

Notice:

The principles used in this policy document will be discussed with the University Council (UC) in spring 2023.

The UR has the right of consent on this subject.

# Draft Bestuursakkoord

Frameworks & policy for the short term (2023)

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# Introduction

Starter and incentive grants are new instruments designed to provide greater stability and predictability in research funding for universities and UMCs. They are non-competitive funds. Goals are: to encourage untied research and to reduce work, competition and application pressure.

From 2023 onwards, the EUR receives M€ 22.5 per year (M€ 7.3 in 2022) for starter grants. Of these funds, (up to a maximum of) 20% can be used to cover indirect costs. The EUR has chosen to allocate this 20% to faculties (40%), services (40%) and bottlenecks (20%).

Further available resources are allocated based on the number of students at the faculties. This modus operandi has implications regarding the allocation of grants within faculty and linking the grant to an UD. The central policy frameworks for the use of starter grants in the years 2022 and 2023 are further detailed in this document.

This document does not address the distribution and deployment of incentive grants.



# Basic principles starter grants

To operationalize the starter grants within the EUR, the following principles have been established.

## Basic principles

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Funds for calendar year 2022 and 2023 are distributed within the university based on student numbers (October count) in calendar year 2022.

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Funds received are non-normative. Budget received is therefore placed on the balance sheet and offset against realization.

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20% of the annual budget is not yet distributed, but used for indirect costs and resolving bottlenecks.

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Faculties budget 1/3 per year result neutral per grant, the remainder remains reserved on the balance sheet. The amount of the total grant is always K€ 240. Faculties are free to choose in the spreading over the years. 1/3rd per year (K€ 80) is a guideline.

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Unallocated funds flow back to central and are placed in a reserve fund (included in the following year's allocation).

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For UMCs, the national agreements on the definition of an UD will be followed (where possible). In the meantime, consultations will be held with Erasmus MC on this.

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It is in EUR's interest to use resources lawfully and effectively

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Available funds are exclusively for starter grants

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Monitoring to ensure legality and effectiveness

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# Policy framework primary process

# Basic principles primary process

## Basic Principles

- Faculty awards starter grants at their own discretion and link them to an UD, provided the UD meets the criteria.
- Faculty is responsible for awarding the grant and communication with the grant holder, including during the phase when the grant is active.
- Faculty is responsible for opening required WBS elements and linking to associated profile as described in financial instruction.
- Faculty is responsible for monitoring criteria during term of grant.

The principles mentioned above are explained in the next pages of this document. These are the frameworks for the primary process. Within these frameworks, faculties have room to make choices at their own discretion.

Responsibilities faculty	
<p style="text-align: center;"><b>Award</b></p> <p style="text-align: center;">Faculty awards the grants and links them to UDs, who meet the criteria.</p>	<p style="text-align: center;"><b>Communication</b></p> <p style="text-align: center;">Faculty is responsible for communication regarding the grant to the UD.</p>
<p style="text-align: center;"><b>Budget management</b></p> <p style="text-align: center;">Faculty should ensure that expenditures remain within the available budget.</p>	<p style="text-align: center;"><b>Monitoring</b></p> <p style="text-align: center;">Faculty should monitor that the starter grants meet the criteria and framework during the term of the grant.</p>

# Framework for application & award of a grant

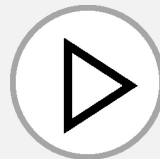
## Summary

- › Faculty awards starter grants at their discretion, provided the UD to whom the grant is linked meets the criteria and the faculty has sufficient budget over the years.
- › Faculty awards the grant and links it to an individual UD and sends a formal award letter.
- › Faculty's project control opens a code in the administration and links this to an ID and the profile for starter grants.

## EUR selection criteria:

- › Permanent employment contract of the UD commenced on or after 01-01-2022.
- › The goal is to award the grant within 2 years of date of permanent employment of the UD.
- › Tenure Track contract is not considered as permanent employment contract.
- › UD works a minimum of 0.7 FTE, of which at least 0.2 FTE is teaching during the term of the grant.
- › The employee has not been awarded a starter grant.

