



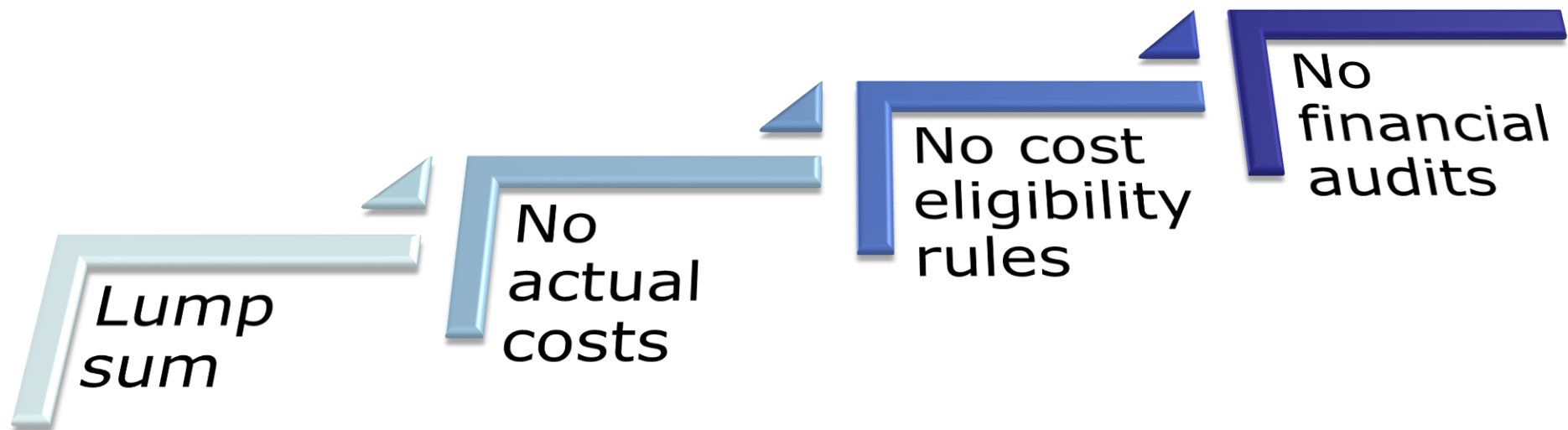
HORIZON 2020

Model Grant Agreement LUMP SUM PILOT S2R JU

Lump sum grant: introduction

The grant agreement will set out the lump sum (EU funding) corresponding to the full accomplishment of the work committed in Annex 1.

The lump sum for the grant is set out at its signature, the costs actually incurred are not relevant.



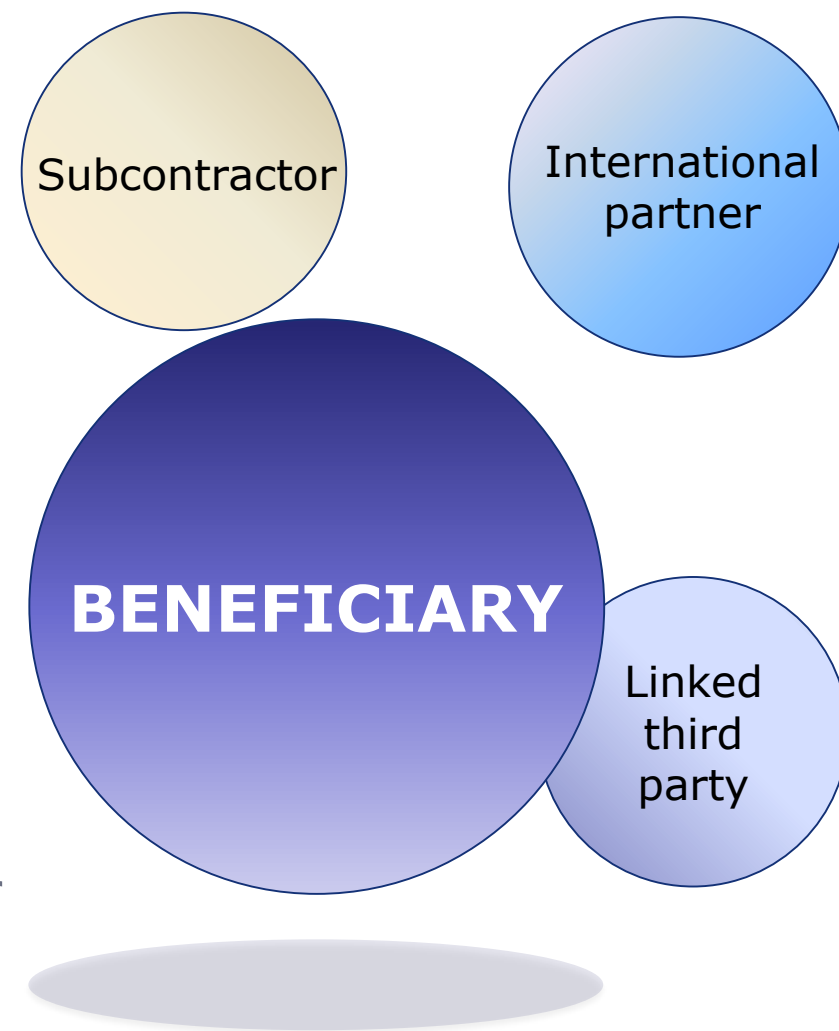
Lump sum grant: introduction (ii)

