

Complete Policy Title:

Academic Revenue Activity Policy for Revenue Generating Certificate and Diploma Programs Administered through a Faculty

Approved by:

Senate

Date of Original Approval(s):

December 12, 1995

Responsible Executive :

Provost and Vice President (Academic)

DISCLAIMER:

If there is a Discrepancy between this electronic policy and the written copy held by the policy owner, the written copy prevails.

Policy Number (if applicable):

Date of Most Recent Approval:

May 13, 2015

Supersedes/Amends Policy dated:

Academic Revenue Activity Policy for Revenue Generating Graduate and Undergraduate Degree, Diploma and Certificate Programs Administered through a Faculty, January 10, 2007

Enquiries:

[University Secretariat](#)

Preamble:

Under the conditions specified below, the University encourages the offering of revenue generating diploma and/or certificate programs that increase the resource base of the University through revenues which go beyond those associated with tuition fees for the regular academic programs offered by the Faculties. These programs, and their use of University resources, are additional to, rather than a replacement of, any of the regular Ministry funded programs. These programs may be offered solely by McMaster University or in collaboration with one or more other institutions. The offering of such programs should reward sponsoring Faculties for their creativity, initiative and risk-taking, while supporting program development and capacity building in strategic areas across the University.

Guiding Principles:

- The University recognizes that one means of acquiring additional resources to achieve its strategic objectives is through special academic programs intended to generate extra revenue.
- The University supports the spirit of enterprise and reasonable risk-taking that will increase the capabilities of the University.
- These activities must be fully supported from the revenue paid by participants and/or non governmental external sources under the financial arrangements contained in this policy.

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- The University general income account will be provided with a share of the revenue to offset the indirect costs incurred by the University in the delivery of special programs and to contribute generally to the financial health of the University.
 - It is not expected that these programs will add significantly to the service infrastructure costs. However, the volume of activity will be assessed and if there is a moderate or significant cost of providing services for the program, compensation to the affected support units would be required from program revenue.
 - Revenue generating programs will be offered only when they can be mounted without compromising the viability and quality of regular academic programs. The financial viability of a revenue generating program cannot be based on the assumption of future Ministry funding. Neither Ministry funding nor tuition from MTCU funded students can be used to subsidise revenue generating programs.
 - Any proposed certificates or diplomas must be approved by Undergraduate Council or Graduate Council and Senate using the policy found at <http://www.mcmaster.ca/policy/AdminAcad/AcadAdmin/CertificatesandDiplomas.pdf>
 - Student access to student services and the appropriate ancillary fees must be determined in consultation with the Student Affairs and the latter approved by the University Student Fees Committee.
 - All existing University labour agreements and purchasing policies, which are relevant to the provision of goods and services to the program, must be honoured.

Criteria for Programs covered under this policy

- These programs are not supported through Provincial Government core formula funding.
- These programs may result in a diploma or certificate (although is not necessarily required), but not an undergraduate or graduate degree.
- These programs are developed and offered with the express purpose of generating revenues that are additional to revenues generated by Ministry funded programs and which do not merely draw students away from existing programs.
- This includes joint ventures and collaborative programs in which the University is a partner and which would fall under the policy if sponsored solely by the University.

In many cases, special programs of this kind will be characterized by innovative modes of delivery, such as new formats or new off-campus locations. They will be developed to meet the specific educational interests or needs of a particular Faculty/program often in partnership with another educational institution and all costs will be the responsibility of the Faculty(ies).

A written business case, along with the completed Financial Viability and Resource Implications template, must be presented to the Executive Director Finance and Administration (Academic) and Associate Vice-President (Faculty) or Associate Vice President and Dean of Graduate Studies to assist with evaluation of revenue generating proposals. The Dean(s), along with the relevant Associate Vice-President, will present the business case to the University Planning Committee to seek approval prior to the commencement of each revenue generating arrangement.

Business Case:

- The new undergraduate and/or graduate program approval process must be followed and the template for Financial Viability and Resource Implications must be completed to ensure all revenues and expenses are considered.
- Certificate and diploma programs should format their business cases as closely as practical to the format outlined in the *Policy on Academic Program Reviews*.
- Incremental overhead (support unit) costs incurred on behalf of the program must be included in the program costs. The Financial Viability and Resource Implications template will guide in the assessment of indirect costs attributed to the program.
- If the program takes place in an off campus location, lease costs, occupancy costs, insurance, mail delivery, provision of support services and movement of goods and services between the main campus and the program site must be included as part of the cost to the program.

Program Revenue/Cost Treatment

- Revenues collected for the program will flow above hold harmless (if applicable), directly to the home Faculty and outside of the framework.
- Direct costs will be paid for directly by the Faculty from the program.
- Assessed indirect costs will either be paid for directly by the Faculty and/or through the budget model as applicable.