Faculty determine method of award



Faculty links starter grant to UD.



Open project code



Faculty



Complete and submit application form WBS element



Start monitoring

Central



Application



Award



Execution

# Framework for use of grant

The use of the starter grants has a number of requirements set forth in the 'bestuursakkoord'. The UD must meet a number of criteria to be eligible for a starter grant. In addition, a number of rules have been added from the Erasmus University itself.

## What to be used for?

The starter grant can be spent freely, in line with the faculty policy, by the researcher (people, facilities, research) within a period of six years. Only in case of statutory leave a faculty can decide to extend this period.

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This amount is available for direct research costs (such as salary costs for a PhD student, the use of a lab assistant, data engineer or other colleague and the use of laboratories and other research facilities).

The starter grant **cannot** be used for:

- Funding the salary of the UD to whom the grant is awarded
- Buying out teaching which leads to increasing current staff teaching workload (EUR policy)
- Hiring temporary teaching staff
- Travel costs not directly linked to research

## Change in situation

During the six years that a UD has access to the starter grant, the employee may no longer meet the criteria for the starter grant.

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The grant is terminated (and falls back to the faculty) if:

- The employee leaves EUR
- The employee works less than 0.7 FTE.
- The employee devotes less than 0.2 FTE per academic year to teaching.

The budget then is redeployable by the faculty for starter grants.

The grant continues if:

- The employee transfers to another faculty. The grant follows the person.
- Upon promotion to a position other than UD.

## Other

Faculties should monitor the spending patterns of UDs. In case of overspending or underspending, this can be acted upon. Guideline is an expected expenditure of K€ 80 per year. If an exception is necessary, the dean may decide to do so.

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- If the budget per grant is exceeded, these costs are for faculty.
  - In principle, an UD is free to distribute the budget, in line with faculty policy, over six years. Centrally there are therefore no rules in case of underspending. Within the framework of the year-end closing, the faculties must be able to substantiate the balance regarding resources for starter grants.

# Top up grant

The EUR does not offer top up grant in the short term.

- › The 'bestuursakkoord' allows universities to award so-called top up grant on top of the starter grants.
- › If two or more UDs use their obtained starter grant for one joint research project, it is possible to receive a top up per collaboration. The maximum amount of the top up is K€40.
- › The EUR expects to have more UDs meeting the requirements than there is budget available. There is a strong desire to award as many starter grants as possible. The available funds should be used to award as many grants as possible. Therefore, in the short term, EUR chooses not to create a possibility to award a top up grant from the funds for starter grants. Faculties are free to facilitate such a scheme from their own resources.

# Questions regarding starter grants

During the course of a grant, questions may arise about deployment, process or finances. To prevent questions from lingering or not reaching the right people, we provide a guideline for asking questions and escalation.\*

## Questions from UD

If an UD has questions, for example about use or status of the grant, the UD can contact the funding advisor within the faculty (<https://www.eur.nl/en/research/research-services/funding/contact-your-funding-officer>)

## Questions from faculty

If a faculty has questions, these can be sent to (Remco Maaijen), if required questions will be referred to AZ (Nick den Hollander) or HR (Celinka Roovers-Werkman) (this will mostly be questions regarding implementation)

## Questions from services

Depending on the type of question:

- Financial: CPC (Remco Maaijen),
- Policy: AZ (Nick den Hollander),
- HR (Celinka Roovers-Werkman).

\* This relates to the need to ask questions during the course of the grant. The start-up process in early 2023 will be facilitated by CPC. The opportunity to ask questions about the policy and process regarding starter grants will be organized centrally.



# Allocation short term

Calendar year 2022 and 2023

# Allocation key

The annual October count is the basis for the allocation of starter grants funds.

