



**The  
University of Akron Research Foundation**

---

**Guidelines  
and  
Procedures**

---

**October 2002 (revised)**

# **UARF**

## **BOARD OF DIRECTORS September 2002**

Dr. Luis M. Proenza  
Chairman

Dr. George R. Newkome  
Director

Ms. Kathryn W. Dindo  
Director

Mr. Clifford Isroff  
Director

Mr. Peter J. Piglia  
Director

## **OFFICERS**

Dr. George R. Newkome  
President

Mr. Kenneth G. Preston  
Executive Director

Mr. Wayne H. Watkins  
Secretary/Treasurer

# TABLE OF CONTENTS

## University of Akron Research Foundation (UARF) Organization

Statement of Purposes and Goals .....	3
Board of Directors and Officers .....	3
Invention Disclosure Process.....	3
Conflicts of Interest .....	4

## UARF Operational Procedures

Royalty Distribution .....	7
Industrial Affiliate Programs .....	7
Contract and Grant Procedures.....	7
General Overview .....	7
General Guidelines and Procedures.....	8
Contract and Grant Purchasing Guidelines .....	8
Purchasing Procedures .....	9
Administration Policies .....	10

## UARF Appendices

UARF01 – Check Request .....	13
UARF02 – Check Request for Travel Expenses .....	15
Definition of Expenses .....	16
UARF03 – Signature Authorization .....	17
UARF04 – Deposit Request .....	19
UARF06 – Agreement for Independent Contractor Services .....	21
UARF07 – Disclosure of Invention form .....	23
The University of Akron Board Rule 3359-2-05 <u>University research, copyright, and patent policy</u> .....	27
The University of Akron Board Rule 3359-11-18 <u>Conduct and ethics policy</u> .....	33
UA Revenue Allocation Agreement (samples) .....	37
Definitions .....	49
Summary of U.S. Patent and Copyright Laws.....	51



**UNIVERSITY OF AKRON RESEARCH FOUNDATION  
(UARF)  
ORGANIZATION**



## **STATEMENT OF PURPOSES AND GOALS**

The University of Akron, one of the State of Ohio's research universities, is governed by a Board of Trustees. The University, with the approval of its Board of Trustees, established The University of Akron Research Foundation (UARF), in December 2001 to promote, encourage and provide assistance to the research activities of University faculty, staff and students. Incorporated in the State of Ohio in 2001, this not-for-profit organization provides a means by which discoveries, inventions, processes and work products of The University of Akron employees can be transferred from the University laboratory to benefit the public, the University, and its faculty, staff and students.

The University may grant rights to UARF for research-generated inventions and authored works that have commercial value for marketing to private industry. Use of the UARF permits flexibility in arranging license agreements, investment of income, and holding of equity positions. All income received from license fees, royalties and equity positions is allocated by the UARF in accordance with the University's patent and copyright policy (3359-2-05; Appendix, p. 27) to inventors and their research support accounts, to support intellectual property functions at the University and to support research throughout the University.

Additionally, research contracts and grants may be entered into by UARF for administration due to the often-excellent opportunities for acquiring valuable intellectual property as well as assisting faculty in the diligent management of technology assets.

Funds available to the University are derived from two primary sources: those appropriated by the Legislature (State funds), and those generated by the University or on deposit with one of its several approved support organizations (local funds). The University President is ultimately responsible to the Board of Trustees for the proper budgeting and expenditure of both funds. Similarly, the UARF will comply firmly with the Board-approved policies and procedures discussed in this document with respect to its administration of grants and contracts.

## **BOARD OF DIRECTORS AND OFFICERS**

The UARF's Board of Directors is comprised of the University President (Chairman of the Board of Directors), Vice President for Research, two Members of the Board of Trustees and five non-University members designated by the University President.

The Vice President for Research serves as the UARF president. Officers including the Secretary/Treasurer and the Executive Director are elected by the Directors.

## **INVENTION DISCLOSURE PROCESS**

Implementation of Ohio Revised Code Section 3345.14 and the University's research, patent and copyright policy (University Rule 3359-2-05) requires University employees to disclose all inventions and technological developments and works that the employee may develop or discover while an employee of the University. Anyone who is not a University employee is required to disclose to the University all inventions and works that he/she may develop or discover in the course of any effort that uses University funds, facilities, materials, equipment, personnel, or technical information.

Inventions or works, made in the field in which the individual is employed by the University, or made by using University funds, facilities, materials, equipment, personnel or technical information, are the property of the University. Those made outside the inventor's field and without University support will be considered the inventor's property, although the invention or work must still be disclosed to the University so that official determination of intellectual property rights assignment can be made.

