

## GENERAL TERMS AND CONDITIONS FOR STRUCTURAL FUNDING

### Funding for public research

#### 1. Scope of application and conditions for funding

These general terms and conditions shall apply to public research projects for which Tekes has granted co-financing from the European Regional Development Fund (ERDF).

*Public research* refers to the research and development activities of a research organisation that are aimed at raising the general level of knowledge and thus promoting the creation, development and broad utilisation of competence. The results of public research shall be widely published.

*Research organisation* means an entity, such as university or research institute, irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to conduct fundamental research, industrial research or experimental development and to disseminate their results by means of teaching, publication or technology transfer; all profits are reinvested in these activities, the dissemination of their results or teaching; Undertakings that can exert influence on such an entity, in the quality of, for example, stakeholders or members, shall enjoy no preferential access to the research capacities of such an entity or to the research results generated by it.

The European Community provisions related to the ERDF funding as well as national provisions have been taken into account in the terms and conditions, in particular:

- COUNCIL REGULATION (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999
- REGULATION (EC) No 1080/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999
- COMMISSION REGULATION (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund
- Act on the National Management of Structural Fund (1401/2006) and Regulation (311/2007)
- Government Decree on the eligibility of expenditure of projects co-financed by Structural funding (1079/2007)

The recipient shall inform Tekes in advance in the event that the intended use of the fixed assets acquired in the project or their ownership has changed or the utilization of the project results has come to an end. The obligation to disclose the information will be in effect for five years from the completion date of the project. Tekes can demand for reimbursement of the funding paid, wholly or partially, if the change significantly affects the nature of the project or the measures necessary for its implementation or benefits unduly some collective bodies established under public or private law.

#### 2. Implementation of the project and providing information about it

The recipient shall implement the project in accordance with the research funding decision and in the area mentioned in it. The projects must be completed by 30th June 2014, at the latest.

The ERDF projects must comply with the instructions on how to provide information about a project that has received EU support. The instructions are attached to the funding decision. As for the projects funded by Tekes, the essential issue regarding the instruction is that whenever information about a project is released, the participation of the EU in the funding must be mentioned.

## **2.1 Project Steering Group – members, tasks and decision-making**

Tekes shall approve the composition of the Steering Group, taking the size of the project and the funding contribution of different co-funders into consideration. The Steering Group shall monitor the progress of the project, support the realisation of the project objectives with their expertise and facilitate the transfer of knowledge created to those utilising and exploiting it.

In its first meeting, the Steering Group shall agree on its meeting practice and its decision-making procedure. The decisions made by the Steering Group's first meeting and any significant changes to the project shall be subjected to the approval of all of the co-funders. During the project, the Steering Group shall provide Tekes with confirmation of any proposals for changes to the project made by the Accountable Project Leader. See also Section 11. Tekes shall be entitled to have a representative present at Steering Group meetings. A notice of meeting and the minutes for all meetings shall be sent to Tekes at the same time as they are delivered to the Steering Group members. The content of these documents shall be identical to those sent to Steering Group members.

## **2.2 Accountable Project Leader – status and tasks**

The recipient shall assign an Accountable Project Leader to the project. The Accountable Project Leader serves as the person responsible for matters pertaining to science and research. The Accountable Project Leader is not entitled to act on behalf of the recipient and sign any commitments binding to the recipient without a separate authorisation provided by the recipient.

The Accountable Project Leader shall not have a conflict of interest. The Accountable Project Leader shall not have a material personal interest in a company co-funding the project or exploiting its outcomes or in a company selling services to the project. An example of a prohibited shared interest is a situation where the Accountable Project Leader or a member of their family owns more than 10 % of the company, is a member of any administrative body of the company or serves as the company's managing director.

The task of the Accountable Project Leader shall be to supervise the implementation of the project specified in the Tekes research funding decision. They shall ensure that the project is appropriately managed and that the various parties, financiers and Steering Group members are informed of the research funding decision, including the applicable terms and conditions, and of the progress of the project in the manner agreed.