Costs actually incurred are not relevant.

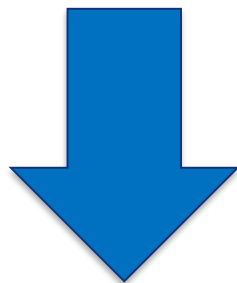
Who does the work still is !

As in the General MGA:

- Linked third parties and international partners must be named in the grant agreement
- Annex 1 must detail the tasks to be:
 - ✓ Attributed to each linked third party
 - ✓ Attributed to each international partner
 - ✓ Subcontracted



Amount of the lump sum



**Per project
based on
the budget**

Lump sum grant: budget allocation

Annex 2

Lump sum = Maximum grant amount

Max. liability of the beneficiary after payment of balance

| | WP1 | WP2 | WP3 | WP4 | WP5 | WP6 | WP7 | WP8 | Total |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Beneficiary A | 250.000 | | | 50.000 | 300.000 | 250.000 | | 300.000 | 1.150.000 |
| Beneficiary B | | 250.000 | 350.000 | 50.000 | | | 100.000 | 150.000 | 900.000 |
| Beneficiary C | 100.000 | 100.000 | | 50.000 | | 280.000 | | | 530.000 |
| Beneficiary D | | 120.000 | | 50.000 | | | 100.000 | 150.000 | 420.000 |
| Total | 350.000 | 470.000 | 350.000 | 200.000 | 300.000 | 530.000 | 200.000 | 600.000 | 3.000.000 |

Share of the lump sum per WP

Lump sum grant: how many work packages?

As many as needed but no more than what is manageable

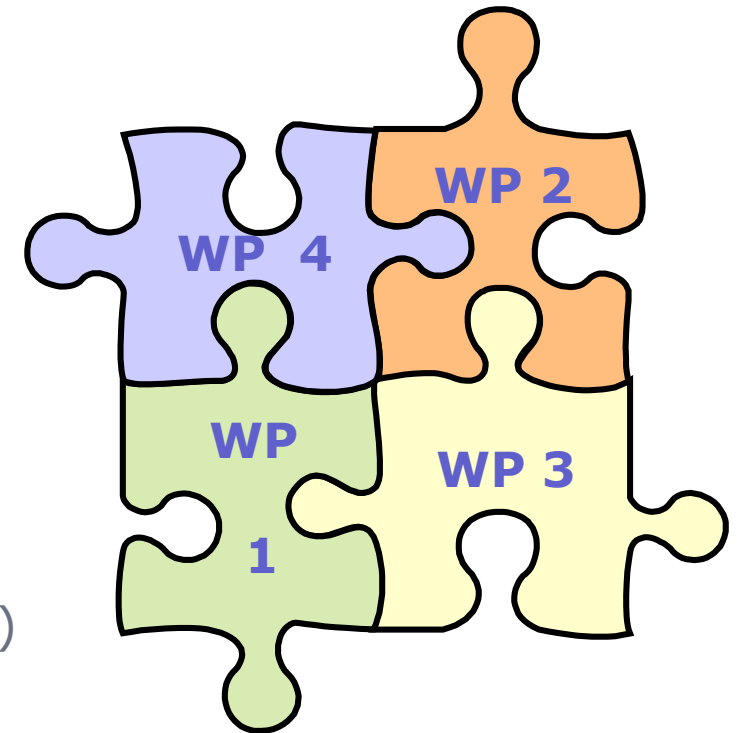
'Work package means a major sub-division of the proposed project.'

