

# General terms and conditions for projects funded by the Knowledge Foundation

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<sup>1</sup> Version and revision history:

1. Original version 2021-03-30

2. Revised 2023-02-28. Table of contents added. Approved costs for scientific publication limited to publications with open access or articles with open access in hybrid open access journals (section 9, page 6).

3. Revised 2024-03-06. New conditions for payment of project funding and repayment of funds are the major changes (sections 8 and 14).

4. Revised 2024-09-16. Approved hourly salary costs for co-financing business actors increased (section 9). “Companies” replaced by “business actors” throughout the document.

## 1. General

These general terms and conditions apply to projects funded by the Knowledge Foundation. The terms are attached to the project agreements ('agreements') that the Knowledge Foundation enters into with the higher education institution that receives the granted funds and which is responsible for the project. If general terms in the agreement differ from the terms published at the homepage of the Knowledge Foundation, the general terms in the agreement will take precedence.

Specific calls for proposals from the Knowledge Foundation may contain terms and conditions that deviate from the general terms and conditions. The Knowledge Foundation and the higher education institution may also have agreed on special terms for a project that deviate from the current general terms and conditions. In these cases, the special terms will take precedence.

Unless otherwise specified, the term 'project' is used hereinafter to refer to a project with agreed funding from the Knowledge Foundation, and the term 'university' is used hereinafter to refer to the higher education institution within the target group of the Knowledge Foundation that has entered into an agreement with the Knowledge Foundation on such a project.

## 2. The university's responsibility for projects

Only one of the 22 universities that belong to the Knowledge Foundation's target group<sup>2</sup> can receive project funding. The payment of the project funding requires that an agreement has been made with the university. The university is responsible for handling the funds.

Through the project manager specified in the agreement, the university is responsible for ensuring that the project is carried out in accordance with the project plan and budget set out in the agreement, as well as other terms in the agreement. Implementation includes reporting on the project as per the Knowledge Foundation's requirements for reporting. The project owner appointed by the university must support and follow up on the project, as well as secure resources for the implementation.

The project manager and the project owner must be employed at the university throughout the project. If several universities within the target group of the Knowledge Foundation participate in a project, the project manager must be employed at one of these universities.

## 3. Participation from other organizations

In addition to universities within the target group of the Knowledge Foundation, other higher education institutions, companies, authorities, municipalities and other organizations can also participate in projects in accordance with the provisions of the project plan. These actors will be responsible for their own costs for participating in the project.

## 4. Co-funding from business sector and universities

### Co-funding business actors

For projects where the Knowledge Foundation requires co-funding from the business sector according to its statutes, the only business actors that can be counted as co-funding are those that are approved

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<sup>2</sup> Blekinge Institute of Technology; the Swedish National Defence College; The Swedish School of Sport and Health Sciences; Dalarna University; University of Borås; University of Gävle; Halmstad University; Jönköping University; Kristianstad University; University of Skövde; University West; Karlstad University; the University of Arts, Crafts and Design; the Royal Institute of Art; the Royal College of Music in Stockholm; Linnaeus University; Malmö University; Mid Sweden University; Mälardalen University; Stockholm University of the Arts; Södertörn University and Örebro University.

by the Knowledge Foundation and meet the criteria for co-financing business actors applied by the Knowledge Foundation (see [www.kks.se](http://www.kks.se)).

Co-funding shall include costs that are considered as approved costs in projects according to Section 9 below. Cash co-funding is only approved to a limited extent, unless specifically stated in the Knowledge Foundation's call for proposals or in an agreement that cash may be used as a means of co-funding.

Co-funding may only be used for the intended project and not for the co-funding of other projects.

The university is responsible for signing agreements with the co-funding business actors to co-fund the project and address intellectual property issues.

During the project period, the university shall monitor the contributions and input of the co-funding business actors to the project. Upon final reporting for the project to the Knowledge Foundation, all co-funding from each co-funding business actor must be reported and certified. If not otherwise specified in agreements, the aggregated co-funding from business actors should at least equal the funding from the Knowledge Foundation.

