

**Muhimbili University of Health and Allied
Health Sciences**



Resource Mobilization Centre (RMC)

**Operational Policy and Procedures for Income
Generation and Cost Containment**

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1.0. Background and Relevance of Resource Mobilization Centre

Globalisation and liberalisation of national economies are creating competitive environments that require equally aggressive entrepreneurial skills: to explore and exploit existing and arising opportunities to generate additional financial resources for meeting different institutional costs. It is quite evident that operational costs (recurrent expenditures) as well as capital costs (development expenditures) are on the increase while the financial sources and revenues received have been shrinking and declining in real terms, respectively. Therefore, the resources gap has been widening and will continue to widen on one side, while additional financial resources are needed to expedite recurrent and development activities as per MUHAS's Strategic Plan, on the other side. The Resource Mobilization Centre (RMC) becomes the relevant entity to face these challenges by focusing on containing operational costs and charting strategies for raising additional financial resources.

Over the decade, there has been continued decline of public funding in Tanzania, while the demand for student enrolment continues to grow necessitating initiation of transformation programmes. The University of Dar es Salaam (UDSM) transformation programme, among other things, calls for a set up of a Resource Mobilization Centre (RMC) to spearhead cost containment (operational costs) and generation of additional income for the University without compromising the core mission of the University. The Muhimbili University University of Health Sciences (MUHAS) is charged with teaching, research and consultancy responsibilities in health sciences. All these activities require resources, which are currently, mainly, received from sources outside the University.

These resources are undoubtedly insufficient to meet the University's unlimited needs. For effective and efficient operations, more sources of funds as well as ways for cutting costs of operation must be explored.

Until now this institution has been depending on Government funding which has been decreasing year after year.

MUHAS is therefore committed to radically improve and deliver the teaching, research and consultancy services in a more conducive environment. These services are to be provided in the competitive global development atmosphere, which demands good consumer-oriented quality

services. Meeting such competitive environment requirements more operational resources have to be solicited and resource gaps filled. The RMC is being established partly to fill the lacuna of not having such a unit and also redress existing constraints faced currently by staff members in providing consultancy services to different local and international individuals and organizations. The idea is to ensure that University's consultancy activities are centrally coordinated and marketed by the RMC while at the same time safeguarding the interests of individuals doing consultancy.

The RMC is charged with the duties of coordinating/generating incomes from sources that are currently not explored by the University. For the RMC to be scientifically operational there is need to have a comprehensive and strategic operational design of its organisation, management and financial structures and systems that will be formally embedded in the MUHAS institution performance.

2.0 Vision and Mission of RMC

2.1 Vision

The Vision of the RMC is:

“To be able to generate sufficient funds to fill the gap because of shortage of Government funding for the MUHAS budgetary requirements annually in the next five years”

This vision is in line with that of the University which is: “To become a fully-fledged University located in a spacious area, with an own teaching hospital, conducive learning environment and suitable resource generation”

spacious campuses encompassing an own teaching hospital and providing a conducive environment for carrying out teaching/learning, research and public service to its diverse communities and student population. Further to it, the University shall be realizing at least a quarter of its budgetary requirements through income generating activities and supporting a teaching/learning environment that rewards creativity, innovation and risk-taking through extensive use of ICT and other new appropriate technologies”.

2.2 Mission

The mission of the RMC is:

“To supplement the budgetary requirements of MUHAS through income generation and cost containment”

This mission is in line with that of the University which is: To seek for quality health through education, training, research and health services for attainment of equitable socio-economic development”

3.0. Objectives and Functions

3.1. Objectives

- To create an environment to change the mindset of staff about income generation
- To coordinate income generating activities at MUHAS
- To explore and inform members of staff of avenues for income generation
- To coordinate cost containment innovations at MUHAS
- T create income generating activities for the University

3.2. Functions

In pursuit of its mission and vision, the RMC will have the following functions:

- To assist in identifying income generating activities in different units at MUHAS
- To facilitate identification of, and contact with potential individuals and organizations, such as strategic investors and charitable organizations, as collaborators in income generation activities within and without MUHAS
- To encourage collaboration and formation of teams among different units of MUHAS for income generation activities
- To explore and suggest income generation activities outside MUHAS
- To initiate and facilitate implementation of different income generating activities at MUHAS

- To market and promote different staff and unit skills in performing different professional activities related to health sciences
- To recommend to the University management on disbursement and rewarding of different individuals, groups or sectors participating in income generation activities
- To suggest and review remuneration and other schemes that would motivate the University Community to participate in income generating activities and cost cutting
- To monitor, evaluate and make recommendations to University management on identified cost containment and income generation activities
- To evaluate and assess all proposals for income generating activities and cost containment proposals in MUHAS
- To register and disseminate information on potential income generating activities to all units at MUHAS
- To inculcate entrepreneurial attitudes among MUHAS staff so as to facilitate risk taking and competitive thinking in initiating income generating activities and cost containment
- To organise short courses, workshops and seminars in collaboration with other University units for income generation
- To identify and map out areas for cost containment in different units of MUHAS and also advise and assist the units on how to contain the costs
- To suggest and facilitate ways of containing costs

For the RMC to realise its mission, vision and objectives several factors that contribute to its establishment and successful self-sustainability have to be observed and these are:

- Exploration of the existing market of consultancy and other related income generation in the general public
- A Positive attitude towards income generation has to be developed; the ideal that pursuing aggressive income generation activities in an academic setting will compromise the quality of education is not correct. It is actually a wrong conservative attitude. On the contrary, teaching and learning themes should be translated into market commodities and services in order to increase the relevance of the institution's study programs.

- MUHAS's teaching and research staff should be encouraged to exercise entrepreneurial attitudes, take risks and be compelled to try and relate their research and teachings into tangibles, which should be translated into transferable goods and service.
- Entrepreneurial culture with subsequent entrepreneurial undertakings should be made a pertinent feature of the MUHAS's institutional set-up.
- A gap between academic staff and the private entrepreneurs has to be narrowed. There has always been a gap between academic Institutions and private sector undertakings in most of the developing countries. Partnership with the private sector should therefore be one of the key MUHAS and RMC strategies

The RMC as a unit of MUHAS is responsible to the Directorate of Planning and Development for exploring, utilising, promoting, evaluating, maintaining, and documenting different sources of generating additional financial resources and containing costs to enhance attainment of the mission. The RMC is also responsible for exploring effective and efficient ways of containing costs at the University. In this way the University will be able to reach a high level of service provision based on financial sustainability through increased motivation and involvement of the MUHAS community in collaboration with other stakeholders.

4.0. RMC in Relation to other MUHAS Units

The different units within are already operating some income generating activities in one way or another. As indicated in the objectives above, the role of RMC is more of a helping hand in planning, implementation, monitoring and evaluation than of actual running of income generation activities and containing costs. An adequate structure is therefore proposed for effective linkages and relationships between RMC and other MUHAS units. This should be put in place to avoid duplication of activities and RMC being seen as a grabber of other unit's' activities

5.0. Potential areas for income generation and cost containment

MUHAS has potential comparative advantage for being a 'Centre of Excellence' in providing quality professional services in health sciences. It is the longest surviving medical school with a wide distribution of alumni and collaborators in different professional areas. There are therefore many areas that could be exploited for income generation and cost containment. These areas include, but not limited to:

- Short courses, seminars and workshops- offering 'state of the art' professional and academic knowledge
- Provision of specialised quality health care
- Provision of consultancy services in different disciplines
- Use of other MUHAS resources e.g. temporary renting of rooms for meetings, Conferences, seminar, workshop services
- Charging for use of premises, utilities and equipment used for research projects and other activities operated in the University
- Charging for use of any University equipment by non-MUHAS staff
- Providing teaching services to other institutions of higher learning
- Provision of laboratory services to other private and public institutions

