

Agreement on a joint model for research project funding

Six private foundations have signed an agreement with Universities Denmark on a model for the foundations' coverage of research project costs

Common goal for the quality of Danish research

Universities Denmark and the six private research-funding foundations, the Novo Nordisk Foundation, Villum Fonden, Velux Fonden, the Lundbeck Foundation, the Carlsberg Foundation and the LEO Foundation, have signed an agreement on a joint model for the future funding of research projects supported by the private Danish foundations that are parties to the agreement. The common goal has been to agree on a simple and uniform method for preparing budgets when applying for funding from the foundations, so that a portion of the foundations' grants in the future will contribute to covering the project costs that the universities incur in connection with the projects in question.

The aim of the agreement is to future-proof research excellence and the international competitiveness of Danish research and in that way contribute to furthering the universities' value creation for society. A wider coverage of the costs incurred will enable the universities, in collaboration with the foundations, to heighten the quality of Danish research and strengthen the development of research talents.

The agreement comes with a funding model under which a larger proportion of the foundations' grants will be used to cover the universities' share of project costs. All things considered, this means that the foundations will be allocating less funding to actual research activities, thus intensifying the competition for research funding. However, the model also means that the universities can now free up funds that are currently tied to covering project costs. These funds can be used to support research environments and improve conditions for faculty academic staff (i.e., professors, associate professors and assistant professors) to help enhance the quality and breadth of research within and across all main subject areas.

The model builds on an analysis carried out by Deloitte consultancy Consulting in which the universities' costs for externally funded projects have been made up. The cost analysis only includes research activities associated with foundation-funded university projects.

The research-funding foundations award grants in accordance with their individual charters/statutes and strategies. Among other things, the foundations support research projects and research training at the universities, thereby contributing to the advancement of research across Denmark.

The agreement for the foundations to cover costs on a wider scale means that the universities can better achieve financial balance in relation to research funding. The universities will present a plan for how this improvement can promote the ambition to raise the quality of research and research training programmes and ensure the breadth of research.

The universities and the foundations will continue their close dialogue on how to prioritise the quality and breadth of Danish research, research training programmes and research-based education. Once a year, the parties will discuss the ambitions for university research in Denmark. The parties agree that it is desirable that these discussions be carried on with the Ministry of Higher Education and Science.

The purpose of the dialogue is to ensure that the statutory purposes of the universities as well as the foundations' charter purposes can be fulfilled and that there is an ongoing dialogue about how the increased funding for project costs will ensure that the quality of Danish research continues to improve. Possible themes for the dialogue could be the interaction between sector research and traditional university activities, infrastructures to boost research environments, conditions for university research and internationally acknowledged career opportunities for both permanent and project research staff, including tenure-track assistant professors and PhD programmes.

Model

The model has been developed on the basis of a thorough analysis commissioned by Universities Denmark to document the universities' costs when receiving research grants from private foundations. Universities Denmark and the private research-funding foundations have had a constructive dialogue about the analysis. The model will ensure a balanced economy in the projects, efficient administration and transparency in the universities' research-related costs.

Balanced economy

The universities and the foundations share the desire to ensure that externally funded research projects and environments across Denmark have a balanced economy. The new model provides a clear distribution of funding between the universities and the foundations where it is evident which types of activities and costs each party finances. The cost distribution includes salaries, operations and administration.

Salaries for direct research time adhere to the principle that the foundations finance salaries for academic project staff (PhD students, postdocs, other non-faculty academic staff) and project staff for technical support (e.g., laboratory staff), and that the universities finance salaries for faculty academic staff (i.e., professors, associate professors and assistant professors) and research management.

Some foundations may decide to pay salaries to faculty academic staff (i.e., professors, associate professors, assistant professors) within the traditions of the discipline concerned or when tasks fall outside the ordinary university position's focus on research and research-based education. In this context, all assistant professorships (both four-year and six-year tenure-track positions) are considered permanent academic positions, while salaries for fixed-term academic staff can be applied for, e.g. a fixed-term group leader or a tenured senior researcher rooted in the sector research tradition.

The foundations also help to support the universities' PhD programmes through project funding, including PhD tuition fees and PhD students' teaching hours, which are an integral part of the PhD programme. The foundations expect to see transparent and harmonised PhD tuition fees in the future.

In addition, the parties have agreed to share the costs related to parental leave, meaning that the foundations provide a contribution per project-employed academic full-time equivalent, while the universities ensure the correct handling and implementation at project level and cover additional costs for parental leave over and beyond the foundation's contribution. The foundations expect to see transparent and harmonised guidelines and pay rates in future applications.

