Funding terms and conditions for public research

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1 Scope of application and publicity of the funding decision

These terms and conditions apply to the state grants, mandate funding decisions and decisions to distribute appropriations (hereinafter the "funding decision") that Business Finland – the Finnish Funding Agency for Innovation (hereinafter the "Funding Agency") has issued to public research projects in Finland. The terms and conditions apply to projects with funding granted from state budget appropriations under clauses 32.20.40 Support for research, development and innovation activities, 24.30.66 Official development assistance, and 32.20.42 Developing growth ecosystems and promoting innovative procurement.

State grants refer to grants that are issued to beneficiaries other than agencies and institutions under the budget economy of the central government under the Act on Discretionary Government Transfers (688/2001). Mandate funding decisions and decisions to distribute appropriations refer to the right of use of appropriations of agencies and institutions under the budget economy of the central government.

The Funding Agency has the right to disclose the name of the beneficiary of the funding decision, a public summary of the research project, and the sum of granted and paid funding. When the beneficiary disseminates information about the project or its results, it must disclose that Business Finland has provided project funding.

2 Implementation of the project

The beneficiary must implement the project in accordance with the funding decision. The beneficiary may not transfer any part of its received funding to a third party.

In cases where the project is part of a joint action, the Funding Agency has the right, after hearing the beneficiary, to notify the other participants in the joint action of matters that affect the implementation of the payment or the funding of joint action.

In cases where the project funding has been granted at an augmented level, the Funding Agency has the right to lower the level of funding if the conditions for the augmented level of funding stated in the funding decision are not met.

2.1 Composition and duties of the steering group

The project must have a steering group, the composition of which may include, in addition to the beneficiary, external experts or representatives of companies. Companies that have funded the project or provided other types of contribution necessary for the implementation of the project have the right for representation in the steering group. The implementation of the contribution must be appropriately documented and recorded in the steering group minutes that are delivered to the Funding Agency in connection with the project's reports. A steering group is not appointed for Co-Creation projects. Steering groups of Business from Research Ideas project must include an adviser on commercialization.

Steering groups of research projects that are networked with the economy, business and industry (incl. Co-Innovation projects) must include representatives from possible benefiting organizations. The Funding Agency does not accept compensations to possible representatives of benefiting organizations for steering group work or their travel expenses caused by attendance at steering group meetings as eligible project costs.

Adviser members are selected to the steering group as individuals based on their personal expertise. Adviser members may not authorize another person to the steering group. An adviser may be a member of the steering groups of several projects simultaneously. The beneficiary selects and dismisses the steering group adviser members. Compensations to steering group adviser members for the steering group work or their travel expenses caused by attendance at the meetings are considered eligible project costs. In the reimbursement of such project costs, the regular practices of the beneficiary are followed.

The steering group agrees its meeting practice decision-making process in its initial meeting. The decisions of the initial meeting and significant project changes must be approved by all organizations that have provided funding or other types of contribution.

The steering group serves in an advisory role in the project. The steering group does not have the power to make decisions binding to the beneficiary in the project, nor can such power be delegated to it. Steering groups of research projects that are networked with the economy, business and industry (incl. Co-Innovation projects), the steering group confirms the proposals for project changes made by the accountable project leader to the Funding Agency.

A representative of the Funding Agency shall have the right to participate in steering group meetings. All invitations to meetings and minutes of the meetings must be delivered to the Funding Agency concurrently and with the same contents as to the steering group members.

Travel expenses incurred to the beneficiary as a result of participation in steering group meetings are considered eligible project costs.
2.2 Position and duties of the accountable project leader

The beneficiary must appoint an accountable project leader that is in an employment relationship with the beneficiary. The accountable project leader is the person in charge of the scientific and research aspects of the project. The accountable project leader does not have the right to act on behalf of the beneficiary or approve commitments that are binding to the beneficiary unless separately authorized.

The accountable project leader may not be disqualified. The accountable project leader may not hold significant personal interest in a company that is funding or benefiting from the project or a company selling services to the project. A prohibited conflict of interest includes situations in which the accountable project leader or their family member owns more than 10 per cent of the company or is a member of the company's governing bodies or its managing director.

