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# Short-term Rental Policy



forward together  
sonke siya phambili  
saam vorentoe

April 2021

# Shor-Term Rental Policy

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<b>Validity:</b>	The English version of this regulation is the operative version, and the Afrikaans version is the translation.

<sup>1</sup> Policy Owner: Head(s) of Responsibility Centre(s) in which the policy functions.

<sup>2</sup> Policy Curator: Administrative head of the division responsible for the implementation and maintenance of the policy.

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# **I. Introduction**

There is significant demand for a variety of Stellenbosch University (SU) venues for Short-term Rentals – from its theatres, Conservatorium and sport facilities to conference facilities, lecture halls and boardrooms. Historically, the management of these Short-term Rentals was decentralised, without a standard institutional process. This lack of standard operating procedures increased the risks for SU associated with Short-term Rental transactions, such as inconsistent pricing, under-recovered costs, unclear customer communication, non-existent rental contracts, legal and reputational risks, and the opportunity costs of underutilising valuable assets.

Acting under Innovus's mandate, SunCom launched the Central Events and Conferencing Office (CECO) in January 2020 as central mechanism to manage all SU Short-term Rentals and liaise with relevant SU stakeholders, while ensuring that Events comply with applicable regulations, including the Safety at Sports and Recreational Events Act 2 of 2010, the 2016 events bylaws of Stellenbosch Municipality and other municipalities concerned as well as the Regulation of Gatherings Act 205 of 1993.

This central mechanism creates opportunities to establish industry partnerships by means of a single contact point, swift turnaround times, economies of scale, centralised marketing and other professional support services, consistent venue pricing, standard operating procedures, Event risk evaluation, improved customer service and a campus-wide rental overview.

The long-term benefits of an unambiguous, transparent, inclusive and centralised rental mechanism positively contribute to a financially sustainable institution, specifically as it contributes to the fifth income stream and lowers the financial burden to maintain SU facilities.

## **2. Implementation of the policy**

The curators of the policy are responsible for its implementation and the principles of this policy will become applicable as soon as the approval of the SU Council has been received. The policy applies to all SU staff members and students as well as any external party involved in a Short-term Rental of SU facilities.

### 3. Scope and range of the policy

The scope of this policy includes all Short-term Rentals where SU has right of possession of a facility, whether by way of ownership, lease or otherwise. Short-term Rentals include rentals to external parties as well as internal SU rentals between faculties, department, units, Registered Student Societies and other formal SU environments.

Examples of facilities available for Short-term Rentals:

- venues such as theatres, auditoriums, sports and conference facilities with a specialised function;
- academic venues such as lecture halls, auditoriums, Schedulable Rooms, seminar rooms and sports halls; and
- other facilities such as offices, seminar rooms and boardrooms, as well as open-air spaces such as the Jan S Marais Square (Rooi Plein), gardens and amphitheatres.

Rental of the following facilities are excluded from this policy:

- long-term residence and accommodation services for students;
- the Stellenbosch Institute for Advanced Study (STIAS);
- all accommodation rentals managed by the SU Letting Office;
- Long-term Rentals (e.g. long-term tenants in SU's student centres, permanent campus coffee shops and/or cafés and tuck shops and Long-term Rentals at experimental farms); and
- designated long-term SU parking for staff and students.

Events that are subject to this Short-term Rental policy can be either internal or external, including the following:

- sports Events
- music recitals
- theatre productions
- conferences
- short courses
- seminars and workshops
- meetings
- cultural Events
- student Events
- functions or social gatherings

- agreements between SU and a third party that includes a Short-term Rental component and/or usage of SU facilities, and
- film and photo shoots.

Certain SU institutional events, such as graduation ceremonies, first year welcoming events and open days, are exempt from a facility rental fee, as decided by the COO from time to time.

Events of the following kinds fall outside the scope of this policy:

- Events where faculties, departments, units and other formal SU environments use facilities they currently occupy, as Facility Occupants, for their own Events (e.g. SU graduation ceremonies, inaugurations Events, open days, activities or Events that form part of the formal academic or administrative programme, and formal SU sport, recreational or cultural programmes); the head of the faculty, department, unit or other formal SU environment determines whether an Event forms part of the formal SU programme or not;
- Internal Short-term Rentals between departments, faculties, units and other formal SU environments where no rental fee is charged by the Facility Occupant, and/or CECO's assistance/support is not required and/or no additional services are required (e.g. interfaculty usage of boardrooms, seminar rooms and lecture halls); and
- Short-term Rentals to Registered Student Societies where no rental fee is charged by the Facility Occupant and/or CECO's assistance/support is not required and/or no additional services are required (e.g. a faculty student society using their faculty's boardroom).

