



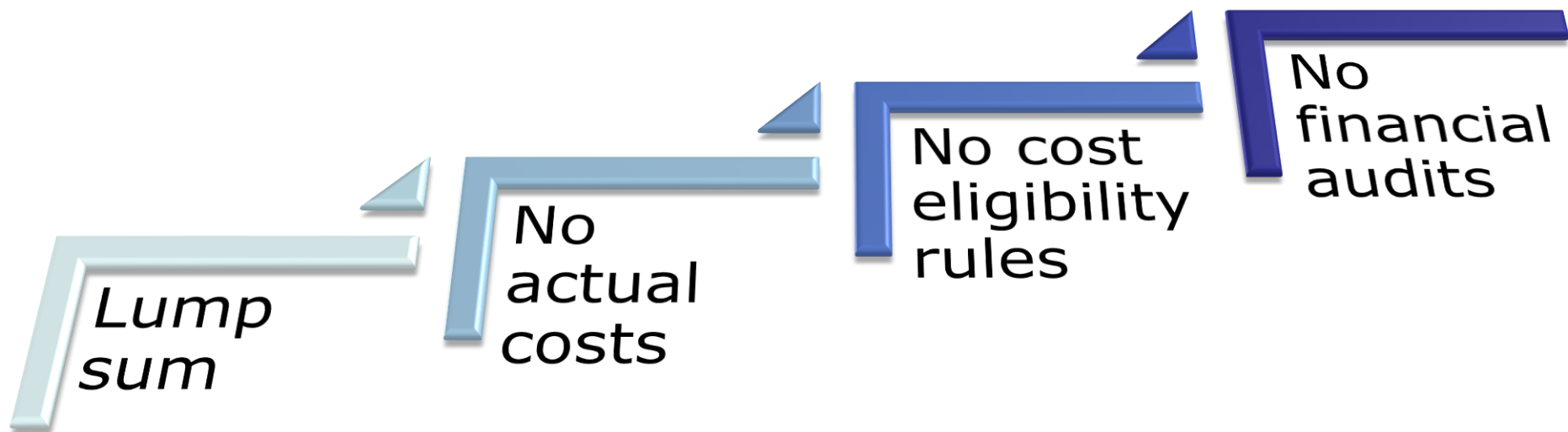
# HORIZON 2020

## Model Grant Agreement LUMP SUM PILOT

# 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.



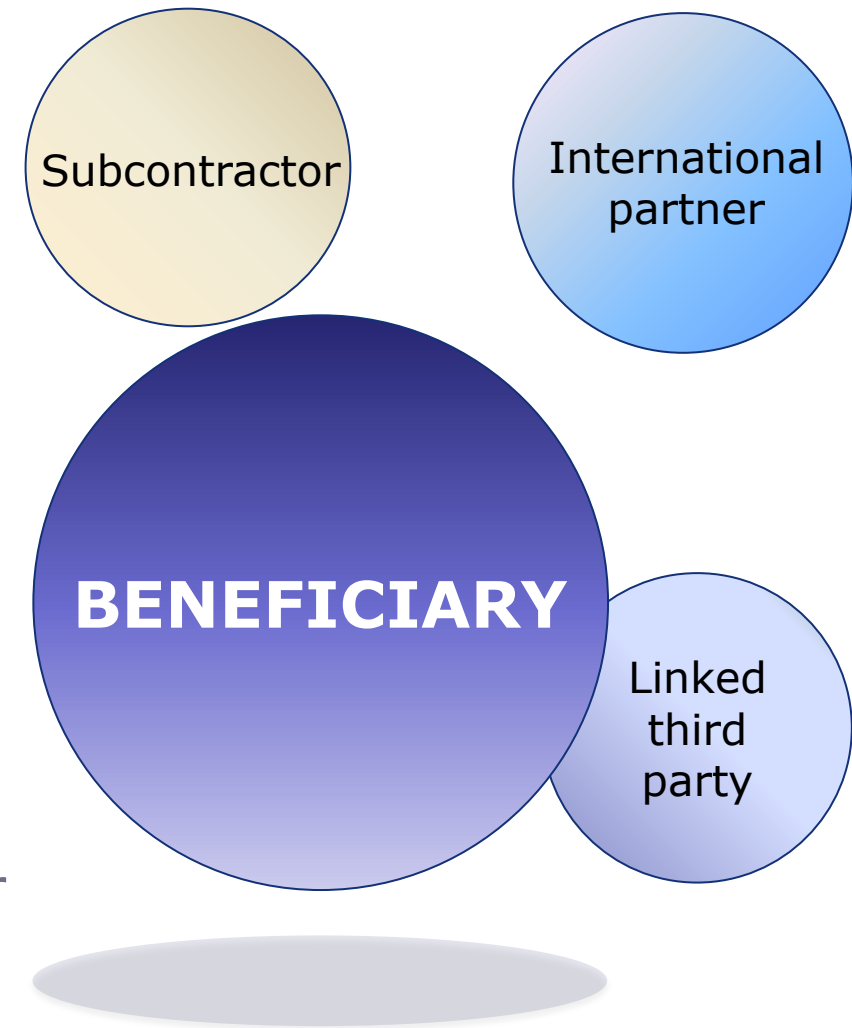
# Lump sum grant: introduction (ii)

