

Operation Plan for Technology Start-up Support Scheme for The Universities at HKU (TSSSU@HKU)

Technology Transfer Office
University of Hong Kong
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[Note: These Guidelines are subject to updates and refinements by the University from time-to-time. This document is developed making reference to the TSSSU Application and Reimbursement Guidelines of issued by the Innovation and Technology Commission (ITC) in September 2014, “New Initiatives on promoting of Innovation and Technology” paper of the Legislative Council Panel on Commerce and Industry 2014, and guidelines of similar funding schemes in other sister institutions in Hong Kong.]

Operation Plan and Regulations for TSSSU@HKU

Introduction

1. The Innovation and Technology Commission (ITC), under the Innovation and Technology Fund (ITF), has set up a new Technology Start-up Support Scheme for Universities (TSSSU) to provide funding support to six local universities to encourage their students and professors to start technology businesses and commercialise their research and development (R&D) results. The funding from TSSSU aims to provide better support for technology start-ups to translate new ideas into business opportunities. TSSSU@HKU scheme is such funding scheme under the University of Hong Kong (HKU).
2. The funding scheme is approved initially for 3 years, with up to HK\$4 million a year made available to each of the six universities with technology disciplines on a reimbursement basis.
3. This document is based on the Guidelines of the TSSSU Scheme from the Innovation and Technology Commission (the “ITC Guidelines”), with additional requirements and information relevant to HKU. Applicants may wish to consult the ITC Guidelines available concurrently on the TTO (www.tto.hku.hk) and the Research Services websites (www.rss.hku.hk), as they are the overarching guidelines for this Scheme. In case there is any disparity between the ITC Guidelines and this operation plan, the former should prevail.

Objectives

4. Knowledge Exchange (KE) is one of the three pillar missions of the University. Technology transfer, which is an important part of KE, is the process of bringing technological innovation, inventions and intellectual property developed from R&D projects in the University to the industry and the market for the benefits of society and the economy.
5. The objective of the TSSSU@HKU is to make use of the funding support from the Government to encourage more technology start-up ventures to be formed, primarily based on technologies developed at the University, and thereby cultivate and enrich the entrepreneurial culture and ecosystem within HKU.
6. Due to the limited resources available from the TSSSU@HKU scheme, the funding support, for most cases, is intended to be a seed-funding scheme facilitating ideas, innovations, research results to germinate into an incubation stage through a start-up company, so that it may potentially attract angel funding and venture capital support to grow the company to fully exploit the innovative technology for commercial development. It is **not** intended to be a supplementary research project funding or an alternative to applied research project funding.
7. Disregard the success or failure of the start-up ventures funded by this scheme, the participants of the Scheme would gain valuable entrepreneurship experience through the process of taking a new technological innovation to the real application environment and gain the start-up experience first-hand.

Funding Focus and Priorities

8. As stipulated by the ITC Guidelines, TSSSU@HKU is a technology “start-up” funding for new ventures. The application must be from a qualified company registered in Hong Kong (see Paragraph 28), represented by the *Person-in-charge* of the application company meeting the eligibility criteria as detailed in Paragraph 27. Preference will be given to inventions, technologies and intellectual property developed at HKU.

9. Funding focus and priorities will be given to (but not limited by) the following:
- (a) Start-up using inventions and technologies developed by HKU. (Proper licensing agreement with HKU is needed prior to application).
 - (b) Start-up using inventions and technologies developed jointly between HKU and its collaborators. (Similarly, proper licensing agreement with the IPR owners is needed prior to application).
 - (c) Start-up based on technology developed by students or alumni (within 3 years of graduation) during their course of study at the University as part of their curriculum (e.g. Final Year projects, research projects). The application team must have the right to commercialize the relevant technology.
 - (d) Technology innovations by staff or students resulting from employment or studies at HKU, with a significant 'knowledge' and 'technology' component.
10. As this is intended to be funding for technology start-ups, especially using technology developed by HKU or at HKU, trivial use of technology (e.g. a simple website) or a me-too copy-cat venture (e.g. another me-too mobile app) would unlikely be considered for funding.

Funding Scope and Duration

11. Based on the conditions and requirements set by ITC, TSSSU@HKU is a cash-based funding scheme (as opposed to a 'project-based' funding scheme). Due to the reimbursement nature of the funding support from the Government, the successful applicant will be awarded cash funding in form of an interest-free *cash-advancement* from HKU equal to the awarded amount under TSSSU in instalments. The *cash-advancement* will be fully redeemed with the reimbursement from the Government to the University under the TSSSU Scheme of ITC. The funded start-up is held responsible to assist HKU to claim the reimbursement by abiding to the Guidelines set by ITC under the TSSSU Scheme and provides the University with all required reports and documents.
12. Each successful technology start-up will be funded for no more than three (3) years, with a maximum funding capped at HK\$1.2 million per year, subject to the final *Approved Funding Budget* (AFB) by the University and the ITC. Any unspent award by the end of the Government financial year will be forfeited and the equivalent *cash-advancement* amount should be returned to HKU.
13. The TSSSU funding should be used in a reasonable and proportionate manner in the following areas for achieving the milestones set out in the approved business plan:
- (a) essential items for setting up and operating the technology start-ups (e.g. furniture and equipment, legal and accounting services, rental of necessary and suitable premises, manpower etc.);
 - (b) R&D expenditure (e.g. manpower, equipment, other direct costs, etc.); and
 - (c) promotion of the technology start-ups and marketing of their project deliverables.
14. Any expenditure item or part thereof which is already funded by the Government, a Government-subsidized body/institution or the host university will however not be funded under TSSSU, i.e. no double payment is allowed for the same part of an expenditure item.
15. Some examples of items not to be funded under TSSSU are –
- (a) rental expenses that are irrelevant to the operations of the technology start-ups;
 - (b) costs of forming associations;
 - (c) investment of any kind except for deposit of funds in the bank accounts of the funded technology start-ups;
 - (d) repayment of any loan (including but not limited to student loan) taken out by the funded technology start-ups and their members and employees;
 - (e) any trip that is unnecessary or irrelevant to the operations of the technology start-ups;

- (f) entertainment expenses that are unnecessary or irrelevant to the operations of the technology start-ups;
- (g) fees charged to technology start-ups arising from general services (e.g. office administrative services, etc.) provided by the universities;
- (h) any expenditure item that is unnecessary or irrelevant to the operations of the technology start-ups; and
- (i) any events or activities that are inconsistent with the laws or regulations of Hong Kong or other applicable jurisdictions.

