

# Guidelines on Handling Matters Related to Industry-Academia Collaboration Projects Not Granted by the National Science and Technology Council

Approved by the 5<sup>th</sup> Administrative Meeting on April 14, 2006, spring semester of Academic Year 2005

Amended and approved by the 3<sup>rd</sup> Administrative Meeting on October 17, 2007, fall semester of Academic Year 2007

Amended and approved by the 1<sup>st</sup> Administrative Extraordinary General Meeting on February 25, 2009, spring semester of Academic Year 2008

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Amended and approved by the 6<sup>th</sup> Administrative Meeting on November 11, 2009, fall semester of Academic Year 2009

Amended and approved by the 2<sup>nd</sup> University Endowment Funds Management Committee Meeting on December 2, 2009, fall semester of  
Academic Year 2009

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- I. To improve the administrative efficiency of this university in handling non-National Science and Technology Council (hereinafter referred to as NSTC) industry-academia collaboration projects, this operational regulation has been established based on Ministry of Education's "Operational guidelines for industry-academia collaborations in higher education", "Rules for the management and monitoring of national university endowment funds", and "Rules for the management of incomes and outlays of university endowment fund" at the National Sun Yat-sen University.
- II. Units of this university may use their current faculty, manpower, or equipment to take on non-NSTC industry-academia collaboration research, training, design or social practice related projects commissioned by government agencies beside NSTC, businesses, private organizations, or academic or research organizations. Such projects and their related matters shall be handled in accordance with this operational regulation.
- III. The university unit responsible for this matter is the Office of Global Industry-Academe Collaboration and Advancement (hereinafter referred to as OGIACA).
- IV. Qualifications for project leaders: full-time, contract, or part-time teaching or research personnel, staffers, postdoctoral fellows, or people who have been individually and specifically approved (hereinafter broadly referred to as project leader). Co-leaders and research assistants are not limited to employees of this university.
- V. If personnel of this university who take on projects through intermediaries outside this university without first being administratively processed by this university and if such projects adversely impact the income of the university endowment fund, such personnel will be held responsible according to established rules.
- VI. Any industry-academia collaboration contract should be signed by the university and the President. Unless otherwise specified by government agencies, the contract should specify the following items based on the nature of the contract:
  1. The name, timeframe, and clearly-defined deliverables of the industry-academia collaboration project.
  2. Funding for the project and how payments are made.
  3. The contract should specify that if the collaborating party demands the university to guarantee the authorized technologies or other items in question have not infringed on the rights of others. , If an infringement should occur, the damages should the university responsible for should not exceed the payment amount that the project has actually paid.
  4. The intellectual property rights or outcomes of any industry-academia collaboration belong exclusively to the university in principle. .. If the collaborating party wish to exclusive the aforementioned outcomes, or restrict the implementation, utilization,

interest assignment, exchange, trust, delivery, transfer, setting of the pledge right and re-authorization, at least 15% of the total funds of the project shall be allocated as early-stage technology transfer funds.

5. If the collaborating party needs to utilize the name or symbols of this university or its affiliates, the contract should specify the extent of the authorization, utilization, and scope.
6. Unless otherwise specified in the contract, books, periodicals, instruments, and equipment purchased under the collaboration, and surplus funds are the properties of this university that will fall under the property management of the university.
7. All concerned personnel should avoid conflict of interest. If a confidentiality clause is specifically noted in the contract, the validity of the confidentiality clause can be no more than two years after the conclusion of the project.
8. The university offers no guarantee on and is not responsible for the outcome of commercialization of the authorized technology or other related products.
9. In principle, the execution of a project should result in a surplus, and the surplus does not need to be turned in.
10. If a project involves sensitive technologies, life's dignity, or professional ethics, the project should be handled in accordance with "Rules governing the security and control of National Sun Yat-sen University executing research projects on government-supported sensitive technologies." The scope of said sensitive technologies is defined in the "Operational manual on the security and control of research projects on government-supported sensitive technologies" issued by the NSTC.

VII. To clearly clarify legal responsibilities and establish a mechanism to control the risk of industry-academia collaboration projects, all contracts for industry-academia collaboration projects should in principle be cosigned by the project leader, who should sign an affidavit to the university to take full responsibilities for tort, damages, and lawsuits.

