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Public research funding

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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 "Funder") has issued to public research projects in Finland.

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). Funding decisions and allocation decisions made on the basis of the authority granted under state budget legislation refer to the right of use of appropriations granted to agencies and institutions under the budget economy of the central government.

The Funder 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 Funder 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 Funder 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

2.1.1 General principles

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. A representative of the Funder is not a member of the steering group, but the representative has the right to participate in steering group meetings. All invitations to meetings and minutes of the meetings must be delivered to the Funder concurrently and with the same contents as to the steering group members.

The steering group agrees its meeting practice and 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 contributions necessary to the project.

Travel expenses incurred to the beneficiary as a result of participation in steering group meetings are considered eligible project costs. In Co-Research, Co-Innovation and Research to Business projects, the compensation paid to an expert member of a steering group for steering group work and the travel costs reimbursed for participating in the meeting are eligible project costs. In the reimbursement of such project costs, the regular practices of the beneficiary are followed. Compensations to the representatives of companies appointed to the steering group for the steering group work or travel expenses are not considered eligible project costs.

Co-Creation projects do not have a steering group.

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2.1.2 The steering group in Co-Research and Co-Innovation projects

Co-Research and Co-Innovation projects must have a steering group. The steering group must include representatives from possible organizations that benefit from the results. All participants to the same joint action can be considered possible benefiting organizations. In addition, the beneficiary can appoint external experts to the steering group.

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.

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 Funder in connection with the project's reports (see the section 'Reporting').

2.1.3 Steering group in Research to Business projects

The steering group of a Research to Business project only includes individual members. The steering group must be mostly made up of other individuals than the beneficiary's employees. The steering group must include an adviser on commercialization, such as an expert from business and industry or the innovation unit of the beneficiary, for example. A consultant or other service provider selling services to the beneficiary is not a member of the steering group.

The accountable project leader can act as the chair of the steering group. The key researchers of the project can be present at the meetings of the steering group.

The steering group of a Research to Business project monitors that at least 40% of the eligible project costs is used to prepare for commercialization.

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 must not have a personal interest in a company that funds the project or benefits from it or in a company that sells services to the project. An example of a prohibited associated interest would be a situation in which the accountable project leader or their family member owns 10% or more of the company, is a member of the company's administrative bodies, or is the managing director of the company.

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 Funder.

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.

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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 Funder 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 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.

The costs of using already existing expensive special equipment or facilities can be allocated to the project when the allocation is made on an hourly basis or according to another similar basis implemented in the organization. For costs allocated in this way to be approved for the project, a written explanation of the allocation criteria to be used and their pricing must be submitted in advance to Business Finland. The costs may be included either under Other costs or under another cost category that better corresponds to the beneficiary's accounting practices.

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 may receive 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 Funder.

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 will register to the direct costs of the project the VAT contributions corresponding to the funding of the Funder (right of use and registration)

- to the Ministry of Employment and the Economy's administrative department VAT item 32.01.29, when the financing decision has been taken under the authority of budget appropriation 32.20.40
- to VAT item 24.01.29 of the Ministry of Foreign Affairs, when the decision to allocate the appropriation is taken from budget appropriation 24.30.66.

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

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4.3 Procurement procedures

Eligible project costs only include procurements that are made for the beneficiary's own use and are a 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 or the beneficiary's established guidelines, the procurement price is not an eligible project cost. Approval by the Funder 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.

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 salary costs of the accountable project leader can be accepted as a direct cost of the project when the leader works directly on the project. The accountable project leader's time spent on general administration is not accepted as a direct cost of the project.

The Funder 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 Funder 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 Funder or other funders.

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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 Funder 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 Funder 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 Funder 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. In the Co-Creation funding service, the indirect personnel cost multiplier is 50%.

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. In the Co-Creation funding service, the overheads multiplier is 20%.

Projects costs covered by the overhead cost multiplier may include, for example, costs incurred by administrative services, machines and equipment, and premises to the extent that they are not considered direct costs according to the general accounting principles. Costs incurred by licenses valid for an indefinite duration are also considered overhead costs.

4.6 Travel expenses

The Funder 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.

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The travel expenses included in the project plan can be accepted in accordance with the following regulations of the Finnish Tax Administration valid at the time of travel: Decision of the Finnish Tax Administration on the tax-exempt compensation of travel costs and Instruction of the Finnish Tax Administration concerning compensation for commuting expenses.

The Funder 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 Funder may accept the procurement cost of a research equipment purchased for the project as a one-off payment as a direct cost if the equipment is used primarily in the project during its economic useful life. Research equipment refer to devices or software used in the research that are necessary for the implementation of the project. The Funder may accept costs incurred from the acquisition of project licenses as direct costs only when the license is temporary, and it has been acquired only for the purposes of the funded 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 may be eligible as project cost.

