

UNIVERSITY OF ILORIN, ILORIN, NIGERIA



BUSINESS POLICY

2024

1.0. Background

The University of Ilorin was established in 1975 as a college but became a full-fledged University in 1976 and since then it has kept growing in leaps and bound. The major source of funding for its operation is from its proprietor, the Federal Government of Nigeria. However, the act establishing the university empowers it to look for other ways of generating revenues for its operations. To implement this, the university has therefore set up various revenue-generating units to improve its financial inflow. However, various factors have impeded the maximization of opportunities from the Internally Generated Revenue (IGR) Units, which have limited the revenue flow to the university. With dwindling funding from the proprietor, it is incumbent on the university to develop a business model that will unlock the potentials in these revenue-generating units to improve liquidity for their operations. Therefore, the University developed a business model to improve the efficiency of these IGR units. To enhance and institutionalize this process, the University sees the need to develop this business policy to provide operational, administrative and legal framework for its business outfits.

2.0 Legal Framework

The Act setting up the University of Ilorin empowers it to seek alternate sources of funding to complement the subvention received from the Federal Government.

3.0 Policy Statement

The *modus operandi* of all IGR Units must conform to all University policies and procedures. All sales of services or products by each of these units must have a direct relationship to the goals and missions of the University. To avoid duplication and wastage of resources, IGR units shall not duplicate services already provided by another unit in the University.

4.0 Vision, Mission, and Core Values

The Vision of the University is *to be an international center of excellence in learning, research, probity and service to humanity*

The Mission statement is *to provide a world-class environment for learning, research and community service.*

Core values are *Excellence, Integrity and Transparency, Empathy, Justice and Fair Play, Innovation and Creativity, and Team Work.*

5.0. Aims of the University Business Policy

The aim of the Business Policy is to identify, promote, operationalise, optimise, and profitably manage IGR Units, as well as activities to support the tripartite mandate of teaching, research and community services of the university.

6.0 Specific Objectives

- (i) To provide a framework for the formation and optimisation of the operations of the IGR Units in the University.
- (ii) To create a platform for the efficient administration of the IGR Units in the University.
- (iii) To provide guidelines on the sharing of income among the stakeholders.
- (iv) To formulate guidelines on the operationalisation of the IGR Units.
- (v) To ensure profitability in the management of the IGR Units.
- (vi) To maintain high ethical standard and best global practices in its business operations.

7.0 Policy

7.1 Scope

- (i) Activities of the IGR Units of the University which shall be classified into three broad categories:
 - a. Academic Units
 - b. Para-Academic Units
 - c. Business Venture Units (BVU)
- (ii) Other IGR units or activities that are envisaged to be created to broaden the revenue drive of the University as recommended by the Investment Committee and approved by the University Governing Council from time to time.

All IGR Units must be developed, managed and operated within the framework of this policy.

7.2 The IGR Unit Policy Framework

The policy shall address the following key issues:

- i. Authority and responsibilities.
- ii. Financial and other resource mobilisation strategies.
- iii. The planning, control and administration of IGR Units.
- iv. The description and categories of IGR Units and/or Activities
- v. The procedure for the establishment/modifications of the activities of IGR Unit and/or Activity
- vi. Revenue Collection and utilisation
- vii. Marketing and commercialisation of IGR Units products and services
- viii. The profit-sharing policy
- ix. The dispute resolution mechanism of the IGR Units
- x. Winding down of IGR Units

7.3 Core Components of the Policy

- i. All employees of the Business Venture Units (BVU) shall be hired on terms determined by the Board of Directors of Unilorin Holdings Ltd.
- ii. All employees of the Academic and Para-Academic Units shall be compensated in accordance with the University Policy on honorarium.
- iii. All IGR Units of the University shall be profitable.
- iv. The Investment Committee shall oversee the business formation and administration of Academic and Para-Academic Units in the University.

7.4 Governance

- i. All IGR Units shall operate and espouse the principles of good governance; accountability, transparency, professionalism and based on existing legal framework.
- ii. All the operations of the IGR Units shall comply with the University's vision, mission and core values.

