

## POLICY MEMORANDUM

No. III-52

### Use of University Equipment and Resources by Faculty-Involved New Business Ventures in Non-University Work

The following policy and guidelines are to be followed with regard to the use of University equipment and resources in non-University work by new business ventures that are commercializing University owned intellectual property and in which faculty members and/or the University own equity and in which faculty members and/or the University's designee actively participate in the management of such ventures. Non-University work is defined as work that does not follow the process in which the University applied its normal indirect charges. New business ventures are defined as business ventures formed for the express purpose of commercializing University owned intellectual property licensed to the new business venture and which new business venture has been operating for less than two (2) calendar years. Nothing contained in this policy memorandum is intended and nothing contained herein shall be interpreted as eliminating the necessity for the involved faculty member to comply with the requirements of [Section 330.015](#) of the Collected Rules and Regulations (CRR) related to conflicts of interest.

1. New business ventures may use University equipment and resources in the performance of non-University work provided that such use is for legal business purposes, does not conflict with University needs, costs associated with use, maintenance, and replacement of the equipment and resources are reimbursed, and is in the best interest of the University.
2. Prior arrangements must be made for payment for use of University equipment and resources.
3. New business ventures wishing to perform non-University work at the University must submit written requests through the department chair of the department of the affiliated faculty for approval.
4. A formal agreement between the University and the new business venture including mutually agreed upon payment schedule or structure must be executed by all parties thereto.
5. When the service involves University-related research activity, formal grant or contract documents including provisions related to the ownership of intellectual property resulting from such research activity must be executed and processed through the Office of Sponsored Programs.
6. The agreement must define and detail the kinds, amounts, and total cost of all University equipment with an acquisition cost of \$5,000 or greater, and space to be used.

7. Established rates for faculty-involved new business ventures will be set according to procedures established in [Policy Memorandum No. III-51](#) (Use of University Equipment and Resources by University Teaching and Research Staff in Non-University Work).
8. The minimum contractual amount for using University equipment and resources in non-University work is \$500.00.
9. Individual departments initiating the non-University work are responsible for preparation of University invoice documents. Payments must be submitted to the Office of Sponsored Programs and the income will be distributed as follows:

### **DISTRIBUTION OF INCOME**

#### **Cost of Materials and Supplies**

The total amount of the actual cost for materials and supplies (100%) will be charged. All amounts collected for this cost category will be returned to the department account(s) which originally purchased the materials and supplies used the agreement.

#### **Cost of Equipment**

The total amount billed and collected will be allocated on a 50/50 basis and will be split between the department account(s) that is being used and to the campus miscellaneous sources income account. For service operations, charges will be at the published rate set by each unit.

#### **Cost of Space Usage**

The total amount billed and collected will be allocated on a 50/50 basis and will be split between the department account that is being used to perform the service agreement and to the campus miscellaneous sources income account.

10. The faculty member involved with the new business venture must supervise all use of University equipment and resources located within his or her department and must be present during the use of University equipment and resources located outside of his or her department.

**EFFECTIVE DATE:** Immediately

**RESPONSIBILITY:** Department Chairs, Vice Provost for Research, and Vice Chancellor for Administrative Services

**BASIS:** [Business Policy and Procedure Manual, Section 405](#)

  
John F. Carney III  
Chancellor