

UCC POLICY ON CAMPUS COMPANIES

Introduction

1. It is now accepted that the role of the University within the community extends beyond its traditional research and teaching functions. It can also exercise a major influence on both the pattern and the pace of industrial and economic development of the region in which it is located.
2. The establishment of a campus company is one vehicle for exploiting the output from the University's research, teaching and other service activities. The University encourages members of its staff and students to exploit potentially commercial Intellectual Property (IP) arising from their research at the University and is ready to provide guidance, advice and assistance to those who wish to create a campus company.
3. A campus company is a private limited company the establishment of which is facilitated by the University with the authority of the Governing Body. Campus companies involve one or more staff members, and possibly students, of the University and have access to the University's facilities, such as space and equipment, and to the University's expertise and IP.
4. The benefits to the company associated with having campus company status in the University include:
 - the competitive advantage and credibility associated with the good will and name of the University;
 - access, possibly privileged, to state-of-the-art expertise;
 - provision of start-up space with reduced overhead costs e.g. lighting, heating, security and other operating costs;
 - access to the University's facilities such as research laboratories, library, meeting rooms, canteens, leisure facilities etc.;
 - access to extensive information networks e.g. contacts with private and venture capital investors, research information databases, grants and awards, technology transfer initiatives; business contacts with corporate users of new products and technologies; links with local providers of product development services;
 - provision of guidance for the development of business plans, finance and marketing strategies etc.
 - access to a pool of highly qualified graduates and the associated recruitment advantage;
 - operation in a culture of entrepreneurship and research innovation.
5. From the University's perspective, a successful portfolio of campus companies:
 - enhances the University's research standing;
 - supports the links between the University and the users of its academic output;
 - promotes an entrepreneurial culture within the University and provides opportunities and incentives for its staff and students to commercialise ideas and become involved with business enterprises;
 - promotes the wider use of the output of the University's research, teaching, and other services;

- contributes to the teaching and training activities of the University (e.g. 4th year projects) and provides employment opportunities for both graduates and undergraduates
 - provides a return on investment by contributing to the creation of wealth and quality of life in the local community;
 - generates additional income to support the University's academic activities.
6. The objective of the Policy is to provide a consistent framework within which the maximum potential of new campus companies can be realised in a manner beneficial to everyone involved. Specifically the Policy aims to:
- establish best practice guidelines for the setting up of campus companies within the University and to govern the conduct of business between such companies and the University;
 - facilitate technology transfer from the University into industry.

General Rules Governing the Establishment and Operation of Campus Companies

1. All University staff and students proposing to establish or participate in the establishment of a campus company, directly or otherwise (e.g. through the use of expertise, IP etc) are subject to the provisions of this Policy. This is necessary to prevent activities or practices taking place within campus companies that may be prejudicial to the University and its reputation as an academic institution.
2. The granting of campus company status and any associated benefits will be subject to an agreement between the University, the promoters of the campus company and the campus company itself which will incorporate the provisions of this policy document and other provisions for the benefit of the University and/or campus company as appropriate.
All staff and student participation in campus companies, whether direct or indirect, requires written permission by the University.
3. University staff authorised to engage in campus companies do so subject to such conditions as are laid down by the University from time to time.
4. The procedures involved in obtaining University campus company status are summarised in Appendix 1 and may be amended from time to time as necessary. Any such amendments will be made known to staff and students.
5. A campus company may organise its internal operations as it sees fit in accordance with its memorandum and articles of association.
6. The University shall have the right to nominate a director to the board of a campus company and such other rights as may be described in the agreement referred to in Clause 2.2.
7. The University will not underwrite the debts of a campus company or otherwise assume any responsibility for, or in respect of any aspect of, the business or affairs of the company. A campus company shall carry on its business and undertakings in an effective and business-like manner and with a view to the best commercial advantage.
8. A campus company shall be responsible for discharging all of its legal obligations under law, including the Companies Acts 1963-2001 and subsequent additions and amendments.
9. Any employment agreement that a campus company has with an employee shall specifically state that the contract of employment is not with the University. The company shall be solely responsible for remuneration, tax, pensions, and other obligations to employees.