16. Activities of the technology start-ups funded under TSSSU should primarily be conducted within the territory of Hong Kong. However, given the objective of TSSSU to support technology start-ups, up to 50% of the TSSSU funding provided to each technology start-up in each Government financial year can be incurred in the Mainland and other countries.

17. HKU will not take equity in the funded technology start-ups or claim intellectual property rights arising from their businesses as a result of this funding programme, unless otherwise agreed by both parties (e.g. equity in lieu of license fee of HKU technology, investment in cash or in kind by the University etc). Please refer to Paragraph 41 on IPR.

18. If the start-up uses technology and intellectual property belonging to the University, the start-up should contact the Technology Transfer Office of HKU, and should enter into a licensing agreement with HKU before using such technology or intellectual property.

19. Although the maximum duration of funding is 3 years, it is generally a good principle to windup failing business as soon as possible. In this respect, TSSSU@HKU should be considered as a seed funding, not an investment to sustain a business, and preference would be given to applications that require funding for a shorter duration.

20. TSSSU@HKU can only be awarded to registered companies, not individuals. *Eligible Applicant* (see Paragraph 25) may submit application prior to setting up the company, or submit application for an existing company, but the technology start-up has to be registered as company by the ITC's Cut-off Date. However, for first time TSSSU@HKU applicant, the company cannot be registered more than twenty-four (24) months as of the date of the ITC's *Cut-off Date* to be qualified as a "start-up" company. The ITC's "*Cut-off Date*" shall be 14 November, 2014 for the 2014-15 Government financial year and 15 March for the subsequent application years.

21. To avoid disproportional distribution of limited funding resources and to control burn-rate of the start-up, manpower remuneration from the TSSSU@HKU funding is limited to a maximum allowable rate per full-time staff (or proportionally for part-time staff) depending on the qualification of the staff:

- (a) HK\$10,000 per month maximum for a non-degree staff;
- (b) HK\$15,000 per month maximum for staff with a Bachelor degree;
- (c) HK\$20,000 per month maximum for staff with a Master or higher degree.

For the avoidance of doubt, this above applies equally to *team members* (see Paragraph 26).

22. The Awardee Company may provide additional (or substitute) incentives to staff by:

- (a) topping up the above remuneration cap with funds from other sources;
- (b) providing alternative incentives like shares, stock-options, bonus, commission etc.

23. Each successful Awardee Company will be funded for one (1) Government financial year for the year that their funding application is awarded (Except for the 2014-15 Government financial year, the reimbursement period for TSSSU will be less than one full year). Awardee Company can apply for second and third year funding (continuous funding), but each year requires a new application and approval before award can be made. For the avoidance of doubt, notwithstanding "technology start-up will be funded for no more than

three (3) years” as indicated in paragraph 12, a start-up will not be given approval for funding support for more than one year since additional funding after the first year is always subject to further application and approval.

24. Continuous funding application by past Awardee Companies will be evaluated together with all new applications on an equitable competitive basis. Successful completion of all milestones and deliverables are essential factors to be considered.

Eligibility

25. An *Eligible Applicant* must be from one of the following:

- (a) current full-time professoriate staff of HKU;
- (b) current full-time or part-time students of HKU;
- (c) graduate of HKU for no more than 3 years as of the announced *Cut-off Date* of each application year.

26. The application for TSSSU@HKU must be made by a team (“*the Team*”) (i.e. more than one person), comprising at least one *Eligible Applicant*. The *Team* forming the technology start-up may have any mix of the following members of the University –

- (a) undergraduate / graduate / postgraduate students;
- (b) professor(s) to serve as consultant(s), providing technical expertise and direction of the R&D work; and/or
- (c) business savvy university alumni, giving business and management advice, etc.

The *Team* should collectively hold more than 50% of the shares in the company. For the avoidance of doubt, any person not associated with HKU cannot be part of the *Team* (but of course can be shareholders, investors or even founders of the company).

27. The *Team* forming the technology start-up is required to appoint a member of the *Team* as the *person-in-charge*, who should preferably be an *Eligible Applicant*, and is the person representing the start-up company in the application. The *person-in-charge* should be significantly engaged in the technology start-up’s business and be responsible for: (a) overseeing the operations of the technology start-up; and (b) liaising with HKU on matters relating to the funding support under TSSSU@HKU. For the avoidance of doubt, the appointed person-in-charge cannot join other concurrently active teams funded by TSSSU.

28. For all TSSSU@HKU application, the awardee must be a company, regardless of size, registered under the Hong Kong Companies Ordinance for not more than two (2) years as of the *Cut-off Date* of each application year, unless it is a continuous funding application for second or third year.

29. Full-time staff/faculty member of the University, with University approval, can be a team member of the start-up funded by TSSSU@HKU, provided the staff/faculty member holds minority shares without any management role. If the staff/faculty member wants to hold majority shares, approval is needed by the University after the University confirms that there is no conflict of interest issue. The staff/faculty member would be subject to related policies and outside practice regulations of the University. It is expected the staff/faculty member involved would provide scientific/business input and mentorship to the start-up venture.

