

TEMPLE UNIVERSITY

POLICIES AND PROCEDURES

Title:	Trustee, Officer, or Dean Investment in University Startups
Policy Number:	01.35.04
Issuing Authority:	Board of Trustees
Responsible Officer:	Chief Compliance Officer
Date Created:	December 17, 2019
Date Last Amended/Reviewed:	November 2022
Date Scheduled for Review:	July 2024
Reviewing Office:	Ethics and Compliance office; Office of the Vice President for Research

I. Purpose and Scope

The commercialization of University owned technology and intellectual property (“IP”) is typically accomplished by transferring the University’s IP rights to businesses in accordance with the University’s Inventions and Patents Policy. Businesses that license or otherwise acquire rights to University IP may include new companies or other small businesses that require investment to advance the University’s IP. This Policy provides specific guidance on investment and other interest into such business by Trustees or officers of the University and the management of actual or potential conflicts of interest (“Conflicts”) as required by the University’s Conflict of Interest Policy for Trustees and Officers.

II. Policy Statement

A Trustee or officer of the university or duly appointed dean of a school or college (collectively, a “Covered Person”) and/or his or her Relatives may own or acquire an ownership interest in, or serve as a manager, director, officer, or consultant to, any University Startup, provided, however, that prior to acquiring more than a de minimis ownership interest or so serving:

- a) The Covered Person has disclosed in writing to the Compliance, Audit and Risk Committee the contemplated arrangement between the Covered Person and/or Relatives and the University Startup; and
- b) The Compliance, Audit and Risk Committee, after review of the relevant circumstances, determines that any Conflict resulting from such arrangement between the Covered Person and/or Relatives and the University Startup is manageable; and
- c) If, in the opinion of the Compliance, Audit and Risk Committee, the Conflict is manageable, the university has developed and implemented a Conflict Management Plan and entered into agreements as necessary for the appropriate management and oversight of the Conflict in conformance with university policy and applicable law; and

- d) University Counsel, the Vice President for Research and the Chief Compliance Officer approve the Conflict Management Plan.

As used herein, a University Startup means any entity that is: (i) created to commercialize university owned IP; or (ii) is expected to or has licensed university owned IP; or (iii) is founded predominately on the basis of university owned IP

As used herein, a de minimis ownership interest in a University Startup is an interest that:

- (i) Is acquired by diversified investment vehicles, such as broad-based mutual funds and exchange traded funds, where the Covered Person and his or her Relatives, collectively, do not have an either (a) a fifteen percent or greater direct or indirect interest in the vehicle; or (b) the ability to direct the investment activities of the vehicle; or (c) an employment, management, or fiduciary role in the vehicle; or
- (ii) Consists of ownership of less than 1% of the outstanding shares of a publicly traded entity.

As used herein, Relative means a Covered Person's (i) spouse or domestic partner, (ii) parents, children, brothers, or sisters.

During board or university service or employment and for two years after leaving the board or university, the Covered Person may not disclose or use for his or her personal profit, or for the benefit of Relatives, any information disclosed to him or her in the course of his or her board or university duties that has been clearly designated to him or her as confidential or that is declared confidential by law unless the Compliance, Audit and Risk Committee makes an exception for a Covered Person on a case by case basis.

Nothing in this policy shall affect the rights and obligations of the university or any Covered Person under any other university policy, bylaw, rule, or process with respect to actual or potential conflicts of interest, or under applicable law.

Notes

1. History:

Last Amended:

November 2022: Updated to reflect current Bylaws and job titles.

2. Cross References

Invention and Patents Policy #02.53.01

Conflict of Interest – Trustees and Officers #01.35.01

Financial Conflict of Interest in Research Policy #02.52.12

Policy on Institutional Conflict of Interest in Research #02.52.13