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Kenya Medical Training College



INCOME GENERATION POLICY

MAY 2019

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PREFACE

On behalf of the Kenya Medical Training College (KMTc) Board of Directors, I am delighted to approve this policy for use by Management. The KMTc Board is determined to improve access to and equity of quality medical training and to ensure that the institution plays its role in the realization of Sustainable Development Goals (SDGs), Vision 2030, health sector policies and the government agenda on the ‘Big Four’. The Board continues to realize the set milestones which contribute to improving the quality and quantity of essential health care providers. Inadequate numbers of skilled care providers have had a negative impact on efforts to expand access and improve the quality of health services. This situation is compounded by continued high prevalence of communicable and non-communicable diseases in the country.

Towards this end, the KMTc Board of Directors under my leadership is determined to critically address the task of defining long-term strategies for addressing the constraints to training and development of quality health care providers through:

- i. Improved policy and corporate governance for enhancing accountability and decision making.
- ii. Enhanced access, quality, relevance and equity in medical training.
- iii. Prudent resource utilization and good infrastructural management.
- iv. Increased visibility of Kenya Medical Training College nationally and internationally as a premier institution focusing on training, research and consultancy.
- v. Improved resource base, partnership and linkages.

In response to the 2010 Constitutional agenda, the Board will continue to direct efforts at advancing community – oriented programs that respond positively to the country’s social and economic development agenda. This Policy therefore provides an analysis of the internal and external environment, and makes strong statement on the role KMTc will play in supporting the Government to realize sustainable growth in the health sector. The Board is dedicated to offer oversight on the operations and management of the College to ensure sustainable delivery of health coverage in the country and beyond. I believe successful implementation of the Policy will be realized through total commitment of the entire staff, students and other key stakeholders.



Prof. Philip Kaloki, MBS,

Chairperson, KMTc Board of Directors.

FOREWORD

The inadequate funding of Universities and other tertiary institutions has had calamitous effects on teaching and research and student's welfare since capital projects and salaries reportedly take a bulk of the total revenue so allocated. This has led to the Kenya Medical Training College to explore other means of generating income to finance the College's programmes and other activities through Income Generating Units.

These units are a means of gaining or increasing income. They serve as a cushion/ support kitty to bridge the gap between budgetary allocations from the government of Kenya and actual expenditures. They then form the basis of livelihood not just for the organizations but even so in community development areas.

This Policy will enable the College to identify and deliver additional income opportunities that will help the College to cope with the pressures of a constrained budgetary allocation. It shall ensure that activities of generating income are realised thereby ensuring that they complement the budget that is allocated from the National Government.



Prof. Michael Kiptoo,

Chief Executive Officer.

VISION

A model institution in the training and development of competent health professionals

MISSION

To produce competent health professionals through training and research, and provide consultancy services

CORE VALUES

Accountability

Integrity

Responsiveness

Equity

Teamwork

Professionalism

Creativity and innovation

ABBREVIATIONS

CEO	Chief Executive Officer
HoD	Head of Department
IGA	Income Generating Activities
IGU	Income Generating Units
KMTC	Kenya Medical Training College
SDGs	Sustainable Development Goals

DEFINITION OF TERMS

Board:	Refers to the Kenya Medical Training College, Income Generating Activity Board
Centre:	Refers to the Income Generating Activities Business Centre of the College
College:	Refers to Kenya Medical Training College
Direct Service Providers (DSPs):	Individual employees involved in the actual operations of the IGU. Such an employee may be employed on full-time or part-time basis but must have defined and direct responsibility and role in the operations of the IGU.
Indirect Service Providers (ISPs):	Individuals, sections, departments etc., who in one way or other has indirectly played a part or supported the generation of income in the respective IGU/IGA. These will include services and facilitation rendered by other organs and offices of KMTC which make the generation of the income possible.
Income Generating Activities:	Any activity established for the sole purpose of generating income for the College
Income Generating Unit (IGU):	Any unit established for the sole purpose of generating income for the College
Non Teaching Category:	Shall mean IGU/As that are not related to Module Programmes.

