

Date 29/05/2006	Registration number C 2006/480	Imp. date 07/06/2006
Present	Lena Gustafsson Björn O Eriksson	
Presenter	Carina Eggum	
Case Handling of scholarships for international doctoral students, postdoctoral fellows, and international senior researchers		
Background In an internal investigation, Chalmers identified how the departments handle their funding of scholarships for international doctoral students, postdoctoral fellows, and international senior researchers. The investigation shows that funding is partly through government funds. Government funds may not be used for scholarships intended to serve as an alternative to a salary or another form of study funding. The term national budget refers to both grants for research and doctoral programmes as well as other government funds provided via a government agency. For government authorities such as the Swedish Research Council, the Formas research council, and Vinnova, there are appropriation directions with corresponding provisions and the authorities' own terms and conditions are also clear in this area.		
Decision Beginning 1 July 2006, new scholarships to international doctoral students, postdoctoral fellows and international senior researchers that are based on government funds not intended for such purposes shall not be granted. Ongoing contracts/scholarships currently funded in whole or in part through government funds shall be transferred to funding through non-government funds as soon as possible, provided such transfer is not impracticable. Administration and Service has been tasked with working with the departments to establish procedures for monitoring and reporting intended scholarship funding.		
[Signature] Lena Gustafsson		
[Signature] Carina Eggum		
<u>Copy</u> Heads of department Administration and Service Administrative managers		

Appendix:

Summary report: Handling of scholarships for international doctoral students, postdoctoral fellows, and international senior researchers at Chalmers University of Technology, 3 April 2006

Summary report

Handling of scholarships for international
doctoral students, postdoctoral fellows, and
international senior researchers at Chalmers
University of Technology

1 Summary

The internal audit identified how government funds have been used for the funding of scholarships for international doctoral students, postdoctoral fellows, and international senior researchers. In 2005, the posted cost for these scholarships amounted to SEK 20,421,609. The audit also included investigation of whether there is a clear definition of what is considered government funds.

The audit shows that there is funding with government funds. Of the posted cost of SEK 20.4 million, 35 percent (i.e. SEK 7.2 million) constitutes government funding. The degree of government funding for scholarships in projects with a government main funder varies between the departments. In 2005, these accounted for an average of 52 percent of posted costs for these scholarships.

Chalmers has internal guidelines and procedures for handling scholarships of this type, but lacks a clear definition of what constitutes government funds in this context. The guidelines are in line with the government appropriation directions and with the terms and conditions specified by the research councils and the authorities. These guidelines state that government funds shall not be used for scholarships.

As part of the audit, comments were communicated regarding the new remuneration guidelines established for international doctoral students in March 2006. A potential consequence that was communicated is that there may be cases where international doctoral students would have to be rejected for financial reasons if their own funding does not live up to Chalmers' requirements.

The audit shows a need to make the current guidelines and procedures clearer and more precise to, inter alia, ensure proper use in relation to the regulations. The audit also shows that follow-up procedures do not exist and must therefore be established.

2 Background

According to government directives (annual appropriation directions regarding common regulations for universities and colleges), government funds from the national budget may not be used for scholarships intended to serve as an alternative to a salary or another form of study funding. In the appropriation directions for budget year 2006, the Ministry clarified what is meant by the national budget, specifying that it refers to both grants for research and doctoral programmes as well as other government funds distributed via a government agency.

On assignment of the Administrative Director, the internal audit identified how Chalmers handles the funding of scholarships for international doctoral students, postdoctoral fellows, and international senior researchers.

3 Purpose and method

The audit aimed to investigate whether government funds are used for the funding of international doctoral students, postdoctoral fellows, and international senior researchers.

An additional aim was to investigate whether there is a clear definition of what is considered government funds.

The audit, conducted in March 2006, includes analysis of posted costs and salary statistics for 2005, a review of internal guidelines and external directives, and interviews with Administration and Service staff, heads of department, administrative managers, and department financial officers at a number of departments.

