



# Lump Sum in HE projects

Tatjana Božic,

Head of the International Cooperation and Project Management Office at the UBFC

IHTM, 9/10/2023



Project: 101059534 — **PFAS**twin  
HORIZON-WIDERA-2021-ACCESS-02



Funded by the  
European Union

# What does "lump sum" mean?

- "Lump Sum Funding" is a new, simplified funding instrument that is based on the experience in the "Lump Sum Funding Pilot" in Horizon 2020 and is enforced within Horizon Europe.
- The costs of beneficiaries are no longer reimbursed based on financial (i.e. cost) reporting, but instead by means of an in advance fixed lump sum payment.
- Lump sums remove the obligation to report actual costs and resources
- Easier to use for beneficiaries with limited experience
- Focus less on financial management and more on content



# Lump sum options

- EU Commission specifies the lump sum in the call and the consortia describe the activities they will carry out for this amount in their proposals (= **type 1a**)
- The applicants themselves define the lump sum in their proposals and subsequently include them in the Grant Agreement (GA) (= **type 1b**).
- All topics in the 2022 work programme are type 2. The only exception is the ERC Proof of Concept call (type 1).
- **Misunderstandings:**
  - Lump sum payments depend on a successful outcome (not true); partially completed lump sum work packages will not be paid (not true); in actual cost grants, you only need correct invoices to be paid (not true)

# Lump sum grant: the principles

## What's different (Officially)

- The Work package is the king
- Detailed budget request
- Payment is for completed WP only. Only at the moment of the **final payment**, the EU Commission may decide on an individual basis, to accept partial payment for work packages that have not been fully completed.
- Payments do not depend on successful outcomes
- Actual utilization of the budget is not visible to the EC
- No actual costs recording - e.g., no timesheets



# Lump sum grant: the principles

## Business as usual

- Reporting
  - Reporting periods
  - Progress reports
- Payment schedule
  - Pre-financing , interim payments and final payments
  - Corresponds to the periodic reports

# Writing a lump sum proposal

- Particular attention should be placed on the structure of the single work packages, as they play a major role for the payment of the shares of the lump sum. The number of the work packages should be reasonable and comprehensible. Horizontal, long-lasting work packages (e.g. for coordination/management or for dissemination/exploitation) can be split over the reporting periods in different work packages.
- For application, the standard proposal template for Horizon Europe is used. For lump sum applications there is a higher page limit (for RIA/IA projects it is 50 pages instead of the standard 45 pages; for CSA projects it is 33 pages instead of the standard 30 pages).
- Type 1b: For definition and justification of the lump sum, a budget table (as Excel file) needs to be filled out and submitted as annex to Part B of the proposal template. With this budget table, the lump sum is calculated depending on the estimated actual costs. Only the breakdown of lump sum shares per beneficiary and per work package is included as Annex 2 in the later GA (i.e. the budget table completed and submitted is NOT becoming part of the later GA, including 3.1h table in Part B).
- For the evaluation of personnel costs in lump sum projects, the EU Commission provides the "Horizon Dashboard for lump sum evaluations (personnel costs)" as orientation.



# Writing a lump sum proposal

- In detailed budget table, you provide cost estimations for each cost category per beneficiary (and affiliated entity if any) and per work package.
- The cost estimations must be an approximation of your actual costs. They:
  - 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 and necessary for your proposed activities.
- The cost estimations are used to generate in the detailed budget table a breakdown of lump sum shares per work package and per participant.
- Details and instructions on how to fill in the lump sum detailed budget table are provided in the Funding & Tenders portal.

# Evaluation of a lump sum proposal

- Your proposal will be evaluated by independent experts against the standard evaluation criteria: excellence, impact, and implementation.
- The cost estimations will be assessed against the proposed activities 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 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.



# Budget allocation

- Budget allocation (annex 2 to the grant agreement)

	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>	<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>

Shares of the lump sum per beneficiary

Shares of the lump sum per WP

Lump sum  
=  
Maximum grant  
amount

# Budget flexibility

## The good news:

Any change that does not affect the project's goals

AND

- is agreed between the partners

AND

- does not involve transfer of money between Work Packages **IS ALLOWED**  
    ➔ high budget flexibility.
- Just report it in the periodic report.
- The EC will not check what actually changed.