1.0 INTRODUCTION

1.1 Background

KMTC is a State Corporation under the Ministry of Health and was founded in 1927 entrusted with the mandate of training mid-level health professionals to serve local, regional and international markets. As a State Corporation, the College has been receiving Government capitation of which monies allocated have been insufficient to cover the College's costs. It has hence been difficult to sustain the operations of the College leading to exploring other ways of raising funds through establishment of Income Generating Units.

Despite several business units having been established in various departments and Campuses of KMTC, such have to be augmented to clear and comprehensive guidelines to govern their day-to-day operations. The development of an IGU Policy with clearly defined goals, objectives and strategies will lead to more efficient coordination and resource allocation mechanism within the established IGUs thereby enhancing the prudent management of the units. The Policy serves as an indicator of the KMTC's commitment to continued improvement and customer satisfaction by providing quality services.

1.2 Objectives of the IGU Policy

The objectives of this IGU Policy are:

- i. To set guidelines on establishment of IGUs.
- ii. To provide a framework for planning and administration of IGUs in the KMTC.
- iii. To provide modalities for co-ordination and monitoring of IGU's operations.
- iv. To encourage exploitation of potential business opportunities through maximum resource utilization.
- v. To provide guidelines in the sharing of revenues generated by IGUs.

1.3 Scope of the IGU Policy

The IGU Policy shall apply to all IGUs and IGAs in the College. The Policy shall apply to both teaching and non-teaching IGUs.

2.0 OPERATIONS OF IGUS

2.1 Resource Mobilization

The Board of Directors shall be tasked with the responsibility of sourcing for funds and ensuring accountability. At all given times, all committees and bodies in relation to Income Generating Activities/Units shall make quarterly reports to the relevant Board Committees.

Mobilization of funding shall be encouraged and facilitated at individual, departmental, and constituent campuses levels. Funding from multilateral and bilateral sources, international and local sources both public and private shall be encouraged. An agreement will be entered into between the KMTC and the donors as facilitated by the Centre.

The College shall maintain a relevant IGA account which shall be the accounts that shall manage the operations of the various established IGUs/IGAs.

2.2 Resource Distribution

IGU projects for College funding shall be selected on the basis of priority, business plan and viability. An agreement shall be entered between the KMTC and the IGU concerned on the utilization of the allocated funds.

2.3 IGA Fund

- i. KMTC Board of Directors shall establish an IGA Fund for purposes of providing seed money/initial capital to various IGAs programmes from time to time.
- ii. The IGA Fund shall be funded by KMTC ensuring that 5% of its allocated capitation is transferred to the Fund Account.
- iii. The Fund Account shall be managed as the main IGA Account of KMTC.
- iv. The funds shall be treated as loans to the various IGAs which shall be refunded to the main KMTC Account.

2.4 IGA Accounts

- i. There shall be established a central IGA account for the purposes of collection of monies generated by IGUs.
- ii. There shall be four (4) signatories for the IGA accounts as per the existing signing instruction in the College.

No IGA money should be withdrawn without approval of the College IGA committee.

3.0 IGU PLANNING AND ADMINISTRATION

3.1 Income Generating Activities

The Income Generating Units planning and administration shall be under the Income Generating Unit at KMTC headquarters which shall be responsible for the coordination of all income generating activities in the College. The Unit shall be under the management of Deputy Director Resource Mobilisation.

The IGA Business Unit shall implement its functions through the College IGA Committee and various IGA Steering Committees established in various constituent campuses of KMTC established from time to time.

3.2 Functions of the IGA Unit

- i. Advice and co-ordinate IGA programmes in all College campuses.
- ii. Market the IGA activities available in the College.
- iii. Liaise with other institutions running similar IGA programmes with a view of improving the existing ones.
- iv. Coordinate, monitor and evaluate all IGA programmes in the various constituent campuses.
- v. Monitor and evaluate the performance of income generating units and activities.
- vi. Mobilize and disburse resources to IGUs.
- vii. Approve budgetary support to IGUs.
- viii. Coordinate infrastructure development programmes for IGUs.
- ix. Advise on potential areas of investment.
- x. Make recommendations on any other measures that can enhance productivity and efficiency.
- xi. Establishment of IGU Accounts.

