



UMEÅ UNIVERSITET

RULE – SCHOLARSHIPS

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¹ This document has been translated from Swedish into English. If the English version differs from the original, the Swedish version takes precedence.



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1. Description

This rule regulates use of internal and external scholarships. It applies to postdoctoral scholarships, bachelor's and master's scholarships, and scholarships for doctoral studies.

2. Definition

Internal scholarships are scholarships instituted and disbursed by Umeå University. Internal scholarships can only be funded through external grants.

An external scholarship is one for which the department or unit determines whether it can accept a scholarship holder who receives a scholarship directly from an external funding organisation.

3. Background

The purpose of this rule is to ensure Umeå University has a consistent and correct approach to scholarships.

Umeå University can institute scholarships for education, postdoctoral qualifications and travel. Educational scholarships may only be instituted for students admitted to studies at bachelor's, master's or doctoral levels.

For tax and labour law reasons, the rule strives to ensure good internal governance for how scholarships are instituted and used at Umeå University. The rule is also intended to:

- help ensure scholarship holders receive relevant information about the terms of their scholarship and any other terms of scholarship funding
- clarify the responsibilities of managers when receiving scholarship holders, and
- ensure that the terms for scholarships are respected and properly communicated.

4. Limits

4.1. Exchange/mobility scholarships

This rule does not apply to exchange and/or mobility scholarships, such as Erasmus scholarships. Scholarships within exchange and mobility programmes are instead managed as per the routines of each study programme.

4.2. Scholarships for tuition fees

This rule does not cover scholarships for bachelor's and master's studies that apply to citizens of a country outside the EU, EEA or Switzerland, i.e. fee-paying students.



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5. Taxation rules and their application by Umeå University

5.1. The Income Tax Act and legal advice from the Swedish Tax Agency

The Income Tax Act (1999:1229) and legal advice from the Swedish Tax Agency indicate that a scholarship is tax exempt if:

- it is intended for the recipient's education
- the recipient receives the scholarship for reasons other than their education (scholarship for postdoctoral qualifications or travel) and
 - disbursements are not made periodically, i.e. over a period of three years or longer² or monthly over a period of one year or longer, and
 - it does not constitute compensation for work conducted for the disburser.

In this document, "education" refers to bachelor's (first cycle), master's (second cycle) and doctoral (third cycle) courses and study programmes.

The tax exemption of scholarships for postdoctoral qualifications are assessed according to the Swedish Tax Agency's regulations for scholarships intended for other purposes and not as educational scholarships. Special attention must be paid when instituting scholarships for postdoctoral qualifications, as it can be difficult to distinguish acquiring postdoctoral qualifications from providing services.

The Income Tax Act (1999:1229) stipulates that a scholarship is tax exempt if no services are required in return from the scholarship holder, as they receive the scholarship for their own education or to acquire qualifications. If the Swedish Tax Agency considers the relationship similar to an employer and employee relationship, there could be labour law consequences. If employment is determined to exist retrospectively, the employment is deemed valid for an indefinite period, since the parties did not legally agree upon a time limit.

If a scholarship decision leads to the Swedish Tax Agency considering the scholarship as salary, the economic consequences of this, i.e. taxes and social security contributions, will be charged to the department or equivalent. The scholarship holder is to be reimbursed in the form of salary for any taxes incurred.

Should a case be unclear, it is up to the department to contact the Swedish Tax Agency for clarification so that it can ensure the Income Tax Act and Swedish Tax Agency's regulations are properly applied and adhered to.

5.2. Application of taxation rules by Umeå University

At Umeå University, scholarships may not be disbursed to current employees of the University or to anyone who was employed by or received a salary or remuneration from the University in the preceding two years.³

² Each scholarship and each donor are assessed on a case-by-case basis.

³ This also includes doctoral grants for supplementary teacher education.



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Exceptions to this provision may be made following a review by the decision-maker designated by the Vice-Chancellor's decision-making and delegation procedure. Exceptions may be made when the income received during the preceding two years is, for instance:

- Less than SEK 1,000 per year
- Remuneration to a research subject
- Remuneration to students who are a member of a board, steering committee, other committee, council, or equivalent at the university
- Remuneration for work of a completely different nature than education or research.

A scholarship cannot be combined with compensation payments such as subsistence allowances, bed and board benefits or other salary benefit, because the Swedish Tax Agency could then consider the scholarship taxable income.

5.2.1. Specific provision at Umeå University

Scholarships at Umeå University may be awarded for a period of maximum two years for postdoctoral qualification. If an internal scholarship for postdoctoral qualification is combined with an external scholarship, the scholarship period at Umeå University may be at most three years.

Bachelor's and master's scholarships instituted by Umeå University may be disbursed over a period of maximum eight months during the holder's studies.

Scholarships for doctoral studies instituted by Umeå University are done as per Chapter 5, Sections 4 and 4a of the Higher Education Ordinance.

6. Funding of scholarships

Section 10 of the Appropriations Ordinance (2011:223) states that scholarships disbursed by a public agency must be funded by external grants. The external funding body needs to officially consent to their grant being used for scholarships.

It is not permitted to use direct government funding for scholarships. Scholarships may not be disbursed through contract-supported activities, as such activities require services in return in the form of work carried out.

If an application is made in the University's name and funds are granted and disbursed as a tax-exempt scholarship, these funds are to be included in the University's accounts. Awarded funds are entered as income from grants. Examples include funds from the Swedish Institute, the Swedish Council for Higher Education and the European Commission. Normally, joint costs are not charged to scholarships, as such grants only imply the transfer of the funds. The same applies to what is known as travel scholarships, which are simply passed on by the University.

Umeå University must decline scholarships where there is a risk that the funding body might demand repayment for the scholarship.



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7. Advertising, instituting and disbursing scholarships

7.1. Scholarships for bachelor's and master's studies

The purpose of scholarships to bachelor's and master's students is to provide them with practical experience of research work, to strengthen the link between education and research, and to encourage them to continue on to doctoral studies. Scholarships can be awarded either for studies on an existing course or for a short period of practical research experience (documented in an individual study/research plan) for current bachelor's or master's students.

Such scholarships may only be awarded to:

- individuals who have been admitted to and registered for bachelor's and master's studies at Umeå University, or
- individuals who have been admitted to and registered for bachelor's and master's studies at another higher education institution.

Bachelor's and master's students may receive a scholarship for a maximum of eight months during their studies. No demand for services in return may be made.

The scholarship amount that bachelor's and master's students receive is determined by the decision-maker designated by the delegation of authority. If the scholarship is intended to cover expenses, such as food and accommodation, the amount is to equal no less than the sum the holder could receive from CSN as a student loan (including the grant element) for the period in question.

7.1.1. Instituting and disbursing scholarships

Students may use a tax-exempt scholarship to fund their cost of live during bachelor's and master's studies. Such decisions are taken in accordance with the Vice-Chancellor's decision-making and delegation procedure.

Instituting a scholarship requires a written contract/note of consent from the funding body. A copy of this contract/note of consent must be included with the supporting documentation the department sends to the faculty office in question prior to instituting the scholarship.

If the department uses a surplus in the form of external, non-government funds taken up as income in accounts, this must be declared in the supporting documentation provided to the decision-maker.

Decisions on bachelor's and master's scholarships must specify whether the scholarship is to be disbursed as a lump sum or at specific intervals. Bachelor's and master's scholarships instituted by Umeå University may be disbursed over a period of maximum eight months during the holder's studies.

7.2. Scholarships for doctoral studies

Funding rules for doctoral studies at Umeå University are specified in the *Admission regulations for doctoral education at Umeå University*. These state that when admitting a student to doctoral



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studies, careful assessment of available financial resources is required to ensure access to funding for a study period corresponding to four years of full-time studies.

As a rule, doctoral students at Umeå University are required to hold a doctoral studentship throughout their studies, as stipulated in Chapter 5, Section 7 of the Higher Education Ordinance (1993:100).

At Umeå University, the Vice-Chancellor approves scholarships for doctoral studies, as per Chapter 5, Sections 4 and 4a of the Higher Education Ordinance.

When a doctoral student is admitted with a scholarship, the amount they receive must equal the post-tax salary for employed doctoral student. See Chapter 7, Section 36 of the Higher Education Ordinance. This means that scholarships disbursed to doctoral students are to follow the incremental salary increases stipulated by the collective agreements for doctoral students at Umeå University. If the doctoral student intends to alternately reside in Sweden and abroad, the minimal-amount requirement is only valid for the periods when the doctoral student resides in Sweden.

More information on scholarships for doctoral studies can be found on the staff website.

7.2.1. Advertising

Advertising of scholarships for doctoral studies are to conform with the rules specified in the *Admission regulations for doctoral education at Umeå University*. When doctoral positions are advertised with the intent to fund part of the studies with a scholarship, this must be stated in the advertisement.

7.2.2. Instituting and disbursing scholarships

The Vice-Chancellor approves scholarships for doctoral studies.

For doctoral scholarships, the approval is to specify whether the scholarship is to be disbursed as a lump sum or on multiple occasions.

7.3. Scholarships for postdoctoral qualifications

The purpose of scholarships for postdoctoral qualifications is to promote internationalisation and support the acquisition of research qualifications following the receipt of a doctorate or foreign degree assessed as equivalent to a doctorate. On this basis, Umeå University may institute scholarships for postdoctoral qualifications for researchers who obtained their doctorate abroad but wish to obtain additional qualifications in Sweden.

Scholarships established and administered by Umeå University may be valid for at most two years, with no exceptions allowed. The reason for the time limit is partly the lack of social and employment benefits for scholarship holders, and partly that period longer than two years entail a high risk that the Swedish Tax Agency will assess the scholarship as compensation for work performed, resulting in it not being tax-exempt.

In cases where an internal scholarship is combined with an external scholarship, the duration of the scholarships may be a maximum of three years in total.



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As stipulated in the Income Tax Act (1999:1229), there may be no requirement for any services in return. Holders of a scholarship for postdoctoral qualifications may consequentially not engage in teaching. As such, it is very important that teachers with a supervising role not make the same demands on a scholarship holder as would be made on an employed postdoctoral fellow.

Scholarships should be used restrictively as they provide less access to social benefits than employment would. When in contact with scholarship funding organisations, it is important to always note the advantages of using grants to fund employment instead.

7.3.1. Advertising

Internal scholarships for postdoctoral qualifications instituted by Umeå University and that exceed three months must be advertised on the University's website for at least three weeks, unless there are special reasons to only advertise them for a shorter period. Before the publishing an advertisement for the scholarship, the department or unit is to consult about the advertisement with the relevant person designated by the faculty or equivalent as responsible for the scholarship. The department is to report information to the dean or equivalent about funding and present the consent by the funding body to use the funds for scholarships.

When advertising scholarships for postdoctoral qualifications, the advertisement is to unequivocally state that it is for a scholarship only; it may not be formulated in such a way that it could be construed as an employment advert.

7.3.2. Minimum requirements for postdoctoral qualification scholarship

To qualify for a postdoctoral scholarship, applicants must have been awarded a doctorate or equivalent foreign degree. Normally, this option is available for individuals who received their doctorate at most three years before the end of the application deadline. Applicants who received their doctorate earlier may be considered in special circumstances. Special circumstances include absence due to illness, parental leave, clinical practice, holding elected positions in trade unions, or similar circumstances.

7.3.3. Individual qualification plan for acquiring postdoctoral qualifications

To make it clear that the scholarship is intended for acquiring additional qualifications and does not constitute compensation for work, the head of department is responsible for making sure an individual qualification plan is drawn up and a supervisor is appointed. The aim of the plan is to guarantee that the scholarship holder will acquire high-quality qualifications and to show that the scholarship is awarded for qualification purposes and not as compensation for work.

7.3.4. Scholarship amounts for postdoctoral qualifications

The Vice-Chancellor decides annually on the lowest scholarship amounts for postdoctoral qualifications. An additional stipend may be paid for scholarship holders' travel expenses. See Section 8.

7.3.5. Instituting and disbursing scholarships

Decisions on whether a tax-exempt scholarship may be used to fund the holder's costs of living while they acquire postdoctoral qualifications are made as per the Vice-Chancellor's decision-making and delegation procedure.



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Instituting a scholarship requires a written contract/note of consent from the funding body. A copy of this contract/note of consent must be included with the supporting documentation sent to the dean or equivalent of the faculty or equivalent. If the department or unit uses a surplus in the form of external, non-governmental funds taken up as income in accounts, this must be mentioned in the supporting documentation to the dean or equivalent. The decision proposal must come with an appendix describing how the scholarship holder was selected from among the candidates.

The decision is also to state that the decision may be reconsidered should the scholarship holder be unable to use the funds for their education/acquisition of qualifications. Decisions on reconsideration of scholarships are to be registered.

Scholarships for postdoctoral qualifications are disbursed in advance every six months.

Information on scholarships for postdoctoral qualifications is available on the staff website.

7. External scholarships

External scholarships are scholarships that are administered in direct agreement between the department and the funding body. The application, award and disbursement of the scholarship are administered as per the routines of the organisation disbursing the funds.

At Umeå University, internal postdoctoral scholarships may be awarded for at most two years. In cases where an internal scholarship is combined with an external scholarship, the duration of the scholarships may be a maximum of three years in total. For scholarship holders, the University may provide premises and other resources for a maximum of three years in total. The department decides who is affiliated and may be active in University premises.

7.1 Individual as scholarship recipient

The main principle is that external scholarships granted to individuals must be paid directly to the scholarship recipient and not included in the University's accounting. This applies regardless of whether the funds refer to a tax-free scholarship intended to cover the recipient's costs of living for a certain part of the study period or whether they refer to a grant for a study trip/conference trip.

If a scholarship has been granted to a doctoral student and is considered a research grant, it can be included in the University's accounting. This is provided that the head of department consents to this. Any existing rules for joint costs apply. Computers or other equipment purchased with these funds are the property of the University after concluded studies.

8. Additional scholarships

Additional costs for scholarship holders can be covered with additional scholarships. An additional scholarship is funded through external grants.

For scholarships for acquisition of postdoctoral qualifications, it is recommended that the department conduct an annual review and make any necessary adjustments to ensure that the scholarship amount totals at least the minimum level as defined by the Vice-Chancellor.



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Scholarship holders whose studies are funded by other means than through Umeå University, e.g. by scholarships/employment in their home countries, may receive additional scholarships for travel, subsistence and housing expenses.

Scholarships for doctoral studies and postdoctoral qualifications are to cover the costs for subsistence, including food and housing, during the scholarship period. When determining the scholarship amount, expenses for travelling to and from the location of study at the beginning and end of the scholarship period may be considered. No additional funds will be paid for accompanying family members.

Additional scholarship decisions are made by the decision-maker designated by the delegation of authority and relevant sub-delegations.

9. Reconsideration of scholarships

In special circumstances, a scholarship decision can be reconsidered. As needed, this can be done in consultation with the Human Resources Office.

10. Providing information to scholarship holders

The head of department or equivalent is responsible for providing information to the scholarship holder well ahead of their arrival about the terms of their scholarship and any other details relevant to their stay. For more information and recommendations, see the staff website.

Scholarship holders on a doctoral programme or working to acquire a postdoctoral qualification are covered by the Work Environment Act. As such, they are to be provided with a good work environment and have access to the University's occupational health services on the same terms as employed staff.

11. Follow-up

Each faculty is responsible for compliance with applicable legislation and regulations.