6.0. RMC Management Structure

The RMC as spelled above plays more of a helping hand function. However, a small complete establishment is needed for it to fulfil its mission and vision and consequently address itself to the required functions: The following areas of work are suggested:

- Marketing of RMC activities
- Quality Assurance Control System
- Preparation of an RMC Strategic and Operational Planning
- Monitoring and Evaluation
- Inventory Taking System
- Preparation of a workable budget for ensuring long time sustainability

The above tasks that would facilitate the attainment of the spelled objectives, a small establishment managed by committed, dedicated, diligent, hardworking and responsible persons within MUHAS

is needed. There shall be an RMC committee (RMCC) which shall be charged with the responsibilities of advising the management on managerial and scientific activities.

The RMC management shall comprise of the following persons:

- RMC Manager (RMCM) also a chairperson of RMC management meetings
- RMC Administrative Officer (RMCAO)—assistant of the RMCM and a recorder and secretary during RMC management and RMCC meetings
- RMC Liaison Officer (RMCLLO)—assistant to the RMCAO and also responsible for contacting and linking different MUHAS units and external organizations
- Accountant—Technically working under the Bursar and also responsible for disbursing of funds, carrying any other financial transactions, reconciliation and writing the RMC books of accounts and budget of RMC as per MUHAS financial regulations
- RMC Office Management Secretary—assistant to the RMCM also dealing with day to day secretarial and logistic issues

The RMCAO and RMCLLO shall be appointed by MUHAS management from MUHAS staff or employed from outside MUHAS. They should, at least be first degree holders, with entrepreneurial and marketing skills.

The RMC manager (RMCM) shall be appointed by the Principal from among senior MUHAS members of academic staff. The RMCM shall hold office for a maximum of two consecutive terms of three years each. The principal may change this tenure if need arises.

The RMC Committee (RMCC): The RMC Committee shall comprise of the following

- Director of Planning and Development - Chairperson
- The RMC Administrator - Secretary
- The RMC manager - Member
- The Bursar - Member
- Continuing Education Coordinator - Member
- Three members appointed by the Principal - Members

The RMC will be responsible for overseeing the execution of the functions listed in 3.2

7.0. RMC Policy

The RMC *modus operandi* has to be defined based on its mission and vision and rules and regulations governing the operation of MUHAS.

7.1. Policy

The policy of RMC is that of generating income and cutting down costs without marginalising any University unit or individual or compromising the core functions of the University. Resources would be generated and costs contained without jeopardizing or frustrating activities implemented in any of MUHAS's units. However, for that to happen a close relationship and transparency between RMC, other units and individuals are necessary. All income generating activities and cost cutting initiatives implemented by any unit or individual using the MUHAS economic resources shall be reported to and registered with the RMC. RMC shall work towards improving MUHAS (members of staff and organisational) capabilities in implementing its activities.

Income generating activities and cost cutting activities ***are a responsibility of each and every staff member*** of MUHAS. All units and departments should strive towards initiating such activities so long as they do not contravene the law of the land or other rules and regulations of MUHAS. All staff members should be encouraged to initiate such activities and rewarded accordingly. ***“One according to his contribution and not according to his needs policy”*** should be adopted as a way to motivate initiators and implementers of such activities.

Activities that would be initiated by any staff member should be aiming at generating income, cutting down cost or promoting the University status for improving the capacity of the University to implement her activities. Such activities could be initiated and implemented by staff member(s) or in collaboration with individuals or organisations (private or public) outside MUHAS.

7.2. RMC Projects

The RMC shall explore all potential income generating activities operating on MUHAS land including all existing activities currently in operation.

The RMC shall initiate and implement its own projects on its own or in collaboration with other departments of MUHAS or organizations outside MUHAS. Such projects shall be directly managed by the RMC. The RMC shall also be able to initiate and sub-let income generating or cost cutting activities to individuals, departments or organizations without compromising the benefits and development of the University.

