

**PRESENTED AT**

Higher Education Tax Institute

Austin, Texas

*Tax Issues that Impact University Incubators and Venture  
Capital Funds***Benjamin A. Davidson, Stanford University****Rob Friz, PwC LLP**

## Author Contact Information:

Rob Friz  
Tax Partner  
PwC LLP  
2001 Market St., Ste 1800  
Philadelphia, PA 19103  
(267) 330-6248  
Robert.w.friz@us.pwc.com

Benjamin A. Davidson  
Deputy Tax Director  
Stanford University  
3145 Porter Drive  
Palo Alto, CA 94304  
(650) 725-7730  
Benari@stanford.edu

## *Tax Issues that Impact University Incubators and Venture Capital Funds*

1. Example: PCI Ventures at The University of Pennsylvania\*
2. GCM 39883 (1992)
3. PLR 200614030 (2006)
4. Tax Considerations – Advanced Topics
5. Tax Compliance – Ongoing Reporting

*\*Special thanks to MaryAnn Piccolo, University of Pennsylvania, for the use of these slides. MaryAnn assisted in the development of content for this presentation and was a speaker in a previous version presented in October 2015 at NACUBO Tax Forum.*



## PCI Ventures *At the University of Pennsylvania*

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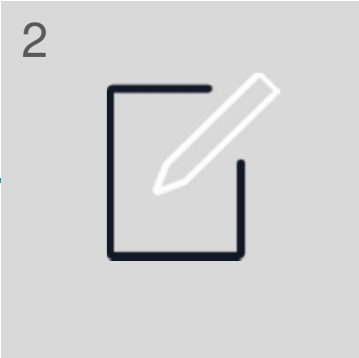
PCI Ventures provides  
a suite of services and hands-on support  
to **promote entrepreneurship** and to **incubate**  
early-stage technology-based businesses as they make  
their way towards **commercial success**



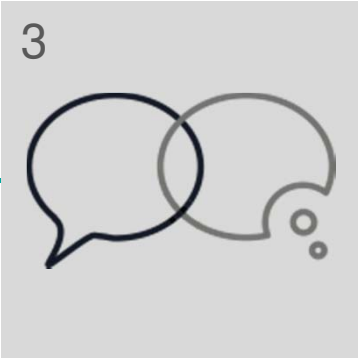
# PCI Ventures Overview



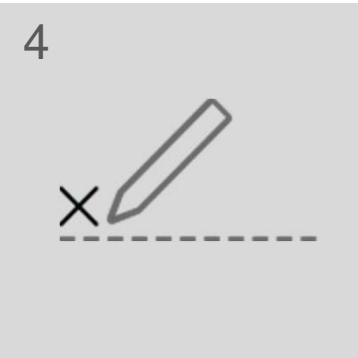
1  
PENN INVENTION



2  
COMPANY FORMATION



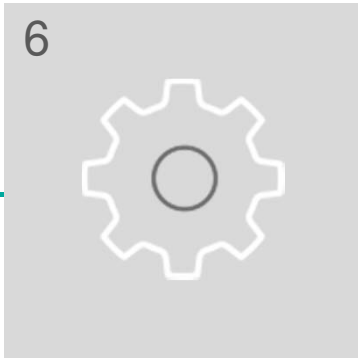
3  
TEAM RECRUITMENT



4  
BUSINESS DEVELOPMENT



5  
CAPITAL ACQUISITION



6  
BUSINESS OPERATIONS



## COMPANY FORMATION



### *Program*

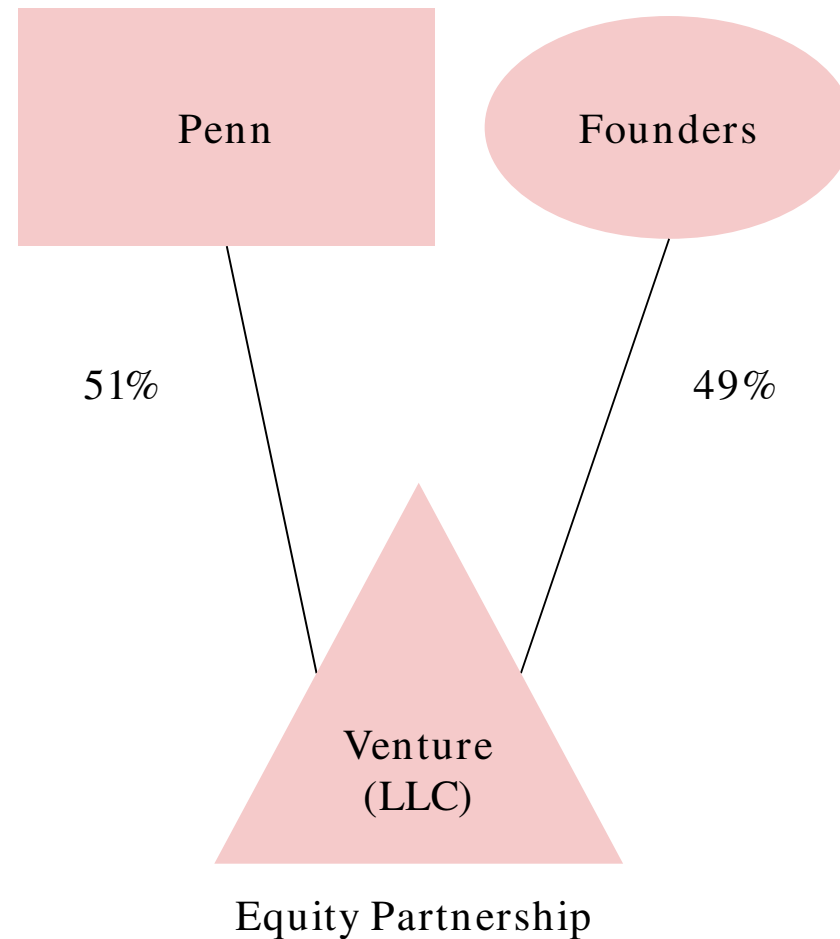
Virtual incubator for faculty/ staff companies built around Penn intellectual property.

Bridges the gap between basic research and commercial products through a fully hands-on approach, an array of service offerings, coaching and funding opportunities.

### *Structure*

Founder(s) and Penn enter into a 51%/ 49% equity partnership, respectively.

Penn offers a wide array of services and support to create, incubate and accelerate the venture forward.



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4<sup>th</sup> Annual Higher Education Taxation Institute session

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