The accountable project leader is tasked with supervising the implementation of the project as specified in the funding decision. He or she shall ensure that the project is appropriately managed and that the various parties, financiers and steering group members of the project are informed of the funding decision and its terms and conditions and the progress of the project in an agreed manner. The accountable project leader shall ensure that the progress of the project is reported in the manner required by the Funding Agency.

2.3 Approving the funding decision

The beneficiary agrees to comply with the funding decision and its terms and conditions by approving the funding decision. The funding decision is approved by the person who has the right to do so in accordance with the procedures relevant to the beneficiary or with some other verifiable authorization.

The beneficiary must approve the funding decision within one month of the date of the notification of the funding decision.

3 Monitoring of costs

The beneficiary must arrange its accounting so that the costs arising from the project can be itemized and their connection with the accounting and the cost statements verified.

The costs are presented in their appropriate row in the cost statement as prescribed by the beneficiary's accounting practice.

4 Eligible costs

4.1 General principles

All costs must be necessary and reasonable for the implementation of the project. The costs are accepted to the extent that they represent the organization's standard cost level. The Funding Agency has the right not to accept reported costs if their necessity to the project cannot be clearly indicated or they cannot be considered reasonable.

The project may only include costs that are part of the beneficiary's accounting.

Eligible costs include direct costs incurred in the project in net amount and the share of indirect costs allocated to the project in accordance with the matching principle.

Direct costs are eligible if they are incurred within the duration of the project (accrual basis). Costs must be paid before they may be declared to the Funding Agency. Costs incurred by the auditor’s report submitted in connection with the final cost statement of the project are eligible costs even if they are incurred after the approved duration of the project.

4.2 Value added tax costs

Costs incurred by the beneficiary other than agencies and institutions under the budget economy are accepted including VAT if they are connected with VAT-exempt operations and the VAT will be payable by the beneficiary. However, VAT is not accepted if the beneficiary receives a compensation for accrued VAT costs from the state budget and this compensation covers the VAT payable for the share of funding granted by the Funding Agency.

The shares of VAT are included in those expense rows to which they belong according to the beneficiary's accounting.

Agencies and institutions under the budget economy of the central government shall enter the shares of VAT that are related to direct project costs and correspond to the share of funding by the Funding Agency (right of use and entry) to

- the Ministry of Economic Affairs and Employment administration clause 32.01.29 on VAT expenses in cases where the funding decision is made on the mandate of state budget clause 32.20.40
- the Ministry for Foreign Affairs administration clause 24.01.19 on VAT expenses in cases where the funding decision has been made under clause 24.30.66
the Ministry of Economic Affairs and Employment administration clause 32.01.29 on VAT expenses in cases where the funding decision is made under clause 32.20.42.

The budget clause of the appropriations is stated in the funding decision.

4.3 Procurement procedures

Eligible project costs only include procurements that are made for the beneficiary’s own use and are necessary to achieve the results of the beneficiary’s research project.

Procurements made for the project are governed by provisions on public contracts and any instructions issued by the beneficiary's administration. Upon request, a report of the procurements must be provided (competitive tendering or directly awarded contract). If a procurement has been made in violation of the procurement provisions, the procurement price is not an eligible project cost. Approval by the Funding Agency of a procurement as part of a project plan does not indicate that the procurement procedure complies with the procurement provisions. Ensuring the legality of the procurement procedure is always the responsibility of the beneficiary.

In accordance with section 9 of these terms and conditions, the final report by the beneficiary must include an auditor’s report by an independent auditor in which the auditor expresses their opinion on compliance with procurement provisions.

4.4 Salaries

a) Allocation of working hours

Each person working directly for the project must keep a record of working time accurate to the hourly level, at minimum, of work on the project. Hours spent working on a project must be reported for the actual days on which the work was done, in accordance with the actual hours worked. Reliable information must be available on each reporting period of the project with regard to all of the person's working hours in order to verify the share of salary costs respective to the project.