Decisions made by the College IGA Committee shall be implemented through the centre.

3.3 Role of College IGA Committee and IGA Steering Committees

3.3.1. College IGA Committee

- i. There shall be established a College IGA Committee whose members shall be as follows:
 - a. The Chief Executive Officer - Chairperson
 - b. Deputy Directors
 - c. Corporation Secretary.
 - d. Head of Finance
 - e. Head of Legal Department
 - f. Manager of IGA Business Centre – Secretariat
 - g. Two (2) Heads of Departments appointed by the CEO
 - h. Principal of Campus concerned – In attendance
- ii. The College IGA Committee shall develop standard operating procedures to govern their operations, meetings and procedures.
- iii. The College IGA Committee functions shall be as follows:
 - a. To receive and approve all IGA proposals submitted to KMTC Headquarters
 - b. To conduct due diligence on the IGA proposals to ensure viability of any proposed IGA.
 - c. To Review the IGA Policy when need arises
 - d. To monitor the running of IGA programs in all constituent campuses
 - e. To make reports to the KMTC Board of Directors regarding IGA programs
- iv. The College IGA Committee shall establish a link with other constituent campuses thorough the various IGA Steering Committees established from time to time.

3.3.2. IGA Steering Committees

An IGA Steering Committees shall be established at the various campuses whose membership shall comprise of:

- i. Principal of the respective constituent campus who shall be the Chairperson.
- ii. Accountant.
- iii. One other non-teaching staff.
- iv. Two HoDs' representatives - Academic.

A College IGA Steering Committee so formed should not exceed 10 members and should elect a Secretary.

4.0 CATEGORIZATION AND ESTABLISHMENT OF IGUS

4.1 Types of Income Generating Activities

The activities which shall be undertaken as IGAs shall be classified, among others, as follows:

- i. Provision of services to the community
- ii. Hiring out facilities
- iii. Consultancy services
- iv. Short courses
- v. Other business projects

i. Provisions of Services to the Public

The College through various departments shall provide services to the general public as a means of generating income. These shall include but not limited to offering laboratory tests, X-ray services, and physiotherapy, dental, medical and health services from the clinic etc.

ii. Hiring out Facilities

KMTC and its various campuses shall hire out their premises as a means of generating income. The hiring services shall include hiring of conference halls, classrooms, lecture theatres and hostels. So long as the hiring out shall not interfere with the core business of KMTC.

iii. Research and Consultancy Services

This will be in the form of task specific services provided by individual staff, research groups or the College wide teams. This would include technical and non-technical projects carried out by the College departments, material/product testing, capacity development, and service consultancy and contract research.

iv. Short Courses

KMTC shall conduct short courses in line with its mandate to address emerging medical trends.

v. Other Business Projects

KMTC and other constituent campuses shall establish other projects to provide essential services to the College community and the larger public by use of the College and constituent campuses facilities and manpower to provide extra services within and outside the College for a fee. These shall include but not limited to the following:

- a) Bookshop
- b) Animal husbandry and farming
- c) Aquaculture
- d) Apiculture
- e) Training on short courses

4.2 Establishment of IGUs

There shall be a general framework guiding the process of becoming an Income Generating Unit. Such a framework shall aim to standardize issues including: IGU initiation, business planning, implementation, monitoring and evaluation. The establishment shall be categorized into two (2) categories as follows:

- i. The teaching and non- teaching; and

- ii. The research and consultancy IGUs.

