

## **ADDITIONAL TERMS CONCERNING INVESTMENT AID**

Discretionary government transfers granted in accordance with the Finnish Act on Discretionary Government Transfers

### **1. Conditions for granting investment aid, aid period**

The funding recipient is liable to clarify whether the Finnish Act on Public Contracts is applied to acquisitions made by the Academy-funded research project. The PI of the project is also liable to see to that contracts are put out to tender in compliance with the practices stipulated in the Act.

A requirement for the payment of investment aid is that any assets to be acquired will remain in the ownership of the aid recipient. The parties can agree in writing on other procedures in the case of research infrastructures. The Academy must be notified of the agreement at the application stage. For joint projects between several sites of research, the parties must agree in writing on the use, ownership and location of the infrastructure, also covering the time after the funding period has ended.

In the case of Academy funding for research infrastructures, the funding can – on certain conditions – be transferred to be administered at another site of research. It is the PI's site of research that receives the funding. The funding can be transferred to sites that are mentioned in the original application, unless the Academy's decision says otherwise. By virtue of section 7 of the Finnish Act on Discretionary Government Transfers, the PI's site of research is obliged to conclude a contract for the use of the transfer, the control of the use and the terms with the other sites of research receiving Academy funding. The PI's site of research is required to assume full responsibility for the use of funding, even if funds have been transferred to be used at other sites.

Investment aid awarded by the Academy cannot be used to finance leasing agreements.

If the funding is granted for acquisition of assets or for basic upgrades, the assets must not be used permanently for other purposes than for those defined in the decision on discretionary government transfers. Nor can the ownership or possession right of any assets be handed over to anyone else during the time they are used, as specified in the decision on discretionary transfers.

In funding granted for research infrastructures, the site of research and the PI together submit to the Academy an auditor's report on the use of the research funds within the project. The report is submitted to the Academy's Registrar's Office within three months after the funding period has ended.

### **2. Other public support for the project**

If, after the government transfer has been granted, it is revealed that the project has received state, municipal, parochial or other public support and that this support had not been mentioned in the application for discretionary government transfers, the Academy of Finland may decide to deduct the support partly or entirely from the transfer granted. Put together, the amounts of the investment aid and other public support must not exceed the eligible costs of the project.

### **3. Clawback of discretionary government transfers paid towards investment projects**

In clawing back discretionary government transfers received for investment projects, section 23 of the Finnish Act on Discretionary Government Transfers is applied if the property for which the

transfer was granted has been turned over to another party, if the purpose of the property is changed, or if the property has been destroyed or damaged during the period of use.

#### **4. Acquisition costs covered by discretionary government transfers**

The Academy requires that the general guidelines issued by the Finnish Accounting Board be applied to depreciations. The Board's general guidelines (16 Oct 2007) on depreciations according to plan provide advice on how a book entry on investment transfers is made. According to section 2.5 of the guidelines, an investment transfer received for acquisition of fixed assets is entered in the form of an expense transfer as a deduction of the acquisition cost. In the depreciation calculation, the depreciation base consists of the amount of the acquisition cost deducted with the transfer received. The whole acquisition cost of the fixed assets in question and the amount covered by the investment transfer are entered in the notes to the balance sheet's passive side and following the materiality principle.