

# FCR 2

Office of the President  
June 24, 2016

Members, Board of Trustees:

ESTABLISHMENT OF THE UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION  
RESEARCH INNOVATION QUASI-ENDOWMENT FUND

Recommendation: that the Board of Trustees approve the establishment of the University of Kentucky Research Foundation Research Innovation Quasi-Endowment Fund.

Background: Pursuant to the University of Kentucky's policy on Intellectual Property Disposition, Administrative Regulation 7:6, royalty income from inventions licensed by the University of Kentucky Research Foundation (UKRF) is shared with the originator; the originator's home college, department or administrative unit; and UKRF. Due to licensing activities over time, UKRF has certain unexpended royalty income retained from its share of royalty income.

UKRF, consistent with the practice of other research foundations, requests use of the funds it retains from royalties in the amount of \$5,000,000 to establish the University of Kentucky Research Foundation Research Innovation Quasi-Endowment Fund at the University to support and enhance:

1. strategic initiatives within the research enterprise;
2. internal grants and awards programs;
3. research competitiveness of the faculty, staff, and students; and
4. operations of the Office of the Vice President for Research.

UKRF's share of future unrestricted royalty distributions may be added to this Fund. The UKRF Board of Directors approved the creation of this endowment at its May 25, 2016 meeting.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_