

1.1.2025

Innovation Cluster Funding

Table of Contents

1 Funding decision and its terms and conditions	2
2 Publicity of the funding decision.....	2
3 Accountable project leader	2
4 Principles of cluster activities.....	3
5 Reporting.....	3
6 Auditor’s report	3
7 Payment of funding	4
8 Monitoring of costs and project accounting.....	4
9 Working time monitoring	5
10 Eligibility of costs	5
11 Procurement procedures	6
12 Declared salaries	6
13 Indirect personnel costs.....	7
14 Overheads	8
15 Travel expenses.....	8
16 Material and supplies costs.....	8
17 Machinery/equipment purchases	8
18 Machinery/equipment depreciation/rental costs	9
19 Purchased services.....	9
20 Purchases from other companies in the same group and associated companies	10
20.1 Business Finland’s definition of an associated company	10
20.2 Project accounting and cost reporting of an associated company	10
20.3 Purchases from foreign group companies and foreign associated companies, and costs arising in an office abroad	11
21 Ineligible costs	11
22 Consideration of income.....	12
23 Other public funding	12
24 Monitoring of funding impact	12
25 Changes to the project	13
26 Reassignment, transfer of tangible and intangible assets and business restructuring	13
27 Beneficiary’s disclosure obligation	14
28 Right of inspection	14
29 Discontinuation of payment.....	14
30 Repayment of funding	15
31 Clawback of funding	15
31.1 Clawback obligation	15
31.2 Discretionary clawback.....	15
31.3 Interest.....	16
31.4 Penalty interest.....	16
31.5 Moderation of grant clawback.....	16
31.6 Clawback time limit	16
32 Funder’s right of offsetting	16
33 Misuse.....	17
34 Order of application.....	17
35 Scope of application and legal basis	17

1.1.2025

1 Funding decision and its terms and conditions

The funding decision will come into effect once any special conditions laid down for entry into force of the decision have been fulfilled and the beneficiary has accepted the funding decision and its terms and conditions in the online service. In conjunction with acceptance, the beneficiary's bank account number into which the funding will be deposited shall be indicated. The person approving this decision must be authorized to sign for the organization.

These terms and conditions for funding are part of the funding decision, and compliance with them is the prerequisite for payment of the funding.

The funding granted under this funding decision is state aid authorized on the basis of Article 27 of the General Block Exemption Regulation (Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in the application of Articles 107 and 108 of the Treaty; OJL187 26 June 2014, p. 1).

These funding terms and conditions have been issued under section 11(3 and 4) of the Act on Discretionary Government Transfers and section 3 of the Act on State Lending and State Guarantees.

2 Publicity of the funding decision

The following information will be public: the beneficiary's name, business ID, size, domicile, sector, register number of the funding decision, form of financing, granting date, the amount of funding granted and the amount paid. The State Treasury publishes public information about state grants in the service for publication and use of state grant information (Tutkiavustuksia.fi).

When the beneficiary disseminates information about the project or its results, it must disclose that Business Finland has provided funding for the project.

The Funder may need information from other authorities and financiers for the payment and supervision of funding. Provisions on the exchange of information between authorities are laid down in the Act on the Customer Information System for Business Services (293/2017) and the Act on Discretionary Government Grants. Provisions on the disclosure of trade secrets are laid down in the Act on the Openness of Government Activities (621/1999).

The beneficiary must submit their annual statements, including appendices, for publication in the Finnish Patent and Registration Office, as laid down by law.

3 Accountable project leader

The beneficiary authorizes an accountable project leader who is in an employment relationship with the beneficiary or holds a position of responsibility in the company. A person disqualified from the practice of commercial activities cannot act as the accountable project leader.

The accountable leader monitors the implementation of the project referred to in the funding decision and is responsible for ensuring that

- project accounting has been arranged in accordance with these terms and conditions
- working time monitoring has been arranged in accordance with these terms and conditions
- the decision and related terms and conditions are reviewed with financial management/an accounting firm, and they have been sent to the auditor for information
- the project is implemented in accordance with the plan
- reported costs have been incurred by the project during the duration of the project

1.1.2025

- the persons chosen to manage the matters pertaining to the project in the online service have access rights to the project.

