Policy on Information Technology

Preamble

The University of Toronto's information and communication technology resources provide a rich array of services and infrastructure to the campus community. Information technologies are provided to support the University's academic mission and purpose including purposes related to learning both inside and outside of the classroom, teaching, research, administration, and communication.

This policy is concerned with all of the University's information technologies and services, including, but not limited to hardware and software such as personal computers, servers, personal digital assistants, electronic mail, Web services, learning management systems, Internet and network access, departmental and institutional network infrastructure, telephone, fax and voice-mail and other forms of information and communication technology that exist today or may be developed in the future.

Policy

1. Information technologies provided for the use of students, staff, faculty and alumni shall be used in a manner appropriate and consistent with the University's mission and academic plan. The use of University information technologies for commercial purposes is prohibited unless special permission has been granted in writing for such use by the responsible Vice-President.

2. The introduction and deployment of new information technologies must be aligned with the University's mission and academic plan and the plans of the academic divisions. The design and implementation of new technologies should facilitate the enhancement of the curricular and co-curricular experience of students, and the teaching, research, and administration of the University.

3. As the senior officer charged with the responsibility to implement the University's academic plan, the Vice-President and Provost shall have the responsibility for the strategic direction and deployment of institutional information technologies. The Vice-President and Provost is authorized to establish guidelines and procedures related to the use of information technologies. Changes to guidelines and procedures will be reported for information to the appropriate Governing Council Board or Committee.

4. In order to ensure broad consultation in planning and decision-making processes, Information Technology committees, with senior representation from the University's academic and administrative divisions, shall provide advice to the Vice-President and Provost with respect to the University information technology infrastructure and the deployment of new information technologies.

Policy on the Use and Development of Computing Facilities

Revised April 16, 1984

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1. Preamble

In adopting this policy, the University has two goals: to permit the development of high quality computing facilities in response to research, instructional and administrative needs, and to ensure efficiency in the use and development of such facilities. Computing facilities include not only computing hardware but all of the resources and people needed to provide computing services.

In considering how best to meet the computing needs of its members, the University community must have adequate flexibility to take advantage of the rapid and continuing changes in computer technology. In order to provide for efficiency along with flexibility, this policy supports a process that encourages full account to be taken of the resource cost of using or developing computing facilities.

2. Divisional and Central Responsibilities

Because of the wide variety of services required, the range of technologies available and the different levels of technical competence needed in the provision of different services, the existence of both large-scale or specialized central facilities and distributed or decentralized facilities is recognized as appropriate and efficient. Services and facilities may be provided under the auspices of either central administration or the divisions. With the resource costs of computing services adequately taken into account, no matter by whom the services are provided, a rigid distinction between divisional and central responsibilities is unnecessary. Services provided by central administration may include those that require geographically distributed facilities as well as those based on large mainframes or specialized consulting talent. Correspondingly, divisional services may include those based on unique facilities not elsewhere available in the University. Excess computing capacity in any division may be made available to users in other divisions.

The development and use of divisional facilities will be guided by divisional policy, but subject to the condition that the services of any such facilities available to general users within the division be made available on the same terms to general University users outside the division.

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To ensure the existence of an accurate inventory of computing capacity and facilities each division will report annually to the Office of the Vice-President - Research and Government Relations on its computing services, facilities and prices and will report as they occur any new developments in the intervals between annual reports. From time to time, divisions may be asked for other computer-facility information by the Office of the Vice-President - Research and Government Relations.

In the interests of efficient future development, particularly with respect to computer networking, additional policy with respect to divisional facilities may from time to time be enacted.

3. -90 Series Accounts

Expenditure allocations to the -90 series accounts will be available for the purchase anywhere of computing services. Transfer of allocations out of the -90 series accounts for non-computing expenditures is not for the time being permitted. This restriction will be reviewed periodically.

The transition from -90 series allocations restricted in use to UTCS services to the freer use of these accounts described in the preceding paragraph will take place at a pace and in a manner to be decided upon by the Vice-President - Research and Government Relations and reported to the Planning and Resources Committee, but such a transition will not begin later than the fiscal year 1983-84 nor will it end later than fiscal 1984-85.

4. Costs and Prices of Central Facilities

The cost structure and pricing policies of UTCS will be reviewed with the object of devising a charging schedule that will encourage the University community to take efficient decisions with respect to computing use and development.

The full annual costs of all UTCS operations will be identified and divided into two portions. The first portion, called the "central costs", will be met by central administration and will reflect the costs of services undertaken for the benefit of the broad University community. The second portion, called "recoverable costs", will be expected to be fully recovered through service and other charges. These charges may consist of lump-sum levies, renewable contractual charges or user prices.

5. Annual Plan for Central Facilities

By February, the Vice-President - Research and Government Relations will submit for information to the Planning and Resources Committee a plan for any computer-facility changes that are to be executed by UTCS during the subsequent fiscal year. This plan will be initiated by UTCS in consultation with groups or committees designated by the Vice-President. Along with the annual plan, UTCS will report on its activities and services for the preceding calendar year.