The Accountable Project Leader controls that project reporting is organised in accordance with the terms and conditions issued by Tekes.

## **2.3 Acceptance notification of the research funding decision**

The recipient shall provide Tekes with an acceptance notification of the funding decision within three (3) months of the date of the funding decision announcement. The acceptance notification shall be signed by a person who, based on the charter of the recipient or otherwise, is entitled to sign the acceptance notification on behalf of the recipient. Signature of the acceptance notification constitutes a commitment by the recipient to obey the funding decision and the terms and conditions related thereto.

The acceptance notification shall include the recipient's bank account details, confirm the Accountable Project Leader, as well as appoint the contact person for the project and the person(s) designated to sign the project cost statements.

## **3. Payment of research funding**

Payments shall be made in arrears in accordance with progress made in the project. Payment of funding shall be subject to the condition that an acceptable interim or final report and cost statement have been submitted.

The last instalment of the funding, 10 % of the funding granted, shall be paid after acceptance of the final report subject to the condition that the project has accumulated a sufficient amount of eligible costs.

The final funding instalment shall be applied from Tekes in conjunction with final reporting and accounting. Funding applied for after this shall not be paid.

#### **4. Eligible project costs**

##### **4.1 General principles**

The recipient shall arrange project accounting in a manner that makes it possible to itemise the costs that have arisen from the project and verify their connection to accounting. The cost items shall be presented in the cost line that corresponds to the recipient's accounting.

Tekes can accept as eligible project costs direct costs to the recipient arising from the project according to the accrual concept during the project at net cost, and a share of indirect costs allocated to the project according to the principle of cost causation. However, costs to the recipient arising from the auditor's statement provided in conjunction with final project reporting are eligible costs even if they arise after the accepted duration of the project. The breakdown to direct and indirect costs shall be in compliance with the principles generally applied in the organisation. All expenditure shall have been paid prior to being declared to Tekes. Indirect costs are deemed to have been paid once accounted in a manner meant in the sections *indirect personnel costs* and *general costs*.

The value-added tax (VAT) proportions included in costs subject to VAT are eligible costs for the recipient if the recipient is not able to deduct the VAT in its funded operations and as a result, it would have to be paid by the recipient. The VAT proportions are included on the appropriate cost lines in accordance with the recipient's accounting practice. At the application stage, the on-budget agencies and institutes shall estimate, as a sum total, the VAT proportions corresponding to the project's direct costs. However, the cost statement of the project shall itemize the VAT costs by each tax rate.

Procurement in the project shall comply with the provisions issued on public procurement and the relevant instructions provided by the recipient's administration. On request, a report shall be provided on the selection method (tender competition or direct award). Tekes shall have the right not to accept costs presented in a statement if their relevance to the project is not clearly substantiated.

##### **4.2 Wages and salaries**

Wages and salaries in accordance with the collective agreements and other provisions regarding pay pertaining to the recipient shall be eligible as project wages and salaries. However, those pay components that are paid for the (extra) work only when funding is received from an external source shall not be eligible as project costs.

Also eligible as the project's direct pay costs are the proportion of a person's wage or salary corresponding to the effective working hours contributing to the project. The wages and salaries stated shall be based on hourly monitoring of working hours. The effective work under the project shall be allocated afterwards, to a minimum accuracy of one hour, to the days when the work was performed. The hours worked for the project shall be systematically recorded and verified at least once a month. The remaining hours worked by the person shall be allocated so that, at a minimum, reliable data can be obtained for each project reporting period concerning the total hours worked by the person during the respective reporting period so that the project's proportion of the pay costs can be calculated.

Effective working hours shall not include periods such as annual holidays, sick leave, maternity, parental or paternal leave or other indirect working hours.

