

# Dixie State University Policy

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## 250 Auxiliary Services Operations



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### I. Purpose

- 1.1 This policy provides guidelines for the business operations of auxiliary enterprises and their reporting and accountability requirements.

### II. Scope

- 2.1 This policy applies to all University business enterprises or other support activities that provide specific services to the campus community.

### III. Definitions

- 3.1 ***Auxiliary Services:*** auxiliary services are departments or other support activities (as distinguished from primary programs of instruction, research, public service, organized activities and intercollegiate athletics). Auxiliary services' primary purpose is to provide services to the campus community, including Housing, Dining, Campus Store, Concessions, and Road Scholar.
- 3.2 ***Campus Community:*** the campus community includes prospective students, students, faculty, staff, alumni, and campus guests of Dixie State University.
- 3.3 ***Self-Supporting:*** a campus program with revenue generation sufficient to cover direct and indirect operating expenses, assignable indirect costs, debt services, and capital expenditures.

### IV. Policy

- 4.1 The University will employ professional management for auxiliary services, and Administrative Affairs will provide administrative, accounting, and financial oversight, as applicable.
- 4.2 Campus auxiliary services are operated in support of the mission of Dixie State

University to provide quality products and/or services at the lowest practical price.

- 4.3 Selling prices, rents, fees, admissions and other charges by auxiliaries are to be set at a level adequate to support the operating and reserve requirements, including debt service, of the department. Auxiliary services are, however, not expected to accumulate fund balances in excess of requirements for working capital, renewals and replacements, and debt service.
- 4.4 In order to render adequate service, auxiliary services should have a solid financial base, including sufficient working capital and renewal and replacement reserves.
- 4.5 Each auxiliary department that maintains inventories or accounts receivable should have sufficient working capital and fund balances to support those assets. If it is not practical to maintain such cash and operating fund balances because of bond system covenants, need for large inventories, etc., auxiliaries may be allowed to deficit spend for this purpose. Written approval to deficit spend will be required from the Vice President for Administrative Affairs.
- 4.6 Renewal and replacement funds shall be accumulated in amounts sufficient to provide for major equipment repair and replacement, as well as refurbishment, and renewal and/or replacement of physical facilities. Each auxiliary shall obtain approval from the Vice President for Administrative Affairs before expending renewal and/or replacement funds. Approval shall be based on need, cost/benefit analysis, and retention of a reserve sufficient to meet emergency renewal and/or replacement requirements.
- 4.7 Each auxiliary department shall use accounting systems applicable to the type of enterprise operated. Appropriate information shall be available in and adapted to the university's primary accounting system.
- 4.8 Each auxiliary services department shall prepare an annual financial report. The report shall contain the actual financial results of the fiscal year most recently concluded and a budget for the current fiscal year.
- 4.9 Auxiliary services shall conduct its activities consistent with State Board of Regents policy R555 and University Policy 251 in regards to competition with private enterprises.
  - 4.9.1 In the event that the provision of a good or service by Dixie State University is perceived to be in competition with a privately-owned business, said business is entitled to file a complaint and request a grievance review hearing (See Policy 251).

## **V. References**

- 5.1 DSU Policy 251: Competition with Private Enterprise and Unfair Competition Grievance Procedure
- 5.2 State Board of Regents Policy R550, Auxiliary Enterprises Operation and Accountability
- 5.3 State Board of Regents Policy R555, Providing Facilities, Goods, and Services in Competition with Private Enterprise

## **VI. Procedures – N/A**

## **VII. Addenda – N/A**

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Policy Owner: Vice President Administrative Affairs  
Policy Steward: Executive Director Auxiliary Services

History:

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