

Policy Name:	Commercial and Supplemental Revenue-Generating Activities
Originating/Responsible Department:	Office of Risk Management
Approval Authority:	Senior Management Committee
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Contact:	Executive Director, Office of Risk Management

POLICY

Every commercial and supplemental revenue-generating activity at Carleton University, as defined through this policy, requires the approval of the Vice-President (Finance and Administration) or designate, following review and recommendation of the Commercial Activity Review Committee (CARC).

PURPOSE

All commercial and supplemental revenue-generating activities undertaken on campus shall be reviewed and approved by the appropriate authorities in order to:

- Facilitate the best, mutually beneficial and holistic arrangement between Carleton University and any third parties;
- Support and protect the commercial enterprises owned and operated by Carleton University and other recognized bodies and organizations on campus and ensure compliance with any related contractual or other requirements;
- Ensure alignment with University strategic goals and reputational interests, as well as the status of the University as a charitable organization;
- Consider the appropriate application, collection and remittance of all sales and other applicable taxes;
- Ensure and manage compliance with health and safety requirements, University policies and other potential liabilities for the University.
- Ensure compliance with any applicable legal, regulatory, bylaws and contractual requirements.

SCOPE

While commercial activity at the University primarily occurs through ancillary departments or their contracted service providers, the University may, from time to time, engage in, or be approached about, commercial or supplemental revenue-generating activities other than those currently operating on or off campus. This policy applies to any existing or proposed Commercial Activity including, but not limited to, advertising arrangements, campus events, property lease or license arrangements, facility rentals, third-party non-credit and professional course offerings, or any other activity as defined in this policy across all University properties, including space or property rented

to or licensed to other organizations.

This policy does not apply to the sale or disposition of University assets, the collection of tuition fees for credit-courses, sponsorship, philanthropic activities, or research mobilization or commercialization; however, any Sponsorship activity which includes a commercial component must be reviewed by the Commercial Activity Review Committee (CARC).

GOVERNANCE

All Commercial Activities require the approval of the CARC. The approval and monitoring of commercial and supplemental revenue-generating activities for the University is governed by a principle-based framework and evaluative process which ensures that commercial arrangements made between Carleton University and any third parties are mutually beneficial and that the interests of existing commercial activities and enterprises are protected.

Guiding Principles

The primary principle for approving any commercial or supplemental revenue-generating activities, as described in this policy, is that any such activity must support academic and student life and the broader campus community. Understanding that this principle can be broadly interpreted, the following principles are also considered during the identification of potential opportunities, and the evaluation of any proposed activity:

- Strategic activities are required to develop and expand the University. The University is open to new and innovative business arrangements, and any proposed commercial activity will be assessed using the University's risk management framework and accepted risk appetite for the nature of the activity proposed;
- Appropriately authorized Relationship managers acting on behalf of Carleton University are empowered to enter into consultations around commercial or supplemental revenue-generating activities and are supported for success in these discussions with clearly documented and timely workflow processes and approval mechanisms;
- Prospective and existing corporate or third-party partners will be treated in a fair and transparent manner, and barriers preventing a successful relationship with an approved partner will be reduced or eliminated, as much as is practicable while ensuring compliance with all applicable requirements;
- The needs analysis, revenue valuation, contract management and related fulfillment processes will be carried out in a timely manner, and applied consistently across University properties and stakeholder groups;
- Senior management understands the time-sensitivity of negotiations in the pursuit of commercial and supplemental revenue-generating activities, as well as the inherent need to promote the partnerships that arise out of such activities (e.g., community engagement activities and events, brand awareness activities, signage activation, etc.);
- The reputation of the University is paramount. All applicable University policies and legal requirements will be upheld, and potential or actual breaches will be treated accordingly.

ROLES AND RESPONSIBILITIES

Commercial Activities Review Committee

Official approval to operate Commercial Activities on behalf of Carleton University is under the authority of the Vice-President (Finance and Administration), on the recommendation of the CARC. The mandate of the CARC is to adhere to the guiding principles in this policy and to impartially assess, approve and monitor the benefits and risks of any proposed commercial activity opportunity and its ongoing operations. As such, the CARC is balanced in its membership composition so as to represent the varied needs of groups across campus. The composition of the CARC is as follows:

- Executive Director, Office of Risk Management (Chair)
- Designate, Campus Services
- Designate, Student Affairs
- Designate, Recreation and Athletics
- Designate, University Advancement
- Designate, Facilities Management and Planning
- Designate, Financial Services
- Designate, Office of the Provost and Vice-President (Academic)

The CARC meets monthly (or on an as-needed basis) and will establish the conditions under which the activity may operate, including the frequency of status reporting to the CARC. The CARC may consult with other units or departments as may be necessary to carry out its functions.

