

Innovation Funding Service

BETA This is a new service – your [feedback](https://www.surveymonkey.co.uk/r/innovationfundingservicefeedback) (<https://www.surveymonkey.co.uk/r/innovationfundingservicefeedback>) will help us to improve it.

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New projects temporary framework terms and conditions

1. Background

- 1.1 These terms and conditions apply to organisations (which we will refer to as 'you' or 'your' from now on) who are applying for grant funding from Innovate UK, part of UK Research and Innovation ('we', 'us' or 'our'). This includes applications made singly or in collaboration with other applicants. These terms and conditions apply to requests to fund the project named in the funding application and confirmed in the grant offer letter (GOL).
- 1.2 If your application for funding is successful, you will receive a GOL confirming any specific conditions of the award that you must comply with, in addition to these terms and conditions. You must sign and upload the GOL before your project can start. The GOL and these terms and conditions will together be referred to as 'this agreement'.

2. General terms and conditions

- 2.1 We have the unilateral right to change these grant terms and conditions at any time, giving 28 days' notice.
- 2.2 You cannot assign, transfer or sub-contract any of your rights or obligations under this agreement to any third party.
- 2.3 Rights and/or remedies under this agreement, whether exercised or not, remain available throughout the term of this agreement defined in 3.1.
- 2.4 This agreement does not create any partnership or joint venture between us at law.
- 2.5 We accept no liability for any consequences, whether direct or indirect, that result from you undertaking the project, using the grant, or Innovate UK terminating this agreement or the grant and
- 2.6 We limit our liability to the amount of grant payable for which you can provide evidence of eligible costs incurred and defrayed, provided you are not in breach of its terms

- 2.7 This agreement is subject to the laws of England and Wales.
- 2.8 The grant cannot be used for any political or lobbying activity, or for any purpose other than the project or the purpose described or referred to in the GOL.

3. Duration

- 3.1 This agreement comes into effect on the date of the GOL. It continues until the project end date set out in the GOL or on any other date subsequently agreed by us, unless this agreement is terminated earlier in accordance with its provisions (the 'term').
- The project start date and end date will be confirmed when you set up your project. Any changes to these dates need to be agreed with us.

4. Your obligations

- 4.1 As a successful applicant, you will:
- manage the project in accordance with the terms of the application as awarded by us, and this agreement
 - not sub-contract any of your work on the project (unless previously agreed with us)
 - inform us promptly, through your Monitoring Officer (MO),
 - of any issue or material change that could affect the progress, delivery or exploitation of the project and of any changes to your constitution, legal form, membership structure (if applicable) or ownership
 - if you, your staff, officers or volunteers are subject to any complaint or investigation into dishonesty, fraudulent activities or business misconduct, carried out by any regulatory body or the police
 - of any allegations, whether proven or not, of fraud, criminal convictions, bankruptcy arrangements, or disqualifications
 - fully co-operate with us, responding to any requests for information promptly and comprehensively and allowing reasonable (audit) access to your sites and staff upon request
 - take out and maintain insurance covering your risks and liabilities for appropriate amounts and in keeping with good commercial practice
 - comply with all the laws and regulations of England and Wales in carrying out your activities under this agreement
 - provide the MO, within 90 days of the end of the project, with:
 - the final project report
 - any supporting documentation
 - confirmation that the final claim has been submitted
 - confirmation that the final independent accountant's report has been submitted

Successful and unsuccessful applicants must give us, and any data-sharing partner we appoint, any information we need to create an evaluation report. For successful applicants this will be during the term of the grant and for a further period as specified in your GOL.

With working restrictions subject to rapid change, you must inform us promptly through your monitoring officer if:

- any of the costs you have forecast or claimed will be paid by other types of government funding, including but not limited to the Coronavirus job retention scheme (furlough) payments
- your project is going to be delayed or cannot be delivered

No grant monies may be used to meet non-project related financial liabilities.

You must act at all times in full compliance with the terms and conditions of this award. If your company or directors are found to be in breach of the terms and conditions of this award you, they or your corporation/ parent company will be prohibited from applying for funding from Innovate UK in future and you may be required to repay the grant in full. Innovate UK also reserves the right to re-consider its wider funding commitments to you, in the event of any failure to comply with these terms and conditions.

4.2 To receive your award, you must start your project within 30 days of the date of your Grant Offer Letter. If you are unable to do this, Innovate UK reserves the right to terminate this offer and reclaim the grant money.

