

## **DARDEN BUSINESS INCUBATOR POLICIES & PROCEDURES**

### **EXCEPTIONS TO THE REQUIREMENT FOR DARDEN STUDENT INVOLVEMENT**

Darden Business Concept and Business Plan Competitions are open to any member of the University community. A team does not need to have Darden students involved with its presentation in order to enter or to win. There is, however, an expectation that each Darden Business Incubator (“DBI”) Company will include a Darden student on its leadership team. When an Eligible Company applying for admission to the DBI does not include a Darden student, every effort will be made by DBI’s Director and the staff of the Career Development Center (“CDC”) to identify an appropriate Darden student to work with the Eligible Company. If an eligible student is unavailable, the DBI Director and the Executive Director of the Batten Institute may, at their sole discretion, allow an Eligible Company to enter the DBI if they feel the Company would contribute significantly to the DBI’s entrepreneurial community, enhance the University’s efforts to foster technology transfer, and to benefit from the DBI experience itself. Such exceptions are offered sparingly.

### **PARTICIPATION**

Each participant in the DBI is expected to devote his or her time to the business (“the Company”) and to have no other employment for the summer. At a minimum, each DBI participant is expected to be in residence at the DBI offices during the normal work week (40 – 50 hours) for a minimum of eleven (11) weeks. Each DBI participant is obligated to attend all official DBI functions, including but not limited to speaker presentations, forums, and DBI lunches. Off-site activities do not foster the mission of the DBI’s entrepreneurial community and is generally not allowed. Exceptions will be considered and determined by the DBI Director.

### **STIPENDS**

Monthly summer living stipends are available to DBI participants for two summers. Living stipends are paid only to qualified individuals and not to companies. Darden and University employees, including faculty and staff, are not eligible for a stipend. All stipends are taxable as ordinary IRS 1099 income. The DBI offers stipends according to the following terms:

*Year-one Companies:* \$1,700/month/person for three months for two (2) individuals; One stipend must be a Darden student; the second stipend may be for a University student or an individual not affiliated with the University who possesses special skills required by the Company and is prepared to be in the incubator for the summer.

*Year-two Companies:* \$1,700/month for three months for one (1) individual Darden student.

## **SECOND SUMMER**

Companies in the incubator may apply for a second summer in the Incubator. They must reapply following the same process described above and with the same timing as all other applicants to the Incubator. If accepted for a second year, one stipend only will be provided for a Darden student of \$1,700/ month for three months. Space and other support in the incubator will be available, but no expense budget will be provided.

## **MILESTONE ASSESSMENT**

Companies are expected to prepare a detailed work plan for the summer. This plan will address key issues to be addressed by the team in order to move the Company forward. Participants in each company will meet with the DBI's Director weekly or as agreed to with the Director over the course of the summer. It is understood that each Company's objectives and strategies may change as information regarding the venture is gathered. A new set of milestones must be prepared in order to accommodate such changes.

## **ADVISORY BOARDS**

The DBI Director will attempt to develop, with the participants in each Company, an advisory board to help establish and monitor the Company's direction and the execution of its plan. Similarly, the DBI Director will attempt to identify members of the Darden community, Darden alumni, and personal contacts who possess relevant experience and the ability to commit time as a member of an advisory board for a Company beyond the summer period; however, the final responsibility for developing an advisory board rests with the principals of the Company.

## **PHYSICAL FACILITIES AND INFRASTRUCTURE**

All official DBI activities will take place at the Darden School unless otherwise agreed to as described above. Infrastructure at the DBI will generally include office space (or learning-team rooms during the summer), fax machines, color and black-white printers, binding, local telephone service, and Internet access. Participants must supply their own computer hardware and software.

## **PUBLIC RELATIONS AND COMMUNICATION WITH THE MEDIA**

Companies and their participants should not directly solicit media attention, place articles, or seek publicity about their ventures while in the DBI if they have any reason to believe that the nature of the conversation or their business or business plan may be viewed as possibly controversial by the general populace. Such communications with the media should be discussed in advance with the DBI Director and Darden's Vice President of Marketing and Communications. For communications with the media that do not involve any potential controversial elements, it is still strongly encouraged that the companies and their participants avail themselves of the advice and support of the DBI Director and Darden's Vice President of Marketing and Communications prior to seeking publicity.

