



Bama Technology Incubator Policy

I. Policy Objectives

Public and private investment in sponsored research at the University of Alabama results in the creation of technology, inventions, and ideas. Part of the mission of the University is to facilitate the practical application of such knowledge for the benefit of the public. To fulfill this objective, the University has elected to create the Bama Technology Incubator Program (hereinafter “Program”). The goal of this Program is to facilitate the development of marketable products and processes from new research discoveries and to promote the distribution of those products and processes through successful business ventures.

The purpose of this policy is to provide guidance to University personnel in the selection and nurturing of new business enterprises within the context of and consistent with the principles governing a public institution of higher education. This policy is designed to set minimum standards for the Program while maintaining the flexibility necessary to consider matters arising under this policy in light of their own unique circumstances. In no event, however, shall any activity approved or authorized under this policy be in violation of any relevant University policy or any applicable law or regulation.

II. Administration

- A.** The Bama Technology Incubator Program Advisory Committee (hereinafter “Committee”). The Committee, whose membership shall be appointed by the Vice President for Research, shall review all applications from small businesses for membership into the Program and shall make a recommendation to the Vice President for Research regarding applications. The Committee shall establish such procedures as it deems appropriate and shall meet as needed to ensure a timely review of any application submitted for membership in the Program. The Committee may seek ad hoc assistance as required to complete an effective review of any application for membership. Members of the Committee shall excuse themselves from any review where the member has a potential conflict of interest.

- B.** The Vice President for Research (hereinafter Vice President). The Vice President for Research shall appoint a Chair to preside over the Committee. The Vice President for Research shall also appoint a Director of the Bama Technology Incubator Program, who shall be an ex officio member of the Bama Technology Incubator Program Advisory Committee. The final decision on granting membership in the Program to a small business shall be made by the Vice President for Research.
- C.** The Director of the Bama Technology Incubator Program (hereinafter Director). The Director shall be responsible for management of the Bama Technology Incubator program. As Director, he/she shall provide leadership and guidance to Program members in all aspects of their interaction with the Program. After a small business has been accepted into the Program as a Program member the Director shall provide supervision of them to ensure their compliance with the terms and conditions of membership. The Director shall be an ex officio member of the Committee and shall report to the Vice President for Research.

III. Criteria for Admission to Program

An applicant for admission to the Bama Technology Incubator Program must meet all of the following criteria:

- A.** The applicant must be a formally organized business entity (corporation, LLC, etc.) that is in the early stages of business development.
- B.** The applicant must utilize an innovative, technology based product, idea, or business concept that is consistent with the goals of the University and that has the potential to attract collaborative research with University researchers, stimulate job growth, or promote other positive economic impacts on the community.
- C.** The business venture must contemplate a significant collaboration with a University faculty member or a University research scientist.
- D.** The applicant must have a realistic financial/business plan, including a product that is within two (2) years from market.
- E.** The business venture must not be in competition with another member in the Program and must not be primarily a retail, franchising, or manufacturing concern.
- F.** The applicant must have in place or must have identified the beginnings of a sound management and/or product development team.

- G.** The applicant must have at least six (6) months working capital to carry forward the proposed business plan.

IV. Requirements of Membership in the Program

In addition to satisfying the criteria for admission to the program, an applicant must agree:

- A.** To pay to the University negotiated fees for the use of space on University premises, for utilities, computer use, telephone use, and for other equipment or services provided by the University.
- B.** To transfer equity to the University in a percentage to be negotiated between the applicant and the University, but not to exceed fifty percent (50%).
- C.** To limit the duration of membership in the Program to a negotiated period of time not to exceed five (5) years.
- D.** To indemnify and hold harmless The University of Alabama System, its Board of Trustees, The University of Alabama, its employees and agents from all claims relating to, but not limited to, product liability, health and safety violations, accidents and injuries and to provide reasonable insurance protection against such claims.
- E.** To follow and to be bound by relevant laws and by University policies and procedures, including, but not limited to:
 - 1. Patents and Copyright;
 - 2. Conflict of Interest and Conflict of Commitment;
 - 3. Supplemental Compensation;
 - 4. Human and Animal Subjects in Research;
 - 5. Faculty and Staff Participating in Company Commercialization of University Technology;
 - 6. Distribution of Royalties, Fees and Other Financial Returns from Inventions Owned by the University;
 - 7. Biosafety; and,
 - 8. Hazardous Waste and Restricted Materials.
- F.** To execute such documents as may be necessary to reflect these and other reasonable requirements, including an Application for Membership, an Incubator Agreement, a Facilities Use Agreement, a License Agreement, and a Stock Purchase Agreement, as appropriate.

V. Application Process

Applications for membership in the Program shall be processed as follows:

- A.** An applicant shall submit an Application for Membership and any required supporting documentation to the Director of the Bama Technology Incubator Program. The Director shall provide copies of the Application and supporting documentation to the members of the Bama Technology Incubator Program Advisory Committee and shall cooperate with the Chair of that Committee in scheduling a meeting of the Committee to review the Application.
- B.** The Committee may require the principal(s) of the applicant to appear at the meeting to present the information contained in the Application.
- C.** The Committee shall make a written recommendation regarding the application to the Vice President for Research, who may accept or reject the recommendation. All acceptances into the Program shall be conditioned on the execution of appropriate agreements as referenced in IV.F. above. The Vice President may impose additional conditions on acceptance into the Program and delegate to the Director the responsibility of ensuring that such conditions are met.
- D.** After an applicant has been accepted into the Program, the Director shall facilitate the negotiation and execution of the required agreements. In the event the parties cannot reach an agreement on the necessary terms of membership, acceptance into the Program shall be revoked.

VI. Periodic Review

At the time of acceptance into the Program the Vice President shall establish a schedule of periodic review of the member's inclusion in the Program, which shall be no less frequently than on an annual basis. The periodic review shall be conducted by the Committee, which shall establish such criteria for review as it deems appropriate. The Committee shall make a written recommendation to the Vice President regarding the member's continued participation in the Program. The Vice President may accept or reject the Committee's recommendation or may impose conditions on the member's continued participation in the Program.