

General Terms and Conditions for Grand Solutions

Contents

1. Introduction	2
1.1 Area of applicability	2
1.2 Danish version	2
2. Definitions.....	2
3. Reporting to IFD.....	3
3.1 Annual scientific reports	3
3.2 Financial reports.....	3
3.2.1 Content of the financial reports and participant accounts.	4
3.2.2 Statement of costs in Participant accounts	4
3.2.3 Costs related to hours worked on project activities - Time registration	4
3.2.4 Calculation of IFD’s investment amounts.....	4
3.3 Non-submitted accounts and scientific reports.....	4
4 Disbursements.....	5
4.1 Disbursements to the Administrator	5
4.2 The Administrator’s transfer of investment amounts to the Project Participants	5
4.3 Sub-contractors	5
4.4 Specific information on non-distributed funds.....	6
4.5 Funds held by the Administrator	6
5 Re-budgeting	6
6 Audit rules.....	6
7 Rules applying if the Investment Agreement is terminated before the Project has been completed.....	6
8 Other provisions	6
8.1 Other income and other funding	7
8.2 Reporting to SKAT	7
8.3 VAT and taxation	7
8.4 Replacement of the Administrator	7
8.5 Closing of the investment project	7
8.6 Other	7
9 Appendices	8

1. Introduction

1.1 Area of applicability

“General Terms and Conditions: Grand Solutions” comprise the rules for administration etc. of Grand Solutions projects that have entered an Investment Agreement based on an application for the Grand Solutions program in 2024.

1.2 Danish version

“General Terms and Conditions: Grand Solutions” can also be found in Danish. In the event of any discrepancy between the Danish and English versions, the Danish version applies.

2. Definitions

Administrator: The legal entity, appointed by the Project Steering Committee and approved by IFD, that will receive investment amounts from IFD. The Administrator is responsible for transferring the investment amounts to the individual Project Participants and must, in collaboration with the Project Leader, prepare the overall project accounts for IFD.

Participant accounts: Accounts for the individual Project Participant.

E-grant: The IFD project administration system to be used for all enquiries to IFD including submission of scientific and financial reports, requests for changes etc. (www.e-grant.dk).

Final installment: The amount withheld by IFD until the final scientific and financial reports have been approved.

Innovation Fund Denmark (IFD): Established pursuant to Act on the Innovation Fund Denmark, Act no. 1660 of 12 August 2021.

Investment Agreement: The agreement set up between the Project Participants and IFD concerning the implementation of a project through an investment from IFD.

Investment amounts: The money that IFD will contribute to the Project. The investment amounts are payable in arrears to the Administrator based on submitted and approved financial reports.

Investment period: The period during which IFD will invest in the Project, as stated in the Investment Agreement. All costs in the project accounts must be defrayed and booked within this period.

Investment rates: The maximum percentage of each Project Participant’s costs or of the total project’s costs that may be covered by the IFD investment. The investment rates can be found in the most recently approved budget.

Overheads: An amount that may be included in the budget to cover indirect costs. The amount is calculated as a percentage of the direct project-related costs. Cf. the “Guidelines: Grand Solutions” applying at the time of application.

Project: The project described in the Investment Agreement.

Project Leader: The person appointed by the Project Steering Committee and approved by IFD to manage the Project. The responsibilities and tasks of the Project Leader are described in the Investment Agreement for the Project.

Project Participant: The legal entities participating in the Project, either as a Project Partner or a Project Contributor, cf. the Investment Agreement.

Standard working hours: An employee’s standard working hours corresponding to full-time employment and constituting 1,642 active working hours a year.

3. Reporting to IFD

According to the investment agreement, a financial report for the project must be prepared for Innovation Fund Denmark either once or twice a year. The frequency of financial reporting must be agreed in connection with the preparation of the project's investment agreement, i.e. before project start. The accounting period cannot subsequently be changed in an ongoing project.

A **scientific report** must be submitted annually.

Furthermore, a **final financial report** and a **final scientific report** must be submitted at the end of the Project.

