

KSURSF BOARD MEETING

9 April 2012

Attendees: Ken Harmon (KH), voting member; Randy Hinds (RH), voting member; Charles Amlaner (CA), voting member; Flora Devine (FD), voting member; Ron Matson (RM), voting member; John Salerno (JS), voting member; John Marshall (JM), non-voting advisor; Carolyn Elliott-Farino (CEF), non-voting secretary. Guests: Jim Heitner and Tyler Tatum, Ripple Management.

Ripple Management Presentation

Prior to the start of the meeting, Jim Heitner and Tyler Tatum of Ripple Management, a technology commercialization firm, made a presentation to the Board about working with KSURSF on technology transfer. After a brief introduction about their qualifications and experience (www.ripplemgmt.com), Heitner and Tatum walked the Board through the tech transfer process from research and development → inventions → assessment → IP protection → marketing → licensing → products. According to Heitner and Tatum, most universities tend to split the proceeds from tech transfer with the inventors, unlike industry. University culture is one of teaching and publishing, collaboration, and three year projects, whereas industry is exploitative and mercenary with a focus on quarterly results. Universities are a good place to invent because they have the resources, can manage risks, and maintain confidentiality. Heitner and Tatum maintain that researchers at companies have to fight for resources and get only a thank you for their work.

The presenters told the Board that KSU needs a new intellectual property (IP) policy as the existing one is outdated and gives researchers no incentive to pull inventions into central administration. Ripple also said that there needs to be outreach to educate faculty and that KSU needs to implement processes comparable to other universities.

Ripple made a three-pronged proposal to the Board to enhance tech transfer at KSU:

1. Investigate and propose an updated invention disclosure policy;
2. Assist in developing associated collateral such as a website and contracts;
3. Assist in outreach to faculty.

Factors to consider about the disclosure policy include: Should we prosecute those that fail to disclose? Should we encourage disclosure in order to support faculty? We could start out with a loose, invitational disclosure policy and eventually get tougher and require faculty to disclose.

Questions about patent filings include: Should we patent every disclosure? Should we discard if the provisional patent has no partner? Should we patent nothing? Ripple talked about doing a quick market analysis to determine whether to patent, and also referred to the provisional patent, costing \$1,000-\$10,000 vs \$25,000-\$50,000 for a full patent, as an option.

Licensing issues include: Should we encourage start-ups through financial support, mentorship, or an incubator? Should we market inventions to large companies? Should we focus solely on patents?

While no cost proposal was put forth, in consideration for working with KSU/KSURSF to increase tech transfer, Ripple indicated that they would be interested in an equity interest of the IP.

Board Meeting Minutes

1. The meeting was called to order at 1:58 PM.

2. The minutes from 13 October 2011 were approved.
3. Board members completed and signed conflict of interest disclosure forms and remitted them to the Board secretary.
4. A resolution to amend Article Four, Section 4.3 of the Bylaws, changing the term of the Faculty Senate representative from three years to two years to coincide with the period of time faculty serve on the Senate, was put forth for discussion. The resolution was approved unanimously and is attached as Attachment 1.
5. KSURSF issued an RFP to conduct its audit in July/August and prepare its calendar year 2012 taxes. The RFP was sent to three firms: Rushton and Company; Mauldin & Jenkins; and Cherry, Bekaert & Holland; Rushton and Mauldin submitted proposals, Cherry did not. The Board reviewed the two responses and selected Mauldin & Jenkins due to their familiarity with KSU and the KSU Foundation. By unanimous vote CA was empowered to negotiate the price with Mauldin.
6. CA presented the KSURSF FY 12 financials through February 2012. A suggestion was made to present the indirects in separate columns. A question was asked about the royalties and these were explained. We will review the accounting of the book royalties and also see if they have been assigned to KSURSF. A question was asked about other income and a more detailed financial report was requested for the next meeting. JM suggested that KSURSF put its financials on its website. A motion was made that the Board agree that they have reviewed the financials and this passed unanimously.
7. In addition to the external audit to be conducted by Mauldin & Jenkins, KSU's internal auditing team is scheduled to audit KSUSRF this summer. A question was raised as to whether the internal audit was necessary. KH said that the audits serve different purposes and that he thinks it is a good idea to have the internal audit and that it shows KSURSF is transparent. The Board decided that the internal audit would proceed as scheduled.
8. A motion was approved to maintain \$25,000-\$50,000 in the bank account and move the remaining funds to the Georgia Fund One account to be set up.
9. A discussion ensued about changing banks to one that is more user friendly to KSURSF. The Board approved a motion to enable the COO, Charles Amlaner, to negotiate and find a new bank.
10. John Salerno had to leave at 2:49 PM to teach a class.
11. The next item on the agenda was to review KSURSF business process documents. CA was empowered to develop forms and processes, which will be reviewed at the next Board meeting. The Board also approved a move to use online forms and digital signatures.
12. FD explained the issue around retaining all F&A (indirects), including KSU's portion, in KSURSF accounts. The KSU controller, Julie Peterson, would like the KSU F&A to be transferred to KSU; she believes that leaving the funds in KSURSF will lead to an audit finding because the state auditors

consider this to be state money. The Board decided that KSURSF should talk to the controller of Georgia State, Bruce Spratt, to see how GSURF handles F&A. The Office of Research was tasked to follow up on this issue with Flora Devine.

13. The CEO, Ken Harmon, had nothing to report.
14. The COO, Charles Amlaner, gave an update on IP work in KSURSF: one full patent pending; three software development agreements with options to license in the future in Canada, New Zealand, and Sweden; four provisional patents; and two patents in progress. In lieu of KSU's outdated IP policy, individual agreements were drafted for each IP action, splitting IP profits 50/50 between the inventor and KSURSF. KH and CA will talk about contacting Beverly Lyman to be a consultant in developing an IP policy for KSU and KSURSF.
15. There being no further business, the meeting was adjourned at 3:31 PM.

ATTACHMENT 1

**AMENDMENT TO BYLAWS
9 APRIL 2012**

KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOUNDATION, INC.

The Bylaws of the Kennesaw State University Research and Service Foundation, Inc., are hereby amended as follows:

ARTICLE FOUR, BOARD OF DIRECTORS
SECTION 4.3, TERM OF OFFICE

Those directors who hold their position on the Board of Directors by virtue of their position as officials of Kennesaw State University shall serve on the Board for unlimited terms, as long as they hold their positions in good standing at Kennesaw State University. The board member appointed by the Faculty Senate of Kennesaw State University as provided by section 4.2 above, shall serve on the Board of Directors for a term of two (2) years duration. Other members of the Board may be elected at any time by the affirmative vote of a majority of Board members, or as authorized by resolution of the Board, and shall serve for terms of three (3) years duration.

All other aspects of the Bylaws shall remain the same.