

# **PHPR Faculty Intellectual Property Fees Policy 10.28.15**

1. This policy applies to PHPR faculty or staff members authorized to serve as PI or Co-PI on externally sponsored grants/contacts.
2. Intellectual property fees are generated when faculty members execute certain contracts with industrial support. These fees are paid by the contracting agency for services provided by faculty, in excess of salary support. In exchange for the fee, faculty and the University waive their intellectual property rights to future potential revenue. When the fees are paid by the contracting agency, 100% of the money is provided to Departmental home of the faculty member.
3. For faculty who generate funding from intellectual property fees, the following guidelines will be applied.
  - a. Upon receiving intellectually property fees, the Department will share the fees with the individual faculty member in a 50/50 split. The Department will maintain 50% of the fee and the faculty member will receive the other 50%.
    - i. For example, if the IP fee for a given contract is \$10,000, then Prof. Jones is provided with 50% of the fee (\$5,000) while the other 50% is retained by the Department.
  - b. In the event that two or more faculty collaborate on a contract that generates an intellectual property fee, the Department will share 50% of the fee with all collaborators based on the credit split indicated on the proposal.
    - i. For example, if the IP fee for a given contract with two faculty collaborators is \$10,000, and Prof. Jones is credited with 75% while Prof. Smith is credited with 25%, then the Department will retain 50% of the \$10,000 fee (or \$5,000). The remaining \$5,000 will be divided as 75% (\$3,750) to Prof. Jones and 25% (\$1250) to Prof. Smith.
4. The funds will be deposited into individual discretionary accounts for each faculty members' use. These funds can be used for any professional related expenses allowed on university discretionary funds, but cannot be used as a supplement/bonus payment for personal salary. Each faculty member is responsible for their own spending of these funds.
5. If funds are not utilized in a given fiscal year, they will be rolled over for use in subsequent years at the discretion of the faculty member.
6. If a faculty member leaves the department, any amount remaining will go into the general department fund.