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| Section: | Administration (AD) |
| Subject: | Organization of the Institution |
| Legislation: | <i>Public Post-secondary Institutions' Tuition Fee Regulation (AR 273/2006);</i> |
| Effective: | May 29, 2017 |
| Revision: | September 23, 2019 |

APPROVED: _____
President and CEO

POLICY

The policy of the Board of Governors is to provide consistent processes for initiating, approving, monitoring and evaluating all product that SAIT offers.

PROCEDURE

PHILOSOPHY

This procedure provides a consistent process to facilitate timely initiation, approval, monitoring and evaluation processes for product that SAIT offers in a manner that responds to internal, client and community needs.

This overarching policy and procedure provides guidance for offering SAIT's product. It outlines SAIT's expectations during the entire product life cycle, from the initial investment through to retirement.

It identifies roles and responsibilities for each process and provides guidance for documenting risks and financial expectations, obtaining required approvals, and monitoring, reporting and evaluating product offerings in accordance with SAIT's expectations.

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DEFINITIONS

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| Capital costs | The cost of a capital asset that includes the purchase price (including GST, net of rebate), and all costs directly attributable to the acquisition, construction, development or betterment of the asset, including installing the asset at the location and bringing the asset to the condition necessary for its intended use. |
| Cost recovery | Total revenue equals total direct operating costs, direct development costs, withholding taxes, and incremental Level I and Level II overhead costs. |
| Course | Organized subject matter in which instruction is offered with specific learning outcomes within a given period of time. |
| Credit | A measure of the total amount of learning effort in a course, including both the class/tutorial/laboratory/workshop/work-integrated learning time and the amount of independent learning that a student must do to succeed in that course. |
| Credit course | A course that is part of a program approved by the Alberta government that has a credit value associated with it. |
| Credit program | A program that is approved by the Alberta government. |
| Curriculum | Learning materials that SAIT has created or licensed and that the vice president, academic has approved through the Approval Process for Managing Curriculum. |
| Delivery lead | An employee who has been assigned responsibility to manage the process of delivering product to a client or individual learner. |
| Direct development costs | All expenses and capital costs directly attributable to creating or modifying a product. |
| Direct operating costs | All expenses directly attributable to delivering a product. |
| Domestic client | A corporation or government agency whose legal base of operations is within Canadian national boundaries or |

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jurisdiction and who does not meet the definition of an “international client”.

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| Full-load equivalent (FLE) | One FLE student reflects one student completing the full load for one year of study in an accredited program, or several students combining to complete the equivalent of a normal full load. |
| Gross margin | Total revenue less direct operating costs and withholding taxes, expressed as a percentage of total revenue. |
| Gross profit | Total revenue less direct operating costs and withholding taxes. |
| Internal rate of return (IRR) | The interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. IRR can be used to evaluate the attractiveness of a project or investment. |
| International client | A corporation or government agency whose legal base of operations is outside of Canadian national boundaries or jurisdiction, or such an agency within Canada for whom product is to be provided to qualified international students or outside of Canadian national boundaries or jurisdiction. |
| International student | A student who is not a Canadian citizen or permanent resident, but who is: a) A visitor to Canada with a valid study permit authorizing that student to study in Canada in accordance with the terms of federal immigration legislation and who is neither a Canadian citizen, permanent resident or refugee nor otherwise legally entitled to maintain a permanent Canadian residence; b) A visitor to Canada with a valid visitor’s visa who will be studying in a SAIT program or course less than 6 months in duration; or c) Registered in a SAIT course or program delivered in a country other than Canada. |
| International tuition fee | Tuition fees charged to international students. |

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| Level I overhead cost | Expenses incurred by a school/department to support the management and delivery of a product that the school/department delivers. Level I overhead costs may vary depending on the volume of business. For example, an Earned Revenue Coordinator's salary or the cost to market the school/department's product are Level I overhead costs. |
| Level II overhead cost | Expenses incurred by SAIT, at an institutional level, to support the delivery of a product. Level II overhead costs are generally fixed costs. For example, registration, corporate marketing and legal expenses are Level II overhead costs. |
| Net contribution | Total revenue less direct operating costs, Level I overhead costs, and withholding taxes. |
| Net contribution margin | Total revenue less direct operating costs, Level I overhead costs, and withholding taxes, expressed as a percentage of total revenue. |
| Net present value (NPV) | The difference between the present value of cash inflows and the present value of cash outflows. NPV can be used to analyze the profitability of a projected investment or project. |
| Net profit | Total revenue less direct operating costs, Level I overhead costs, Level II overhead costs and withholding taxes. |
| Net profit margin | Total revenue less direct operating costs, Level I overhead costs, Level II overhead costs and withholding taxes, expressed as a percentage of total revenue. |
| Non-credit course | A non-credit course is not part of an Alberta government-approved program and does not have a credit value associated with it. It is not included in the calculation of a student's grade point average. |
| Non-credit program | A program that is not approved by the Alberta government. |
| Opportunity lead | An employee who has been assigned responsibility to manage the client relationship and is the primary contact with the client for contract negotiations and disputes. |