The financial reports and the scientific reports are to be submitted no later than 3 months after the end of the reporting/accounting period. The scientific final report and the final financial report are to be submitted no later than 3 months after the termination of the investment period.

The reports are to be submitted using specific report templates which must be downloaded from the project's page in e-grant.

3.1 Annual scientific reports

The scientific reporting period is the calendar year, with the exception that separate reporting is not required for intervals of less than 6 months. This means that:

- The first annual scientific report may comprise both year 1 and year 2 if the investment period starts on July 1 or later in year 1.
- The last annual scientific report is included in the final scientific report for the entire project. The final report may include the two last years of the project if the investment period ends on June 30 or earlier in the last project year.

The exact requirements for content and form of the annual scientific report and the final report will be given via tasks on the project's page in e-grant.

The submission of the annual scientific report and the final report is made via the grant system e-grant.

3.2 Financial reports

The reporting period depends on the investment agreement - but follows either the full calendar year, or the first and second half of the calendar year.

If reporting is done bi-annually, the following applies:

- The first half-yearly accounts may comprise both period 1 and period 2 if the investment period starts later than January 1 or July 1 in year 1. Half-yearly accounts must, however, comprise at least three months.
- The final financial report (the last half-yearly accounts) may comprise the last two accounting periods if the investment period ends before June 30 or December 30 or earlier in the final project year.

If annual reporting is done, the following applies:

Annual financial reporting covers the entire calendar year, with the exception that there is no requirement to report separately for periods shorter than 6 months. This means:

- The first financial statements can cover both year 1 and year 2 if the investment period starts on or after July 1 in year 1.
- The final financial report can cover both the penultimate and final year if the investment period ends

on June 30 or earlier in the last calendar year of the project.

3.2.1 Content of the financial reports and participant accounts.

The financial report contains Participant accounts for each Project Participant and aggregated accounts for the whole Project covering the accounting period concerned. Participant accounts should be prepared for all Project Participants irrespective of whether they will be receiving funds from IFD. The financial report is submitted in an accounting template available in the grant system e-grant.

Participant accounts must include all direct project-related costs incurred in the accounting period, irrespective of the source of funding. The Participant accounts should be audited and provided with audit reports as specified in the rules in section 6.

Costs must be broken down into the same budget items given in the most recently approved project budget.

Each Project Participant must submit its Participant accounts to the Project Leader and the Administrator along with a copy of a signed audit report and any other required information. The Administrator will then compile the accounts in IFD's financial report template. Once the accounts have been signed by the Administrator and approved by the Steering Committee, they are submitted to IFD.

The Administrator is required to review the audit reports for the Participant Accounts of each Project Participant. IFD should be informed if the audit reports contain critical or supplementary remarks or qualifications.

IFD reserves the right to request to see the Participant Accounts and audit reports submitted by each of the Project Participants. IFD may require proof of payment for project-related costs. All project participants are obliged to keep all receipts and all relevant information related to the grant for 5 years from the date of payment, cf. section 12 of the Danish Bookkeeping Act.

3.2.2 Statement of costs in Participant accounts

In the Participant accounts of the individual Project Participant, costs must be stated according to the same principles as in the approved project budget for the participant in question, cf. the Investment Agreement and its exhibits.

3.2.3 Costs related to hours worked on project activities - Time registration

Costs related to hours worked on project activities must be calculated on the basis of continuous time registration. For the purpose of bookkeeping and audits, monthly statements of worked hours must be provided for each of the Project's employees/participants. An employee may not register hours above the standard working hours in a Project. The statement should be approved by the employee/participant in question and his/her line manager. Timesheets for top managers must be approved by the financial controller.

For employees working full-time on the Project (typically postdoc employees), costs may be booked on the basis of monthly pay slips. Pay during periods of leave, including sick leave and maternity/paternity leave, cannot be included.

3.2.4 Calculation of IFD's investment amounts

For the accounts, each Project Participant should calculate its total project costs. The investment rate may vary over the years, but should not, at the conclusion of the project, exceed the approved investment rate given in the Investment Agreement.