### Co-funding universities

If a project is co-funded by universities, the co-funding may only include costs that are considered as approved costs in projects according to Section 9 below.

In cases where an agreement states that the combined co-funding from business actors and universities must amount to a specific proportion of total project costs, the university shall ensure that total co-funding reaches the level specified in the agreement.

## 5. Project reporting

The university will report on project progression and results to the Knowledge Foundation in accordance with the reporting schedule detailed in the agreement and the reporting instructions and templates provided on the Knowledge Foundation's project management portal, SBS Manager (the 'project portal').

The Knowledge Foundation decides whether a submitted report should be approved or not. The Knowledge Foundation normally notifies the university no later than two months after a progress report or a final report have been received. If the university's reporting is incomplete or unclear, the Knowledge Foundation's approval may take longer.

The university must submit a final report on projects to the Knowledge Foundation, even in the case of premature termination of the project agreement.

The Knowledge Foundation has the right to reproduce, translate, use and distribute reports submitted in connection with a project. This right also applies after the project agreement has terminated.

## 6. Management of changes during the project period

The project manager can decide on minor changes relative to the project plan that do not affect the purpose and goals, deliverables, or timeframe of the project. The project manager can also make minor reallocations between cost elements in the project budget and minor adjustments to the project staff.

The university can decide to change a project owner. Information about a new project owner must be reported to the Knowledge Foundation in the project portal.

Unless otherwise stated in the agreement, a prior approval from the Knowledge Foundation is required if the university:

1. wants to change a project manager
2. wants to change a co-funding business actor

3. wants to change a project period
4. wants to use project funding that has been granted to a particular project to co-fund another project from other funders
5. wants to make changes to a project other than those listed above in the first and second paragraphs of this section 6.

Proposed changes must be communicated to the Knowledge Foundation in good time before they are to come into force. Such communication must primarily take place in the project portal.

## 7. Information about the project

When providing information about the project and project results, e.g. through scientific publications, the university must state that the project is being carried out with funds from the Knowledge Foundation.

The Knowledge Foundation has the right to publish basic information about the project (i.e. information about reference number, name, project summary (abstract), project manager, project period, decided amount for project funding, programmes, co-funding business actors and other parties and the host university) in order to inform about the activities funded by the Knowledge Foundation.

## 8. The Knowledge Foundation's funding

The Knowledge Foundation undertakes to pay the university project funds in accordance with the terms of the agreement, provided that the university has fulfilled its obligations under the agreement.

Partial payments of project funding are made in June and December. Payments commence in the calendar year following the year when the project was granted funding. The last payment will be made on the nearest possible payment date in June or December following the Knowledge Foundation's approval of the final report from the project. Project funding is normally paid in instalments of equal amounts on the respective payment dates. If both parties agree, the Knowledge Foundation and the university may change the payment schedule.

If the Knowledge Foundation and the university jointly decide to extend the duration of a project, the last payment will be postponed accordingly and be made on the nearest possible payment date in June or December following the Knowledge Foundation's approval of the final report from the project.

## 9. Approved costs in projects

### Main principles

Project funding can be used to cover the following direct costs attributable to a project and incurred by participating universities within the Knowledge Foundation's target group.

1. Salary costs
2. Premises costs
3. Material costs
4. Costs for equipment, licenses, permits etc.
5. Travel expenses
6. Costs of communication and publishing, and
7. Consultation costs.

Indirect costs (overhead, 'OH') that are attributable to a project can be covered by project funding in accordance with the information below and in Section 11.

Costs must be actual (unless otherwise expressly stated in the agreement), verifiable, necessary for the project and incurred during the project period.

Cost statements must comply with the usual accounting principles and good accounting practice of the university.

The university must keep separate accounts for the projects such that the funding of each project can be tracked during the project period and the project accounts can then be reviewed.

The cost of contributions from research institutes is calculated based on their internal rate or membership fee. Costs of government agency participation are calculated as cost price.

### Salary costs (Salary)

Salary costs for staff working in the project constitute a direct cost in the project.

Salary costs for administrative staff and support functions are not direct costs but are included in the OH, unless it can be demonstrated that they are included in the project.

