



## Guideline for the Administration of Financial Prizes for Entrepreneurs and Startup Companies

The University of Toronto (U of T) is Canada's leading university and consistently among the top ranked universities worldwide. Supporting entrepreneurship is aligned with the mission and strategic directions of the university which includes goals to "encourage creativity and innovation within the University community" and to "facilitate the translation of knowledge for the greatest possible public benefit, including by commercialization."

The purpose of the *Guideline for the Administration of Financial Prizes for Entrepreneurs and Startup Companies* is to create a framework for units seeking to support entrepreneurial students, trainees and startups at U of T through the provision of direct funding. Such funding will be provided on a competitive basis and will encourage eligible applicants to develop creative proposals that require them to consider and analyze various aspects of their proposed business, including the socio-economic benefits. Without limiting the areas of the entrepreneurship support, prize funds may include support for proof-of-concept prototypes, intellectual property protection, recruitment of team members, development of business models, and market testing.

The *Guideline* is issued by the Vice-President, Research & Innovation in consultation with the Vice-President & Provost, Vice-President Advancement, and Vice-President University Operations.

### Eligibility

Individual entrepreneurs and start up companies that meet the following criteria will be eligible to receive prize funds at U of T

1. Individuals must be a current U of T student or trainee.
2. Companies:
  - a. The startup company must be a newly (less than 3 years) incorporated entity registered in the province of Ontario and/or federally registered in Canada.
  - b. The commercial products or services of the company should enable socioeconomic benefits to the public and be consistent with the academic and research mission of the university as a public institution.
  - c. The company must have a relationship to the university which could include any of:
    - i. Company is based on UofT IP or other research and scholarly results,
    - ii. Founders include a current UofT faculty, trainee, or student,
    - iii. Founders include a recent (less than 2 year) UofT alumni, or
  - d. The company must be actively affiliated with a UofT-based entrepreneurship program (i.e. Impact Centre, Hatchery, UTEST, The Hub, ICUBE, CDL, DCSIL, H2i, Start@UTIAS).

## **Awards**

Prize funds for entrepreneurship support purposes are provided as awards and are not expected to be associated with any exchange of good or services, investment terms, equity, repayment or any other commercial considerations. While there may be a report required of the recipient on the outcomes, there is no requirement for an accounting or financial report.

The value of any single award and/or any cumulative award to one individual or company shall not exceed \$50,000. Under exceptional circumstances, the University of Toronto Entrepreneurship Management Committee may approve an award with a higher value.

Payments to a corporation will be administered through Financial Services. The university will not provide a taxation receipt or other guidance as to how the company should administer or report on the prize funds.

Payments to individuals will be made as prizes and will be managed in accordance with University policies.

## **Founders' Pledge**

As part of the Award process, the recipients will be encouraged to make a Founders' Pledge to support the U of T through:

1. Ongoing updates on the initiatives supported through Financial Prizes for Entrepreneurs and Startup Companies,
2. A commitment to mentoring of future U of T entrepreneurs,
3. Continuing engagement in U of T entrepreneurship activities, events, education, research and,
4. When future success permits and to the extent possible, to provide donations back to U of T to support the next generation of entrepreneurs.

## **Approval Process to Establish a Prize Fund**

Prize funds can be established university-wide (centrally) or within a particular academic division or UofT based entrepreneurship program. University-wide prize funds to be awarded to individuals or companies are to be approved in writing by the Vice President, Research & Innovation (or Designate). Proposals to establish prize funds in support a particular academic division are to be approved in writing by the Dean (or Designate) of the administering unit and brought forward to Vice-President, Research & Innovation who will facilitate the university approval process.

An academic division may propose to engage in activities to provide financial support for entrepreneurs or startup companies in a manner not contemplated by this *Guideline*. The assessment of such proposals is part of the University's governance procedures. Proposals must reflect the overall values and mission of the University as stated in the *Statement of Institutional Purpose*, be fiscally responsible and be the product of broad consultation with members of the academic division and other stakeholders. The head of the academic division shall bring any such proposal to the attention of the Vice-President, Research & Innovation for review and to facilitate consultation with relevant senior officers and engaging University governance as necessary.

## **Prize Fund Adjudication**

Prize funds from the University to an individual or company must undergo a transparent and multi-person adjudication process. Any unit administering a prize fund must develop a process that is aligned with this *Guideline*, and provide a report to the University of Toronto Entrepreneurship Management Committee including the details of a prize competition, adjudication process and outcomes.

**Funds Management**

All Prize funds will be held as a series of centrally segregated funds each of which will have criteria consistent with this *Guideline* and as approved by the University of Toronto Entrepreneurship Management Committee. Funds may be expendable or endowed and will be invested in accordance with U of T policies.