

Decision 2 May 2011 (updated 5 May 2011)

### **Academy of Finland conditions and guidelines for funding decisions 2011**

(Academy projects, research posts as and research grants for Academy Professor and Academy Research Fellow, research programme projects, research grants for development research, FiDiPro, Centre of Excellence programmes)

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#### **1 Scope of application**

These general conditions for funding decisions by the Academy of Finland (hereafter the Academy) are applied to decisions whose funding period starts on 1 May 2011 at the earliest. The conditions are applied to the following Academy funding schemes:

- **Academy projects**
- **Research posts as and research grants for Academy Research Fellow and Academy Professor**
- **Research programme projects**
- **Research grants for development research**
- **FiDiPro**
- **Centre of Excellence programmes**

The general conditions for Academy funding decisions apply to both the principal investigator and the site of research. If the application has been initiated by the principal investigator and the funding recipient specified in the Academy's decision is the site of research, both the principal investigator and the site of research are obliged to comply with these general conditions.

Besides these conditions, the Finnish Act on Discretionary Government Transfers (688/2001) shall also be adhered to in the use, payment and control of Academy funds.

## **2 Application of the full cost model in Academy research funding**

As a rule, the full cost model applies to the drafting, issuing and implementation of Academy research funding decisions. Any exceptions to this are mentioned separately for each funding instrument. Academy research funding is by nature a joint venture in which the funds to finance the costs of each project always come from at least two sources. When applying for Academy funding, universities, research institutes and other research organisations commit to contributing a certain percentage of the project costs.

### *2.1 Funding percentage*

The Academy's funding contribution for a project is specified in the funding decision and comes to a maximum of 80 per cent. This funding percentage is equally applicable to all project costs, that is, to both direct and indirect costs. Indirect costs include indirect employee costs and overheads.

### *2.2 Exceptions*

The full cost model does not apply to the cost calculation of salaries of Academy Professors and Academy Research Fellows. In this case, an overheads percentage of 12.5 per cent is applied.

The full cost model does not apply to mobility grants. Likewise, the full cost model does not apply to funding decisions based on Centre of Excellence calls implemented before 1 January 2009, or to any decisions on additional funding regarding such calls.

## **3 Remittance of funds**

Before Academy funds can be paid, the principal investigator and the site of research must confirm that they will receive the funding. The confirmation must be done via the Academy's online services under "My applications" within six weeks from the decision date unless otherwise stated in the special condition of the decision notification. By confirming that they will receive the funds, the principal investigator and the site of research accept the content of the funding decision as a whole and commit themselves to complying with the conditions set by the Academy for the use of the funds. No such confirmation is needed for funding decisions concerning Centres of Excellence, FiDiPro Professors and projects with contractual funding.

The Academy applies the payment request procedure to all organisations that receive research funding from the Academy. The site of research is responsible for advances and for submitting requests for payment.

The Academy accepts requests for advances and payment as e-invoices. Requests for advances and payment can also be submitted via the Academy's online services.

### *3.1 Advances*

Universities and polytechnics can request advances from the Academy annually by 21 February. The Academy may pay an advance of one-third of the Academy's funding contribution for the project's first full calendar year. The advance is paid during the first quarter. If the funding period

of a project starts mid-year (calendar year), the Academy pays the advance only in the following year.

If relevant, the Academy can send a detailed schedule for the payment of advances to the financial administration of the sites of research. Advances can be paid on funding decisions where the site of research is a university or polytechnic. Advances are settled upon completion of a project. Advances are not paid on grants.

The minimum amount of advances paid by the Academy is 7,500 euros. Advances are paid only once during the period of validity of the decision. No advances are paid for research infrastructure funding.

### *3.2 Requests for payment*

Requests for payment shall be submitted to the Academy in four-month periods: January-April, May-August and September-December. E-invoices addressed to the Academy regarding requests for payment by research projects shall be submitted by 20 May, 20 September and 20 January or by the next workday, respectively.

## **4 Use of funds**

Research funding granted by the Academy may only be used for the purpose specified in the funding decision. Any conditions set in the decision by the Academy for the awarding of the funding must be adhered to.