Horizon 2020 Proposal template

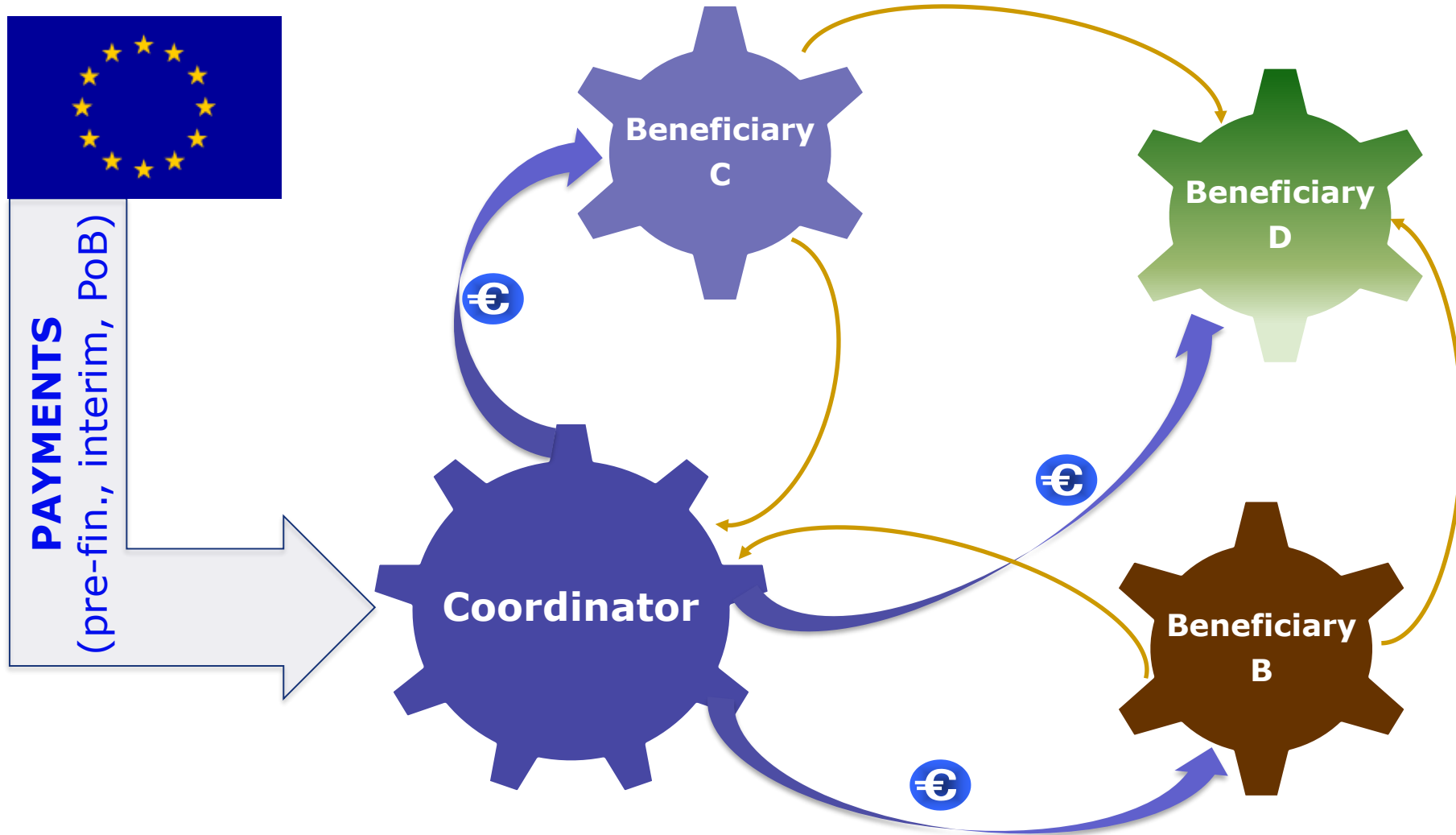
Therefore:

- ✘ A single activity is not a WP
- ✘ A single task is not a WP
- ✘ A % of progress of work is not a WP
(e.g. 50 % of the tests)
- ✘ A lapse of time is generally not a WP
(e.g. activities of year 1)

WP management may be an special case.