4 What do Chalmers' internal guidelines say?

The internal operational document “Stipendier till internationella doktorander, postdoktorer och internationella seniora forskare” [Scholarships for international doctoral students, postdoctoral fellows and international senior researchers] provides guidelines and procedures for handling scholarships for the indicated groups. The guidelines, which are in line with the government appropriation directions and were updated in March 2006, specify that “scholarships intended to serve as an alternative to a salary or another form of study funding for doctoral students may not be funded using funds from the national budget. The term national budget refers to both grants for research and doctoral programmes as well as other government funds distributed via a government agency”.

The guidelines do not provide any detailed guidance on what should be considered government funds. Some time ago, the Accounting department listed and classified Chalmers' funders into different categories (e.g. government) that are used in connection with accounting. The list is a good support for facilitating proper use in relation to the regulations, but must be supplemented with, for example, information on which of the research areas and sector research bodies are government authorities.

During the audit, views were put forward on the latest amendment of the guidelines (March 2006) that relate to funding of international doctoral students who are enrolled at Chalmers and receive scholarships from grant providers other than Chalmers. According to the guidelines, there must be funding plans and financial guarantees which as a minimum are equivalent to Chalmers' remuneration level for this category, doctoral students. A potential consequence of the new remuneration guidelines is that there may be cases where international doctoral students would have to be rejected for financial reasons if their own funding does not live up to Chalmers' requirements. Otherwise, Chalmers/the department itself would have to use their own funds to cover the shortfall up to the applicable minimum amount. In the long run, this could affect the pursuit of increased globalisation.

The audit shows a need to make the guidelines clearer and more precise, and to ensure implementation in the organisation.

5 External rules and terms

As mentioned above, the government appropriation directions specify how grants may be allocated in this regard. For government authorities such as the Swedish Research Council, the Formas research

council, and Vinnova, there are appropriation directions with corresponding provisions, i.e. that funds may not be used for doctoral student scholarships that are intended to serve as an alternative to a salary or another form of study funding.

The terms and conditions of these authorities are also clear in this area. For example, the instructions for the Linnaeus grant specify that the grant may not cover scholarships.

6 Funding of international scholarship recipients

In 2005, posted scholarship costs for international doctoral students, postdoctoral fellows and international senior researchers amounted to SEK 20,421,609. Of the posted cost, 35 percent have a government main funder (Table 1).

Table 1: Posted scholarships 2005 per category of funder

Funders	Amount (SEK)
Government funders	7,282,497
Other public funders	4,154,892
Private funders	1,334,847
Industry organisations	222,153
Foundations	6,314,423
Other foreign/Swedish	516,158
Chalmers internal	596,639
Total	20,421,609

Posted scholarships 2005 are distributed among the following government main funders (Table 2).

Table 2: Posted scholarships 2005 per government main funder

Funders	Amount (SEK)
Ministry	1,153,746
Swedish Research Council	2,768,744
Swedish Energy Agency	1,013,609
Formas	515,453
Vinnova	399,000
Swedish Road Administration	393,648
Sida	347,240
Swedish National Space Board	173,400
Other government funders	517,657
Total	7,282,497

The degree of funding for current scholarships in projects with a government main funder varies between the departments. In 2005, these accounted for an average of 52 percent of posted costs for scholarships. There may be some uncertainty in the figures as some projects have multiple funding providers and grants are not reported separately in the projects.

Appendix 1 (Table 3) presents posted scholarships per department and percentage of government funding of such.

7 **Follow-up**

During the audit, it came to light that there is no central follow-up of scholarship funding. Thus far, it has not become clear how the departments themselves monitor in particular how scholarship funding is handled in relation to the applicable regulations. However, it can be noted that the issue is on the agenda and that some departments no longer allow this type of scholarship funding.

To avoid potential consequences for Chalmers, procedures for follow-up of funding form must be established.

Appendix 1

Table 3: Distribution of posted scholarships per department and percentage of government funding:

Department	Amount (SEK)	Government funding
KB	4,918,372	45%
TM	1,441,792	67%
Mot	927,047	42%
I	178,000	100 %
RoR	1,471,009	44%
MV	820,092	44%
S2	581,934	59%
D & IT	455,232	13 %
EoM	428,516	62%
SoM	156,000	100 %
BoM	757,677	54%
A	17,501	100%
MC2	2,443,564	8%
TF	1,813,190	44%
FF	56,801	0%
AoS	3,598,035	0%
President	104,256	48%
Other central	252,588	100%
Total	20,421,609	