

# Sales of Goods and Services

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## Purpose

The primary mission of the Associated Students, Incorporated is to provide student services that facilitate and contribute to students' attainment of their educational objectives. In carrying out this mission, it is often necessary for the ASI to engage in the sale of goods and services which enhance, promote or support its instructional, public service, campus support and other educationally-related functions and the needs of students, faculty, staff, and members of the public participating in ASI programs. In so doing, the ASI recognizes the importance of maintaining a harmonious relationship with the local community and seeks to prevent any unfair competition and to minimize any appearance of unfair competition. In addition, the ASI is dedicated to compliance with the regulations of the Internal Revenue Service covering unrelated business income. The Policy on Sales of Goods and Services has been developed to define the legitimate purposes under which the sales of goods and services may be approved and to establish a mechanism for the review of such sales activities.

## Policy Statement

It is the policy of the Associated Students, Incorporated to conduct its sales activities in a fair and ethical manner in accordance with all applicable laws and regulations and with due consideration to their impact on the local business community. Care shall be taken to restrict sales activities to the provision of those goods or services that are directly and substantially related to the student service mission of the ASI. All such sales activities shall meet the following three requirements:

- 1) The activity is integral to and directly related to the fulfillment of the ASI's instructional, public service, campus support or other educationally related functions without regard to profit;
- 2) The activity is needed to provide an integral good or service at a reasonable price, on reasonable terms, and at a convenient location and time; and
- 3) The activity is carried out for the primary benefit of the campus community but with sensitivity to the impact upon the total community.

Business activities not meeting the criteria outlined above may be considered unrelated business income activities. If so, required reports shall be made and applicable taxes paid.

## Who Should Know This Policy

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Management Personnel       | <input type="checkbox"/> Program Advisors                      | <input type="checkbox"/> Staff            |
| <input checked="" type="checkbox"/> Supervisors                | <input type="checkbox"/> Volunteers                            |   |

## Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Campus Community	Students, faculty, staff and bona fide guests of the CSULB campus
Campus Sales	The direct sale of goods or services to faculty, staff and students which is conducted for the convenience of the campus community and in support of the mission of the ASI
Commercial Sales	The direct sale of goods and services to off-campus parties
Educational Business Activities	Activities are that are necessary either to enhance, promote, or support instructional, research, public service, and other educational functions, or to meet the instructional, research, public service, and other educational needs of the students, faculty, staff, and members of the public participating in institutional events.

## Regulations

### 1.0 Commercial Sales

The ASI shall not engage in any sales activities to off-campus parties unless the goods or services sold are directly and substantially related to the instructional, public service, campus support, or other educationally-related objectives of that program.

In approving the sale of goods or services to the external community, each of the following criteria shall be considered:

- The goods or services sold represent a resource that is produced directly as a result of a unit's pursuit of its instructional, public service, campus support, or other educationally-related objectives;
- The goods or services produced are not commonly available or otherwise easily accessible;
- There is a demand from the external community for the goods or services sold;
- The price or fee of the goods or services is set at a level substantial enough to recover the full costs of producing the goods or services, including ASI overhead;
- The price of such goods or services in the private marketplace is taken into account in establishing the price or fee structure; and
- All off-campus advertising or promotion will include a clearly worded disclosure that sets forth the rationale for offering the goods or services to off-campus parties.

## 2.0 Campus Sales

The direct sale of goods or services to faculty, staff, and students which is conducted for the convenience of the campus community and in support of the student service mission of the ASI is distinctly different from sales to individuals or organizations external to the University. Accordingly, different criteria have been established to evaluate requests for such sales activities.

In approving the sale of goods or services to members of the campus community, each of the following criteria shall be considered:

- The goods or services sold are substantially and directly related to the ASI's instructional, public service, campus support, or other educationally-related functions;
- The provision of the goods or services on campus represents a special convenience to and supports the campus community, or facilitates the extracurricular, public service, or community life of the campus.
- The price or fee of the goods or services shall be determined taking into account their full cost, including ASI overhead, as well as the competitive price of such items in the local community;
- Procedures are followed which ensure that the goods or services are open and available only to students, faculty, staff, bona fide guests, and persons participating in university sponsored programs; and
- Advertising to the general public is prohibited; any promotion is to be directed only to the campus community, without mention of the general public, and shall not make comparisons with off-campus business establishments or prices.

## 3.0 Other Business Activities

ASI will normally engage in business activities that are directly and substantially related to fulfilling its primary mission as described above; however, there may be certain exceptions to this presumption. In those instances, ASI will engage in a reasoned balancing of fact to determine whether it should or should not undertake such activities. Among the factors considered shall be:

- Contribution of the activity to the mission of Associated Students, Incorporated

- Student demand
- Accommodation of the needs of students, faculty, and staff for daily life at CSULB
- Enhancement of the quality of life at CSULB
- Need to report Unrelated Business Income
- Potential benefits to CSULB
- Degree of adverse or beneficial impact on the private sector
- Whether it involves the sale of goods or services that are either not commonly available in or not of general use to the community. To this end, ASI will discuss issues of mutual concern with the local business community.

#### 4.0 Contract and Franchised Services

The foregoing policies and procedures do not apply to sales by independent contractors that contract with ASI to provide goods and services on campus, provided that:

- The contract is with a person or vendor who is not affiliated with Associated Students, Incorporated;
- The contract was let through ASI's normal procurement regulations with a full opportunity given to the local community to participate;
- The contract provides for rents and other terms that would be applicable in the private marketplace;
- The ASI does not participate in the daily management of the activity except to act as landlord; and
- Due consideration is given in project design and bid solicitation to knowledge of and the concerns of the local community.

The sale of goods and services by outside contractors must, in all cases be approved by the Executive Director or his or her designee.

#### 5.0 Current Sales Activities

Sales of the following goods or services are recognized by ASI as authorized sales activities under this policy:

- Goods or services which are the products of ASI's fee-supported programs or services offering substantial instruction or other educational experience or occupational training opportunities for CSULB students, including the Child Development Center, Planet Graphics, etc.
- Goods or services that are provided primarily for the convenience of members, officers, or employees of ASI, including the Candy Bar, Photo/Ticket Booth, etc.

- Programs or services including recreational, cultural, and athletic events and other activities that enhance the development of student community, including the USU Games Area, Music Listening Lounge, Goldmine Yearbook, etc.
- Events or functions which have as their principal purposes the improvement of relations between the ASI and the general public; or the sales of contributed services if related to fundraising activities
- Products of student-run programs or cooperatives, provided that the programs or cooperatives are self-supporting or otherwise do not receive unfair subsidies from the ASI, including the Recycling Center, Long Beach Union newspaper, K-Beach radio, etc.
- Dispositions of the ASI's surplus property

## 6.0 Review and Approval Procedures

Review of proposals for the direct sale of any goods or services covered by this policy shall be the responsibility of the Executive Director. Before any sales program is implemented, the department proposing the program shall provide to the Executive Director a written request setting forth all pertinent information about the sales plan. The request shall provide justification for such a sales program addressing the elements of this policy. Proposals must be submitted through the Executive Director to the Board of Control or USUBOD, and then forwarded to the ASI Senate for final approval.

Each category of goods or services sold is to be considered individually so as to avoid the unplanned expansion of any program or service.

## 7.0 Oversight

The Executive Director is designated as the officer who shall be available to resolve matters concerning the internal applications of this policy and to address questions from members of the external community about specific programs.

## Forms

There are no forms associated with the execution of this policy.