

ESTABLISHMENT AND OPERATION OF COMMERCIAL CENTRES POLICY

Section	Research
Contact	Office of AVC Research
Last Review	November 2006
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Approval	VCEC 07/02/23

Purpose:

- To specify the terms of reference for Commercial Centres which will be used as guidelines for establishment and formulation of agreements between the University, the Commercial Centre and its parent College, Region or Division.
- To provide operational guidelines for Commercial Centres with reference to existing University policies and procedures.
- To ensure that the financial operations of Commercial Centres are transparent for all parties.
- A Commercial Centre excludes any Research Centres, University subsidiary company or associated Trust or other independent legal constituted organisation.

Definitions:

- A Commercial Centre is defined as a department whose principal purpose is to undertake commercial or trading activities.
- A Commercial Centre Agreement outlines the objectives and operating requirements for the Centre.
- Board refers to a board associated with the Commercial Centre, such as a Management Board or Advisory Board or similar.

Policy:

General

- This policy must be read in conjunction with any general terms of reference issued by the Vice-Chancellor and/or his/her delegate, and/or any specific contract agreement already entered into between the University and the Commercial Centre.
- A Commercial Centre can only be established, or disestablished, with the approval of the Vice-Chancellor (or delegate), on the recommendation of the General Manager, Strategy and Finance.
- The Vice-Chancellor reserves the right to review the terms and conditions of a Commercial Centre agreement at any time.
- The objective of a Commercial Centre is to undertake a particular business or trading activity which is related to and enhances the business of the University in some way. Generally, a Commercial Centre will exist as an extension or enhancement to a core activity of the University. It will add value to the University through provision of a service or activity on a commercial basis that is not funded via other methods and would otherwise not be available to the University.
- Activities could include:
 - the provision of a range of services by the University that enhance its core teaching and research activities in some way,
 - provision of specialised technical or consulting services that are not otherwise readily available within the market place,

- services and products that enhance the reputation and relationship between the University, its students, staff and the wider community.
- All activities of Commercial Centres will be undertaken on a business like basis with a view to producing a surplus which will contribute to the University's overall financial performance.
- No unit within the University may call itself a Commercial Centre unless it is an approved Commercial Centre supported by a Commercial Centre Agreement.
- Commercial Centres must comply with all Massey University policies and procedures, available on-line at <http://policyguide.massey.ac.nz>

Establishment

- A formal proposal must be submitted to the General Manager, Strategy and Finance. This will take the form of a business plan, utilising the Massey University Business Plan template.
- Establishment (or disestablishment) of a Commercial Centre must be approved by the Vice-Chancellor, on the recommendation of the General Manager, Strategy and Finance. The proposal must be endorsed by the Level 3 Manager responsible for the Commercial Centre.
- Commercial Centres will pay the full assessed cost of support services provided by the University and may be required to meet specified levels of return on asset to the University as determined in the individual Commercial Centre Agreement.

Management and Administration

- A formal Commercial Centre Agreement (including schedules) will be prepared for each Commercial Centre
- The Commercial Activities Group (CAG) will monitor the financial performance and risk profile of each Commercial Centre in accordance with the Risk Management Policy of the University and its own Terms of Reference.

Financial Requirements

- Commercial Centre planned operating and capital expenditure must be in accordance with the annual university planning and budgeting process.
- The Commercial Centre will meet the assessed costs of all services provided to it by the University. This may include: rent, building maintenance, insurance, infrastructure costs, depreciation, telecommunications, vehicle hire, accounting, legal and business support.
- Funding for new ventures, expansions etc. will be subject to funding availability, and a robust business case clearly identifying the financial and non-financial benefits to the University.

Audience:

All relevant University staff

Relevant Legislation:

Nil

Legal Compliance:

Nil



Related Procedures:

[Delegations Document](#)

[Risk Management Policy](#)

[Performance & Risk Reporting Policy](#)

Commercial Centre Agreement – available through the Office of the AVC Finance, IT, Strategy and Commercial
[Business Plan Template](#)

Document Management Control:

Prepared by: Finance Operations

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