





# Lump sum vs. Actual cost reporting in Horizon Europe

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## Reporting

Continuous and Periodic Reporting

## Reporting obligations

of the lump sum projects

#### **Continuous reporting**

As is in any other Horizon Europe grant

#### **Periodic reporting**

Consists of Technical report and Status of Work Packages

#### Process:

- Consortium will prepare a detailed Technical report.
- The coordinator declares work packages as Completed or Not Completed. This should be justified by the periodic technical report. Partially Completed – possible only at the last reporting period.
- The project officer will assess the technical report and the status of each work package declared
- There is no reporting of actual costs or of resources.





## Periodic report module

#### **Budget-based vs Lump sum grants**

#### **Technical part**

- Part A (structured information entered through the continuous reporting module)
  - Project summary
  - Deliverables, milestones, risks, etc.
  - Answers to the impact questionnaire
- Part B (narrative part submitted in a PDF through the periodic reporting module)
  - Explanation of the work carried out by the beneficiaries and overview of progress
  - Explanations of deviations from the DoA

#### Financial part

- Financial s ments (individual and consolid
- Explanation contributions

  Explanation and in-kind and in-kind contributions
- Certifical (CFS), and as PL

Report generated automatically based on the information entered through the **periodic reporting** module.

Activated at the end of reporting periods

Must be submitted within 60 days following the end of each reporting period



## Periodic reporting module

#### **Functionalities**

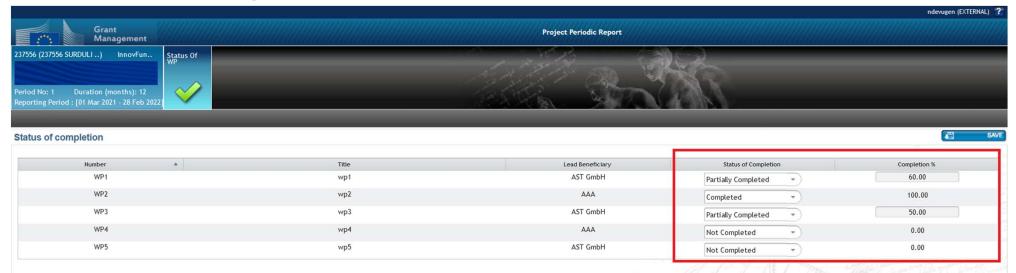
- At the end of each reporting period, each beneficiary will receive a notification to complete:
- Their contribution to the Technical Part (this is common for all beneficiaries in the project)
- Their contribution to the Status of Work Packages (this is common for all beneficiaries in the project)
- They can see the read-only Status of Work Packages and the Periodic Report composition task, which need to be completed by the Coordinator.





## **Status of the Work Packages**

#### **Periodic reporting**



- The Coordinator declares the status of the work packages as Completed or Not Completed
- An incomplete work package can be completed and paid in any of the subsequent reporting period.
- Partially Completed status with % of completion can only be used <u>at the final reporting period</u>

Validate



## Declaring WPs as complete Completed vs. Partially completed

#### **Completed WP**

- Based on the complete delivery of the foreseen activities and not on successful outcomes!
- While a work package can normally only be declared as completed when all the work has been carried out as described, it can also be declared as completed if some elements are missing, as long as:
  - All essential tasks have been completed, and/or
  - Equivalent tasks have been carried out, and/or
  - When deviations have been duly justified.

#### **Deviations compared to GA**

- If the deviation happened because of technical reasons:
  - You can report the deviation in the Section 5 of the technical report. If duly justified, the deviation can be accepted with the technical report.
  - Alternatively, you can introduce an amendment to address the situation, with the aim of making the completion of the WP feasible





## **Declaring WPs as complete**

### Completed vs. Partially completed

#### Partially completed WP

- At the end of the last reporting period, you have the possibility to declare a work package as partially completed.
- In this case, you need to indicate a percentage of completion.
- You should declare WP as partially completed if essential parts have not been carried out and not been replaced with equivalent work.
- This needs to be explained and justified in the final technical report.
- The percentage of completion declared should correspond to the share of activities described in the grant agreement that have been carried out.





## **Technical report**

#### **Periodic reporting**

- You must use the standard technical periodic report template available directly in the Grant Management System.
- The technical report should detail who did what (at the level of the participating organisations, not at the level of individual staff), indicating the contributions from beneficiaries, affiliated entities, associated partners, and subcontractors.
- The technical report should focus on the completion of work packages, in particular, when you declare a WP as completed, the report must explain and justify this.
- In the last reporting period, when you declare a WP partially completed, report must explain and justify.