In accordance with the University Rule 3359-2-05, disclosure is made by completing and submitting a Disclosure Form (UARF07, Appendix, p. 23). Copies of the form can also be obtained from the Office of Technology Transfer, Goodyear Polymer Center, Suite 312, or from the Office of Research Services and Sponsored Programs website ([www.uakron.edu/orssp/](http://www.uakron.edu/orssp/)). Upon evaluation, according to appropriate scientific and legal criteria, the Vice President for Research may recommend that the University not assert and maintain its interest in an invention or work and, upon request, the Board of Trustees may then be requested to release the rights to the inventor, author or research sponsor as appropriate. Patent and other proprietary rights to commercially valuable intellectual property in which the University pursues its interest may be granted to UARF for marketing for the benefit of the University, the faculty, and the general public.

## **CONFLICTS OF INTEREST**

University and state rules and policies require employees to refrain from participating in outside activities, except with prior University approval, that create conflicts of interest or commitment, including waivers and assignments of intellectual property rights to third parties. University Rule 3359-11-18 (Appendix, page 33) provides an exception to the conflict of interest policies by permitting University employees to own a financial interest in a business that is licensed by the University under the employee's intellectual property rights.



# **UARF OPERATIONAL PROCEDURES**



## ROYALTY DISTRIBUTION

The UARF, in seeking to develop and market intellectual property, is responsible for the evolution and negotiation of marketing agreements to ensure that the property is managed in a way that best serves the public interest. Net revenue (gross royalties, license fees, option fees and/or equity interests minus the direct cost of protecting, maintaining, licensing, and preserving the invention rights) resulting from such intellectual property is allocated as agreed between the inventor and the University under State and University rules and policy guidelines. The standard terms of agreements include an allocation of revenue into shares as follows (Appendix, p. 37):

Typically, forty percent (40%) of net revenue derived from the licensing of patents and copyrights is allocated to the inventor(s)-author(s). This net revenue share is disbursed directly to the inventor(s)-author(s) as personal income, thus retaining no obligations of accountability to the UARF.

Ten percent (10%) of net revenue derived from the licensing of patents and copyrights is allocated to a research account in the UARF with the University faculty inventor(s)/author(s) as the accountable officer(s). This net revenue share is to be used for the encouragement and support of the research activities of the Principal Investigator(s) (PI[s]) in their department(s).

Forty percent (40%) of net revenue derived from the licensing of patents and copyrights is allocated to the UARF. This net revenue share is used in the pursuit of furthering the research activities at The University of Akron. The following represents several examples of how this share may be used:

1. Payment of legal fees associated with patent and copyright applications, maintenance, licensing agreements and infringement defense.
2. Support of University research programs.
3. Memberships in associations related to economic development, research and research facilities, and technology transfer.
4. Marketing expenses related to technology transfer, including University/industry agreements and license agreements.
5. Expenses related to the function and administration of the UARF; such as, staff, equipment, supplies, legal fees, travel expenses, or other expenses in support of the UARF.

Five percent (5%) of the net revenue derived from the licensing of patents and copyrights is allocated to a research account in the UARF for the college in which the inventors have primary appointment with the dean as the accountable officer. This net revenue share is to be used for the encouragement and support of the research activities in their college.

Five percent (5%) of the net revenue derived from the licensing of patents and copyrights is allocated to a research account in the UARF for the department in which the inventors have primary appointment with the chair as the accountable officer. This net revenue share is to be used for the encouragement and support of the research activities in their department.

## INDUSTRIAL AFFILIATE PROGRAMS

Industrial Affiliate Programs may be established to provide research opportunities for industry/university consortiums. These programs are designed to be generic research and consulting programs that provide program participants with a window into technology in a selected area at the University in return for program sponsorship.

## CONTRACT AND GRANT PROCEDURES

### A. General Overview

The UARF may coordinate contracts and grants when it is advantageous to do so. In such instances, your Grants Accountant is your contact for the post-award aspect of your contracts and grants.

If there are salaries to be paid for a principal investigator or for research assistants, the portion of the grant to be used for these salaries and related benefits is transferred to the University and an account is established in the Office of the Controller for this purpose. Contracts and grants that are administered by the UARF are reported in the Office of Research Services and Sponsored Programs (ORSSP) Monthly Activity Report. Distribution of

Indirect Cost by UARF to faculty, deans and chairs is provided annually in amounts as delineated in University policy.

