

# Legal Frameworks and the Lump- Sum Model: What Applicants Need to Know

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# LEGAL FRAMEWORK

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2021 - 2027

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**Grants**

This page includes reference documents of the programmes managed on the EU Funding & Tenders portal so to model grant agreements and guides for specific actions. Please select the programme to see the reference

**Procurement**

Reference Documents related to tendering opportunities are available directly on the calls for tenders pages. [tenders](#) menu.

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# THE GRANT AGREEMENT

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- The grant agreement for your project will be based on the [Model Grant Agreement](#) for lump sum grants.
- The model grant is **non-negotiable** and can be reviewed already at proposal preparation stage.
- It establishes the **rights and obligations** of the beneficiaries and of the relevant funding body, in compliance with the HE Regulation ( art. 33 [HE Regulation](#))
- The 'no negotiation' principle applies - Proposals are evaluated based on merit and not on their potential if certain improvements were made. This means that your proposal is taken 'as is'. The grant agreement will be prepared on the basis of the proposal you submitted.

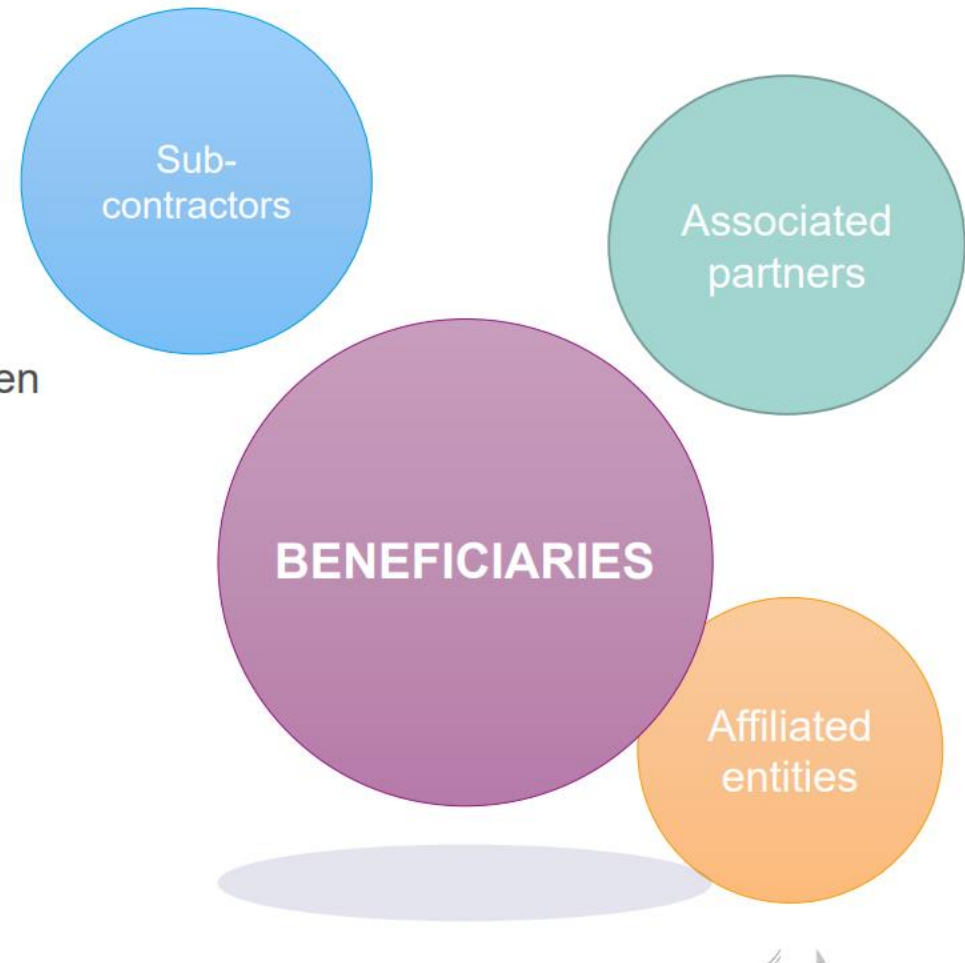
# Consortium

Costs actually incurred are not relevant.

**Who does the work still is!**

- You need to know which participant does what when carrying out the project (see bubbles to the right).
- The partner organisations and their activities are specified in the grant agreement. This includes:
  - Beneficiaries
  - Affiliated entities (if any)
  - Associated partners (if any)
  - Subcontractors (if any)\*

\* Subcontracted activities must be in the grant agreement, but the subcontractor may or may not be named.



