

Guidelines

Innovation Fund Denmark's rules for budgeting, grants etc. relating to transnational calls

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NOTE: These guidelines shall be applied only if a transnational call specifically stipulates that Innovation Fund Denmark's rules for budgeting etc. are to be followed.

Innovation Fund Denmark (IFD) participates in a range of international research programmes – including ERA-Nets (European Research Area - Networks) and JPIs (Joint Programming Initiatives).

These programmes are often of the “virtual common pot” type, i.e. programmes where grants for the Danish participants will be disbursed directly from IFD.

In the calls for applications from such programmes there can be a requirement for Danish applicants to adhere to IFD's standard rules for budgeting etc. This document describes these rules.

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1. IFD's role in the application and grant allocation processes

When Innovation Fund Denmark (IFD) decides to contribute financially to international calls for research funds, IFD will normally have contributed to the preparation of the call. Furthermore, IFD will typically participate in the evaluation of submitted applications. Financing of projects that are selected to receive funding will typically proceed in such a way that the parties from the various countries finance those parts of the activities that are carried out nationally, i.e. IFD finances the Danish participation. In addition there might be co-financing from the European Commission. The different steps in the process after the announcement of the call will be:

- The applications are submitted to and processed by the international body responsible for the call. This is done in accordance with the rules defined in the transnational call.

- In certain calls there is a requirement to submit certain documents directly to the Danish contact at IFD. If this is the case, it will be explicitly set out in the call text or in the announcement at <http://innovationsfonden.dk/>
- While processing the applications the international body will consult IFD concerning applications that have Danish participation (eligibility test). The purpose is to ensure that there are no errors or omissions with respect to the Danish rules which might make the activity ineligible for funding from IFD.
- Once a decision has been made as to which activities are to receive funding (see the provisions in the transnational call), IFD will be required to allocate funding for the Danish participant(s) in these activities.
- Prior to a notice of funding can be prepared, IFD may require the Danish participants to submit supplementary information about the Danish participants, the activity, the budget, etc. These requirements will be communicated to the Danish participants directly.
- The notices of funding from IFD are prepared in Danish and sent directly to the Danish participants. The grant will be in Danish kroner, and it is expected that the grant will be administered by a Danish institution/ enterprise.
- Grants will be awarded in accordance with IFD's general rules on disbursement, use, administration, financial reporting, etc.
- In addition to the reporting requirements of the international body responsible for the call, IFD will require a final scientific report, plus in certain cases one or more additional scientific reports. The precise requirements for reporting will be stated in IFD's notice of funding.
- Follow-up of the Danish grant will be with responsibility of IFD. IFD approves the scientific reports, processes any change requests, etc.

2. Who is eligible for funding?

Innovation Fund Denmark may fund activities at public-sector and private institutions and enterprises in Denmark and abroad, although funding is subject to the restrictions stated in section 3.5 below concerning “Rules for granting funds to private-sector enterprises”.

Requirements are not made as to the grant holders and other participants’ citizenship. This means that anyone – including citizens of other countries and Danish citizens employed abroad – may apply for funding and participate in the activity being applied for. However, it is a requirement that the funded research activities promote and strengthen Danish research and innovation.

3. Budgeting the costs for Danish participants

3.1 Budget preparation

The budget of the Danish activities must include all costs including overheads and must reflect the anticipated break-down of such costs by financing from IFD and co-financing.

Budgeting in the case of multiple Danish partners

If several different Danish institutions/enterprises are participating in an activity, a separate budget should normally be prepared for each party.

However, IFD allows that the different Danish parties coordinate their efforts and submit a single, joint Danish budget. This must comprise the sum of the individual partners' budgets. Costs are to be allocated to the individual partners based on the principle that the unit which will defray a given cost must include that cost in its sub-budget. The budget for each partner should then include an overhead item corresponding to the rate to which the respective institution/enterprise is entitled (cf. section 3.4 below).

Breakdown of the budget by funding and co-financing

All budgets should be broken down by sources of financing, i.e. funding from IFD and co-financing (i.e. self-financing on the part of the entity itself or financing/funding from other sources).

Overheads should be included in both the budget for funding from IFD and the budgets for self-financing (cf. section 3.4 below).

Co-financing may be provided in the form of monetary contributions or as payment “in kind”, i.e. by making equipment, staff, etc. available.

3.2 Eligible costs

Innovation Fund Denmark is able to support the following types of activities:

- Salaries for research managers and principal researchers
- PhD grants
- Postdoctoral grants
- Combination positions, that is, salaries/salary subsidies for researchers who are employed for a fixed period of time at two institutions or at an institution and an enterprise
- Salaries for technical/administrative staff
- Guest researchers e.g. bringing talented researchers from abroad to Denmark for a limited period
- Procurement of research from high-quality research environments abroad that might be moved to Denmark for a period of time
- Equipment costs
- Support for dialogue between research institutions and public-sector institutions and/or private-sector enterprises etc.
- Subsidies for the cost of collaboration with research environments abroad
- Other costs, which are relevant in relation to the specific activities.