Faculties	October count 2022 student numbers	October count 2022 %
ESE	7.423	21%
ESHPM	1.570	4%
ESHCC	2.485	7%
ESL	5.248	15%
ESPHIL	833	2%
ESSB	6.177	17%
FGG	4.047	11%
RSM	8.120	23%
ISS	0	0%
<b>Total</b>	<b>35.903</b>	<b>100%</b>

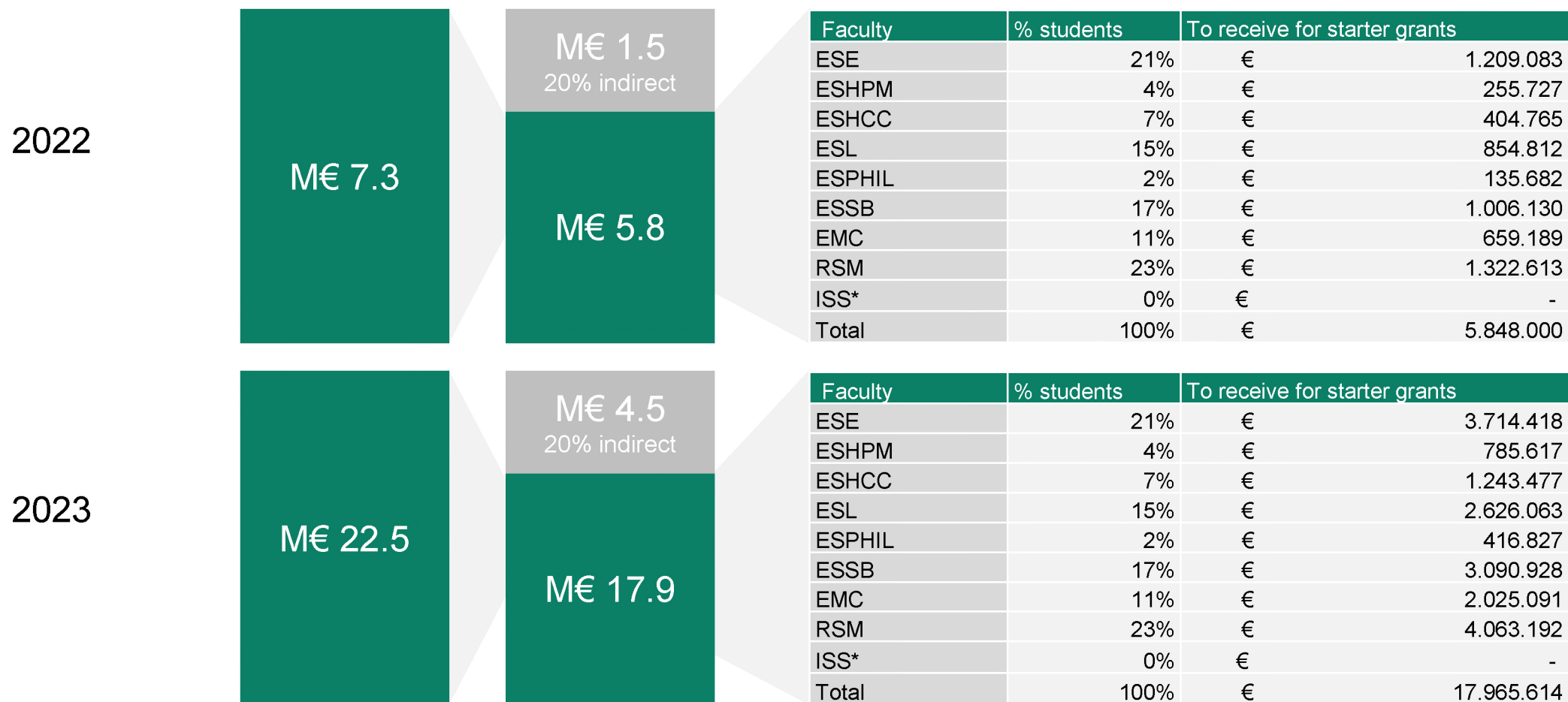
The Executive Board has decided to pool the first 2 years and allocate the funds in calendar year 2023 to the faculties based on the number of students. The faculty will then be responsible for awarding starter grants to UDs they feel are eligible.

The key will be determined each year based on the October count for the current academic year.

Within EUR, a committee including directors from faculties, AZ and CPC is developing a long-term vision for both starter and incentive grants. This should result in using this funding in alignment with EUR's strategy. This recommendation is expected in March 2023.