Sponsor and Relationship Manager Responsibilities

The originating department, unit, or group (i.e., sponsor) will assign a Relationship Manager who shall act as the primary contact with the CARC, be accountable for implementing any conditions for operation, maintain communications with the CARC, as required and ensure compliance with all applicable University policies and laws.

Each Sponsor bringing forward a proposal for new commercial or supplemental revenue-generating activity must:

- 1) complete a risk assessment of the activity;
- 2) provide the appropriate information to the CARC for review and as required for ongoing monitoring;
- 3) to manage any conditions set out by the CARC for that commercial activity; and
- 4) comply with all University policies and applicable laws.

PROCEDURES

Eligibility

Eligible departments, units or groups are those sponsored by the central management of the University or a University faculty or department and can include recognized external entities such as the Carleton University Students Association, Graduate Students Association, recognized student groups, societies, clubs and teams.

Submission Process

Proposals to establish a commercial activity on University-owned or operated properties, or with University-owned assets, shall include the following:

- a. Sponsoring individual or unit, and contact information for the Relationship Manager;
- b. Clear identification of all third parties involved, their legal status (e.g. corporation, association, etc.), and their business address(es);
- c. Anticipated date of first activity and the expected duration of the activity;
- d. Purpose of the activity and benefit to the University community;
- e. Anticipated revenues generated by the activity;
- f. Outline of appropriate cash handling procedures and Payment Card Industry (PCI) assessment, if applicable;
- g. Identification of potential risks to the University and the University community;
- h. Identification of and plans to ensure compliance with all applicable policies and laws and
- i. Copies of all relevant documents, including draft agreements or proposed terms and conditions.

Proposals shall be submitted to the CARC by emailing the Office of Risk Management (risk@carleton.ca).

Sponsors should anticipate at least a 4-week period between proposal submission and decision; however, additional questions or requests for information from the CARC, particularly for high-risk activities, may be required. A proposal may be approved, approved-in-principle, or declined. Any proposal which is approved-in-principle may be subject to implementing certain recommendations and/or conditions as outlined by the CARC and must be implemented before proceeding.

Approving and Monitoring Commercial Activities on Campus

Any consideration for the operation of commercial and supplemental revenue-generating activities on University-owned or operated properties, or with University-owned assets, shall first be proposed to the CARC. The CARC shall undertake a review of the proposed activity from a reputational, financial, contractual and overall risk perspective. The approval for low-risk activities shall be delegated to the CARC Chair, with higher-risk proposals requiring further approval by the Vice-President (Finance and Administration) and subject to the University risk management framework. Proposals shall be submitted within an appropriate timeframe as determined by the CARC to allow review and evaluation of the proposed activity.

The CARC may withdraw approval of any Commercial Activity, at its discretion, if a condition is not met or maintained, the risks of a Commercial Activity change substantially for any reason, or the Commercial Activity is not in compliance with this or any applicable Policy or requirement.

Upon approval, the CARC will establish a reporting frequency for review of the commercial activity operations.

RISK AND LIABILITY

Proper risk assessment and risk management are necessary elements of all commercial and supplemental revenue-generating activities. As such, a risk assessment, as outlined in the University's *Signing Authorities Policy*, is required before entering into any agreement for commercial activity. In addition, Carleton's Enterprise Risk Management Framework establishes acceptable levels of risk for categories of risk through the establishment of risk appetite statements.

Carleton's Enterprise Risk Management Framework should be reviewed before entering negotiations for commercial activity.

In addition, any use of University property or space by a third party for a Commercial Activity must be reduced to writing in a contractual agreement. Any agreement for commercial activity must ensure the University's interests are properly protected through contractual risk transfer, including but not limited to, using appropriate indemnity, hold harmless and insurance clauses. The Office of Risk Management and the University's General Counsel Office should be consulted during negotiations and drafting of all agreements for commercial activities to ensure proper compliance with University policies and appropriate contractual risk transfer. This Policy does not grant any signing authority. No agreement or other contractual arrangement for a Commercial Activity may be signed by any person, unit, or department without clear authority under the University's *Signing Authorities Policy*.

RESTRICTIONS AND EXCLUSIONS

Carleton University shall not permit the marketing, advertising or selling of alcohol, tobacco, cannabis, lottery, gambling or financial products.

