Directive on the handling of Corona-related financing gaps in research projects with third-party funding (hardship regulations)

27 April 2020

*The Vice President for Finance and Controlling (VPFC), pursuant to article 9 paragraph 3 lit. b of the Financial Regulations of ETH Zurich,*\(^1\) *issues the following directive:*

**Current situation and basic principles**

1. Research projects and fellowships with third-party funding may have been delayed by the recent emergency operations. Financing gaps may in particular arise in the case of doctoral students and postdocs since salaries continue to be paid independently of funding sources.

2. Public funding agencies react dynamically to the current developments, which must continue to be monitored. Individual solutions are being worked out bilaterally with foundations and industry collaborations.

3. ETH Professors must adjust their financial planning to the current situation. Delays resulting in additional costs will occur frequently. On the other hand, new employments are currently suspended. The next possible entry dates have been postponed to 1 July (EU/EFTA) and 1 October 2020 (third countries), respectively. Material costs may be saved. Moreover, even under normal operations the duration of a research project is usually not coextensive with the duration of funding. Professors can counteract by using their basic budgets.

4. Professors and departments are expected to share the additional costs resulting from COVID-19 measures (principle of subsidiarity\(^2\)). Financing gaps in projects that have started recently are ideally to be covered by the professors over the course of each project’s lifetime. Hardship cases may nevertheless arise depending on the conditions described in 1 and 2 above. For these, financial coverage by ETH Zurich may be applied for.

**A) Eligibility**

1. Grantees (PIs) are eligible if they are restricted with regard to their budget planning and financial means (that is, if they are subject to temporal or financial limitations), if they have a funding contract with an external partner that entails a service obligation, and if they finance team members employed at ETH from project funding. This includes Assistant Professors without Tenure Track, Ambizione Fellows, Pioneer Fellows, and ETH Fellows, as well as, exceptionally, Assistant Professors with Tenure Track and Adjunct Professors (Titularprofessuren). The request must be submitted by the responsible Budget Officer.

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\(^1\) RSETHZ 245

\(^2\) FR article 65 (Self-dependent management of resources) and article 96 (Purpose and management of reserves)
2. Full Professorships are not eligible. The VPFC grants them flexibility with regard to negative balances in their projects and reserves\(^3\) over a period of three years. The departments will ask for corresponding budget plans.

3. Justified requests can only be made for running projects that will end at the latest two years (default) or three years (ERC projects) after the effective date of 1 April 2020. Evidence must be provided for the support of the department.

4. Coverage for financing gaps resulting from the pandemic can only be requested for project salaries but not for material costs. Compliance with research contracts must be ensured at all times. The costs for the use of ETH’s technology platforms must be paid by researchers themselves.

B) Extent of financial support

1. Financial support by ETH is provided depending on the regulations for supportive measures issued by the third-party funder. If additional funding is available from that source, researchers must necessarily apply for it first. In case of hardship, the maximum amount that can be covered by ETH is the difference between the documented financing gap and the additional funding received from third parties.

2. The provided sum depends on the number of project employees, on the urgency of covering documented, substantial financing gaps, and on the incurred delay.

C) Procedures

1. Individual requests must comply with the specifications below. They must be submitted by the PI or the responsible Budget Officer to the department management, that is, to the Head of Department or a contact designated by the department. The department reviews the requests and makes a preselection.

2. The department collects the hardship cases and forwards them by email to stab-vpfc@sl.ethz.ch (subject line “Finanzielle Hilfsmassnahmen”). The package should also include an overview of all requests per professor grouped by sources of third-party funding. The department must explain why the financing gaps cannot be covered by the department itself or from overhead in the case of EU projects.

3. Requests can be sent to the VPFC’s office until 31 March 2021. The known cases that are expected to be submitted should already be addressed by the department at the 2020 budget discussion (Budgetgespräch).

4. The requests will be reviewed by a centralized special committee on financial support measures and will be approved or rejected jointly by the VPFC and the Vice President for Research (VPR) at the earliest in April 2021. The results of the annual account 2020 and the possibility of establishing or releasing reserves based on this will be considered in the evaluation of requests.

5. For projects that will be finished in the present year (i.e. until 31 December 2020) and that are eligible as per section A above, a financial solution must be provided by the department.

D) Formal requirements

One request must be submitted per project. The following information must be included:

- Basic information about the project (title, project partner(s), PSP element, duration/status, total funding)
- Copy of approvals/rejections for financial support from the third-party funder, if existing
- Documentation of incurred costs (ETHIS report)
- Table listing all affected persons/financing gaps as well as their source of funding (how many percent of the total employment are financed from project funding)
- Time when the financial support is required
- Statement clarifying

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\(^3\) FR article 98 (Offsetting deficits from the reserve)
– the type of the financing gap
– why no other solution could be found with the third-party funder (e.g. reallocation of funds, revision of the research plan etc.)
– why the financing gap cannot be covered by the responsible professor
– for EU projects: why the financing gap cannot be covered from overhead (if existing)

E) Special cases

1. Running research projects on COVID-19 that were approved by the special committee “COVID-19-Forschung” can apply for financial support to the VPR. Requests can be submitted to research@sl.ethz.ch until 30 June 2020 and must include a budget and justification. The subject line should be “Zusatzfinanzierung COVID-19-Forschung”. These requests will be evaluated by the same special committee and will be funded from the VPR’s budget for internal research funding in case of approval.

2. Running ETH Grants projects that are eligible (cf. section A) can apply for financial support to the VPR in case of hardship. Requests can be submitted to ethgrants@sl.ethz.ch until 31 March 2021 and must include a budget and justification. The subject line should be “Corona-bedingte Zusatzfinanzierung”. These requests will be evaluated by ETH’s Grants Office and will be funded from the VPR’s budget for internal research funding in case of approval.

3. Industry collaborations and related areas:
   - Payments by third parties (license fees, patent cost refunds etc.) can only be deferred if there is a clear justification (e.g. lack of liquidity, running venture round).
   - Requests for deferral are generally accepted in the case of spin-offs renting ETH rooms.
   - Start-ups and SMEs should likewise be treated generously.
   - Deferrals are not granted to larger enterprises since the amounts to be paid are usually small in this case.

This directive is in force from 1 May 2020 onwards and remains valid until 31 July 2021.

Dr Robert Perich
Vice President for Finance and Controlling
CFO of ETH Zurich

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4 A mere break in the operations of laboratories or workshops is not a sufficient justification. Projects must be delayed considerably due to dependencies.
5 Directive on research at ETH Zurich in emergency mode from 19 March 2020 (RSETHZ 0.443)