30. If staff/faculty member needs to take up management role in the start-up, especially in the earlier years of the start-up, they may apply to the University for leave of absence or fractional appointment. This would be subject to the Human Resource policies and procedures of the University.

Application Procedure

31. Call for application of the TSSSU@HKU will be made through email, websites of relevant HKU departments, and other normal funding call channels of the University. Application must be received by 5:00 pm (Hong Kong Time) of the announced Closing Date of each application year.

32. The applicant of the TSSSU@HKU should submit the completed application form provided in **Annex A** with all relevant supporting documents (including, but not limited to, business plan, IP licensing agreements, evidence of applications eligibility, match funding or additional investment etc.) electronically to **HKU TTO** (tsssu@tto.hku.hk) on or before the deadline. All sections of the application form must be duly completed; otherwise the application will not be shortlisted for assessment. A signed hard copy of the application form, identical to the submitted electronic version, should be sent to HKU TTO within one (1) calendar week of the deadline.

33. Applicants are required to submit a detailed budget plan for the application. Not all items of the submitted budget plan may be approved for funding from TSSSU@HKU. The amount awarded by TSSSU@HKU would be the *Final Approved Budget*. All expenditures to be funded by TSSSU@HKU must be placed under the categories of *Manpower, Equipment* and *Other Direct Costs*.

34. The closing date of application for 2014-15 financial year shall be **October 31, 2014** (the "Closing Date").

Assessment and Selection

35. All applications will be assessed in a fair, open and objective manner by a *Selection Panel* formed by the University. The *Selection Panel* will evaluate each application based on, but not limited to, the following aspects of the application:

- (a) the quality of the business plan (10%);
- (b) the innovation and technology content (20%);
- (c) the commercial viability of the business (25%);
- (d) the capability of the technology start-up and its team to undertake the R&D work and manage the company (20%);
- (e) the social and/or community impact of the technology start-up's business and R&D work (10%);
- (f) the potential of attracting additional investment to develop the technology and the company (10%), and
- (g) other considerations on the overall application (5%).

36. After the assessment and selection process, the university will forward its recommendations, together with the relevant application forms, to ITC for its final approval. The decision of the Selection Panel and ITC will be final.

37. HKU staff handling the TSSSU@HKU scheme and Selection Panel members will be bound by the confidentiality policy of HKU. Documents submitted to ITC for their vetting will be bound by ITC's confidentiality policy.

Notification and Acceptance of Award

38. Applicants will be notified of the results within five (5) working days of TTO receiving final approval by ITC. This is expected to be about 2 months or less from the Closing Date.

39. Successful application recommended for funding by the University and ITC (Awardee Company) will be issued an *offer letter*. The *offer letter* may stipulate terms and conditions associated with the award imposed by the University. The award may contain an *Approved Funding Budget* different from the budget requested in the proposal and the applicant may need to revise the relevant parts of the proposal (e.g. milestones, budget etc) to reflect the necessary changes.

40. The applicant is required to return the signed *offer letter* to TTO to confirm the acceptance of the offer within fourteen (14) calendar days from the date of receipt of the offer. The offer will lapse after the said period.

Intellectual Property Rights

41. The Awardee Company will own all *intellectual property rights* (IPR) created by the company from the project funded under the TSSSU@HKU scheme, unless otherwise specified by alternative agreements. Use of any background intellectual property (IP) will be governed by pre-agreed licenses with the University. IP developed in collaboration with members of the University will be handled in accordance to the *IPR policies* of HKU. If in doubt, the HKU TTO should be consulted.

Disbursement, Reimbursement and Audit

42. The award will be paid into the start-up's designated bank account each year in advance in two instalments (except for 2014/15 financial year, it will be paid in full in one instalment due to the short duration).

43. The first instalment will be paid within one (1) calendar month of approval or after completion of company registration whichever comes later. The second instalment will be paid six (6) months later, subject to satisfactory progress and achievement of the agreed milestones.

44. The University will apply for reimbursement from the ITC to repay the *cash-advancement* given to the start-up under the Scheme. According to the requirement of ITC, the funded start-up has to provide the University with:

- (a) a completed reimbursement request form (**Annex B**) for the expenditure incurred during the reimbursable period of the previous Government financial year. *The expenses incurred should be on an accrual basis, i.e. funding will be provided if the expenses have been incurred within the Government financial year when the related activities have been conducted or the related services and goods have been delivered;*
- (b) the audited accounts of expenditure and the auditor's report for the previous Government financial year submitted by the technology start-up, which are prepared in accordance with the 'Notes for Auditors' at **Annex C**, within three (3) months after the end of the previous Government financial year. For example, for 2014-15 financial year, this would be 30 June 2015. This would allow the University some time to work on its report to ITC.

The reimbursement from ITC would therefore be fully used to repay the *cash-advancement* by the University under this Scheme, with any shortfall, unless otherwise agreed by the University in writing, has to be made good by the start-up.

Monitoring and Review

45. As required by ITC, each technology start-up should provide a half-yearly interim report¹ and an annual report on the progress of its business to the University in each Government financial year. The technology start-up should also complete the relevant sections in **Appendix D(ii)** when submitting the annual report to the University.²

46. The Awardee Company will submit the annual report to TTO within two (2) months of each Government financial year (that is, on or before 31 May of each funded year). The annual report should include, but not limited to, the following:

- i. Status and achievements of the start-up with respect to the objectives, milestones and deliverables, in the funded year;
- ii. Business and commercialisation success of the company including revenue, additional funding obtained or injected, merger and acquisition, partnership or major deals that are of material impact to the company etc.
- iii. IPR position of the company in the funded year;
- iv. Any other information that the Awardee Company considers useful.

