



**ADMINISTRATIVE POLICY STATEMENT**

1 **Policy Title:** Revenue Contracts

2 **APS Number:** 4061

**APS Functional Area:** FINANCE

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4 **Brief Description:** Sets forth the guidelines to obtain and execute revenue contracts with the University of  
5 Colorado.

6 **Effective:** TBD (Pending)

7 **Approved by:** President Todd Saliman (Pending)

8 **Responsible University Officer:** Vice President and Chief Financial Officer

9 **Responsible Office:** Office of University Controller

10 **Policy Contact:** Office of University Controller

11 **Supersedes:** N/A

12 **Last Reviewed/Updated:** TBD (Pending)

13 **Applies to:** All campuses, including System Administration

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15 **Reason for Policy:** Sets forth procedures for the execution and approval of revenue contracts involving the University of  
16 Colorado.

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18 **I. INTRODUCTION**

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20 This Administrative Policy Statement establishes procedures for revenue-generating contracts where the University of  
21 Colorado is a party. It applies to any contract that generates \$500,000 or more in revenue or in-kind services, except as  
22 otherwise provided below.

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24 The requirements herein must be followed by employees and affiliate fiscal staff.

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26 **II. POLICY STATEMENT**

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28 This policy serves to provide enforceable guidance to ensure thorough review and responsible oversight of revenue-  
29 generating contracts. This includes review of business soundness, reputational risk, legal sufficiency, and identification of  
30 potential Unrelated Business Income Tax (UBIT) or Private Business Use (PBU) implications, as well as all extensions,  
31 amendments, and renewals of such contracts.

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33 Revenue-generating agreements must follow public contracting best practices, including transparency, ethics,  
34 sustainability, competitive processes, and conflict of interest disclosures. These agreements should:

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- Align with the university’s mission and vision;
  - Establish mutually beneficial relationships that advance both parties’ goals;
  - Enhance the campus experience and provide measurable value;
  - Provide opportunities to all Colorado suppliers who have the desire and capability to partner with the university.

41 A. Applicability and Order of Precedence

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43 This policy applies to all new revenue generating contracts and any extensions, amendments, or renewals executed  
44 after the adoption of this policy, except as otherwise provided in Section II.F.

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46 In the event of overlap, inconsistency, or conflict between policies or requirements governing revenue-generating  
47 agreements, the following order of precedence shall apply:

- 48  
49 1. Applicable Laws, Regulations, and Governing Board Policies – Federal, state, and Board of Regents  
50 requirements prevail over all other provisions. Any amendments to these authorities automatically supersede  
51 conflicting elements of this policy.  
52 2. Campus-Specific Revenue Contract Policies – Where a campus has an approved, more specific policy  
53 addressing revenue contracts, it supersedes this systemwide policy, unless and until amended, repealed, or found  
54 inconsistent with higher authority.  
55 3. This Systemwide Policy – Applies in all cases where campus policies are silent or less restrictive and is  
56 enforceable unless displaced by higher-level authority.  
57 4. Public Contracting Best Practices – Where neither campus-specific nor systemwide policy provisions address an  
58 issue, recognized public contracting best practices (including transparency, ethics, sustainability, competitive  
59 processes, and conflict-of-interest safeguards) shall guide decision-making.

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61 B. Campus Policies

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63 If a campus has a revenue contract policy or other campus-wide documented procedure that follows public  
64 contracting best practices, including transparency, ethics, sustainability, competitive processes, and conflict of  
65 interest disclosures, defines responsibilities for due diligence, negotiation, signature authority, and ongoing  
66 monitoring, that policy supersedes this one. However, the campus must:

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68 1. Obtain legal sufficiency review per Section II.C.  
69 2. Notify the President if the campus determines that the contract may pose significant reputational risk to the  
70 university.  
71 3. Submit a copy of the executed contract per Section II.E.

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73 C. Legal Sufficiency

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75 Departments must consult with University Counsel or any other campus office with authority to do a legal  
76 sufficiency review before entering into a revenue contract.

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78 D. Due Diligence

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80 Before entering into a revenue contract, the following must be reviewed by the originating department and approved  
81 by the campus Controller (or delegate):

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83 1. Transparency

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85 Partner selection must be conducted transparently, with clear documentation accessible to internal and external  
86 stakeholders. Executed contracts must be accessible to the President's Office, University Counsel, Procurement  
87 Service Center, and Internal Audit.

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89 2. Strategic Alignment

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91 The president, chancellor, or their delegate must ensure the transaction aligns with university rules, reasonably  
92 mitigates legal, reputational, and business risk, and complies with tax laws. Factors for review may include:

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94 a. Ethical and legal compliance  
95 b. Product or service quality and reliability

- 96 c. Financial stability of the partner
- 97 d. Social and environmental responsibility
- 98 e. Data security and privacy protections
- 99 f. Conduct or affiliations of third parties
- 100 g. Length of the contract
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102 If the contract does not align with these considerations and the campus chooses to proceed, written justification  
103 must be provided to the president outlining why benefits outweigh the risks prior to executing the contract.