4.3 The award will be paid up to £50k as an advance on grant. The award as a whole will not exceed the maximum funding intensity of 80% of total eligible project costs. 10% of the award value will be held back and only released on full completion of all responsibilities under these Terms and Conditions as detailed in 5.8.

By project completion, you are required to have provided us with full evidence of the incurred and defrayed costs and a final project report substantiating incurred and defrayed claims throughout the project.

Any unused grant funds at the end of the project must be repaid to Innovate UK immediately. At the end of the project we will reclaim any costs that have not been evidenced as incurred and defrayed.

5. Payment of grant

5.1 Payment of the appropriate amount of your grant will be made on receipt by us of a returned signed grant offer letter. We will only pay your grant into your business account at a UK clearing bank or one of its subsidiary banks within the UK. Innovate UK may accept an account at an alternative bank in exceptional circumstances at our discretion and by prior agreement.

5.2 Payments of your grant by Innovate UK will only begin when you have returned the signed grant offer letter. After that, your MO will need to approve your claims, made at either monthly or quarterly intervals. You must provide evidence of the costs incurred and defrayed in the claim period. If for any reason, the costs incurred and defrayed are less than the grant value paid, then the balance must be returned to Innovate UK within 14 days of the final project report being uploaded. If you do

not upload a final project report then Innovate UK will seek to recover the full amount of the grant.

- 5.3 You may calculate your project costs in your application at budgeted rates, but all claims made must be at actual cost. We reserve the right to audit any or all of your claims against your accounting records to ensure that they are derived from actual cost.
- 5.4 You must provide us with two Independent Accountant's Reports; one following the payment of your first claim and the other as a Final Accountant's Report following your final claim.
At the end of the project you must provide a summary of the costs of the project, supported by evidence and correlated to the budget in the application finance form as approved during project set up. Please note that before your final claim, You must provide evidence to us of any payments you have received as other types of government funding, including but not limited to the Coronavirus job retention scheme (furlough) payments. Where there is evidence of such payments, Innovate UK reserves the right to reclaim its own grant payments.
- 5.5 Innovate UK has the right not to consider new grant applications from organisations who have failed to return required documentation, including financial reports, on any previous projects funded by Innovate UK or have breached the Terms & Conditions of any other award from UKRI.
- 5.6 You are responsible for maintaining contemporaneous and detailed records and documentation relating to the use of your grant, including timesheets, invoices and other documents. The time recording system should clearly show when, who and what has been carried out by employees. These should provide sufficient evidence to support the submission of timely and accurate claims and to demonstrate that your eligible project costs comply with all state aid rules, as outlined in paragraph 11. These records must be kept for 10 years following your receipt of the grant and must be supplied to satisfy European Commission requests for evidence of compliance within 20 days if requested. Grant recipients should be open and transparent and must provide additional information if asked. For example, this may include details of staff contributing to the project, or the nature of the relationship between directors of companies involved in the project.
- 5.7 Where you use subcontractors, we reserve the right to request further information and conduct further checks. Any relationship, including any potential conflict-of-interest between the funded project partner and subcontractor must be declared. Where a project partner is a public body, they must be able to demonstrate that the work has been put to public tender through an open and transparent procurement process. A project partner cannot provide services or equipment to other project partners at a profit.
- 5.8 Innovate UK will retain 10% of your maximum grant value until the project is complete and we have received:

- any outstanding claims
- supporting information
- final project report
- final independent accountant's report (FAR)

Payment of the retained value (10%) is subject to the contents of the final accountant's report. Adjustments may mean that you are not entitled to receive all of the retained value.

- 5.9 Innovate UK may appoint an auditor, at our expense, to ensure you are complying with the terms and conditions of this agreement. You agree to give the auditor or person nominated by UKRI, access to your project records within 2 weeks' notice of their appointment. If the auditor determines that all or part of the grant has been misapplied or that you should repay all or part of the grant to Innovate UK, we may recover the cost of the auditor's work from you.

6. Monitoring

- 6.1 Innovate UK is required to demonstrate to UK Research and Innovation and the Department for Business, Energy and Industrial Strategy (BEIS) the effective performance management of project delivery. Your project will be monitored by Innovate UK's project monitoring service.
- 6.2 Throughout the term of your project, your progress is monitored by Innovate UK through your Monitoring Officer (MO). Your MO is your first point of contact for official notifications, queries and correspondence with Innovate UK, unless otherwise required by this agreement. You should comply with any reasonable request for information and deadlines by your MO.
- 6.3 Your project manager, and others as may be agreed from time to time, will meet with your MO once a calendar quarter (or agreed period) to review your written report for the period since the last monitoring meeting. You should deliver this report to your MO no later than 14 days before the scheduled monitoring meeting.
- 6.4 Your MO will require you to provide satisfactory evidence of project delivery in the following 3 aspects:
1. Technical assurance.
 2. Financial assurance.
 3. Project management assurance.
- Failure to provide satisfactory evidence in any one of these areas will prevent your MO from validating your claims.

