Update

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Checklist for funding a technology transfer company

This checklist is to help a university decide whether it can provide funding to a technology transfer company.

The university should be able to answer yes to each applicable question (but see the explanatory material following question 3).

1. **Does the university have power to incorporate a non-charitable company and sufficient powers of investment to invest in it?**

2. **Is there a reasonable prospect of the venture leading to wider public benefit and so furthering the university's charitable work?**

3. **If not, can the use of the university's resources be regarded as a prudent investment in the university's interests?**

   In the case of non-charitable trading for profit, the university must have a prudent reason to undertake the fundraising activity. The trustees must make a fully informed decision based on the sole consideration of the university's best interests.

   The answer to either question 2 or question 3 must be yes if the university is to use its charitable resources to support a spin-out in conducting research that is not justified as a charitable activity. This is so whether the company is wholly or partly owned by the university.

4. **Is any private benefit to the participators incidental to furthering the university's aims?**

5. **Are the university's interests (for example, in any resulting intellectual property) properly secured?**

6. **Is any research resource of the university made available to the company at proper market value and under a formal arm's length arrangement?**

7. **Are the trustees persuaded that making research resources available to the spin-off would not undermine or unduly prejudice a continuing charitable work of the university?**