Guideline for the Administration of Direct Financial Support for Entrepreneurs and Startup Companies

The University of Toronto (U of T) is Canada's leading university and is consistently ranked among the top universities worldwide. Supporting entrepreneurship is aligned with the mission and strategic directions of the university which includes goals to "encourage creativity and innovation within the University community" and to "facilitate the translation of knowledge for the greatest possible public benefit, including by commercialization."

The purpose of the *Guideline for the Administration of Direct Financial Support for Entrepreneurs and Startup Companies* is to create a framework for divisions seeking to support entrepreneurial students, trainees and startups at U of T through the provision of direct funding in furtherance of U of T's charitable purpose of the advancement of education. These guidelines cover funds provided as part of initiatives that include, but are not limited to, competitions, pitch prizes, program completion or milestones. Such funding will be provided on a competitive basis and will encourage eligible applicants to develop creative proposals that require them to consider and analyze various aspects of their proposed business, including the socio-economic benefits. Without limiting the areas of the entrepreneurship support, typical use of the funds may include support for proof-of-concept prototypes, intellectual property protection, recruitment and compensation of team members, development of business models, market testing and related materials, among others.

The *Guideline* is issued by the Vice-President, Research & Innovation in consultation with the Vice-President & Provost, Vice-President, Advancement, and the Chief Financial Officer.

Eligibility

Individual entrepreneurs and start-up companies that meet the following criteria will be eligible to receive financial support at U of T:

1. Individuals must be current U of T students or trainees; in certain instances, recent alumni (within two years of graduation) may be considered eligible.
2. Companies:
    a. The startup company must be a newly (less than 3 years) incorporated entity registered in the province of Ontario and/or federally registered in Canada.
    b. The commercial products or services of the company are anticipated to enable socio-economic benefits to the public and be compatible with the academic and research mission of the university as a public institution.
    c. The company must have a relationship to the university which could include any of:
        i. the company is based on U of T IP or other research and scholarly results, or
        ii. the founders include a current U of T faculty, trainee, or student, or
        iii. the founders include a recent (less than 2 year) U of T alumni, or
        iv. the company is actively affiliated with a U of T-based entrepreneurship program[1] (e.g., Centre for Entrepreneurship, Hatchery, UTEST, SICIEEIL, The BRIDGE, ICUBE, SpinUp, CDL-Toronto, H2i, InnovED, BFN).
3. The founding team has been encouraged to complete Level 1 or 2 of the U of T IP Education Program[2] and/or U of T's entrepreneurship courses[3].

[1] https://entrepreneurs.utoronto.ca/for-entrepreneurs/accelerators/
[2] https://entrepreneurs.utoronto.ca/for-entrepreneurs/ip-education/
[3] https://entrepreneurs.utoronto.ca/for-entrepreneurs/for-credit-courses/

4. The individual or company receiving financial support must adhere to the University's Inventions Policy, as applicable.[4]

Funding

Financial support is provided for entrepreneurship support purposes and is not expected to be associated with any exchange of goods or services, investment terms, equity, repayments, or any other commercial considerations. Funding amounts will be reasonable and not more than what is required in furtherance of U of T's charitable purpose of the advancement of education. While there may be a report required of the recipient on the outcomes, there is no requirement for an accounting or financial report.

The value of any single award and/or any cumulative awards to one company or individual as it relates to a single venture / company shall not exceed $100,000.

Payments to a corporation will be administered through Financial Services. The university will not provide a tax receipt or other guidance as to how the company should administer or report on the prize funds.

Payments to individuals will be managed in accordance with University policies.

Founders' Pledge

As part of the Award process, recipients will be encouraged to make a Founders' Pledge to support the U of T which include:

1. The provision of ongoing updates on the initiatives supported by the funding provided.
2. A commitment to mentoring of future U of T entrepreneurs.
3. Continuing engagement in U of T entrepreneurship activities, events, education and research,.
4. When future success permits, and to the extent possible, to provide donations back to U of T to support the next generation of entrepreneurs.

Approval Process to Establish a Prize Fund or other form of Direct Financial Support

Prizes or other forms of financial support can be established university-wide (centrally) or within a particular academic division or U of T based entrepreneurship program. University-wide funding to be awarded to individuals or companies are to be approved in writing by the Vice President, Research & Innovation (or designate). Proposals to establish funding in support of a particular academic division are to be approved in writing by the Dean (or designate) of the administering division and brought forward to the Vice-President, Research & Innovation who will facilitate the university approval process.

Any such funds established through donations will be academic priorities approved by the Provost at the recommendation of Principals and Deans and will be in accordance with established procedures for academic planning and academic initiatives, as described in the Provostial Guidelines on Donations.

An academic division may propose to engage in activities to provide financial support for entrepreneurs or startup companies in a manner not contemplated by this *Guideline.* The assessment of such proposals is part of the University's governance procedures. Proposals must reflect the overall values and mission of the University as stated in the *Statement of Institutional Purpose*, be fiscally responsible and reasonable, and be the product of broad consultation with members of the academic division and other stakeholders. The head of the academic division shall bring any such proposal to the attention of the Vice-President, Research & Innovation for review and to facilitate consultation with relevant senior leadership and engaging University governance as necessary.

[4] https://research.utoronto.ca/inventions-commercialization-entrepreneurship/inventions-policy-revenue-sharing

Fund Adjudication
Funds that provide financial support from the University to an individual or company must undergo a transparent and multi-person adjudication process. Any academic division or unit administering such a fund must develop a process that is aligned with this *Guideline* and provide a report to the University of Toronto Entrepreneurship Management Committee including the details of any prize competition or other process to award such funds, the adjudication process, and outcomes.

Funds Management
All funds will be held as a series of centrally segregated funds each of which will have criteria consistent with this *Guideline* and as approved by the University of Toronto Entrepreneurship Management Committee. Funds may be expendable or endowed and will be invested in accordance with U of T policies.

Approved August 2026 (Replaces the Guidelines for Administration of Financial Prizes (June 2018)