47. The University will provide support, mentorship and other monitoring functions as required by ITC under the TSSSU scheme. The University will also coordinate all the funded start-ups under this Scheme and provide liaison function with ITC as appropriate.

48. Funded technology start-ups should handle the keeping of books and records, etc. to facilitate auditors to conduct the reasonable assurance engagement in accordance with the requirements stipulated in **Annex C**. The TTO of the University will be responsible for keeping all records and documents in relation to the TSSSU applications and reimbursements, monitoring of the R&D work and commercialisation of the technology start-ups. The Commissioner for Innovation and Technology and any authorised person acting on behalf of the Government may conduct random checks of the documents, records, etc. of the universities and the technology start-ups to ensure their compliance with the guidelines and requirements relevant to the funding support.

49. The University or ITC may terminate an approved TSSSU@HKU award or suspend funding support to an Awardee Company in rare and exceptional circumstances, including but not limited to evidence of mismanagement of funds, involvement in illegal activities by the start-up, significant departure from the original business proposal without approval etc, or when ITC sees fit to terminate the project in public interest. The University and ITC will reserve the right to demand return of all unspent funds after the termination of the project.

¹ The half-yearly report will **not** be required for the 2014-15 Government financial year.

² If a TSSSU funded technology start-up fails to comply with the funding requirements stipulated by ITC and/or the host university including submission of the required documents (e.g. half-yearly report, annual report, audited accounts of expenditure, auditor's report, reimbursement request (i.e. Annex B to this form), annual assessment of the technology start-up's performance (i.e. Annex E(ii) to this form), etc.) in good time and in good quality, its subsequent application(s) for TSSSU funding support and other ITF funding support might be affected.

Modifications to Business Proposal

50. Each technology start-up funded by TSSSU@HKU is required to conduct its business and R&D work in accordance with the business proposal as approved for funding by HKU and ITC. Any material modification to the business proposal (including but not limited to change of key team members of the technology start-up; deliverables; business scope; or the amount of the TSSSU funding; etc.) will require prior written approval from the University. ITC will be duly notified of such modifications, and may provide advice to the University on accepting or rejecting such changes.

Publicity, Acknowledgement and Indemnification

51. Acknowledgement of the HKU and ITF support should appear on all equipment, facilities, publications, publicity and media events related to an Awardee Company.

52. The following disclaimer should also be included in any publications and media events related to an ITF-funded technology start-up –

'Any opinions, findings, conclusions or recommendations expressed in this material/publication (or by members of this company) do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Innovation and Technology Commission or the University of Hong Kong.'

53. All Awardee Companies will fully and perpetually indemnify HKU and ITC from all liabilities and shall always keep HKU and ITC whole and harmless from all liabilities and all damages from all actions and activities of said company.

54. General information about each Awardee Company may be publicized through websites and other channels, which the University deems appropriate.

Enquiries

55. All enquiries related to the TSSSU@HKU Scheme should be directed to:

Director, Technology Transfer Office
The University of Hong Kong
Pokfulam, Hong Kong
Phone: +852 2299 0111
Fax: +852 2299 0122
E-Mail: tsssu@tto.hku.hk
Website: <http://www.tto.hku.hk>

Technology Start-up Support Scheme for Universities (TSSSU)

Application for Funding Support

Reference number
(for ITC use):

NOTES

1. Section A to Section E should be completed by the person-in-charge of the technology start-up applying for TSSSU funding. Section F should be completed by the Head of the respective university unit responsible for TSSSU.
2. Please read the relevant guidelines from the host university before completing this form.
3. All information provided in the form will be used for processing the application and for related purposes, e.g. project monitoring, statistical analysis, etc. by ITC and the host university. It may be disclosed to other Government departments or third parties, if such disclosure is necessary for the purposes of processing the application and for related purposes.

SECTION A: The Applicant

(To be completed by the person-in-charge of the applicant company)

- (1) Our team is applying for –
 - (a) the first year TSSSU funding; or *(please go to Section A (3) direct)*
 - (b) the second or the third year TSSSU funding.
- (2) For applicant applying for the second or the third year TSSSU funding, please indicate the reference number of last year's application:

(3) Particulars of the Applicant Team

Name of Technology Start-up (in English) _____

Name of Technology Start-up (in Chinese) _____

Host University _____

Date of Registration under the Companies Ordinance _____

Registered Address _____

Telephone Number _____

Fax Number _____

Email Address _____

Webpage (if any) _____

(4) Composition of the Applicant Team

(a) Person-in-charge of the Technology Start-up

Name (in English) _____

Name (in Chinese) _____

In what way is the person-in-charge associated with the host university? Undergraduate

(Please tick the box as appropriate) Postgraduate

Professor

Alumnus

Academic Qualifications (e.g. Degree Awarded, _____

Percentage of Shares Held _____

Telephone Number / Mobile Number _____ / _____

Fax Number _____

Email Address _____

Correspondence Address _____

(b) Other Team Members

(Please add separate sheet(s) if necessary)

No.	Name (in English)	Name (in Chinese)	In what way is the team member associated with the host university? (Undergraduate /Postgraduate /Professor/Alumnus)	Academic Qualifications (e.g. Degree Awarded, Institute Awarding Qualification, Year of Award)	% of Shares Held (if any)
1					%
2					%
3					%
4					%
5					%
6					%
7					%
8					%

(c) Collaborating Parties in the R&D Work (if applicable)

(Please add separate sheet(s) if necessary)

Any collaboration with other organisation(s) in conducting the R&D work?

Yes No (if no, please go to Section B direct)

If yes, please provide the following details –

(i) the name of the organisation(s);

(ii) the form of collaboration(s) (e.g. licensing of intellectual property rights, sharing of the royalties, etc.);

(iii) special arrangements arising from such collaboration(s), e.g. licensing of intellectual property rights (if any);

(iv) if the applicant team has entered into such collaboration, then please state the name of the agreement below and attach a copy in Section C; and

(v) information of the contact person(s) of the collaborating party(ies).