The operating costs of individual projects as well as relevant research and IT infrastructure are largely financed by the foundations, while building costs are generally financed by the universities. However, there are certain types of projects for which the foundations may choose to provide funding.

The model sets out the detailed funding principles, including how they are to be administered in practice. The foundations and the universities each finance their share of the administrative research support associated with the individual project. Administrative research support covers finance, procurement, personnel, innovation, research management and strategic management.

Efficient administration and transparency

The aim of the model agreed upon is also to contribute to a more efficient administration for foundations and universities in the application process and during the implementation of externally funded research projects. Therefore, the model entails a harmonisation of a number of issues between the universities and the private foundations underpinning precisely this aim. Specifically, it concerns how to categorise grant types and costs in the same way as well as how the financing of project costs is handled between the parties.

Grant types

The model for covering project costs is based on the following grant types: open calls below DKK 50 million, open calls above DKK 50 million and individual projects.

The most common grant types are open calls where university researchers can freely apply within a specific subject field or research area in open competition with each other. The foundations will categorise open calls in amounts below or above DKK 50 million.

Individual projects are often large grants, for instance for research centres, which are subject to bilateral negotiations between the university and the foundation in question. These are few but very large grants.

The grant type is key to universities' ability to apply for funding to cover certain types of project-triggered costs.

Funding through project supplements

The universities and the foundations agree that it must be easy for researchers, in their applications and budgeting, to ensure a correct basis for their dialogue with the individual foundation. Under the agreement, the foundations' coverage of costs beyond the project funding itself will take the form of a project supplement per project-employed academic staff (full-time equivalent) financed by the foundations. The project supplement consists of overhead costs for administrative researcher support, research infrastructure and IT infrastructure and is allocated automatically based on project-employed full-time equivalents of the individual project.

A supplement has been agreed for so-called dry research in the humanities and social sciences, while there will be a supplement for so-called wet research in the natural, health and technical sciences. The difference between the dry and the wet project supplement reflects the fact that 'wet' research is often laboratory-based and therefore entails higher research infrastructure costs.

In the appendix is a list of costs that, under the new model, cannot be included as separate budget items in applications to and grants from the foundations. Such costs will be covered by the project supplement.

Governance and determination of project supplements

The universities and the foundations have agreed to establish joint governance of the agreement to ensure that the project supplement as determined will remain relevant and up to date. This means that the parties have committed to a set framework and structure for the dialogue in the coming years.

The model's division of tasks and categorisation of grant types and costs will be discussed regularly by the parties, who will evaluate the need for any additions or adjustments. The model will thus continue as is until otherwise agreed.

The foundations and the universities have agreed that the 'wet' supplement shall be DKK 250,000 per project-employed full-time equivalent academic staff, and that the 'dry' supplement shall be DKK 200,000 per project-employed full-time equivalent academic staff.

The supplements include a parental supplement in the amount of approx. DKK 5,000 per project-employed full-time equivalent academic staff.

| DKK per academic staff/VIP full-time equivalent | Project supplement |
|--|--------------------|
| Wet project supplement (including parental supplement) | DKK 250,000 |
| Dry project supplement (including parental supplement) | DKK 200,000 |

The project supplements are set for a five-year period, and it will be a recurring item on the agenda at the annual dialogue meeting to assess whether the preconditions of the agreement are basically unchanged. As a rule, the project supplements will be adjusted annually on the basis of the Danish Agency for Public Finance and Management's fixed-price calculator for the price and wage level. Deviations from the rule may be discussed at the annual dialogue.

The project supplements will be recalculated after the agreed time span, taking into account the actual development of the research portfolio and the associated costs.

Appendix: List of costs that cannot be included as separate budget items.