The working time system should also include a working time approval method. The employee’s supervisor or other person for whom the task belongs according to the procedure must confirm the reported hours at least once a month.

Retrospective corrections of hours reported for the project must comply with the beneficiary's normal processes and approval methods.

The Funding Agency has the right not to accept the salaries in whole or in part if the allocation of working hours is not organized in accordance with these terms and conditions.

Documentation related to working time records, hourly monitoring reports and confirmed monthly summaries must be stored for ten years from remittance of the last project-related funding instalment.

b) Declared salaries

The beneficiary may only declare the share of paid salaries that correspond to the effective hours worked on the project. Effective working hours do not include absences on full pay such as annual holidays or the time spent on sick leave or maternity, parental or paternity leave or other indirect working hours.

The declared salaries may not include salary costs from hours used for teaching.

The project’s salaries are accepted in so far as they are compliant with the collective agreements and other provisions governing salaries that apply to the beneficiary.

The Funding Agency does not accept any salary components that are paid to a person on the condition that funding for the pay component is received from the Funding Agency or other funders.

4.5 Indirect costs

In the distribution of project expenses into direct and indirect costs, the principles generally utilized in the organization should be observed.

Indirect costs are dedicated to the project by means of the indirect personnel cost multiplier and overhead cost multiplier.

4.5.1 Indication of indirect costs

The Funding Agency approves the indirect personnel and overhead cost multipliers when

- the multipliers have been calculated on the basis of the accounting information specific to the beneficiary
- the rules and instructions concerning the beneficiary have been observed in the calculation of the multipliers
- an auditor’s statement has been presented with regard to the calculation of multipliers (not applicable to central government accounting units).
The beneficiary must deliver the updated multipliers to the Funding Agency annually after the release of the financial statements.

If the beneficiary is unable to reliably perform the calculations or for some other reason does not present the multipliers deduced from the accounting, the Funding Agency shall accept an indirect personnel cost multiplier of at most 50 per cent of the project’s salaries for effective working hours and an overhead cost multiplier of at most 20 per cent of the combined total of salaries for effective working hours and indirect personnel costs.

4.5.2 Indirect personnel costs

Indirect personnel costs are dedicated to the project by means of the indirect personnel cost multiplier. The percentage of direct salaries dedicated to the project is generally used as the indirect personnel cost multiplier.

Expenses that must be covered with the indirect personnel cost multiplier are, for instance, salaries that have accumulated from absence paid, holiday pay and social security remittances, insurance against accident and unemployment, and other similar employer payments as well as refunds on these payments.

4.5.3 Overheads

Overheads are dedicated to the project by means of the overhead cost multiplier. Generally, the overhead cost multiplier is the percentage of the combined sum of salaries for effective working hours dedicated to the project and indirect personnel costs.

Project costs covered by the overhead cost multiplier may include costs of management services, aid-eligible depreciation for machines and equipment, and the costs incurred from the use of premises to the extent that they are not direct costs in accordance with the accounting principles concerned.

4.6 Travel expenses

The Funding Agency may accept reasonable travel expenses for persons working for the project. The expenses are accepted on condition that the travel is necessary for the implementation of the project, for acquiring information and expertise for use in the project, or for disseminating the achieved results in a manner appropriate to the objectives of the project and the utilization of the results. The costs are accepted to the extent that they represent the organization’s standard cost level.

Travel costs that are connected with the identification of international partners or with the preparation of international follow-up projects are accepted as project costs if the preparation of the international project is included in the project plan.

The travel expenses included in the project plan can be accepted in accordance with the following regulations of the Finnish Tax Administration:

- Decision of the Finnish Tax Administration on the tax-exempt compensation of travel costs
- Instruction of the Finnish Tax Administration concerning compensation for commuting expenses

The Funding Agency accepts travel expenses in accordance with other provisions and administrative regulations applying to the beneficiary if there are provisions regarding the compensation of travel expenses that differ from the decisions and instructions issued by the Finnish Tax Administration.