### **4.3 Indirect personnel costs**

Indirect personnel costs shall be allocated to the project using the indirect personnel cost rate. A percentage of the direct wages and salaries allocated to the project is generally used as the indirect personnel cost rate. Tekes shall accept the indirect personnel cost rate presented by the recipient if it has been calculated on the basis of the recipient's bookkeeping information in a manner that meets the requirements of good accounting practice. Use of the rate shall be agreed with Tekes in advance.

Costs subject to the indirect personnel cost rate include at least wages and salaries of paid leave, holiday pay and holiday bonus as well as social security payments, pension contributions, accident and unemployment insurance premiums and other similar employer's contributions, and refunds of these contributions. The rate for indirect personnel cost may also be applied to other personnel costs (such as occupational health care and workplace meal costs) to the extent that they are not included in overhead costs.

If the recipient is unable to reliably compute or otherwise provide a rate that is derived from accounting, Tekes can accept an indirect personnel cost rate that is a maximum of 50% of the wages and salaries for the project's effective working time.

### **4.4 Overheads**

Overheads refer to project costs that are indirectly, rather than directly, allocated to the project on the agreed basis of division that complies with the principle of cost causation. The breakdown of project costs to direct and indirect costs shall be in compliance with the principles generally applied in the organisation.

Overheads are allocated to the project by means of an overhead cost rate.

A percentage of the direct wages and salaries and indirect personnel costs corresponding to the person's effective working time contributing to the project is generally used as the overhead cost rate.

Costs covered by the overhead cost rate may consist of administrative services, depreciation of machinery and equipment as well as costs of using facilities that have arisen from the project unless they have been included as direct costs in accordance with the organisation's general accounting principles. The general costs that are apportioned to the project cannot include depreciations related to assets for the acquisition of which public funding has been received (see *ineligible costs*).

Tekes shall accept the overhead cost rate provided by the recipient if it has been calculated on the basis of the recipient's bookkeeping information and other accounting information in a manner that meets the requirements of good accounting practice. Use of the rate shall be agreed with Tekes in advance.

### **4.5 Travel expenses**

Travel expenses are eligible in accordance with the instructions of the National Board of Taxes on the compensation of tax-exempt allowances for travel expenses for the year in question. The maximum amount of travel expenses accepted shall correspond to the Decision of the National Board of Taxes for the year in question. Tekes shall accept travel expenses in accordance with other provisions and administrative regulations pertaining to the recipient when provisions regarding the allowances of travel expenses have been issued that conflict with the above-mentioned decisions and instructions of the National Board of Taxes.

### **4.6 Material and supplies costs**

Material and supplies costs based on procurement from outside the research organisation shall be eligible as direct project costs as specified in the invoice. The recipient's internal material and supplies costs shall be eligible at cost price.

#### **4.7 Machinery and equipment costs**

Only the purchase costs concerning machinery and equipment procured during the duration of the project shall be indicated as “Machinery and equipment” as specified below in this section. Costs arising from the use of existing research and other equipment shall be accepted by Tekes in the manner indicated in the sections “Overheads” or “Other costs”.

Tekes may accept as direct equipment costs the purchase cost of new needed research equipment required for the project, provided that the purchase cost has been identified in the research funding application and Tekes has included it in the cost estimate appended to the funding decision. Purchase costs of machinery or equipment that has been acquired as used shall not be eligible.

Purchase costs for personal computers, mobile phones or other similar equipment shall not be included in the project’s direct equipment costs or any other direct cost items. Costs of this type are overheads that are included in the costs reported using the overhead cost rate.

#### **4.8 Purchased services**

Genuine purchases of services needed for the implementation of the project can be accepted as direct project costs. Genuine purchase of service involves the recipient commissioning part of the project work from an external supplier and thus receiving the results of the work. Examples of such service purchases include planning and assessment work purchased from an external contractor to facilitate the implementation of the recipient’s own project.

A joint project can never be set up so that the proportion of one project party is presented as a purchased service in the cost estimate of the other party. The cost estimate may only include costs attributable to the applicant.