English Name and Chinese Name	Role in the R&D Work	Address/ Webpage (if any)	Contact Person	Tel No./ Fax No./ Email Address

SECTION B: The Business Proposal

(To be completed by the person-in-charge of the applicant company)

(1) Technology Area *(please tick as appropriate)*

- Advanced Manufacturing/ Process Development
- Automotive Parts and Accessories
- Biotechnology
- Chinese Medicine
- Electronics
- Energy
- Environmental Protection
- Information and Communication Technologies
- Logistics and Supply Chain Management
- Nanotechnology and Materials Science
- Testing and Certification
- Textile/Clothing/Footwear
- Others (please specify) : _____

(2) Industrial Area *(please tick as appropriate)*

- Banking/Financial Market/Fund Management/Insurance
- Biotechnology
- Chinese Medicine
- Electrical and Electronics
- Environmental
- Food and Beverage
- General (Cross Sectors)
- Import and Export Trade
- Information Technology
- Materials
- Precision Engineering
- Printing and Publishing
- Professional Services
- Real Estate/Property Management
- Telecommunications
- Textiles/Clothing/Footwear
- Tourism
- Transportation
- Wholesale and Retail
- Others (please specify)

(3) Milestones within the 2014-15 Government Financial Year

Please set out the milestones of the proposed business and R&D work to be achieved.

Period		Milestones
From (dd/mm/yyyy)	To (dd/mm/yyyy)	

(4) TSSSU Funding Being Applied for

Grand total (HK\$):

Please provide details of the estimated expenditure items in the following parts.
For the scope of funding, please refer to the guidelines and terms prescribed by the host university.

(a) Manpower

Post/ Rank	No. of Staff (A)	Duration (man-mo nths) (B)	Monthly Rate or Equivalent (HK\$) (C)	Total (HK\$) (A)*(B)* (C)	Justifications
Sub-total					

(b) Equipment

Key Equipment	Quantity (A)	Unit Cost (HK\$) (B)	Total (HK\$) (A)*(B)	Justifications
Sub-total				

(c) Other Direct Costs

Item	Quantity (A)	Unit Cost (HK\$) (B)	Total (HK\$) (A)*(B)	Justifications
Sub-total				

SECTION C: Supporting Documents

(to be completed by the person-in-charge of the applicant company)

Please enclose the following documents as required in the previous sections -

- (1) agreement between the applicant and the collaborating organisation(s) on the sharing of the royalties or intellectual property rights or any other sorts of income to be generated from the applicant (if any);
- (2) CVs of all team members;
- (3) the certification of incorporation under the Companies Ordinance; and
- (4) the business proposal -
 - (a) *(for applicant applying for the first year TSSSU funding)* the full business proposal; *or*
 - (b) *(for applicant applying for the second or the third year TSSSU funding)* a summary of the updates/key differences in the business proposal compared with that in last year's application.

SECTION D: Supplementary Information

(to be completed by the person-in-charge of the applicant company)

Any previously related project(s) undertaken by the applicant and/or its team members in the past five years and supported by the Innovation and Technology Fund (ITF)?

Yes No (if no, please go to Section E direct)

If yes, please briefly describe the related project(s) and provide the ITF reference number(s).

SECTION E: Declaration by the Applicant

(To be completed by the person-in-charge of the applicant company)

I/We hereby declare that:

(1) this application for the TSSSU funding is submitted by (name of the technology start-up)

_____ ; and

(2) all factual information provided in this application as well as the accompanying information accurately reflects the status of affairs as at the date of submission. I/We shall inform and seek prior approval from the respective university immediately if there are any subsequent changes to the above information during the application stage.

Authorised Signature
with Company Chop : _____
Name of
Person-in-charge : _____
Name of Company : _____
Date (dd/mm/yy) : _____



SECTION F: Recommendation by the University

(To be completed by the Head of the respective university unit responsible for TSSSU)

Please tick the appropriate box to indicate whether the university recommends the technology start-up to be funded under TSSSU.

I/We RECOMMEND the application from (name of the technology start-up) _____ for a total funding of (HK\$) _____ under TSSSU. Our assessment is as follows –

Assessment Criteria	Assessment	Scores (if applicable)
(1)		
(2)		
(3)		
(4)		
(5)		
	<i>Total Scores (if applicable)</i>	

I/We also have the following observations about the technology start-up -

I/We DO NOT RECOMMEND (name of the technology start-up) _____ to be funded under TSSSU. (Note: In this case, the application form needs not to be provided to ITC.)

Signature : _____
Name : _____
Post Title : _____
Tel. No. : _____
E-mail : _____
Date (dd/mm/yy) : _____

Technology Start-up Support Scheme for Universities (TSSSU)**Reimbursement Request for the 2014-15 Government Financial Year****NOTES**

1. Please use a separate reimbursement request form for each technology start-up.
2. Sections A and B should be completed by the person-in-charge of the funded technology start-up. Section C should be completed by the Head of the respective university unit responsible for TSSSU, and Section D should be completed by the Finance Office of the respective university.

SECTION A *(To be completed by the person-in-charge of the funded technology start-up)*

Please list the expenditure items incurred by the technology start-up in the 2014-15 Government financial year.

(Please use separate sheet(s) where necessary)

Technology start-up reference no.