4.7 Material and supplies costs

Materials and supplies purchased outside the research organization that are necessary for the implementation of the project are accepted as direct costs of the project according to their invoicing. Internal material and supplies costs must be declared at cost price.

The material and supplies costs may not include cost items that are part of the indirect costs stated in the beneficiary’s cost estimate. Such costs are compensated using the overhead cost rate.

4.8 Equipment purchases

The Funding Agency may accept the procurement cost of a research equipment purchased for the project as a direct cost if the equipment is used primarily in the project. Research equipment refers to devices or software used in the research that are necessary for the implementation of the project.

If the equipment is also used for other purposes besides the project, the eligible procurement cost is proportional to its use in the project. If the useful life of the equipment is longer than the duration of the project, the proportion of the procurement cost corresponding to the depreciation accumulated within the duration of the project is eligible as project cost.

Research funding granted by the Funding Agency may not be used for commercial activities. If a funded equipment is used unexpectedly in commercial activities during the project, the beneficiary
must inform the Funding Agency insofar as it has received funding from the Funding Agency for the procurement of the equipment. See also section 5, Income generated by the project.

The beneficiary must have a reliable monitoring system enabling them to easily verify the use of the funded equipment in both commercial and non-profit activities.

The procurement costs of personal computers, mobile phones and equivalent tools are not accepted as equipment purchases or as other direct costs. Such costs are considered indirect costs of the research activities and are included in costs declared with the overhead cost rate.

The Funding Agency accepts costs incurred by used research equipment and other devices in the manner described either under section Overheads or section Other costs.

4.9 Purchased services

Purchased services that are considered necessary for the implementation of the project are accepted as direct costs of the project.

Eligible purchased services only include the costs for procurements that are made for the beneficiary’s own use and are a necessary to achieve the results of the beneficiary’s research project. Such services include purchased testing and analysis services and surveys.

Purchased services that are related to preparations for the commercialization of the project’s results may not be purchased from a party that may be involved in their commercialization. Purchased services may not include transfers of funding to third parties.

Joint actions may not be organized in a manner where the share of a participant in the joint action is declared as a purchased service in the beneficiary’s cost estimate. A service purchased from a participant that is in receipt of funding for its involvement in the same joint action can only be accepted as a project cost if the service forms part of the established business operations of the seller and not part of the R&D&I activities which the seller declares to the Funding Agency.

Costs arising from the auditing of the project costs are also accepted as purchased services.

4.10 Other costs

This item includes direct costs arising from the project that cannot be recorded under any other cost item.

Other costs must be itemized in the cost statement under other further information or in a separate attachment.

Costs incurred by the use of existing expensive special equipment or facilities are often allocated directly to the user of each equipment or facility. The allocation is made on the basis of an hourly rate or other basis that corresponds to actual use. Costs incurred by the use of such equipment and facilities may be accepted as direct costs of the project under Other costs or under some other expense row that more accurately corresponds to the beneficiary’s accounting practices.

4.11 Ineligible costs

The funding may not be used for unrequited expenses such as grants, donations, awards or similar payments.

The funding may not be used to cover the costs of financial activities, entertainment expenses or advertising or marketing costs. Entertainment expenses do not include necessary and reasonable negotiation expenses, such as refreshments served at steering group meetings. Entertainment expenses are defined in the Finnish Tax Administration standardized instructions and their interpretation on the differentiation between entertainment expenses and negotiation expenses (Finnish Tax Administration guidance 1 December 2015 on Entertainment expenses in income taxation, available in Finnish or Swedish). The refreshments must comply with the beneficiary’s guidelines on the appropriate level of refreshments served at a meeting. The Funding Agency accepts the costs for refreshments only to the extent it considers reasonable.

Ineligible costs may not be included in the direct or indirect costs of the project.

5 Income generated by the project

The eligible costs of the project are not intended to generate income within the duration of the project.