#### **4.9 Other costs**

Direct costs arising from the project that cannot be included in any other cost item can be included under “Other costs”. A breakdown of other costs shall always be provided in the cost statement.

Costs arising from the use of previously existing, expensive equipment or facilities are often allocated directly to each user of the equipment or facility. The allocation shall be based on an hourly charge or similar usage criteria. Such costs arising from the use of equipment or facilities can be accepted as direct project costs under “Other costs” or under some other cost line item that better corresponds to the recipient’s accounting instructions.

If public funding has been received for the equipment or premises mentioned above, the costs due to their use shall be accepted for the project, but they won’t include depreciations.

#### **4.10 Ineligible costs**

The funding shall not be used for gratuitous expenditures such as stipends, donations or similar monetary payments. The government’s imputed interest costs are also an ineligible project cost.

The funding shall not be used for entertainment expenses, advertising or marketing costs. Entertainment costs do not refer to ordinary hospitality, such as coffee or similar refreshments served at steering group meetings. An entertainment expense is defined in the harmonisation instructions of the National Board of Taxes and the interpretation handed down on the difference between entertainment and meeting costs).

The Government Decree (1079/2007) has, in addition, laid down regulations about some other costs that are ineligible for funding. Property or asset depreciations are ineligible costs if public funding has been received for

their acquisition (see also the section *Overheads* and *Other costs*). Public funding means project funding received from another authority, e.g., funding granted from structural funds.

Purely funding-related costs, conforming to the Government Decree (1079/2007), are ineligible for funding.

Ineligible costs cannot be included under the direct or indirect project costs.

#### **4.11 Project income**

Eligible project costs are not intended to produce income during the duration of the project. Income refers to assets earned when the recipient provides the payer with some direct compensation, such as goods or services. Tekes shall be informed if any income greater than negligible is gained from the costs allocated to the project. The right of first refusal to the project results which is offered to the co-funder according to Tekes' terms and conditions for funding does not constitute direct compensation.

Gratuitous financial contribution (co-funding) obtained elsewhere to cover project costs is not income as referred to in this section but project funding.

##### *Revenue generating projects*

Article 55 of the General Regulation (EC 1083/2006) contains regulations on eligible expenditure on so-called revenue generating projects. As for Tekes' funding, a revenue generating project means mainly a project where Tekes funds investments on project equipment or premises and the recipient gets income from external users for the use of these equipment or premises during the project and/or after it. With the funding application, the applicant must present an estimation of the income to be received and report, in conjunction with the each cost statement, on the income received during the project. In addition, the recipient has the duty to notify Tekes about all net income generated with the project's eligible expenditure for the next five years.

In projects, in which the total expenditure is up to a million Euros, the project income, as it is meant here, does not need to be taken into account.

#### **5. External funding, internal contribution and other contribution obtained for the project**

External co-funding for the project refers to monetary funding obtained to cover project costs that the co-funder has allocated directly to the project in question and for which the co-funder does not receive direct compensation.

Internal project contribution shall cover the proportion of overall project expenses for which the recipient is unable to obtain external co-funding.

Other contribution obtained for the project refers to non-monetary contribution essential for implementation of the project, such as gratuitous work done for the project, equipment or software provided for the duration of the project. Other contribution obtained for the project shall not include any contribution by a company or other party that is actually the research target of the project. Other contribution shall be valued in Euros but it shall not be included in the project cost estimate or financing plan.

In addition to the funding granted by Tekes to the project, no other grant from the state budget may be used for the project's eligible costs, unless, to allow it, a particular provision has been separately made in the decision section of the grant in question. In projects realized by the government's agencies or institutes, the prohibition applies also to the use of internal contribution for eligible expenditure.

The realised project financing and other contribution obtained shall be reported as specified in the *Project reporting* section.