4 Principles of cluster activities

The innovation cluster must have rules of procedure and membership criteria, both of which must be publicly available.

Several users must have access to the cluster's premises, infrastructure and operations on transparent and non-discriminatory grounds. Companies that have funded at least 10 percent of the cluster's investment costs can be granted privileged access rights under more favorable conditions. Such privileged access rights must be in the correct proportion to the share of the investment costs paid by the company, and the terms and conditions of such rights must be made public. The granted privilege cannot be a reduced price.

The compensation charged for the use of cluster services and participation in cluster activities must correspond to the market price or the costs incurred, plus a reasonable margin.

5 Reporting

The accountable project leader is responsible for reporting on the project.

The beneficiary must be able to demonstrate how the project plan has been implemented and what the results of the measures have been.

The report is appended with a formal salary specification form (Y4). Due to the confidentiality of salary information, the salary specification cannot be downloaded for viewing from the service like the other documents. An auditor's report must also be appended to the final report. The forms are available on the Business Finland website.

Upon request, the Funder must be provided with additional information if required for project monitoring. Additional information may include copies of receipts, invoice itemizations, selection criteria for purchased services and working time monitoring reports.

The beneficiary must declare all project costs at the latest in the final report. 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.

The costs that have been initially approved on the basis of the interim report will be reevaluated in connection with the final report. The Funder will only give its final approval to the costs after it has received the auditor's report.

6 Auditor's report

The costs are confirmed on the auditor's report. The beneficiary must submit an auditor's report covering the entire duration of the project and prepared by an independent auditor as part of the final report. The report template is available on the Business Finland website. The Funder has the right to demand an inspection with a larger sample size, if, for example, the auditor's report has a lot of observations.

Reasonable costs arising from the auditor's report prepared by the project auditor can be accepted as direct project costs. If the billed and paid costs incurred by the audit are not included in the project costs confirmed by the auditor, copies of the invoice of the audit costs and receipt/bank statement must be submitted to the Funder.

1.1.2025

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

7 Payment of funding

The Funder will provide the funding on the basis of the approved report.

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 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.

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.

8 Monitoring of costs and project accounting

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 reported costs can be verified.

The working time monitoring forms a part of the project accounts.

In connection with the first interim report, the beneficiary must provide the Funder with a description of the project accounting and working time monitoring. The description must indicate whether the project accounting and working time monitoring have been arranged in accordance with the funding terms and conditions.

The costs of operational aid and investment aid must be kept separate from each other in the project accounts.

See also section 22 Consideration of income.

If the customer's accounting system does not permit the generation of cost-category-specific reports, the customer must draw up some other calculation that lists how accounting costs are allocated to cost categories (such as an Excel spreadsheet).

Accounting must include purchase invoices of project purchases. The invoices must specify the product or service purchased for the project.

Costs incurred from the auditor's report may be incurred and may be paid after the project has ended.

Project documents and other materials necessary for the supervision and auditing (including personal working time records with verifications, where required and salary specifications submitted in connection with reporting) must be kept for a minimum of 10 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.

1.1.2025

9 Working time monitoring

Every person working for the project must record the time they allocate to the project on an hourly basis for the entire duration of the project. Hours worked must be reported monthly for the days when the work was performed. Any working time monitoring conducted after submitting the salary specification in connection with the report will not be accepted. Working time monitoring also applies to persons who are paid trade income. If the beneficiary's time tracking system does not allow for monitoring project working time, the beneficiary must track project working time, for example in Excel. An example of hourly tracking can be found on the Business Finland website.

If the Working Hours Act does not apply to the person or the working hours have not been defined for the person in writing, the Funder uses an estimate of 10 h/day or 215 h/month as the total working time. Such persons are, for example, the CEO and other management as well as shareholders.

The accountable project leader or the employee's supervisor must approve the working hours at least on a monthly basis. The CEO or the accountable project leader cannot confirm their own working hours. The confirmation shall indicate the name of the person who has made the confirmation and the date on which it was made. The confirmation must be verifiable afterwards.

The Funder has the right to refuse approval of the salaries in whole or in part if the working time monitoring has not been in compliance with the above terms and conditions or cannot be regarded as reliable.

