development and proposal writing process. Draft proposals and contracts can be sent to the Coordinator for feedback. If a proposal format is not externally provided, project sponsors will follow the VCC Proposal Template for submission.
6. Once a proposal is accepted, the Project Sponsor drafts or presents a formal contract to a College signing officer* for approval. The Vice President of Finance & College Services reviews all non-standard contract

wording so that VCC is not exposed to undue risk or liability. Executed copies of contracts must be forwarded to Financial Services and Coordinator, Contract Training.

* College signing officers are the President, Vice Presidents and Director of Financial Services.

7. The Manager of Budget Accounting assigns each individual non-base funded activity a separate cost centre in the Contract Fund of the college accounting system.
8. Any incentives or surpluses are available only after the contract is completed and the final billing collected.
9. The Coordinator, Contract Training presents an annual report of the Contract Fund performance at the September Operations Council meeting for information.
10. Employees must consider the Conflict of Interest Policy A.3.6 when entering into contracts.

Replaces

Replaces Cost Recovery Courses/Programs Policy 3.1.0.12 and Non-Based Funded Activities Policy 3.1.0.16.

GUIDELINES to the Non-Base Funded Activities Policy E.4.1

PRINCIPLES

In the development of training and/or educational activities that depend primarily on non-base funded activities the College will consider and endeavour to respect the following principles:

1. Governance Integrity

Within the limits of their jurisdictions governance bodies (Education Council, Operations Council and College Board) have the primary responsibility for College programming supported by non-base funding. Within accepted College practice they are involved at appropriate stages of development.

2. Limits on the Role of Commercial or Private Funders

Commercial or Private funders cannot:

- a) overrule the training and curriculum choices of the College;
- b) restrict the commitment of the College to offer a broad range of programs and services to its community.

3. Accountability

All arrangements with private and commercial funders, without exception, must conform to College values, goals and relevant policies.

4. Fiscal Responsibility and Fairness

Non-Base Funded Activities will not cause any reduction in Base funded activities.

The benefit of commercial or privately funded activities will be distributed within the College pursuant to existing policy and practice.

5. Facilities Allocation

See Use of College Facilities Policy B.3.4.

6. Research Integrity

Private or commercial funding will not be contingent on the outcome of research.

All research will follow methodology and guidelines acceptable within the discipline including:

- Respect for the dignity, welfare and privacy of any human subjects.
- Informed, voluntary consent

7. Funder Recognition

See Sponsorship Policy E.3.1.

Incentives can be spent at the completion of the contract or can be accumulated in a separate fund. For the latter, please contact the Manager of Budget accounting to arrange.

3. Surplus

Any surplus remaining can be split with the department and contract fund on a pre-determined basis.

Surpluses can be spent in the same manner as incentives.

4. Rates

Current rates are as follows (included on contract form):

Overhead	30% of direct costs
Incentive	30% of direct costs
Surplus	50/50 split of remaining funds between department and contract fund

(April 2000)

5. Direct & Indirect costs

In order to help with contract preparation, we have attached some information on costing, specifically outlining direct and indirect costs.

Direct Costs: those costs that can be directly and easily attributable to a particular self-funded activity, and include (but are not limited to):

- \$ staffing costs specifically related to activity (salary, benefits, PD, vacation). Note: For a contract which will be greater than 3 months or if a term instructor is identified, please ensure the term rates are used.
- \$ administrative support salaries (specifically seconded to the contract)
- \$ travel
- \$ accommodations
- \$ supplies and materials
- \$ advertising/promotion
- \$ student society fees
- \$ off-campus facility rental
- \$ equipment rental
- \$ program development costs
- \$ taxes
- \$ special fees, licenses

- \$ printing
- \$ textbooks
- \$ catering/food services
- \$ small tools

Overhead (Indirect Costs): the contribution to the College operations for services provided that do not directly relate to the contract. The overhead percentage of 30% calculated on the direct costs incorporates these costs. Services included in the overhead percentage include:

- \$ facilities (buildings, security, housekeeping and maintenance/utilities)
- \$ student services (registration, student records , counselling, computer services, library, audio/visual, and assessments)
- \$ personnel and payroll services
- \$ accounting and budgeting services
- \$ purchasing services

1. Policy Sponsor: Vice President Finance and College Services

2. Approvals:

President: _____ **Date:** _____

Education Council Chair: _____ **Date:** _____

Operations Council Chair: _____ **Date:** _____

Board Chair: _____ **Date:** _____

3. Amendments:

President: _____ **Date:** _____

Education Council Chair: _____ **Date:** _____

Operations Council Chair: _____ **Date:** _____

Board Chair: _____ **Date:** _____

4. Review Date: