

# Financial Conditions for the ISPT program of 29 November 2012 as amended on 21 March 2013, 29 August 2013, 2 June 2016, 11 September 2019, 21 September 2022 and 16 April 2024

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The Financial Conditions for the ISPT program have been accepted by the Supervisory Board on 29 November 2012 in accordance with the article 15 of the articles of association of the Stichting ISPT as lastly amended on 16 April 2024.

## 1. General

ISPT is a unique platform where industry and academia converge and collaborate to create breakthrough innovations for Sustainable Process Technology in the conversion of energy intensive to energy efficient. This is certainly a big task for the energy intensive process industry. New directions, new approaches, new thinking are essential if we are to meet these challenges. Together we will tackle this major issue and generate competitive advantage.

In almost all projects private funding will be matched with governmental grants. The governmental grant is a financial contribution from the Ministerie van Economische Zaken en Klimaat (EZK - Ministry of Economic Affairs and Climate Policy). In general Industrial companies contribute both In Kind and In Cash. Universities and Contract Research Organizations contribute to the program with an In Kind contribution. An In Kind contribution can be a contribution in man-hours, equipment or materials.

The participants in the ISPT are actively involved in the execution of the ISPT program with their (semi-) permanent staff. In addition, staff with temporary contracts is specially recruited for the ISPT program. Work can be executed on the premises or in the laboratories of the participants depending on what is needed for the project and what is the most (cost and result) effective.

## 2. Participation in ISPT

### 2.1 Participation in ISPT

Companies and knowledge institutes participate in ISPT by means of a Letter of Participation (LOP). In the Letter of Participation the commitment In Cash and In Kind of the industrial companies is registered. In general a LOP is valid for a period of four years. Participants commit themselves to the ISPT open innovation platform and to research within the ISPT programs that are developed by the cluster committees.

LOP		Membership fee €/year	Contribution for research		Cluster committee	IP rights
			in cash €/year	In kind €/year		
Industry	Large	15 000	55 000	Additional	Yes	Yes
	SME	3 000	27 500	Additional	Yes	Yes
Service provider	Large	15 000	-	55 000	Yes	No
	SME	3 000	-	27 500	Yes	No
Research Organisation		15 000	-	Reasonable	yes	Yes

## 2.2 Participation in an ISPT Project

It is possible to participate in a project instead of in the platform ISPT by means of a Letter of Participation in a Project (LOPIP). In the Letter of Participation in a Project the commitment in cash and in kind of the industrial companies is registered for the project. In general a LOPIP is valid for the project duration.

LOPIP		Membership fee € /year	Contribution for research in cash and in kind €/year	Cluster committee	Project committee	IP rights
Industry	Large	15 000	Project budget	No	Yes	Yes
	SME	3 000	Project budget	No	Yes	Yes
Research Organisation		15 000	Project budget	No	Yes	Yes

## 2.3 Member of ISPT

An Organization that wishes to be informed on all developments in the ISPT community, however that does not intend to contribute to and/or cannot execute research and development activities, will be able to become a community member of ISPT.

Member		Membership fee €/year	Cluster committee	Project committee	IP rights
Industry	Large	15 000	No	No	No
	SME	3 000	No	No	No

Participants will contribute their membership fee once a year regardless of the number of cluster(s) and project(s) they participate in.

## 3. Principles for drafting a budget

The contribution for and duration of a specific project can vary per project. However participants with a LOP or a LOPIP will contribute to projects of the ISPT program as follows :

### Principles for drafting a budget

- ✓ The rules of the subsidy provider are leading
- ✓ Universities and CRO's will receive the subsidy they generate
- ✓ Large companies contribute up to 100% of the hours and other costs (material, travel, etc.) they spent in the ISPT activities program. Exception can be large investments based on depreciation.
- ✓ SME Companies will receive maximal the subsidy they generate

### 3.1 Calculation of costs

#### 3.1.1 Labour costs

The hourly rate can be calculated in three ways (According to Staatscourant 2008, nr. 499):

- ✓ **Hourly rate based on gross salary costs**  
The annual hourly rate to be applied is equal to 150% of the gross salary costs + employers' costs for social insurances, health insurance and contribution towards pension.
- **Hourly rate based on integral cost price calculation** (without profit margin).  
The specific regulations on the use of the Integral Cost Price (Integrale Kostprijs Systematiek – IKS) are stated on the website of the Rijksdienst voor Ondernemers (RVO – Netherlands Enterprise Agency). -
- ✓ **Standard hourly** rate of € 60,- (including the surcharge of 50%)

Except for the integral cost price calculation, the basis for the calculation of hourly rate is 1 650 hours per year on a full time basis (40 working hours per week and 20 vacation days; a so-called 100 % contract). It turns out that in practice nearly all employees can be considered as part time employees. For example an employee with a 36 hour working week and 25 vacation days has an 88% contract. The basis for calculation of the hourly rate is in this case 1 450 hours per year and results in a higher hourly rate compared to 1 650 hours per year.