In accordance with the full cost model, the salary costs of the principal investigator of an Academy project (previously project with general research grant) or a research programme project may be included as project costs to be funded. In four-year research projects, the salary costs of the principal investigator can be funded for a maximum of an amount equivalent to six months' effective working hours in the project's total costs, unless otherwise stated in the funding decision. This is equivalent to about one workday a week. As a rule, the Academy's research project funding is primarily intended for the salaries of full-time researchers within the project and for other project costs. **From the fiscal year 2011 onward**, the above policy concerning the principal investigator of a research project can also be applied to the Academy's previous and still valid decisions in accordance with the full cost model.

In addition, the Academy may – for well-substantiated reasons expressly concerned with the research – grant funding towards the salary of the principal investigator of an Academy project, but for no longer than twelve months. Such reasons may include working abroad, returning to Finland and transferring to another research organisation or company in Finland. The funds are intended to facilitate implementation of the Academy project, and a mention of this shall be included in the special condition of the decision notification.

Academy funding is granted as a total sum that must not be exceeded. The funding can be used only for costs that have incurred during the funding period. The principal investigator and the site of research shall see to that the funds are used in compliance with the funding decision, with these general conditions and guidelines, and with other regulations and provisions.

#### *4.1 Basic facilities of a project*

The Academy will provide funding only in so far as the site of research undertakes to provide the research project with the necessary basic facilities. These are determined on the basis of the nature of the research, but the usual basic facilities are the same as those available to other research staff at the institution, such as office and laboratory facilities, equipment (incl. computer equipment), telecommunications, telephone, mailing, copying and library services.

#### *4.2 Costs covered with Academy funding*

Academy funding can be used to cover both direct project costs (e.g. direct wages and salaries) and indirect costs (e.g. rents for premises). All these costs are covered by the same funding percentage, specified in the decision.

Research grants awarded by the Academy can be used for the following purposes associated with the research plan of a research project: salaries and fees, indirect employee costs, grants normally paid for work or studies abroad, and shorter than twelve-month research visits by foreign researchers to Finland, travel costs, equipment costs, costs for arranging seminars, costs for inviting a foreign researcher and for other direct costs resulting from project implementation. If the Academy requires an auditors' report on the project, the auditing costs may be accepted from the project costs.

Value added tax is paid out of the Academy's research grants, if it remains to be paid by the funding recipient. If, for some reason, the VAT remains as a final cost, it is not justified to include the VAT costs in the costs of an Academy-funded project. The funding recipient must not be overcompensated by paying costs that will not remain as final costs for the recipient.

##### *4.2.1 Grants*

A funding decision by the Academy may include personal grants that are usually paid only for work or studies abroad, or for shorter than twelve-month research visits by foreign researchers to Finland. If the decision includes no mention of a grant, the site of research where the researcher works may decide to pay the grant for the above purposes. In this case, the principal investigator shall submit a proposal with justifications for a personal grant to be paid to a researcher on his/her project. The proposal shall be submitted to the competent party (e.g. personnel, financial or general administration) of the organisation of the principal investigator. If a personal grant is awarded, the site of research may pay the grant from the overall research grant. The Academy recommends that the Academy's grant amounts be followed.

The Academy is not responsible for any tax consequences possibly arising from the payment of a grant. The Academy recommends that the site of research – before the grant decision is made – consult the tax administration concerning any tax consequences in connection with the grant payment.

Both the grant recipient and the granting organisation are obliged to notify the Farmers' Social Insurance Institution Mela ([www.mela.fi](http://www.mela.fi)) of the grant. In addition, the grant recipient is obliged to take out statutory insurance cover.

## **5 Hiring staff**

Staff hired with Academy research grants shall be in an employment relationship. They shall be hired for a period of employment no shorter than the funding period, unless a shorter contract is necessary for special reasons dictated by the implementation of the project research plan.

The collective agreements in force at the site of research and other regulations concerning the employment relationship conditions shall be observed in the hiring and other employment relationship conditions of any staff to be hired with Academy funding.

### *5.1 Research posts as Academy Professor and Academy Research Fellow*

The research grants awarded by the Academy for research posts as Academy Professor or Academy Research Fellow shall be used by the site of research towards the salary of an Academy Professor or Academy Research Fellow and to hire the Academy Professor or Academy Research Fellow in question at least for the funding period. The funding decisions include indirect employee costs of 28 per cent. The Academy will not be liable for any expenditure arising from arrangements in excess of the above and specific to the employer, which the employer and the employee possibly agree on. The employer shall, however, see to that the salary does not fall behind the general salary development at the site of research.

