



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

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Financial

DIRECT SALES OF GOODS AND SERVICES

Adopted: October 8, 2004

Supersedes: (see end of policy)

DIRECT SALES OF GOODS AND SERVICES

The central mission of the University of Minnesota (University) is teaching, research, and outreach. In support of this mission, University academic and support units (units) have opportunities and are encouraged to generate revenues through the direct sale of certain goods and services. In so doing, the University must be mindful of the potential for competition with the private sector.

Subd. 1. Scope. This policy identifies and defines the circumstances in which the University may engage in the direct sale of goods and services. This policy shall not apply to:

- (a) fees for instruction offered in the University's regular, extension, evening, or continuing education programs, including non-credit instruction;
- (b) fees for services provided in the practicum aspects of its instructional and research programs;
- (c) outside consulting, service activities, and other work separately regulated by Board of Regents policy; or
- (d) student organization programs and fundraising activities.

Subd. 2. Guiding Principle. Units may engage in the direct sale of goods and services to individuals, groups, or external entities when the production of those goods or services substantially supports the teaching, research, or outreach mission of the University.

Subd. 3. Criteria for Permissible Sales. Direct sales of goods and services means an exchange by the University of tangible or intangible property or service with external customers for monetary consideration. The following factors shall be considered and weighed in determining whether a direct sale of goods or services shall be authorized:

- The goods or services represent the transfer of knowledge and expertise from the University to the public.
- The goods or services support and extend the University's teaching, research, or outreach mission.
- The charge for the goods or services takes into account all direct and indirect costs of providing the goods or services as well as the competitive price of such items in the public market.



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- The goods or services are not commonly available or otherwise easily accessible in the public market.
- The provision of goods or services represents an opportunity to utilize existing capacity or under-performing assets in order to reduce the University's internal costs of providing the goods or services.

SUPERSEDES: BUSINESS ENTERPRISES AT THE UNIVERSITY DATED OCTOBER 17, 1980.