Section:	Business and Support Operations	**Section Number:**	3.7.9
Subject:	Financial Transactions: Retention of Profit for Centers and Institutes	**Date of Present Issue:**	03/13/96
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POLICY:

The University encourages entrepreneurial activities that advantages the University in its service role, professionally and economically. The purpose of this policy is to allocate profit from Centers' activity such that this entrepreneurial spirit is encouraged and that, the University as a whole is advantaged. Definition of Center/Institute: Camps - athletic and academic, tournaments, journals, testing labs, separate ventures associated with sponsoring schools, as an example, the CJ institute, planetarium and museums.

The Cabinet must approve any proposed Center activity including renewal of a prior approved activity as well as decide whether the profit from that activity is to be retained in the Center's account. All credit income will accrue to the University, not to the Center. Assuming the non-credit profit is retained, the remaining provisions of this policy apply:

> All appropriate direct variable costs of the Center's operation are to be charged to the Center's account before profit is determined. As an example, administrative salary and benefits costs of the Center's operation are to be charged to the Center rather than absorbed by the general fund.
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> Revenue in excess of all direct variable costs of the Center's activity will be split 25 percent to the University general fund for overhead expenses and 75 percent to the Center.
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> Expenses from the Center's account are subject to appropriate University policies and procedures. All expenditures must be for the sole benefit of the Center sponsoring school or department.
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> Property acquired from the Center's profit remains University property.