7. Warranties

- 7.1 As of the effective date of this agreement, you warrant to Innovate UK that:
- you have all necessary resources and expertise to deliver the project within the agreed timescale (this assumes your reliance on a timely receipt of the grant and any conditions specified in the GOL)
 - you are not subject to any contractual or other restriction imposed by your or any other organisation's rules or regulations or otherwise

which may prevent or impede you from meeting your obligations in connection with the grant

- in delivery of your project, you are compliant at all times with all relevant laws and regulations in England and Wales
- you have adequate procedures in place for dealing with any conflicts of interest
- all financial and other information concerning you which has been disclosed to Innovate UK is, to your reasonable knowledge and belief, true and accurate
- you are not subject to an outstanding order for the recovery of aid which has been declared by the European Commission to be illegal and incompatible with the Single Market
- there is no cumulation or duplication of public funding for the same project costs, including but not limited to, the Coronavirus job retention scheme
- you were not an [undertaking in difficulty](https://www.gov.uk/guidance/innovation-apply-for-a-funding-award#undertakings-in-difficulty--eu-definition) (<https://www.gov.uk/guidance/innovation-apply-for-a-funding-award#undertakings-in-difficulty--eu-definition>) as defined in accordance with the State Aid rules, as at 31 December 2019.
- you comply with all requirements under the EC Temporary Framework, in particular that you will not exceed the limit of €800,000 applicable to all undertakings under this Framework. You will declare this award to any and all public funders and authorities on request, including the European Commission.
- you commit to grant non-exclusive licenses under non-discriminatory market conditions to third parties in the EEA, if you are asked to do so.

8. Suspend, termination and repayment of grant

8.1 Innovate UK may suspend, terminate and/or reclaim the grant in whole or in part.

8.2 We will take appropriate care in how we do this, but in certain circumstances Innovate UK can immediately suspend grant payments.

8.3 If we have concerns that mean we might need to suspend, terminate or reclaim the grant, we will write to inform you and you will then have 30 days to address our concerns.

8.4 Examples of events that may result in Innovate UK suspending grant payments include, without limitation:

- misuse of the grant funds, including, in a fraudulent or financially misleading way or for purposes not declared in your application or agreed to subsequently by Innovate UK (or the Contracting Authority if specified as other than Innovate UK in the GOL)
- false statements in any part of your application for grant or project documentation
- failure to maintain satisfactory progress on the project in the opinion of Innovate UK
- any significant changes to the proposed outcomes of the project

- failure to comply with any terms and conditions of this agreement
- behaviour or activity by you, your staff, representatives or contractors which, in the reasonable opinion of Innovate UK, is non-compliant with legislation or HM Government policies, or is detrimental to the reputation of Innovate UK, UK Research and Innovation or the Department for Business, Energy and Industrial Strategy, or is otherwise detrimental to the public interest

8.5 Examples of events that may result in Innovate UK terminating the grant include, without limitation:

- failure to resolve to Innovate UK's satisfaction, or not being able to resolve, the reasons for suspension
- being found to have applied for and secured multiple awards from Innovate UK or UK Research and Innovation for the same or largely interchangeable project scopes
- being found to have breached any of Innovate UK's policies with which you had previously been required to comply as a condition of the award of the grant
- becoming insolvent, declared bankrupt, placed into receivership, administration or liquidation, or having a petition presented for winding up, or any similar arrangements that may affect you financially (including any requirements imposed by GBER (see clause 11))
- a change to your legal status which you have failed to declare or have misrepresented to us
- you are in breach of any of the warranties contained in clause 7
- you use the grant for purposes other than those contained within the application and description of the project without the consent of Innovate UK
- you have failed completely to provide or, in the reasonable opinion of Innovate UK, failed to make reasonable effort to collect and/or provide the information requested of you by Innovate UK in accordance with clause 9
- behaviour or activity by you, your staff, your auditor, your accountant, representatives or contractors involving an act of fraud, dishonesty, malfeasance, misrepresentation or any serious financial irregularity in respect of you or your operations which has or could have a serious adverse effect on you, Innovate UK or both
- you commit a breach of your State Aid obligations referred to in clause 11

8.6 If you do not resolve an issue causing suspension or if we terminate the grant, you may be required to repay some or all, of the grant.