Whether an Event falls within or outside the policy's scope, certain Events must be registered with CECO and the Risk Management Office, in line with Facility Management's risk processes, to ensure that all Event activities at SU facilities are aggregated and risks managed appropriately. See *Annexure G: Registration of event with SU Risk Management Office* for guidance to register an Event with SU Risk Management Office, regardless of the Event's governance by this policy.

## 4. Definitions and documents

### 4.1. Definitions

<b>Academic Calendar</b>	A calendar that shows all the academic, administrative, research and formal recreation and cultural activities for a specific SU venue. Short-term Rental bookings will be added to this calendar.
<b>Assignable Square Metres; ASM</b>	An internal SU mechanism to recover the annual cost of facility usage from faculties, departments, units and other SU environments.
<b>Breakeven Calculation</b>	The point at which the income for an Event equals its costs when the Full-cost Recovery Model is applied.
<b>Central Events and Conferencing Office; CECO</b>	A central SU unit established to unlock SU facilities for Short-term Rental opportunities while mitigating risk by providing a central contact point for Short-term Rental customers and liaising with SU stakeholders.
<b>Customer Definitions</b>	Customer categories organised according to the customer being an internal SU unit or an external customer, the type of organisation hosting the Event, the customer profitability focus, alignment of the type of Event with the facility' intended use, the type of relationship with SU, the customer's community focus and other factors.
<b>Customer Satisfaction Survey</b>	A survey that the customer receives from CECO after the Event to evaluate the venue as well as the services provided by CECO and the relevant Facility Occupant, Dedicated Rental Unit and/or Event service providers.
<b>Dedicated Rental Unit</b>	A dedicated and established function, operational prior to January 2020, for managing Short-term Rentals for a specific group of venues at SU. Under this policy, the unit will manage components of Short-Term Rentals at SU in conjunction with CECO.
<b>Event</b>	This term includes the following activities, among others: <ul style="list-style-type: none"> <li>• <b>academic-related Events</b> – academic activities that are not included in the established curriculum of quarterly classes scheduled as part of the academic or institutional programme at SU; e.g. special guest lecture series and panel discussions;</li> <li>• <b>administrative Events</b> – daily, weekly or occasional gatherings of an official department or registered group, which are not open to the public and are concerned solely with the academic or institutional programme; these meetings will generally discuss departmental or group affairs and/or do administrative planning, which may include professional training and may also be social in nature; e.g. a departmental or faculty meeting, a gathering of</li> </ul>



	<p>departmental staff or a student group, a board of directors' meeting, a departmental luncheon and a reception;</p> <ul style="list-style-type: none"> <li>• <b>campus community Events</b> – that are open only to SU students, faculty and staff; may also fit the definition of “high-impact”, “invitation-only”, “administrative” or “academic-related” Events;</li> <li>• <b>high-impact Events</b> – that are large in scope and that require coordination and review by several SU environments; e.g. any social, political or religious Event that might put the good order of the institution or of the academic or institutional programme at risk of disruption, or might pose a risk to the health, safety or wellbeing of any member of the campus community;</li> <li>• <b>invitation-only Events</b> – that are open only to invited guests; e.g. SU donor or alumni functions, administrative or special-programme Events.</li> <li>• <b>public Events</b> – activities that are open to SU students, faculty, staff and members of the public; may also fit the definition of “academic-related” or “high-impact” Event, or both;</li> <li>• <b>sport, cultural and recreational Events</b> – activities of this nature, both part of the institutional programme and/or hosted by outside parties; may also fit the definition of “high-impact”, “campus community”, “public” or “invitation-only” Event.</li> </ul>
<b>Event Insurance</b>	Public liability insurance specific to an external Event, taken out in the name of the Event Owner. The coverage is included in the terms of the Short-term Rental Contract.
<b>Event Organiser</b>	The person or entity responsible for coordinating the planning, execution and management of an Event. The Event Organiser typically reports to the Event Owner.
<b>Event Owner</b>	The person or entity ultimately responsible for an Event as well as the related decisions and risks.
<b>Event Review Team</b>	An ad hoc mechanism established by CECO, represented by relevant multidisciplinary internal stakeholders, to evaluate the impact of a high-impact Event or multifaceted agreement that involves SU facilities.
<b>Facility Occupants</b>	Occupants of SU facilities and venues such as departments, faculties or support service units that enjoy permanent use of or access to a facility.
<b>Facility Management</b>	The Facility Management Division provides sustainable, accessible, innovative and future-focused facilities and services to Stellenbosch University.