Income generated by the project refers to requited transfers that are generated as a direct result of the reported costs of the project. Requited transfers refer to transactions in which the beneficiary supplies a direct compensation in exchange to received money. In research projects funded by the Funding Agency, income is mainly generated by projects in which the funding is provided for the procurement of equipment and the beneficiary receives unexpected income from transferring said equipment to external use within the duration of the project.

Income received within the duration of the project is deducted from the eligible costs of the project.
The right of first refusal for the project’s results, as provided to funders according to the Funding Agency’s funding terms and conditions, is not considered a form of direct compensation.

Compensation received from the transfers of ownership or rights of use of the project’s results, as provisioned under section 13.4 of these terms and conditions, is not considered as income generated by the project. Unrequited monetary contribution received from other sources (joint financing) intended to cover the costs of the project is not considered to be income but funding for the project.

6 External funding, self-financing and other contributions received for the project

External funding received by the project refers to monetary funding received for the purposes of covering the project’s costs that the funder has designated for this particular project and against which the funder does not receive a direct compensation. If the funder receives a direct compensation, the transaction is considered to be income generated by the project as defined in section 5 or other financial activity of the beneficiary.

The share of self-financing of the project covers the portion of the project’s total costs for which the beneficiary does not receive external funding.

Other contribution received by the project refer to contribution other than monetary funding necessary for the implementation of the project, such as unrequited work for the project and donated equipment or software. Contribution made by a company or other party involved in the project as a research subject are not accepted as other contributions of the project. Other contribution must be valued in euros but need not be included in the project’s cost estimate or funding plan.

The realized funding for the project and other investments are reported as instructed under the section Reporting.

7 International researcher mobility

In order to receive funding, any international researcher mobility must provide actual benefit to the project’s research work.

The Funding Agency only provides funding for the type of researcher mobility in which the beneficiary receives, at minimum, the global and free-of-charge right of use and utilization of the results for research and educational purposes in its research activities related to the project. A researcher may not sign researcher exchange or transfer agreements with the receiving entity without an approval to do so by the beneficiary.

The Funding Agency compensates reasonable costs incurred by the beneficiary from researcher mobility to the extent that they comply with statutes governing the beneficiary and the grounds for compensation for international work that are based on those statutes and commonly observed in the beneficiary’s organization. The costs are accepted to the extent that they represent the organization’s standard cost level.

8 Reporting

The beneficiary reports on the project’s progress in the Business Finland Online Service. All costs, funding and income of the project are also reported in the Online Service. A salary specification (T4) must be attached to the cost statement. The approver of the cost statement must be authorized by the beneficiary to approve the reported information on costs and funding that the Funding Agency uses as the basis for its share of funding. The sender of the information must have the right to submit information through the Business Finland Online Service.

The actual project funding must be reported in accordance with accounting practices and itemized as in the approved funding plan.

Beneficiaries in joint actions must also report on how cooperation in the joint project has been realized. Beneficiaries in joint actions may only declare the costs of their own projects.

If a company or third party has provided the project with other contribution excluding funding that are necessary for the implementation of the project, such as labor, equipment or software, the realization of such investments must be monitored by the steering group and reported in the Online Service.

A precondition of receiving funding by the Funding Agency is that companies participating in the project’s steering group have paid their planned shares of funding to the research organization. If a company does not pay its share of funding or provide other forms of contribution it has promised to the project in due course, the beneficiary must provide an account of this to the Funding Agency.

If the companies participating in the steering group do not pay their planned share of funding or provide the planned other necessary investment to the project, the Funding Agency shall assess the applicability of the project results and the impact of the project against the original project plan. Based on this assessment, the project’s cost estimate may be reduced or the project may be suspended.
8.1 Interim reports
The minutes of the steering group’s initial meeting must be appended to the first project report. The minutes of the meeting must state that the steering group has confirmed a project plan, cost estimate and funding plan in accordance with the funding decision. The minutes of the meeting must also specify the composition of the steering group. Should any changes be made in the project plan or cost estimate after the funding decision has been issued, an alteration application must be made accordingly.