It should be noted that funding is awarded as framework grants, and that it is not possible to apply for supplementary grants. Funding cannot be granted to cover costs already incurred.

3.3 Budgeting of costs

Costs are calculated in accordance with the rules below.

Payroll costs

- *Danish public-sector institutions*: Budgets must state the projected actual payroll costs per month over the funding period.
- *Foreign research institutions and hospitals (including institutions in Greenland and on the Faroe Islands)*: Budgets must state the projected actual payroll costs per month over the funding period.
- *Authorised Technological Service Institutes (“GTS institutter”)*: Budgets must state the expected actual payroll costs per hour of work performed over the funding period and multiplied with the latest approved cost factor from the Ministry of Higher Education and Science.
- *Danish and foreign enterprises, including private research institutions and hospitals*: Budget must either state the real payroll costs multiplied with a cost factor approved by an auditor or a fixed hourly rate of a maximum of DKK 750.

NOTE : If the application leads to a decision of Innovation Fund Denmark to invest in the project, the financial statements shall be prepared in accordance with the same principles as those on which the original budget is based.

If enterprises use a fixed rate, the financial statement must be made based on the same rate.

In case a cost factor approved by an auditor is used, the same factor must be used in the financial statements throughout the project.

For GTS institutes, the same factor that was included in the original budgets must be used for the financial statements throughout the entire project.

Other costs

Equipment and operating costs etc. must be stated at the projected actual price.

Education grant: Note that for a PhD programme, where the student is employed by a public-sector Danish research institution, the institution will be eligible for an annual education grant. The grant is placed at the disposal of the institution to cover costs entailed by the grant recipient, that is, supervision, courses, brief trips, study stays at other institutions etc. The fixed rates are DKK 50,000 per annum for studies in humanities and social sciences, and DKK 80,000 per annum for studies in technical science, natural science and health science.

3.4 Overheads

For certain types of institutions, the grant may be used to cover overheads, that is, costs not directly incurred from the research activity. Overheads are calculated as a fixed percentage of all direct costs, cf. the rates given below. Direct costs means costs incurred as a direct result of the research activity which are accounted for in line with the foregoing budgetary rules. Overheads must be included in both the budget for IFD funding and in the self-financing budget.

Institution/enterprise type	Overheads
Danish institutions (including universities and government research institutes) which are subject to the rules regarding grant-funded research activities in the Danish Ministry of Finance's budget guidelines, and which are authorised to carry out grant-funded research activities.	44%
Danish institutions meeting all the following criteria: <ul style="list-style-type: none"> - Receive and are expected to continue receiving a fixed state subsidy of minimum 25 % (measured in relation to the total annual turnover) to cover operating costs. - Are non-profit institutions which do not seek to generate profit, and where any profit may not be distributed among the owners. - Carry out research as a central purpose¹⁾. 	20%
Foreign universities (including universities in Greenland and on the Faroe Islands)	20%
Other foreign institutions (including Greenland and the Faroe Islands), that fulfil both of the following criteria: <ul style="list-style-type: none"> - Are non-profit institutions which do not seek to generate profit, and where any profit may not be distributed among the owners. - Carry out research as a central purpose¹⁾ 	20%
Public sector hospitals in Denmark, Greenland and the Faroe Islands.	3.1%
Danish state-recognised museums (cf. The Danish Museum Act) and public sector museums in Greenland and the Faroe Islands.	3.1%
All other Danish and foreign authorities, institutions and enterprises including Danish Authorised Technological Service Institutes (GTS-institutter)	0%

¹⁾ For these types of partners, documentation for the status of the institution might be requested

3.5 Rules for granting funds to private-sector enterprises

Private-sector enterprises may, to a certain extent, receive funding through Innovation Fund Denmark. This State aid may be awarded within the provisions of EU Commission's state aid rules for research and development – Notification procedure – is in process with the general block exemption regulation.

Pursuant to the EU state aid rules, funding may be provided to enterprises engaging in collaborative projects with research institutions. In this context, large enterprises are enterprises that do not come under the EU's definition of micro, small and medium-sized enterprises (SMEs), cf. below.

The funding for enterprises must serve to promote their initiation of further research activities (incentive effect). Funding for large enterprises requires special documentation in the form of an estimate of the increase in their total expenditure on research and the increase in the number of employees engaged in research activities. In addition, the EU Commission requires information concerning financing by the enterprises of PhD and postdoctoral grants pertaining to the project.