Depending on the category of the income generating unit, the following procedures shall be followed:

4.2.1 Teaching and Non-Teaching Category

- i) Any Department may initiate an Income Generating Unit/Activity by way of a business proposal prepared by the relevant department and submitted to the Board for deliberation. Where the business proposal is in relation to an established constituent campuses, the same shall be forwarded to their respective IGA Steering Committee for onward transmission to the Board.
- ii) Upon receipt of any business proposal the Board shall within thirty (30) days deliberate on the business proposal. Where the Board is satisfied that the Business Proposal is viable, it shall generate and forward a Business Plan to the KMTC Board of Directors for deliberations and approval.
- iii) The period from submission of the business plan to approval stage, shall not exceed three (3) months.
- iv) The Departments who originate Business Proposals shall be issued with progress reports within reasonable time.
- v) All teaching IGAs/IGUs shall be deliberated upon by the Academic Board of KMTC and any recommendation for approval be submitted to the Board of Directors.

4.2.2 Research and Consultancy Category

- i. Any individual member of staff, research group or multidisciplinary teams, among others may initiate consultancy work through their respective departments by filing out the consultancy registration form.
- ii. A consultancy registration form obtainable from the department shall be filled (see Schedule I) which shall be processed promptly taking into consideration the time frame for submission of proposals.
- iii. The Centre shall facilitate the conduct of consultancies as may be necessary. Such support may include transport, initial payment in cases where part or whole consultancy fee has been paid and other necessary logistics as may be demanded by the nature of the consultancy.
- iv. The consultant or consulting group shall receive the consultancy fee/ money within thirty (30) working days after receipt from the client person or organization.
- v. All the College's consultancies will be required to be registered and be managed through the Centre.

5.0 COMMERCIALIZATION OF RESEARCH OUTPUTS/INNOVATIONS

5.1 Introduction

The IGA Business Centre shall bear the responsibility of managing the commercialization of KMTCs research outputs and innovations. By mutual agreement, the Centre will arrange for registration, patenting and licensing of production guided by KMTCs Intellectual Property Policy. The Centre or any other agency will be mandated to commercialize KMTC products and services through establishment of its own production facilities.

Whereas the KMTC recognizes the role of the Centre in the commercialization of its innovations, the KMTC Management shall have the ultimate decision on how the commercialization shall be done. However, IGUs wishing to commercialize on their own must confirm their capacity to do so. If the Centre is unable to commercialize a product or innovation under license, the KMTC shall license other commercial agency for that purpose.

5.2 Methods of Commercialization

The KMTC shall take essential actions necessary to achieve market entry and general market competitiveness of new innovative technologies, processes and products. An Income Generating Unit may commercialize through:

a) Licensing

Licensing shall involve entering into a licensing agreement with a licensee (as per the IP Policy) who will commercialize the product or through joint venture (forging strategic alliances with business community).

b) Franchising

Franchising shall involve giving authority to an individual or a company to sell KMTC products or services in a particular place at a given fee.

c) Outright Sale

This shall be by assignment and sale of exclusive rights to an investor through a one-time payment to the KMTC.

d) Joint venture

Getting into partnerships on mutual agreed shared ownership.

5.3 Marketing of Products and Services

Before marketing, products shall be branded (giving product names) and standardized in terms of quality. The products shall be launched at strategic points including supermarkets. The products and services shall also be marketed through annual shows and exhibitions such as those of the Agricultural Society Kenya (ASK) scientific workshops and conferences among others.

Market for IGU products shall be both internal and external. Internal markets shall be managed by the respective IGUs while external markets shall be managed by the Centre.

5.4 Costing of Products and Services

Determination of the unit fees to be charged for a given product, service or activity and proper allocation of the funds received is fundamental in the launching and management of sales in the market.

6.0 DISTRIBUTION OF REVENUE AND SURPLUS INCOME

6.1 Sharing of Revenue and Surplus

The sharing of IGU revenue and surpluses shall take cognizance of the roles, contribution and interests of various organs of KMTC. The sharing shall recognize contributions at individual and Departmental levels of KMTC. In order to ensure all members of staff are catered for, a distribution formula shall be adopted in determining how funds generated by a unit can be utilized.