7.5 The Policy Implementation Framework

7.5.1. Authority and Responsibility

The Investment Committee shall coordinate the activities of the academic and para-academic units on behalf of the University Governing Council:

- i. Approve the establishment of all IGR Unit operations and activities before implementation.
- ii. Monitor IGR Units and ensure compliance with the Business Policy of the University.
- iii. Ensure that the management and utilisation of the generated revenue are in tandem with the institutional policies, laws, regulations, and guidelines.
- iv. Each Academic and Para-Academic IGR unit shall submit an annual budget to the Investment Committee latest by the first week of December spelling out its income and expenditure for the subsequent year.
- v. No Academic or Para-Academic IGR Unit shall spend any money outside the approved budget.
- vi. The Vice-Chancellor shall be responsible for the appointment of Directors and the Management Board for the Academic and Para-Academic Units.
- vii. The Business Venture Units shall be managed by a General Manager to be appointed by the Board of Directors of Unilorin Holdings Limited. The Board of Directors shall also employ Managers to manage each of the business units under the holdings on the recommendation of the Management Team.

7.5.2. Financial and other Resource Mobilisation

- i) The Business Venture Unit shall mobilise its financial resources from several sources including but not limited to multilateral, bilateral, international and local sources, both public and private as approved by Unilorin Holdings Limited Board.
- ii) The academic IGR Units shall mobilise resources from the revenue generated from students' charges and other sundry activities in the Units.
- iii) The University shall provide seed funds or initial start-up capital to support the development of IGR Unit where applicable, which shall be utilised as specified by the University through the Investment Committee.

iv) The selection for the provision of funding for the IGR Units by the University shall be based on priority, business plan, viability and available budgetary provisions.

v) Each IGR unit shall be subjected to annual audit to determine its viability.

7.5.3a. Planning, Control and Administration of IGR Units

i. An academic Unit shall be based in a School; Department; Institute or Centre and shall comprise collaborating staff with the requisite expertise to develop specific products and services for the University. The activities of such Unit shall be managed by a Board constituted by the Vice-Chancellor.

ii. The Para-academic Units shall be based on services provided but, in the process, generate revenue. The activities of such Unit shall be managed by Boards constituted by the Vice-Chancellor.

iii. The Business Venture Units shall be managed by Unilorin Holdings Limited. All staff of these Units shall be privately engaged and managed independently by Unilorin Holdings Board of Directors for profit purposes.

7.5.3b The Functions of the Directors of the Academic and Para-Academic IGR Units

The Director, in ensuring smooth and efficient operations of the IGR Units shall perform the following functions:

i) Carry out research to identify income-generating opportunities for the University

ii) Facilitate and coordinate the activities of the Units

iii) Facilitate and mobilise financial and other resources for the implementation of the IGR Units

iv) Propose annual budgetary provision for the Units for the approval of the Management Board.

v) Organise and coordinate capacity building programmes for the Units.

vi) Develop and recommend ways of enhancing IGR Unit's performance to ensure profitability

vii) Monitor the income and expenditure of the IGR Units and recommend control measures.

viii) Coordinate the marketing and commercialisation of IGR Units' products and activities

ix) Facilitate payment of honoraria as maybe approved by the Vice-Chancellor.

x.) Submit quarterly report on the general performance of the Units to the Investment Committee.

7.5.4. Income-Generating Units

7.5.4a The Description and Categories of IGR Units and/or Activities

i) An IGR Unit is a section established for the sole purpose of generating income for the University or generating revenue in the course of providing services to the University.

ii) Such a Unit may be engaged in one or more business activities and/or provide academic services that generate revenue.

iii) Such a Unit may be considered income-generating when it provides a means to recoup all its costs, including personnel emoluments or a portion of it as shall be determined by the Investment Committee.

iv) Such a Unit shall be required to declare a surplus from the delivery of a service or product over and above the University's core mandates.

7.5.4b Income-generating Activities

An Income Generating activity is any activity initiated within an existing business or service Unit, Department or School to generate income through its activities.

Such an activity:

- (i) Can be part of the normal teaching or service but has the potential to generate income for the University.
- (ii) Such an activity can be set up solely to generate revenue for the university through its activities.
- (iii) Such activity shall be able to meet fully its operational costs, but the University may assist where there is viable project to be funded on specific arrangement as may be approved by the Investment Committee.

