Technology Start-up Support Scheme for Universities (TSSSU)

Questions and Answers
(as at July 2015)

Eligibility

Q1 Should the person-in-charge (PIC) be associated with the host university?

A1 Yes. The PIC should be associated with the host university as stipulated in paragraph 6 of the ITC Application and Reimbursement Guidelines for TSSSU (ITC Guidelines), subject to further eligibility requirements set by the host university to suit its own circumstances.

Q2 If the PIC of a technology start-up funded under TSSSU resigns from the position, rendering the technology start-up no longer eligible for the TSSSU funding, what follow-up actions should the technology start-up and/or the host university take?

A2 If the PIC of the technology start-up funded under TSSSU resigns from the position, rendering the technology start-up no longer eligible for the TSSSU funding, then the technology start-up should identify a proper replacement for that member and seek approval from the host university. The host university should notify the Innovation and Technology Commission (ITC) of the approved modification(s) as soon as possible.

Q3* Who among the faculty members of the host university may become the PIC of a TSSSU team?

A3* Faculty members of the host university that bear the title of ‘professor’ may become the PIC of a TSSSU team. For example Professors, Associate Professors, Assistant Professors, Visiting Professors, etc.

Q4* Would students taking sub-degree programme (e.g. Associate
Degree, Higher Diploma) be eligible PICs under TSSSU?

A4* Students taking sub-degree programmes would not be eligible PICs under TSSSU.

Q5* Can a technology start-up be funded under TSSSU through more than one host university in the same Government financial year?

A5* No. Paragraph 10 of the ITC Guidelines stipulated that any expenditure item or part thereof which is already funded by the Government, a Government subvented body/institution or the host university will not be funded under TSSSU. Each technology start-up should only apply to one host university in the same Government financial year.

Q6* Can a technology start-up switch its host university when applying for TSSSU funding for the second or the third year?

A6* Individual host university provides advice/assistance to each technology start-up funded under TSSSU. For the sake of continuity, we do not encourage technology start-up to switch its host university for TSSSU funding for the second or the third year. In any case, a technology start-up can only be funded for not more than three years under TSSSU (counting from the first year it receives the TSSSU funding support regardless of the host universities), as stipulated in paragraph 4(b) of the ITC Application and Reimbursement Guidelines for TSSSU.

Amount of Funding

Q7 Can a host university re-allocate its residual funds from one technology start-up which ceased or will cease operation (i.e. the balance of the annual funding for such technology start-up capped at $1.2 million) during a Government financial year to another technology start-up?

A7 Yes, the host university may re-allocate the balance of its annual funding under TSSSU from one technology start-up to another
technology start-up during a Government financial year, provided that the latter has also been selected by the university’s Selection Panel in a fair, open and objective manner and the proposal has been examined by ITC. The $1.2 million annual funding cap for each technology start-up should still apply. The host university should also document properly the relevant changes and reflect the information in Section D(4) of the annual return ‘Assessment of Technology Start-up’, i.e. Annex D(ii) to the ITC Guidelines.

**Scope of Funding**

**Q8** Are the licensing fees/royalties due to the host university by the technology start-ups fundable items under TSSSU?

**A8** Yes, the licensing fees/royalties due to the host university by the technology start-ups are fundable items under TSSSU. The licensing fees/royalties should be charged in a reasonable and proportionate manner.

**Reimbursement Arrangements**

**Q9** Can the reimbursable period for the 2014-15 Government financial year or for subsequent years be adjusted to cover a full year?

**A9** The reimbursable period for any Government financial year under TSSSU refers to the period between the day ITC notifies the host university of the TSSSU funding support to the technology start-up or 1 April, whichever is later, and the end of the relevant Government financial year (i.e. 31 March). This applies to the 2014-15 Government financial year and subsequent years.

**Q10** Procuring specialised technical equipment may involve a longer procurement timeline. For and only for the 2014-15 Government financial year, will there be any special arrangement for reimbursing expenses relating to such equipment?

**A10** In procuring specialised technical equipment which involves a longer procurement timeline, technology start-ups should make
their best efforts to plan well ahead. Noting that the reimbursable period for the 2014-15 Government financial year generally commences in Q4 2014, ITC would consider reimbursing the universities for expenses incurred on the procurement of specialised technical equipment which are ‘Free on Board (FOB) (port)’, with due documentation available and to the satisfaction of ITC.

**Q11** If its technology start-up fails to submit the reimbursement request (i.e. Annex B to the ITC Guidelines) and/or other required documents to the host university despite repeated reminders, can the host university be reimbursed for funds already disbursed to the technology start-up?