Carleton University will not grant any request to release its mailing lists or email lists for a Commercial Activity. Any commercial and supplemental revenue-generating activity that may involve the access, sharing, use, disclosure or collection of information must comply with all applicable information and privacy laws and applicable University policies.

DEFINITIONS

The following definitions apply in this policy:

Advertising or Advertisement is a means of communication with the users or potential users of a product or service. Advertising and advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them. Advertising fees may or may not include a market-based premium paid to Carleton University for access to an audience of current or potential users.

Ancillary Service means a department or unit which supports the academic and research mission of the University and is not directly related to the primary function of teaching and research at the University. Ancillary services are a range of non-academic, self-sustaining support services offered to the campus community. As ancillary services are expected to be self-sustaining, the cost-of-service delivery is funded through user fees and internal and external revenue generation.

Campus Event(s) means an event, other than academic classes scheduled as part of the curriculum, that is held in a University-owned or operated facility or outdoor space, or through the use of an officially sanctioned University electronic platform. This would include any off-campus, University hosted events (e.g., Panda Bowl). A Campus Event is one that is sponsored by an officially recognized department or organization, and is held by either internal members of the Carleton community or external parties who have contracted directly with the University.

Commercial Activity (also described as "supplemental revenue-generating activity") means any

revenue-generating or fundraising activity by an outside business or organization, or department/unit within the University, that is facilitated in a University-owned or operated facility or outdoor space, or through the use of an officially sanctioned University electronic platform. This includes but is not limited to:

1. The selling, advertisement, or offering of a commercial brand, product, good, or service;
2. The dissemination or collection of information for the purpose of facilitating the sale of goods or services;
3. Any activity that attempts to raise funds through the sale of goods and services, excluding the solicitation of donations for any entity by University Advancement;
4. Product testing or surveys, gathering market research data, or the solicitation or collection of personal information for commercial purposes;
and
5. The distribution or offering of gifts, incentives, or promotions.

Property Lease or License is a contractual arrangement between the University and a third-party for the use of real property. All real property is owned by the University and not by the faculty or administrative department that is assigned, occupies, or otherwise uses the real property.

Facility Rental(s) is the short-term rental of University-owned space to community groups and other external parties for events outside of the University's academic schedule.

Relationship Manager is the responsible individual (assigned or not) for initiating and developing or maintaining a strong relationship with an individual, business, corporation or foundation that is seeking to deliver commercial activities for the University. The Relationship Manager is responsible for liaising with the CARC, maintaining communications with key stakeholders, and fulfilment of any and all terms of the relationship (e.g., contractual agreement), or provisions stipulated by the CARC and ensuring compliance with all applicable legal requirements and University policies.

Sale of Assets means the disposal of University-owned assets, including capital, furniture, equipment, research, surplus or obsolete goods, regardless of funding source, for the purposes of recovering or generating funds. Any form of agreement that results in the exchange of consideration for a University asset is considered a disposal of assets.

Sponsorship means a marketing-oriented, contracted financial alliance between Carleton University and a corporation, or organization for the purpose of achieving commercial objectives. Per the Canada Revenue Agency (CRA), "Sponsorship occurs when a business makes a donation toward the cost of a charity's activity or event and, in return, the charity advertises or promotes the business's brand, products or services". Further, the CRA states that if the business receives special recognition for this contribution (e.g., signage or advertising opportunities) this is considered sponsorship (vs. philanthropy) as it has the intention of generating income. While the business can include this as "advertising costs", it would not be eligible for a charitable tax receipt.

Sponsorable Asset(s) is a University-owned program, asset or group of assets that may generate revenue on the basis of a shared audience or common communications goal (e.g., digital media, static signage, event participation/collaboration, product sampling, etc.)

Sponsorship Valuation means an economic determination which is calculated by valuing the

collective hard and soft assets a property owns. The “hard assets” are the media value equivalencies for every element offered to a sponsor. These media values are adjusted to the specific nature of the benefits and visibilities sponsorship can provide. Intangible values, or “soft assets”, are measuring the qualitative aspects of a property.

LINKS TO RELATED POLICIES

This Policy should be read in conjunction with other applicable University policies, guidelines and standards, including but limited to:

- Advertising Policy
- Access to Information and Privacy Policy
- Anti-Spam Compliance Policy
- Code of Conduct for Apparel Supplies & Trademark Licensees
- Corporate Sponsorship Policy
- Risk Management Policy
- Signing Authorities Policy
- Procurement Policy
- Data and Information Classification and Protection Policy

Secretariat Policies – <http://carleton.ca/secretariat/policies>

CONTACTS

Executive Director, Office of Risk Management