# Funds to be received per faculty

The amount for starter grants to be received per faculty are calculated with the distribution key based on student numbers. For 2022, M€ 5.8 is available for faculties. From 2023, this is M€ 17.9.



\* ISS is not eligible for starter grant funds based on the allocation key. They will be funded from the fund for bottlenecks.

# Expected number of UDs

EUR has a relatively high number of UDs (102) with a permanent appointment starting in 2022, among others due to change in the collective labour agreement. To get an idea of the expectation for the coming years, the faculties were asked to provide an estimate of the numbers for the next three years.

In week 44 (2022), CPC made a query to all faculties about the number of expected UDs receiving a permanent employment contract. The numbers are higher than the average for the years 2017 through 2021.

The change in the collective labour agreement and the plans made on the basis of the sector funds are causing a (significant) increase in the number of UDs at most faculties compared to past years.

	2023	2024	2025	Average
ESE	15	15	15	15,0
ESHCC*	11	11	11	11,0
ESHPM	7	6	0	4,3
ESL	6	6	6	6,0
ESPHIL	3	3	3	3,0
ESSB	15	15	15	15,0
ISS	4	3	3	3,3
RSM	15	15	15	15,0
FGG**	7	7	7	7,0
Total	83	81	75	79,6

\* ESHCC: did not provide a specific expected number. We have included the average of the past 5 years.

\*\* FGG: alignment on the number of UDs is ongoing. This number is based on the latest statement and may possibly change.

# Insufficient funds for 'every UD a grant'

Analysis of the number of UDs that faculties expect to hire in the coming years shows that the available resources are insufficient to provide grants to every UD (who meets the requirements). In the short term, there is no shortage due to the "break-in years" of using starter grants. However, the budget per year is limited and faculties must make choices about which UDs receive grants.

Faculties expect to give permanent contracts to so many UDs in the coming years that the budget for starter grants is insufficient to give starter grants to every eligible UD. Analysis shows that EUR can fund  $\pm 75$  starter grants per year from starter grant funds starting in 2023.

Due to the expected shortage of funds, EUR is forced to establish additional policy frameworks to efficiently and appropriately deploy the available resources.

Measures to mitigate financial risks:

- › Faculties are entitled to a share based on number of students. Unspent funds are retrieved and redistributed. If there is a shortfall, faculties must make choices about which UDs will receive a grant.
- › Spreading grant funding through a guideline regarding the maximum expenditure per year per grant. The gap between potentially eligible UDs and the budget is large in 2022 & 2023. To make it possible to award grants to more employees in a year, we set a guideline per grant per year of K€ 80. However, this has implications for faculty opportunities in subsequent years. This possibility is further explained on the next page.

# Pre-financing of grants

The EUR wants to give faculties the opportunity to award as many grants as possible. In order to be able to issue as many grants as possible, faculties are given the opportunity to pre-finance grants with budgets from future years (this is not an obligation). However, it is necessary that faculties stay within the annual available budget with respect to expenditures. This means that faculties that pre-finance grants must make agreements on the annual amount to be spent. EUR takes a risk by pre-financing grants from budgets that have yet to be received.

## Complication

The available budget in combination with the high number of UDs with permanent appointments in 2022 necessitates caution in spending the entire budget per grant per year. At the same time, there is a desire to give as many UDs as possible a grant due to the exceptionally high permanent appointments in 2022.

## Solution

In order to avoid a shortage in budget and at the same time make it possible to award more grants, guidelines are given to the UD. One possibility is to maintain a guideline of K€80 per year. This allows faculties to issue more grants. Faculties are free to choose a guideline as they see fit, as long as they stay within the annual budget available.