7.5.4c Categories of IGR Units

The IGR Units shall be broadly categorised into three; Academic and Para-academic and Business Venture Units.

i The Academic IGR Units: These are Units established purely for academic purposes but may generate revenue for the University.

ii. Para-Academic IGR Units: These are Units that are established to provide academic support activities and will also generate revenue for the University.

iii. Business Venture Units: These are Units established solely for commercial activities. These Units operate independently under Unilorin Holdings Ltd, with a Board of Directors under the Chairmanship of the Vice-Chancellor or any other person appointed by the Board at any point in time. The Unilorin Holdings shall operate as an independent entity without encumbrance imposed by the University. These ventures shall be self-sustaining in terms of human and financial resources and shall engage in businesses according to the laws and global best practices.

7.5.5. The Procedure for the Establishment/Modifications of the Activities of IGR Unit and/or Activity

There shall be a general guiding procedure for the establishment of an IGR Unit to ensure standardisation and proper management.

i. The standardisation shall focus on an IGR Unit initiation framework, business planning and operational requirements.

ii. Depending on the category of the Income generating Unit, the following general procedures shall be followed:

a. Ideation and/or Initiation of an IGR Unit concept by any school, department, institute or individual from research, teaching or any other source.

b. Development of a business plan with a risk matrix by the relevant school, department, individual or institute using the laid down guidelines

c. Apply to the Investment Committee through its Chairman, who is also the Vice-Chancellor. Such application must be accompanied by a comprehensive business plan, funding, marketing strategies, and sustainability. In addition, such a Unit shall complete the requisite form online, and submit with an application through the Vice-Chancellor to the Investment Committee.

- d. Decision of the Investment Committee shall be communicated to the appropriate Unit and Individual.
- e. Where necessary, the Unit can request for seed-money as a loan for a start-up.
- f. The amount of loan advanced shall be as provided in the business plan subject to modification by the Investment Committee and shall be recouped within a maximum period of two years from the date of the advanced loan.
- g. The duration of approval from the date of submission of the business plan shall be subject to proof of sustainability, availability of funds and approval by the Investment Committee.
- h. Any IGR Unit wishing to modify an existing revenue-generating operation shall also receive approval from the Investment Committee through the Vice-Chancellor. This request shall be accompanied by a Request for Additions or Changes to an Existing IGR Unit Operation form, which is available online. Changes may include:
1. Additional revenue source(s);
 2. Change in method of customer contact (e.g., telephone, in-person, web, mail, etc.);
 3. Change in tender types accepted (e.g., cheques, credit cards, etc.); and
 4. Any other relevant changes as approved.
- i. The Director should make these requests on behalf of the Unit after receiving the approval of its Management Board.
- j. On no account shall any IGR Unit commence operation or change its operational mode without the approval of the Investment Committee.
- k. All contractual agreements between the Academic and Para-Academic Unit and any external entity must be endorsed by the Chairman Investment Committee or its designated appointee.
- l. All revenue-generating methods and third-party vendors entered into by the Academic and Para-Academic Unit must be approved by the Chairman Investment Committee. Because of rapidly evolving changes in technology, it is not possible to list specific vendors that cannot be used. All third-party vendors should be submitted to the Investment Committee for review and approval before

engagement. Once a request is made, the Investment Committee will review the suitability of the vendor and convey the decision to the affected unit.

m. All approvals by the Chairman of Investment Committee shall be submitted for the ratification of the Committee at its subsequent meeting.

7.5.6 Revenue Collection

7.5.6a Acceptable Forms of Revenue Collection

- i. Cheques or Any other Legal Tender– All cheques should be made payable to a designated account of the IGR unit. Post dated cheques are not acceptable.
- ii. Cash – Cash payments should be immediately receipted, and funds locked in a secure location until bank deposit is completed the next business day.
- iii. Electronic Transfer- Payment by electronic mean; either Point of Sales (POS) or bank transfer, shall also be accepted. Such transfers shall be made to the designated bank account of the IGR Unit. Proper documentation of such transfer shall be made by the accounting clerk for proper follow-up in case of hiccups in the process.

Note. All the IGR units shall operate all its financial operations electronically and shall not collect cash for its transactions. However, when it becomes inevitable, the Accountant shall be responsible for its proper safe keeping while the Unit Head shall ensure that proper procedures are in place to protect the University's funds until they are deposited with the designated bank on the following business day.