## 6. International researcher mobility

Researcher mobility involves the recipient performing part of the research work for the project in Finland and part of it abroad. Alternatively, a researcher can come from abroad to work in a research project carried out in Finland. Researcher exchange funded by Tekes shall involve research that genuinely adds value to the project.

Tekes shall cover costs incurred by the recipient from researcher exchange to the extent that they are in compliance with the regulations pertaining to the recipient and the generally observed terms and conditions concerning compensation for work abroad. The costs arising from researcher exchange shall be reasonable.

Tekes shall only provide funding for researcher exchange to the results for which the recipient will receive at least access and utilisation rights for research and education purposes free of charge and globally pertaining to its research activities related to the project. The researcher shall not sign any researcher exchange/transfer agreements before the recipient has granted the researcher permission to sign the agreements and/or commitments with the receiving community.

## 7. Project reporting

The recipient shall provide Tekes with a report on project progress signed by the Accountable Project Leader in accordance with the reporting schedule set out in the funding decision. At the same time, the recipient shall also provide a report of the costs allocated to the project and the actual project funding with relevant authorisation in the organisation. The signatory of the cost statement shall be authorised by the recipient to approve the reported cost and funding information, on the basis of which Tekes shall pay its funding share. When using a paper form, authorisation shall be confirmed by the signature of the person approving the cost statement. If the cost statement is submitted to Tekes in electronic format, the recipient shall ensure that the cost and funding information reported for the project have been appropriately approved in the organisation, and that the Accountable Project Leader is authorised to deliver the information presented in the statement to Tekes in electronic format.

The cost statement shall indicate the total costs for the current accounting period and the cumulative total costs from the beginning of the project itemised by cost categories. Actual costs are reported at full value.

The part of the work time used for the project and the wages paid on the basis of that shall be itemized, by person, with each accounting. The forms covering all work done by a person should not be sent to Tekes. Tekes, however, reserves the right to ask for the information when needed.

Of other direct costs for the project, receipt- and cost-specific accounting report for the reporting period to be declared must be added.

A separate statement for indirect project costs (indirect personnel costs and general costs) should be given when these are reported on the basis of something other than the wage bill of effective working time accounted for the project. The statement must present sufficient information in order to ensure the correctness of the amount of indirect costs reported (the calculation principle used and the amount of general costs derived with the help of it).

A breakdown of the realisation of funding shall be provided in accordance with the approved financing plan. If the company or some other party has, instead of co-funding, provided other essential contribution necessary for project implementation, such as work, equipment or software, realisation of this contribution shall be monitored in the Steering Group. Realisation of the contribution shall be documented in an appropriate manner.

In conjunction with the final accounting, the recipient must, in addition, present an auditing report in accordance with section 8 further below.

As part of the final reporting, Tekes shall also be provided with an evaluation form for the ERDF project as well as a separate, freely-formulated content report comprising an extensive description of the project's key results

and conclusions. As the final report is public, no confidential information may be included in it. Any essential information that contains confidential information that is relevant for reporting the results shall be presented in a separate appendix that will not be published.

### **8. Auditor's report – recipients other than government agencies and institutes**

In conjunction with the final report, recipients other than government agencies and institutes shall provide an auditor's report from the recipient's authorised external auditor (APA, CA, CPFA) covering the entire duration of the project.

The audit is to focus on, in particular, the project accounting and the implementation and reliability of working time monitoring procedures as well as audit trail continuity. The report shall comment on the following issues:

- the total project costs and the period over which they have been incurred,
- are the costs based on eligible paid costs in the applicant's accounting,
- have the cost statements been drawn up in accordance with the funding decision and general terms and conditions for funding so that no other cost items have been included and the project costs can be verified in the project accounting,
- has the legislation related to public contracts been complied with,
- have the measures consequent to on-the-spot investigations, ERDF inspections or other supervision, and ordered by Tekes, been taken?

### **9. Reporting on joint projects**

Detailed further instructions on reporting on joint projects can be found in the separate Special Terms and Conditions applicable to such projects.

