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
Lump sum grant: H2020-S2RJU-2018

Amount of the lump sum

Per project based on the budget

Disclaimer: Information not legally binding
## Lump sum grant: budget allocation

### Annex 2

Lump sum = Maximum grant amount

Max. liability of the beneficiary after payment of balance

<table>
<thead>
<tr>
<th>WP1</th>
<th>WP2</th>
<th>WP3</th>
<th>WP4</th>
<th>WP5</th>
<th>WP6</th>
<th>WP7</th>
<th>WP8</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>250k</td>
<td></td>
<td>50k</td>
<td>300k</td>
<td>250k</td>
<td></td>
<td>300k</td>
<td></td>
<td>1.150k</td>
</tr>
<tr>
<td>250k</td>
<td>350k</td>
<td>50k</td>
<td></td>
<td></td>
<td>100k</td>
<td>150k</td>
<td></td>
<td>900k</td>
</tr>
<tr>
<td>100k</td>
<td>100k</td>
<td>50k</td>
<td></td>
<td>280k</td>
<td></td>
<td></td>
<td></td>
<td>530k</td>
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<tr>
<td>120k</td>
<td>50k</td>
<td></td>
<td></td>
<td>100k</td>
<td>150k</td>
<td></td>
<td></td>
<td>420k</td>
</tr>
<tr>
<td>350k</td>
<td>470k</td>
<td>350k</td>
<td>200k</td>
<td>300k</td>
<td>530k</td>
<td>200k</td>
<td>600k</td>
<td>3,000k</td>
</tr>
</tbody>
</table>

Share of the lump sum per WP

Disclaimer: Information not legally binding
As many as needed but no more than what is manageable

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

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

![Diagram showing the distribution of funds among beneficiaries (Coordinator, Beneficiary B, Beneficiary C, Beneficiary D).]

Distribution of funds does not change financial liability of Annex 2

Disclaimer: Information not legally binding
### Lump sum grant: budget transfers

All budget transfers require an amendment

<table>
<thead>
<tr>
<th>Work Package (WP)</th>
<th>Beneficiary A</th>
<th>Beneficiary B</th>
<th>Beneficiary C</th>
<th>Beneficiary D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>250.000</td>
<td>250.000</td>
<td>100.000</td>
<td>120.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50.000</td>
<td>350.000</td>
<td>100.000</td>
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<td></td>
<td>300.000</td>
<td>50.000</td>
<td>280.000</td>
<td>100.000</td>
<td>200.000</td>
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<td></td>
<td>250.000</td>
<td>280.000</td>
<td>150.000</td>
<td>530.000</td>
<td>300.000</td>
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<tr>
<td></td>
<td>300.000</td>
<td>150.000</td>
<td>530.000</td>
<td>600.000</td>
<td>1,150.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>900.000</td>
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<td>530.000</td>
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<td></td>
<td></td>
<td>420.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,000.000</td>
</tr>
</tbody>
</table>

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

Disclaimer: Information not legally binding
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

Disclaimer: Information not legally binding
Each beneficiary declares its share of the lump sum allocated to Work Packages **fully** completed in the reporting period.

**Lump sum grant: interim financial reporting**
**Lump sum grant: interim payment**

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

<table>
<thead>
<tr>
<th>WP1</th>
<th>WP2</th>
<th>WP3</th>
<th>WP4</th>
<th>WP5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary A</td>
<td>250.000</td>
<td></td>
<td>50.000</td>
<td>300.000</td>
</tr>
<tr>
<td>Beneficiary B</td>
<td></td>
<td>250.000</td>
<td>350.000</td>
<td>50.000</td>
</tr>
<tr>
<td>Beneficiary C</td>
<td>100.000</td>
<td>100.000</td>
<td></td>
<td>50.000</td>
</tr>
<tr>
<td>Beneficiary D</td>
<td></td>
<td>120.000</td>
<td></td>
<td>50.000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>350.000</td>
<td>470.000</td>
<td>350.000</td>
<td>200.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WP1</th>
<th>WP2</th>
<th>WP3</th>
<th>WP4</th>
<th>WP5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary A</td>
<td>Completed</td>
<td></td>
<td>Initiated</td>
<td>Initiated</td>
</tr>
<tr>
<td>Beneficiary B</td>
<td></td>
<td>Completed</td>
<td>Completed</td>
<td>Not initiated</td>
</tr>
<tr>
<td>Beneficiary C</td>
<td>Completed</td>
<td>Not initiated</td>
<td></td>
<td>Not initiated</td>
</tr>
<tr>
<td>Beneficiary D</td>
<td></td>
<td>Completed</td>
<td></td>
<td>Completed</td>
</tr>
</tbody>
</table>

State of play at the end of the reporting period

Annex 2
**Lump sum grant: interim payment**

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

<table>
<thead>
<tr>
<th>WP1</th>
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<tbody>
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<td>Beneficiary A</td>
<td>250.000</td>
<td></td>
<td>50.000</td>
<td>300.000</td>
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<tr>
<td>Beneficiary B</td>
<td></td>
<td>250.000</td>
<td>350.000</td>
<td>50.000</td>
</tr>
<tr>
<td>Beneficiary C</td>
<td>100.000</td>
<td>100.000</td>
<td></td>
<td>50.000</td>
</tr>
<tr>
<td>Beneficiary D</td>
<td></td>
<td>120.000</td>
<td></td>
<td>50.000</td>
</tr>
<tr>
<td>Total</td>
<td>350.000</td>
<td>470.000</td>
<td>350.000</td>
<td>200.000</td>
</tr>
</tbody>
</table>

Payment = 350 000 + 0 + 350 000 + 0 = 700 000 €

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️</td>
<td>✗</td>
<td>✔️</td>
<td>✗</td>
<td></td>
</tr>
</tbody>
</table>

Limited to 90% of the total grant
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 ⇒ 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 losses 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
Thank you for your attention!

Find out more: http://ec.europa.eu/programmes/horizon2020/