7.5.6b Receipting of Revenue Collection

All revenue collections require that a receipt be issued to the customer immediately the receipt of the fund is confirmed. Receipts can be generated by the department's automated system, point of sale system, vending system receipts, web e-commerce applications, or may be prepared manually.

7.5.6c Balancing of Revenue Receipt

Departmental/Unit procedures should incorporate the following:

- i. Establish a proper segregation of duties for checks and balances.
- ii. Limit personnel access to the funds.

- iii. Establish and maintain a standard procedure of accountability to ensure that the assets of the Unit/Venture are appropriately managed.
- iv. IGR Units shall reconcile their accounts daily and give proper daily reconciliation reports to the appropriate officer(s).
- v. Auditor shall on **daily basis** verify the accuracy and reliability of accounting data and other management information.
- vi. Establish a standard procedure that addresses controls needed for refunds, voids, and adjustments to transactions.

7.5.6d Review of Fees/Charges

Pursuant to the provision in 7.5.5h, an IGR Unit can review service fees/charges/commodity prices when the need arises, subject to the approval of the Investment Committee.

7.5.7. Marketing and Commercialisation

7.5.7.1 Commercialisation

The University through the Laboratory to Products Centre (LAPTOP)/Technical and Entrepreneurial Centre (TEC)/Unilorin Consultancy Services (UCS) or any other Unit as designated by the University shall take essential steps necessary to ensure new innovative technologies, processes, services and products achieve easy market entry and general market competitiveness.

Commercialisation of products and services by any IGR Unit shall be achieved through;

i. Licensing/

An IGR unit shall enter into a licensing agreement with a licensee for the commercialisation of the product or by entering into an agreement on joint venture/collaboration or through the formation of strategic alliances with members of the business community.

ii. Franchising

This shall involve giving authority to an individual or a company to sell the products or services emanating from an IGR unit under specific terms.

iii. Assignment of Rights

This shall involve acquisition of the right from the innovator to the University through Lab for commercialisation.

7.8.0 Marketing of Products and Services

7.8.1 *Methods of Product Marketing*

The following methods shall be employed for marketing of products from IGR Units:

- i). Branding Giving a name to a product
- ii) Launching of products
- iii) Quality Standardisation of products

The products from the IGR Units shall be marketed using *i.* physical and *ii.* Virtual means. All the products and services to be marketed shall go through rigorous quality control, including aesthetics, branding, packaging and transportation in line with global best practices.

7.8.2 *Types of Markets*

7.8.2.1 *Internal market:* This refers to University of Ilorin community.

Each Unit shall create a functioning and robust marketing outlet on campus for marketing products from the University. The targets are members of staff, students and those able to reach the outlet.

An IGR Unit shall also delegate its internal marketing responsibility to any other competent agency within and outside the University following negotiation on the appropriate terms to be charged for the service.

It is also permissible for any other agency or individual to buy products directly from the internally generated units at wholesale price and reasonably mark up the price accordingly.

7.8.2.2 *External Market*

The Academic and Para-Academic IGR Units shall have outlets for the distribution and sales of their products outside the campus. The external marketing shall be as follows:

(i) Marketing of products to the external environment shall be the primary responsibility of the IGR units.

(ii) Where the marketing is done through a vendor, there shall be terms of agreement in writing entered by the parties.

(iii) The Vendor shall prepare a detailed marketing plan for reaching out to the customers. The plan shall make specific reference to the products or services to be marketed, pricing, target audience/markets, existing and potential competitors and state strategic advantages of the products/services, marketing strategies and a marketing budget as well as a promotional mix.

(iv) There shall be a mutual agreement on the sharing of marketing costs by the IGR Unit and the Vendor.

7.9.0 Sharing of Income

To ensure all stakeholders, the Academic and Para-Academic Units are catered for, a distribution formula shall be adopted to determine how profit generated by the Unit may be shared.

7.9.1 Sharing Ratio

The sharing ratios shall be as follows:

i. Academic IGR Units:

- a. No Academic and Para-Academic Unit shall spend more than thirty percent (30%) of its revenue.
- b. Minutes of deliberations and proposed payment lists shall be sent to the Vice-Chancellor for approval.
- c. Upon approval by the Vice-Chancellor, each IGR unit shall disburse honorarium to its members on the basis of input.