# Budget flexibility

## The less-good news:

- Any change that requires shifting funds between work packages (including between categories and/or partners) - a very common scenario  
    ➔ **Requires a Contract Amendment**
- Changes are only possible for ongoing WPs (not completed, not reported).
- Completed WPs cannot be amended.

# Reporting and payment

- For reporting, the **standard reporting template** is used.
- Only work packages declared as "completed" are considered by the EU Commission for payment of the respective share of the lump sum. The completion of work packages depends on the **complete implementation of activities** in this work packages according to the project description (Annex 1 of the GA) (i.e. a successful outcome is **NOT** mandatory). Not fully completed work packages may be completed in subsequent reporting periods. In the final report, also partially completed work packages may be declared.
- There is **no financial reporting** as in conventional Horizon Europe research and innovation actions. Nevertheless, a simplified "Financial Statement" is automatically generated in the Funding & Tenders Opportunities Portal and submitted to the EU Commission.



# Reporting and payment

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

Annex 2

	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	

State of play at the end of the reporting period

Disclaimer: Information not legally binding



## Lump sum grant: interim payment

Sum of the share of the lump sum allocated to WPs 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	
<b>Total</b>	<b>350.000</b>	<b>470.000</b>	<b>350.000</b>	<b>200.000</b>	<b>300.000</b>

Annex 2

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

⚠ Limited to 90 % of the total grant

Disclaimer: Information not legally binding



# Keeping records

## You need (e.g.)



- Technical documents
- Publications, prototypes, deliverables
- Documentation required by good research practices such as lab books
- ...any document proving that the work was done as detailed in Annex 1

*Same as for all Horizon Europe grants*

## You don't need



- Time-sheets
- Pay-slips or contracts
- Depreciation policy
- Invoices
- ...any documents proving the actual costs incurred




# Overview lump sum topics (search)

- A [Page Dedicated](#) to Lump Sum Projects


## Opportunities


The search function below allows you to display and go to any lump sum topics published. By default all lump sum topics in Horizon Europe are displayed. You can apply filters to view specific subsets of lump sum topics. After applying your filters, the search results are updated accordingly.


Calls for proposals in Horizon Europe consist of one or more topics. If a topic uses lump sum funding, only lump sum proposals can be submitted, and all grants selected will be lump sum grants.



Submission status

 Forthcoming (69)

 Open for submission (38)

 Closed (172)

Programme part

Destination

Specific priorities

279 items found

Capabilities for border surveillance and situational awareness  
HORIZON-CL3-2023-BM-01-01

**Type of action** HORIZON Innovation Actions  
**Deadline model** single-stage  
**Opening date** 29 June 2023  
**Deadline date** 23 November 2023 17:00:00 Brussels time  
**Status** **Open for submission**

Interoperability of systems and equipment at tactical level; between equipment and databases; and/or between databases of threats and materials  
HORIZON-CL3-2023-BM-01-04

**Type of action** HORIZON Innovation Actions  
**Deadline model** single-stage

# Presentations and documents of the EU Commission

- Lump Sum website with [information and guidelines](#)
- [FAQ](#)
- Lump Sum Funding: How does it work? How to write a proposal? ([presentations & recording](#))
- Lump Sum [Dashboard](#)
- Lump Sum Funding: What do I need to know? - A Guide for Participants ([presentation](#))
- Lump Sum Grants in Horizon Europe - Why do we need them and how do they work in practice? ([quick guide](#))
- How to manage your lump sum grants - proposal submission, evaluation and grant management ([guide](#))
- [Reporting](#)



# PFAS<sub>twin</sub> on social media

- Follow us on social media 😊



@PfaStwin



@PfaStwin



PFAS<sub>twin</sub>



@pfastwinproject

# Thank you for your attention!

Email:  
[tbozic@chem.bg.ac.rs](mailto:tbozic@chem.bg.ac.rs)



Project: 101059534 — **PFAS**twin  
HORIZON-WIDERA-2021-ACCESS-02



Funded by the  
European Union