<b>Full-cost Recovery Model</b>	The financial model that calculates all direct and indirect costs related to a Short-term Rental.
<b>Indirect-cost Recovery Rate; ICRR</b>	A charge, as stipulated by SU's ICRR policy, to recover indirect costs on certain transactions in order to manage SU as a financially sustainable enterprise.
<b>Innovus</b>	An SU division that acts as a platform for University-industry interaction and is responsible for commercialisation activities, intellectual property and technology transfer activities, and innovation within SU.
<b>Long-term Rental</b>	Continuous, exclusive use of a facility with continuous occupancy, typically more than 30 days, in exchange for payment.
<b>Profit Share</b>	The distribution of the remaining funds from a Short-term Rental according to a predetermined ratio, after all direct and indirect expenses and fees have been accounted for.
<b>Registered Student Societies</b>	Student societies registered with the Stellenbosch University Societies Council. Unregistered societies may apply for this status provided that the SU Student Governance Centre for Student Leadership, Experiential Education and Citizenship has signed off the society and its activities for the purposes of this policy.
<b>Risk Management Office</b>	Provides risk management and campus security services for SU Events. Risk Management and Campus Security render administrative and secretarial services to the SU's Risk Management Committee (RMC) which entail managing the RMC secretariat, providing support and facilitating risk registers of SU structures at all levels. These services include, among others, management support in the preparation of safety-related policy, risk determination, risk assessment and risk reporting.
<b>Safety Officer</b>	The Safety Officer has to ensure a safe working environment during an Event, and that the venue complies with the safety requirements. They act as the eyes and ears of the Venue Owner and the customer, and ensure that the Event is executed in accordance with the Event Plan.
<b>Schedulable Rooms</b>	SU venues or facilities, mainly large rooms or auditoriums, that have ample seating capacity and are not allocated to a specific faculty or SU unit for exclusive use. Such Rooms may be booked when they are not needed for academic activities.
<b>Short-term Rental</b>	The rental of an SU venue or venues, typically for a short period or recurring short periods, for use of the whole or part of a facility; i.e. rentals that do not fit the definition of "Long-term Rentals".
<b>SunCom</b>	Commercial services division of Innovus that is responsible for SU's fifth revenue stream on all campuses.

## 4.2. Documents

<b>Documents</b>	
<b>Booking Form</b>	An electronic form that is to be completed by a customer upon requesting SU facilities for a Short-term Rental, providing Event details that will allow CECO to fully comprehend the scope and extent of the proposed Event.
<b>Debriefing Checklist</b>	A standard checklist used to debrief the customer, suppliers and internal stakeholders on the success or areas of improvement regarding an Event to ensure continued operational excellence.
<b>Event File</b>	The hard copy of an Event Plan, which must be on site during the Event.
<b>Event Rules</b>	Rules applicable to the activities at an Event and to SU venues during the planning, setting up, execution, disassembling and debriefing regarding an Event.
<b>Event Plan</b>	The complete collection of all documents and information as required in <i>Annexure A: Milestones for the Short-term Rental Process</i> to run a successful and safe Event.
<b>Event Requirements Checklist</b>	A checklist that specifies the requirements of an Event at SU facilities for Event Organisers or third-party services; used during the customer onboarding process and post-Event inspection.
<b>Event Site Plans</b>	A plan of the Event venue(s), including inside and outside venue layout, that may include medical and security deployment, parking, waste management and any other specific Event-related planning information and services.
<b>Internal Reference Rate Card</b>	A detailed internal rate card with pricing tiers by Customer Definition for rentable SU venues, which informs the published Price List.
<b>Internal Short-term Rental Summary</b>	A summary that contains venue(s) and service(s), and the related charges, for a Short-term Rental where the customer is an SU faculty, department, unit, Registered Student Society or other formal SU environment.
<b>Complex-Event Checklist</b>	A checklist of criteria or considerations regarding a large, complicated or high-impact Event.
<b>Medical Plan</b>	A comprehensive Medical Plan for an Event, detailing the medical service provider(s), medical staff qualifications, the medical staff compliment and deployment, et cetera. Each Medical Plan depends on factors such as the attendee count, facility footprint, type of activity and Event risk assessment.

