

University of Florida Research Foundation, Inc. (UFRF)

Julie Rhee
Finance Director, Office of Research
Secretary, UFRF

Presentation to the Faculty Budget Council
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University of Florida Research Foundation

- The University of Florida Research Foundation, Inc. (UFRF) was established as a not-for-profit 501.c.3 direct support organization in 1986
- Mission is to promote, encourage and provide assistance to the research activities of the University faculty, staff and students.

UFRF Board of Directors

David Norton, Chair	UF Vice President for Research
W. Kent Fuchs	UF President
Carolyn Roberts	Former UF Board of Trustee (appointed by UF BOT)
David S. Guzick	UF Sr. Vice President for Health Affairs
Jack Payne	UF Sr. Vice President for Agriculture and Natural Resources
Joseph Glover	UF Sr. Vice President for Academic Affairs and Provost
Curtis Reynolds	UF Vice President for Business Affairs
Cammy Abernathy	Dean, UF College of Engineering
David Richardson	Dean, UF College of Liberal Arts and Sciences
John Kraft	Elected
Brian K. Hutchison	Elected
Kim Simpson	Elected

UFRF Officers

David Norton	President
Mike McKee	Treasurer
Julie Rhee	Secretary
Jim O'Connell	Director, Tech Licensing
Stephanie Gray	Director, Sponsored Programs

UFRF Governance

- Full UFRF Board of Directors meet at least twice a year
- Finance Committee (at least five members) reviews and approves the annual budget to be presented to full Board for approval.
- Audit Committee (at least three members) arranges for independent audit at least annually

University of Florida Research Foundation

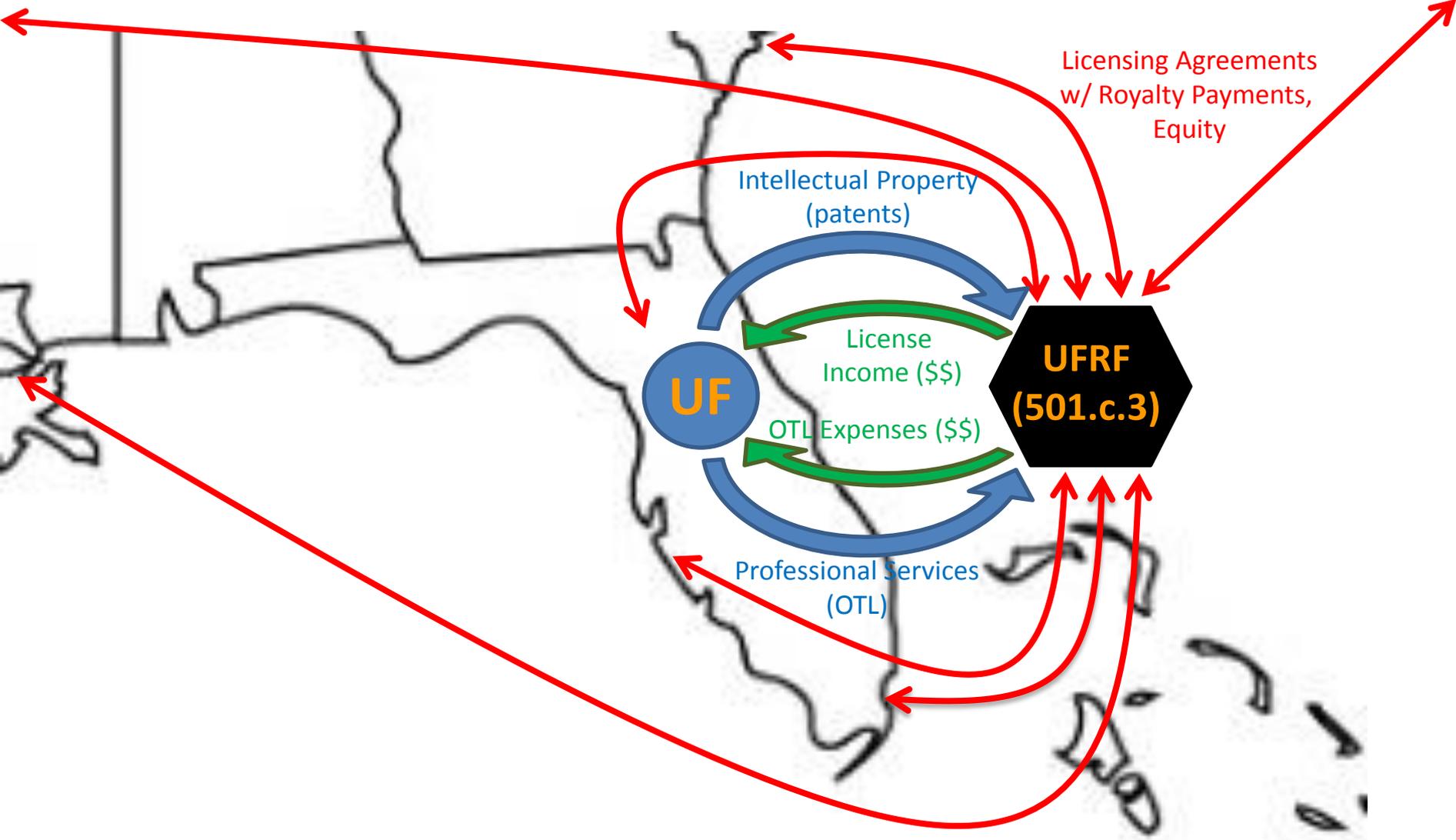
- Primary function is as the technology transfer arm for the University of Florida
 - Assists in the commercialization of intellectual properties, which include inventions, discoveries, processes and work products.
 - Holds ownership, manages, and collects licensing income for intellectual property (patents) generated by the University
 - Funds Office of Technology Transfer operations
 - Holds ownership of equity interests in startup companies
- Self-supporting; does not receive any State funds.
- UFRF has no employees
 - Technology transfer services provided by Tech Licensing
 - Other support services (accounting, etc.) provided by UF Office of Research
 - UFRF reimbursed UF for these services
- Net revenues used to support UF research enterprise