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



# **Lump sum grant: two methods**

## **Amount of the lump sum**

**Fixed in the  
Call**

**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
<b>Total</b>	<b>350.000</b>	<b>470.000</b>	<b>350.000</b>	<b>200.000</b>	<b>300.000</b>	<b>530.000</b>	<b>200.000</b>	<b>600.000</b>	<b>3.000.000</b>

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

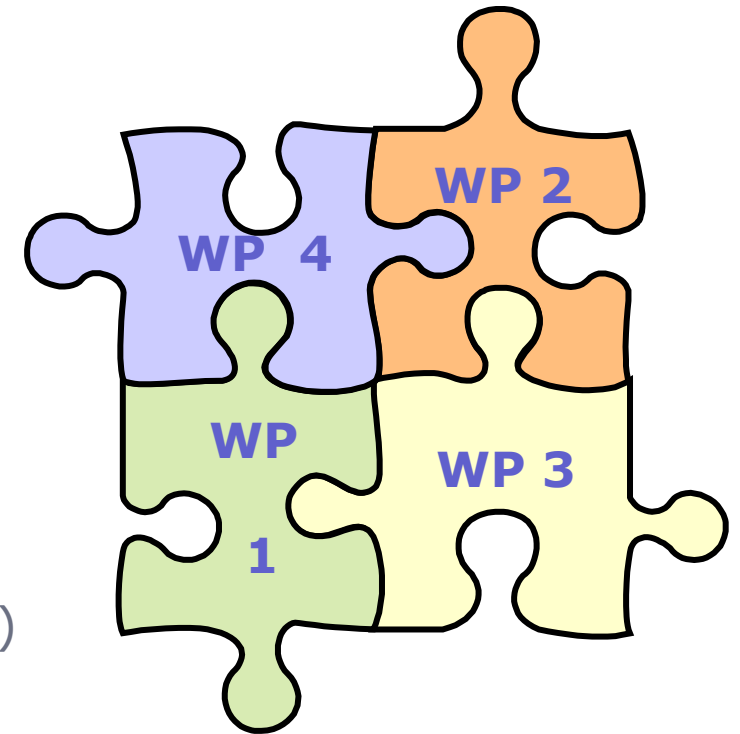
*'Work package means a major sub-division of the proposed project.'*

Horizon 2020 Proposal template

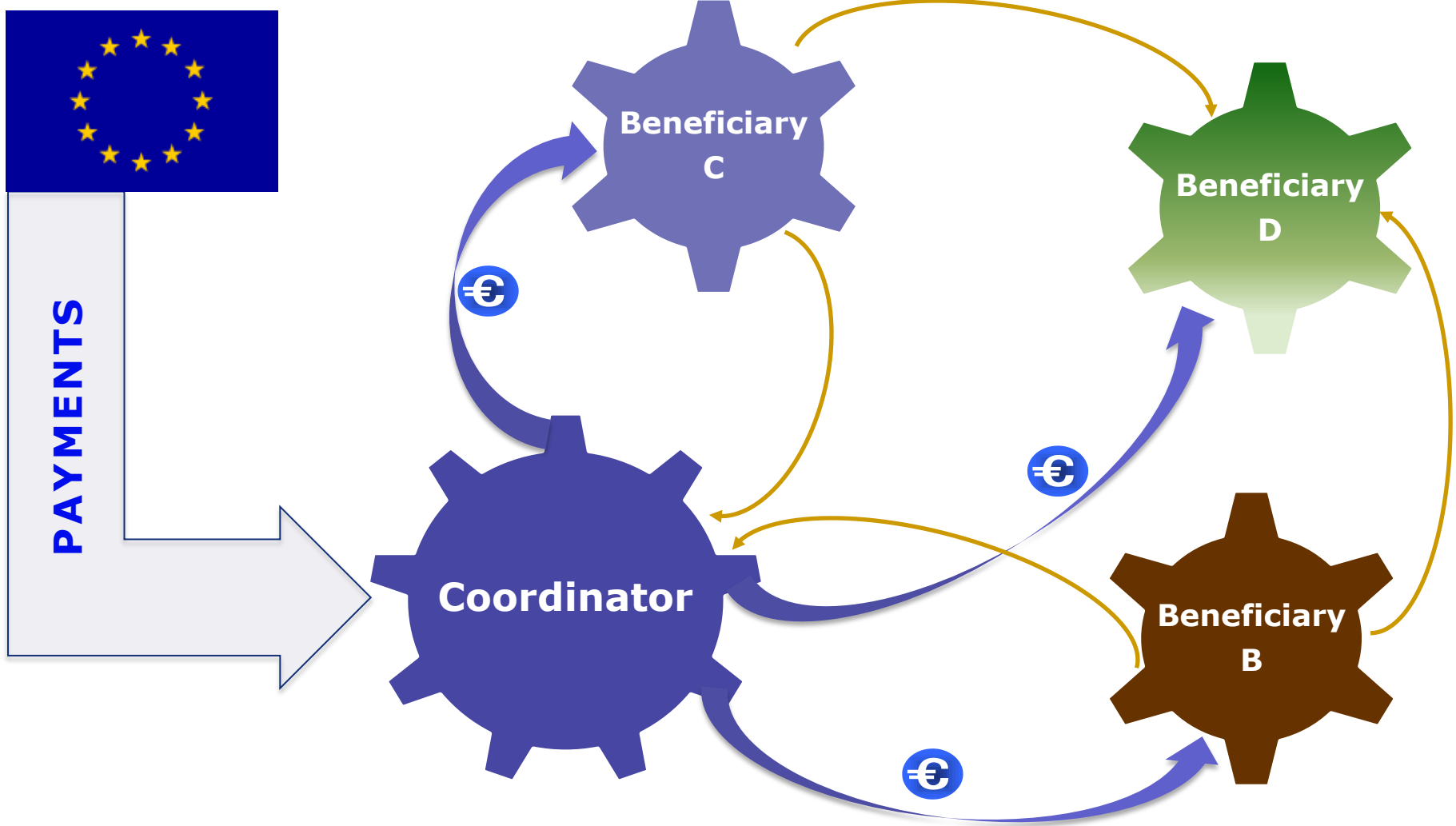
Therefore:

- ✘ 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
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	<b>3.000.000</b>



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**

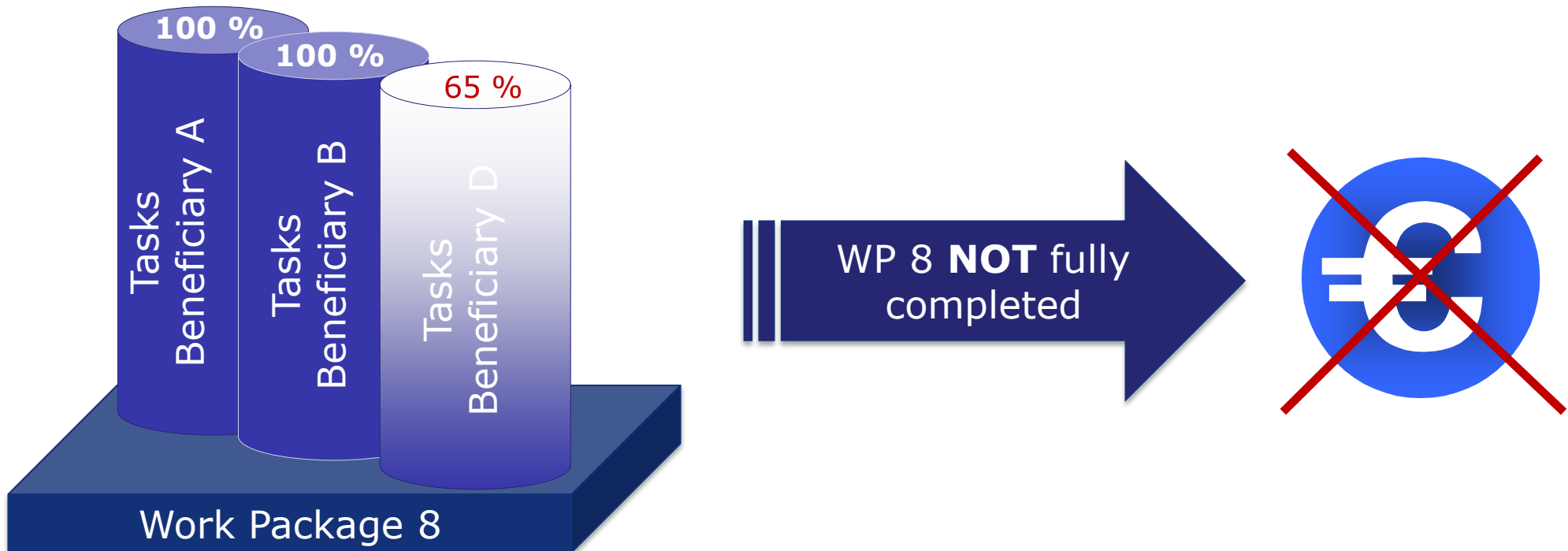
- ✓ explanation of the work carried out
- ✓ overview of progress of the work & plan for the exploitation dissemination of results
- ✓ summary for publication
- ✓ questionnaire