10 Eligibility of costs

The project plan and cost estimate approved by the Funder form a part of the funding decision and serve as the basis for accepting the costs.

Eligible costs are the innovation cluster organization's expenditures that

- have been paid and entered in the accounts of the beneficiary
- are in net amount and VAT exempt
- have arisen from the project during the duration of the project (accrual basis)
- necessary and reasonable for the implementation of the project.

Investment aid can be granted to the owner of an innovation cluster. Operational aid can be granted to the administrator of an innovation cluster.

Eligible costs in operational aid granted for innovation clusters include personnel and governance costs related to the following activities:

- animation of the cluster to facilitate collaboration, information sharing and the provision or channelling of specialized and customized business support services;
- marketing of the cluster to increase participation of new undertakings or organizations and to increase visibility;
- management of the cluster's facilities; organization of training programs, workshops and conferences to support knowledge sharing and networking and transnational cooperation.

Eligible costs for operational aid include the rental costs of buildings, facilities, machinery and equipment used by the innovation cluster (leased cluster infrastructure). Purchases from associated companies are not eligible for these costs.

Investment aid may be granted for the construction or upgrade of innovation clusters. Eligible costs include costs related to investments in tangible and intangible assets (invested cluster infrastructure).

1.1.2025

- Costs related to tangible assets are declared under section Machinery and equipment purchases.
- Costs related to intangible assets are declared under section Purchased services.

The costs must be based on the corresponding expenditure payment records. This does not apply to computational costs allocated to the project. The expenses must be fully paid in money by the beneficiary when they are reported to the Funder. Procurements may not be paid by loans issued by the recipient of the payment. Invoice for work performed during the project may be paid after the project end date but before the costs are reported to the Funder.

The Funder has the right not to accept costs presented in a statement if their relevance to the project is not clearly substantiated or they are too large in view of the project results.

All costs based on the project plan must be reported to the Funder. Final approval of the costs for a project can only be given after the costs have been approved.

To ensure the effectiveness of the funding, only procurements and work ordered or agreed upon in writing after submitting the funding application are approved for the project. In exceptional cases, the procurement ordered for the implementation of the project before submitting the funding application can only be accepted if the order or contract contains a clause stipulating that the procurement will be canceled if the funding decision is negative. Even then, the costs are only eligible from the date of submission of the funding application at the earliest.

Costs will be approved ex VAT, unless the beneficiary is not liable to pay VAT. The costs on which VAT is payable may also be reported if they are connected with VAT-exempt operations and the VAT will be payable by the beneficiary.

The Funder may, at its discretion, accept certain cost statement categories according to a practice that is based on the unit costs derived from the beneficiary's expenditure records and generated by the beneficiary's cost accounting system. The use of this must be agreed on a project-specific basis.

The Funder or a party authorized by it has the right to audit the reliability of the accounting system. The Funder may also require that an independent auditor issues a statement on the reliability of the accounting systems.

11 Procurement procedures

When the beneficiary is a public procurement unit or the funding provided by the Funder or other public funding covers more than 50 per cent of the project costs, the beneficiary must observe the provisions of the Act on Public Contracts. When the total value of the procurement is at least 60,000 euros, the procurement must be tendered as a public procurement. When a procurement has to be put out to tender, the HILMA number or the criteria for direct award are indicated in the reporting.

If a public procurement unit has made a procurement in violation of the procurement provisions, the purchase price is not an eligible cost for the project.

12 Declared salaries

Eligible project costs in investment aid and operational aid are the salaries of personnel directly participating in and assisting with the activities in question.

Of the salary paid to a person for their total working hours, the beneficiary can only report the salary paid for the hours spent on the project according to working time monitoring (see the acceptable methods of calculating the working hours in the salary specification form Y4). The Funder will compare each person's declared overall salary to the information in the Incomes Register. As a public authority, Business Finland receives its information from the Incomes Register.

1.1.2025

Eligible costs include salaries subject to withholding tax for the effective working hours dedicated to the project by participants working on the project, for up to 11 months per year (specification template Y4).

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.

The amount of salaries reported to the Funder

- may not substantially differ from what has been paid to the person in question for work of a corresponding level, either before the project or immediately after it
- must correspond to the compensation paid to the person by the beneficiary for other work during the project.