8.2 Final cost statement
The beneficiary must declare all project costs at the latest in the final cost statement. If the maximum amounts for each cost category in the cost estimate are substantially exceeded, the beneficiary must apply for a change to the cost estimate (see section 12). No new project costs can be presented after the approval of the final report.

An auditor's report must also be submitted as part of the final report (see section 9). A salary specification or auditor’s report is not required of government agencies and institutions.

In connection with the final report, a separate, free-form content report that extensively describes the project’s key results and conclusions must also be submitted to the Funding Agency. The final report is public. Any classified information essential for the reporting of results must be submitted as a separate attachment and is not publicized.

9 Auditor's report
Beneficiaries other than agencies and institutions under the budget economy must provide an auditor’s report prepared by an independent auditor in conjunction with the final report, in which the auditor issues an opinion on adherence with the procurement provisions, if the cost estimate total approved in the project's funding decision exceeds EUR 500,000. The auditor's report must cover the entire duration of the project. The report template is available on the Business Finland website.

The Funding Agency has the right to deliver the auditor's report to other authorities for the purposes supervising funding.

There is no need to provide an auditor's report if the cost estimate total approved in the project's funding decision does not exceed EUR 500,000. However, the Funding Agency is also entitled to request an auditor's report in conjunction with such projects.

10 Payment of funding
The Funding Agency will provide the funding on the basis of approved reports and cost statements. In the case of joint actions, funding is usually paid to all beneficiaries at the same time.

The funding will be deposited into the bank account indicated by the beneficiary to the Business Finland record office (kirjaamo). The bank account shall be indicated by a financial manager or other person authorized to do so according to the organization’s procedures.

A minimum of 10 per cent of the funding granted for the project will only be paid after the approval of the final report, provided that the project has accumulated an adequate amount of eligible costs.

The beneficiary must apply for the final funding instalment from the Funding Agency when submitting the final project report and the final cost statement. Any funding that the beneficiary applies for after that will not be granted.

Entitlement to the granted funding or part of it will lapse if the beneficiary does not submit the requested reports or further information by the due date specified in the funding decision or separately notified by the Funding Agency. Furthermore, the Funding Agency will recover any funding already provided, with interest.

The Funding Agency has the right to withhold funding in connection with the interim report if the sum to be paid is too small when compared with the total funding.

11 Follow-up reporting
The Funding Agency will continue to evaluate the impact of the projects after their completion. The Funding Agency will send a follow-up report form to the beneficiary approximately three years after the completion of the project. The follow-up report is part of the project’s reporting agreed to by the beneficiary.
12 Changes

12.1 Changes to the project

The beneficiary must submit a written application to the Funding Agency in advance if the project deviates from the original project plan in the following aspects:

- changes to the project plan
- changes in cost categories
- changes to the schedule
- change of the reporting date
- change of accountable project leader.

Beneficiaries participating in joint actions must apply for approval from the Funding Agency if the joint plan of the parties to the project is changed on part of the beneficiary.

The beneficiary must immediately notify the Funding Agency of other significant changes to the project, such as changes to key personnel resources.

12.2 Transferring the funding decision

The beneficiary may only transfer the funding decision to a third party during the project with written approval of the Funding Agency. Prior to the transfer, the original beneficiary must report and declare its share of the project. The auditor must provide an auditor’s report of the declared costs in cases where the transfer concerns a funding decision other than that of an agency or institution under the budget economy of the central government.

13 Rights related to the results and their publicity

13.1 Publicity

The results of the project are public after the completion of the project. The beneficiary must publicize the results actively, broadly and without discrimination. If the results are transferred outside the project for utilization during the project, the results must be exceptionally publicized within the duration of the project immediately after their transfer.

The Funding Agency requires that the publications resulting of the project work and results and the research data must be made openly available following the beneficiary’s internal guidelines for open access. The means of open publication must be addressed in the publication plan included in the project’s research plan. The beneficiary must hear the project’s steering group on the publication of knowledge and results.