<b>Municipal Application Documents</b>	A set of documents and plans that are required to apply for a Municipal Event Permit from Stellenbosch Municipality (or other municipality concerned), which include, among other things, a parking plan, waste management plan, Security Plan and Medical Plan. (See <a href="http://www.stellenbosch.gov.za">www.stellenbosch.gov.za</a> )
<b>Municipal Event Permit</b>	The official proof of a successful Event Permit application at Stellenbosch Municipality (or other municipality concerned) for a specific Event.
<b>Pre-inspection of Venue Checklist</b>	A checklist that guides the inspection of a venue for Event readiness, which must be performed before an Event; used during the customer onboarding process and post-Event inspection.
<b>Price List</b>	A publicly available Price List for rentable SU venues and related services, published from time to time by CECO.
<b>Quote</b>	A document issued to the customer with an estimated cost for the SU venue Short-term Rental and related services of a planned Event.
<b>Security Plan</b>	The plan received from the customer, usually provided by the security service provider, regarding the security deployment and risk mitigation at an Event.
<b>Short-term Rental Contract</b>	A standardised contract that contains the generic terms governing a Short-term Rental, approved by SU Legal Services.
<b>Short-term Rental Report</b>	A report produced by CECO following a Short-Term Rental, containing financial reconciliation of the Short-term Rental, material qualitative information from the debriefings and the Customer Satisfaction Survey results.
<b>SU Events Application Form</b>	An electronic form to be completed by the customer to clarify the details of their planned rental or Event in order to register the Event with Risk Management Office.
<b>SU Events Registration Approval Document</b>	An official SU document, issued by the Risk Management Office after a planned Event has been reviewed, setting out the associated risks and strategies for containment. The customer needs this document to apply for a Municipal Event Permit.
<b>Tax Invoice</b>	An invoice issued by CECO to an external customer, which shows the amount payable and which includes the description, quantity and value of goods and services as well as the tax charged.
<b>Venue Checklist</b>	A venue-specific internal checklist that the Facility Occupant uses to check the venue before and after the Event, listing all furniture, fixtures, specialty equipment, and setting-up and disassembling that should be checked.

## 5. Purpose and aim of the policy

The purpose of the policy is to provide a formal framework for Short-term Rentals of SU facilities. This includes the overall management of the transactions and procedures that are required, and the various parties that are held responsible and accountable, in order to achieve the following objectives:

- a) Mitigate Event risk for SU by ensuring compliance with all regulation and SU policies.
- b) Protect SU's external image as an academic institution and the various trademarks that reflect its image and reputation.
- c) Increase SU's fifth revenue stream and generate new rental revenue for SU.
- d) Ensure customer satisfaction with their experience of our world-class facilities.

SU does this by doing the following:

- a) Provide processes and systems that ensure responsible management of Short-term Rentals.
- b) Create transparency in pricing, costing and distribution of funds.
- c) Balance the commercialisation of SU assets with academic, research and formal recreational and/or cultural activities as well as community engagement to further purposeful partnerships and inclusive networks.
- d) Leverage cost through a centralised Short-Term Rental office and optimise SU's offering with an improved booking system and Event process in order to scale Short-term Rentals via this centralised mechanism.

## 6. Policy principles

The following pillars or principals of Short-term Rentals form the framework for this policy:

- 6.1. SU's academic and research offering enjoy priority use of SU facilities. The balance must be found between academic and research priorities (including formal SU recreational, cultural and/or other institutional activities) on the one hand and Short-term Rental activity on the other.
- 6.2. SU owns all property and facilities that are managed by its Facility Management Division. The residents and/or users of SU facilities are the Facility Occupants.
- 6.3. The Full-cost Recovery Model applies to costs and fees, and external rental pricing must be determined according to fair market values.

- 6.3.1. If the price requested from the customer is less than the tiered price point according to their Customer Definition, a cost centre or other external party must sponsor the difference. This will mitigate existing “forced” cross-subsidisation within SU.
- 6.3.2. Discounted Events must be signed off by CECO and the COO if they are priced materially below full cost.
- 6.4. A fair and transparent model of revenue and Profit Sharing should be followed within SU to facilitate participation and buy-in by Facility Occupants and/or Dedicated Rental Units.
- 6.5. SunCom, a unit of Innovus, has the Short-term Rental, conference and Events mandate in SU which is supported by Facility Management.
- 6.6. A central rental mechanism is required to leverage Event support costs and to facilitate standardisation as regards process and system.
- 6.7. Short-term Rentals must prioritise alignment with *Vision 2040*.

## 7. Policy provisions

### 7.1. Roles

Because of the large number of venues available for Short-term Rentals across SU campuses, numerous stakeholders are involved in the day-to-day management as well as the business administration of Short-term Rentals.

#### 7.1.1. SunCom

The day-to-day management and overseeing of Short-term Rentals resides with SunCom, who established a dedicated unit – CECO – for this function.

#### 7.1.2. CECO

CECO was set up as a one-stop entity to standardise the Short-term Rental process, manage the customer journey, ensure smooth Event execution, facilitate Event compliance and create leverage with professional support functions regarding marketing, finance, HR, strategy, legal matters, reporting, et cetera.

CECO works very closely with stakeholders such as Facility Management, Facility Occupants and Dedicated Rental Units during the customer journey as described in *Annexure A: Milestones for the Short-term Rental Process*. CECO also engages with various SU stakeholders to set up and maintain business administration of Short-term Rentals for items such as the annual review

of Price Lists and Full-cost Recovery Models, integration of SU risk management processes and updating Event Rules. CECO manages both internal and external Short-term Rentals.