The Funder may, at its discretion, accept the payment of a reasonable salary to a person working for the project who has not been paid any salary for any work before the project.

The Funder will 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 funding bodies.

The beneficiary must notify the Funder in the salary specification if performance-related or other exceptional payment components are included in the salaries reported to the Funder. The Funder may, at its discretion, approve them if they are an established and important part of the beneficiary's salary payment regime. The beneficiary must always submit the details of the total amount of the exceptional salary components, the payment criteria and period for which the components are paid so that the proportion allocated to the project can be determined.

If the compensation paid is classified as trade income and not as salary, the beneficiary must report it under Purchased services.

As a rule, the salaries of the beneficiary's managerial and administrative personnel are classified as overheads. Such salaries may, on a case-by-case basis, be accepted as direct costs, if the work performed is directly allocated to the project.

The beneficiary must report any project-related salaries paid to persons coming from abroad to work in Finland or persons working abroad. The information is entered in the salary specification form.

13 Indirect personnel costs

A percentage of the salaries paid for effective working hours and approved for the project that is laid out in the project cost estimate (max. 50%) can be accepted as indirect personnel costs.

Indirect personnel costs include

- midweek holidays, holiday pay, sick pay, leave pay and holiday bonus
- social security costs
- other employment costs, such as recruitment costs, personnel training, fringe benefits, workwear, and protective clothing.

The Funder has the right to intervene in budgeted indirect personnel costs arising from employment relationships that are not subject to the same indirect personnel costs as conventional employment relationships. Such employment relationships may apply to individuals who do not come under the Working Hours Act (shareholders in management positions), persons coming from abroad to work in Finland or persons working abroad.

- If a salary's social security costs are not paid to Finland, indirect personnel costs and overhead cannot be accepted as project costs.
- For persons that do not receive any holiday pay, a total of 30 percent of all reported salaries are approved as indirect personnel costs.

1.1.2025

The Funder has the right to verify all indirect personnel costs and pay the funding on the basis of actual indirect personnel costs when these remain under the level approved in the cost estimate.

14 Overheads

Due to the nature of the project the Funder can accept a maximum of 20 percent of the sum of the project's salary and indirect personnel costs as overhead costs.

Costs considered as overhead are not eligible under other cost categories. Such costs include

- the salaries of managerial and administrative personnel
- administrative costs, such as accounting services and general legal counselling
- IT, phone, office, and facilities costs and the related depreciation
- annual patent payments.

The Funder has the right to have the indirect cost percentage checked and to pay funding on the basis of actual overheads, if they fall below the level approved in the cost estimate.

15 Travel expenses

The travel expenses reported for the project must be in accordance with the project plan and the related working time must be recorded in the project's time monitoring. If other work was also performed during a trip specified in the project plan, the share of these hours must be deducted from the project's travel expenses in proportion to working time.

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

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

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.

16 Material and supplies costs

Eligible project costs are the costs of materials and supplies directly related to the cluster organization's activities in accordance with the project plan.

Material and supplies costs based on procurement from an external supplier can be accepted as invoiced.

Internal material and supplies costs must be reported at cost price.

17 Machinery/equipment purchases

Eligible costs in investment aid are the purchase costs of tangible assets in accordance with the project plan. Tangible assets refer to land areas, buildings, plants, and machinery and equipment.

1.1.2025

The Funder may accept as direct project costs those purchase costs of tangible assets that are primarily used for the project. If the tangible asset is also used for other purposes, the purchase cost is accepted to the extent that the asset is used in the project.

Second-hand machinery and equipment are eligible if no public funding has been received for purchasing second-hand machinery or equipment in the previous five years. It is the beneficiary's responsibility to identify the previous owners of second-hand machinery or equipment during the previous five years and to find out whether they were subsidized. The five-year period is calculated from the latest payment of subsidies towards the machinery or equipment received by the seller. Second-hand machinery or equipment is always deemed to have been purchased on the date on which the transaction was agreed (contract, order, delivery, or payment).

What is stated of an instrument above also applies to the software required in the project.