8.7 Innovate UK has the right to take all reasonable steps to reclaim any or all of the grant already claimed by you, should it be necessary for Innovate UK to suspend or terminate your grant or terminate this agreement for any reason.

8.8 Where there is an underspend in grant funds paid to or claimed by you at the project end date, the full value of the underspend will be

returned to Innovate UK immediately.

- 8.9 If you are found to have applied for and secured multiple awards for the same or largely interchangeable project scopes from UK Research and Innovation or any other support received from the UK government, including but not limited to the COVID-19 support packages, we reserve the right to reclaim the grant in full.

9. Financial reporting

9.1 You agree to appoint an independent accountant who will inspect your financial statements relating to the grant. They will prepare an independent accountant's report, at the intervals stated in, and including the information set out in, Innovate UK's guidance note. The last of these of these is referred to as the final accountant's report. The guidance note is available from your MO. The report will contain an opinion that:

- the financial information and level of grant claimed are fairly stated and fully evidenced
- your submitted eligible costs have been properly incurred and paid in accordance with this agreement
- you have provided satisfactory explanations for any queries raised by the independent accountant

9.2 You must appoint an independent accountant in a manner consistent with Innovate UK's Standard Terms of Engagement of Accountants. These will be given to you by your MO.

9.3 You must keep your accounts, including comprehensible management accounts, up to date and open to inspection by Innovate UK, or its nominated representatives, at all reasonable times. We have the right to carry out assurance visits to the registered UK office without prior notice. All reasonable efforts must be made to comply with any feasible requests at the time of the visit. We reserve the right to request additional information to conduct background checks and due diligence on company directors and persons of significant control.

9.4 Innovate UK may ask you to submit an accountant's report if any of the following occur:

- you withdraw from the project
- the project is terminated
- you submit a claim disclosing expenditure substantially greater than forecast, in the opinion of your MO
- you are suspected of breaching the terms and conditions of this agreement

10. Confidentiality and information management

10.1 Innovate UK has the right to request access to any additional information we feel necessary in connection with this award. You must provide or allow access to such information within 10 working days of our request. We will treat your confidential and personal information in accordance with our policies and data protection legislation.

- 10.2 All your information disclosed deliberately or otherwise will be treated by Innovate UK as confidential information and commercially sensitive as exempted under the Freedom of Information Act 2000 or any related legislation, unless otherwise marked or agreed in writing. For the avoidance of doubt, it is at your discretion and must be with the agreement of the relevant third parties, if you choose to disclose confidential information of third parties to Innovate UK, at which point it will be treated as confidential information by Innovate UK unless marked otherwise.
- 10.3 You acknowledge and accept the terms of Innovate UK's privacy notice and information management policy which should be read in addition to UKRI's privacy notice. This policy explains Innovate UK's specific arrangements for collecting, storing, using and sharing your information. This can include personal data or confidential or commercially sensitive information. It provides details on how we use this information to support our ability to fund, support and connect innovative businesses and encourage sustainable economic growth for the UK.
- 10.4 Any information we collect from you, through our online platforms, grant applications and administration, events or elsewhere, will be managed according to this policy and is subject to data protection. This policy complies with the General Data Protection Regulation (EU 2016/679), or GDPR, introduced on 25 May 2018.
- 10.5 As a public sector organisation we are also subject to some further data protection obligations under the UK Data Protection Act 2018.

11. State Aid obligations

- 11.1 This grant is awarded by Innovate UK under the European Commission's "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak C(2020) 1863 final and subsequent Amendment." You must ensure at all times that you are compliant with the State Aid regulations under which you have been awarded, noting that the maximum any one undertaking may receive under the Temporary Framework is €800,000. Further information about the regulations can be found in the [European Commission's guidance \(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOC_2020_091_I_0001\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOC_2020_091_I_0001).
- 11.2 You must declare the amount awarded under this Grant Offer Letter if asked in the future, to any other aid awarding body. For the purposes of aid received under the Temporary Framework, you must retain this Grant Offer Letter from the date of which the aid is granted and produce it on any request by the UK public authorities or the European Commission. You must keep all records relating to this award for a minimum of 10 years.
- 11.3 Innovate UK will immediately stop grant payments to you in any and all projects if you become subject to a recovery order that follows on from a previous European Commission decision, which declares any

aid you have received as illegal and incompatible with the internal market.