10. A campus company shall keep the University informed of developments with regard to its business and affairs and shall provide to the University, upon request, such information as it may reasonably request from time to time, including but not limited to:
 - a copy of its business plan and of any subsequent revisions;
 - audited financial statements including balance sheets and profit and loss accounts for each of its financial years (together with the related directors' and auditors' reports).
 - any information that is reasonable for a review of the company's activity in accordance with the declared purposes of the company.
 - details of any contract entered into by a campus company which involves a member of University staff.
11. The University will treat all such information as confidential save where it is in the public domain or subsequently enters the public domain without default on the part of the University.
12. If in the view of the University, any review of a campus company's activities is deemed unsatisfactory, or if the information or accounts requested are not supplied or if the company's activities are judged by the University to be prejudicial to the standing of the University as an academic institution, the permission to use the designation of University campus company as such and any associated rights may be withdrawn upon one month's notice.
13. Employees of the University who are also engaged in campus company activities are expected to accord to the University their primary professional loyalty and should not seek to influence decisions relating to the University in ways that could lead to personal gain or give advantage to their associates. (See also the University's Policy on Conflict of Commitment and Conflict of Interest).
14. If an employee of the University has or will have a personal interest^[1] in the campus company, s/he is required to comply with the requirements of the University's Policy on Conflict of Commitment and Conflict of Interest.
15. A campus company shall at all times abide by the operational rules governing the conduct of its business relations with the University outlined in Appendix 2.
16. Where relevant, all employees of campus companies shall, as a condition of employment, accept the enforcement of any and all University regulations governing access by the company or its employees to University buildings, equipment, or personnel. The University may from time to time issue instructions as to the procedures to be adopted for the implementation of these rules.
17. As a matter of principle, the University will require equity share participation (or a cash equivalent) in respect of the establishment of a campus company. The University's equity position is usually a minority one, the amount of which is subject to negotiation but will typically be in the order of 15% of the ordinary share capital of the company (assuming that all promoters have received all of their respective shareholdings). This position may be diluted in subsequent rounds of financing and, in this regard, the University sees itself following the fortunes of the promoters. The terms of any technology transfer to the campus company would be dealt with separately.
18. A campus company has the right to appeal any University decision relating to it, such appeals to be exercisable promptly. Appeals relating to a campus companies can be directed to the Finance Committee and Executive Management Group via the Vice President for Research.

[1] References to 'personal interest' and/or 'personal gain' include monetary or non-monetary interests or gains and include those of his/her spouse, parents, siblings, and business partners and or any company controlled by any of the foregoing or any two or more of them together.

Appendix 1 - Policy On Campus Companies

Procedures for the Establishment of Campus Companies

1. An application for establishing a campus company should be made to the Office of the Vice President for Research specifying the following information (to be held in confidence by the University):
 - Name and home address of each of the promoters
 - List of existing and proposed shareholders and their respective shareholdings
 - Details of proposed management team (where applicable, intention to recruit for a key management role may be stated)
 - Curricula Vitae of promoters and proposed management team
 - Objectives of company
 - Financial arrangements
 - How does the company plan to generate income?
 - How will it finance itself until it becomes self-financing?
 - Proposed utilisation of the University's IP
 - Proposed utilisation of the University's facilities, including possible draw on University staff and resources
 - Proposed location, accommodation requirements
 - Proposed start up date
 - Agency support
 - Permission of Head of Department[1]
2. Approval by the Vice President for Research, in consultation with the Secretary/Bursar for the promoters to proceed to more detailed negotiations with the University.
3. To proceed to more detailed negotiations the following are required:
 - Company name, copy of certificate of incorporation, statutory registers, memorandum, articles of association
 - Business plan
 - Agreement with the University on specifics, participation of the University's staff, IP details, resource requirements etc.
4. The detailed proposal should be submitted by the Vice President for Research to the Finance Committee and the Executive Management Group for full approval.
5. Full approval is given by the Governing Body on advice of the Finance Committee and the Executive Management Group.

[1]For the purposes of these policies it is assumed that, where relevant, staff members should make disclosures and/or seek approval from the relevant Head of Department, in the first instance, while Heads of Department should make disclosures and/or seek approval from the relevant Dean and Deans should make disclosures and/or seek approval from the Vice President for Research. The Vice President for Research should make disclosures and/or seek approval directly from the President of the University.

Appendix 2 - Policy On Campus Companies

Rules Governing the Conduct of Business Relations between Campus Companies and the University

1. Other than with regard to agreed benefits associated with campus company status, the University will deal with campus companies on an 'arms length' basis. Procedures relating to the University's Policy on Conflicts of Commitment and Conflict of Interest will apply.
2. Campus companies which commission research or consultancy activities by the University, will be subject to the normal Research Grants Procedures and the Overhead and Consultancy Policy as outlined by the Office for Research Grants and Contracts.
3. The Head of Department or Vice President for Research may request a technical or commercial audit of what is proposed from the Finance Officer who will instigate the appropriate financial procedures to be applied to the transaction.
4. The Finance Office will require registration of an authorised person to countersign orders and requests for payment on such contracts.
5. The Finance Office may waive these requirements on once-off minor contracts. No waiver will be made where more than one transaction arises in any 12 month period.