### **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

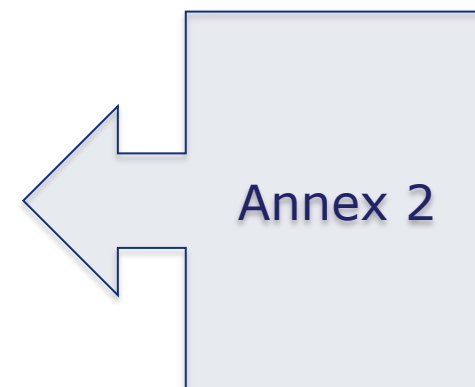
Each beneficiary declares its share of the lump sum allocated to Work Packages **fully** completed in the reporting period



# 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
<b>Beneficiary A</b>	250.000			50.000	300.000
<b>Beneficiary B</b>		250.000	350.000	50.000	
<b>Beneficiary C</b>	100.000	100.000		50.000	
<b>Beneficiary D</b>		120.000		50.000	
<b>Total</b>	350.000	470.000	350.000	200.000	300.000



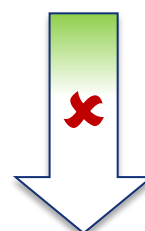
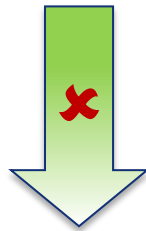
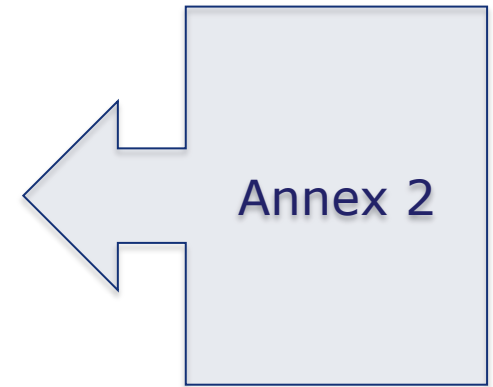
	WP1	WP2	WP3	WP4	WP5
<b>Beneficiary A</b>	Completed			Initiated	Initiated
<b>Beneficiary B</b>		Completed	Completed	Not initiated	
<b>Beneficiary C</b>	Completed	Not initiated		Not initiated	
<b>Beneficiary D</b>		Completed		Completed	



# 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.

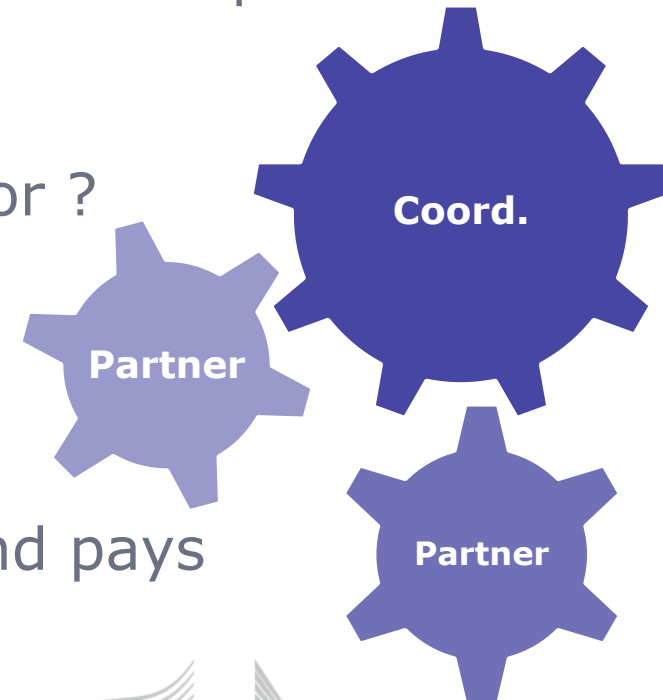
In general: only shares for WP in which it has completed its tasks may be approved.

2. Amount approved > payments from coordinator ?

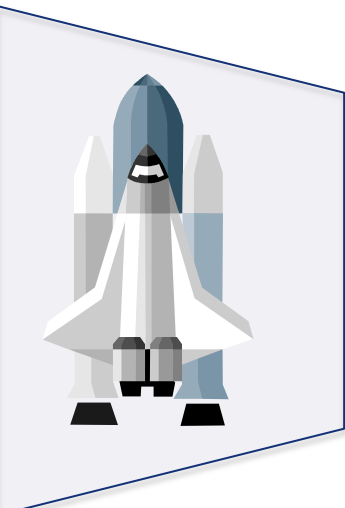
If YES = coordinator pays the difference

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/>

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Innovation*