

Selkirk College Policies and Procedures		Title and number	9100 Contract and other Self-funding Activities		
		Replaces	B9011		
		Effective	1988-05-17	Next review :	2002-09-17
Executive Responsibility	Administrative Responsibility	Recommended by Policy Review Committee		2000-02-03	
Director Finance	Director Finance	Recommended/Approved by Education Council			
		Approved by President		2000-02-05	

1 POLICY

2 NORMALLY, A CONTRACT WILL CONTAIN ALL OF THE FOLLOWING COMPONENTS:

2.1 Direct costs: costs that can be directly and easily attributed to a particular self-funded activity and include, but are not limited to:

- direct and indirect staffing costs specifically related to the activity (salary, benefits, PD, vacation, sick leave).
- travel.
- accommodation.
- advertising/promotion.
- off-campus facility rental.
- equipment rental (non-College).
- program supplies/materials/office supplies.
- program development cost.
- taxes, where applicable.
- special fees, licenses.
- textbooks/manuals.
- catering.
- secretarial support.
- telephone, fax, data, printing.
- mail.
- optional departmental administration fee (operational and administrative support staff costs such as salary, PD, benefits, vacation).

Any uncertainty regarding the inclusion of particular direct costs should be referred to the Director of Finance.

- a. Institutional Overhead: applied to all contracts as a percentage of direct costs (refer to Appendix A "Costing Models" for rates). This is the contribution to the base budget for services rendered that do not directly relate to the activity. These costs may include all or some of the following:
- central administration
 - student services (registration, advising, counselling, computing services, library services, audio/visual, security etc.)
 - housekeeping and maintenance assistance.
 - personnel and payroll.
 - accounting services.
 - purchasing services.
 - utilities.

- b. Institutional Overhead will be the first item charged against the account of the approved contract.

2. Calculation and Allocation of Surplus and Deficit

Surpluses or deficits equal the difference between the revenue received and the sum (where applicable) or “direct costs” and “institutional overhead”. The balance of surplus remaining will be transferred to a contract account for the originating department. Any deficits or losses will be the responsibility of the originating department.

CONTRACT REVIEW AND APPROVAL

All third party contracts and budgets for C & SP activities outlined in Appendix A are to be approved by the appropriate Dean and reviewed by the Director of Finance prior to finalizing the contract. The Director of Finance will review the budget and notify the Department of the results of the review within two working days after receipt of the budget and draft contract/letter of agreement. A signed copy of all contracts and letters of agreement must be filed with the Director of Finance, together with all amendments, extensions and renewals..

All contracts and letters of agreement must be signed by the Vice President Administration and/or the Director of Finance prior to commencing any project, to be legally binding.

CONTRACT PREPARATION

All contract and specific purpose activities will be undertaken in accordance with existing College policy (i.e., acquisition of goods and services, hiring/personnel policy), please refer to the Selkirk College Policy manual.

Standard third-party contract course agreement forms have been developed by the College. These models are to be used by project managers to ensure legal and insurance risks are handled properly and consistently within the College.

When drafting contracts, it is important that the language does not expose the College to undue risk or liability. It is equally important that a written contract is produced by one of the parties for the other party to formally sign. No contract may be made on a verbal or handshake basis regardless of the standing of the other party.

When establishing a payment schedule, the timing or payments by the other party must maintain a positive cash flow for the College. All revenue collection will be through an official College invoice; the responsibility of requesting an invoice to be raised by Finance will rest with the originating department or College representative. Reports or other required documentation can be attached to the invoice request.

The legal risk on C & SP activities may differ from base programs and the originating department will be responsible for consulting the Director of Facilities and Ancillary Services to ensure appropriate advice and coverage is obtained on legal and insurance matters.

The College's Conflict of Interest Policy applies to all employees involved in self-funded activities.

ANNUAL REVIEW

On an annual basis the Director of Finance will initiate a review of policies, procedures and costing models related to C & SP activities to ensure continued integrity and appropriateness.

Other relevant policies:

9200 Acquisition of Goods & Services, 6000 Ethics

Key words:

Contracts, Conflict of Interest