#### 3.1.2 Investments (machines and materials) in a project:

According to the regulations of the Dutch ministry investments can be involved on the base of depreciation with a minimum of 5 years taking into account a residual value. (see Kaderbesluit nationale EZ subsidies).

#### 3.1.3 Other costs:

Other cost direct related to the project (and not included in the IKS)

### 3.2 Responsibility and registration of labour and other costs

The guidelines for the financing of the activities and projects within the ISPT are the specific regulations of the Dutch Government for Research, Development and Innovation (R&D&I). Participants who receive subsidy must comply with the financial and reporting obligations according to the EZK regulations (see attachment for the relevant regulations) Consequently, participants are accountable for a proper administration of their own hours and costs. Naturally, ISPT will be able to advise participants to set up their administration in such a way that it will be compliant with the specific subsidy regulation.

Each participant will be accountable for its own registration of labour hours and costs. In case a Participant does not comply with the requirements of the specific Regulation a possible subsidy reclaim will be fully charged to this Participant.

For compliance with the specific subsidy regulation the following documents have to be available in your administration:

- Registration of hours per project and per project member
- Calculation hourly rates according to applicable rules in article 10 up to 14 of the Kaderbesluit EZ-subsidies (framework decision on subsidies of Economic Affairs – EZK) and stated in Paragraph 4.1, substantiated with data on salary per year per person on a yearly basis for the duration of the project (see attachment for the publishing date) .
- Documents that substantiate the depreciation period in order to calculate the costs for usage of equipment in a specific project.
- Invoices and method of payment for costs of third parties and usage of materials.

### **Costs that are not eligible for subsidy, such as:**

Only costs related to research are eligible. Not eligible are:

- Costs for accountancy or other financial audit costs in a project.
- Dissemination, communication and project management.
- Accumulating costs: costs that were already subsidized are not eligible for subsidy again (except tax advantages like: WBSO).
- Directly attributed revenues for a project that have been offset with eligible costs.
- No offset VAT included.
- Supervision of the PhD students (this is covered by ministry of OCW).

## **4 Running the project**

### **4.1 Invoicing**

The procedure for administration of hours spent in an ISPT project by your organization is as follows:

- Drawing up your Quarterly overview of hours worked on an ISPT project, which includes a specification of:
  - Project number
  - Functions of project team members in a project
  - Hours of project team members during a specified period
  - Hourly rate of project team members
  - Total amount per project and per project team member.
- Provide this overview of the financial responsible authority in your organization. Send the specified overview within 15 days after ending of a Quarter (for example before 15 April regarding Q1, before 15 July regarding Q2, and so on) to [finance@ispt.eu](mailto:finance@ispt.eu).

If you are entitled to a (partial) cash contribution on hours and/or costs, you may send this invoice along with the quarterly hours overview. Please state the total amount (according to quarterly overview hours) and deduct your own in-kind contribution if applicable.

The remainder amount will then be transferred to your organization after being approved of by the ISPT approval loop members. The maximum deposit will be 80% The remaining 20% will be paid after the final declaration is honored.

## 4.2 Request for Change (RFC) in a project

Changes in a project, such as in a project budget with a deviation of  $\geq 10\%$ , or in designated end results, milestones or deliverables, approved by the Project Contributors, must immediately be reported to ISPT. In addition, an RFC template will have to be submitted to the subsidy provider in consultation with ISPT, in order to be able to monitor proper execution of a project and timely intervention where required. -

## 4.3 Compliance of a Project

At the establishment of a project the participant approves of the accounted costs based on current regulation, in form of:

- ✓ Management Statement:
  - The management declares that all costs were made and paid, and that the costs are compliant to the current regulation. A management statement will be sufficient when the participant receives no subsidy or an limited amount of subsidy.
  - We will ask three months after a calendar year to send the management statements. We will use these statements for the accountability for running projects which are funded by "PPS -toeslag". But we will also use it to generate a new bases for "PPS-toeslag".
- ✓ Audit Report:
  - Your costs have been audited if the amount of subsidy is higher than a certain amount (for PPS grant this amount is larger than €125 000, one hundred twenty five thousand Euro, per participant per project).

The Management Statement or the Audit Report of your project must be sent to ISPT no later than 2 month after the project end date in order to submit the end report timely at the subsidy provider.

## Relevant regulations

Regulations	Published	Subject
Regeling nationale EZ subsidies	Staatscourant 2014, nr. 20679	Eligible subjects
Wijziging regeling nationale EZ subsidies	Staatscourant 2016, nr 63016	PPS-toeslag Onderzoek en Innovatie
Kaderbesluit nationale EZ subsidies	Staatscourant 2008, nr. 499	Eligible costs
Algemene Groepsvrijstellingsverordening	Verordening (EU) nr. 651/2014 Verordening (EU) nr. 2017/1084	Eligible activities
Kaderregeling betreffende staatsteun voor O&O&I	Mededeling 2014/C 198/01	Eligible collaboration public and private parties