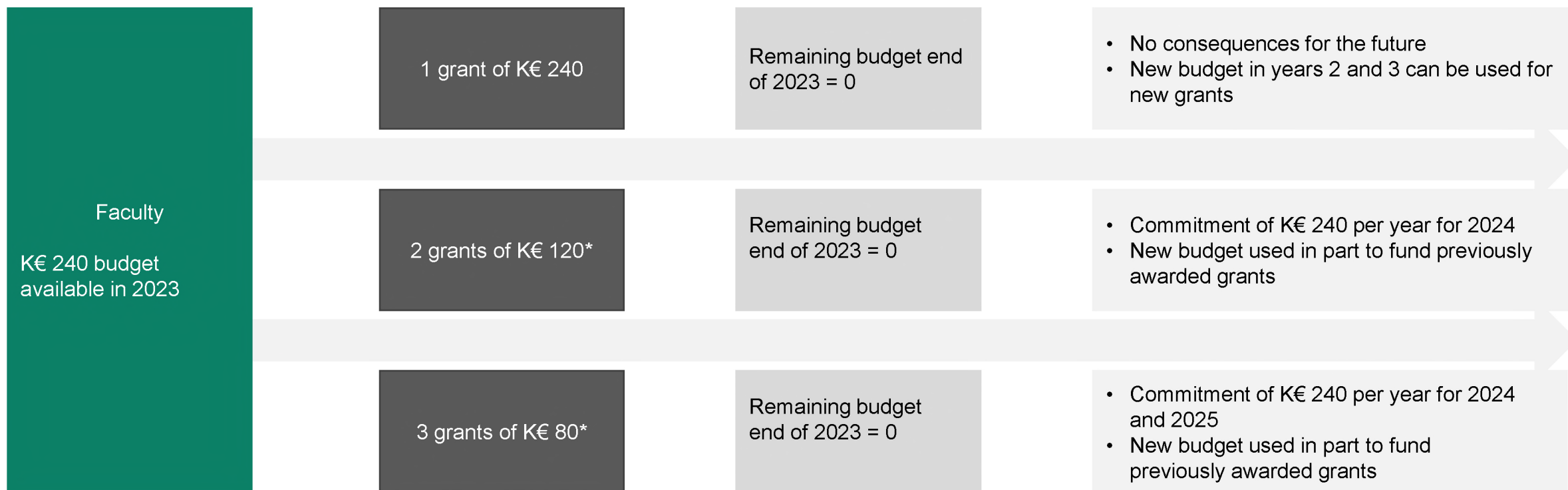
## Point of attention

- The ability to award more grants (budget received/K€ 80 instead of budget received/K€ 240) means that faculties pre-fund the grants from the budget to be received for subsequent years. This means that faculties can award fewer grants in successive years. Guideline is that the cost of the grant for the next 3 years should be covered from budget to be received for starter grants.



# Calculation example flexible use of budget in 2023

Despite limited resources in 2023 and a high number of UDs eligible for starter grants, EUR wants to give faculties the opportunity to be able to award grants to as many UDs as possible. By bringing forward budgets from future years, faculties can award more grants in 2023. However, actual expenditures must remain within the available budget. In addition, it results in a lower number of grants to be awarded in subsequent years as part of the budget is already needed for grants already awarded.



\*In the event that faculties choose to award more grants than budget/K€ 240, then the total annual expenditure within the grants should remain within the annual budget. In this case, then, here is a maximum annual expenditure per grant.

# Strategy reallocation 2022 & 2023

The initial budget for starter grants is distributed among the faculties based on the number of students. On the statement of the number of expected tenured UDs to be appointed, it can be seen that the majority of the faculties are short of budget relative to the number of eligible UDs. A few faculties have projected to have budget left over.

## **In case of surplus at the end of the year**

If faculties are unable to award the number of possible grants then this surplus is retrieved at the end of the year and placed on the central balance sheet. Any surplus is used in the following year as a starter grant in faculties expecting a shortfall.

## **Calculation method**

One grant represents K€ 240. If a faculty has K€ 480 available budget (based on number of students) and awards two grants to UDs, then the full budget is awarded. What amount was actually spent on a grant (during the year) is irrelevant to this. However, for the longer term it may be decided to settle on actual costs.

## **Key for redistribution**

Any surpluses are distributed to those faculties expecting a deficit. If demand exceeds supply, a choice regarding distribution will be made in 2023.