The costs incurred by leased equipment may only be accepted as direct costs when the equipment has been leased under a finance lease agreement and the equipment will remain in the possession of the organization. If the organization will buy the equipment at the end of the lease agreement, the cost will be estimated as an equipment purchase on the basis of its useful life and use in the project. The final estimate on the acceptability of costs during the entire project will be made in connection with the final reporting.

Research funding granted by the Innovation Funding Agency Business Finland 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 Funder insofar as it has received Business Finland's funding for the procurement of the equipment. See also section 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.

Operational costs of research equipment and other devices in use are approved 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.

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All participants in a joint action must contribute to the costs of a common service purchase, such as project coordination. The services purchased must not include funding transfers to a third party.

Joint actions must not be set up in such a way that the contribution of a participant in the joint action would be presented in the beneficiary's cost estimate as a purchased service. Services purchased from another beneficiary participating in the same joint action may only be included in costs if the provided purchased service is a normal business activity for the service vendor and it cannot be regarded as the vendor's own research or RDI activity declared to the Funder.

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.

The costs of leased equipment acquired for a project over its duration may be accepted as direct costs of purchased services to the extent that the equipment is used in the project if the possession of the leased equipment will not transfer to the beneficiary and the equipment will be returned to the leasing service provider at the end of the agreement.

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 Further information or in a separate attachment.

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 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 Funder 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 Consideration of income

The eligible costs of a project cannot be intended to generate income over the lifetime of the project. Project income is defined as cash flows for consideration that are generated directly by the reported costs of the project. Reciprocal cash flows occur when the beneficiary gives up money received in exchange for immediate consideration. The right of first refusal for the project's results, as provided to funders according to the Innovation Funding Agency Business Finland's funding terms and conditions, is not considered a form of direct compensation.

Economic and non-economic activities must be kept separate. The funded project cannot include income from economic activities, or the costs incurred in carrying them out. Exceptionally, if, during the lifetime of the project, the eligible costs of the project generate income from non-economic activities, these will be taken into account as a deduction when approving the costs of the project.

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The compensation received for the transfer of ownership or use of the results of the project that are generated as a by-product during the project is not project income.

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 the previous section 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.

Contribution made available to the project free of charge means a non-monetary contribution necessary for the implementation of the project, such as donated equipment, facilities, data, or software. Human labor cannot be donated as other contribution to 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 Funder 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 Funder 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 will report on the progress of the project in Business Finland's online service according to the schedule specified in the funding decision. All costs, funding and income of the project are also reported in the online service. Organizations other than government agencies and institutions must submit a salary specification (T4) as an attachment to the report whenever salaries are reported for the project. The approver of the cost statement must be authorized by the beneficiary to approve the reported information on costs and funding that the Funder 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 action has been realized. Beneficiaries in joint actions may only declare the costs of their own projects.

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If a company or a third party has made other contributions necessary for the implementation of the project instead of funding, such as donated project equipment, facilities, data, or software, the implementation of this contribution must be monitored in the steering group and reported in the online service.

A precondition of receiving funding by the Funder 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 Funder.

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 Funder 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's funding may be discontinued.

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 report

The beneficiary must declare all project costs at the latest in the final cost statement. If it is necessary to make changes between the cost categories in the cost estimate, the beneficiary must apply to change the cost estimate in the online service. No new project costs can be presented after the approval of the final report.

Costs that have been preliminarily accepted on the basis of the interim report must be processed again as part of the final report. The Funder will only give its final approval to the costs after it has received the auditor's report.

An auditor's report must also be submitted as part of the final report. 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 Funder. The project results presented in the final report are 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 Funder has the right to deliver the auditor's report to other authorities for the purposes supervising funding.

An auditor's report needs not be submitted if the total sum of the cost estimate approved for the project does not exceed 500,000 euros. However, the Funder is also entitled to request an auditor's report in conjunction with such projects.

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10 Payment of funding

The Funder pays funding on the basis of approved reports to the bank account indicated by the beneficiary to Business Finland's record office. The bank account shall be indicated by a financial manager or other person authorized to do so according to the organization's procedures.

In the case of joint actions, funding is usually paid to all beneficiaries at the same time.

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

The beneficiary must apply for the final funding installment when submitting the final report. 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 Funder. Innovation Funding Agency Business Finland may order any funding already provided to be repaid immediately, with interest.

The Funder 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 Funder will continue to evaluate the impact of the projects after their completion. The Funder will send the beneficiary a form for follow-up reporting within five years of the final project funding installment. Follow-up reporting is part of the project reporting, and the beneficiary has committed to it by approving the funding decision.