## **B. General Guidelines and Procedures**

All proposals are processed by the ORSSP. Proposal submission will follow standard procedures outlined in the ORSSP web page (<http://www3.uakron.edu/orssp/>). Awards housed in the UARF will include the following:

1. Instructions from the Director, ORSSP, to the grantor that funds are to be made payable to the UARF.
2. Approval, or proof that approval has been requested, to use human or animal subjects from the Institutional Review Board or Institutional Animal Care and Use Committee (IACUC), if applicable.

If the grant is of such a nature that no proposal was submitted, then a budget or any document that establishes any restrictions on funds or, if the funds are unrestricted, a letter from the grantor stating such must be submitted to the ORSSP. After the proposal is awarded, an account is established and assigned a UARF Project number with the principal investigator(s) as the accountable officer. The principal investigator(s), dean, and department chair are notified of the foregoing. Always refer to this number when contacting your Grants Coordinator with inquiries or requests for payments from the account. (This is a UARF project number. It is not a University of Akron account number.)

## **C. Contract and Grant Purchasing and Expenditure Guidelines**

1. All expenditures must be reasonable and in support of research at the University.
2. All expenditures must comply with any restrictions or conditions as stated by source.
3. The expenditure must not jeopardize the UARF's tax-exempt status.
4. Principal investigators are expected to exercise good judgment and a high sense of ethics in making expenditure decisions taking into consideration such factors as: reason; appropriateness; sensitivity to the values of the University; the academic, social, ethical and financial environment of the University; the effect that certain types of expenditures may have upon the public image of the University; and the overall purpose to be served. Access and availability of funds are not necessarily license to spend. While addressing the above factors, all expenditures must be justified based on benefit to the particular organizational unit and the University.
5. Each department and principal investigator is responsible for obtaining bids, selecting purchases, and taking delivery of items purchased utilizing prudent business practices. The UARF's role is to provide a means for payment.
6. No expenditure, direct or indirect, may be made for political or charitable contributions, dues to social clubs, fines or penalties. Personal expenditures are inappropriate. In general, professional dues to societies and associations are normally not an appropriate expense item. These are not allowable under most grants and contracts and raise questions from the auditors as to how this supports a specific research project or program. If such expenditures are requested, a statement justifying the use of funds for this purpose should accompany the request.
7. All expenditures must be verified and approved by the principal investigator or designee of the affected account as well as any other additional authorization as listed below. Please note that additional approvals may be specified by the Vice President for Research and should be obtained according to the Vice President's direction, prior to submission to the UARF.
8. Expenditures in excess of \$199 for the purpose of community/professional relations, government relations, public relations or similar activities require, prior to reimbursement, signatory approval of a designated person in a position of authority over the person incurring the expenditure.
9. All expenditures in excess of \$2,499 require signatory approval of a designated person in a position of authority over the person incurring the expenditure.
10. All equipment purchased with UARF funds is donated to the University, unless otherwise specified in the funding contract. The UARF will be responsible for providing a report of any donated equipment valued at \$1,500 or more to the University's Office of Property Accounting for inventory purposes.
11. All payments for expenditures will be sent directly to the vendor. No payments will be returned to the originating department.

## D. Purchasing Procedures

1. Expense Requests—A formal request for payment of all expenses, excluding travel must be submitted to the UARF business office on form UARF01 "Check Request." Community relations activities including dinners, luncheons, etc. that can be shown to be directly related to a specific research project are acceptable. All expenditure requests must have original receipts or invoices attached and must be signed by the principal investigator or his/her designee and contain such other approvals as may be specified by the applicable Dean or Provost.
2. Travel Reimbursements—Travel expenditures require the form UARF03 "Travel Check Request." All forms must have original receipts or invoices attached and require the approval of a designated person in a position of authority over the person incurring the expenditure. Travel expenditures shall be reimbursed in accord with the following standards:

### *Domestic Travel*

- a. The traveler and the approving official are responsible for ensuring that reasonably priced lodging, meals, ground transportation and airfare are utilized to the maximum extent possible.
- b. Original receipts must be submitted for lodging, meals, airfare, ground transportation and other incidental items. Where receipts are unavailable, a traveler may be reimbursed based upon a signed statement describing the purpose and amount of the expenditure.
- c. Reimbursement of travel expenses is based upon expenses actually incurred by the traveler, not to exceed applicable per diem rates or other travel allowance restrictions that may apply.
- d. Coach class airfare is the standard for reimbursement except where this fare is unavailable on the desired flight or alternative flights. The traveler is responsible for the cost of any upgrades above coach class airfare.
- e. Lodging accommodations should be reserved in advance at reasonably priced facilities to the extent possible. Lodging accommodations, as part of a conference, convention or professional meeting, are reimbursable at actual cost to the traveler.
- f. Meals may be reimbursed based upon a maximum per diem rate per meal when the traveler actually incurs the expense. No reimbursement for meals is allowed when provided as part of a registration fee or the meal is provided by another party. Unless the University per diem rate is required to be used, the maximum rate per meal, including gratuity, is established as follows:

