



# Cleveland State University

## Policy on Long-Term Use of CSU Facilities by Non-University Parties

### 1. DEFINITIONS

- A. **University Facility** means any physical facility of the University, including laboratories, offices or storage space, both on and off campus.
- B. **Formal Partnership Agreement** means a written and appropriately executed agreement between Cleveland State University (CSU) and one or more Non-University Parties establishing a partnership that may include agreements as to mutual use of University Facilities.
- C. **Non-University Party** means any private party, sole-proprietorship, company, corporation, partnership or other legal entity that is not a wholly-owned subsidiary of the University.
- D. **Long-Term Use Agreement** means a lease, rental agreement or other legally binding document for the use and occupation of any University Facility for a continuous period of more than 30 days. It does not include episodic usage of facilities under the purview of Conference Services or use of facilities under a Sponsored Program Agreement or Research Contract.
- E. **University** means Cleveland State University.

### 2. PURPOSE AND SCOPE OF POLICY

This purpose of this policy is to:

- A. guarantee that University Facilities that are provided to Non-University Parties on a long-term basis are used in accordance with the mission and purpose of the University;
- B. provide an incentive to support the development of new commercial ventures by Cleveland State University faculty and staff based on University-held patents;
- C. encourage cooperation with private sector companies that are licensing CSU intellectual property; and
- D. ensure that activities of Non-University Parties operating within University Facilities are conducted in compliance with all applicable laws and regulations and with the appropriate approvals and safeguards to limit risks to students, staff, faculty and visitors.

This policy is developed under the authority given to Cleveland State University, through the Board of Trustees, to "make and enter into all contracts and agreements necessary or incidental to the operation of such university." ORC §3344.04. This policy is applicable to all Non-University Parties that wish to rent Facilities from the University except those which have approved arrangements through a Formal Partnership Agreement.

### 3. GENERAL POLICY PROVISIONS

- A. **Any proposal for the use of University Facilities under this policy must have a clear and demonstrable connection to the academic and/or research activities of the University.** Such connection may be demonstrated by the inclusion of faculty, staff and/or students in research, direct benefit and/or involvement in curriculum, or by resulting scholarly work and/or commercialization of University Intellectual Property.

- B. Priority in determining whether to enter into an agreement will be given to University Faculty or staff who are developing or working with new start-up companies based on CSU intellectual property. Second priority will be given to Non-University Parties who are working to advance and commercialize University Intellectual Property even if a CSU faculty or staff member is not involved.
- C. Any activity under this policy must also comply with the University's Conflict of Interest policies and any other applicable policies, as well as all State and Federal requirements. It is the responsibility of the Non-University Party to ensure that all activities are conducted in compliance with federal, state and local laws.
- D. Areas designated for Long-Term Use Agreements associated with research should be separate from instructional areas to the greatest extent possible.

#### **4. AGREEMENT DEVELOPMENT, REVIEW AND APPROVAL PROCESS**

- A. **Proposal Development:** It is generally anticipated that a proposal for the use of University facilities by a Non-University Party will originate with the Non-University entity after contact within a specific academic Department or research unit of the University. However, in some instances, an individual faculty member, Department or College may initiate such a proposal. The proposal must identify:
  - 1. the space being requested (both room numbers and square footage);
  - 2. any special requirements such as hoods and/or specialized utility services;
  - 3. a detailed description of the activities, including lists of any chemical or biological agents to be stored, used or handled in the facility;
  - 4. a brief business plan for the company in relation to the activities proposed; and
  - 5. a description of the connections to the academic and/or research mission of the University.
- B. **Proposal Review and Approval Process:**
  - 1. The proposal must first be reviewed and a recommendation made by the Department Chair(s) of the Department(s) or appropriate unit supervisor(s) of the unit(s) with which the Non-University Party is cooperating and in which the space would be located.
  - 2. The recommendation of the Department Chair(s) or unit supervisor(s) is forwarded to the Dean(s) of the College(s) in which the Department(s) is(are) located or the appropriate next level of management for review and recommendation.
  - 3. The recommendations are then forwarded to the Vice Provost for Research. If the proposal includes laboratory space or issues of biological, radiological or chemical agent use, the proposal will be sent to the Director of Environmental Health and Safety for review and comment. Depending on the type of activities proposed, the Vice Provost may also seek the recommendations of the University Risk Manager, the Director of Physical Plant, or any other parties deemed appropriate by the Provost. After collecting recommendations, the Vice Provost for Research, shall make a recommendation to the Provost as to whether or not the proposal should move forward.
  - 4. The Provost will make the final determination as to whether or not to deny the proposal or to enter negotiations with the Non-University Party. If the Provost determines the proposal should move forward, the Vice Provost for Research shall work with the Vice President for Finance and University Legal Counsel to draft a Long-Term Use agreement to offer to the Non-University Party. Any Long-Term Use agreement must be signed by the Non-University Party, the Provost and the Vice President for Finance and approved as to form by the University Legal Counsel.

5. As the major focus of this policy is to encourage start-up commercial activities, no Long-Term Use Agreement shall be approved without a business plan for the Non-University Party. No Non-University Party should be allowed to enter into a Long-Term Use Agreement for more than three to five years for the same business activities.

## 5. **OVERSIGHT OF AGREEMENT**

- A. **Responsible University Administrator**: Because the main focus of Long-Term Use agreements is to (1) provide an incentive to support the development of new commercial ventures by Cleveland State faculty and staff based on University-held patents; and (2) encourage cooperation with private sector companies that are licensing CSU intellectual property, administration of such agreements shall fall under the Vice Provost for Research.
- B. **Annual Review**: On an annual basis, starting with the end date of the first term of the Long-Term Use agreement, the Non-University Party must report to the Department Chair(s) where the space is located on the activities of the preceding year. The Department Chairs(s) will review the report, add comments as appropriate and forward the report and comments to the Vice Provost for Research. The Vice Provost shall review the report to ensure compliance with the terms of the Long-Term Use agreement and this policy, as well as all other applicable University policies, State and Federal law. The Vice Provost for Research shall report on this annual review to the Provost, the Vice President for Finance, the Dean(s) of the College(s) in which the activities are taking place, University Legal Counsel and the University Risk Manager.
- C. **Distribution of Proceeds**: Payments under the Long-Term Use Agreement shall be deposited to a specified account established by the Office of the Vice Provost for Research for each agreement. If the space is office space, storage or other non-specialized space or if the Long-Term Use Agreement directly charges the costs of maintenance, utilities or other such costs to the Lessee, twenty percent (20%) of proceeds from the Agreement shall be distributed to the Central Administration of the University through the Vice President for Finance and eighty percent (80%) shall be controlled by the Provost. If the Long-Term Use Agreement involves laboratories, other specialized space or unique utility, maintenance or service support expenses that are not charged directly to the Lessee, fifty percent (50%) of proceeds from the Agreement shall be distributed to the Central Administration of the University through the Vice President for Finance and fifty percent (50%) shall be controlled by the Provost. Other internal distribution arrangements may be negotiated on a case by case basis as appropriate, but must be approved in writing by the Vice President for Finance and Provost in advance of any formal agreement being signed with the Non-University party.