### **7.1.3. Facility Occupant**

Depending on the venue, the Facility Occupant has different degrees of involvement in the operational management of Short-term Rentals, which may include on-boarding support, coordination of venue access, Event execution and technical venue support.

The Facility Occupant also plays a crucial role in business administration of Short-term Rentals, such as input regarding annual market price reviews, management of specialty equipment depreciation reserves and Academic Calendar access.

### **7.1.4. Dedicated Rental Unit**

Dedicated Rental Units, like Facility Occupants, assist CECO in managing components of Short-term Rentals along the customer journey and provide business administration input regarding annual market price review, the management of specialty equipment depreciation reserves, Academic Calendar access, et cetera.

### **7.1.5. Facility Management**

Facility Management is a partner in the Short-term Rental process, with a critical role at various stages of the customer journey, e.g. Event risk evaluation and approval, registration of the Event with the Risk Management Office, Event facility support, and site inspections before and after the Event.

The Facility Management Division also is responsible for the reactive as well as planned maintenance of Short-term Rental venues, overseeing risk management and campus security, environmental sustainability and other support services as regards Short-term Rentals.

### **7.1.6. Legal services**

SU Legal Services approves the standard Short-term Rental Contract.

## **7.2. Rental facilities and venues**

Although CECO is responsible for managing all Short-term Rentals of all SU facilities, it is the responsibility of the Facility Occupants to ensure that their venues have been added to CECO's portfolio of facilities available for Short-term Rentals.

*Annexure B: Rental Facilities and Venues* contains examples of SU facilities and venues in CECO's rental portfolio.

### **7.3. Academic Calendar access and availability**

CECO requires access to the Facility Occupant's Academic Calendar on a suitable online platform to view the availability of a venue for Short-term Rental. The Academic Calendar must be up to date as far as possible in advance, reflecting accurate occupancy or use of facilities, to prevent potential double bookings.

### **7.4. Venue booking**

CECO facilitates all enquiries and bookings regarding venues for Short-term Rentals. The booking system prioritises the various Academic Calendars and eliminates the possibility of double bookings.

Final confirmation and approval of a venue booking for a Short-term Rental always rests with the Facility Occupant.

### **7.5. Event evaluation and institutional approval**

Each Event request for a Short-term Rental is evaluated with reference to criteria such as the risk profile, the Event type, the availability of the venue(s), concurrent Events on campus, and SU's institutional values. CECO is responsible for identifying and engaging with the relevant internal stakeholders in order to evaluate and obtain their subsequent approval for an Event, and to ensure that the Event complies with the *Regulation on the Use of University Space*.

The consultation process may be followed ad hoc. In the case of complex Short-term Rentals, high-impact Events or multifaceted agreements involving SU facilities, however, CECO will establish an Event Review Team.

Also see *Annexure A: Milestones for the Short-term Rental Process*.

### **7.6. Third-party suppliers**

Only approved third-party suppliers may support Short-term Rentals. These suppliers have been assessed according to customer service, quality service delivery and affordability. In some instances, SU procurement policies or SU supply chain agreements may apply, too.

The list of approved third-party suppliers is available from CECO.



## 7.7. Additional Event staff

Short-term Rentals at certain SU venues include mandatory staff provided by CECO and/or the Facility Occupants – typically, technical venue staff and/or support staff who are familiar with the venue.

## 7.8. Full-cost Recovery Model

A full-cost approach applies to all Short-term Rental activity; i.e. all direct and indirect expenditures are recovered from the income from a specific rental transaction.

The calculation for a Short-term Rental according to this model typically consists of a facility recovery, incremental maintenance, direct costs, specialty equipment depreciation, management fees, ICRR (Indirect-cost Recovery Rate) and VAT (value-added tax). Seeing that CECO is self-funded and that activity-based costing is used to recover facility and other indirect costs related to a Short-term Rental, ICRR is assessed according to the *Finance Policy: Indirect-cost Recovery Rate (ICRR) with Regard to Third-stream Income at Stellenbosch University*.

See *Annexure C: Full-cost Recovery Model* for detail.

## 7.9. Pricing

### 7.9.1. Determining venue rental rates

The Short-term Rental price point for a venue is based on market rates for comparable facilities. This market-rate price point may be discounted to accommodate certain types of customers, depending on their Customer Definition.

It is CECO's responsibility to develop and maintain pricing along with the relevant Facility Occupant and/or Dedicated Rental Unit (or their representatives) for each venue type, and to establish discount bands for certain Customer Definitions. CECO must also publish a Price List.