# Affiliated entities

Definition:

Article 187 (1)(b) of the EU Financial Regulation:

*Entities ‘that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation’.*

## Article 8 MGA – Lump Sum Grants

- Affiliated entities can charge **lump sum contributions (= share of the lump sum)** under the same conditions as beneficiaries .
- Their tasks must be set out in **the Proposal** as well their lump sum contributions in **the Detailed Budget Table**

# Associated Partner

## Features:

- Do **not count for the eligibility** criteria for the composition of the consortium
- Must implement the tasks that are assigned to them
- They may **not charge contributions** to the action
- The costs for their tasks are not eligible and not required
- AP can be linked:
  - either to one or more beneficiaries
  - or with the whole consortium



# Subcontracts

- Please insert the cost of subcontracts in the Template Application Form– Part B -> **Table 3.1.g: 'Subcontracting costs' items** and in the **Detailed Budget Table**

# Purchases

- Please insert the cost of Purchase costs in the Template Application Form – Part B -> **Table 3.1.h: 'Purchase costs' items** (*major equipment costs exceeding 15% of the personnel costs*) and **Detailed Budget Table**.
- *In case of **equipment costs** : explain if it is full costs or depreciation: this will be part of evaluation!*



**Ensure consistency between amounts in:**

- **Part B tables and**
- **Detailed Budget Table**

(.xls to be submitted with the application)

# Lump Sum Characteristics

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# Lump sum Funding?

## Simplification and reducing errors

- Lump sum project funding removes all obligations on actual cost reporting and financial ex-post audits – i.e. a major reduction of administrative burdens.
- Level playing field (SMEs vs Large enterprises)
- No change in terms of flexibility (deviations, amendments etc)

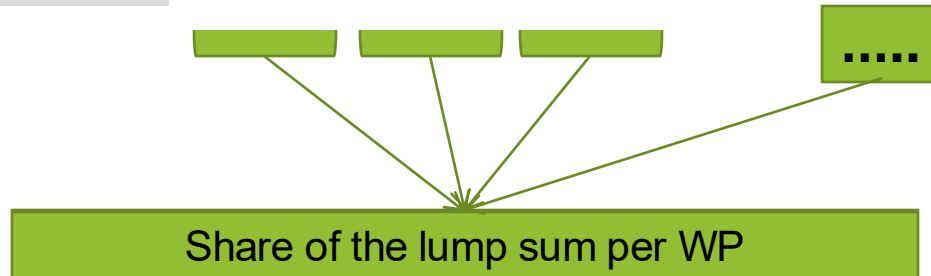
## Focus on content

- Focus less on financial management and more on content /Project implementation.

# Lump sum – Key difference

- **Costs are only declared once → at Proposal stage**
- After the evaluation, and if you are selected for funding, costs are transformed into lump sum shares per Beneficiary and are fixed in the GA per work package (Annex 2, ‘Estimated lump sum breakdown):

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



Lump sum = Maximum grant amount


Setting a lump sum, **you define the amounts needed to carry out your project (respecting topic conditions)**

# Writing a lump sum proposal

- Use the **Part B template** that is available in the submission system.
- To define and justify the lump sum amount requested, you need to provide a **detailed budget table** with cost estimations per cost category.
- The detailed budget table is an **Excel file**. You download it from the online submission system, fill it and submit as Annex to the Part B of your application.

**Call data**


Call: HORIZON-JTI-CLEANH2-2024  
Topic: [HORIZON-JTI-CLEANH2-2024-05-01](#)  
Type of action: HORIZON-JU-CSA  
Type of MGA: HORIZON-AG-LS

 Topic and type of action can only be changed by creating a new proposal.

**Proposal data**

Acronym: fdgfdsg  
Draft ID: SEP-211018808


**Download Part B templates**

 [Download part B templates](#)


**Part B and Annexes**

In this section you may upload the technical annex of the proposal (in PDF format only) and any other requested attachments.

Part B \*

 [Upload](#)

Detailed Budget Table \*

 [Upload](#)

Extract To

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☐ Name

☒ Tpl\_Application Form (Part B) (HE CleanH2 JU CSA)

☒ Tpl\_Detailed Budget Table (HE Lump Sum) (Funding rate 100-60)

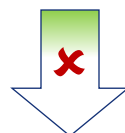
# Evaluation

- The cost estimations assessed under the **Implementation** criterion.
- Experts will:
  - ensure that the cost estimations are **reasonable and non-excessive**
  - evaluate whether the proposed resources and the split of the lump sum **allow completing the activities as described in the proposal**.
- If the experts find overestimated costs, they make **concrete recommendations** on the budget that are recorded in the Evaluation Summary Report. This will be reflected in a modified lump sum amount in the grant agreement.
- Cost estimations that are clearly overestimated or underestimated lead to a decreased score under the implementation criterion.