Fixed assets acquired by means of a partial payment contract made with a financing company that is in accordance with the Hire Purchase Act or means of a similar arrangement can be accepted as an equipment purchase when the amount of the instalments paid is at least equivalent to the percentage of the Funder's funding of the fixed assets in question. In such instances, the fixed asset must be in the possession of the beneficiary.

The acquisition costs of personal computers, mobile phones and other equipment included in overheads are not accepted as equipment purchases, equipment depreciation or rental costs.

18 Machinery/equipment depreciation/rental costs

Rental costs of buildings, machinery and equipment that are mainly used in the project are eligible in so far as they are used in the project.

SaaS/cloud service purchases must be declared as Machinery and equipment rental costs.

Rental costs (including administrative, financial, insurance, repair, and other similar costs) that have arisen over the duration of the project are eligible up to the value corresponding to the purchase price of the relevant acquisition.

19 Purchased services

Eligible project costs are purchased services directly related to the cluster organization's activities in accordance with the project plan. Eligible costs in investment aid also include costs related to investments in intangible assets. Intangible assets refer to patents, licenses, other intellectual property rights and know-how.

Services purchased from third parties can be accepted in accordance with the project plan and invoicing. Business Finland does not accept the allocation of purchases for a project as a percentage of the total sum of a purchase invoice, for example. For invoices in foreign currency, the exchange rate on the date of payment is used.

Purchased service costs can also include as direct project-related expenditures audit of the project costs and information and data gathering.

In addition, the following costs can be accepted in the investment aid

- patent or license purchases when they are used exclusively for the project
- applications for intellectual property rights
- other purchase costs of intangible assets.

Software required for the project is approved under Machinery and equipment costs or Machinery and equipment depreciations and rental costs, not under Purchased services.

1.1.2025

Services purchased from domestic SMEs; for these purposes, a small and medium-sized enterprise (SME) is defined as a Finnish company with fewer than 250 employees. Also, fees billed by an independent contractor are declared under "Services purchased from SMEs".

Services purchased from domestic public-sector research organizations; a research institution is defined as a Finnish university, university of applied sciences or public research institute.

Services purchased from other domestic companies/entities; services purchased from domestic organizations other than those specified above are entered under this cost category.

Services purchased from the European internal market area; under this cost category are entered the purchased services from the European internal market area (an area formed by the European Economic Area and the Swiss Confederation).

Services purchased from outside the European internal market; services purchased from outside the European internal market are entered here.

20 Purchases from other companies in the same group and associated companies

20.1 Business Finland's definition of an associated company

Companies (here referring to all legal persons) are each other's associated companies if another company or person exercises control over another company or can influence its choice of procurement sources.

Companies are considered each other's associated companies if at least 20% of the other company's share capital or corresponding equity is directly or indirectly owned or controlled by the other company. Companies are considered each other's associated companies also if at least 20% of the other company's share capital or corresponding equity is directly or indirectly owned or controlled by the same individual.

The Funder also considers direct or indirect ownership to exist on the basis of the following criteria when the individuals serve in the following roles or positions under the beneficiary or an associated company:

- members or alternate members of a company's Board of Directors
- responsible persons within the company
- employees of the company
- creditors or guarantors of the company
- family members: an applicant's spouse or a cohabiting partner, the applicant's or their spouse's/partner's children
- close relatives, such as a grandchildren, siblings, parents, grandparents, or corresponding half-relatives.

20.2 Project accounting and cost reporting of an associated company

Group companies and associated companies must also observe these funding terms and conditions. The beneficiary must ensure that the group companies and associated companies arrange project accounting and working time monitoring in a manner that is in accordance with these terms and conditions.

The group companies and associated companies must provide the beneficiary with an invoice for the services purchased for the project. The Funder may accept costs incurred by the seller for providing the service and paid by the beneficiary. Group-internal administrative costs and items paid as administrative fees are not eligible project costs.

The Funder will accept the paid purchased services without profit. In order to demonstrate the non-profit nature of the services, the group companies and associated companies must also provide the Funder with a separate project cost statement of the costs arising from the project.

1.1.2025

The costs are declared using the template 'Cost statement for associated company Y3+Y5' and a separate salary specification (Y4). The authorized signatory of the group company or associated company signs the accountable project leader's declaration. The forms are available on Business Finland's website.