The research posts as Academy Professor and Academy Research Fellow are intended only for full-time research work and related tasks. The duties of Academy Professors and Academy Research Fellows comprise teaching and supervision of theses and dissertations in the researchers' own fields to the equivalent of 5 per cent of the annual working hours, without separate remuneration. In all, no more than 10 per cent of the annual working hours may be spent on teaching and other work not immediately connected with the researchers' own research. The above conditions concerning the use of working hours shall be adhered to in compliance with the established practices of the Academy.

The full cost model does not apply to research grants awarded towards the salary of an Academy Research Fellow and Academy Professor.

If a person who has been granted a research post as Academy Professor or Academy Research Fellow cannot continue in the research post, for example because of transferring to another employment or for some other reason, he/she must immediately notify the Academy. The principal investigator shall submit an appeal via the Academy's online services under "My applications > Decision made > Appeals" either under "Decline the research grant in total" or "Decline the research grant in part".

### *5.2 Amount of teaching by hired staff*

The Academy recommends that Academy-funded researchers with a doctorate provide teaching or supervision of theses and dissertations to the equivalent of 5 per cent of their annual working hours (specified in the collective agreement) without separate remuneration. However, no more than 10 per cent of the annual working hours should be spent on teaching and other work not immediately connected with the researchers' own research.

The Academy recommends that if Academy-funded doctoral candidates provide teaching it shall be connected to their own research and be equivalent to no more than 5 per cent of their annual working hours. Teaching must not delay the completion of a doctoral dissertation.

## **6 Acquisitions with Academy funding**

The recipient of funding is liable to clarify whether the Finnish Act on Public Contracts is applied to acquisitions made by the Academy-funded research project, and when needed, to see to that the acquisition is in compliance with the practices stipulated in the Act.

### *6.1 Administration of fixed assets*

Any supplies, equipment and literature acquired with Academy funding will remain in the ownership and possession of the site of research.

If the funding is granted for a specific purpose defined in the decision on discretionary government transfers for acquisition of assets or for basic improvements, the property must not be used permanently for other purposes than for those defined in the decision on discretionary government transfers. Neither can the ownership or possession right of the property be handed over to anyone else during the time the property is used, as specified in the decision on discretionary government transfers.

### *6.2 Acquisition costs covered by discretionary government transfers*

The Academy requires that the general guidelines issued by the Finnish Accounting Board are applied to depreciations. The Board's general guidelines on depreciations according to plan (16 Oct 2007) provide advice on how a book entry shall be made on investment transfers. In accordance with established accounting practices, an investment transfer that is received for purposes of acquisition of fixed assets shall be entered in the form of an expense transfer as a deduction of the acquisition cost. In the depreciation calculation, the depreciation base consists of the amount of the acquisition cost deducted with the transfer received. The whole acquisition cost of the fixed assets in question and the amount covered by the investment transfer are entered in the notes to the balance sheet's passive side and following the materiality principle.

## **7 Reporting responsibility of the site of research**

The basis for reporting in connection with requests for payment is derived from project accounting, in which the direct costs of a project are entered (based on business accounting). In addition, the calculated overheads and indirect employee costs that are to be entered into the projects are derived from the concerned organisation's cost calculation. Separate reports on the

calculated cost items based on the organisation's accounting shall be submitted to the Academy Registrar's Office annually.

The overheads percentage approved in the funding decision shall be applied during the entire funding period. The 12.5 per cent overheads percentage is applied to funding decisions made before 2009.

The total outturn data from the start of the project and the outturn data for the period in question are requested for each type of expenditure. The corresponding information shall be given on the Academy's funding contribution. The percentage indicating the Academy's funding contribution in accordance with the decision is used as calculation grounds for the Academy's funding contribution. The amount and percentage of Academy funding are specified in the funding decision.

Reporting on hours worked forms part of the request for payment. If needed, the Academy also approves information on hours worked as files including all necessary data fields.

