

# Starting a project

## Kick-off meeting

Funding terms and conditions 1.1.2020

# 1 When you get a positive funding decision:

- Read the decision and its terms and conditions carefully.
- Pay attention also to the grounds of funding and any special terms and conditions.
- Review the funding decision with the contact person for the cost statement (e.g. accounting firm, own accountant).
- Accept the funding decision within the deadline in Online Service.
- Arrange the project accounting from the beginning of the project so that the costs arising from the project can be itemized and their connection with the accounting and the cost statement can be verified.
- Make sure, that the working time monitoring has been arranged according to terms and conditions.
  - ⇒ If you are receiving Funding for companies' R&D activities, please provide a description of how your project accounting and time tracking are organized, as an attachment to your first interim report. Describe how the requirements of the funding conditions are met.
- For more help, visit the [Business Finland website](#).

## 2 Working time monitoring

### Companies' de minimis funding

- No hourly working time monitoring for the project is required.
- The beneficiary may declare the proportion of a person's salary for their total working hours that is allocated to the project.
- The realized work must be compared to the project-plan estimate and any deviations must be reported.

### Funding for companies' R&D activities

- Each person working for the project must record the time that they allocate to the project on an hourly basis.
- Persons to whom the Working Hours Act does not apply or who do not have specified working hours must keep records both of hours worked on the project and of total working hours.
- Hours spent working on the project must be reported for days when the actual work has been performed.
- The accountable project leader or the supervisor of each employee must confirm the working hours at least on a monthly basis. Entry of confirmation must be saved in the monitoring system.

## 3 Eligible costs, slide 1

### Companies' de minimis funding

- An updated project plan forms part of the funding decision and is the basis for the approval of costs.
- Salaries
- Purchased services
- Other costs are a deferred item

=> More information on the next slide

### Funding for companies' R&D activities

- An updated project plan forms part of the funding decision and is the basis for the approval of costs.
- Salaries + Indirect personnel costs
- Overheads
- Travel expenses
- Material and supplies costs
- Machinery/equipment acquisition/depreciation/rental costs
- Purchased services

=> More information on the next slide

## 3 Eligible costs, slide 2

### Companies' de minimis funding

- Other costs include, among others:
  - Overhead
  - Travel expenses
  - Material and supply costs
  - Equipment
  - Cloud services

=> These costs cannot be reported as direct costs in purchased services!

### Funding for companies' R&D activities

- Salaries subject to withholding tax may not include fringe; they are included in the indirect personnel costs.
- Administrative salaries and accounting costs are included in overheads.
- Costs will be approved ex VAT.
- Purchased services
  - The invoice must indicate what part of the invoice is allocated to the project.
  - If the order has been placed before the funding application has been submitted the order / agreement must include a cancellation clause whereby the realization of the order or agreement is made contingent on the funding.

## 4 Appendices to the report

### Companies' de minimis funding

- With the final report the contact person for the cost statement in financial management submits an attestation where she/he attests that
  - the costs of salaries and/or purchased services have been entered in the accounts of the beneficiary
  - the costs do not include VAT, if the beneficiary is liable to pay VAT
  - the beneficiary has paid the salaries and/or purchased services prior to declaring them
  - the costs arising from the project can be itemized and their connection with the accounting and the cost statements verified.

### Funding for companies' R&D activities

- A fixed salary specification (template Y4) is attached to the cost statement whenever salaries are paid to the project.
- The final report shall be accompanied by an auditor's report in which the auditor shall report on the eligibility of the costs and whether the accounting of the project has been arranged in accordance with the terms and conditions.

## 4 Will there be purchases from an associated company?

### Companies' de minimis funding

- In Tempo and Exhibition Explorer -projects purchased services within the same Group can be approved in accordance with the project plan and invoicing.
- Purchases from other associated companies are not considered acceptable costs.

### Funding for companies' R&D activities

- The beneficiary must ensure that the group companies and associated companies arrange project accounting and working time monitoring in a manner that is in accordance with these terms and conditions.
- The Funder will accept the paid purchased services without profit. In order to demonstrate the non-profit nature of the services, the group companies and associated companies must also provide the Funder with a separate project cost statement of the costs arising from the project.
  - Group-internal administrative costs and items paid as administrative fees are not eligible project costs.

For detailed instructions refer to the Purchased services section in the funding conditions!