



Board of Trustees

Policy Statement
University Policy Library

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|------------------------|----------------------------|
| Operational Area: | Business and Finance |
| Responsible Executive: | Chief Financial Officer |
| Responsible Office: | Accounting Services Office |
| Effective: | April 1, 2019 |

Provision of Goods and Services

Business and Finance

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I. Introduction

- A. **Authority:** C.R.S. § 23-54-102, *et seq.* (2019) authorizes the Trustees of Metropolitan State University of Denver (MSU Denver) to establish rules and regulations to govern and operate the University and its programs. The Trustees retain authority to approve, interpret, and administer policies pertaining to University governance. The Trustees authorize the President of MSU Denver to approve, administer, and interpret policies pertaining to University operations.
- B. **Purpose:** The primary mission of higher education institutions is to create and disseminate knowledge. To perform this mission, it is often necessary for universities to provide, and charge fees for, goods and services that enhance, promote, or support their teaching, research, and public service functions. It is important, however, that universities be mindful that the provision of goods and services may be in competition with private businesses, and remain sensitive to the interests of private businesses. The purpose of these guidelines is to define the legitimate purposes of the provision of goods and services by the University and to establish a mechanism for addressing complaints of unfair competition by private businesses.
- C. **Scope:** This policy applies to administrative units and employees.



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II. Roles and Responsibilities

- A. **Responsible Executive:** Chief Financial Officer
- B. **Responsible Administrator:** Controller
- C. **Responsible Office:** Accounting Services Office
- D. **Policy Contact:** Controller, 303-615-0039

III. Policy Statement

- A. Introduction: The primary mission of higher education institutions is to create and disseminate knowledge. To perform this mission, it is often necessary for universities to provide, and charge fees for, goods and services that enhance, promote, or support their teaching, research, and public service functions. It is important, however, that universities be mindful that the provision of goods and services may be in competition with private businesses, and remain sensitive to the interests of private businesses. The purpose of these guidelines is to define the legitimate purposes of the provision of goods and services by the University and to establish a mechanism for addressing complaints of unfair competition by private businesses.
 - 1. Exclusions: In recognition of the teaching, research, and public service missions of higher education institutions, these guidelines shall not apply to the following situations:
 - a. Instructional charges;
 - b. Services provided in the experiential aspects of instructional and research programs;
 - c. Services for fees in extracurricular or residential life programs, including residence halls, food services, athletic, recreational and cultural programs;



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- d. Contracts with the University of Colorado Health Sciences Center, except in those cases where a prosthetic or medical device is provided without an accompanying surgery or medical procedure;
 - e. The provision of free medical services or equipment to indigent in association with a community service health program; and
 - f. Public service radio and television stations licensed to the University.
2. Guidelines: It is appropriate for the University to provide and charge for goods and services to students, faculty, staff and invited guests, under the following conditions:
- a. The good or service is authorized by statute;
 - b. The good or service offers a valuable educational or research experience for students as a part of their education;
 - c. The good or service fulfills the public service mission of the University of higher education; or
 - d. The good or service is being provided other than through intergovernmental or interagency agreement with another agency of state government or unit of local government, which, if provided directly by the University would be in violation of these guidelines.
3. Criteria for Provision of Goods and Services to Students, Faculty and Invited Guests: In determining the appropriateness of a good or service to the campus community, consideration shall be given to the following criteria:
- a. Whether the good or service is substantially and directly related to the instructional, research, or public service mission of the University;
 - b. Whether the good or service is necessary or convenient for the campus community;



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- c. Whether the intended use of the good or service is for students, faculty, staff, or invited guests rather than the general public. Invited guests are defined as persons who enter a campus for an educational, research, or public service activity, and not primarily to purchase or receive goods and services not related to the educational, research, or public service mission of the campus;
 - d. Whether the price charged reflects the direct and indirect costs and overhead costs of the good, as well as the price in the private marketplace;
 - e. Whether in establishing the price of the good or service, consideration was given to the price in the private marketplace; or
 - f. Whether there is a demand by the general public for the good or service.
4. Criteria for Sales to the External Community: In assessing the advisability of providing goods or services to the external community, both of the following criteria must be met:
- a. The good or service represents a resource that is directly related to the University's educational mission, not commonly available or otherwise easily accessible, and for which there is a demand from the external community; the goods or services are byproducts of the University's instructional, research, or public service activities; the University has specific statutory authority to sell the good or service; or the good or service is produced from the business like management of the assets of the University for the exclusive benefit of the University; and
 - b. The price charged is sufficient to recover the full costs, including both direct and appropriate indirect costs, of the good or service. The price of such items in the private market place shall be taken into account in establishing the price or fee.



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B. Guidelines for Grievance Review Procedures

1. In the event that the provision of a good or service by the University is perceived to be in competition with a privately-owned business, that business shall be provided the opportunity for a hearing of such complaint according to the following guidelines:
2. The complaint shall first be heard by the President or President's designee.
3. If resolution is not reached as a result of the initial review by the President, appeal may be made to the Board of Trustees.

C. Reporting Procedures: The University shall submit, by February 1 and August 1 of each year, reports to the Colorado Commission on Higher Education regarding the outcome of grievances received pursuant to these procedures.

IV. Policy History

- A. **Effective:** April 1, 2019
- B. **Revised:** This policy supersedes section 4.4 of the *MSCD Trustees Manual, 2007*.
- C. **Review:** This policy will be reviewed every five years or as deemed necessary by University leadership.

V. Policy Approval

Janine Davidson, Ph.D.
President, Metropolitan State University of Denver

John Paul Pogge, Esq.
Chair, Board of Trustees, Metropolitan State University of Denver