The beneficiary must agree with members of the project’s steering group on the confidentiality and non-disclosure of information within the duration of the project. The confidentiality of the results may be continued after the project has ended, or, if the results are transferred during the project, for a reasonable amount of time after the transfer to allow the preparation of their utilization and protection. Other results are handled according to the principal rule. In exceptional cases and when stipulated by the law or other official decrees, the results of the public research may be kept secret in full. This requires a mutual and justified decision by the Funding Agency and beneficiary.

The beneficiary is required to manage all research materials related to the project and the knowledge and results generated in the project in an appropriate manner in order achieve the objectives of the project and to permit the effective future use of the knowledge and results. For this purpose, the project must compile a data management plan that is updated over the course of the project.

13.2 Ownership

In public research projects, an achieved result is owned by the research organization that is beneficiary in the project to which the research work relates. If a result is achieved jointly by research organizations, the beneficiaries must mutually agree on the ownership, right of use and utilization of the result in accordance with these funding terms and conditions.

If the research organization receiving funding is a participant in a joint action, the organization must ensure that it receives the ownership and right of use of results achieved by work it has performed in the project in accordance with the project plan. The owner has the right to decide on the protection and transfer of a result. The beneficiary must ensure that the ownership, title and intellectual property rights to the results generated by its employees in the project are transferred to the beneficiary, either based on legislation or by separate transfer agreements. Of the results to which the copyrights are applied, the relevant databases and software must be transferred.

In individual cases related to international researcher mobility, the beneficiary may, prior to the realization of the researcher mobility and after hearing other parties in the project, approve an agreement related to researcher mobility that decrees that the ownership of a result achieved abroad is not transferred to the beneficiary. The minimum requirement for agreements related to researcher mobility are specified above under section 7.
13.3 Utilization
The objective is the efficient and extensive utilization of the results in domestic economy, business, industry and wider society.

The beneficiary must negotiate on the utilization of the results with the project’s steering group. In deciding the utilization of the results, companies associated with the researcher are treated objectively and similar to other companies, while considering the conflicts of interest that apply to the accountable project leader as defined in section 2.2.

Results achieved in the project may transferred for utilization within the duration of the project. Taking into account the provisions of these terms and conditions on the publicity of results, such a transfer of results may impede the achievement of the original project objectives and thus lead to the discontinuation of the research project.

13.4 Transfer of ownership and rights of use
Upon transferring the ownership and right of use of results and result materials and data to companies, the beneficiary must receive compensation that corresponds to current market prices. The compensation must be determined in a transparent and objective manner, and the company’s contributions in the project may be taken into account.

The beneficiary may agree on the placement of the research results in startup companies or new businesses, provided that in doing so it considers to have received sufficient and full compensation for the transfer of its rights to the results.

The beneficiary must ensure that any contractual assignments of rights are not in violation of provisions that apply to the beneficiary or with EU regulations for state aid, particularly the Communication from the European Commission on the framework for state aid in research and development and innovation (2014/C 198/01).

13.5 Right of first refusal on the utilization of results
Unless otherwise agreed in the project, the beneficiary must provide an equal right of first refusal on the utilization of the results within four months of the completion of the project to the companies that have provided funding or other forms of necessary contribution to the project, such as labor, equipment or software. As a rule, the other forms of contribution intended here may not be the subject of the research project.

The beneficiary must allow the parties that have the right of first refusal reasonable time to submit their response to the call for offers. This rule also applies in situations where the results are transferred for utilization within the duration of the project.

In New business from research ideas projects, the companies do not have the right of first refusal to the utilization of results. Beneficiaries participating in joint actions may agree on the application of the right of first refusal together with other participants in the joint action.

14 The beneficiary’s disclosure obligation
For purposes of supervision of the project, the beneficiary must provide the Funding Agency correct and sufficient information on its adherence to the funding decision terms and conditions, the implementation of the project, and changes that affect its implementation.

15 Project inspections
15.1 Inspections of beneficiaries other than government agencies and institutions
The Funding Agency has the right to conduct inspections and audits of the beneficiary’s finances and activities where necessary for the payment of funding and supervision of its use. The Funding Agency may also choose to authorize another authority or external auditor to conduct such inspections. An external expert may, at the Funding Agency’s request, assist in conducting the inspection.