### 7.9.2. Discount

Customers may qualify for discount according to the following mechanisms:

- i. a discounted price based on their Customer Definition as listed in the Internal Reference Rate Card; and/or
- ii. bulk or volume discount for high or frequent use of Short-term Rental facilities, as well as historical pricing for returning customers; requests for discount according to this

mechanism are assessed ad hoc by CECO, who can apply a discretionary discount, subjected to the relevant SU authorisation thresholds as set out in *Annexure E: Discount*.

### **7.9.3. Gap funding**

If a discount is requested that exceeds the Internal Rate Reference Card and/or additional discount per *Annexure E: Discount*, the customer has to find a sponsor to pay the difference on their behalf.

The sponsor may be internal or external. Internal sponsors include any SU party that waives their Short-term Rental distribution or part thereof as set out under 7.13, “Collection, reconciliation and distribution of funds”.

### **7.9.4. Customer Definitions**

In order to determine the Customer Definition that applies to a specific customer, the “veil must be lifted” (transparency is required) to determine the true Event Owner, regardless of who the Event Organiser or legal entity used for billing may be.

Customer Definitions include general categories as well as specific venue and Event categories.

Because of limited availability of certain SU facilities during peak times, Short-term Rentals may be charged at the market rate during those periods, regardless of the Customer Definition that applies.

See *Annexure D: Customer Definitions* for a list of customer categories.

## **7.10. Compliance with legislation, regulations and SU policies**

### **7.10.1. Short-term Rental Contract**

#### *External customers*

No external party may use any SU facility for a Short-term Rental without a signed Short-term Rental Contract. See *Annexure A: Milestones for the Short-term Rental Process*.

Material amendments to the generic Short-term Rental Contract require SU Legal Services sign-off.

#### *Internal customers*

No internal party may use any SU facility for a Short-term Rental without a signed Internal Short-term Rental Summary. See *Annexure A: Milestones for the Short-term Rental Process*.

### **7.10.2. Liability and insurance of SU during Events**

#### *External customers*

In addition to SU's own general public liability cover, external customers must take out Event Insurance that specifically covers their Event. The coverage required for Short-term Rentals is indicated in *Annexure A: Milestones for the Short-term Rental Process*.

#### *Internal customers*

SU's general public liability policy covers all formal SU activities and Events held in the normal course of business on SU premises. This does not include Event cancellation insurance.

### **7.10.3. Commercial readiness of facilities**

CECO and Facility Management must conduct annual evaluations of all facilities available for Short-term Rental, together with the Facility Occupants and Dedicated Rental Units, to ensure commercial readiness. These evaluations can include applicable licences (e.g. liquor license), health and safety compliance, updated Event Rules and Academic Calendars as well as pricing alignment to the market for comparable venue amenities.

Any potential projects resulting from the evaluation will be submitted to Facility Management, along with applicable project business case, for review.

### **7.10.4. SU Event registration**

All Short-term Rentals must be registered with SU's Risk Management Office, who will evaluate the Event's risks and the proposed strategies to contain them. This Event evaluation includes a review of the Security Plan, Medical Plan, Event Site Plan and other relevant information and documentation.

The SU Risk Management Office will issue a formal SU Events Registration Approval Document with formal approval of an Event.

### **7.10.5. Municipal Event Permits**

Where applicable, Municipal Event Permits are required for all Short-term Rentals in accordance with local municipal bylaws.

No SU Short-term Rental will be approved without a valid Municipal Event Permit, if required by the municipality concerned. It is the responsibility of the Event Owner to ensure that the Event is executed according to the approved Event Plan on the basis of which the Municipal Event Permit was issued.

#### **7.10.6. Use of SU branding, logos and trademarks**

Permission to use SU logos, trademarks, banners and other symbols associating SU with an Event or activity is not automatically included in a Short-term Rental.

For use of SU trademarks and approval of co-branding, endorsements and licencing, refer to SU's *Use and Licencing of Stellenbosch University Trademarks Policy*.

#### **7.10.7. Agreements with Short-term Rental components**

This policy also applies to SU agreements with third parties that include a Short-term Rental component and/or usage of SU facilities.

#### **7.10.8. Event Rules**

Both internal and external customers are required to follow Event Rules during the planning, setting up, execution, disassembling and wrap-up of an Event. This is not only to ensure regulatory and policy compliance, but also to protect SU's reputation and to enforce appropriate venue/activity etiquette at SU specialty facilities.

The Event Rules are incorporated into either the Short-term Rental Contract with external parties, or the Internal Short-term Rental Summary with internal parties.

Events Rules consist of general SU rules, venue-specific rules and activity-specific rules, and are reviewed periodically by CECO, the Facility Occupant and/or the Dedicated Rental Unit and Facility Management.