Note: For products developed through research, the Policy already established by the University shall apply.

ii. External Research Grants

a. Research, Innovation and Outreach

The University shall retain 10% of all external research grants received to be disbursed as follows: i) 6% to the University for administrative and management costs

ii) 1% to the Centre for Research Development and Training (CREDIT) for administrative and management costs

iii) 1% University Endowment iv) 2% to implementing department/school/faculty

b. Unilorin Consultancy

The sharing ratio is given in the Sharing Ratio as approved by the Unilorin Holdings Ltd

c. Research, Development and Technology Transfer

The Intellectual Property Policy of the University shall be applicable after the net royalty income is calculated.

7.10. Implementation Rules

7.10.1 Commencement of Implementation:

This policy shall become effective from the date of approval by the Governing Council of the University of Ilorin. This policy shall govern the activities of the IGR Units and/or the relationship between the IGR units and individuals and corporate bodies concerning the development, legal protection or commercialization of an Income Generating Unit/Activities. This policy shall also govern the relationship between the university and individuals regarding consultancy services, teaching services and intellectual properties, among others.

If an existing agreement is renewed, revised or amended after the date that the University adopts this policy, reasonable attempts shall be made to conform such agreement to the requirements of this policy as of the date on which it is renewed, revised, or amended.

Pre-existing agreements before the policy comes into force shall continue to apply until their expiration.

Full implementation of this policy shall be within a reasonable period from the date of approval by the Governing Council. The University shall notify all IGR Units/individuals/corporate bodies who are affected by this policy as soon as it is approved by the University Governing Council.

8.0 Governing Rules and Regulations

This policy shall be interpreted within the context of other University Policies.

9.0 Exemptions, Review and Amendments.

This Policy shall be reviewed every five (5) years or from time to time as may be recommended or determined by the Investment Committee and approved by the University Governing Council. Exemptions and amendments of this policy may be initiated by the IGR Unit or any interested party by applying to the Investment Committee through the Vice-Chancellor. The Investment Committee shall recommend its decisions on the exemptions, reviews or amendments to the University Governing Council.

10.0 Dispute Resolution Mechanism

In the event of unresolved grievances/dispute in the interpretation and or application of this policy, an aggrieved IGR Unit shall apply for a review to the Investment Committee, and in case the dispute cannot be resolved by the Investment Committee an appeal shall be made to the Governing Council through the Vice-Chancellor.

11.0 Risk Management

The risks associated with the operationalization of the IGR units shall be managed in line with the risk Management Policy of the University.

12.0 Income Generating Activities Guidelines

12.1 Guidelines for Preparing Business Plans/Feasibility Study

To approve any IGR Unit, a business plan/feasibility study must be in place. The Business Plan/feasibility study shall define activities and operations focused on defined performance outcomes. The plan must comprise the following parts

- i. Cover page
- ii. Table of Contents
- iii. Executive Summary
- iv. Business Description
- v. Market and Marketing Strategy
- vi. Production details – requirements and costs, forecasts (production versus sales), financial start-up and operational cost
- vii. Human resources including the responsibilities and pay
- viii. Business risks and how they will be tackled
- ix. Action Plan.

13. Winding Up of IGR Units

a. General Steps for closure of Academic and Para Academic Units

Where a programme/service in Academic and Para Academic Units is not viable or sustainable, especially in terms of finance or any other issues, the Unit/programme/service can apply for its discontinuation.