Faculties eligible for additional funds accrued on the balance sheet from previous surpluses are entitled to 100% coverage per grant.

# How do we treat the 20% for indirect costs?

20% of starter and incentive grant funds may be used to cover indirect costs (according to the "bestuursakkoord". The proposal is to allocate the 20% of the starter grants among faculties, services and bottlenecks. The funds to be allocated will be used in part to cover the amount of 20.2 million previously included in the allocation model. This is further detailed on the next page.

Proposed use of 20% budget for indirect costs:

	%	Amount starter grants 2022 + 2023
Faculties	40%	M€ 2.4
Services	40%	M€ 2.4
Bottlenecks	20%	M€ 1.2

The 20% for indirect costs will be used for:

- Faculties (40%\*), to absorb administrative pressure from the grants. These funds also will be distributed by using student numbers.
- Services (40%\*), to fund the central administrative process and enable monitoring. These funds are distributed through a previously used allocation key based on personnel costs.
- Bottlenecks (20%\*\*), as a reserve to have the ability to allocate budget to specified bottlenecks that arise during operationalization of the process. Examples are: allocate grants to ISS (low number of students) or EUR-wide support for project control.

\* This budget is considered to cover the M€ 20.2 previously included in the allocation model. In fact, faculties and services have already received additional funds.

\*\* If the budget is not used for bottlenecks, the remaining budget goes into the reserve fund at the year-end settlement.

# Coverage of M€ 20.2 already allocated

In anticipation of expected extra budget (as a result of, among other things, compensation from the Van Rijn Commission report and compensation fixed foot), EUR has included M€ 20.2 in the allocation model during the 2022 Erasmus Perspectives. OCW has decided not to include the expected extra budget in the regular money flow, but to add these funds to the funds for starter grants. This means that, contrary to expectations, it does have guidelines attached to it. Namely, those of the starter grants. To still cover this M€ 20.2, we propose the following approach.

**The EUR has included an additional M€ 20.2 in the allocation model without restrictions. But actually there are some restrictions.**

## DESCRIPTION

The EUR has allocated M€ 20.2 to faculties and services for upcoming additional resources. These funds were distributed without guidelines or restrictions. However, these funds were added to the starter grants and thus do have requirements.

## SPECIFICATION

- M€ 4.3 for services
- M€ 15.9 for faculties

## MEASURES TO COVER BUDGET

### COVERING CENTRALLY

M€ 10 of the total M€ 20.2 will be absorbed at the central level (from equity)

### USING A PART OF 20% FOR INDIRECT COSTS

The 20% of the funds for starter (and incentive) grants that may be used to cover indirect costs will be used to cover a part of this M€ 20.2. In fact, this budget has already been distributed through the Erasmus Perspectives. This totals ± M€ 4.8 (the parts intended for faculties and services).

### OTHER SOURCES OF COVERAGE

For the remaining amount, other solutions will be considered. Among other things, the 20% for indirect costs of the incentive grants will be used for this.

# Faculty plans

Multiyear expectations – starter grants

# Faculty plans starter grants

Faculties should provide a plan with the expected number of UDs who will be eligible for a starter grants and the method(s) of spending the starter grants.

At a minimum, the plan should include:

- Multi-year estimate of the number of UDs who will be eligible for a starter grant.
- Assumptions, specifics and risks related to this estimate. This could include labour market developments, developments in student numbers, specific issues for the faculty's field of study.
- Description of the way(s) of spending the starter grants within the faculty. This could include appointment of PhDs, 'two-legged' replacement for teaching time through appointment of lecturer PhD (docent promovendus) or UD, material costs.

Providing the faculty plan:

- Deadline for providing the faculty plan regarding starter grants is February 24, 2023
- Delivery via [simona.thalen@eur.nl](mailto:simona.thalen@eur.nl)



# Next steps

- *Q1 2023*
- *Long term*

# Next steps

## Q1 2023

- › Develop format for formal reporting
- › Develop dashboard for monitoring
- › Include FGG in reporting process
- › Draw up a FAQ
- › (optional) develop generic monitoring at grant level

## Long term

- Alignment of policy framework and EUR strategy

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