6.2 Sharing Ratios

6.2.1 Teaching and Non-teaching IGUs

- i. The total income here referred to as the Gross Income (GI) shall have the portions namely; Operation Cost (OC), IGU Fund (IF) and surplus(S). The operation cost shall constitute 30% of the Gross income and IGU fund shall be 20%. The balance of 50% shall be the surplus.

$$OC = 0.3GI$$

$$IF = 0.2GI$$

$$S = 0.5GI$$

- ii. The operation cost shall mainly include cost of consumables, utilities, labour and portable equipment.
- iii. The surplus(s) shall be shared as follows:

	UNIT	PROPORTION
a.	Direct Service Providers	30%
b.	The Campus	30%
c.	Development of Department	15%
d.	IGU Fund	5%
e.	Indirect Service Provider	10%
f.	Headquarters management	10%

6.2.2 Research and Consultancy

A consultancy can be initiated at three (3) levels and the sharing of the gross income generated can be shared as follows:

INITIATOR	SHARING PARTIES	SHARED (%)
Employee	The College	50
	Consultant/Consultancy team and Associates	40
	IGA Fund	10
Department/Constituent Campus	Consultant/Consultancy team	40
	Department Unit	20
	College	30
	IGU Fund	10
Campus	Campus	50
	Consultant/Consultancy team	40
	IGU Fund	10

6.3 Approval for Distribution and Disbursement

The following procedure shall be used in the approval for distribution and disbursement:

- i. The IGU/IGA Steering Committees shall prepare a Statement of Accounts and Disbursement Schedule in liaison with the College Accountant and submit to the Manager IGA Business Centre.
- ii. The Manager Business Centre will scrutinize the statement in consultation with the IGA Accountant and submit them to the CEO of KMTC. The CEO will approve the Statement of Accounts and Disbursement Schedule, and forward to Deputy Director in charge of Administration and Finance, for onward submission to the Finance Office for disbursement / payment.

7.0 POLICY IMPLEMENTATION

7.1 Implementation Date

- i. This Policy shall become effective from the date of adoption by the KMTC Board of Directors. This Policy shall apply to any new agreement between the College and the IGU Unit or individuals concerning the development, legal protection or commercialization of an Income Generating Unit/Activity entered into after the date on which the Board of Directors adopts this Policy.
- ii. If an existing agreement is renewed, revised or amended after the date which the Board of Directors adopts this Policy, reasonable attempts shall be made to conform such agreement to the requirements of this Policy as of the date on which it is renewed, revised or amended.
- iii. Pre-existing agreements that are not revised by the time the Policy comes into force shall continue to apply as they were before the Policy became effective, until expiry of the same. KMTC shall notify all persons who are affected by this policy of its terms as soon as possible after its adoption by the Board of Directors and at regular intervals.

7.2 Governing and Regulations

The Policy shall be interpreted in a manner consistent with other KMTC Policies and all relevant Kenyan laws pertaining to conflict of interest, equity and freedom of information requests.

7.3 Exemption, Review and Amendments

- i. This Policy will be reviewed every three (3) years. Exemptions from and amendments to this Policy may be initiated by the Centre or any interested party through the CEO. The Manager of the Centre shall thereafter notify the College IGA Committee of the proposed exemptions or amendments for deliberation, consideration and ratification. The College IGA Committee shall recommend review of the Policy through a Taskforce that shall be appointed to undertake the review.
- ii. Upon advice from College IGA Committee the CEO shall recommend amendments to this Policy for approval by the Board of Directors. Such amendments should not be inconsistent with the existing aims and objectives of KMTC and this Policy.

7.4 Termination of IGU/IGA Operations

KMTC may terminate the operations of an IGU/A if:

1. It consistently experiences losses/deficits.
2. It is found to engage in business activities and practices contrary to the objectives of KMTC and/or principles of income generation and the laws of Kenya.

APPROVAL

Title : Income Generation Unit Policy

Contact : Deputy Director Business Development ,Resource Mobilization & Consultancy

Approval Authority : The Board of Directors

Commencement Date : May 2019

SIGNED



Prof. Philip Kaloki, MBS,
Chairperson, KMTC Board of Directors.

15th May 2019

Date



KMTC is ISO 9001:2015 Certified.

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