Note that the EU rules on state aid impose a limit on the share of the costs for private-sector enterprises to be covered by public-sector subsidies, and that these maximum limits differ for industrial research and experimental development, respectively.

3.3 Non-submitted accounts and scientific reports

If the project's scientific reports, financial reports or final financial report are not submitted in time, IFD

will presume that no costs have been incurred in the relevant accounting period. The payment of the remaining part of the investment will in this case be withheld until accounts and reports are made available. Furthermore, a demand can be made for repayment of already paid funds that are not covered by already given and approved accounts or scientific reports.

4 Disbursements

4.1 Disbursements to the Administrator

Once the Investment Agreement between the grant recipient and IFD has been signed and approved by IFD, 20 % of the total investment is disbursed. Advanced disbursements will be set off in the following accounts.

Hereafter, funds are disbursed on the basis of submitted accounts provided that IFD approves the submitted accounts including appendices. Disbursement furthermore requires that the scientific reports are submitted in time and approved by IFD.

The last 10 % of the project's total investment will be disbursed as a final installment to the Administrator once the final scientific and financial reports have been approved by IFD.

Disbursements to the Administrator will automatically be made to the Administrator's NemKonto account. The Administrator is not required to send an application for disbursement.

4.2 The Administrator's transfer of investment amounts to the Project Participants

The Administrator should within one month from the disbursement of an investment amount from IFD transfer the funds to the individual Project Participants in accordance with the submitted and approved budget.

The Administrator may not disburse any funds to a Project Participant who has submitted information about financial restructuring or insolvency proceedings etc. without a preceding written approval from IFD, cf. the rules in the Investment Agreement.

The Administrator may not transfer funds to a Project Participant who has not provided accounts or other required information that should have been submitted at the time of transfer.

Given the approval of IFD, the Steering Committee may furthermore reduce disbursements to a Project Participant in the following cases:

- If a Project Participant asks for a reduction or cancellation of the disbursement.
- If the Steering Committee decides that a Project Participant should receive less than budgeted for until certain conditions have been met. This provision may be applied in connection with e.g. the termination of a Project Participant's participation in the Project. In that case, the last funds cannot be disbursed until a final financial report or other required information has been provided by the Project Participant in question.

The Steering Committee can never request that the Administrator transfer larger amounts than those received by the Administrator from IFD.

4.3 Sub-contractors

Sub-contractors must be linked to a Project Participant and be included in the budget of that Project Participant. A sub-contractor is paid by the Project Participant linked to the sub-contractor in question. The Administrator's disbursements to Project Participants must be made on the basis of invoices received for costs already incurred. The invoices must include specifications of the costs incurred such that the Project Leader may approve the invoice. Furthermore, the invoices must be specified in a way that ensures that accounts for the Project Participant's participation can be prepared in accordance with the requirements of IFD.

4.4 Specific information on non-distributed funds

The project budget may include a pool of non-distributed funds up to a maximum of 10 % of the overall IFD investment. These funds cannot be disbursed and used before the Steering Committee's and IFD's approval of a revised budget that distributes these funds among the Project Participants or allocates them to one Project Participant. Note that the rules on maximum investment rates, as set out in the guidelines for the preparation of applications, must also be met in the revised budget.

4.5 Funds held by the Administrator

The funds received by a legal entity in its capacity as Administrator must be administered in such a way that they appear in accounts separate from the investment amounts received by that same entity in its capacity as a Project Participant. It must at all times be possible to generate a statement showing the balance and receipts and disbursements of the investment amounts held by the Administrator, and IFD may at any time request such a statement.

The accounts must show the total funds received by the Administrator during the accounting period and those transferred to Project Participants.

IFD reserves the right to require a separate audit of the Administrator accounts.

5 Re-budgeting

When the project starts, a budget will have been prepared that breaks down the total project budget by Project Participants, costs categories and sources of funding (including investment amounts from IFD).

During the Project (the investment period), it may in certain cases be necessary to adjust the budget (to "re-budget"). Re-budgeting may happen due to e.g. amendments to the project plan, including changes in the group of participants, changes in the distribution of tasks of the individual participants or changes to the time plan.

