Technology Start-up Support Scheme for Universities
(TSSSU大學科技初創企業資助計劃)
(CityU Guidelines)
OBJECTIVE

- a funding scheme hosted by Innovation and Technology Commission (ITC) to encourage students, professors and alumni of six local universities to start up technology businesses and commercialize their R&D results
ELIGIBILITY

- companies registered under Companies Ordinance **within 2 years** (i.e. 1 February 2016 to 31 January 2018) by any mix of the CityU members below:

  - Undergraduates/postgraduates
  - Full-time academic staff (serve as consultants)
  - Alumni (graduation within 5 yrs, i.e. on or after 1 Jan 2013)

  * One of the CityU members will be appointed as person-in-charge who should hold a senior position in the start-up and cannot join other concurrently active teams funded by TSSSU

- ITC allows applicant start-ups to be registered after they are selected by CityU for TSSSU funding but before CityU forwards the funding recommendations to ITC for approval
ELIGIBILITY (CONT’D)

- Each applicant start-up should comprise more than 1 member
- Upon request, applicant start-up should disclose:
  - identity of shareholders
  - amount of respective shares holding
  - shareholders’ involvement in related projects supported by TSSSU in the past 5 years
    (general rule: corporate shareholders should not be mature companies in the same industry involving in R&D of similar deliverables, products or services)
- Existing TSSSU funding recipients are required to submit application for 2nd or 3rd year funding
FUNDING AMOUNT

- capped at $1.2m/year per start-up for not more than 3 years

- each university has $4m/year for supporting technology start-ups
**Funding Period**

- 1 April 2018 * to 31 March 2019
  *subject to confirmation by ITC

All expenses should be incurred during the funding period and on accrual basis.
SCOPE OF FUNDING

Basic principles:

- be reasonable, proportionate and proper

- expenses already funded by Government, Government subvented body, CityU or third parties will not be funded (NO double payment)

- be incurred mainly in Hong Kong (up to 50% can be incurred in the Mainland/other countries)
**Scope of Funding (cont’d)**

Three main categories of expenses:
- **Manpower**
- **Equipment**
- **Other Direct Costs:**
  
  essential items for setting up and operating the technology start-ups (e.g. consumables for R&D, license fee, marketing campaigns, legal or accounting services, furniture, rental of necessary premises, etc.)
UNALLOWABLE EXPENSES

- rental expenses that are irrelevant to operation
- manpower expenditures on bonus, gratuities, annual salary adjustment, fringe benefits & allowances, training, overtime pay, etc.
- expenses on mass production activities
- cost of forming associations
- investment
- loan repayment
- travelling expenses (except for out-of-town travelling expenses relating to exhibition participation or other reasonable and relevant activities - business and first class fares are not reimbursable)
Unallowable Expenses (cont’d)

- entertainment expenses
- offering gifts (e.g. cash coupons)
- equipment/consumables provided by team members/shareholders
- matching fund for other government funding schemes
- fees arising from general services (e.g. office administrative services) provided by universities (license fee due to host university is reimbursable)
- expenses unnecessary or irrelevant to the operations of the start-ups
REIMBURSEMENT ARRANGEMENTS

- quarterly reimbursement basis
  
  *start-ups should have enough cash/capital for operation*
ASSESSMENT

Selection Panel comprising CityU & external assessors. Selection criteria include:

- innovation and technology content
- commercial viability
- business sustainability
- capability of the start-up and its team to undertake R&D work and manage the company
- social and/or community impact
- use of intellectual property rights (IPRs) of CityU

√ interviews
MONITORING AND REVIEW

- Quarterly reports
- Quarterly meetings
- Annual report

- performance measured against milestones and business plan
OTHER REQUIREMENTS

- Annual audit by Certified Public Accountants (CPAs) in accordance with the requirements stipulated by ITC
- Any material modification to the business proposal (e.g. change of key team members, milestones, business scope, budget change) will require prior approval from CityU
APPLICATION PROCEDURES

- Application form Annex A (with quarterly milestones, team composition, CVs, etc.)
- Business proposal
  - business description
  - industry analysis
  - market analysis (target market, market growth and trend, competitor analysis, etc.)
  - marketing strategy (the 4Ps)
  - management team composition
  - financial forecast with a 3-year budget plan
- Copy of student/staff card or graduation certificate of person-in-charge

Submit hard copy of the application materials to CityU Knowledge Transfer Office (Room 2220, Cheng Yick-chi Building) by 5pm on 8 Dec 2017
### Timetable

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>8 Dec 2017 (5pm)</td>
<td>Deadline of application</td>
</tr>
<tr>
<td>Dec 2017/Jan 2018</td>
<td>Interview of shortlisted applicants</td>
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<tr>
<td>By 1 Feb 2018</td>
<td>Submission of recommended applications to ITC</td>
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## Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>2014/15 (Dec-Mar)</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of applications</td>
<td>24</td>
<td>40</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>No. of TSSSU recipients</td>
<td>9</td>
<td>11</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Success rate</td>
<td>37.5%</td>
<td>27.5%</td>
<td>24.1%</td>
<td>47.4%</td>
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<td>Funding for each company</td>
<td>$0.18m to $0.72m</td>
<td>$0.17m to $0.51m</td>
<td>$0.35m to $0.83m</td>
<td>$0.23m to $0.85m</td>
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Contact Person:
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Website:
http://www.cityu.edu.hk/kto
(must read TSSSU Guidelines and ITC Q&A)