ALLOCATING SURPLUS INVESTMENT EXCESS RESERVES:

To ensure that KSURF can fulfill its technology transfer mission for Kansas State University in the future, adequate financial reserves must be maintained. Preferably, the “liquid assets” of KSURF, defined as the sum of current cash accounts and the market value of the investment account managed by the KSU Foundation, should remain above “restricted reserves”, defined as a base of two times the sum of the current fiscal year’s budgeted legal, maintenance fee, and operating expenses plus the available balance of Board designated funds, resulting in “excess reserves”. Funds in excess of those necessary to sustain the viability of the technology transfer operations should be allocated to the University to support research and research-related activities.

The audited, year-end financial statements and approved budget for the new year shall be reviewed by the Board of Directors at the spring Board meeting to determine whether funds are available for allocation to the University. Prior to the Board meeting, the Finance and Executive Committees shall review issues relevant to these decisions for the purpose of providing input and recommendations. In providing its recommendations to the Board, the Committees should consider such factors as KSURF’s near-term cash-flow needs and projections, the anticipated financial commitments to local start-up ventures, and forecasts for the U.S. economy and stock market. The complexity and uncertainty of these deliberations preclude the establishment of strict formulas for determining an allocation, but the Board will strive to achieve the following:

- When the year-end liquid assets are above the base, up to 50% of the excess reserves may be allocated to the University. For example, with an excess of $200,000, up to $100,000 could be allocated.

These funds will be taken from the investment account or from cash reserves as appropriate when they are requested.

(Enacted by the KSURF Board of Directors on 14 December 1999, last updated 8 December 2011)