

**BUSINESS
FINLAND**

DEEPTECH ACCELERATOR FUNDING

Project reporting



**BUSINESS
FINLAND**

AMOUNT OF FUNDING

DTA funding call 2024

FUNDING PHASES TOTAL 1,2M€

- Funding consists of three phases
- 1. phase and 2. phase grant 400 000 € (75 % of the costs)
 - The Business Finland pays the grant on the basis of approved cost statements.
 - 10% of the grant is paid at the end of each phase and following the final report.
- 3. phase loan 400 000 € (75 % of the costs)
 - The loan can be divided into two parts.
 - Loan funding from Business Finland includes interest subsidies. The current interest rate is 1%.
 - No security is required for the loan.
 - If necessary, a 30% advance on the loan may be paid at the beginning of the loan phase.
 - This only applies to the first instalment of the loan.
 - Business Finland will pay at least 20% of the loan only at the end of the phase.
 - The loan term is 10 years, with a maximum of five repayment-free years.
 - This maximum is a legal requirement and non-negotiable.
 - The loan term is always calculated from the point at which the first instalment of the loan is taken out (see following pages).
 - Repayment of the loan cannot typically* be waived

* Please see [Funding terms and conditions for Deeptech Accelerator \(DTA\) 2024](#)

DTA pilot 2023

FUNDING PHASES TOTAL 1,4M€

- 1. phase grant 400 000 € (75 % of the costs)
 - The Business Finland pays the grant on the basis of approved cost statements.
 - 10% of the grant is paid at the end of each phase and following the final report.
- 2. phase loan 1 000 000 € (75 % of the costs)
 - The loan can be divided into two parts.
 - Loan funding from Business Finland includes interest subsidies. The current interest rate is 1%.
 - No security is required for the loan.
 - If necessary, a 30% advance on the loan may be paid at the beginning of the loan phase.
 - This only applies to the first instalment of the loan.
 - Business Finland will pay at least 20% of the loan only at the end of the phase.
 - The loan term is 10 years, with a maximum of five repayment-free years.
 - This maximum is a legal requirement and non-negotiable.
 - The loan term is always calculated from the point at which the first instalment of the loan is taken out (see following pages).
 - Repayment of the loan cannot typically* be waived

* Please see [Funding terms and conditions for Deeptech Accelerator \(DTA\) 2023](#)

**BUSINESS
FINLAND**

ELIGIBLE COSTS

ELIGIBLE COSTS OF THE PROJECT

- Project costs are based on the plan presented to Business Finland.
- Funding can be used extensively in the development of the company's international business operations, including sales and marketing.
- Funding can only be granted to operations carried out within the first eight years of the company's being in the Trade Register.
- In order to make a payment, a company must not have:
 - arrears related to tax-like payments (or a payment plan has been made with the Tax Administration), statutory declarations to the Tax Administration (VAT, salaries, health insurance) and no other possible arrears, e.g., to the customs
 - unpaid repayments to the State Treasury and no unpaid repayments or interest arrears on the previous Business Finland loan portfolio
- Services of Vero kasvuyritykset@vero.fi

INELIGIBLE COSTS

- Purchases from associated companies (except where special conditions apply to group or other companies)
- Voluntary insurance policies, financing costs, donations and awards
- Contributions to projects implemented by research organizations
- Hire purchase or leasing costs, funding, management, insurance, repair and other similar expenses
- Costs that do not comply with the project plan or that are otherwise unnecessary and unreasonable
- Export-related activities
 - Running costs related directly to export volumes, the setting up and operation of a distribution network or any other export activities (see next page)

EXPORT-RELATED ACTIVITIES

What is not permitted:

- Direct support towards export volumes
- Support towards warehousing, logistics facilities and distribution hubs
- Support for other distribution-related direct investments and operations funding

What is permitted:

- The establishment of a subsidiary, hiring sales personnel
- Conducting contract negotiations related to distribution and the selection of distribution partners

THE ACT ON PUBLIC PROCUREMENTS AND COMPETITIVE TENDERING

- If the total value of a contract amounts to € 60,000 or more excluding VAT, it must be put out to tender pursuant to the Act on Public Contracts
 - In other cases, eligible costs from the total value of the procurement will be accepted to the extent that the 75% subsidy, together with other public support for the entire project, amounts to no more than 50% of the procurement portion.
 - Two-thirds of the total value of the procurement is accepted as an eligible cost.
 - Mention in the notes of the report if the limit of 60,000 euros is exceeded and what is the total amount of the procurement and the supplier
- Responsibility for competitive tendering lies with the beneficiary.
- A copy of the HILMA notice must be appended to the cost statement.
- Single contracts cannot be split between several suppliers or a chain of suppliers.
- Entering a new NIY phase does not cut off the monitoring of a contract
- If the procurement is only for the loan phase of the project, there is no need for tendering.
- Instructions on procurements relating to projects funded by Business Finland are available on Business Finland's website.
- Advice on public tendering: hankinnat@kuntaliitto.fi