## **8 Reporting responsibility of the principal investigator**

The principal investigator of a research project shall draft and submit a research report to the Academy no later than 1 June following the termination of the funding period, with the exception of the year 2011, when the deadline for submitting reports is 31 August 2011. Also, in the case of a research project in development research, the principal investigator shall, upon termination of the funding period, submit a copy of publications produced within the Academy-funded project to the Ministry for Foreign Affairs. For separate guidelines on reporting, see [www.aka.fi/eng](http://www.aka.fi/eng) > For researchers > [Reporting](#).

If the total funding indicated in the funding decision exceeds 1 million euros, Centres of Excellence and the principal investigator of a research programme shall submit to the Academy the auditors' report on the use of funds within the project. The report shall be submitted upon termination of research programme funding. Centres of Excellence shall submit their report after the third year of funding and the sixth year of funding. If needed, the Academy may request the auditors' report separately. The auditors' report shall be submitted no later than 31 January of the next calendar year. This does not apply to funding granted for research infrastructures. The site of research or the principal investigator is responsible for submitting the auditors' report to the Academy.

## **9 Deviations from the funding plan**

In addition to the total amount of funding, the Academy's decision may also indicate the annual instalments and types of expenditure of a project. For guidelines regarding changes in the cost estimate, see sections 9.1 and 9.2.

### *9.1 The research grant deviates from the research grant applied for*

If the funding granted by the Academy deviates 10 per cent or more of the amount applied for, and the principal investigator and the site of research cannot accept the calculation grounds of the decision due to this deviation, it is possible to appeal for a new cost estimate for the project. In

this case, the principal investigator shall submit an appeal for the new cost estimate via the Academy's online services under My applications > Decision made > Appeals. The appeal shall include justifications and a new cost estimate following the cost specification of the original application. A cost estimate appeal shall be submitted within six weeks of the decision date, unless otherwise stated in the special condition of the decision notification.

### *9.2 Changes in annual instalments*

Each year, it is possible to deviate from the indicated annual instalments by a maximum of 15 per cent. The types of expenditure specified in the decision are normative and deviating from them is only allowed if it supports the implementation of the set research plan. In the case of major deviations, applicants are advised to contact the presenting official of the decision.

If the principal investigator of a research project cannot commit to the proposed annual instalments of the Academy funding decision, taking into account the deviation of 15 per cent, he/she shall make a proposal to the Academy for new annual instalments. The proposal must be submitted within six weeks from the decision date via the Academy's online services under My applications > Decision made > Appeals > Type of appeal > Other appeal. For decisions made before 31 March 2011, select "Other appeal" in the drop-down menu.

The appeal proposal must not exceed the total amount granted for the project. No appeal can be made for the new decision on annual instalments.

This condition does not apply to funding granted for development research and research grants for Academy Professors and Academy Research Fellows.

## **10 Appealing against a funding decision**

All major changes in the content of Academy funding decisions or in issues relating to the use of the funds require advance approval by the Academy and a change in the funding decision.

An appeal against a funding decision can be made by the site of research and the principal investigator of a project, who must submit the appeal to the Academy. The appeal shall include sufficient justifications and all necessary appendices needed for processing the issue.

Appeals against funding issues can only be made during the funding period, however, no later than two months before the termination of the funding period.

Examples of major changes that require advance approval by the Academy:

- Substantial changes in the research plan, e.g. change of research topic
- Extension of funding period
- Change of principal investigator
- Change of site of research

The funding period may be extended only on application and for a special reason, such as on the basis of maternity, paternity, parental or childcare leave, military or non-military service, or a

chronic disease of a researcher working in the project with Academy funding. The maximum extension on the basis of childcare leave is twelve months. The appeal – with all relevant certificates – shall be filed with the Academy without delay and no later than two months before the termination of the funding period.

The funding period cannot be extended on the grounds that the money has not been used.

The site of research cannot be changed in the middle of the payment period, that is, the change is only possible starting from May, September and January, on the condition that the last payment request by the original site of research concerning the funding decision has been submitted to the Academy and has been paid (see 3.2).

The appeal for changing the site of research shall be filed by the principal investigator of the project. The consent of the original site of research and the commitment of the new site of research as well as a report by the financial administration on the use of the funds at the time of the transfer shall be appended to the application.

The principal investigator shall submit the appeal in the Academy's online services under My applications > Decision made > Appeals.

### **11 Granting additional research grants**

In funding decisions made in accordance with the full cost model, the possibility for additional funding is included in the indirect employee costs, and consequently, is no longer granted separately.