Name of technology start-up _____

Name of the host university _____

Amount of expenditure incurred and to be
claimed under TSSSU

HK\$ _____

(Please provide its breakdown in the tables below)

1. Manpower Expenditure

Post/ Rank	No. of Staff (A)	Employment Period (dd/mm/yyyy – dd/mm/yyyy)	Duration (man-mont hs) (B)	Monthly Rate or Equivalent (C)	Total Expenditure (A)*(B)*(C)
				HK\$	HK\$
				HK\$	HK\$
				HK\$	HK\$
				HK\$	HK\$
				HK\$	HK\$
				HK\$	HK\$
Total					HK\$

2. **Equipment Expenditure**

Key Equipment <i>(Please state purpose: new purchase/ installation/ maintenance cost)</i>	Quantity (A)	Date of Purchase/ Installation/ Maintenance (dd/mm/yyyy)	Unit Cost (B)	Total Expenditure (A)*(B)
			HK\$	HK\$
			HK\$	HK\$
			HK\$	HK\$
			HK\$	HK\$
			HK\$	HK\$
			HK\$	HK\$
Total				HK\$

3. **Other Direct Costs**

Item	Quantity (A)	Unit Cost (B)	Total Expenditure (A)*(B)
		HK\$	HK\$
		HK\$	HK\$
		HK\$	HK\$
		HK\$	HK\$
		HK\$	HK\$
		HK\$	HK\$
Total			HK\$

SECTION B *(To be completed by the person-in-charge of the funded technology start-up)*

I/We confirm that all entries in Section A –

1. were incurred by the technology start-up named in Section A;
2. are in line with those listed in the application form and/or business proposal agreed by the host university and ITC, as appropriate; and
3. are in line with the audited accounts of expenditure submitted by the technology start-up named in Section A.

I/We confirm that all information provided in this request is true and correct and in compliance with the applicable and any version of the Guidelines issued by the Innovation and Technology Commission and the host university.

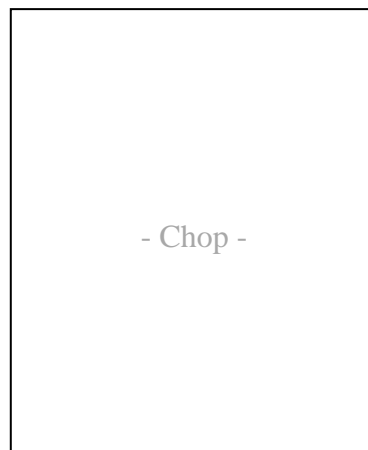
I/We confirm that the expenditure items listed in this request have not been funded by the Government or a Government subvented body/institution or the university.

Authorised Signature with :
Company Chop

Name of Person-in-charge : _____

Name of Technology : _____
Start-up

Date (dd/mm/yy) : _____



SECTION C *(To be completed by the Head of the respective university unit responsible for TSSSU)*

I/We confirm, to the best of my/our knowledge, that all entries in Section A completed by the technology start-up are in line with the application form and/or business proposal agreed by this university and ITC, as appropriate, and that they have been reflected in the audited accounts of expenditure and the auditor's report submitted by this technology start-up.

The audited accounts of expenditure and the auditor's report submitted by the concerned start-up are attached to this request form.

Signature : _____
Name : _____
Post title : _____
Tel. No. : _____
E-mail : _____
Date : _____

SECTION D *(To be completed by the Finance Office of the university)*

I/We confirm that the auditor's report submitted by the concerned start-up is a clean report.

Authorised signature(s) with institution chop : _____
Name(s) : _____
Post Title(s) : _____
Name of university : _____
Tel. No. : _____
E-mail : _____
Date : _____

Notes

1. The information provided in this Reimbursement Request will be kept in confidence. It may however be disclosed to other Government departments or third parties in Hong Kong, if such disclosure is necessary for the purposes of processing the request or required by law. The submission of the Reimbursement Request denotes that the university unit responsible for TSSSU and the technology start-up have given explicit consent to such disclosure.

2. The Commissioner for Innovation and Technology (CIT), any authorised person acting on behalf of the Government and the Director of Audit (D of A) will have unhindered access to the books of accounts and records when conducting financial audit and inspection of such books and records at any time when such books and records are kept and have rights to obtain photocopies of such records, if necessary. CIT and D of A may at their absolute discretion request the university unit responsible for TSSSU and the technology start-ups to make available and/or deliver photocopies of such records to the Government at its sole costs and expenses. When so requested in this connection, the university unit responsible for TSSSU and the technology start-ups will be obliged to make available all books of accounts and records and explain to CIT and D of A any matters relating to the expenditure or custody of any money in relation to the funding. D of A may carry out value for money studies on the university unit responsible for TSSSU and the technology start-ups. CIT reserves the right to require the university unit responsible for TSSSU and the technology start-ups to return any mis-spent amount together with interest income accrued to the Government.

Technology Start-up Support Scheme for Universities (TSSSU)

Notes for Auditors

Pursuant to the ‘Application and Reimbursement Guidelines for the Technology Start-up Support Scheme for Universities’ (TSSSU Guidelines), the technology start-ups, to be supported under TSSSU of the Innovation and Technology Fund (ITF), are required to submit to the host universities the annual audited accounts of expenditure and the auditor’s reports for reimbursement purpose, which are subsequently forwarded to the Innovation and Technology Commission (ITC) according to a stipulated timeframe. The requirement to submit the audited accounts of expenditure and the auditor’s reports is to assure the Government that all information as provided in the ‘audited statement of claim’¹ from the host universities is true and correct, and in compliance with the prevailing TSSSU Guidelines. These notes aim to provide guidance for Auditors in conducting reasonable assurance engagements and in preparing the auditor’s reports to seek reimbursement of expenditure under TSSSU.

2. In conducting a reasonable assurance engagement, the Auditors should perform such procedures² as they consider necessary in the circumstances and obtain all the information and explanations which they consider necessary in order to provide them with sufficient evidence to give their conclusion as to whether the technology start-up has complied with, in all material respects, the requirements set by ITC and the host university, if applicable, and all the terms and conditions of the TSSSU funding support, and all entries as specified in the following documents –

- (a) the TSSSU Guidelines;
- (b) all instructions and correspondences issued by ITC to the host university and the technology start-up as well as those from the host university and agreed by ITC in respect of the TSSSU funding support; and
- (c) the application form and the business proposal agreed by the host university and ITC.