Lump sum grant: distribution of funds






Distribution of funds does not change financial liability of Annex 2



Lump sum grant: budget transfers

 All budget transfers require an amendment

| | WP1 | WP2 | WP3 | WP4 | WP5 | WP6 | WP7 | WP8 | Total |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|
| Beneficiary A | 250.000 | | | 50.000 | 300.000 | 250.000 | | 300.000 | 1.150.000 |
| Beneficiary B | | 250.000 | 350.000 | 50.000 | | | 100.000 | 150.000 | 900.000 |
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| Total | 350.000 | 470.000 | 350.000 | 200.000 | 300.000 | 530.000 | 200.000 | 600.000 | 3.000.000 |



Transfer amounts between Work Packages only acceptable if:

- Work Packages **not** already completed (and declared)
- Justified by the technical and scientific implementation of the action
- A review confirms that it does not call into question the decision awarding the grant or breach the principle of equal treatment

Lump sum grant: types of payments



Pre-financing payment

- Same functioning that in the general MGA
- Coordinator distributes the amount according to consortium agreement



Interim payment(s)

- One or more
- Pay the shares of the lump sum set out in Annex 2 for the WPs completed & approved in the reporting period



Payment of the balance

- Closes the financial aspects of the grant
- Uncompleted WPs will (generally) NOT be paid
- Releases the guarantee fund

Lump sum grant: periodic report

Periodic report

⇒ Submitted by coordinator max. 60 days after end of the period

Periodic Technical Report

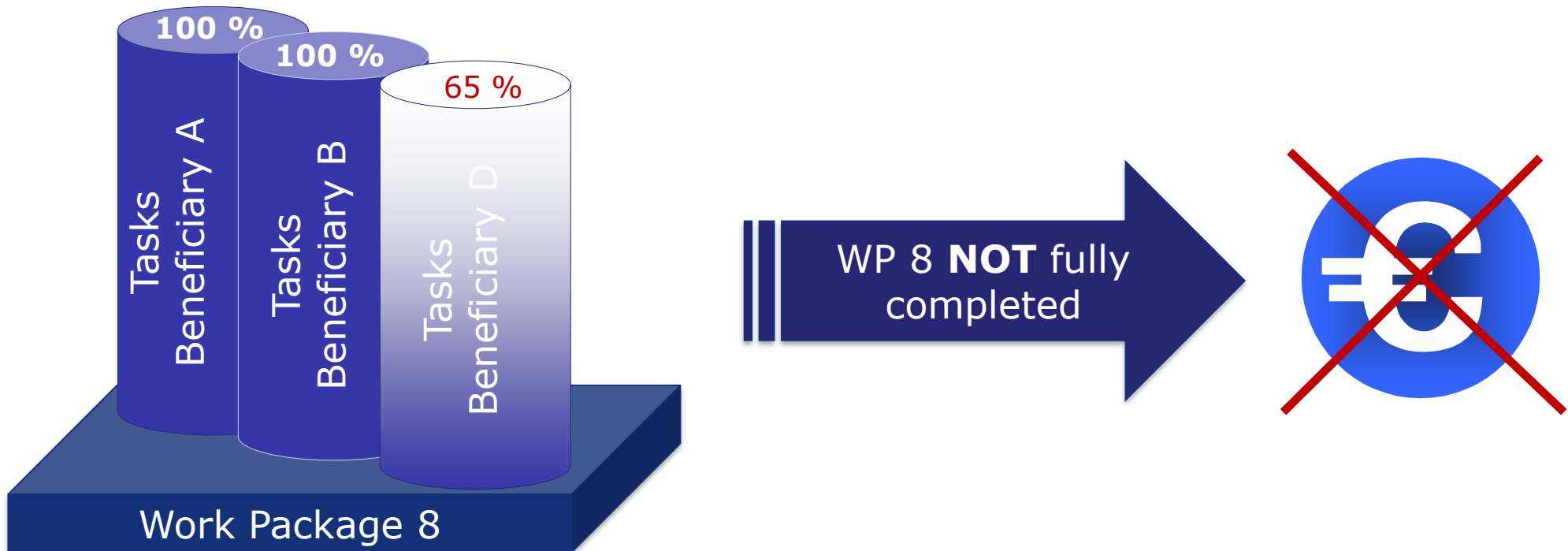
- ✓ explanation of the work carried out
- ✓ overview of progress of the work & plan for the exploitation dissemination of results
- ✓ summary for publication
- ✓ questionnaire

