



MEMORANDUM

Date: February 24, 2016

To: Senior Management
Department Chairs
The Management Group (TMG)
Directors of Faculty Administration

From: Roger Couldrey, Vice-President (Administration)
Dr. David Wilkinson, Provost and Vice-President (Academic)

Re: **Optimizing McMaster's Ancillary Units in Support of the Operating Budget**

Background

McMaster provides essential ancillary services to faculties, departments and students to ensure a caliber of services that promotes our strategies on a cost effective and efficient basis. As you know, the profits from these services are redirected into the academic mission, primarily through Student Affairs and Faculties under the new budget framework. Faculties and support units must use University ancillary services to optimize efficiencies, keep costs at or lower than market, and maximize operating budget funding.

Under the new budget model there is an increased focus on revenue generation. Efforts on revenue generation must focus on services that do not duplicate existing University services as those efforts cannibalize efficiencies and work to increase costs at a macro level to the University and/or students. If you have concerns with these services, please make either of us aware of the specific issue and we will ensure it is addressed.

Further Details

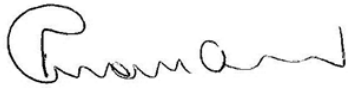
- Under the new budget model, ancillary units contribute 4.5% of ancillary sales to the operating fund. This revenue is distributed to Student Affairs and Faculties.
- The objective is to create a fair pricing dynamic on campus for activities providing efficient services that are at, or lower than market cost, while also eliminating the tax implications since services are provided within one legal entity.
- The ancillary units listed in Appendix 1 are McMaster's internal suppliers created to support our mission. Prices and quality of services are benchmarked across other Universities and against other greater Toronto and Hamilton area offerings to ensure cost efficiency and service quality of McMaster's ancillaries.

Definition

Ancillary sales: relate to an activity of selling goods or services to other faculties, support units, or third parties, aimed at generating a profit that is redirected to the operating budget. In some cases, where the activity is within a Faculty offering goods or services beyond breakeven recovery to other faculties, departments, units, or third parties, the definition will include these services.

Summary of Services Currently Offered by Ancillaries

Please see Appendix 1 for a list of currently offered ancillary support services. This list is not exhaustive. Please contact the appropriate ancillary area before creating any new ancillary operations to confirm the activity is not already offered by an existing unit. This will ensure we maintain efficiency across the University.



Roger Couldrey
Vice-President (Administration)



Dr. David Wilkinson
Provost and Vice-President (Academic)

Attachment (1)

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Appendix 1 – Currently Offered Ancillary Support Services

Ancillary Unit	Support Services
Campus Store	<ul style="list-style-type: none"> • Retail sale of goods on campus • Sale of course related materials (I.e. Lab books, textbooks, courseware, student course supplies) • McMaster or Marauder branded merchandise • Electronic course offerings (including ebooks and access codes) • Computer sales
Continuing Education	<ul style="list-style-type: none"> • Professional Certificate and Diploma Programs (funded through tuition assistance) • Professional Development Courses and Computer Training (funded by HR) • Custom work for McMaster departments <ul style="list-style-type: none"> – Competency Frameworks – Training Needs Assessment – Training Benchmarking Studies – Instructional Design of Professional Development programs – Training Evaluation and/or Survey Design
Hospitality	<ul style="list-style-type: none"> • Food services • Catering services • Conference food services
Housing and Conference Services	<ul style="list-style-type: none"> • Central booking/coordination of indoor and outdoor campus spaces, as governed by PUFNAP • Special event coordination • Online Event Registration and payment • Summer Accommodation (May – Aug)
Media Production Services	<ul style="list-style-type: none"> • Project management, creative design and copywriting for print, multimedia and electronic applications • New media, video, variable data communications and web programming/design, digital publishing and mobile app development • Four-colour and black and white printing with full bindery services • Signage and related products including large format posters, displays, mounting, banners, flags • Custom Course pack production, Optical Character Recognition (OCR), digital scanning diplomas, convocation brochures, annual reports • Management and support of campus fleet copiers (PrintSmart) • Exam Scanning Services
Parking	<ul style="list-style-type: none"> • Parking facilities • Transit infrastructure