The beneficiary must submit the cost statement of each group company or associated company in a separate file. No later than in connection with the final report, the beneficiary must also submit a separate auditor's report in a specified form detailing the declared costs of the group company or associated company. The auditor's report must be prepared by an independent auditor. The report template is available on the Business Finland website. The Funder may, at its discretion, exceptionally accept purchased services without a separate cost statement even from associated or group companies.

In addition to direct project costs, indirect personnel costs and overheads connected with salaries are also eligible costs. A maximum of 50 per cent of the salaries allocated to the project are accepted as indirect personnel costs, and a maximum of 20 percent of the sum of the project's salary and personnel costs are eligible for overhead costs.

20.3 Purchases from foreign group companies and foreign associated companies, and costs arising in an office abroad

The Funder may also accept as project costs purchases from foreign group companies and foreign associated companies and costs to the beneficiary arising in an office abroad. This must be specified in the special terms and conditions of the funding decision. Only direct project costs are accepted as eligible costs. Indirect personnel costs and overheads are not accepted. Exchange rates on the date of payment are applied to invoices submitted in a foreign currency.

Foreign group companies and foreign associated companies must provide cost statement forms and an auditor's report prepared by an independent auditor. The auditor's report on an official Business Finland template may be in Finnish, Swedish or English. The forms and auditor's report templates are available on the Business Finland website.

21 Ineligible costs

- entertainment expenses, gifts and donations, stipends or grants
- financing costs
- official fees, excluding the costs mentioned under Purchased services
- certification costs when they are not in line with the project plan for the development of innovation activities
- costs for which public funding that may not be combined with other types of public funding is allocated (for example, the salary costs of a person who has received a startup grant for the same period)
- salary costs for which a pay subsidy has been received
- services containing other public funding
- machinery and equipment rental costs that have arisen duration of the project to the extent that they exceed the equivalent purchase price
- costs that are not included in the project plan
- purchases from associated companies related to the construction or improvement of the innovation cluster infrastructure
- purchases from associated companies that purchase cluster services, pay for the use of the cluster infrastructure, pay a membership fee or finance the project. The restriction also applies to situations where other companies in the same group participate directly or indirectly in financing the project.

1.1.2025

22 Consideration of income

The beneficiary must monitor the costs of the cluster's operation as well as the fees charged for the use of the cluster's invested (investment aid) and leased (operational aid) infrastructure and services, and for participation in the activities. The beneficiary must have in place separate accounting for its cluster activities, from which the funding, investments, operating income, and operating costs related to cluster activities may be verified.

The compensation charged for the use of cluster services and participation in cluster activities must correspond to the market price or the costs incurred, plus a reasonable margin. Upon request, the beneficiary must provide a declaration on the cost-relatedness of the services priced on a cost basis and the pricing of services priced at market price.

The compensation charged for using the infrastructure leased to the cluster (operational aid) and for participation in the cluster's activities and services are income received by the innovation cluster, which is taken into account when calculating the maximum aid payable. Income from the use of infrastructure financed by investment aid is not taken into account in the maximum aid calculation. The use of the cluster's invested infrastructure (investment aid) and the use of the cluster's rented infrastructure (operational aid) and services must always be invoiced separately. They must be reported to the Funder in connection with interim reports (the standard template can be found on the Business Finland website). Based on the reported operating income and costs, the Funder will calculate the cluster's operating result.

The total amount of funding paid (operational aid) during the funding period cannot exceed the total amount of losses incurred during the funding period. Only income from the use of cluster services and the leased cluster infrastructure (buildings, premises, machinery, equipment) is taken into account when calculating the loss.

The funding period may consist of several successive funded projects. The Funder has the right to reduce the amount of funding to be provided or to reclaim funding already provided in order to avoid exceeding the total amount of operational aid during the funding period.

23 Other public funding

The reports must specify all other public funding granted for the project by the state, municipalities and other public entities or bodies or foundations governed by public law. Funding granted by the European Union must also be reported.

The combined total funding that the project receives from the Funder and other providers of public funding may not exceed the project's maximum limit for public funding. The overall amount of operational aid granted for eligible overall costs incurred by the cluster activities must not exceed 50% during the project (maximum 10 years). The support period may consist of several consecutive project periods or a separate funding decision by Business Finland or another public funding body. The maximum amount of investment aid is 50% of eligible costs. If necessary, the Funder will reduce its own contribution so that the maximum amount of public funding is not exceeded.