- 11.4 Where you are required by an order of the European Commission to repay any grant to Innovate UK that is found to be unlawful State Aid, interest will be charged on the amount being reclaimed from the date of payment at the applicable legislated rate.
- 11.5 No subcontract can be made which would constitute a breach of State Aid obligations.
- 11.6 You acknowledge that in compliance with EU Treaty obligations, Innovate UK may be required to provide the European Commission with information about the financial assistance given to it by Innovate UK and shall provide such assistance as Innovate UK shall reasonably request.

12. Intellectual property rights

- 12.1 Any intellectual property rights (IPRs) developed during or as a result of the project are owned by you.
- 12.2 You will ensure that you have the necessary rights to use or access third party IPR needed to carry out the project.
- 12.3 You manage IPRs in a professional and business-like manner in order, amongst other things, to help the achievement of Innovate UK's overall aims of encouraging the commercialisation of new technologies, helping businesses to grow by benefiting from UK research and enhancing growth of high technology industry in UK.
- 12.4 You commit to grant non-exclusive licenses under non-discriminatory market conditions to third parties in the EEA, if you are asked to do so.

13. Realisation of project results

- 13.1 Innovate UK requires you to establish an exploitation plan together with your Monitoring Officer at the start of your project, and to refine and update it at least once every 6 months (or at other intervals as agreed with Innovate UK) throughout the project's lifetime.
For a period of 5 years from the end of the project, Innovate UK expects you to take reasonable steps to exploit the results of the project in the UK or wider European Economic Area. Innovate UK will continuously evaluate the impact of funding awarded to the project and you will cooperate fully in this process.
- 13.2 You must refine and update your exploitation plan, initially set out in your application, throughout the lifetime of the project and where specified for a defined period after the project end date.

14. UK statutory framework

- 14.1 Innovate UK is required to comply with all legislation in England and Wales.
- 14.2 You must also comply with all legislation (including in the devolved administrations) where they apply to you and to act in a way that does not affect our ability to comply.

- 14.3 Innovate UK requires grant recipients to abide by the key principles of UKRI's policy on "preventing harm (safeguarding) in research and innovation." We also particularly draw to your attention to your compliance duties under; the Bribery Act 2010, the Data Protection Act 2018, the Fraud Act 2006, the Health and Safety at Work Act 1974, the Modern Slavery Act 2015 and the Procurement Regulations 2015 (where appropriate) and legislation relating to tax compliance.
- 14.4 Cyber Security: All project participants must ensure all IT systems safeguard information, including at rest and when in transit, against unauthorised use, disclosure or modification, damage or loss and that it is enabled by logical access.

15. Publication of information

- 15.1 Innovate UK encourages you to seek your own publicity in respect of the project. If you want to publicise the project in any way whatsoever, please consult the Innovate UK guide 'Publicising your project: guidelines from Innovate UK' available from Innovate UK's Press Office by emailing pressoffice@innovateuk.ukri.org.

16. Dispute resolution

- 16.1 Where a dispute arises between you and Innovate UK, we would encourage you to contact us to discuss how the matter can be resolved. If a mutually acceptable resolution cannot be achieved within 30 days of you contacting us, Innovate UK has the right:
- either, unilaterally to terminate the grant and potentially to seek repayment of all or part of the grant funds previously paid to you; or
 - if both parties agree, to refer the matter to the London Court of International Arbitration (LCIA), whose decision will be binding. Any arbitration will be conducted in accordance with LCIA Arbitration Rules before one arbitrator seated in London

17. Force majeure

- 17.1 Where an event of force majeure, or a change to the laws of England and Wales, UK government or devolved administration policy and/or the legal acts of the European Union occurs which affects Innovate UK's ability to continue funding your project, we can terminate this agreement by giving you as much written notice as reasonably possible. In such circumstances, Innovate UK will meet any eligible costs in respect of the project that you have reasonably incurred and paid before the date of termination of this agreement.

18. Entire agreement

- 18.1 This agreement, its Standard Terms & Conditions and the amendments included here to those Standard Terms & Conditions together constitute the whole agreement between Innovate UK and supersedes all previous agreements between us relating to the project. Each party acknowledges that, in entering into this

agreement, it has not relied on and has no right or remedy in respect of any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this agreement. Nothing in this paragraph shall limit or exclude any liability for fraud or for fraudulent misrepresentation.

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