104 3. Contract Value

105 Must follow the same notification requirements as expenditure contracts, per applicable APS and Regent policy.

106 4. Naming Rights

107 Contracts involving naming opportunities must comply with Regent Policy 14.B and applicable procedures.

108 5. Contract Provisions

109 Revenue contracts should include a termination clause allowing the university to withdraw if the partner:

- 110 a. Damages or threatens the university’s reputation;
- 111 b. Acts contrary to university values or policies;
- 112 c. Violates applicable laws or regulations.

113 6. Use of Subcontractors

114 When a revenue contract involves the use of subcontractors or suppliers, the Partner is expected to engage such  
115 parties in a manner consistent with public procurement principles. This includes conducting selections  
116 transparently and in a way that promotes fairness, open competition, and equitable access to opportunities.

117 E. Filing Requirements

118 All executed revenue contracts governed by this policy must be filed in the university’s central contract management  
119 system, administered by the Procurement Service Center.

120 F. Exceptions

- 121 1. This policy does not apply to agreements excluded in Section III.A.
- 122 2. For contracts signed prior to this policy’s adoption, any amendments or renewals must be reviewed by  
123 University Counsel and the campus Controller (or delegate). If such contracts do not align with this policy’s best  
124 practices, a written rationale must justify the decision to renew or amend prior to execution.

125 III. DEFINITIONS

126 A. Revenue Contracts

127 Include service agreements, revenue-sharing arrangements, collaborations, reimbursement agreements, and MOUs  
128 valued at \$500,000 or more (monetary or in-kind) unless excluded by Appendix A or approved by the President or  
129 delegate. These contracts involve a university partnership with a third party for public-facing goods, services, or  
130 endorsements, even where no direct monetary compensation is received. Campuses with their own revenue policies  
131 may include additional revenue contracts in their definition.

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149 B. Partner

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151 A third-party entity that collaborates with the university to provide goods, services, or resources. The relationship  
152 must be mutually beneficial and aligned with the university's mission. Partners must uphold university policies,  
153 demonstrate integrity, and support shared goals.

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155 C. Reputational Risk

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157 Reputational risk is the potential for harm to the University's good name, public trust, or stakeholder confidence  
158 resulting from a contractual relationship, activity, or association. This may arise from negative publicity, public  
159 perception, or alignment with suppliers whose practices conflict with the University's mission, values, or ethical  
160 standards.

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162 D. Unrelated Business Income Tax (UBIT)

163 Income from activities that:

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- 166 1. Constitute a trade or business;
  - 167 2. Are regularly carried on; and
  - 168 3. Are not substantially related to the university's exempt purpose.

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170 E. Private Business Use (PBU)

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172 Occurs when an activity was carried on where a non-qualified user (defined below) used (directly or indirectly)  
173 facilities where tax-exempt bond proceeds were used.

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- 176 1. Non-qualified users are generally any entity that is not a state or local governmental unit or nonprofit charitable  
177 501(c)(3) organization deriving benefit from a tax-exempt bond financed facility for the furtherance of its tax  
178 exempt purpose. The federal government is considered a non-qualified user.

179 IV. **HISTORY**

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- 182 • Adopted: TBD. (Pending)
  - 183 • Revised: N/A.
  - 184 • Last Reviewed: TBD. (Pending)

**APPENDIX A**

**Contracts Exempt from APS 4061 - Revenue Contracts**

If in the opinion of the president, chancellor or their designee(s) a contract could be counter to the values of the university (as provided in regent law and policy) and presents a reputational risk to the University, the following exemptions in Appendix A will not apply and the contract must follow the procedures and requirements set forth in the policy.

1. Educational programs that generate tuition revenue that are either:
  - a. For-credit programs administered through the University's central student system; or
  - b. Non-credit programs where students enroll individually and administered through the university's central non-credit programs student system or through campus-vetted licensed third-parties.
2. Gift agreements processed through the Office of Advancement.
3. Clinical and consulting agreements for the Anschutz Medical campus processed through CU or CU Medicine.
4. Sponsored project agreements reviewed and authorized to be signed by the Office of Sponsored Projects, or the campus equivalent, including but not limited to:
  - a. Sponsored research agreements
  - b. Clinical trial agreements
  - c. Incoming subaward agreements
  - d. Material Transfer Agreements
5. Technology transfer and license agreements processed through a campus technology transfer office.
6. Agreements related to the publication of scholarly works that have been processed through a campus.
7. Auxiliary agreements where the university is retained and paid to provide services including but not limited to: agreements for routine lab services, professional services, consulting services, event hosting services, clinical services, general services, hourly services.
8. Equipment and art loans.