

**Policy for Establishing
Industrial Affiliates Programs (IAP)**
at The University of Texas at Austin

Responsible Officer: Vice President for Research
Sponsoring Office: Office of Industry Engagement
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POLICY STATEMENT

This policy applies to programs for broadly defined areas of basic research of common interest to academia, business, and industry which are typically referred to as Industrial Affiliates Programs (IAPs). IAPs are supported by multiple companies through membership fees and serve as an alternative way for The University of Texas at Austin research community and IAP members to facilitate the transfer of knowledge and discussion.

RATIONALE

The purpose of this policy is to describe procedures for the establishment and administration of Industrial Affiliates Programs (IAPs).

SCOPE

This policy applies to all departments, colleges, schools, laboratories, centers, institutes, bureaus, and research groups, projects, or teams.

WEBSITE ADDRESS FOR THIS POLICY

<http://www.utexas.edu/research/osp/iap.html>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies & Standards	Other Policies & Standards
<ul style="list-style-type: none"> • <i>Regents' Rules and Regulations, Series 90101 – Rules for Intellectual Property: Purpose, Scope, Authority</i> • <i>Regents' Rules and Regulations, Series 90102 – Intellectual Property Rights and Obligations</i> • <i>Regents' Rules and Regulations, Series 90103 – Equity Interests</i> • <i>Regents' Rules and Regulations, Series 90104 – Business Participation and Reporting</i> • <i>Regents' Rules and Regulations, Series 90105 – Execution of Legal Documents Related to Intellectual Property</i> • <i>Regents' Rules and Regulations, Series 90106 – Income from Intellectual Property</i> • <i>UTS110, Employees of the University of Texas System: Financial Disclosure and Conflict of Interest Statement</i> • <i>UTS180, Conflicts of Interest, Conflicts of Commitment, and Outside Activities</i> • <i>Regents' Rules and Regulations, Series 80105 - Joint Sponsorship of the Use of Property or Buildings</i> • <i>Handbook of Operating Procedures, Chapter 5, Special Programs, Publications, and Projects</i> • <i>Regents' Rules and Regulations, Series 40602 – Organized Research Units</i> 	<ul style="list-style-type: none"> • <i>Rev. Proc. 2007-47, Internal Revenue Code of 1986 Section 141 (b)</i> • <i>Internal Revenue Service Publication 598, Tax on Unrelated Business Income of Exempt Organizations, http://www.irs.ustreas.gov/</i> • <i>The National Cooperative Research and Production Act of 1993 ("NCRPA" or "Act"), 15 U.S.C. §§ 4301-06</i> • <i>The Sherman Antitrust Act of 1890, 15 U.S.C. §§1-7</i> • <i>The Clayton Act of 1914, 15 U.S.C. §§12-27, 29 U.S.C. §§52-53</i> • <i>Texas Public Information Act, Government Code Chapter 552</i>

CONTACTS

If you have any questions about the UT-Austin Policy for Establishing Industrial Affiliates Programs, contact the following office(s):

Subject	Office Name	Telephone Number	Email/URL
Industry Affiliates Programs	Office of Industry Engagement	512-471-3866	industry@austin.utexas.edu

DEFINITIONS

Industrial Affiliates Programs (IAP)

These membership programs are a gateway for launching and conducting frequent, open communication between participating researchers and the corporate community. Companies gain direct access to state-of-the-art research capabilities and other benefits in exchange for annual membership fees which primarily fund basic research for program team members. IAP members are not granted intellectual property rights, there are no required deliverables, and therefore there are no indirect costs associated with this research, as there are with other Research Participation Agreements (RPAs) that provide access to the use of the intellectual property.

Sponsored Research Projects

In contrast to IAPs, sponsored research projects are supported by an external funding source, under a mutually binding agreement that restricts the use of the funds to the approved project and stipulates other conditions with which the university must comply. Sponsored projects typically:

- are initiated by a formal proposal and award notice
- are restricted to a particular purpose as described in the proposal
- require technical and/or financial reports to the sponsor, and
- entail other administrative requirements.

ROLES & RESPONSIBILITIES

Office of the Vice President for Research

- Reviews and approves all written requests to establish Industrial Affiliates Programs at UT – Austin.

Office of Industry Engagement

- Reviews written requests from faculty to establish Industrial Affiliates Programs and forwards them to the Office of the Vice President for Research for approval.
- Prepares standard Industrial Affiliates Program (IAP) Membership Agreements
- Forwards approved Industrial Affiliates Program Membership Agreements to IAP Program Coordinators
- Reviews requests from Program Coordinators for modifications to the standard Industrial Affiliates Program Membership Agreement
- Educates Program Coordinators and/or Program Directors on IAP compliance issues

Deans Office/Head Administrator

- Reviews written requests from faculty to establish Industrial Affiliates Programs and forwards them to the Office of the Office of Industry Engagement for approval.

Chair/Head of the Administrative Entity

- Reviews written request from faculty to establish Industrial Affiliates Programs and forwards them to Deans Office/Head Administrator for approval.