UF Technology Licensing (TL)

- TL Mission: Transfer UF discoveries from the laboratory to the market to make the world a better place
- The UFRF is supported by TL, a UF unit, to provide operational services in technology transfer
 - Filing and servicing patents
 - Managing and marketing UF IP
 - Negotiating and executing licensing agreements
 - Creating UF Startups

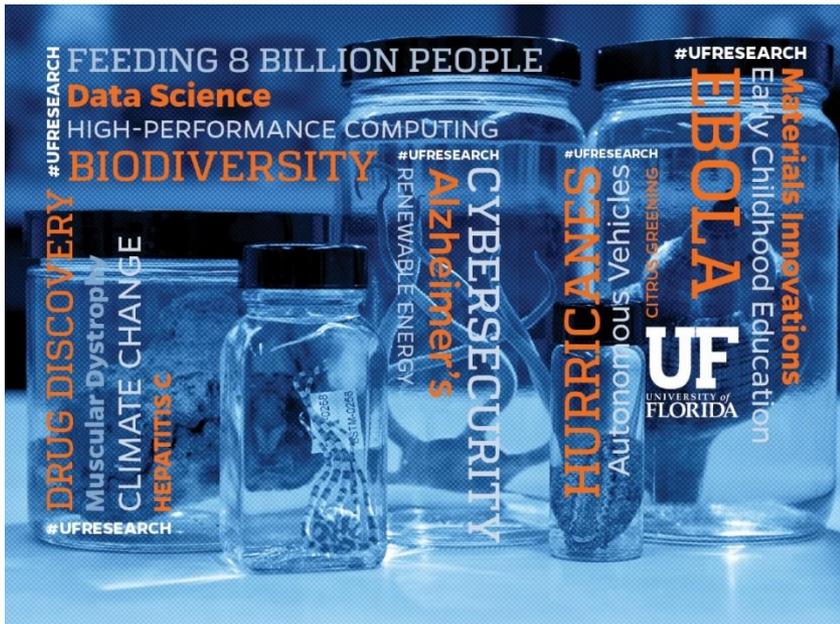


Role of UFRF in UF's Technology Transfer



Benefits to the University

- Over the past five years, the UFRF and OTL have facilitated:
 - Nearly \$130 million in royalties and licensing fees generated
 - \$99.5 million for research support
 - \$15.5 million provided to UF inventors
 - 75 UF startups
 - 1094 executed licenses/options (includes IFAS)
 - 1624 patents filed
 - 612 patents issued



