

Approval of funding for scientific research, 2008

1. Preamble

This document builds upon the arrangements made in the agreements under the title 'autonomous employership' in 2001 and 2004. The aim of the document is to set out, in a simple way, the reciprocal obligations with regard to the employees recruited by the institutions to carry out research funded by the Dutch Research Council [*Nederlandse Organisatie voor Wetenschappelijk Onderzoek*, NWO]. The underlying principle is that those employees are engaged on the basis of the collective labour agreements (CAOs) customary for the institution in question (for the universities: the CAO-NU), with the same rights and obligations as other employees, whether permanent or temporary.

This agreement is being concluded between NWO and the Association of Universities in the Netherlands [*Vereniging van Samenwerkende Nederlandse Universiteiten*, VSNU]. The Dutch Federation of University Medical Centres [*Nederlandse Federatie van Universitair Medische Centra*, NFU], on behalf of the University Medical Centres, the Royal Netherlands Academy of Arts and Sciences [*Koninklijke Nederlandse Akademie van Wetenschappen*, KNAW], the Netherlands Organisation for Health Research and Development [*Zorg Onderzoek Nederland Medische Wetenschappen*, ZonMw] and sectie gezondheidsfondsen/VFI (the collaborating healthcare funds/the sectoral association for fundraising) have agreed to work in accordance with the arrangements set out in this agreement.

On the basis of the arrangements set out in this agreement, the parties - among whom there is already a collaborative relationship aimed at promoting the quality of scientific research in the Netherlands, with respect for each party's own mission and vision - seek to reduce the administrative burdens attached to the funding of scientific research and to increase the transparency of that funding for researchers.

In the case of funding from NWO for scientific research at the universities, this agreement takes the customary funding of direct costs as its starting point. In the near future, VSNU and NWO will investigate the possibility of applying the full cost approach in the context of this agreement. As and when such a change in accounting policies occurs, this agreement will be revised in its entirety.

The parties will evaluate their experience with the consequences of this agreement on an annual basis; at the same time they will explore options to reduce the administrative burden even further.

If there is a structural divergence between the provisions of the collective labour agreements applicable to the universities (CAO-NU) and the university medical centers (CAO-UMC), those two parties will hold consultations on remuneration rates.

Any additional agreements made between ZonMw and NFU with regard to specific remuneration rates will be set out in an addendum to this agreement.

The organisations that collaborate in the SGF/VFI will conform as far as possible with the provisions of this agreement.

The provisions of this agreement will be incorporated into the NWO Regulation on Granting [*Regeling subsidieverlening*] and the general terms and conditions for grants from NWO included therein.

Each year, before 1 July, NWO will publish the remuneration rates under this agreement on its website; the rates will remain in effect from 1 July of the current year to 30 June of the following year.

2. Fees and expenses

NWO (and other funding organisations) will bear the following costs: (1) personnel, (2) a bench fee and (3) material costs as indicated at the time the grant is approved (allocation). There will be no interim changes to the value of the grant (indexation is included in the grant approval). After grant approval, changes can, if so desired, be made to the type of researcher to be recruited or to the type of equipment to be purchased; such changes require the approval of NWO. Determination of the definitive value of the grant will take place after receipt and approval of a final report and final financial overview. The institution is expected to provide any necessary infrastructural facilities, as is customary with research funded by NWO.

2.1 Personnel costs

On the basis of this agreement, a sum will be made available to enable researchers and/or support staff to be recruited for the duration of the research; contracts for these employees must have a term of no less than one year and working hours must be no less than 50% of the fulltime standard. The value of this sum will be calculated as follows at the time that the grant is approved and on the basis of the duration of the appointment:

- a. a sum to cover basic salaries at the applicable rates, including holiday bonus and end-of-year bonus;
- b. a supplement for employer's contributions;

- c. a supplement for miscellaneous personnel costs;
- d. an 'end-of-project bonus' with a view to possible extension, payment or commutation of redundancy payments, retainer premiums, variations on standard pay grades, and so on.

In calculating this amount, indexation will be applied after each 12 month period as agreed (see paragraph 3).

re a: funding for basic salaries

Funding for the basic salaries of PhD students (which, for the purpose of this agreement, may also include other comparable posts within the institutions) will be as set out in the CAO-NU¹ for PhD students. In the case of PhD students, funding will be calculated on the basis of full-time engagement in the project for a period of no more than four (4) years (no adjustment will be made to the funding for appointments with a longer term).