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| Overhead costs | Expenses that are not directly attributable to, but are required for, delivering a product. Overhead costs may be variable or fixed. |
| Payback period | The length of time, in years, that a product must operate in order to generate a cumulative net contribution that equals total direct development costs. |
| Product | A program, course, good or service that SAIT creates, licenses or buys and offers for sale. This includes goods or services created through delivery of product that SAIT offers for sale. |
| Program | A prescribed curriculum leading to a SAIT credential. A program is divided into a number of courses. |
| RACI chart | A matrix of process and risk management strategies set against roles. At each intersection of strategy and role it is possible to assign roles that are responsible, accountable, consulted or informed for that strategy. |
| RACI: Accountable | The person/department accountable for the activity being completed appropriately. Responsible persons/departments report to the Accountable person/department. |
| RACI: Consulted | The person/department not directly involved in carrying out the activity but consulted about the activity. The person/department may be a stakeholder or subject matter expert. |
| RACI: Informed | The person/department receiving output from the activity or needing to stay informed. |
| RACI: Responsible | The person/department carrying out the activity. |
| Return on investment (ROI) | The benefit (proceeds less cost) of an investment divided by the cost of the investment, expressed as a percentage. ROI can be used to measure or compare the efficiency of an investment. At SAIT, ROI is generally evaluated over a five year term. |
| Support lead | An employee who has been assigned responsibility to manage the process of delivering the school/department's portion of |

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the product to a client. Support Lead(s) may be required where more than one school/department will deliver product to a client in accordance with the terms of an executed contract.

Tuition fees

Charges payable to SAIT in exchange for instruction.

Withholding taxes

Taxes imposed by foreign governments on organizations whose legal base of operations are within their national boundaries or jurisdiction.

GOVERNING PRINCIPLES

1. This procedure and its associated processes apply to all product (credit and non-credit) at SAIT, excluding apprenticeship programs and sales through the Commercial Services and Applied Research and Innovation Services departments.
2. Product shall be offered based on stakeholder needs.
3. Product outcomes are expected to achieve the overall goals that SAIT approves annually.
 - a) Product is expected to be offered on a cost recovery basis at a minimum. Exceptions must be approved by the vice president finance and corporate services, or designate.
4. SAIT assesses potential opportunities based on financial and non-financial criteria and risks associated with the investment, delivery and retirement of product.
5. SAIT establishes monitoring and reporting processes for financial and non-financial information associated with the investment, delivery and retirement of product.
6. The Vice President Academic or designate approves curriculum.
7. Approvals for credit curriculum, including new curriculum and changes to existing curriculum, must comply with the Alberta government's policies and regulations.
8. SAIT has consistent processes for managing tuition fees.
 - a) Tuition fees for credit programming are subject to the requirements of the Alberta Government's *Public Post-secondary Institutions' Tuition Fee Regulation*.
 - b) SAIT sets international tuition fees.

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- c) SAIT sets non-credit tuition fees.
9. Contracts must be signed by all parties prior to incurring any SAIT liability or delivering product pursuant to the contract.

PROCEDURE

1. This procedure is governed by detailed processes, as set out in the Product Governance Processes document, attached as Schedule A, an Associated Document to this procedure. It consists of two sections:

a) Section A: Product Delivery Using Existing Curriculum

- i) A1 – International Client: Processes, responsibilities and expectations for selling and delivering product to an international client.
- ii) A2 – Domestic Client (Standard): Processes, responsibilities and expectations for selling and delivering product to a domestic client where the pricing, course content and deliverables are standardized. Customized content is not available through this process.
- iii) A3 – Domestic Client (Customized): Processes, responsibilities and expectations for selling and delivering product to a domestic client where the product can be customized to the client’s specific requirements. This process offers the ability to negotiate the scope of work with the client.
- iv) A4 – Individual Learner: Processes, responsibilities and expectations for delivering product directly to an individual learner—not a domestic or international client.

b) Section B: New Product and Curriculum Development

- i) Processes, responsibilities and expectations for developing new product and curriculum.

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ASSOCIATED DOCUMENTS

Schedule A **Product Governance Processes**

Section A: Product Delivery Using Existing Curriculum

A1 - International Client

A2 - Domestic Client (Standard)

A3 - Domestic Client (Customized)

A4 - Individual Learner

Section B: New Product and Curriculum Development

B1 – New Product and Curriculum Development

POLICY/PROCEDURE REFERENCE

AD.1.9 Product Governance policy