24 Monitoring of funding impact

The Funder will continue to evaluate the impact of the projects after their completion.

If necessary, the beneficiary must report on project results for five years after the completion of the project.

The beneficiary must, on request, provide details of the outcome of the plans and forecasts that it presented during the processing of the application and the realization of the project. Upon request,

1.1.2025

the Funder must be provided with a report on how the business targeted in the project has developed.

The Funder must have the opportunity to audit the beneficiary's annual accounts and auditing statements kept in the Finnish Patent and Registration Office database for a period of five accounting periods following the completion of the project.

The Funder has the right to commission an analysis of the beneficiary's annual accounts from another public funding agency.

25 Changes to the project

The beneficiary must obtain the Funder's consent for project changes. Consent must be sought from the Funder in writing in advance / before the change if the project's progress deviates from the plan:

- significant changes to the project plan
- changes to cost categories
- changes to the schedule
- changes to a reporting date
- changing the accountable project leader.

The beneficiary must immediately notify the Funder of other significant changes to the project, for example if there are changes to key personnel resources.

A positive amendment decision can only be made if the beneficiary has fulfilled their registration, declaration, and payment obligations in relation to taxes or other legal obligations.

A change in the beneficiary's bank account is reported using form Y1 available on the website.

26 Reassignment, transfer of tangible and intangible assets and business restructuring

The beneficiary must obtain the prior written consent of the Funder if, during the project or within the useful life specified in the decision, the beneficiary wishes to

- reassign the funding decision to a third party
- sell, give as security, or otherwise assign business or any part thereof generated in the project
- sell or otherwise assign material or immaterial assets or licenses which pertain to the funding
- change the investment's permanent purpose.

Prior to the reassignment, the original beneficiary must report and declare its share of the project. The auditor must submit an auditor's report on the declared costs. The Funder may give its approval if the targeted project impacts can, for the most part, be achieved and the loan repayment secured despite the changes.

If investment aid has been used for the procurement or modernization of assets, the asset in question may not be permanently used for a purpose other than that specified in the funding decision during the useful life specified for the asset which the investment aid concerns. Unless otherwise specified in the special terms and conditions to the funding decision, the useful life of assets is ten years.

Under clause Clawback of funding of these terms and conditions, the Funder may claw back paid funding if the beneficiary engages in measures that compromise the desired impacts of the project or if the beneficiary is in breach of this clause.

1.1.2025

27 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.

28 Right of inspection

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.

29 Discontinuation of payment

Innovation Funding Agency Business Finland may order the temporary discontinuation of the payment of the funding on following grounds:

1. The Funder has reasons to suspect that the beneficiary does not provide the Funder with correct or adequate information or uses the funding in a manner that is in violation of the funding decision.
2. The grounds on which the funding was granted have essentially changed. Such changes include situations where
 - a) the beneficiary deviates from the project plan without a written authorization granted by the Funder
 - b) there is a substantial deterioration in the beneficiary's financial position in relation to the anticipated trend
 - c) the beneficiary loses its equity in full
 - d) the beneficiary initiates reorganization proceedings
 - e) the beneficiary neglects its registration, notification, or payment obligations related to taxes or other regulatory obligations

1.1.2025

- f) the beneficiary has outstanding debt to the State or the institutions of the European Union arising from their payment or recovery decisions or orders
 - g) the beneficiary has recovery decisions with which it has failed to comply
 - h) the beneficiary has failed to adhere to the repayment obligations concerning the loans granted by Business Finland
 - i) the beneficiary does not provide sufficient information about the owners or beneficiaries so that the Funder can take the measures related to know your customer
 - j) the beneficiary does not provide the Funder with sufficient information regarding the providers, subcontractors, or their beneficiaries, so that the Funder can make sure that these actors are not subject to sanctions imposed by the European Union or the United Nations (UN), or decisions to freeze assets imposed by the Finnish authorities.
3. The payment of funding must be discontinued under European Union legislation.