6. Computer Development Fund

A computer development fund will be established within the office of the Vice-President - Research and Government Relations to which application may be made by any division for help with the cost of computer facilities. The primary source of income for this development fund will be savings arising from reductions in central costs and overhead costs (as previously defined) at UTCS as a result of altered service levels or the reconfiguration of central computer facilities. The purpose of the fund is to provide a process (in addition to freer use of the -90 series accounts) through which resources can be channeled from central services to divisional services, if such a shift in resources is supported by an appropriate evaluation.

Approved by Governing Council March, 1982
Amended by the Planning and Resources Committee April, 1984

Computing Services Financial Policy
and Accounting Practice in Respect of
Major Computer Mainframe Acquisitions

December 21, 1978

Preamble

At the University of Toronto recent years have witnessed a rapid increase in the use of computers as most effective tools to assist in teaching, research and administration. In the same period technological developments have produced a wide variety of computers, ranging from very large and expensive (multi million dollar) ones to a variety of small (mini) computers.

Computer services at the University are highly centralized, mainly in the University of Toronto Computing Services (UTCS).

The periodic requirement to re-equip UTCS with large computers, has created funding problems due to the present accounting practice of the University under which the entire purchase cost of all equipment (including computers) is "expensed" at the time of acquisition. In addition, in UTCS, large non-recurring expenses representing computer purchases seriously disrupt its charge-out system under which it attempts to operate on an annual "break-even" basis.

Such problems in the past, in some instances, have been met by more costly leasing or instalment purchases rather than outright purchase because sufficient funds were in the UTCS annual operating budget to fund the lease payments or the installment payments but not the outright purchase.

Financial Policy and Accounting Practice

Against this background, and with the objectives in respect of all major computer mainframe acquisitions by UTCS of

- ensuring appropriate approval, and the most beneficial financial arrangements,
- facilitating funding, and
- providing for more consistent UTCS computing expenses from year to year

the following financial policy and accounting practice, applicable to all computer mainframe acquisitions by UTCS of a purchase value in excess of $500,000 each, (herein referred to as "major computer mainframe acquisitions") have been developed:

1. (a) As far as practicable all of UTCS' major computer mainframe acquisition proposals, properly documented and justified, including recommendations of appropriate technical and user advisory committees, will be submitted for review and approval as part of the annual budget process.

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(b) All of UTCS' unbudgeted major computer mainframe acquisitions require, in addition to the appropriate advisory committee recommendations, the approval of the Business Affairs Committee and the Planning & Resources Committee.

2. The appropriate method of financing such approved acquisitions (purchase versus lease) will be determined by the Vice-President, Business Affairs and approved by the President.

3. In respect of UTCS' major computer mainframe purchases or purchase equivalent (e.g. capital leases) the following accounting practices apply:

   i) The purchase cost of UTCS' major computer mainframes will be set up as a deferred charge and amortized into a Central Computer Equipment expense account on a straight-line basis, over a maximum of 7 years or such shorter period as may appear appropriate due to the risk of technological obsolescence at the time of acquisition.

   ii) User department funding for major computer mainframe purchases will be provided based upon equal annual payments of combined principal and interest, payable in advance, with interest at rates established from time to time by the Vice-President, Business Affairs, having regard to the prime lending rate charged by the University's bankers, payable over a maximum of 7 years or such lesser periods as may be determined under 3 i).

   The principal portion of such payments will be credited against the Central Computer Equipment account.

   The interest portion of such payments will be credited to University interest income (to help offset the reduction in University income due to use of invested funds for such purchases)

   Both amortization and departmental funding will be pro-rated within fiscal years from the month following that in which the computer goes into service on acquisition and preceding that in which the computer goes out of service on disposal.

   iii) Mid-life mainframe *enhancements* of $500,000 or more each will be amortized to the end of the amortization period of the enhanced computer and departmental funding provided over the same period.

   iv) Mid-life *replacement* of a major mainframe component of a value of $500,000 or more within a computer will be accounted for in the Central Computer Equipment Fund under normal industrial accounting practice i.e. determine a profit or loss on disposal (i.e. write off the unamortized value of the component against the proceeds), defer the cost of the new major component and amortize to the life of the computer of which it is part. Any adjustment to departmental funding would be agreed at the time of the replacement.

v) Gains or losses on disposal of major computer mainframes will accrue to the Central Computer Equipment Fund and be so recorded at the time of disposal.

NOTE: Under these practices, UTCS is shielded from gain or loss on disposal of its major computer mainframes which accrue to the Central Computer Equipment Fund unless specific arrangements to the contrary are made as an integral part of the replacement proposal.

All of UTCS' individual computer mainframe purchases to a value of less than $500,000 will continue to be expensed under the University's regular accounting policy for equipment.

In addition, all of UTCS' operating leases will be accounted for by recording the lease payments as an operating expense of UTCS.

M.E. Dedrick
Director of Finance

December 13, 1978