## **EMPLOYMENT STATUS**

Participants in the DBI, whether students or not, are neither employees nor agents of the University, the Darden School, or the Darden School Foundation. Participants are considered to be self-employed for legal and tax purposes with respect to their DBI activities. Participants agree to hold the University, the Darden School, and the Darden School Foundation harmless and/or to indemnify them for any losses, damages, and/or expenses incurred as a result of a participant's violation of these policies and procedures, or the laws of the Commonwealth of Virginia and the United States. Any such violations may lead to the immediate termination of the Company's involvement with the DBI. A violation will be determined in the sole judgment of the Incubator Director, in consultation with the Executive Director and Darden leadership.

## **EXPENSE REIMBURSEMENT**

Each DBI participant is eligible to receive reimbursement for Company, non-salary, and related expenses of \$3,000 in year one. Expenses MUST be submitted within thirty (30) days of expenditure, according to the guidelines of the Darden School Foundation. Expenses must be submitted before the end of the fiscal year (June 30) in which they were incurred. The DBI Director must approve all expenses before they may be reimbursed. Any expenses incurred must further the progress of the business; they may not be used to create assets or to pay for non-essential or luxury items. All expenses must be submitted with ORIGINAL bills or invoices in order to be paid. Appropriate expenses may include phone bills, professional fees for services such as Web site design, legal or accounting services, business-related travel, research, and business-related travel, meals or lodging. Inappropriate expenses may include capital purchases such as computers or hardware, Company employment of individuals, food not incurred in the course of business travel (e.g., board meetings).

## **TERMINATION FROM THE INCUBATOR**

Participation in the DBI may be terminated for any company or any participant at any time by the Darden School, in its sole discretion.

## **CONDUCT AND PROGRESS WHILE PART OF THE INCUBATOR**

DBI participants who are not actively engaged in the DBI's entrepreneurial community; not actively pursuing the development of their businesses; and/or are generally viewed by the DBI Director as disruptive or unproductive, may be removed from the DBI at the discretion of the DBI Director and the Executive Director of the Batten Institute. If the DBI Director and the Executive Director of the Batten Institute believe that a DBI participant's Company ceases to be viable for any reason, the Company may be asked to leave the DBI. Acts of fraud or vandalism, or any activity viewed by the DBI Director and Executive Director of the Batten Institute as illegal or counter productive the

University, the Darden School, the Darden School Foundation, and/or the Batten Institute, in their sole discretion, may be considered a basis for termination.

A Company will be required to exit the DBI if it fails to progress within a reasonable amount of time, as defined by the DBI Director and the Executive Director. A Company also will be required to exit the DBI if it fails to abide by the policies and procedures of the DBI. Companies asked to leave the DBI will no longer be eligible for reimbursement as of the date of exit, even if the full amount available has not been spent.

Typically a DBI participant must vacate the DBI after two academic years. Petitions for special exceptions will be reviewed by the DBI Director in consultation with the Executive Director of the Batten Institute. DBI participants must also vacate the premises of the DBI within 30 days of receiving significant commercial, arms-length, funding. The DBI Director, in consultation with the Batten Institute's Executive Director, will determine the meaning of "significant" on a case by case basis. In all cases stated above of termination, Companies will be given reasonable notice and a one week cure period determined by the DBI Director. Except in the case of fraud or vandalism when a participant may be asked to leave the premises immediately.

#### **DISCLAIMERS**

The University, the Darden School, the Darden School Foundation, and the Batten Institute will not be responsible for any form of debt or liability committed to by the Company. The University, the Darden School, the Darden School Foundation, and the Batten Institute will not accept any legal liability from the actions of the Company or its employees. At no time are the Company or its employees agents for or acting on behalf of the University, the Darden School, the Darden School Foundation or the Batten Institute.