

## 28.02 Educational Business Activities

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Revised September 26, 1997 (MO 181-97)  
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Revised October 28, 2005 (MO 199-2005)  
Revised August 1, 2008 (MO 238-2008)  
Reviewed May 18, 2011  
Revised September 3, 2014 (MO -2014)  
Next Scheduled Review: September 3, 2019



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### Policy Statement

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The chief executive officers (CEOs) of The Texas A&M University System (system) are authorized to approve the establishment of all educational business activities which meet the criteria set forth below and which comply with all other state or federal regulations pertaining thereto.

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### Reason for Policy

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This policy authorizes the member CEOs to approve the establishment of educational business activities.

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### Procedures and Responsibilities

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1. The member CEOs are authorized to approve the establishment of all educational business activities which meet the criteria set forth below and which comply with all other state or federal regulations pertaining thereto.
  - 1.1 In pursuing their mission of creating and disseminating knowledge, the members may find it necessary to charge fees for providing goods and services that further the purposes and functions of instructional, research, extension, public service, and all other educationally related activities.
  - 1.2. System educational business activities must meet the following three criteria:
    - 1.2.1 the activity is integral to and directly related to the fulfillment of the member's educational, research, extension, public service or campus support function without regard to profit;

- 1.2.2 the activity is needed to provide reliable goods or services on a consistent basis, at a reasonable price, on reasonable terms, and at a convenient location and time; and
    - 1.2.3 the activity is required to meet educational needs and objectives and is carried out for the primary benefit of the students, faculty, staff or constituency of the member but with sensitivity to the impact upon the total community.
  - 1.3. No member shall establish any educational business activity until such activity has been reviewed and approved by its CEO, who shall be responsible for compliance with the above criteria.
  - 1.4. Members establishing educational business activities shall submit to the system chief financial officer a report detailing the purpose of the business activity and an assurance of compliance.
  - 1.5. All members shall comply with applicable laws and regulations pertaining to educational business activities with particular attention to taxation, conflict of interest and unfair competition.
2. Privatization of business activities shall be undertaken only with approval of the chancellor and the Board of Regents. The chancellor shall ensure that each contract shall provide a mechanism to assure quality control of services provided with adequate provisions for noncompliance.

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## **Related Statutes, Policies, or Requirements**

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[System Regulation 21.01.01, Financial Accounting and Reporting](#)

[System Regulation 21.01.05, Service Departments or Centers](#)

[System Policy 25.07, Contract Administration](#)

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## **Definitions**

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Educational business activities – those activities necessary for the operation or convenience of the campus community. Examples include campus bookstore or convenience store; food service; campus parking services; campus housing.

Privatization of business activities – contracting with an external party for the operation of campus business services. This may include the dormitory operations, bookstore operations, or other types of campus services.

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## **Member Rule Requirements**

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A rule is not required to supplement this policy.

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## **Contact Office**

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System Office of Budgets and Accounting  
(979) 458-6100