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جامعة الملك فيصل
KING FAISAL UNIVERSITY


# Innovation Incentives and Rewards Policy at King Faisal University

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## Introduction:

Incentives and rewards are considered essential enablers for establishing a culture of innovation and enhancing active participation within the institutional innovation ecosystem at the University. They contribute to encouraging initiative, stimulating creativity, and supporting the development of innovative outputs and their transformation into scientific, economic, and societal value. Based on King Faisal University’s direction toward building an institutional environment that enables innovation and enhances the transformation of knowledge into impact, this policy is established to set a fair, transparent, and organized framework for incentives and rewards linked to innovative outputs. This contributes to raising the quality of innovative participation, increasing the number of patents, products, and companies, maximizing returns, and linking innovative efforts with the University’s priorities, national development targets, and Saudi Vision 2030.

Modern benchmarking practices in innovation management confirm that building an effective incentive system is a fundamental element in developing an innovative culture, enhancing innovative behavior, and transforming individual initiatives into measurable institutional results. From this standpoint, this policy regulates eligibility criteria, types of incentives, selection mechanisms, return-sharing controls, and the governance associated with granting rewards and incentives at the University.

## Article 1: Policy Name:

This document shall be titled “Innovation Incentives and Rewards Policy," hereinafter referred to as the "Policy."

## Article 2: Regulatory and Strategic Reference

This Policy is based on the regulations, bylaws, and decisions in force at King Faisal University, and on relevant institutional policies and documents, particularly the Institutional Innovation Policy, the Intellectual Property Policy, the Management of Innovative Ideas Policy, and regulations related to scientific research, innovation, technology transfer, investment, and partnerships. It is also based on the University's strategic directions aimed at enhancing the culture of innovation, stimulating active participation in its ecosystem, and maximizing the impact of its economic, social, and knowledge outputs.

The preparation of this Policy also considered best benchmarking practices in innovation management regarding the importance of incentives as a tool for enabling an innovative culture, stimulating innovative behavior, and linking rewards to results, impact, and institutional commitment, thereby supporting the sustainability of the innovation ecosystem within the University.

## Article 3: Policy Objectives

This Policy aims to motivate University employees, students, and partners to actively participate in the innovation ecosystem by establishing a fair, transparent, and organized framework for granting incentives and rewards linked to innovative outputs, thereby enhancing the culture of innovation and supporting the transformation of ideas and outputs into sustainable impact and value. The Policy specifically aims to achieve the following.

1. Stimulating active participation in the innovation ecosystem within the University.
2. Consolidating a culture of innovation, creativity, and initiative among University employees, students, and partners.
3. Encouraging the development of innovative outputs and their transformation into products, services, licenses, startups, or spinout.
4. Linking incentives and rewards to the impact, value, and results achieved through innovation.
5. Enhancing the protection and investment of intellectual property in a manner that serves the interests of the University and relevant parties.
6. Establishing fair and transparent criteria for selection, eligibility, and return sharing.
7. Supporting the sustainability of the innovation ecosystem through financial and non-financial incentives.
8. Maximizing the economic, social, and knowledge returns resulting from innovative outputs.

## Article 4: Scope of Application

This Policy applies to incentives and rewards associated with innovative outputs, initiatives, and projects at King Faisal University, specifically including:

- Faculty members.
- Researchers.
- Students.
- Employees.
- Research teams.
- Inventors.
- Founders of startups or spinout companies associated with the University.
- Participants in incubator and accelerator programs.

- Partners or other parties that the authorized official decides to include in the incentives according to approved regulations and controls.

This Policy applies to financial and non-financial incentives associated with innovative outputs, without prejudice to any higher-ranking or approved regulations, bylaws, contracts, or agreements.

## Article 5: Definitions

For the purposes of this Policy, the following words and phrases shall have the meanings assigned to each, unless the context requires otherwise:

| Word / Term | Meaning / Definition |
|---|---|
| **Innovation** | Developing, adopting, or applying a fundamentally new or improved idea, solution, product, service, process, or business model, in a way that achieves a perceivable or measurable added value. |
| **Institutional Innovation** | A systematic and sustainable approach adopted by the University to integrate innovation into its strategy, culture, operations, resources, and outputs. |
| **Incentive** | Any benefit, financial support, or non-financial support granted to the beneficiary with the aim of encouraging them to participate in innovative activity or develop its outputs. |
| **Reward** | Financial, in-kind, or moral consideration granted as a result of achieving an innovative output, achievement, or specific impact according to approved controls. |
| **Innovative Output** | Any output resulting from an innovative activity, such as a patent, prototype, product, service, technology, license, startup, or spinout company. |
| **Return Sharing** | Distribution of financial returns resulting from the licensing, investment, or commercial exploitation of the innovative output in accordance with approved regulations, contracts, and policies. |
| **Intellectual Property** | All rights resulting from intellectual, research, or technical creativity, including patents, copyrights, industrial designs, technical knowledge, trade secrets, and any other related rights. |
| **Authorized Official** | The entity or official legally authorized to approve the granting of an incentive or reward, or to make the decision associated with it, in accordance with the regulations and bylaws in force at the University. |

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| **Specialized Entity** | The entity, unit, or department legally delegated to consider applications, study eligibility, follow up on incentives, verify documents, or manage intellectual property or investment related to the innovative output. |

## Article 6: Policy Principles

The University is committed to the following principles in implementing this Policy:

1. Fairness and objectivity in granting incentives and rewards.
2. Transparency in eligibility criteria, selection, and decision-making.
3. Linking the incentive to the value, impact, and results achieved from innovation.
4. Protecting intellectual property rights and the regulatory and financial rights of relevant parties.
5. Preventing conflicts of interest, and disclosing and addressing them according to approved regulations.
6. Financial sustainability and consideration of available allocations and resources.
7. Consistency with University priorities and strategic directions.
8. Documenting decisions for granting, disbursement, follow-up, and review.

## Article 7: Policy Statement

King Faisal University is committed to establishing and implementing a fair, transparent, and organized institutional framework for granting incentives and rewards associated with innovative outputs, in a manner that enhances the culture of innovation, encourages initiative and creativity, and links incentives to value, impact, eligibility, and institutional commitment.

Accordingly, the University is committed to the following:

1. Granting incentives and rewards according to announced and clear criteria.
2. Considering the link between the incentive and the achieved or expected impact of the innovative output.
3. Verifying regulatory rights and intellectual property before granting incentives or disbursing returns.
4. Achieving a balance between financial and non-financial incentives.
5. Linking incentives to various innovation pathways, such as protection, development, commercial transformation, establishment, and expansion.

6. Monitoring the impact of incentives and rewards on the performance of the innovation ecosystem at the University.

## Article 8: Types of Incentives

The incentives and rewards granted under this Policy may be financial or non-financial, and include, but are not limited to:

1. Rewards for registering patents or other intellectual property rights.
2. Rewards for transforming a patent or knowledge asset into a license or investment.
3. Rewards for developing a prototype, proof of feasibility, or initial product.
4. Rewards for transforming an innovative project into a product, service, or implemented solution.
5. Rewards for establishing a startup or spinout company associated with the University.
6. A percentage of returns according to approved contracts, bylaws, and policies.
7. Financial support for participating in exhibitions, competitions, or innovation programs.
8. Priority in incubation, acceleration, or access to innovative services and resources.
9. Official letters of thanks, honoring, or appreciation.
10. Media or institutional highlighting of distinguished outputs, teams, or achievements.
11. Any other incentives approved by the authorized official in accordance with the regulations and available resources.

## Article 9: Eligibility Conditions

The following conditions are required to be eligible for an incentive or reward:

1. The innovative output must be documented and approved in accordance with the applicable procedures.
2. The innovative output must be associated with the University or developed through its resources, programs, infrastructure, or partnerships.
3. The output must not infringe upon the intellectual property rights or the regulatory rights of the University or third parties.

4. The output must achieve a clear impact, added value, or be applicable for implementation or investment.
5. The beneficiary must be committed to disclosure, confidentiality, and compliance requirements.
6. The beneficiary must not have received a similar incentive for the same output, except with the approval of the authorized official.
7. The disbursement of the incentive must be within the approved and available financial allocations or resources.

## Article 10: Selection Criteria

In the event of multiple eligible applicants or limited resources, applications shall be prioritized based on the following criteria, according to the nature of each innovative output:

1. Economic impact.
2. Societal or institutional impact.
3. Commercial or investment potential.
4. Potential for intellectual property protection.
5. Technical or applied maturity level.
6. Level of contribution by the beneficiary or the beneficiary team.
7. Extent of the innovation's alignment with University priorities and strategic directions.
8. Volume of expected return or achieved added value.
9. Extent of the innovative output's contribution to the University's indicators or targets.