12 Changes

12.1 Changes to the project

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

- changes to the project plan
- changes in the financial 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 Funder if the joint plan of the parties to the project is changed on part of the beneficiary.

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

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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 Funder. 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 Funder 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 Funder 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 International researcher mobility.

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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 on the utilization of the results, companies associated with the researcher are treated objectively and similar to other companies, taking into consideration the rules on conflicts of interest that apply to the accountable project leader, as described in section on the Position and duties of the accountable project leader.

Results achieved in the project may be 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 (2022/C 414/01).

13.5 Right of first negotiation on the utilization of results

Unless otherwise agreed in the project, the beneficiary must provide an equal right of first negotiation on the utilization of the results within four months of the completion of the project to the companies, whose projects have participated in the same joint action as the beneficiary, as well as companies that have provided funding or other forms of necessary contribution to the 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 Research to Business projects, the companies do not have the right of first refusal to the utilization of results.

14 Beneficiary's disclosure obligation

The beneficiary must provide the Funder with accurate and sufficient information for the payment of funding and for monitoring the compliance with the terms and conditions.

The beneficiary must inform the Funder without delay of any change affecting the realization of the intended use of the funding or of any other change affecting the use of the funding.

15 Project inspections

15.1 Inspection of recipients of state aid

The National Audit Office of Finland is entitled to audit all recipients.

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15.2 Inspections of beneficiaries other than government agencies and institutions

The Funder 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 Funder may also choose to authorize another authority or external auditor to conduct such inspections. An external expert may, at the Funder's request, assist in conducting the inspection.

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.

Right of inspection is in effect for a period of ten years from payment of the project's last instalment. 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 instalment of the project.

15.3 Right of inspection in the projects funded by the European Union

This paragraph shall apply to beneficiaries other than government agencies and institutions.

Innovation Funding Agency Business Finland, the National Audit Office, the State Treasury, the Ministry of Finance, the Government Financial Controller's Function, the Ministry of Economic Affairs and Employment, the European Commission, the European Court of Auditors, the European Public Prosecutor's Office (EPPO), and the European Anti-Fraud Office (OLAF) have the right to obtain necessary information about the use of the support and to audit the finances and operations of the beneficiary as required for the payment of the funding and supervision of its use.

The audits can be performed by other authorities or auditors authorized by the Funder. An external expert may, at the Funder's request, assist in the performance of the audit. By accepting the funding decision and its terms and conditions, the beneficiary provides their written consent that it will fully cooperate to protect the financial interests of the Union and authorizes the European and national officials to exercise their powers comprehensively as well as agrees to ensure that any third parties participating in the management of the Union's assets will grant similar rights.

The beneficiary should assist with the inspection and provide the needed information for the inspector without compensation.

The auditor has the right to seize any material subject to audit, if auditing so requires. A written record must be drawn up of any seizure of materials during an audit. The record must state the purpose of seizing the material and what has been seized. The seized material must be returned without delay when it is no longer needed for the audit.

The auditor has, to the extent required by the audit, the right to enter the premises managed or used by the beneficiary. This applies to the business, storage and other similar premises used for practicing a profession or a business, as well as other areas relevant to the granting of the funding and the supervision of its use. Audits may not be carried out in premises covered by domestic peace.

Project documents and other materials necessary for the supervision and auditing must be kept for a minimum of ten years after the payment of the last project funding instalment. The material of the projects funded by the European Union must be preserved at least until the end of 2033.

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16 Discontinuation and clawback 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 Interruption of payments

The Funder 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 Funder
- the regulations of the European Union stipulate the interruption of payments.

If the grounds for the interruption are not corrected within the time specified in the decision to interrupt funding, the Funder 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 funding

The Funder 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.

The Funder also has the right to reassess the funding conditions of individual projects participating in a joint action if the cooperation agreed between the participants in the joint action does not take place because a certain participant in the same joint action with the beneficiary is violating the funding decision and funding terms and conditions that apply to it.

Upon discontinuation of the funding, the Funder accepts the costs incurred by the research project in accordance with the project plan up to the time of the 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 Funder before the repayment of funding.

If the Funder 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 Funder.

16.5 Claw-back of funding

The Funder shall issue a decision ordering the discontinuation of the payment of funding and the clawback 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 Funder may also order the discontinuation of the payment of funding and the clawback of funding or part thereof already paid in situations referred to in section 22 of the Act on Discretionary Government Transfers.

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

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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 any special terms and conditions thereof
2. Funding terms and conditions
3. Cost estimate
4. Project plan
5. Funding application and its appendices
6. Any other documents relevant to the funding decision