VIII. To accept the commission of a non- NSTC industry-academia collaboration project, the project leader should first fill out the industry-academia collaboration project data sheet, processing slip, and industry-academia collaboration execution agreement, all of which he or she should send with the contract and other relevant data to the department head and the dean for approval. The approved package is then sent to the university unit responsible for this matter which will prepare for contract signing.

IX. On the industry-academia collaboration project data sheet, the project leader should list the number of other projects that he or she has already taken on for the same time period. If more than three projects have been undertaken, the head of the organization that will execute those projects should carefully assess the situation to determine whether approval should be granted to the new application. In principle, such projects should only be approved only if they do not negatively impact teaching, research, or service quality.

"The same period" referred to above means that the execution periods overlap for more than

four months or more.

- X. The contract for non-NSTC industry-academia collaboration projects should be executed in the number of originals and duplicates that this university and the commissioning party each needs to retain. The university unit responsible for this matter will keep one original.
- XI. The total project cost should include cost of execution and administrative management expenses (hereinafter referred to as management fee). The planning and execution of the total project cost should be handled according to the agreements in the contract. Management expenses should be budgeted as follows.
  - 1. The total amount of funding for Non-NSTC Industry–Academe Collaborative Program to the appointment of a Client shall be subject to the allocation of 20% as management fee. Academic conferences in industry–academe collaborative programs funded by public institutions could be exempted from allocation of management fee. Funds directly paid to the University and funding from institutions in the private sector shall be subject to allocation of 5% as management fee. If the commissioning party is a government institution where the allocation of management fee is governed by separate rules and regulations, or the commissioning party is a non-government institution and the allocation of management fee is regulated by the requirement of the central competent authority, comply with the rule of upper limit. If the recognition of management fee falls below 20%, fill in the “NSYSU Application for Reduction of Management Fee for Industry–Academe Collaborative Program”.
  - 2. Approval levels for applications for lowering management fee are as follows.
    - 2.1 If the requested management fee is at least 15% but less than 20%, the dean or the department head are authorized to approve. If the requested management fee is at least 10% but less than 15%, the vice president is authorized to approve. If the requested management fee is less than 10%, the president needs to approve. In no case should management fee be lower than 6%. If the management fee allocated from the project falls below the level for decision by the aforementioned officers, the Principal Investigator shall make up the amount short by setting aside a portion of the funding of the project or the balance in the account.
    - 2.2 If allocated management fee is less than 20% but the commissioning party is a government agency or if the commissioning party is not a government agency but its management expenses are subject to the rules of a central competent agency, management expenses should be the upper limit of those commissioning agencies. The dean of the Office of Global Industry-Academe Collaboration and Advancement is authorized to approve such applications.
  - 3. In case of budget shortage in management fee, the payment to Principal Investigator and the

appropriation of fund from the balance will be made as follows:

- 3.1 If the payment for the Principal Investigator has not been budgeted and there is still a balance at the conclusion of the project, the top priority will be the appropriation of fund to mend the budget gap for the management fee.
- 3.2 If the payment for the Principal Investigator is on budget, defer the claim for payment until the completion of the project. The Principal Investigator may claim for its payment only after the appropriation from the balance of the project or budget for the Principal Investigator for covering the amount short in management fee.
4. If the management fee ratio reaches the standard aforesaid in XI.1 of this regulation, the amount of the management fee that the project leader has paid on calendar year shall deduct the rent, electric and water bills. However, the deduction amount should only apply to the lower one from the following criteria.
  - 4.1 30% of the annual management fee (including the standard as set in Article XII that the proportion as feedback to the college shall be 1 time of the percentage of management fee)
  - 4.2 25% of the rent, electric and water bills for executing the project when the project did not budget for the rent, electric and water bills (excluding the standard as set in Article XII that the proportion as feedback to the college shall be 1 time of the percentage of management fee)

When one of the above criteria is met, the project leader shall apply for reimbursement with the receipt annually.

XII. If the ratio of budgeting for management fee is at the standard as set forth in I of Article XI, the proportion as feedback to the college (functional unit) shall be 1 time of the percentage for allocation from the project as management fee and no more than 20%. If the Principal Investigator is holding management position in the administrative/academic establishment of the University, and the name is used for the pursuit of project in line with government policy in supporting the cause of the University, the feedback shall be directly transferred to the University for arrangement from the industry-academe program.