If the full cost model is not applied to the cost calculation of a project, the project may be granted additional funding on the basis of maternity leave or a chronic disease of a researcher working in the project. The maximum extension on the basis of childcare leave is twelve months.

If additional funding is granted, the Academy will apply the principles that were valid when the original funding decision for the project was made. An application for an additional research grant shall be filed with the Academy by the site of research or the principal investigator.

### **12 Control, discontinuation and clawback of funds**

The Academy has the right to monitor and control the use of funds it has granted. The Academy is entitled to carry out any inspections of the finances and operations of the funding recipient that may be necessary for the payment and control of the use of the funds. The Academy also has the right to control the implementation of the research, the accounting and the observance of the conditions set for the funding decision. The site of research and the principal investigator of the research project are obliged to submit to the Academy any necessary accounts and other documents and data, and to assist in the inspection. Both the site of research and the principal investigator shall also otherwise, on request, submit to the Academy information on the research and the use of the funds.

The principal investigator and the site of research must without delay notify the Academy of any changes affecting the use of funds, such as other funding or income received for the implementation of the set research plan. If this other funding or income exceeds the amount presented in the cost estimate included in the application submitted to the Academy, the Academy may require the site of research to return the portion of Academy funding that corresponds to the amount exceeding the cost estimate.

The Academy may interrupt or order the payment of funds to be terminated, or recover the funds in full or partly, if there is justified reason to suspect that the principal investigator or the site of research has used funds for some other purpose than for which they were granted, or has presented erroneous or misleading information regarding a fact that may have affected the granting, the amount or the conditions of funding or otherwise violated the regulations on the use of funds or the conditions incorporated into the funding decision.

The recipient of government discretionary transfers shall without delay repay into the Academy of Finland's bank account 166030-112337 (SWIFT Nordea Bank Finland Plc, Helsinki, NDEAFIHH; IBAN FI5616603000112337) any funds, or any portion of funds, received erroneously, in excess or evidently without grounds. The funds need not be returned if the sum does not exceed 10 euros.

Provisions on the repayment and clawback of discretionary government transfers have been laid down in Chapter 5 of the Act on Discretionary Government Transfers.

### **13 Intellectual property rights**

The Academy advises that those engaged in research, as soon as possible after the funding decision is made, agree in writing with each other and with the site of research on the rights of ownership and use of the research results.

At sites of research where the Act on the Right to University Inventions (369/2006) applies, Academy-funded research is defined as commissioned research as referred to in the Act. In these cases, the university has the primary right to inventions produced by research. At other sites of research, the Act on the Right to Employee Inventions is applied (656/1967).

### **14 Delivery of social science research data**

The Academy recommends that Academy-funded social science research data be delivered to the Finnish Social Science Data Archive (FSD), based at the University of Tampere (see [www.fsd.uta.fi](http://www.fsd.uta.fi)). Delivery shall take place as soon as possible after Academy funding has ceased.

### **15 Scientific publications**

Scientific publications produced by Academy-funded research projects shall always indicate that the research has been conducted with funding from the Academy of Finland. The Academy recommends that Academy-funded researchers publish their articles in open-access electronic scientific journals in cases where there are electronic journals available that meet at least the same quality standards as traditional subscription-based journals. Likewise, the Academy

recommends that parallel copies of all published research articles be saved in Finnish open-access electronic publication archives.

## **16 Research ethics**

The Academy requires that the guidelines of the National Advisory Board on Research Ethics, 'Good scientific practice and procedures for handling misconduct and fraud in science', and the complementary research-ethical guidelines of the Academy of Finland be observed in all Academy-funded research (see [www.aka.fi/eng](http://www.aka.fi/eng) > For researchers > Use of funding > [Ethical guidelines](#)). The site of research undertakes to notify the Academy Registrar's Office if an investigation is started concerning violation of good scientific practice by the principal investigator or a researcher who has received Academy funding.

## **17 Certain provisions on research funding**

The use, payment and control of grants follows the Finnish Act on Discretionary Government Transfers, the State Budget Act and Decree, the Finnish Act and Decree on Public Contracts, the State Budget and its regulations regarding its application and other general provisions and regulations regarding the use of State funds. The site of research shall also comply with its internal regulations, provisions and instructions, if these are not in contradiction with the conditions issued by the Academy of Finland.