Re-budgeting may also be necessary if the budget includes funds not allocated to individual Project Participants (see section 4.5 about non-distributed funds).

Any re-budgeting will as a rule be made immediately after the approval of a financial report. On the basis of the financial reports and previously disbursed investments amounts, costs and investment amounts for the remaining project period are redistributed across the various items included in the budget. Changes in the budget can, however, never have retroactive effect on completed accounting periods. Also, it will not be possible to increase the total IFD investment in the Project.

Proposals for a revised budget covering the remaining project period must be approved by IFD and will not be valid until such approval has been obtained.

6 Audit rules

Please refer to the audit instructions for grants awarded by Innovation Fund Denmark.

7 Rules applying if the Investment Agreement is terminated before the Project has been completed

If the Investment Agreement is terminated before the Project has been completed, cf. the provisions of the Investment Agreement, IFD will, as a main rule, only cover costs pertaining to the period of notice.

8 Other provisions

8.1 Other income and other funding

- *Funding from other sources:* If funding is obtained from other sources for covering costs that according to the budget of a given Project Participant should be met by IFD, the Project Participant in question must notify IFD without undue delay. In that case, IFD reserves the right to deduct funds accordingly from the investment amount due to the Project Participant in question.
- *Other project-related income:* In the event that income is generated through exercise of patent rights or sale of know-how or own production as a result of its investment, IFD will make no claim for repayment of the investment in full or in part.

8.2 Reporting to SKAT

IFD has a duty to report regularly to [SKAT](#) on any direct disbursements to non-public Danish entities. However, IFD will not report funds transferred between the Project Participants and the Administrator.

8.3 VAT and taxation

The investment amounts do not cover VAT or other turnover tax unless this has been specifically agreed in connection with the conclusion of the Investment Agreement. In those instances where the grant is taxable, the grant does not cover for such taxation. All issues regarding taxation are referred to SKAT.

8.4 Replacement of the Administrator

If IFD requests the Administrator to be replaced, cf. section 5.3 of the Investment Agreement, or if the Steering Committee, with the approval of IFD, decides to replace the Administrator, the former Administrator must ensure that the new Administrator receives all relevant information and material and that any funding from IFD held by the Administrator is transferred to the new Administrator.

8.5 Closing of the investment project

The expiry date of the investment period is stated in the Investment Agreement and its exhibits. Costs related to the investment project cannot be defrayed after this date.

When IFD has received and approved the final financial report, the final scientific report and any other documentation requested, any investment amounts withheld may be disbursed (see “Final Installment” in section 4.1 for further details). If the accounts show that the spending of investment amounts has been lower than budgeted for, the final installment will, however, be reduced accordingly.

If the accounts show that the Administrator or the individual Project Participants hold funds already disbursed, but not spent, such funds must be paid back to IFD. The funds should, however, not be repaid until after IFD has approved the accounts and final report and once the Administrator has received notification of repayment from IFD.

8.6 Other

We inform grant holders that Innovation Fund Denmark adhere to the guidelines for international research and innovation (URIS). For further information, see: [Guidelines for international research and innovation cooperation, the Ministry of Higher Education and Science](#).

The grant holder guarantees that receipt and use of the investment from Innovation Fund Denmark does not violate existing national or international sanctions, including sanctions on freezing funds or prohibitions on direct or indirect provision.

The grant holder should be aware that in connection with the conflict between Russia and Ukraine, EU has considerably restricted the access to making funds and economic resources available for specific physical or legal individuals, entities or organisations according to EU Council Regulation No 269/2014 “concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine”, and the grant holder shall guarantee that receipt and use of the grant from Innovation Fund Denmark does not violate this regulation. A consolidated list of person, groups and entities subject to EU sanctions is available on [Consolidated list of persons, groups and entities subject to EU financial sanctions - Data Europa EU](#).

9 Appendices

- Appendix 1: Declaration from project controller.
- Audit instructions for grants awarded by Innovation Fund Denmark (in Danish).