### **10. Follow-up reporting**

Tekes will evaluate the impact of the funding provided even after completion of the project. Tekes will send the recipient a follow-up report template form approximately three years after completion of the project. Follow-up reporting is a part of the project reporting that the recipient shall undertake to complete.

### **11. Project changes**

The recipient shall inform Tekes without delay of any change with greater than negligible impact on the project plan, cost estimate, financing plan or schedule, and of any other factor affecting the use of research funding. Any project changes shall be authorised by Tekes in writing.

Authorisation for any project change shall be applied for in advance using the project change template available on the Tekes website. Changes shall be initiated in writing by sending a change request by e-mail to kirjaamo@tekes.fi or by regular mail to Tekes, Kirjaamo, P.O. Box 69, 00101 Helsinki.

### **12. Publicity of project results and rights to project results**

The results of the project shall be public upon completion of the project, unless otherwise provided by law or otherwise decided by the Steering Group and Tekes in an individual case and for a reason deemed compelling in objective terms. Ownership of the results shall vest in the party that has generated them. The owner shall have the right to decide upon protection and transfer of the results.

The recipient shall ensure that the ownership, title and access rights to the results generated by the recipient's employees are transferred or assigned to the recipient in accordance with the law or under separate agreements on transfer or assignment. In individual cases related to international researcher exchange, the recipient may,

prior to the implementation of researcher exchange and after having heard the other parties to the project, accept an agreement related to researcher exchange according to which the ownership and title to the results will not be transferred to the recipient.

The recipient shall agree separately with the other parties concerning exploitation of the project results. The recipient shall ensure that the agreements are not in conflict with national regulations on pricing or the European Union's State aid legislation, including articles 107-109 of the Treaty on the Functioning of the European Union (2008/C 115/01) and the Community framework for state aid for research and development and innovation (2006/C 323/01).

When transferring the ownership, title and access rights to the results, the recipient shall receive compensation from the companies for the industrial and intellectual property rights equivalent to the market price. The compensation paid shall be set in a transparent and objective manner, taking into consideration the contribution of the companies to the project. Project results which do not give rise to intellectual property rights shall be widely disseminated.

The objective is the efficient and extensive exploitation of the results by Finnish industry and society. Access rights to the results shall primarily be offered to companies operating in Finland. When deciding on the exploitation of the results, the company in which the researcher has a personal interest shall be treated objectively and in a manner similar to that concerning other companies, taking into consideration the restrictions applicable to the Accountable Project Leader outlined in section 2.2.

Unless otherwise agreed between the parties to the project, the recipient shall offer, within four months of completion of the project, the right of first refusal to companies that have co-funded the project or provided other contribution essential in terms of project implementation, such as work, equipment or software. In this context, other contribution cannot generally be the research target of the project being implemented. The recipient shall allow the parties entitled to right of first refusal a reasonable period of time for providing their response to the offer.

### **13. Recipient's duty to provide information**

The recipient shall submit to Tekes, to an authorised external auditor appointed by Tekes as well as to the administration, inspection and verification authority as stipulated in the Act on the National Management of Structural Fund all correct and sufficient information for the purpose of supervising project implementation and compliance with the terms and conditions of the funding decision as well as any changes affecting project implementation. The information must also be given to the European Union institution involved if fulfilling an obligation laid down in a regulation of the European Union or its institution requires that.

All project documentation shall be stored at least until the end of the year 2020. If found necessary, Tekes can shorten or lengthen the storage period obligation.

### **14. Project audits**

The administration, inspection and verification authority as stipulated in the Act on the National Management of Structural Fund, as well as Tekes, an authorised external auditor appointed by Tekes and the institution of the European Union concerned with the matter shall be entitled to audit the finances and operations of the recipient as required by the payment of the funding and supervision of its use. Tekes may grant permission for another authority or independent auditor to carry out these audits. Third party experts may assist in audits at Tekes' request.