The procedures for the winding up of such programme/service/unit are as follows-

- i. The Head of the Unit shall request in writing to the Management Board of the Unit for closure of the programme/services, the decision of the board shall be forwarded to the Investment Committee for its recommendation to the University Governing Council.
- ii. However, the University Management on its own can recommend for winding down of an unviable/unsustainable unit/programme/service through the Investment Committee to the University Governing Council.
- iii. There shall be internal and external communications to all stakeholders on the closure of the programme/services/unit, stating the reasons and timeline for the closure
- iv. Develop a plan to ensure that no stakeholder suffers undue injury as a result of the winding down of any programme/service/unit.
- v. Assess financial obligations associated with the closure, and budgetary provision for such closure.
- vi. Ensure compliance with University regulations on closure of programs/services/unit and all processes shall be fully documented.

b. General Steps involved in Winding up a subsidiary of Unilorin Holdings Ltd

- i. **Board Resolution:** The Board of Unilorin Holdings Ltd shall pass resolutions approving the decision to wind up the subsidiary. These resolutions should be properly documented and filed as per regulatory requirements.
- ii. **Shareholder Approval:** Shareholders of both the subsidiary and Unilorin Holdings Ltd shall vote on the decision to wind up the subsidiary.
- iii. **Notification to Creditors and Stakeholders:** Creditors, employees, and other stakeholders of the subsidiary shall be notified of the decision to wind up the company. This notification should include information about how creditors can make claims against the company's assets.

- iv. **Appointment of Liquidator:** A liquidator shall oversee the winding-up process. The liquidator's responsibilities include realizing the company's assets, settling its liabilities, and distributing any remaining funds to creditors and shareholders according to the priority set by the relevant laws guiding its operation.
- v. **Settlement of Liabilities:** The liquidator shall be responsible for identifying and settling the subsidiary's outstanding liabilities. This may involve paying off debts, settling contractual obligations, and resolving any legal disputes.
- vi. **Asset Realization and Distribution:** The liquidator shall identify and sell the subsidiary's assets in an orderly manner. The proceeds from asset sales are used to settle outstanding liabilities. Any remaining funds are distributed to shareholders according to their rights and preferences.
- vii. **Compliance with Regulatory Requirements:** Throughout the winding-down process, the subsidiary must comply with all applicable regulatory requirements, including tax filings, employee notifications, and reporting obligations.
- viii. **Dissolution:** Once all assets have been realized, liabilities settled, and any remaining funds distributed, the subsidiary can be formally dissolved. This typically involves filing dissolution documents with the relevant government authorities.
- ix. **Legal and Financial Advice:** Throughout the winding-up process of a subsidiary, Unilorin Holdings Ltd shall seek advice from legal and financial professionals to ensure compliance with all applicable regulations and to minimize the risk of legal challenges.

APPENDIX I

CATEGORIES OF INTERNALLY GENERATING REVENUE UNIT

ACADEMIC IGRs

- i. Institute of Education (IOE)
- ii. Ilorin Business School (IBS)
- iii. Joint University Preliminary Examination Board (JUPEB)
- iv. School of Preliminary Studies
- v. Unilorin Staff School
- vi. The Post Graduate School
- vii. Open Distance Learning (ODL)
- viii. Institute for Legislative Studies
- ix. Centre for Cultural Studies
- x. Institute of Management and Leadership
- xi. Linguistic Immersion Centre
- xii. Centre for Translations Art
- xiii. Centre for Ilorin Studies
- xiv. ixi. Peace and Strategic Studies

PARA- ACADEMIC UNITS

- i. Unilorin Zoo
- ii. Unilorin Apiary
- iii. Unilorin Drama Village and Lakeside Resort
- iv. Unilorin Estate Management
- v. All the Plantations
- vi. Unilorin Health Services
- vii. Teaching and Research Farm
- viii. General Studies Division
- ix. Convocation
- x. Optometry Clinic
- xi. Veterinary Hospital
- xii. Unilorin 89.3 FM
- xiii. Veterinary Teaching and Research Farm
- xiv. Technical and Entrepreneurship Centre
- xv. Central Research Laboratory
- xvi. Molecular Diagnostics Laboratory

- xvii. Counseling and Human Development Centre
- xviii. Medical Screening Centre
- xix. The Institute of Medical Research and Training (IMRAT)

BUSINESS VENTURE

- i. University Liaison Abuja
- ii. University Liaison Office, Lagos
- iii. Unilorin Petrol Station Car wash, Wheel balancing and mini shopping Mall)
- iv. Unilorin water,
- v. Unilorin Press
- vi. Researchers Lodge,
- vii. Unilorin Guest Houses
- viii. Unilorin Consultancy Centre

APPENDIX 2

Application Form for the Formation of IGR Unit

APPENDIX 3

Application for Modification of Existing IGR Unit