Right of inspection is in effect for a period of ten years from payment of the project’s last installment. Project documents and other materials necessary for monitoring and inspections must be stored for a period of at least ten years after the payment of the final funding installment of the project. The beneficiary must provide the inspecting official and auditor all information and reports, documentation, recordings and other material necessary for conducting the inspection free of charge, as well as assist in the inspection in other ways.

The inspecting official and auditor have the right to seize any material subject to inspection if this is required for carrying out the inspection. They also have the right to access, to the extent required by the inspection or audit, any facilities managed or used by the beneficiary that may be relevant for the granting of funding and the supervision of the use of funding.

15.2 Inspection of recipients of state aid
The National Audit Office of Finland is entitled to audit all recipients.
16 Discontinuation and claw-back of funding

16.1 Application

The Act on Discretionary Government Transfers (688/2001) shall apply to beneficiaries other than government agencies and institutions. Government agencies and institutions must comply with statutes and guidelines on public finances and the practices of good governance and management of finances in using the funding. However, where applicable, the principles stated under sections 19 to 22 and 26 of the Act on Discretionary Government Transfers shall be applied for public research funding in relation to all measures considered necessary for the implementation of projects in accordance with their funding decisions.

16.2 Temporary interruption of payments

The Funding Agency may order a temporary interruption of payments in the event that:

- there is justified reason to suspect that the beneficiary neglects its disclosure obligation or uses the funding in violation of the funding decision;
- the grounds on which the funding was granted have changed substantially. Such changes include deviations from the project plan without the written approval of the Funding Agency;
- The regulations of the European Union stipulate the interruption of payments.

The Funding Agency also has the right to reassess the preconditions of funding of individual projects participating in a joint action if the agreed cooperation between the parties to the joint action is not realized because an entity participating in the joint action with the beneficiary acts in violation of the provisions of its own funding decision and funding terms and conditions.

If the grounds for the interruption are not corrected within the time specified in the decision to interrupt funding, the Funding Agency has the right to discontinue the payment of funding and to claw back the funding already paid in whole or in part.

16.3 Discontinuation of the research project funding

The Funding Agency has the right to discontinue funding the project if the project's objectives, progress or circumstances have changed to the extent that funding the project may no longer be considered appropriate.

In discontinuing the funding, the Funding Agency accepts any costs incurred by the research project in accordance with its project plan up to the time of discontinuation.

16.4 Repayment of funding

The beneficiary must, without delay, repay any funding or part thereof received through error, in excess or manifestly without cause. Amounts of less than 100 euros need not be repaid. The beneficiary must contact the Funding Agency before the repayment of funding.

If the Funding Agency dissolves the funding decision, the beneficiary is obligated to repay the funding it has received on the basis of the funding decision in full or partially if demanded to do so by the Funding Agency.

16.5 Claw-back of funding

The Funding Agency shall issue a decision ordering the discontinuation of the payment of funding and the claw-back of funding already paid in situations referred to in section 21 of the Act on Discretionary Government Transfers. The obligation to pay interest does not apply to government agencies and institutions. The Funding Agency may also order the discontinuation of the payment of funding and the claw-back of funding or part thereof already paid in situations referred to in section 22 of the Act on Discretionary Government Transfers.

The Funding Agency may order the claw-back of funding already paid if the beneficiary has failed to obtain the permit required by these terms and conditions from the Funding Agency or if the beneficiary deviates significantly from the project plan. The Funding Agency may deduct the funding to be returned or clawed back from other funding granted to the beneficiary.

17 Order of application

In the event of a conflict between the funding decision and appendices to it, the following order of application will apply:

1) funding decision and its special terms and conditions
2) funding terms and conditions
3) cost estimate
4) project plan
5) funding application and its attachments, and
6) other documents relevant to making the funding decision.
Disclaimer

This English translation of the terms and conditions is provided for guidance only. Business Finland shall not guarantee the accuracy of the translated text. For interpretation purposes, the Finnish-language version shall apply.