¹ The ‘audited statement of claim’ comprises a reimbursement request completed by the technology start-up which lists out the expenditure items for reimbursement from TSSSU as duly signed by the Head of the university unit responsible for TSSSU and the Finance Office of the host university, the audited accounts of expenditure and the auditor’s report for reimbursement by the technology start-up. The auditor’s report should indicate that the audit review is a reasonable assurance engagement conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants.

² The Auditors’ procedures would normally include-

- a. performing tests of transactions and of the existence, ownership and valuation of liabilities, if any;
- b. obtaining an understanding of the accounting system and control in order to assess its adequacy as a basis for the preparation of the accounts of expenditure; and
- c. assessing any estimates and judgments made by the technology start-up in the preparation of the accounts of expenditure.

3. The Auditors should comply with the Hong Kong Standard on Assurance Engagements 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants³. The following information is required in an auditor's report prepared by the Auditors to be submitted to the host universities and ITC -

- (a) the Auditors should state whether, in their conclusion, the technology start-up has complied with, in all material respects, the requirements set by ITC and the host university, if applicable, all the terms and conditions of the TSSSU funding support, and all entries as specified in the documents mentioned in paragraph 2 above;
- (b) if the Auditors are of the opinion that there exists any material non-compliance as identified in paragraph 3(a) above, they should make full disclosure and quantify the effects of such non-compliance in the auditor's report; and
- (c) if the Auditors are of the opinion that a proper and separate set of books and records have not been kept by the technology start-up for the TSSSU funding support, or if the Auditors fail to obtain all the information and explanations which are necessary for the purpose of the reasonable assurance engagement, they should make appropriate qualifications in the auditor's report.

4. The Auditors should plan and conduct the reasonable assurance engagement to satisfy paragraphs 2 and 3 above. In case of any ambiguity regarding the TSSSU Guidelines and rules and regulations governing the TSSSU funding prescribed by ITC and/or the host universities, Auditors should seek clarification from ITC and the host universities, as appropriate. Any unreasonable reservation or denial of conclusion, for example, comments about ambiguity of guidelines or requirements of the funding support, expressed by Auditors in the auditor's report, will be returned to the technology start-ups for follow-up before re-submission.

5. The Auditors may come across during the course of their reasonable assurance engagements weaknesses/breakdown in internal control which are considered material. They should bring to the technology start-up's attention the details of such weaknesses/breakdown and provide the technology start-up with their recommendations for improvement by setting them out in a letter to the technology start-up. A copy of such letter should be sent to ITC and the host university for reference and action as appropriate.

Innovation and Technology Commission
September 2014

³ The Hong Kong Institute of Certified Public Accountants would expect its members to apply those relevant and applicable Standards set out in Hong Kong Standards on Auditing when performing 'Reasonable Assurance Engagements'.

Technology Start-up Support Scheme for Universities (TSSSU)

**University's Observations on Technology Start-ups
for the 2014-15 Government Financial Year**

(to be completed by the university unit responsible for TSSSU)

Name of the Host University: _____

Note: This form is for the host university to provide its overall observations on the implementation of TSSSU in all associated technology start-ups.

(1) General information on the implementation of TSSSU

Total number of technology start-ups funded
under TSSSU

Total amount of TSSSU funding reimbursed	HK\$
--	------

Highest amount of TSSSU funding reimbursed by a technology start-up	HK\$
--	------

Lowest amount of TSSSU funding reimbursed by a technology start-up	HK\$
---	------

Technology and industrial areas covered

Technology areas:

Industrial areas:

- (2) Please comment on the overall performance of the funded technology start-ups associated with your university. (*in around 200 words*)

- (3) Please cite some key R&D and commercialisation results achieved by the funded technology start-ups associated with your university.

- (4) Please provide a brief summary of the social/community impact brought by the R&D work and the commercialisation results of the funded technology start-ups associated with your university.

* * * * *

Signature(s) : _____
*(to be signed by the Head of the
university unit responsible for TSSSU)*

Name(s) : _____

Post Title (s) : _____

Tel. No. : _____

E-mail : _____

Date : _____

Note

The information provided in this form may be disclosed to other Government departments or third parties in Hong Kong. This submission denotes that the university unit responsible for TSSSU has given explicit consent to such disclosure.

Technology Start-up Support Scheme for Universities (TSSSU)

**Assessment of Technology Start-up
for the 2014-15 Government Financial Year**

NOTES

1. Please use a separate form for each technology start-up.
2. Sections A to C should be completed by the funded technology start-up. Section D should be completed by the respective university unit responsible for TSSSU.

SECTION A: Particulars of the Technology Start-up

(To be completed by the funded technology start-up)

Name of Technology Start-up (in English) _____

Name of Technology Start-up (in Chinese) _____

The Host University _____

TSSSU Reference Number _____

Name of Person-in-charge _____

SECTION B: Brief Description of Business

(To be completed by the funded technology start-up)

Please provide a summary of the technology start-up, its business and R&D work.

(Please add separate sheet(s) if necessary)

(in Chinese) (Not more than 300 words)

(in English) (Not more than 200 words)

SECTION C: Performance of the Technology Start-up

(To be completed by the person-in-charge of the funded technology start-up)

Please describe the performance of the technology start-up made in the 2014-15 Government financial year.

(1) Technological Achievements/Deliverables of the Technology Start-up

- (a) Are there any products/software/services developed from the R&D which has been rolled out in the market?

Yes No (if no, please go to (1b) direct)

If yes, please provide details:

- (b) How many intellectual property rights have been generated from the technology start-up?