XIII. Management fee can be used as follows.

1. payments beyond the base salary (seniority wage) of full-time faculty, personnel expenses for part-time employees, overtime pay for administrative support staffers, and payments to administrative support staffers who have contributed to the success of the industry-academia collaboration project.
2. expenses for chair professorships
3. payments in recognition of faculty for teaching and research excellence
4. foreign travel expenses

5. new purchase, replacement purchase, and full-time lease of business cars
6. payments for new construction
7. self-liquidating loans and the control of repayment sources
8. purchase and maintenance of instruments and equipment
9. support for matters that are beneficial to university's academic research and teaching development
10. other support for encouraging faculty, researchers, and students and promoting matters relevant to industry-academia collaborations.

XIV. Management fee once allotted, cannot be transferred to other accounts for payments. However, when changes in project funding and expenses has made management fee inadequate, the inadequacy should be made up. The use of management fee is not limited by time. If the management fee budget is not used up at the end of an academic year, the Accounting Department can directly transfer it to be used in the following academic year.

XV. The project surplus referred to in this operational regulation means the money left over after all tasks have been completed and paid for under industry-academia collaboration projects undertaken by all academic and administrative units of the university and their project leaders, and such money leftover does not need to be returned to the commissioning party.

1. The allocation of surplus:

1.1 If the surplus exceeds \$10,000:

- (1) Colleges of Liberal Arts, Management, and Social Sciences and Center for General Education:

First \$10,000: Project leader gets 40%, and 60% is allocated centrally by the university.

Beyond \$10,000: Project leader gets 97%, and 3% is allocated centrally by the university.

- (2) Colleges of Science, Engineering, and Marine Sciences and other units:

First \$10,000: Colleges and first-level centers get 40%, and 60% is allocated centrally by the university.

Beyond \$10,000: Project leader gets 95%, Colleges and first-level centers get 1%, 3% allocated centrally by the university, and departments, graduate institutes, and sections get 1%.

- 1.2 If the surplus is lower than \$10,000: Colleges and first-level centers get 40%, and 60% is allocated centrally by the university.

1.3 If the Principal Investigator is holding management position in the administrative/academic establishment of the University, any remaining balance of the project will be directly transferred by the Accounting Office to the University for arrangement unless the Client is otherwise governed by other applicable legal rules.

2. Surplus usage: Surplus is to be used for research and teaching. Project leaders may not use surplus to pay themselves. Surplus can be used in the following ways.

2.1 Hire assistants, purchase instruments, or pay miscellaneous expenses and other expenses related to teaching, research, and the development of industry-academia collaborations.

2.2 Surplus may be used to pay for international academic conferences or academic exchanges and visits.

2.3 Other expenses that have been specifically approved.

3. Management of surplus

3.1 Unless the commissioning party has agreed to extend the execution period of the project, the Accounting Department will transfer the surplus to surplus accounts according to the applicable surplus distribution formula. When one year has elapsed from the end of the execution period, and the project leader has not applied for or informed the university of the conclusion of their project,

3.2 The use of surplus is not limited by time. If the surplus is not used up at the end of an academic year, the Accounting Department can directly transfer it to be used in the following academic year.

3.3 After a project leader leaves his or her job, the Accounting Department will transfer the balance in the surplus account, if any, to an account to be used centrally by the university. However, if a project leader has retired but continues to be hired by the university in a teaching position and act as the advisor to theses or dissertations of graduate students, or hired as a contract researcher, or if he or she has been specifically approved, the person may use the surplus during the period when he or she is so hired. However, surplus cannot be used to pay his or her travel expenses.

XVI. If there is a need to use funds after the contract for the project takes effect but before the funds are deposited into the dedicated university account, the project leader can fill out an “application form for advance payments for commissioned projects at National Sun Yat-sen University” to request an advance of up to 50% of the project cost (excluding management fee). If more than 50% is needed, the project leader needs to apply as a special case. If the subsidizing or commissioning party fails to disburse money, the project leader is responsible for finding funds to pay the university back.

XVII. Unless otherwise specified by the commissioning party, the project leader should use project

funds to pay the health insurance premium, labor insurance premium, and the employer's portion of pension contributions for full-time assistants hired by the project.

XVIII. Matters not completely or thoroughly specified in this operational regulation should be handled in accordance with the relevant rules of this university.

XIX. This operational regulation has been approved by the Administrative Meeting and the University Endowment Funds Management Committee and submitted to the President for approval and then execution. Subsequent revisions are subjected to the same approval process.