Program Director/Faculty Lead

- Acts as IAP Director
- Identifies basic area of research
- Develops research methodology
- Recruits students
- Sets membership fees
- Attends orientation session with OIE staff regarding administrative process and compliance issues for IAP (if PI has no prior experience with IAPs)
- Hosts annual workshop/meeting to present research results, working sessions, opportunities to discuss employment of University students and graduate students for both permanent and co-op/internship programs

Program Coordinator

- Maintains a website of member affiliates
- Prepares and sends invoices to member affiliates
- Collects membership fees and routes them through the Office of Industry Engagement for deposit.
- Attends orientation session with OIE staff regarding administrative process and compliance issues for IAP
- Handles day-to-day program administration
- Prepares and submits a Request for Renewal to OIE three months prior to expiration of the term of the IAP.

PROCEDURES

Principles

The principles which apply to all Industrial Affiliates Programs at UT Austin include:

- promotes opportunities for undergraduate and/or graduate student education;
- increases the awareness of academia to the challenges facing industry and exposes university faculty to industry approaches to research;
- provides opportunities to industry scientists to stay current in the latest developments in broad areas of basic science which are of strategic interest to their companies;
- leverages the contributions of member affiliates to stretch limited resources and furnish cost effective means of doing research;
- maintains the University's role as a credible and impartial resource; and
- protects the right of faculty members to pursue research topics and methodology of their choice.

Guidelines

- Approval to establish Industrial Affiliates Programs (IAPs) must be requested from the Vice President for Research and the originating investigator's administrative entity and office of the college/school Dean, or Head Administrator. IAPs that violate the rights and privileges of faculty or students, or

impair the education of students or restricts their subsequent career choices will not be approved. [Please see, Instructions for Requesting Approval to Establish IAP at UT-Austin.](#)

- Access to membership in Industrial Affiliates Programs (IAPs) should be available equally to all eligible companies prepared to meet the obligations of membership as set forth by each program, subject to constraints of program size and programmatic focus. Industrial Affiliates Programs can offer facilitated access to UT Austin's research programs and to relevant faculty and students. However, non-member companies must not be excluded from access to such resources, although the access by non-member companies may be in less convenient forms.
- While member companies may offer suggestions for research activities, the involved faculty must be free to select research topics, adopt research methodology, select participants, and direct research funded by the programs.
- Industrial Affiliates Programs should not detract from University resources available to UT Austin faculty or students. In those programs which permit Industrial Affiliates to send representatives to campus to collaborate on research activities with participating faculty, selection procedures and criteria for selection of the industrial scientists should be consistent with procedures and standards applicable to other visiting researchers at the University and include having met all requirements of the University's Visiting Researcher Program before the visitor's arrival. See www.utexas.edu/research/resources/visiting-scholar-researcher-program.
- Each department, college, school, center, laboratory, institute, bureau and research group, project, and team that sponsors an Industrial Affiliates Program must create a link on its home page to a website for Industrial Affiliates Programs within the department, college, school, center, laboratory, institute or bureau. At a minimum, the website must include the eligibility requirements for the programs, the programs' participants, the programs' benefits and the cost of participation.
- Industrial Affiliates Programs must have a minimum of three companies participating as program members.
- Industrial Affiliate Programs must have an initial annual funding level of US\$150,000.00, with a goal of achieving a \$500,000.00 annual funding level by the end of the Program's first term.
- Industrial Affiliate Programs are established for a set term, usually five years. At the end of each term the Program is reviewed for extension by the Office of the Dean or Head Administrator to ensure the Program is actively engaged in activities appropriate to its mission of promoting educational opportunities and increasing interactions with industry.
- To assist in the renewal process three months prior to expiration of the term of the IAP the Program Coordinator shall forward to OIE a Request for Extension containing a brief rationale for the requested extension, including 1) a brief statement of the Program's goals and objectives for the previous term, 2) a brief summary of any modification(s) to the Program's goals and objectives for the term of the requested extension, 3) a list of then current members, 4) a brief statement addressing whether any Intellectual Property has resulted from the research being conducted during the life of the IAP, 5) the income to-date for the Program and current balance, and 6) the requested time extension.
- Industrial Affiliates Program membership does not convey any grant of intellectual property rights and there are no required project deliverables, nor are membership fees subject to the University's negotiated indirect cost rates,

Industrial Affiliate Program membership fees are for the unrestricted use of the program being supported. The University may use a portion of the membership fees for university infrastructure.

- Licenses and other intellectual property rights may be offered to Industrial Affiliates Program members consistent with Regents *Rules and Regulations* on Intellectual Property and University policy.
- Each Industrial Affiliates Program is required to designate an employee responsible for coordinating the Industrial Affiliates Program's activities. The designated Program Coordinator's duties will include responsibility for understanding the requirements and limitations of Industrial Affiliates Programs, reviewing the programs for compliance with this policy, and explaining these requirements and limitations to Program members.
- Each member of an Industrial Affiliates Program must sign the University's standard membership agreement. Any member comments regarding the agreement should be forwarded to the Office of Industry Engagement for review only after the Program Coordinator has discussed the Program requirements and limitations with the member.

FORMS AND TOOLS/ONLINE PROCESSES

[Instructions for-Requesting Approval to Establish an Industrial Affiliates Program \(IAP\)](#)

[IAP Membership Agreement](#)

[IAP Policy-on Establishing Industrial Affiliates Programs \(IAP\) at UT-Austin](#)

APPENDIX

N/A