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| Project supplement | Cost category | Sub-cost category | Description of types of costs that should <i>not</i> be applied for as they are covered by project supplements | Description of costs that <i>may</i> be applied for in addition to project supplements (non-exhaustive) |
|-------------------------|---|--|--|---|
| IT infrastructure | IT equipment | Workstation and shared IT equipment | Computers, tablets, mouse, keyboard and other IT accessories Printing, AV, conferencing equipment | |
| IT infrastructure | IT equipment | Telephony | Mobile and landline phones including talk time/minutes, roaming/wireless data and telecommunications | |
| IT infrastructure | IT operations | Service desk and IT support | IT support at service desk, setup, repair and maintenance of IT equipment, intranet | |
| IT infrastructure | IT operations | IT management | IT management and IT security | |
| IT infrastructure | IT infrastructure | Network | Network connections, local networks and infrastructure to move large data volumes, which the university makes available to all researchers | |
| IT infrastructure | IT infrastructure | Storage and computing | Operational infrastructure (mainframe, servers, etc.) for storage, backup and computing, available to all researchers. | |
| IT infrastructure | Web applications | Data and databases | Standard licenses and access to databases and statistics that are available to all researchers. Software for data processing and for data collection and data management of research data (e.g., standard licences for NVIVO, SAS, SurveyXact, Stata, SPSS, MatLab, Claudia, Scival, PURE) that are available to all researchers as part of the shared research infrastructure. | |
| IT infrastructure | Web applications | Applications and systems | Software centre, standard licences and subscriptions, standard programs (e.g. MSoffice package, etc.). Applications and programs for research administration, e.g. systems for applying for funds and for patents. | |
| IT infrastructure | TAP salaries (administrative and technical TAP staff) | TAP salaries for general IT staff | TAP salaries in IT department and for employees handling general IT tasks. | |
| Research infrastructure | Instruments, equipment and infrastructure | Shared instruments and equipment | Purchase and depreciation of shared instruments and research equipment, shared fieldwork equipment, machinery, etc. that are available to all researchers as part of the shared research infrastructure | Costs for using core facilities to be budgeted for |
| Research infrastructure | Instruments, equipment and infrastructure | Service and maintenance of shared research equipment | Service and maintenance of shared research equipment, including service agreements and services related to shared equipment and instruments, as well as TAP salaries for own employees who undertake service and maintenance of shared research equipment and instruments. | Costs for using core facilities to be budgeted for |
| Research infrastructure | Instruments, equipment and infrastructure | Shared research infrastructure | Research libraries, books and journals, web databases, subscriptions and memberships, etc., that are available to all researchers as part of the shared research infrastructure. | Costs for using core facilities to be budgeted for |

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| Research infrastructure | Core operations in departmental laboratories | Joint procurement and core operations in research areas | Goods and materials for joint use by research projects in departmental laboratories. Core operations of departmental laboratories include products and materials such as glassware, gases and chemicals used by all researchers. For non-laboratory-based areas, core operations include items such as general fixtures, furniture and office supplies. | |
| Research infrastructure | TAP salaries (technical TAP) | TAP salaries for technical staff who undertake technical support of research | | Salaries for technical TAP staff to be budgeted for, e.g. for laboratory or data work. This applies to technical TAP staff who provide technical support as part of the core service in departmental laboratories, etc., and technical TAP staff who provide service directly related to the individual research project. |

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| Research infrastructure | Operation of research areas | Core supply for research areas | General supply of electricity, water and heat (with no extraordinary consumption in connection with a research project) | Any extraordinary consumption of supplies directly derived from the research project can be budgeted for (and documented). |
| Research infrastructure | Operation of research areas | Operation and service of research areas | Shared service, cleaning, janitors, surveillance, reception, refuse collection and guards/security (both outsourcing and internal staff) in research areas. | |
| Research infrastructure | Operation of research areas | Maintenance, planning and development of research areas | General maintenance, joint conversion/extension/renovation of research areas, including shared installations and furnishing. | Costs in connection with new installations and refurbishments as well as new conversions and extensions directly derived from the research project may be budgeted for (documented). |
| Research infrastructure | TAP salaries (administrative and technical TAP staff) | TAP salaries in central facility unit | Salaries for TAP staff in central facility/campus areas | |
| Administrative research support | Project administration | Finances | Payroll and operations in units working with finance tasks such as budgeting, bookkeeping and invoicing. | |
| Administrative research support | Project administration | Procurement | Payroll and operations in units working with procurement. | |
| Administrative research support | Project administration | Research support/Research & Innovation | Payroll and operations in central units working with research support, fundraising and counselling relating to applications for external funding, innovation units, counselling on IP/patents and other legal issues related to research, counselling on ethics and GDPR in relation to research data, contracts unit. | |
| Administrative research support | Project administration | Communication and dissemination | Payroll and operations in central units that support communication and dissemination, including publications, printing, websites, general outreach activities, etc. | |
| Administrative research support | Project administration | Research management and administration | Payroll and operations for departmental management, heads of secretariat, departmental administration, etc. | |

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| Administrative research support | Project administration | HR/personnel administration | Payroll and operations in units working with HR, employment law assistance, payroll management, holiday administration, recruitment and appointments, etc. | |
| Administrative research support | Academic and strategic research management | Management and staff | Payroll and operations in the dean's office, the rectorate, management and staff tasks, units working with policy and external relations, etc. | |
| Administrative research support | TAP salaries (administrative TAP) | TAP salaries for staff performing general administrative tasks | Payroll and operations for employees who perform general administrative tasks (basic service level) at department, faculty and university level. | Salaries for administrative TAP staff may be budgeted for in case of extraordinary demands for administrative support of a research project, for example due to the complexity of the project. |