## Article 11: Returns Sharing

The percentages for sharing revenues resulting from licensing, investment, products, services, or companies associated with innovative outputs shall be determined in accordance with the contracts, bylaws, and policies approved by the University.

No return or incentive resulting from intellectual property or an innovative output may be disbursed until the ownership of the University or the relevant parties has been verified, and the relevant regulatory, financial, and contractual requirements have been completed.

## Article 12: Institutional Governance for Innovation

One or more committees for innovative incentives shall be formed by a decision from the authorized official, and shall specifically undertake the following:

1. Studying applications for incentives and rewards.
2. Verifying eligibility, documents, and relevant supporting evidence.
3. Proposing the type of incentive or the amount of the reward according to the case.
4. Reviewing the regulatory, financial, and legal aspects associated with the application.
5. Submitting recommendations to the authorized official.
6. Following up on the impact of granted incentives when necessary.
7. Considering initial objections or grievances according to approved procedures.

The committee shall include representatives from the Innovation Sector, the Innovation Zone, Financial Affairs, Legal Affairs, and the specialized scientific or technical entity when needed. It may also seek assistance from experts or consultants it deems appropriate according to the nature of the case under consideration. Committee members must disclose any conflict of interest before participating in the study of applications.

## Article 13: Functional Roles and Responsibilities

The responsibilities for implementing this policy are distributed among the relevant entities at the university as follows:

| Entity | Roles |
|---|---|
| **Innovation and Business Development Sector** | General supervision of policy implementation, development, and follow-up. |
| **Innovation Zone** | Receiving applications, coordinating with relevant entities, and referring them to specialized pathways. |
| **Innovative Incentives Committee** | Studying applications, verifying eligibility, and submitting recommendations. |
| **Entity Specialized in Technology Transfer or Intellectual Property** | Verifying intellectual property protection, ownership rights, and returns when necessary. |
| **Financial Affairs** | Verifying accreditations, disbursement mechanisms, and financial commitment. |

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| **Legal Affairs** | Supporting regulatory and contractual review when needed. |
| **Specialized Scientific or Technical Entities** | Providing specialized opinions on the nature of the innovative output, its impact, and its eligibility. |

## Article 14: Cases of Ineligibility

The incentive or reward shall not be granted in the following cases:

1. Proven submission of incorrect or misleading data or documents.
2. Existence of an ongoing dispute over intellectual property or rights associated with the innovative output.
3. Breach of confidentiality or relevant regulatory obligations.
4. Using the University's resources, facilities, or name without authorization or approved consent.
5. Unlawful exploitation of the University's name, logos, or institutional status.
6. Damaging the University's reputation or its regulatory or financial interests.
7. Obtaining support or a reward in a manner that violates regulations, controls, or this Policy.

## Article 15: Recovery of Incentives

The University reserves the right to recover disbursed incentives or rewards, or to suspend any remaining portions, if it later becomes evident that the data provided was incorrect, a material violation occurred, or the grounds for eligibility no longer exist, in accordance with applicable regulations and controls.

## Article 16: Inquiries and Grievances

The entity supervising the implementation of this Policy, or its delegate, shall be responsible for receiving inquiries and grievances related to applications for incentives and rewards. These shall be handled with confidentiality and impartiality, and in accordance with the procedures and timelines specified in the executive manuals or approved fprms. Matters may be referred to the relevant regulatory or administrative entities as necessary, depending on the nature of the subject.

## Article 17: References

This Policy shall be adopted, interpreted, and applied in light of the following:

1. The regulations, bylaws, and decisions in force in the Kingdom of Saudi Arabia and at King Faisal University.
2. The Institutional Innovation Policy at King Faisal University.
3. The Intellectual Property Policy, the Management of Innovative Ideas Policy, and documents and bylaws related to research, innovation, and technology transfer at the University.
4. Relevant national manuals and regulations issued by the Research, Development, and Innovation Authority.

## Article 18: Review and Update

This Policy shall be reviewed every two years, or when needed, based on changes in regulations, strategic priorities, application results, performance indicators, or lessons learned from practice. Proposed amendments shall be submitted to the authorized official for approval. The review should also include an assessment of the effectiveness of incentives and rewards, the fairness of eligibility, the efficiency of procedures, and the policy's impact on developing an innovation culture and achieving institutional results.

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