

## Research institutes, universities and universities of applied sciences Research and financial administration

The funding terms and conditions will be updated again at the turn of the year and here is some advance information about the most important changes. We have also compiled some of the most frequently asked questions in this bulletin and we ask you to share this information widely within your organization, including among researchers. To ensure smooth reporting of project costs and payment of funding, it is of paramount importance that the researchers responsible for the costs of implementing the project follow the approved project plan and cost estimate and are familiar with the requirements and restrictions set by the funding conditions for acceptable costs.

### 1. The most important changes in funding conditions in 2026

#### Section 2 Project implementation

##### 2.1 Composition and duties of the steering group

Regarding the minutes of the steering group, the funding terms and conditions (sections 2.1.1 and 8.1) will also mention the submission of minutes of meetings other than the first meeting. The minutes will be submitted via the online service as the meetings have been held, and the minutes have been completed.

There is an addition regarding the formation of the steering group:

*When a research organization participates in an international consortium project without a Finnish joint project, there is no obligation to a national steering group.*

##### 2.3 Confirmation of the funding decision

The Administrative Procedure Act states that an administrative decision enters into force at the time of decision-making, so the beneficiary does not have to accept the decision made for the decision to enter into force. Business Finland has changed the terminology it uses regarding the receipt of a funding decision. The new wording is:

*The beneficiary agrees to comply with the funding decision and its terms and conditions by confirming the funding decision. The funding decision is confirmed 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.*

#### Section 4 Eligible costs

##### 4.7 Material and supplies costs and 4.9 Purchased services

The eligibility of costs is specified in sections 4.7 Material and supplies costs and 4.9 Purchased services. Business Finland accepts necessary purchases for the project as direct costs according to the invoice. However, Business Finland does not accept the allocation of purchases to the project based on the beneficiary's own assessment.

##### 4.8 Equipment purchases

We have a lot of questions regarding equipment purchases. Based on the questions and the answers given, the first paragraph of the article has been clarified:

*The Funding Agency may finance the use of research equipment purchased for a project when the equipment is mainly used by the project during its economic life. The acquisition cost of research equipment can be accepted as a direct cost to the extent that the equipment is used by the project during its economic life and to the extent that the equipment is used in the project. The initial data is the acquisition price of the equipment, the economic life, the time of use in the project and the proportion of use between the project and other uses. The beneficiary must have reliable monitoring that allows the use of the funded equipment in the project to be easily verified. The portion allocated to the project is reported to the Funding Agency as a one-off item.*

## Section 8 Reporting

The paragraph on the implementation of the funding plan has been clarified so that the newly implemented and paid financing contribution is reported to Business Finland. The paragraph is now written in the form:

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

### 8.1 Interim reports

The paragraph has been clarified regarding the submission of the minutes of the steering group. The minutes of the first steering group meeting will still be submitted in connection with the first reporting of the project, but other minutes will be submitted as an attachment to the report as the meetings have been held and the minutes have been completed.

### 8.2 Final report

It is no longer necessary to submit a separate free-form final report as an attachment to the final report. The questions in the reporting service have been drafted so that the Funding Agency can obtain a sufficient picture of the project implementation and the results obtained from the answers in the report. If there are any open questions, the Business Finland expert will request a supplement to the report.

Beneficiaries have sometimes asked why the Funding Agency requests supplements to the cost reporting even when the auditor has reviewed the costs and found them to be in the project accounting and thus acceptable. The auditor issues his audit report only on the matters mentioned in the report. The auditor does not take a position on whether the costs are acceptable in terms of content and whether they belong to the project. To dispel this confusion, we have removed the reference to the auditor's audit report from section 8.2 and the last paragraph of the section is now in the form:

*Costs that were initially approved based on the interim report will be re-processed and finally approved only in connection with the final reporting.*

## Section 12 Changes

### 12.1 Changes to the project

The list of changes for which the beneficiary must submit an application for change to Business Finland previously included a section on the reporting date change. However, there is no need to submit an application for change via the online service for the change of the interim reporting deadline; it is sufficient to agree on the matter with the Funding Agency's contact person. Only the change application for the change of the final reporting deadline must be submitted, which is treated as a separate change event.