For a large enterprise, State aid may be granted for a maximum of 50 per cent of the enterprise's project costs. For an SME, State aid may fund a maximum of 60 per cent of the SME's project costs. However, it should be emphasised that these are maximum limits. In many cases there will be a requirement for higher self-financing on the part of the enterprise.

Under the EU Commission's definition, the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and where at least one of the following two criteria is met: 1: Annual turnover does not exceed EUR 50 million or 2: the annual balance sheet total does not exceed EUR 43 million. If the enterprise forms part of a group with other enterprises, the group as a whole must meet the above terms. Please see the entire set of rules in "[*The new SME definition - User guide and model declaration*](#)". If an application is granted, small and medium-sized enterprises that are to receive funding will be asked to submit a declaration regarding their status. A form for that purpose will be sent to the grantee.

3.6 Co-financing

Some co-financing from participating public and private-sector partners in Denmark and abroad is expected. Co-financing may be provided in the form of monetary contributions or as payment "in kind", i.e. by making equipment, staff, etc. available.

Please be aware that for GTS institutes, only up to 60% of the project budget can be covered by a grant from Innovation Fund Denmark.

4. Responsibilities, publication, etc.

The applicant's responsibility

The Danish applicant is responsible for ensuring that all information in the application for the transnational call related to the Danish participation and the Danish budgets is correct.

Rejection of applications without substantive consideration

An application may be rejected without substantive consideration if the formal requirements or deadlines set out in the call for applications are not met.

Other data which may be obtained by official bodies

Innovation Fund Denmark reserves the right to obtain information about any previous and current applications an applicant may have submitted to other public funding organisations in Denmark and this information may be included in processing of the application.

In the event that project funding has been or will be applied for from elsewhere, Innovation Fund Denmark reserves the right to obtain information as to whether the amount has been granted.

Publication

If the application is approved in whole or partially, details of the Danish applicant's title, name, place of employment and e-mail-address, the names of the participating parties, the grant title and duration, key figures for the grant and the size of the grant may be published in the Danish Research Database (<http://www.forskningsdatabasen.dk>) and on Innovation Fund Denmark's website (<http://www.innovationsfonden.dk>) and in Innovation Fund Denmark's publications.

Where relevant, in connection with the awarding of a grant, a requirement may be made for the collected data material to be submitted to Dansk Data Arkiv (DDA) in its documented state.

Information about applicants who have not been awarded a grant may be disclosed in the event that access is applied for pursuant to the Danish Public Records Act (offentlighedsloven). Access to such information may be granted in the form of lists of who have applied and for what purpose (applicant names and application titles). Applicants should therefore take care that their application title does not reveal information about the activity which they wish to keep out of the public domain.

Open Access

Attention is drawn to the fact that notices of funding from IFD will include a provision that the funded activity must comply with the principles in the “Open Access policy for public-sector research councils and foundations”, i.e. that published scientific articles that are the result of full or partial financing from IFD must be made freely available to all via Open Access, if the journal permits this. See the complete wording of the policy here: <http://fivu.dk/forskning-og-innovation/samspil-mellem-viden-og-innovation/open-science/open-access-politik-for-offentlige-forskningsrad-og-fonde>.

5. Contacts

For questions relating to the transnational calls and Danish rules, please contact the Danish contacts named in the calls. For questions specifically related to transnational issues, please contact the transnational contact.

Appendix A- Statement related to funding for large enterprises

Please use the template below for preparation of the statement that may need to be submitted in applications for funding for large enterprises (cf. section 3.5 above).

Wording of:

“Statement related to application for funding for large enterprises”

On behalf of <name of enterprise> I hereby confirm that <name of enterprise> expects to participate as a partner in the research activity <application title>. The activity is described in an application from <name of applicant> for a grant from Innovation Fund Denmark.

<Name of enterprise>’s role in the research activity is, as described in the project description, to ...<short description of the activities, and any other information the enterprise may wish to provide concerning its participation>.

The enterprise will contribute to the project with expertise within <field of expertise>. This expertise is not present at any of the (other) research institutions participating in the activity. Hence, the contribution from <name of enterprise> is considered decisive for the success of the research activity.

And/or

Within the project, <name of enterprise> will conduct research in the field of <research area>. The enterprise has not previously been active in research in this field.

Participation in the project is estimated to imply extra expenditure of DKK <xxxx> million on research at <name of enterprise> and to increase the number of employees engaged in research activities by <xx> man-year(s).

As part of the project, the enterprise will contribute DKK <xxx> million to financing PhD and postdoctoral grants pertaining to the project. **OR:** The enterprise will not contribute to the financing of PhD or postdoctoral grants pertaining to the project, but will xxx <state other information, if any>.

The statement must be dated and signed by the enterprise and should be written on the official stationery of the enterprise.

The position and name of the person signing must be clearly stated.