The following funding provisions apply for other staff for the entire duration of the funded employment (irrespective of the actual pay grade and possible allowances):

- Senior researcher (including post-docs and other researchers at a comparable level): scale/step 11.0 CAO-NU;
- Non-scientific staff at MBO (senior secondary vocational education) level: scale/step 7.5 CAO-NU;
- Non-scientific staff at HBO (university of applied sciences) level: scale/step 9.3 CAO-NU;
- Non-scientific staff at academic level: scale/step 11.2 CAO-NU.

For the period from 1 July 2008 through to 30 June 2009, salary funding will be based on the rates applicable according to the CAO-NU on 1 July 2008, plus an 8% holiday bonus and a 6.4% end-of-year bonus.

re b: supplement for employer's contributions

For the period from 1 July 2008 through to 30 June 2009, the supplement for employer's contributions will amount to 22.9% of the sum calculated under a. above. For the calculation of the remuneration from 1 July 2008, the adjustment of the supplement will reflect the changes notified to NWO annually by the Cabinet in the context of the adjustment of salary withholdings.

re c: supplement for miscellaneous personnel costs

A supplement to the value of 7.2% of the sum under a. above will be set aside for the funding of miscellaneous personnel costs (including advertising costs, training costs, replacement during illness) during the entire term of the agreement. The parties agree to a joint review of the value of this supplement for later years.

re d: 'end-of-project bonus'

For each year that the employee has been engaged on the funded project, the supplement for the end-of-project bonus will equal the value of one month's funding of points a., b. and c., on the basis of the most recently determined value of funding for basic salaries, plus the supplement for employer's contributions. If employees are appointed for a portion of a year, the funding supplement will be calculated pro rata (for example: an appointment for 3.5 years leads to a 3.5 month supplement). No end-of-project bonus is payable for employees appointed for less than a full year.

2.2 *Bench fee*

A bench fee of EUR 5,000 will be made available for each PhD student and senior researcher to be recruited. This bench fee is intended to provide a stimulus for the scientific careers of the project staff funded by NWO; the bench fee can be used to cover expenses incurred in pursuit of a doctorate, including visits to conferences in the Netherlands and elsewhere. The bench fee will be available in full to the head of the project; it must be used in accordance with the regulations of the institution involved for the benefit of the funded employee(s). NB: project-related material costs form a separate part of the grant application/approval (see paragraph 2.3). Foreign travel that is necessary for the purpose of the research itself should be covered from the grant component for material costs.

2.3 *Material costs*

¹ Relationships of other kinds with students in pursuit of a doctorate can also be funded, but then at the actual cost price; in that case, no allowance will be made for the supplementary payments mentioned in this agreement.

Material costs will be reimbursed according to the amounts allocated in the grant. They will include only direct material costs, insofar as such have been applied for and approved. No funding is available for the costs of the required infrastructure (accommodation, office automation) or for overheads. The costs of equipment and/or aids produced within the project are only covered if such costs were applied for and approved.

3. Annual review

Each year, before 1 July and for the first time on 1 July 2009, NWO and VSNU will hold consultations to revise the value of the funding for basic salaries (as intended under 2.a.), the indexation figure (as intended under 2) and the funding to cover employer's contributions (as intended under 2.b.) for all projects to start from that date. The revision will be based on the CAO-NU as it is then applicable (for basic salary costs), the expected rise of salaries due to indexation, and the developments expected in social legislation. The amount set aside for basic salaries and the supplement for employer's contributions will remain in force for the following twelve (12) month period².

The figure used for indexation will be the average of the adjustments announced by the Cabinet for wage costs for the year in which the payments begin, the year afterwards (on the basis of the estimate announced by the Cabinet), and the actual evolution of that percentage in the two years that precede the year in which this agreement comes into force. Indexation at the rate of 2.7% will be applied to the standard amounts in the period between 1 July 2008 and 30 June 2009; this indexation percentage has been determined on the basis of the system used to determine wage increases in collective labour agreements in the free market sector.

4. Payment plan

Payment of the sum approved for personnel costs will be effected in annual instalments, beginning with a first payment after receipt and approval of the personnel information or commencement form, in accordance with the funding schedule to be announced by NWO. Payment of the end-of-project bonus will be made after receipt and approval of the final report and final financial overview. The final definite grant for personnel costs will be calculated on the basis of the weekly working hours and the number of months that the recruited employees have actually been engaged on the research project and the standard rates applicable at the time the grant was approved. Actual personnel costs are not relevant in this respect.