**A11** Under such an exceptional circumstance where a technology start-up fails to submit the reimbursement request (i.e. Annex B to the ITC Guidelines) and/or other required documents (e.g. the audited accounts of expenditure, the auditor’s report, etc.) to the host university, ITC will consider reimbursing the host university with the funds disbursed to the technology start-up concerned, provided that –

(a) the relevant technology start-up was assessed and selected by the selection panel established by the host university according to its operation plan in a fair, open and objective manner;

(b) the performance of that technology start-up was under the monitoring of the host university throughout the reimbursable period; and

(c) the host university must demonstrate that it has made its best endeavour (e.g. issuing written requests, reminders and warnings, as appropriate) to obtain the required documents from the technology start-up.

If all practicable means to obtain the required documents from the technology start-up fail, the host university may make a special reimbursement request, together with the following, to ITC for consideration –
(a) an undertaking duly signed by the Head of the respective university unit responsible for TSSSU –

(i) declaring the interests between the host university and the technology start-up concerned; and

(ii) stating that the university has exhausted all practicable means to get the required documents from the technology start-up;

(b) a written explanation from the host university detailing the case background, including why the technology start-up concerned did not submit the reimbursement request and/or the required documents for reimbursement (to the best knowledge of the host university), the efforts that the host university has made to obtain the required documents from the technology start-up (plus the documentary proof and evidence), and any response from the technology start-up; and

(c) the supporting documents for the payment(s) already made by the host university to the technology start-up concerned (e.g. bank statements, relevant correspondences between the host university and the technology start-up, etc.).

ITC reserves the right not to reimburse certain items if ITC is not fully satisfied with the explanations for the technology start-up’s failure in providing the required documents.

Q12* What should the technology start-up/host university do if such technology start-up made a material modification before receiving the prior approval from the host university (i.e. against the requirement stipulated in paragraph 24 of the prevailing ITC Guidelines)?

A12* The technology start-up should provide a written explanation to the host university on –

(a) why prior approval(s) was not sought from the host university before making such material modification(s) on its business proposal; and

(b) how such modifications have affected/would affect its original...
business proposal.

If the host university is satisfied with the explanations, it should notify ITC of the material modifications as soon as possible.

If the host university is not fully satisfied with the explanations, it should issue a warning to the technology start-up regarding such non-compliance, and should consider discontinuing the TSSSU funding support, in whole or in part, for the technology start-up. Afterwards, the host university should notify ITC of such alteration and its decision as soon as possible.

ITC reserves the right to re-examine the case. The host university should also document such non-compliance properly and reflect the information in Section D(4) of the annual return ‘Assessment of Technology Start-up’, i.e. Annex D(ii) to the ITC Guidelines.

**Monitoring and Review**

Q13 Should the host universities forward both the half-yearly reports and the annual reports from the technology start-ups to ITC?

A13 Host universities are only required to forward to ITC by 31 August every year the annual reports from the technology start-ups, together with the duly completed annual returns ‘University’s Observations on Technology Start-ups’ and ‘Assessment of Technology Start-up’ (i.e. Annex D(i) and Annex D(ii) to the ITC Guidelines). The half-yearly reports (covering the first half of a Government financial year) aim to help the host universities keep track of the performance of the funded technology start-ups.

**Modifications to Business Proposal**

Q14* What constitutes a ‘material modification’ to the amount of the TSSSU funding as stipulated in paragraph 24 of the ITC Guidelines?

A14* As a general rule of thumb, material modification to the amount of
the TSSSU funding refers to the situation where the cumulative overspending for a broad category under Section B(4) of Annex A to the ITC Guidelines (i.e. (a) Manpower; (b) Equipment; or (c) Other Direct Costs) exceeds 10% of its budgeted amount in the original shortlisted business proposal. In this case, the technology start-up should seek prior approval from the respective university. All universities should notify ITC of the approved modifications as soon as possible.

Others

Q15* Could the expenditures incurred by KTO/TTOs in hiring professional/specialised staff or obtaining professional/specialised services that are essential for implementing TSSSU be funded under the ‘Provision of Funding Support to Knowledge Transfer Offices or Technology Transfer Offices/Centres of Universities Designated as Local Public Research Institutions’ (‘TTO Funding’)?

A15* The expenditures incurred by KTO/TTOs in hiring professional/specialised staff or obtaining professional/specialised services that are essential for implementing TSSSU could be funded under the ‘TTO Funding’. However, the general administrative overheads in implementing TSSSU should not be funded through the ‘TTO Funding’.

Innovation and Technology Commission
July 2015