# Reporting and Payments

## Simple and automated financial report

	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	
<b>Total</b>	350.000	470.000	350.000	200.000	300.000



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

Interim payments pay the lump sum shares for completed work packages.

Final payments can also pay partially completed work packages.

**Budget transfers among work packages and/or partners require an amendment, if Consortium wants to reflect them in the GA.**



# Project design – Work packages

A work package (WP) is a major sub-division of the work plan of your project.

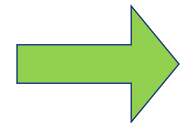
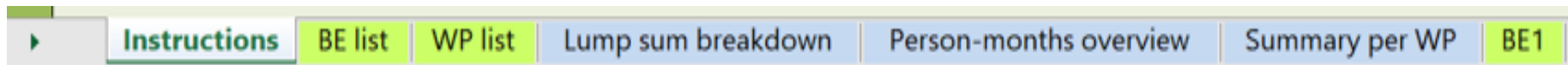


As many as needed but no more than what is manageable

- The default reporting period duration is 18 months (e.g. 18+18, 18+18+12 etc.)
- Dividing work packages just to match the timing of the reporting periods is **not recommended**.
- It could only be considered for work packages that have the same activities throughout the life of the project. (e.g Management , Communication, Dissemination, Exploitation)
- The completion of work packages is not based on a successful outcome, but on the completion of activities as described in the Description of Action.

# Lump Sum Budgeting in Writing your Proposal

- **Detailed Budget Table** as part of the Proposal – there you provide **cost estimations for each cost category** per Beneficiary & Work Package to form the budget of your Complete proposal
- **Cost estimations must be based on actual costs. Similarly to actual costs, the estimates**
  - are subject to the same eligibility rules as in actual costs grants
  - must be in line with your normal practices
  - must be reasonable / non-excessive
  - must be in line with the needs, and necessary for your proposed activities.
- **Detailed instructions** on how to fill in the Detailed Budget table provided in F&T portal & Excel itself (**Tab1**)  
=> For each BE, add Full & short name, Country & funding rate; Work Packages as needed, Apply Changes, to generate Budget sheets per BE



# BE Sheet – Costs budgeted as average Cost per Item X Number of Items

Coordinator: BE1 - BUDGET SHEET

Coordinator: BE1 - BUDGET SHEET				View Summary	BE1-AE2					
				Baird COMPOUND		Test Compound D				
COST CATEGORY				ITEMS	COST PER ITEM	BE TOTAL COSTS	ITEMS	COST PER ITEM	AE TOTAL COSTS	BE+AE TOTAL COST
COSTS WORK PACKAGE 1: Coordination & Management										
L DIRECT PERSONNEL COSTS										
L.1 Employees (or equivalent)										
SENIOR SCIENTISTS (or equivalent in the private sector)				3.0	3500	10500.00	15.0	10000	150000.00	160500.00
JUNIOR SCIENTISTS (or equivalent in the private sector)				2.0	3200	6400.00	25.0	8000	200000.00	206400.00
TECHNICAL PERSONNEL (or equivalent in the private sector)						0.00			0.00	0.00
ADMINISTRATIVE PERSONNEL (or equivalent in the private sector)						0.00			0.00	0.00
OTHERS						0.00			0.00	0.00
L.2 Natural Persons under direct contract						0.00			0.00	0.00
L.3 Seconded Persons						0.00			0.00	0.00
L.4 SME owners and natural person beneficiaries				2.0	5080	10160.00		6706	0.00	10160.00
J. DIRECT SUBCONTRACTING COSTS				2.0	5000	10000.00	1.0	17857	17857.14	27857.14
J. DIRECT PURCHASE COSTS										
J.1 Travel and subsistence						0.00			0.00	0.00
J.2 Equipment (complete 'Depreciation costs' sheet)										
Equipment						0.00			0.00	0.00
Infrastructure						0.00			0.00	0.00
Other assets						0.00			0.00	0.00
J.3 Other goods, works and services										
Consumables						0.00	1.0	0	0.00	0.00
Services for meetings, seminars						0.00			0.00	0.00
Services for dissemination activities (including website)						0.00			0.00	0.00
Publication fees						0.00			0.00	0.00
Other (shipment, insurance, translation, etc.)						0.00			0.00	0.00
J. OTHER COST CATEGORIES										
J.1 Financial support to third parties (if applicable in the topic specific conditions)						0.00			0.00	0.00
J.2 Internally invoiced goods and services						0.00			0.00	0.00
J.3 Transnational access to research infrastructure item costs (if mentioned as eligible in the topic specific conditions)						0.00			0.00	0.00
J.4 Virtual access to research infrastructure item costs (if mentioned as eligible in the topic specific conditions)						0.00			0.00	0.00
J.5 PCP/PPI procurement costs (if mentioned as eligible in the topic specific conditions)						0.00			0.00	0.00
TOTAL DIRECT PERSONNEL COSTS AND PURCHASE COSTS (A+C)						27060.00			350000.00	377060.00
TOTAL DIRECT COSTS (A+B+C+D)						37060.00			367857.14	404917.14
J. INDIRECT COSTS (25% * (A+C))						6765.00			87500.00	94265.00
TOTAL COSTS (A+B+C+D+E)						43825.00			455357.14	499182.14
COSTS WORK PACKAGE 2: Feasibility Analysis										
L DIRECT PERSONNEL COSTS										
L.1 Employees (or equivalent)										

