



POLICY NO. 26

CONCERNING ANCILLARY SERVICES

This policy was adopted for the first time by Resolution Number 407-11 on April 27, 2021.

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SECTION 1 GENERAL PROVISIONS

Pursuant to College By-law No. 1 *Concerning the General Administration of the College*, it is the responsibility of the College's Board of Governors to adopt by-laws and policies, including this policy concerning Ancillary Services. Such Ancillary Services include, but are not limited to, the following services:

- College Centres for Technology Transfers (CCTTs), except for the College's 3 current CCTTs (OPTECH, CERASP and JACOB) which are separate entities and are therefore not reported by the College in its financial statements;
- Food services;
- Rental of college spaces to the external community (e.g. performance hall, training centre, pool);
- Student residences;
- Continuing education, remote CEGEPs and other courses (e.g. summer courses);
- Non-credit International students;
- Other services such as parking and Campus Store.

The College may conduct these activities directly or through operating partnership arrangements with other entities, particularly cities and non-profit organisations.

For purposes of clarity, the College Foundation is a separate entity and is therefore not reported by the College in its financial statements.

SECTION 2 OBJECTIVES

The purpose and objectives of this policy are to, among others:

- Adopt tools to obtain reliable and sufficient management information, particularly about costs, to support management in their decision-making regarding the assessment of Ancillary Services' financial results;
- Clarify agreements with partners in order to decrease financial risks for the College;
- Ensure that the Director of the Ancillary Service receives sufficient and timely information so that they can fulfill their role in strategic decision-making and in overseeing the effectiveness of controls pertaining to the financial situation of Ancillary Services.

SECTION 3 DEFINITIONS

In this policy, the following definitions mean:

- 3.1.1 *"Act"* the *General and Vocational Colleges Act* (CQLR, chapter C-29) and amendments;
- 3.1.2 *"Ancillary Services"* are services offered to students and to external clientele and that provide the College with operating revenues;
- 3.1.3 *"Board of Governors"* the Board of Governors of the College, composed pursuant to Section 8 of the Act;
- 3.1.4 *"budget"* refers to a planning document which includes both anticipated revenues and expenses. The operational budget and the capital budget shall be separate;
- 3.1.5 *"capital budget"* covers capital expenditures as defined by the Ministry. This fund is called "normalized" if the revenues come from statutory allocations and "specific" if the revenues come from allocations earmarked for specific purposes defined by the Ministry;
- 3.1.6 *"College"* John Abbott College of General and Vocational Education, which may be abbreviated to CEGEP John Abbott College, as deemed necessary or expedient;
- 3.1.7 *"management"* any person hired by the College as a member of management staff to fulfil duties within the meaning of the Regulation determining certain conditions of employment of general and vocational college management staff;
- 3.1.7 *"Ministry"* the Ministry of Higher Education;
- 3.1.8 *"operational budget"* covers operations expected to be completed within one year and shall be prepared on the basis of a provisional basic allocation from the Ministry. Such budget may be revised if the Ministry readjusts its parameters within a revised allocation;
- 3.1.9 *"surplus fund"* is a fund created from the operational accumulated surplus and is appropriated by the College for specific purposes.

SECTION 4 RESPONSIBILITY & INTEGRITY

The Director of the Ancillary Service needs to provide clear guidance on its operating revenue expectations, set targets and analyze results. Revenue from Ancillary Services is a key element of an institutional strategic development plan that is paired with a financial plan.

The Director of the Ancillary Service, in collaboration with the Finance & Legal Affairs Department and the Director of other services, as applicable, must provide guidance to the management of the Ancillary Services on cost recovery for services rendered to third parties such as accommodation

in a college residence, the availability of certain equipment, management and administration of central services, building security, janitorial service, etc.

The Director General is responsible for updating and maintaining the financial information on commercial activities to which the College is a party so that it can inform the Board of Governors of changes in these activities, budget monitoring and, as the case may be, repercussions (deviations and risks) on the College's financial situation and reputation.

The Director/Management of the Ancillary Service, in collaboration with the Department of Finance & Legal Affairs, reviews contracts, policies, budgeting, accounting rules and processes related to Ancillary Services in order to provide information in their regard to the Director General and/or the Board of Governors.

The Director/Management of the Ancillary Service is responsible of taking actions to recover their clients' outstanding balance, in collaboration with the Department of Finance & Legal Affairs.

It is each employee's responsibility to ensure that Ancillary Services operations are made with an eye to sound management of public funds and in compliance with the prescribed rules in order to ensure proper management of such expenses and avoid abuse.

The individuals responsible for authorizing an expenditure shall, more specifically:

- Ensure the availability of funds in the budget;
- Validate the purpose of the expenditure and its justification;
- Validate the supporting documents;
- Confirm that the expenditure complies with the provisions of this policy as well as with all College policies and by-laws, specifically *By-Law 3 Concerning the Financial Management of the College*, *By-Law 9 Concerning the Management of Procurement, Service and Construction Work Contracts* and *Policy 25 Concerning the Reimbursement of Travel, Hospitality and Representation Expenses*.

SECTION 5 FINANCING OF THE ANCILLARY SERVICE

Ancillary Services should finance their expenses from their own revenues. These revenues and expenses make up the College's ancillary budget.

SECTION 6 HIRING

All hiring for the Ancillary Services must follow College *By-Law 7 Concerning Human Resources Management*.

SECTION 7 SERVICE FEES

The College must plan a periodic review of partnership arrangements with third parties.

Where possible, any such partnership agreement should include a profit-sharing provision, provide for a regular review of the business relationship and include a termination clause, if applicable.

The College must recover its costs for the Ancillary Services rendered to third parties. Notwithstanding the foregoing, the Directors' table can adjust the applicable service fees charged for social and community purposes. In this case, it enters the value of these free or discounted services as a gift in kind or in service to community organisations.

The Board of Governors approves and reviews the Ancillary Services' finances each year by approving the budget and the College's audited financial statements.

SECTION 8 SURPLUS

Ancillary Services surplus or deficit are transferred in the College's surplus fund. However, it should be noted that Ancillary Services should not have recurring deficits.

SECTION 9 REPORTING & GOVERNANCE

Ancillary Services must follow and respect the same process and procedures as all other Departments of the College.

SECTION 10 WAIVER

The Director General may authorize a waiver to this policy, in which case they shall provide a written justification for the waiver.

For a waiver concerning the Director General, the approval of the Chair of the Board of Governors is required, and written justification shall be provided.

SECTION 11 APPLICATION AND REVIEW OF THIS POLICY

The Directors overseeing Ancillary Services are responsible for the application and review of this policy.

SECTION 12 EFFECTIVE DATE

This policy shall come into force upon its adoption.