Breakfast .....	\$ 6.00
Lunch .....	\$ 8.00
Dinner .....	\$21.00

- g. Vicinity mileage reimbursement for business travel shall not exceed the amount authorized by current IRS rulings.
- h. All exceptions to these travel guidelines must be approved by the appropriate administrator at the dean, or higher, level. Among other exceptions, a higher rate of reimbursement for meals may be approved when actual costs exceed the standard rate of reimbursement due to attendance at a conference, convention or high cost of geographic location. When travel is to a location designated by the Internal Revenue Service as a high-cost area, per diem rates may be used in accordance with current rate schedule published by the Internal Revenue Service.

### *International Travel*

- a. Reimbursement procedures and limitations for international travel shall be the same as for domestic travel with the exception that applicable per diem rates as published by the United States Department of State may be used.
  - b. Although travel expenses will normally be reimbursed to the individual incurring the expenses, each organization may develop procedures covering direct billing for group and team travel or other unique needs. These procedures shall observe, however, the applicable maximum rates specified for domestic and international travel.
3. Services—The UARF will make direct payment to a provider of services only in circumstances where the provider is an independent contractor. The UARF will not approve an employer-employee relationship with a provider of services. Accordingly, the first step in the procurement of services utilizing UARF funds is to

determine the nature of the relationship with the provider of services. The following information will assist in making this determination:

Characteristics of an independent contractor relationship include the following: The person providing service

- decides how to perform a job, without any training or direction or right of direction by the UARF/University as to when, where or how the task is performed;
- owns or rents the facilities and tools used—does not depend on the UARF/University for these;
- runs the risk of losing as well as making money on the job;
- hires other workers when they are needed to help complete a job;
- bills for work performed, typically a fixed sum or hourly rate.

Characteristics of an employer-employee relationship include the following: The person providing service

- is instructed in how, when, where and whether the work should be done;
- has a continuing relationship with the UARF/University;
- performs all work on the University's premises and/or with substantial use of University facilities.

If the nature of the relationship is such that the provider should be considered an employee, the individual provider should be employed and paid through the University in accordance with applicable policies and procedures. The funds necessary to support the employment arrangement will be transferred from the UARF to the University through a grant account.

If the nature of the relationship is such that the provider is an independent contractor, the parties must execute Form UARF06 (Agreement for Independent Contractor Services) in advance of the performance of services by the contractor. The initiating Department should complete Form UARF06, have it signed by the contractor, and submit it to the UARF business office for approval and execution. The UARF reserves the right to review the contractual arrangement to determine the nature of the relationship.

In general, the UARF will not approve proposed independent contractor arrangements with individuals who are students or employees of the University of Akron. Any exceptions to this policy must be approved, in writing, by the University President.

4. State Tax Exemption—The UARF has a State of Ohio Sales and Use Tax Exemption. In order for a transaction to be eligible for exemption, such must be billed directly to the UARF and paid directly from the UARF. Please keep this in mind when making purchases.

## **ADMINISTRATION POLICIES**

A monthly account statement is supplied to the principal investigator of each account, and it is the responsibility of the principal investigator to provide copies to all other appropriate parties. UARF projects are included in the ORSSP Monthly Activity Report.

The UARF is audited annually by an independent Certified Public Accounting firm. Accounting records are on file in the UARF Business Office, Goodyear Polymer Center, Room 312.

The UARF requests that all procedures and guidelines for establishing accounts and for expending funds be carefully followed to maintain the integrity of the process and allow us to continue the privilege provided by the Board of Trustees.

# Appendices

UARF01 – Check Request (revised 10/02)

UARF02 – Check Request for Travel Expenses (revised 10/02)

Definition of Expenses (revised 10/02)

UARF03 – Signature Authorization

UARF04 – Deposit Request

UARF06 – Agreement for Independent Contractor Services

UARF07 – Disclosure of Invention form

The University of Akron Board Rule 3359-2-05 University research, copyright, and patent policy

The University of Akron Board Rule 3359-11-18 Conduct and Ethics Policy

UA Revenue Allocation Agreement (samples)

Definitions

Summary of U.S. Patent and Copyright Laws