- Complete one 'BEx' sheet per beneficiary. This sheet includes one separate section for each work package. For each work package, enter the cost estimations under each cost category used.
- Enter only the number of units and the cost per unit for each cost category (yellow cells). The total costs per cost category is calculated automatically.
- For the cost per unit, enter only whole numbers (integers)
- If the beneficiary does not contribute to a specific work package, leave the cells empty.

Instructions

BE list

WP list

Lump sum breakdown

Person-months overview

Summary per WP

BE1

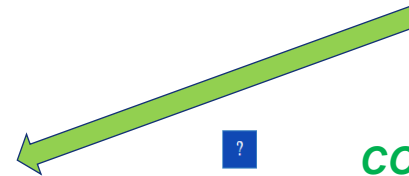
BE3

[Personnel Costs Dashboard here](#)

# Detailed Budget table vs. Part A : Budget

ESTIMATED BREAKDOWN OF THE LUMP SUM					
BENEFICIARIES \ WORK PACKAGES	WP1 Management	WP2 RESEARCH	WP3 DEMO	Total	Pct %
BE1: Baird Consulting Scs	30,677.50	103,697.50	65,625.00	200,000.00	12.90%
> BE1-AE2: Test Camelia-Valeria	318,750.00	131,250.00	0.00	450,000.00	29.03%
BE3: Test France	141,173.88	50,898.69	7,927.44	200,000.00	12.90%
BE4: Janitom Tomasz Janisz	315,000.00	0.00	385,000.00	700,000.00	45.16%
<b>Total:</b>	<b>805,601.38</b>	<b>285,846.19</b>	<b>458,552.44</b>	<b>1,550,000.00</b>	<b>100.00%</b>
<b>Percentage:</b>	51.97%	18.44%	29.58%	100.00%	

## 3 - Budget



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No	Name of Beneficiary	Country	Role	Requested grant amount	Income generated by the action	Financial contributions	Own resources	Total estimated income
1	Baird Consulting Scs	BE	Coordinator	200 000.00		Not Applicable to Call 2026		200 000.00
2	Test Camelia-valeria	BE	Affiliated	350 000.00			100 000	450 000.00
3	Test France	FR	Partner	200 000.00				200 000.00
4	Janitom Tomasz Janisz	PL	Partner	600 000.00	100 000	0		700 000.00
	Total			1 350 000.00	100 000	0	100 000	1 550 000.00

**CONSISTENCY** of costs in all parts of Proposal –

- **EXCEL** detailed budget table,
- **Budget in Part A1 section 3**

**Make sure the Requested EU grant is equal to or less than Costs in Lump Sum Breakdown (Excel), and respects the Call Topic funding limitations !**

# Resources available

One dedicated [lump sum page](#) on the Funding & Tenders Portal with:

## Guidance documents

- [What do I need to know? & Quick guide](#)
- [Frequently asked questions](#)
- [Detailed guidance for participants](#)
- [Lump sum briefing slides for experts](#)

## Reference documents

- [Model Grant Agreement Lump Sum](#)
- [Decision authorising the use of lump sum contributions under the Horizon Europe Programme](#)

## Events

- Future events
- Past events and recordings