Salary costs refer to gross wages, including employer contributions, holiday pay and insurance. Benefits are not included.

Salary costs for co-funding business actors can be calculated based on actual costs up to SEK 900 per hour or be standardised to SEK 900 per hour. Higher hourly costs are not approved.

### Premises costs (Premises)

The project's share of the costs for premises used to carry out project operations constitutes a direct cost in the project.

Premises in which the project does not conduct its business directly, e.g. common areas, do not constitute direct costs, but are included in the OH.

### Material costs (Material)

Costs for materials that are directly necessary for the project constitute a direct cost in the project.

Consumables and office supplies do not constitute direct costs but are included in the OH.

### Costs for equipment, licenses, permits, etc. (Equipment)

Costs for equipment that are central to the implementation of the project constitute direct costs in the project. The calculation of equipment costs must comply with the university's rules for investment and depreciation. Depending on the cost and use of the equipment, there are two different options:

1. For major investments that are part of several projects and/or used by several units, and where depreciation and use take place over a longer period, the project will only be charged in proportion to the cost of the part / time / share used in the project.
2. For smaller investments where usage can be mainly linked to the project, and where the investment is depreciated directly, the project must be charged with the full cost.

If the costs of using and/or changing/expanding expensive equipment are included in the project budget or constitute co-funding, it must be stated how the costs for the equipment were calculated. The Knowledge Foundation makes an appropriateness assessment of the estimated cost.

Costs for PCs, standard accessories and conventional software are not counted as equipment and are not a direct cost but are included in the OH.

Expenses for licenses and application processing that are attributable to the project constitute direct costs in the project.

#### Travel expenses (Travel)

Travel expenses, including conference fees attributable to the project, can be included as direct costs in the project in accordance with the travel regulations of each participating organization.

#### Communication and publishing costs (Communicating results)

The cost of scientific publishing emanating from research within the project. Only costs for scientific publishing with open access, including articles with open access in so-called hybrid journals, will be accepted<sup>3</sup>.

The cost of communicating the project and its results to various stakeholders outside the project, including costs for language review and translation, also constitute a direct cost in the project.

The costs of communication and coordination between employees and parties within the project are counted as part of the regular work of the project and are therefore included in the salary costs.

#### Consultation costs (Consult)

The Knowledge Foundation can accept costs for consultation services that are attributable to the project as direct costs in the project if they are offered at market prices and if the consultation significantly strengthens the implementation of the project and the possibilities for achieving the goals.

Consultation fees may not relate to individuals employed by a participating university, co-funding actors or companies run by such individuals.

### 10. Unapproved direct costs

The following costs may not be covered by project funding or co-funding:

- intellectual property costs (such as in connection with patent applications)
- scholarships and grants
- VAT for VAT-liable parties in the project (on the other hand, if the recipient of the project funding is not liable for VAT, VAT will constitute an actual cost and can be counted as a cost).

### 11. Indirect costs (Overhead)

Indirect costs (OH) should not be included in the project budget. When deciding on project funding within the framework of normal programme forms, the Knowledge Foundation instead pays an additional 20% on the direct costs to be funded by the Knowledge Foundation (23% within the Knowledge and Competence Centres programme). The amount of the OH surcharge for the project is specified in the agreement.

Examples of indirect costs (OH) are costs for

- common functions for management, leadership and service outside the project
- administrative staff
- existing equipment used to a negligible extent
- personal computers, standard accessories and customer-specific software

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<sup>3</sup> For projects contracted before 2022-04-01, publishing costs for publications with closed access may be included. For projects contracted from 2022-04-01 until 2023-02-28, only costs for publications with open access, including articles with open access in so-called hybrid journals, may be included. However, costs for monographs and book chapters published with closed access are also accepted.

- telephone and mail
- insurance
- consumables and office supplies.

## 12. Employer and work conditions

The Knowledge Foundation is in no way an employer or customer for project staff or contractors.

