


COMPTROLLER POLICY MANUAL

	POLICY: CMP 213
	Section: 200 Departments
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Establishment of Sale, Resale and Fee for Service Activities	Effective date: 03/22/2000
	Revision date: 05/31/2017

PURPOSE

To define when the university may engage in sale, resale or other fee for service activities and to establish guidelines for compliance with the overall University mission in accordance with applicable Federal and State laws and [Arizona Board of Regents Policy 1-105](#) regarding competition with free enterprise.

SOURCE

Arizona Revised Statutes § 41 2753
Arizona Board of Regents Policy Manual 1-105
University policy

BACKGROUND

State law and regents' policy require the university to avoid competition with private enterprise. Unless specifically authorized by statute, the university may not provide to the general public goods, services, or facilities that are practically available from private enterprise unless the provision of the goods, service, or facility offers a valuable educational or research experience for students as part of their education or fulfills the public service mission of the university. In addition, the university may not provide to students, faculty, staff, or invited guests goods, services, or facilities that are practically available from private enterprise except as authorized by the Board of Regents.

APPLICABILITY

All University Departments, both on campus and off campus (statewide) sites.


POLICY

Sale or Resale activity is generally to the general public, including students, faculty and staff, but may be in limited circumstances be to other NAU departments.

If more than 50 percent of the sales revenues are from charges to other university departments, then the university's Service Center Policy is to be followed.

If more than 50 percent of the sales revenues are from charges to the general public, this policy is to be followed. There is however, an exception for any resale activity's sale to other university departments. Instead of sales being based on the greater of (1) full-cost recovery or (2) market prices, the sales prices must be solely on a break-even basis, based on costs incurred by the service center account itself. This break-even requirement is based on federal regulation and university policy.

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CMP 213: Establishment of Sale, Resale and Fee for Service Activities

Authorized NAU Sale and Resale Activities

- Student and Departmental Account Services
- NAU Bookstore (under contract with Follet)
- Postal Services
- Campus Health Services
- Cline Library
- Property Administration
- Dental Hygiene Clinic
- Physical Therapy
- Central Ticket Office
- Student Union
- NAU Skydome
- Parking & Shuttle Services
- Residence Life
- Performing Arts
- Wall Aquatic Center

All new sale and resale activities must be approved by the Chief Financial Officer.

Definitions


Sale and Resale Activity

A program that sells goods and or services primarily to individuals for personal use rather than to university departments or programs for official use. Payments made by individuals are the primary source of revenue for a resale activity.

Fee for Service Activity

A Fee for Service Agreement is appropriate if providing the services is an integral part of, or reasonably related to, an activity which is essential to the fulfillment of the institution’s instructional, research or public service mission. The provision of such services fits with the missions of the University when: 1) the University is uniquely qualified to offer such special services; 2) those services provide additional research experience and training for the University’s faculty, staff, and students; or 3) access to those services or specialized equipment is not readily available through local commercial means. This may or may not be associated with an approved NAU Recharge Center. The following are characteristics that may or may not be a fee for service agreement.

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Invited Guest

A person who enters campus for an educational, research, or public service activity, and not primarily to purchase or receive goods or services not related to the educational, research, or public service activities of the university.

Service Center


A program that sells goods and/or services primarily to university departments or programs for official use. Interdepartmental billings are the primary source of revenue for a service center.

Procedure

1. All sale and resale activities will adhere to all applicable laws pertaining to collection of sales taxes. See [CMP 108](#) regarding sales tax.
2. All sale and resale activities will follow the procedures for Deposits of University funds in [CMP 301-01](#) and [CMP 301-04](#) Authorization to Accept Credit Cards.
3. Requests to establish a new resale or fee for service activity will be submitted through the Comptroller's Office to the Chief Financial Officer for approval.
4. Requests to establish a new resale activity must include the following information:
 - a) Evidence that the proposed resale activity offers or supports a valuable educational or research experience for students as part of their education or fulfills the public service mission of the university OR evidence that the goods and/or services to be provided are not practically available from private enterprise, OR if available, do not satisfy the objective of the program.
 - b) Evidence that similar goods or services are not already being provided by another university department or program.
 - c) A completed new Department Application Form, in accordance with [CMP 202](#).
 - d) A business plan and proposed operating budget.
 - e) The prices charged for sales to external NAU customers or general public, need to be the greater of (1) full cost recovery, including overhead and indirect costs of NAU, or (2) market prices, unless an exception is approved in writing by the Associate VP/Comptroller.
 - f) A completed and signed [Sponsored Projects versus External Sales Guideline Questionnaire](#).

Requests will be submitted to the Comptroller's Office. If the request is approved, the Comptroller's Office will forward the request to the Chief Financial Officer for final review and approval.

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CROSS-REFERENCE

[CMP 108 - Sales Tax](#)

[CMP 202 Establishment of Departments](#)

[CMP 214 Rental of NAU Facilities](#)

[CMP 301-01 Deposits of University Funds](#)

[CMP 301-04 Authorization to Accept Credit Cards](#)

[CMP 306 NAU Event Ticketing](#)