The bench fee will be disbursed together with the first payment for personnel costs. No justification needs to be provided for the use of the bench fee, but it may only be used for the purpose for which the bench fee is intended.

Payment of the grant component for material costs will also be effected after the research has commenced and on the basis of the funding schedule announced by NWO. Material costs grant components of up to EUR 50,000 can be considered as a lump sum; no justification needs to be provided to NWO for the use of these funds. The underlying principle is that any remainder of funds from this component can be used to defray other direct costs for the project-related research. Under no circumstances can the grant be used to cover overhead costs. In the case of material costs grant components in excess of EUR 50,000 intended specifically for the purchase of equipment, or in the case of other exceptional circumstances surrounding the usage of the funds, NWO can attach specific conditions with regard to the final financial overview and determination of the definite grant value.

During the project, payments can be halted if the workgroup leader fails to fulfil any of the applicable conditions, such as the timely delivery of requested reports.

Determination of the definitive value of the grant will take place after receipt and approval of a final report and final financial overview. Guidelines will be provided as to the requirements with regard to the final report. The final financial overview consists of: a summary of the weekly working hours and the number of months that the recruited employees have actually been engaged on the research project.

If required according to the conditions attached to the grant decision: an accounting for material costs, signed by the project manager and the competent authority (or, if so mandated, the relevant administrator or auditor).

NWO does not demand that the final financial overview for projects carried out at universities/KNAW and UMCs be accompanied by an audit certificate. This arrangement does not, however, apply if the parties providing funds to NWO themselves require an audit certificate. The audit requirements for projects funded by NWO and carried out by universities are set out in the audit protocol of the Ministry of Education, Culture and Science (OCW). This protocol also applies to projects funded by ZonMw and STW and will be extended

² A new table of payments will be implemented on 1 January 2009 on a once-only basis.

to include projects funded by the collaborating healthcare funds with effect from the 2008 financial year. The following text applies to the auditing of funded projects carried out by UMCs and KNAW:

The institution's auditor will determine whether the grants provided by NWO, STW, ZonMw or the collaborating healthcare funds have been used and accounted for in accordance with the terms and conditions attached to the grant. If the institution has to draw up a final accounting for the grant in the reporting year and return any remaining funds to the grantor, the auditor will verify that this set-off is appropriately justified in the annual accounts.

The sum total of expenditure from the grant funds must be accounted for separately, applying normal audit tolerances. The institution's auditor will perform his audit in such a way that he can declare that no improper usage has been encountered that exceeds 1% of the total expenditure from the granted funds.

If the institution's auditor discovers improper expenditure, he will ensure that the institution itself remedies the situation. If remedial action is not taken, the institution's auditor will add a note to that effect in the report of his findings that is sent to NWO.

5. Intellectual property rights

By reason of its capacity as employer, the institution has legal title to all legal rights that are or can later be established in connection with the research funded by NWO. In certain cases, however, in view of some specific objective to be achieved through the programme, arrangements can be made in advance for NWO to share in those rights. If such is the case, agreement will be reached in respect of the exploitation of the results of projects partly or wholly funded by NWO.

6. Approval for submission of application

An application for funding must be counter-signed by the governing body of the institution (according to applicable mandate arrangements) where the applicant is employed.

7. Scope

The agreement is applicable in its entirety to all non-person-related forms of support unless explicitly determined otherwise at the call for proposals. Where the agreement is not applicable in its entirety, its provisions will be applied as far as possible by analogy.

In the case of person-related forms of support, such as the Talent Scheme [*Vernieuwingsimpuls*], every effort will be made to determine the grant value for award-linked funding on the basis of the methodology set out in this agreement. As from 2008, the allocation of funds under the Talent Scheme programme will no longer be subject to a direct costs matching requirement on the part of the universities.

8. Duration

This agreement comes into force on 1 July 2008 and ends on 30 June 2009; unless NWO or VSNU give written notice of termination at least six (6) months before the ending date, it will automatically be extended each following year for a further one year period.

9. Provision of information

On submission of the final report on a project, and/or later if so requested, the university concerned will provide NWO with information about the subsequent employment (or otherwise) of the project employee after the project has ended.

10. Final stipulations

Parties will hold discussions in the event of significant changes to the funding system or other radical changes.

Signed in Amsterdam on 2 October 2008

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VSNU

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ZonMw

NFU

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VFI/Sectie Gezondheidsfondsen
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