**BUSINESS
FINLAND**

REPORTING AND COST STATEMENTS

MONITORING OF COSTS

A description of the project's accounting and working time monitoring must be submitted as an attachment to the first report.

Project accounts

- Project costs must be entered into the company's accounts accompanied by a cost center or project number, for example.
- Project documents and other materials necessary for auditing must be kept for at least 10 years from the payment of the last instalment of the funding.

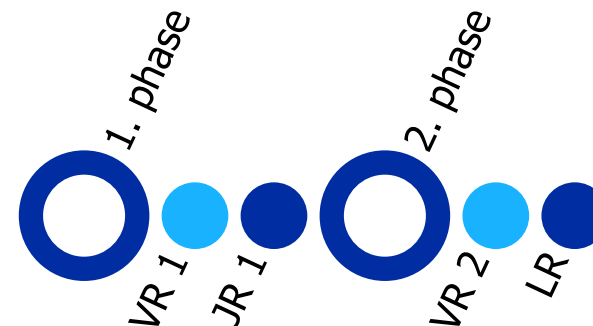
Working time monitoring

- Business Finland recommends an hourly basis working time monitoring.
- If the beneficiary has simultaneously received other funding granted by Business Finland, every person working for both projects must record their working time on an hourly basis.

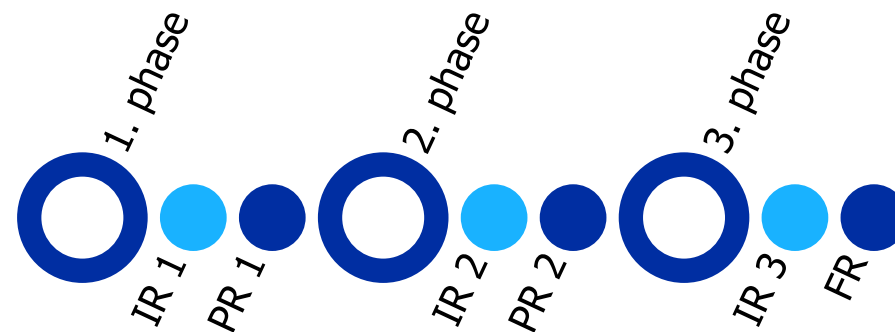
REPORTS AND REPORTING SCHEDULE

- Reporting approximately every six months
 - Interrim reports (IR) – if necessary
 - Phase reports (PR) – at the end of each phase
 - Final report (FR) – at the end of the project
- Reporting consists of project progress report and reporting of costs.
- Reports are created via the online service.
- Business Finland processes them always simultaneously.

DTA pilot 2023



DTA call 2024



CONTENT REPORTS

- Content reports are submitted via the online service by answering the questions in the reporting section.
- Particular attention should be paid to the following:
 - Situation report (the situation of the company and its changes, as well as the business situation and future)
 - Achievement of the goals of the phase, broken down by goal. Possible deviations, challenges in achieving the goals and their explanatory factors (both in IR and PR)
 - Any changes needed regarding:
 - project content
 - budget
 - schedule (deadlines can be extended by up to four months)

COST STATEMENTS

- Costs are declared on the report's page Costs.
- Every report should be accompanied by the following:
 - The general ledger, with an itemized declaration of expenses
 - clear narratives, the supplier and order content
 - [Salary specification Y4](#) (must be submitted even when working time monitoring is not required)
 - An auditor's report in connection with every end-of-phase cost statement (phase reports and final report)
 - For the auditor's report form NIY/DTA-rahoitus shall be used. You can find the form on the page [Information pack for auditors](#)
- The project will be subject to the funding terms and conditions in force at the time of the funding decision for the phase 1 has been made. These has been submitted to the beneficiary together with the decision for the first phase.

COSTS DECLARED FOR PROJECTS 1/2

1. Salary costs

- The share of salary costs allocated to the project is calculated; all monetary salaries subject to withholding tax can be included
- Performance and other bonuses, etc. may be included under performance-based salaries

2. Indirect personnel costs

- 30% of social security expenses are approved as a deferred percentage for those falling within the scope of the Finnish social security system
- If the recruitment cost is a planned recruitment (based on an approved and described project plan), it can be accepted as a direct cost (otherwise they are indirect personnel costs).

COSTS DECLARED FOR PROJECTS 2/2

All other costs arising from the project are declared as purchases:

3) Purchases from the European Single Market OR

4) Purchases from outside the European Single Market

- Subcontracting
- Travel expenses (in accordance with the guidelines issued by the Finnish Tax Administration)
- Equipment acquisitions and depreciation, the polluter pays principle
- Materials and supplies
- Obligatory overheads
- Purchases from group companies only if mentioned in the funding decision
 - PLEASE NOTE: group companies must invoice the company and provide their own separate statements

DIFFERENCES IN COST STATEMENTS

Deeptech Accelerator - funding

- Hourly working time monitoring only if another project funded by Business Finland is running simultaneously
- The total salary from which the share allocated to the project is calculated = all monetary salaries subject to tax
- No overhead percentage, can be declared as direct expenses
- Itemized statements (ledger extracts)
- Competitive tendering, where applicable
- A wider range of costs accepted than in R&D projects

R&D funding

- Hourly working time monitoring
- The total salary from which the share allocated to the project is calculated = monetary salaries subject to tax, excluding holiday bonuses
- Overhead costs are based on a percentage
- No itemized statements
- No competitive tendering (if the grant covers less than 50%)
- Eligible costs are based on cost estimates

PROJECT CHANGES

- Contact Business Finland in advance (your account lead or funding advisor of the project).
- The expert will tell you if there is a need for a change application
- Apply for a change in the online service.
- More information can be found:
 - [Project changes on Business Finland website](#)

CHANGES TO PROJECTS: REASSIGNMENT, IPR, BUSINESS RESTRUCTURING

- A funding decision cannot be transferred to a third party.
- Yrityksen on ilmoitettava etukäteen Business Finlandille mm. seuraavista muutoksista:
 - mergers, acquisitions and divestitures
 - the sale of IPR created during the project
 - other significant changes in business operations or restructuring
 - any loans granted by Business Finland are usually paid back in connection with mergers, acquisitions or divestitures.
- Changes must be reported
 - during the project
 - for a period of five years from the payment of the last instalment of the funding
 - before the loan is repaid in full.
- Business Finland's consent must be sought for measures that
 - are taken outside the European Single Market
 - compromise the desired impacts of the project
 - impede the paying back of the loan.

MOVING TO THE NEXT FUNDING PHASE

- The next phase must be continued without significant interruptions. Please discuss with your BF contact person in advance.
- Applying for the next phase is in connection with the submission of phase reports.
- No new application is required, but the following documents must be submitted with the phase report:
 - Project plan for the next phase
 - A recent accounts ledger (income statement and balance sheet)
 - A cash flow forecast for at least the next 12 months; a template is available on [Business Finland's website](#)
 - A list of shareholders (if changes have taken place during the previous phase)
 - Updated business plan
 - Any other additional information requested

DTA – FUNDING AND PARALLEL PROJECTS

- Business Finland can grant a company receiving DTA funding for a research and development project, if necessary, if the R&D funding is appropriate for the company's growth and internationalization and supports the achievement of the DTA project's goals.
- Before submitting the application, discuss possible R&D funding needs with your contact person.
 - In addition to the DTA project, an R&D project can be financed with a grant when it is a project whose content is mainly industrial research and which meets the general criteria set for the grant, and the content of the project is appropriate in terms of the rapid growth and development of the company alongside the DTA funding. When the share of research work is 100%, 60% of the grant is awarded, otherwise 50% of the grant.
 - The loan financing level of 50% or 70% for development-oriented projects is assessed on the same basis as for other R&D projects.
 - The company can also participate in research oriented long-term R&D projects or parallel projects during DTA funding. Participation in ecosystem and cluster projects and research project management groups is recommended to strengthen networking. Participation must contribute to reaching the company's goals.
- Other than R&D funding (e.g., de-minimis funding) cannot be granted during the DTA project.

LINKS TO BUSINESS FINLAND WEB PAGES

Online Service

<https://www.businessfinland.fi/en/for-finnish-customers/online-services/>

Reporting Guidelines

<https://www.businessfinland.fi/en/for-finnish-customers/services/funding/guidelines-terms-and-forms/reporting/>