The right to audit shall remain in force at least until the end of 2020. All project documentation and other material subject to supervision and audit shall be stored for the same minimum period. The recipient shall provide, free of charge, the auditing officials with all information and reports, documents, records and other material needed for the purposes of the audit and any assistance.

The auditing officials and the auditors performing the audit shall be entitled to seize the material that is subject to audit if so required by the auditing process. The auditing official and the auditor shall be entitled to have access, to the extent warranted by the audit, to premises in the possession or use of the recipient that may have a bearing on the granting of funding and supervising its use.

## **15. Payment and discontinuation of funding and claw-back of funding**

### **15.1 Scope of application**

The Act on Discretionary Government Transfers (688/2001) may be applied, where applicable, to funding granted to government's agencies and institutions.

### **15.2 Temporary interruption of payment**

Tekes may decide to temporarily interrupt payment of funding if

- Grounds exist to suspect that the recipient is neglecting its duty to provide information or uses the funding in breach of the funding decision.
- The grounds on which the funding was granted have essentially changed. Such changes include deviation from the project plan without written authorisation from Tekes
- The interruption of payment is required under European Union legislation.

If the grounds for the interruption are not remedied within the time specified in the decision to interrupt funding, Tekes is entitled to discontinue funding and to claw back funding already paid in whole or in part.

### **15.3 Discontinuation of funding**

Tekes shall have the right to discontinue project funding if there have been such changes in the objective, progress or circumstances of the project that the funding of the project can no longer be considered relevant. If the funding is discontinued, Tekes shall pay for the actual costs of the project in accordance with the funding decision until the date of suspension.

### **15.4 Repayment of funding**

The recipient shall be obliged to repay without delay any funding or part thereof received through error, in excess or manifestly without cause. Before any repayment of funding, the person managing the expenditure and payment matters referred to in Tekes' funding decision must be contacted about the subject.

The recipient shall also be obliged to return all funding if it has neglected to obtain the required authorisation from Tekes in accordance with these terms and conditions or if it has significantly deviated from the project plan. If the final statement indicates that payments are in excess of the eligible costs, the recipient shall return the excess funds.

Should Tekes cancel the funding decision, the recipient shall, at the request of Tekes, be obliged to return the funding received on the basis of the funding decision in whole or in part.

### **15.5 Claw-back of funding**

Tekes shall issue a decision ordering the discontinuation of payment of funding and the claw-back of funding already paid, and the interest on it, in situations in accordance with section 21 of the Act on Discretionary Government Transfers. Tekes is entitled to issue a decision ordering the discontinuation of payment of funding and the claw-back of funding already paid, and the interest on it, in situations in accordance with section 22 of the Act on Discretionary Government Transfers.

Additionally, Tekes has the right to demand for reimbursement, wholly or partially, if the European Commission decides that the claw-back, wholly or partially, of funding is required (Act on Application of Certain European Community Law Provisions Relating to State Aid (300/2001, section 1); or if the European Commission requires claw-back of funding in projects partially funded by the European Regional Development Fund.

Tekes is entitled to order the claw-back of funding if the recipient has neglected to obtain the required permit from Tekes in accordance with these terms and conditions or if the recipient substantially deviates from the project plan. Tekes may deduct the funding being repaid or clawed back from other funding granted to the recipient.

#### **16. Special terms and conditions for research funding**

Where the section "Other terms" of the research decision specifies that the project shall be implemented as a joint project, the appended special terms and conditions shall be applied in addition to these general terms and conditions. The general terms and conditions shall be applicable unless otherwise specified in the special terms and conditions.

#### **17. Order of application**

In the event of a conflict between the funding decision and its appendices, the following order of application shall be applied:

1. The funding decision and any special terms and conditions thereof
2. These general terms and conditions
3. The cost estimate
4. The project plan
5. The funding application and its appendices
6. Any other documents relevant to the funding decision

#### **DISCLAIMER**

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