## Section 15 Project inspections

### 15.2 Inspections of beneficiaries other than government agencies and institutions

Regarding audits, the funding terms and conditions refer to the obligation to retain project accounting and other documentation. Text has been added to the conditions listing examples of project documents:

*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. Project documents include expense and*

*payment receipts, procurement documents, personally kept working time records with confirmation notes when required, and salary specifications submitted as an attachment to the report.*

## **Section 16 Discontinuation and clawback of funding**

### **16.5 Claw-back of funding**

If the Funding Agency has to recover funding that has already been paid, interest will be calculated on the recovered funding. The determination of interest rates is specified in the funding terms and conditions:

*The interest is determined from the date of payment of the funding until the Funding Agency has the information available to make a decision.*

## **2. Guidelines on funding terms and conditions**

The bulletin also contains other current issues. When the issue concerns funding terms and conditions, the numbering in the heading refers to the section of the funding conditions.

### **4.6 Travel expenses**

The starting point for Business Finland's funding for travel costs is the organization's usual level, which is documented in the organization's own travel policy. When assessing the acceptability of costs, we use the travel policy provided by the beneficiary.

### **4.8 Equipment purchases**

The funding terms and conditions for equipment purchases have been updated, see section 1 /4.8.

The equipment purchase policy with example calculations can be found on the Business Finland website [Business Finlandin linjaus hyväksyttävistä laitekustannuksista \(kevät 2020\)](#) (in Finnish)

We would like to remind you that repair and maintenance costs are not directly acceptable costs for the project.

### **4.9 Purchased services**

Purchased services must be specified to an appropriate extent in the additional information field of the report, unless they have been specified separately as purchases. A general ledger note is provided only upon request.

### **4.10 Other costs**

#### **Coordination costs of a joint project**

All parties receiving the coordination service must contribute to the coordination costs, regardless of whether the organization receives public funding for its project or not. If the party receiving the coordination service does not contribute to covering the costs of the coordination service, the funding is considered to have been transferred to a third party.

Guidelines on coordination costs for joint projects are also available on the Business Finland website:

<https://www.businessfinland.fi/en/services/funding/funding-services/guidelines-terms-and-forms/contract-templates/>

### 3. General information about reporting

#### Contact details of contact persons

For automatic notifications from the reporting service, for example about supplement requests, to reach the right people, it is important to maintain contact person information. The service has a separate page for project contact person information.

We have received requests to make it easier to change the contact person for project cost statement in the service. We are investigating the scope of the change, and the necessary solutions will be made by the end of the year. We will provide more information on this later.

#### Report attachments

##### The minutes of the steering group's first meeting

We would like to remind you that a steering group is required for all Co-Research, Co-Innovation and Research to Business projects. The minutes of the first meeting of the steering group must be submitted in connection with the first interim report and must clearly state that the steering group has approved Business Finland's funding decision, the project plan and the project's funding plan.

Business Finland's website provides instructions on the steering group's activities and lists of what should at least be discussed in steering group meetings:

<https://www.businessfinland.fi/en/services/funding/funding-services/cooperation-between-companies-and-research-organizations/steering-group/>

##### Salary specification

When the beneficiary has agreed with Business Finland to submit the organization's own report, the report must include the data items required by Business Finland. The report must be submitted in Excel format. If the beneficiary uses Business Finland's T4 form, the data must be submitted in Excel format.

Any retrospective corrections of hour records or salaries must follow the organization's own instructions. The corrected data must be submitted to Business Finland in connection with the next reporting.

#### The organization's own instructions

Business Finland has been provided with travel and procurement instructions for beneficiaries. When there are changes to the documents, please also submit the new documents to Business Finland's registry.

When reporting internal charges, ensure that Business Finland has an up-to-date price list or procedure description.

#### The principle of the total cost model

According to the total cost model, all costs incurred in the project are reported, even if the actual costs exceed the cost estimate. This principle should not be deviated from.

*For more information on these and other cost-related questions, please contact the project's funding controller, whose contact details can be found in the project information in the online service.*

*Best regards,*

*Innovation Funding Agency Business Finland*