### **7.11. Non-compliance by customers**

Customers who do not comply with Event Rules and/or any regulations, are in breach of contract, or are guilty of behaviour that detracts from SU's reputation may be prohibited from hosting another Event at SU. Previous customers' track records are taken into account for all future transactions.

For non-compliance of this policy by SU staff and students, see 12, “Non-compliance by internal parties”.

## **7.12. Post-event**

CECO will coordinate one or more debriefing sessions with the customer and the relevant stakeholders after the Event. CECO must also provide customers with an opportunity to rate their experience by means of a Customer Satisfaction Survey.

## **7.13. Collection, reconciliation and distribution of funds**

It is CECO’s sole responsibility to collect all funds regarding Short-term Rentals, both from internal and external Short-term Rental customers, and to settle all related expenses.

CECO must complete a post-Event financial reconciliation and distribute the funds, including Profit Share, to the relevant SU stakeholders.

The main principle of fund distribution in this policy is that funds flow to the SU stakeholder who has incurred the specific costs, whether direct or indirect in nature, related to a Short-term Rental. Such internal stakeholders may be, for example, the Facility Occupant, the Dedicated Rental Unit, Facility Management and CECO. However, depending on the type of Event and venue used for the Short-term Rental, a variety of internal stakeholders may be involved.

Funds typically will be distributed as follows:

- Facility recovery in the form of Assignable Square Metres (ASM) flows to the department and/or faculty who carries the ASM cost for the relevant venue, while an incremental maintenance recovery flows to Facility Management.
- Sport field/track/court/ground recovery flows to the Facility Management Division, who incurs the cost of maintaining these facilities.
- Facility recovery from buildings and spaces not subject to ASM flows to Facility Management, the Facility Occupants and/or Dedicated Rental Units, depending on the venue.
- Direct costs, such as staff wages and labour, flow to the Facility Occupant, Dedicated Rental Unit, department and/or faculty who pays them.

- Specialty equipment depreciation is ring-fenced for each Facility Occupant or Dedicated Rental Unit for future replacement or refurbishment of the specialty equipment at the venue.
- The Short-term Rental management fee flows to CECO but is shared with the Dedicated Rental Unit, where applicable, according to the assignment of tasks and effort related to the customer journey as set out in *Annexure A: Milestones for the Short-term Rental Process*.
- ICRR funds, if applicable, are distributed as per the *Finance Policy: Indirect-cost Recovery Rate (ICRR) with Regard to Third-stream Income*.
- Profit Share flows to the party or parties as set out in *Annexure F: Profit Share*.
- All direct expenses to third-party suppliers are paid by CECO.

See *Annexure A: Milestones for the Short-term Rental Process*, *Annexure C: Full-cost Recovery Model* and *Annexure F: Profit Share*.

#### **7.14. Profit Share**

Profit on a Short-term Rental (i.e. after accounting for expenses and fees according to the Full-cost Model) is allocated to the relevant SU stakeholders as set out in *Annexure F: Profit Share*.

#### **7.15. Customer deposits**

Customers are held liable for any damage to SU property resulting directly from the Event and may be invoiced/recovered as such after the Event in accordance with the terms of the Short-term Rental Contract or the Internal Short-term Rental Summary.

#### **7.16. Reporting**

CECO must regularly provide a Short-term Rental Report, including financial and operational metrics, debriefing highlights, customer feedback and other information relevant to SU Management.

### **8. Conflict resolution**

Any dispute that may arise between any of the parties to an internal Short-term Rental or this policy must be handled as follows:

- The parties concerned must attempt to resolve the dispute at the operational level.

- Should they fail to resolve their dispute at the operational level within 10 (ten) business days after it arose, the dispute must be referred to the respective unit heads (or their representatives) of the parties concerned.
- Should the unit heads fail to resolve the dispute within 20 (twenty) business days of such referral, the matter must be referred to the COO for a final decision.

This conflict resolution procedure and the subsequent ruling constitute the irrevocable consent of the parties, and no party may withdraw from or claim at any such proceedings that they are not bound by these provisions or by any ruling in accordance with them. The parties irrevocably agree and undertake that the COO's final decision is to be binding upon them and be adhered to.

This section is to be read together with the *Regulation on the Use of University Space*.

## 9. Policy control roles

- 9.1. The policy was approved by the SU Council. The Rector has oversight responsibility for its execution, and delegates the management of the policy to the COO.
- 9.2. The COO is the owner of this policy and thus responsible for it being formulated, updated and implemented, as well as for a curator and complementary functionaries being appointed and functioning effectively.
- 9.3. The Chief Director: Innovation and Business Development is responsible for the curation of the policy and must ensure that it is formulated, approved, reviewed, communicated, made available and implemented. The curator also has the final say, subject to the Rector's approval, in matters regarding the policy.