## 13. The Knowledge Foundation's right to reconsider project funding etc.

The Knowledge Foundation has the right to (i) terminate agreements with immediate effect, (ii) change its decision on project funding in relation to an ongoing or completed project by cancelling future payments, and/or (iii) recover paid funds from a university:

- if the implementation of the project deviates significantly from the project plan and/or the project budget
- if the project follow-up or evaluation shows that the project will probably not be able to be carried out in accordance with the project plan or in accordance with the Knowledge Foundation's goals and purpose of the call for proposals included in the agreement
- if the business actors have not fulfilled their commitments according to the project plan and the project budget
- if the necessary permits and/or approvals are missing for the project or the project does not follow good research practice
- if the university has not satisfactorily fulfilled the project reporting request from the Knowledge Foundation
- if the university has provided false or misleading information to the Knowledge Foundation
- if the university has otherwise violated the agreement.

## 14. Adjustment of payments and repayment of funds

If the final financial report for a project shows that the project funding from the Knowledge Foundation has not been used in full, unused funds shall accrue to the Knowledge Foundation. If unused funds fall within the sum of the remaining payments from the Knowledge Foundation, these payments will be reduced or cancelled accordingly. If unused funds are larger than the sum of remaining payments, the university will repay the rest of the amount. Refunds will be made against a request sent from the Knowledge Foundation to the university.

Sections 13 above and 17 below show other situations in which the Knowledge Foundation has the right to reduce planned payments or demand repayment of the paid project funding.

Reduction of payments or demands for repayment will not be carried out if the current amount including the OH is below SEK 50,000.

## 15. Assessment and auditing

The Knowledge Foundation has the right to review ongoing or completed projects and/or to carry out a financial audit. The person or organization appointed by the Knowledge Foundation then has the right to access the documentation and meet people who can provide information about activities and finances within the project. The university provides the requested documents and other information to support the assessment and audit.

## 16. Foundation insight

The Knowledge Foundation has the right to obtain insight into any project that the Knowledge Foundation deems necessary.

## 17. Contract period

An agreement is effective from the day the Knowledge Foundation and the university have signed the agreement up to and including the day the Knowledge Foundation notifies the university if the Knowledge Foundation has approved the project's final report and the financial aspects of the project have been resolved between the parties.

The Knowledge Foundation and the university have the right to jointly agree that contracts will be terminated prematurely. At the same time, the parties must agree on how the financial relationship between the parties should be resolved.

The Knowledge Foundation has the right to terminate any agreement in accordance with Section 13.

If the conditions for the implementation of the project change in such a way that essential parts of the project plan cannot be implemented, the university has the right to terminate the agreement in writing until it is terminated prematurely. In the event of such termination, the Knowledge Foundation's future project funding payments will be cancelled and the Knowledge Foundation will decide at its own discretion, but following a dialogue with the university, whether and how much of the paid project funding is to be repaid.

## 18. Changes in agreements

Unless expressly stated otherwise in an agreement, changes and additions to the agreement must be made in writing and agreed by the parties in order to be binding.

With the exception of the provisions mentioned above, the Knowledge Foundation can change its general terms and conditions if the change is not at the expense of the university, is of an administrative nature or is required due to mandatory legal provisions. The Knowledge Foundation will then inform the university of any change with a notice period of at least 30 calendar days and provide the new version of these general terms and conditions.

## 19. Prohibition of transfer

The Knowledge Foundation and the university may not transfer their rights and obligations under an agreement without the other party's prior written consent.

## 20. Handling of personal data

Personal data is processed and managed in accordance with the applicable laws on personal data and the data protection provisions of the Knowledge Foundation.

## 21. Other information about agreements

Agreements fully regulate the rules that must be adhered to by the Knowledge Foundation and the university on the contractual issues.

If any provision of an agreement is found to be invalid or unenforceable, the stipulation and other provisions of the agreement will apply to the extent permitted.

## 22. Disputes and applicable law

Swedish law shall be applied to the agreements.



Should the parties be unable to reach an amicable agreement, all disputes arising in connection with an agreement will be finally resolved through arbitration in accordance with the arbitration rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration board will consist of three arbitrators. The seat of the arbitration shall be Stockholm. The language of the proceedings shall be Swedish.