	<i>Number</i>
<i>Patents filed</i>	_____
<i>Patents granted</i>	_____
<i>Copyrights (no matter registered or not)</i>	_____
<i>Trademarks/designs registered</i>	_____
<i>Others (please specify: _____)</i>	_____

(c) Is there any science and technology/industry award granted for the results of the R&D and the commercialisation results?

Yes No (if no, please go to (1d) direct)

If yes, please provide details:

--

(d) Please provide details/experience of successful commercialisation of R&D results (e.g. how did the commercialisation results bring benefits to the community/collaborating parties after adopting the technologies/deliverables developed by the technology start-up).

--

(2) Financial Achievements/Deliverables of the Technology Start-up

(a) How much revenue has been received in the 2014-15 Government financial year through the commercialisation of the R&D results?

	<i>(HK\$)</i>
<i>Licensing/sale of technology</i>	_____
<i>Royalties</i>	_____
<i>Sales of sample/prototype</i>	_____
<i>Use of technology in production of goods for sales/provision of services</i>	_____
<i>Other technology transfer activities (Please specify: _____)</i>	_____
<i>Total:</i>	_____

(b) How much capital or money has been raised in the 2014-15 Government financial year (other than the TSSSU funding support)?

<i>Source of capital/money (please specify)</i>	<i>(HK\$)</i>
1)	
2)	
3)	
<i>Total:</i>	

(3) Others

How many jobs/training opportunities have been created in the technology start-up (other than the university team members)?

Technical

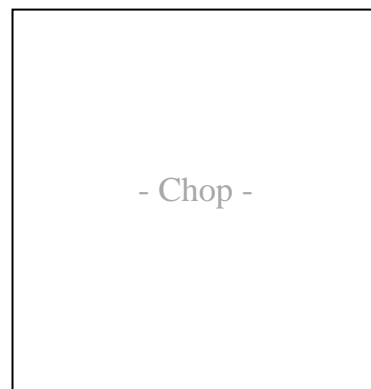
Non-technical

* * * * *

I/We hereby declare that:

- (1) the information in Sections A to C above is provided by (name of the technology start-up) _____; and
- (2) all information provided in this form accurately reflects the status of affairs as at the date of submission.

Authorised Signature
with Company Chop : _____
Name of
Person-in-charge : _____
Name of Company : _____
Date (dd/mm/yy) : _____



SECTION D: Performance Assessment of the Technology Start-up

(To be completed by the university unit responsible for TSSSU)

(1) Latest status of the Technology Start-up (as at 31 March 2015)

(Please tick the appropriate box)

In Operation

Ceased Operation on *(please specify date (dd/mm/yyyy))*: _____

Others *(please specify)*: _____

(2) Please comment on whether the milestones proposed by the technology start-up in the application for the TSSSU funding support have been achieved within the specified period.

Period		Milestones	Achieved? (if not, please provide comments)
From (dd/mm/yyyy)	To (dd/mm/yyyy)		

Period		Milestones	Achieved? (if not, please provide comments)
From (dd/mm/yyyy)	To (dd/mm/yyyy)		

(3) Please provide a performance assessment of the technology start-up, to the best of the unit’s knowledge, for the 2014-15 Government financial year.

	<i>Extremely satisfied / Likely</i>	A	B	C	D	E	N/A	<i>Extremely disappointed / Unlikely</i>
I. Innovation and Technology Content and Commercialisation								
Q1	How well do you think the R&D and commercialisation results have achieved in the following areas?							
	➤ <i>Technology breakthrough</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	➤ <i>Improve production capability/ product quality</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	➤ <i>Reduce production/product cost</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	➤ <i>Others (please specify: _____)</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

		<i>Extremely satisfied / Likely</i>	A	B	C	D	E	N/A	<i>Extremely disappointed / Unlikely</i>
II. Commercial Viability of the Business									
Q2	How likely do you think the technology start-up would be a sustainable business in the future?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
III. Capability of the Technology Start-up and its Team to Undertake the R&D Work and Manage the Company									
Q3	How well did the technology start-up carry out the R&D work and commercialise the results as proposed in the business proposal agreed by the host university and ITC?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Q4	How effective do you think the technology start-up was in making use of the TSSSU funding and managing the budget?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Q5	How well did the technology start-up comply with funding requirements stipulated by ITC and the host university (e.g. submission of half-yearly report, annual report and reimbursement request in good time and in good quality, keep the university informed the progress of the R&D or modifications to the business proposal, etc.)?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

		<i>Extremely satisfied / likely</i>	A	B	C	D	E	N/A	<i>Extremely disappointed / unlikely</i>
IV. Social and/or Community Impact of the Technology Start-up's R&D Work									
Q6	How likely will the R&D and its commercialisation results bring benefits to the community?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Q7	How well did the technology start-up provide opportunities for training of local scientific personnel?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
V. Overall Performance									
Q8	How satisfied are you with the overall performance of the technology start-up?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Q9	How satisfied are you with the overall performance of the person-in-charge of the technology start-up?		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

(4) Please list any other observations on the technology start-up for the 2014-15 Government financial year, and any appropriate follow up actions taken. *(Compulsory if the rating(s) for Q8 and/or Q9 in Section D (3) above is/are D or E)*

* * * * *

I/We confirm, to the best of my knowledge, that the information provided in Section D of this form is true and correct.

Signature(s) : _____
*(to be signed by the Head of the
university unit responsible for TSSSU)*

Name(s) : _____

Post Title (s) : _____

Tel. No. : _____

E-mail : _____

Date : _____

Note

The information provided in this form may be disclosed to other Government departments or third parties in Hong Kong. This submission denotes that the technology start-up concerned and the university unit responsible for TSSSU have given explicit consent to such disclosure.