## 10. Revision

The policy must be reviewed every five years or sooner, if circumstances so dictate, or as deemed necessary.

Some supplementary information, processes and documents are to be reviewed annually or as required. These include, but is not limited to:

- Price Lists and Internal Rate Reference Cards;
- changes to *Annexure A: Milestones for the Short-term Rental Process* because of regulatory changes or process improvement;
- the facilities available for Short-term Rentals as set out in *Annexure B: Rental Facilities and Venues*;

- Full-cost Model adjustments as set out in *Annexure C: Full-cost Recovery Model*;
- changes to Customer Definitions as set out in *Annexure D: Customer Definitions*;
- the discount tiers as set out in *Annexure E: Discount*; and
- Event Rules.

## 11. Monitoring and reporting

Monitoring of Short-term Rentals is aimed at mitigating the risks associated with hosting Events at SU facilities.

The owners of the policy are accountable, and the curators are responsible, for the necessary controls being established to monitor the policy.

## 12. Non-compliance by internal customers

Breaches of or non-compliance with the policy must be reported to the policy owner, who may investigate the actions, context and possible reasons for non-compliance and advise on remedial actions. Any instances of non-compliance reported to and duly considered by the policy owner are to be handled according to the normal lines of management under SU's disciplinary policy and procedures.

## 13. Supporting documents

Item no.	Name of document	Status <i>(e.g. identified, in process or approved)</i>
	All documents listed under 4.2, "Documents"	Documents and information supplementary to this policy
	Annexure A: Milestones for the Short-term Rental Process (guideline or manual to this policy)	In process
	Annexure B: Rental Facilities and Venues (guideline or manual to this policy)	In process
	Annexure C: Full-cost Recovery Model (guideline or manual to this policy)	In process
	Annexure D: Customer Definitions (guideline or manual to this policy)	In process



	Annexure E: Discount (guideline or manual to this policy)	In process
	Annexure F: Profit Share (guideline or manual to this policy)	In process
	Annexure G: Registration of Event with SU Risk Management Office	In process
	Rules with regard to Events, Gatherings, Demonstrations, Pickets, Petitions and Processions	Approved
	Regulation on the Use of University Space	Under revision

## 14. Related documents

<b>Item no.</b>	<b>Name of document</b>	<b>Status</b> <i>(e.g. identified, in process, approved, etc.)</i>
	Innovus Mandate	Approved
	Finance Policy: Indirect-cost Recovery Rate (ICRR) with Regard to Third-stream Income at Stellenbosch University	Approved
	Space and Cost Norms for Buildings and Other Land Improvements at Higher Education Institutions	Approved
	Tax Administration Act 28 of 2011	Legislation
	SU Policy in Respect of the Use and Licensing of Stellenbosch University Trademarks	Approved
	SU Financial Policy	Approved
	SU Risk Management Policy	Approved
	Finance Policy: Presentation of Conferences and Congresses, Excluding Short Courses	Approved
	Finance Policy: Costing and Pricing of Research and Research Related Contracts	Approved
	Policy for the Rental/Use of US facilities for Events	Approved 2012, under revision
	Safety at Sports and Recreational Events Act 2 of 2010	Legislation

	Events bylaws 2016 of Stellenbosch Municipality and other relevant municipalities	Legislation
	Regulation of Gatherings Act 205 of 1993	Legislation

## 15. Revision and publication history

Revisions and dates	Audience
Revs 0.0-0.2: Jul/Aug 2020	Published to Writing Team
Rev 0.3: 10 Aug 2020	Published to Curator Team
Rev 1.0: 14 Aug 2020	Published to Reference Team A, Reference Team B, faculty managers
Rev 2.0: 7 Sept 2020	Published to Curator Team
Rev 2.1: 9 Sept 2020	Published to Language Centre for language editing
Rev 2.3: 16 Sept 2020	Published to COO, Prof Stan du Plessis
Rev 2.3: 25 Sept 2020	Published to Rectorate
Rev 2.4: 6 Oct 2020	Published to Language Centre for translation
Rev. 2.5: 8 Oct 2020	Published to General Managers' Meeting
Rev. 2.6: 11 Nov 2020	Published to Rectorate-Dean's Forum (RDF meeting)
Rev. 2.7 18 Jan 2021	Afrikaans and English versions published to Institutional Forum
Rev. 2.7 18 Jan 2021 <b>(current version)</b>	Afrikaans and English versions published to Senate and Council Executive Committees

## 16. Guidelines and Manuals

The guidelines and manuals supplemental to the policy are only available for internal use by SU staff. Please follow this [link](#) to view the documents.