Periodic Financial Report

- ✓ financial statement (individual & summary): **no cost categories; only lump sum shares**
- ✓ use of the resources: **only to report subcontracts not in Annex 1**

Lump sum grant: interim financial reporting

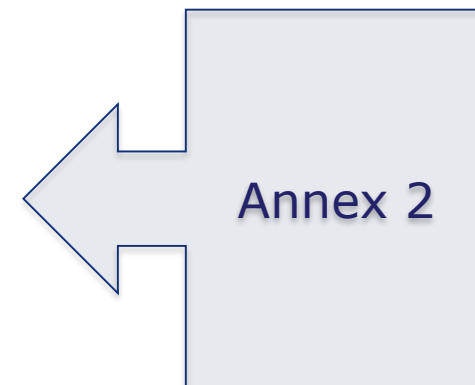
Each beneficiary declares its share of the lump sum allocated to Work Packages **fully** completed in the reporting period



Lump sum grant: interim payment

Sum of the shares of the lump sum allocated to Work Packages fully completed in the reporting period

| | WP1 | WP2 | WP3 | WP4 | WP5 |
|----------------------|---------|---------|---------|---------|---------|
| Beneficiary A | 250.000 | | | 50.000 | 300.000 |
| Beneficiary B | | 250.000 | 350.000 | 50.000 | |
| Beneficiary C | 100.000 | 100.000 | | 50.000 | |
| Beneficiary D | | 120.000 | | 50.000 | |
| Total | 350.000 | 470.000 | 350.000 | 200.000 | 300.000 |



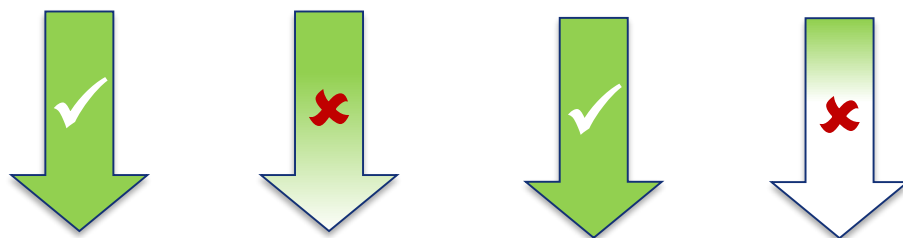
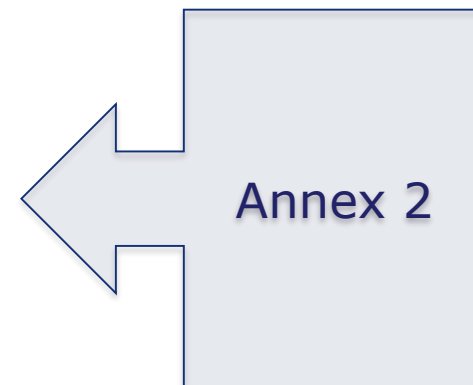
| | WP1 | WP2 | WP3 | WP4 | WP5 |
|----------------------|-----------|---------------|-----------|---------------|-----------|
| Beneficiary A | Completed | | | Initiated | Initiated |
| Beneficiary B | | Completed | Completed | Not initiated | |
| Beneficiary C | Completed | Not initiated | | Not initiated | |
| Beneficiary D | | Completed | | Completed | |



Lump sum grant: interim payment

Sum of the share of the lump sum allocated to Work Packages fully completed in the reporting period

| | WP1 | WP2 | WP3 | WP4 | WP5 |
|---------------|---------|---------|---------|---------|---------|
| Beneficiary A | 250.000 | | | 50.000 | 300.000 |
| Beneficiary B | | 250.000 | 350.000 | 50.000 | |
| Beneficiary C | 100.000 | 100.000 | | 50.000 | |
| Beneficiary D | | 120.000 | | 50.000 | |
| Total | 350.000 | 470.000 | 350.000 | 200.000 | 300.000 |



$$\text{Payment} = 350\ 000 + 0 + 350\ 000 + 0 = 700\ 000\ \text{€}$$



Limited to 90 % of the total grant

Lump sum grant: beneficiary termination

Participation of a beneficiary is terminated:

1. Contradictory procedure with the beneficiary about the shares of the lump sum approved by the Commission.

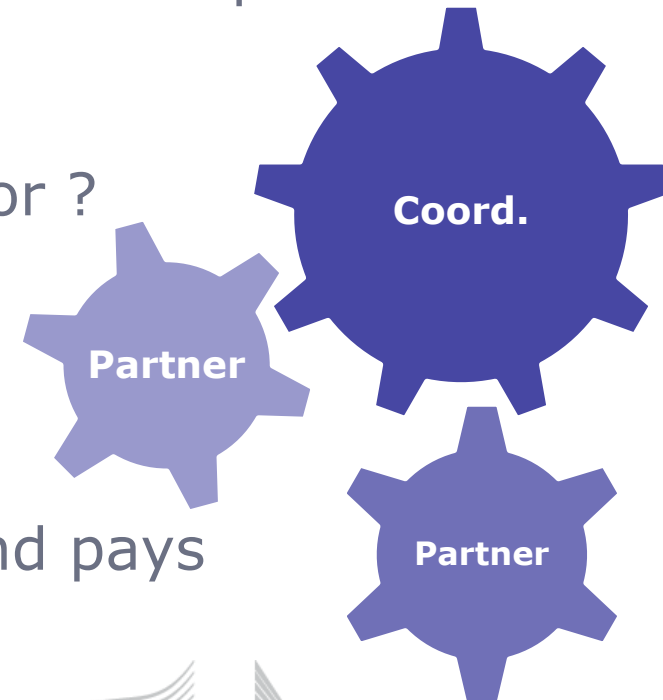
In general: only shares for WP in which it has completed its tasks may be approved.

2. Amount approved > payments from coordinator ?

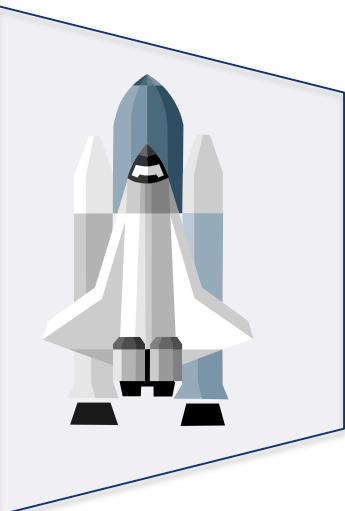
If YES = coordinator pays the difference

If NOT = beneficiary repays to coordinator

If beneficiary does not repay \Rightarrow Guarantee fund pays



Lump sum grant: payment of the balance



All work completed as indicated in Annex 1:

The Commission pays the remaining amount up to the total lump sum (and releases the Guarantee Fund)



Some WP not completed as indicated in Annex 1:

WP rejected
(in full or in part)

Grant reduced

Consortium loses the share allocated to that WP

The Guarantee Fund does **NOT** intervene



As in General MGA, other reductions (e.g. for breach of obligations) may also apply

Lump sum grant: ex-post controls

Checks, reviews and audits for:



Proper implementation of the action (e.g. technical audit)



Compliance with the other obligations of the grant:



IPR obligations

Obligations related to third parties (e.g. financial support)

Other obligations (e.g. ethics, visibility of EU funding, etc.)



Bye, bye, financial audits

Lump sum grant: ex-post controls

You **need**



- Technical documents
- Publications, prototypes, deliverables
- Who did what?
- ...any document proving that the work was done as detailed in Annex 1

You **don't need**



- Time-sheets
- Pay-slips or contracts
- Depreciation policy
- Travel invoices
-actual costs



Already the case under the general MGA

Lump sum grant: recoveries

During the action

- Recovery only in case of termination of a beneficiary (if amount approved < amount received from the coordinator)

Payment of balance (PoB)

- Recovery if amount approved < payments already made (e.g. grant reduction due to WP not completed according to Annex 1)
- Excess will normally be recovered from beneficiaries whose amount approved < amount received from the coordinator

After PoB

- Following (e.g.) a technical audit
- Recovery only from defaulting beneficiaries
- Each partner liable up to the amount allocated to it in Annex 2



HORIZON 2020

**Thank you
for your attention!**

Find out more:

<http://ec.europa.eu/programmes/horizon2020/>