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

30 Repayment of funding

The beneficiary must, without delay, repay any funding or part thereof received through error, in excess or manifestly without cause.

Grants of less than 100 euros need not be repaid.

The beneficiary must contact the Funder before the repayment of funding.

31 Clawback of funding

Innovation Funding Agency Business Finland may claw back any funding already paid if the beneficiary violates against these terms and conditions.

31.1 Clawback obligation

Innovation Funding Agency Business Finland will order the discontinuation of the payment of funding and the clawback of funding already paid if the beneficiary has

1. failed to return funding or part thereof that must be repaid under section Repayment of funding
2. used the funding for a purpose essentially different from that for which it was granted
3. provided false or misleading information about a matter that has been essential to the granting of the funding, its amount or terms and conditions
4. otherwise essentially violated the provisions concerning the use of the funding or these terms and conditions in a manner comparable to paragraphs 1-3.

31.2 Discretionary clawback

Innovation Funding Agency Business Finland has the right to order the discontinuation of the payment of funding and the clawback of funding or part thereof already paid if

- false or misleading information has been provided for the purpose of payment of funding or supervision thereof, information has been concealed, the provision of information has been refused or the information requested by Innovation Funding Agency has not been provided by the specified date
- the beneficiary has directly or indirectly made funds or financial resources available or usable by natural persons, legal entities, entities or bodies on the embargo list or close to them

1.1.2025

- the beneficiary has not complied with the terms and conditions for funding
- the beneficiary has not informed 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
- the funding has not been used in compliance with the funding decision
- the beneficiary has not been able to demonstrate how the project plan has been implemented or what the results have been
- the beneficiary has refused to assist in the project audit
- the beneficiary has terminated the project for which the funding was granted, reduced or altered it substantially or transferred it to another party
- the beneficiary has been subjected to recovery proceedings, placed into liquidation or bankruptcy, or made subject to restructuring proceedings
- the beneficiary or its representative has been convicted of an offence or ordered to pay penalties, in accordance with section 22 of the Act amending the Act on Discretionary Government Transfers
- the clawback of funding is required under European Union legislation
- the beneficiary otherwise acts in a manner comparable to the matters in this section.

31.3 Interest

The beneficiary must pay interest on the amount to be repaid or clawed back. The interest is applied from the date on which the funding was paid. It is calculated as an annual interest to which three percentage points are added. The annual interest is determined in accordance with section 3(2) of the Interest Act (633/1982).

31.4 Penalty interest

If the beneficiary has not paid the amount to be repaid by the due date set by the Funder, an annual penalty interest must be paid on the outstanding balance of the loan. For the period after the due date, the penalty interest is in accordance with the interest rate referred to in section 4(1) of the Interest Act (633/1982).

31.5 Moderation of grant clawback

Innovation Funding Agency Business Finland may decide that a part of the sum to be repaid or clawed back, and any interest or penalty interest on it, will not be clawed back if repayment full is unreasonable in light of the financial standing and circumstances of the beneficiary or in relation to the type of property acquired with the grant or in relation to the procedure on which the clawback is based or because of a change in circumstances. For an extremely weighty reason, Innovation Funding Agency may decide to totally waive the sum to be repaid or clawed back, or the interest or penalty interest on it.

31.6 Clawback time limit

The grant and interest or penalty interest on it will not be clawed back if ten years have elapsed from the remission of the final instalment of funding for the project.

32 Funder's right of offsetting

The funding to be repaid or clawed back and the interest on it may be deducted from the other funding provided to the beneficiary.

1.1.2025

33 Misuse

If, during the course of the project, there is reason to suspect that the beneficiary or a person acting on the beneficiary's behalf has committed a criminal offence under the Criminal Code (19 December 1889), with the Funder as the injured party, the Funder will take the required action in the matter.

34 Order of application

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

35 Scope of application and legal basis

- Annual state budget
- Act on Discretionary Government Transfers (688/2001)
- Act on General Conditions for Aid Granted to Economic Activities (429/2016)
- Government Decree on Funding for Research, Development and Innovation Activities (1444/2014)
- Act on the Client Information System of Enterprise Services (293/2017)
- Act on the Provision of Digital Services (306/2019)
- Act on Electronic Services and Communication in the Public Sector (13/2003)