Royalty Distributions

	<u>2017</u>	<u>2016</u>	<u>2015 (c)</u>	<u>2014</u>	<u>2013</u>
Royalties, Licensing Fees and Options	29,054,943	32,035,995	22,541,174	24,241,517	21,856,538
Allocations to Inventors (a)	3,117,991	6,030,332	1,769,715	2,532,728	2,014,882
Allocations to UF (a)	14,829,287	14,209,349	11,928,452	12,227,684	11,379,643
Total Allocations	17,947,278	20,239,681	13,698,167	14,760,412	13,394,525
Royalties-Allocations (b)	11,107,665	11,796,314	8,843,007	9,481,105	8,462,013

(a) When inventions and other intellectual property of the University are commercialized through UFRF, the net proceeds are distributed pursuant to the University's Intellectual Property Policy*

- 40% individual Creator(s)
- 10% Program(s)
- 7 ½% Creator(s)'s department
- 7 ½% Creator(s)'s college
- 35% UFRF

(* Net Adjusted Income over \$500K follows a slightly modified distribution formula)

(b) UFRF pays for patent costs, research awards and operating expenses.

(c) UFRF started to transfer all UFRF excess operating cash and investment balances to UF for investment (effective July 1, 2014)

Research Awards

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Research and development awards	3,357,776	3,362,566	6,839,894	5,737,882	8,078,631
Gatorade research allocations	1,414,469	1,519,388	3,540,382	715,809	311,588
	4,772,245	4,881,954	10,380,276	6,453,691	8,390,219

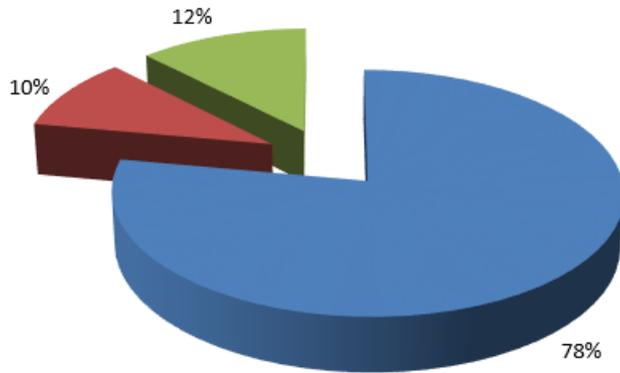
Research Awards (Continues)

- Clinical and Translational Science Institute (CTSI) matching support
- Hub Phase II matching support
- Animal Care Services equipment support
- Research Computing
- Various Startup and Retention Support
 - \$5M for Preeminence Initiatives
- Big Data
- IRB and IACUC meeting support

UFRF Professorship Awards

- **Professorship Terms**
- Each three-year UFRF Professorship includes a:
 - \$5,000 annual salary supplement
 - \$3,000 grant to support research, to be awarded in year one of the three-year tenure of this professorship.
- A maximum of 34 new awards are awarded annually.
- Nominations are invited in January, for submission in March.
- Awards are made in May.

UFRF Revenues and Expenses (FY2017)



- Royalty Revenue
- License Fees & Options
- Reimbursement Patent & License Costs

Operating revenues (royalties, licensing fees)	\$29,054,943
Reimbursed patent/licensing fees	\$4,051,163
Misc. revenues	\$55,308
Nonoperating revenues	\$2,336,278
TOTAL REVENUES	\$35,497,692

Inventor royalty allocation	\$3,117,991
Unit royalty allocation	\$14,829,287
R&D awards, allocations	\$4,772,245
Operations/administration	\$4,193,804
Patent, licensing costs	\$6,803,445
TOTAL EXPENSES	\$33,716,772

Change in net position	\$1,780,920
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Importance of the UFRF as a DSO

- Key benefits specific to operating within this 501.c.3 entity
 - Able to maintain confidentiality of Patent Disclosures, Licensing Agreements, other business agreements
 - Legal capacity to hold equity in startup companies or other legal entities
 - Exploring additional opportunity to leverage UFRF 501.c.3 status in facilitating international R&D



Going Forward: Strengths, Opportunities and Challenges



- Strengths
 - Future royalty stream is projected to be fairly stable
 - UF's rise in external recognition enhances marketability of IP
 - Increase in number of research faculty increases quantity of IP
- Opportunities
 - Growing portfolio of intellectual property available for commercialization
 - Leveraging 501.c.3 status to bridge gaps in UF global activities
- Challenges
 - Providing resources and infrastructure for existing and anticipated new faculty hires.