7.3 Procedures, Initiation and Implementation of RMC Projects

- The University management through RMC shall be the main source of exploring and identifying the nature and type income generating and cost cutting activities or projects to be implemented at MUHAS land by CLIENTs. Such projects or activities will be called RMC Projects.
- CLIENTS inside or outside shall also be encouraged to initiate income generating or cost cutting on MUHAS land in agreement with the RMC.
- For RMC projects the RMC management shall identify the project and approval shall come from the RMCC
- The RMCC with approval of the University management shall establish the nature and source of financial resources for initiation of the RMC projects.
- Once an RMC activity has been identified and approved, a formal agreement must be entered into between the University and CLIENT. A “comprehensive proposal” shall be fully developed by either RMC or the CLIENT, depending on the agreed process, and approved by RMC management before the agreement is entered into.
- Before the agreement is entered into the RMC management shall make sure that the CLIENT submits a comprehensive project proposal that comprises the following checklist:
 1. Name and address of the CLIENT
 2. Letter of intent
 3. Location of activity and location required
 4. Cost implications to MUHAS
 5. Business plan or proposal of the activity. Its content will depend on the size of the business.
 - Summary of the business plan

- Introduction
- Analysis of the market of the product or service to be provided
- Description of the products or services
- Marketing plan
- Operation of the activity
- Plan of work/operation
- Management and organisation
- Financial plan
- Attachments

The details shall be prepared by the RMC management

- Once an agreement with a CLIENT has been signed, the CLIENT shall be fully responsible for the failure or success of the RMC activity.
- The RMC shall monitor the progress of the activity and CLIENT's abiding by the agreement and take necessary action including closing down that activity if need arises. Such actions shall be implemented after the consultation with the RMCC and the Director of Planning and Development.
- The premises shall be used only for the activities that have been agreed in the contract.
- In case a difference arises between the CLIENT and the University it shall be resolved amicably or by using the arbitration laws and procedures of Tanzania.

8.0. Procedures, Initiation and Implementation of income generating activities sub-contracted to MUHAS staff

- The University management through RMC shall be the main source of exploring, identifying and responsible for implementing the income generating and cost cutting activities or projects.
- Individual member(s)/groups of staff shall be encouraged to identify and submit projects to the RMC and the RMC shall enter into an agreement with the staff on how the staff will be remunerated.
- The member of staff bringing a professional project to RMC shall be paid a consultancy fee as per University rates.

- The RMC shall charge 30% of the consultancy fee negotiated for the project (Distribution – 70% to the individual, 5% to the respective Department, 10% to the respective School/Unit and 15% to the RMC)
- The RMC shall invite members of staff to participate in a professional income generating activity identified by the University management and passed to the RMC
- The RMC (the Contractor) will sub-contract the activity to the member(s) of staff (CONTRACTEE) under a written agreement
- The RMC will be fully responsible for monitoring the implementation of the activity

9.0 Revenue Collection Procedures for RMC incomes

All incomes generated from RMC activities will belong to MUHAS and shall be deposited in the University Bank Account.

The mode of collection shall be in accordance with the University Financial Regulations.

10.0 Sources of Funds and Budget

The RMC is intended to be a self-financing entity, however, seed money shall be provided by the University to finance the budget in the first year of operation.

The RMC shall prepare an annual budget that indicates the incomes and expenditure. Quarterly, the RMC also shall prepare Financial Reports to be submitted to the Bursar, RMCC and MUHAS Planning and Finance Committee. Preparation of any other financial documents shall follow the MUHAS Financial Regulations, and prepared as per Bursar's requests.

The RMC account shall be duly audited regularly.

11.0. Disbursement of Funds

- The disbursement of RMC funds from its warrant of funds will follow the existing MUHAS financial regulations
- The disbursement of funds from the RMC projects shall be determined by the University management and the Office of the Bursar.