

**Arizona University System
Technology and Research Initiative Fund (TRIF)**

THE UNIVERSITY OF ARIZONA®

Venture Fund

**Business Plan
March 2007**

Background and Rationale

Venture Fund

During the first five years of TRIF funding, annual increases in TRIF income received by the University of Arizona was divided equally across the board to all of our TRIF initiatives. This approach did not allow us strategically to take advantage of new targets of opportunity that arose. Therefore now are using a different approach for the second five years. \$1.5M of “over-realized unbudgeted” TRIF funds from FY2006 were used to start a Venture Fund under the control of the Provost and the Vice President for Research. At the outset, the funds remaining from the previously budgeted ACIST initiative, which was phased out with ABOR approval, were added to the Fund. During the current 5-year period, the Fund also will absorb out-year growth in TRIF income to the University, currently projected at 5% per year.

The overall purpose of the Venture Fund is to ensure that the University becomes more nimble in addressing needs and increasing ROI in ways consonant with TRIF requirements and objectives. The goals of the Fund are to:

- open new avenues of activity that cross traditional disciplinary boundaries and have an emphasis on workforce development, state-of-the-art research, and technology commercialization;
- support the creation of novel projects outside the current scope of existing TRIF initiatives, but closely related to one or more of them in thematic focus;
- bring these novel projects to successful competition for major external funding; and
- provide exceptional potential for translation of activities to practical application.

We use the Venture Fund to invest in new projects with compelling strategic need or opportunity and exceptional opportunities for strong ROI. New projects are related to the themes of the University’s TRIF initiatives, but are outside the scope of their line-item funding. Projects are selected on a competitive basis, with input as appropriate from faculty review teams, by Provost George Davis and Vice President for Research Leslie Tolbert. The funds allotted to each project are administered by the relevant existing TRIF initiative.

Expenditure Plan

Funds will be expended as follows:

	FY07 Budget	FY08 Budget	FY09 Budget	FY10 Budget	FY11 Budget
Carry forward	\$ 431,521	\$0	\$0	\$0	\$0
New TRIF Revenue	\$3,250,729*	\$3,018,484	\$4,007,741	\$5,051,406	\$6,152,474
Total Revenue	\$3,682,250	\$3,018,484	\$4,007,741	\$5,051,406	\$6,152,474
Personal Services	\$2,718,233	\$2,286,731	\$3,036,168	\$3,826,823	\$4,660,966
ERE	\$ 964,017	\$ 731,753	\$ 971,573	\$1,224,583	\$1,491,508
Operations					
Capital					
Total Expenditures	\$3,682,250	\$3,018,484	\$4,007,741	\$5,051,406	\$6,152,474

*\$1,500,000 of FY06 over-realized was added to FY07 Venture Fund.

Performance Metrics

The measure of impact of Venture Fund investments is the same as for all other TRIF investments, and is incorporated into the impact metrics of the TRIF initiatives to which the Venture Fund allocations are made.