#### **Horizon Europe Technical Report**

#### Table of content

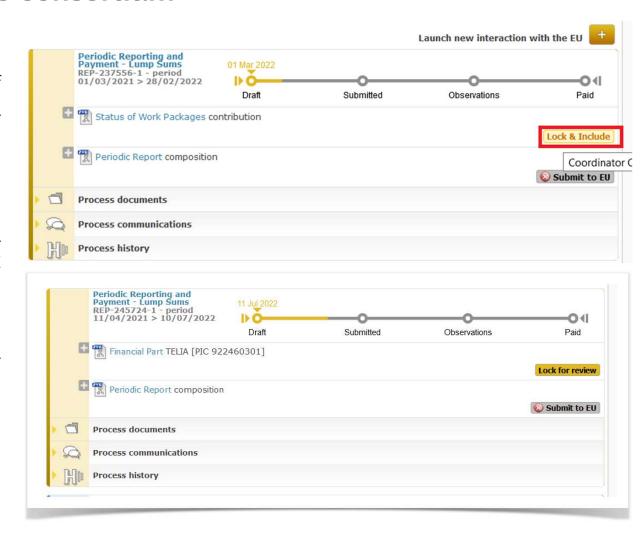
- 1. EXPLANATION OF THE WORK CARRIED OUT AND OVERVIEW OF THE PROGRESS
- 1.1 Objectives
- 1.2 Explanation of the work carried out per WP
- 1.3 Impact
- 2. FOLLOW-UP OF RECOMMENDATIONS AND COMMENTS FROM PREVIOUS REVIEW(S) (IF APPLICABLE)
- 3. EXPLOITATION PRIMARILY IN NON-ASSOCIATED THIRD COUNTRIES (IF APPLICABLE)
- 4. OPEN SCIENCE
- 5. DEVIATIONS FROM ANNEX 1 (IF APPLICABLE)



#### Financial statement

#### Consolidated statement for the consortium

- The Locking & Including of the Status of Work packages by the Coordinator will generate automatically the consolidated financial statement for all beneficiaries
- Financial Statement is created based on the completed work packages (at the final reporting, partially completed work packages as well) and the corresponding lump sum shares.
- Notification will be sent to the Coordinator that the Financial Statement is ready to be signed.





#### Financial statement

#### Consolidated statement for the consortium

- The financial statements of non-Coordinator beneficiaries are included in the financial statement of the Coordinator. Therefore, if a user clicks on a partner (other than the Coordinator) the following warning message will be displayed: "Being this a Lump Sum Grant, the information is to be checked in the Coordinator's FS".
- Coordinator signs the consolidated financial statement on behalf of the consortium





# Assessment of the WPs by the PO Completed vs. Partially completed

- The PO will assess the technical report and the status of work packages
- For each work package declared, the PO will assess and choose between 'completed' and 'not completed'.
- At the final report, the project officer can also choose 'partially completed' and enter the percentage of completion.
- The PO will reject a WP when a significant or essential part of the work has not been completed, and this deviation from the work plan is not justified or not acceptable.
- If the PO intends to reject a work package, you will have the opportunity to react to the observations of the PO.
- In this case, the PO will either send you a request for additional information or reject the technical report and ask you to justify the completion of the work package(s).



## **Payments**

# Payments in Lump sum projects Almost the same, except...

#### Interim payment(s)

- One or more, depending on the duration of the project and the number of periods set in your GA
- EC will pay the shares of the lump sum, defined in your lump sum budget for the work packages completed and approved by the PO in the reporting period.
- There is no possibility for interim payment of partially completed work packages.
- If the WP is rejected, the lump sum share concerned will not paid at that interim payment. In this case, you should complete the work package and declare it again at the end of any subsequent reporting period.

#### Payment of the balance

- Partial payment for partially completed work packages possible if it is not possible to complete a work package by the end of the project due to technical reasons or force majeure.
- If you declare a work package incomplete at the end of the project due to other reasons, the work package may be rejected in full.
- Payment of the balance from the EC and the amount retained for the Mutual Insurance Mechanism



## **Keeping records**



## **Keeping records**

#### You need vs. You don't need, however.....

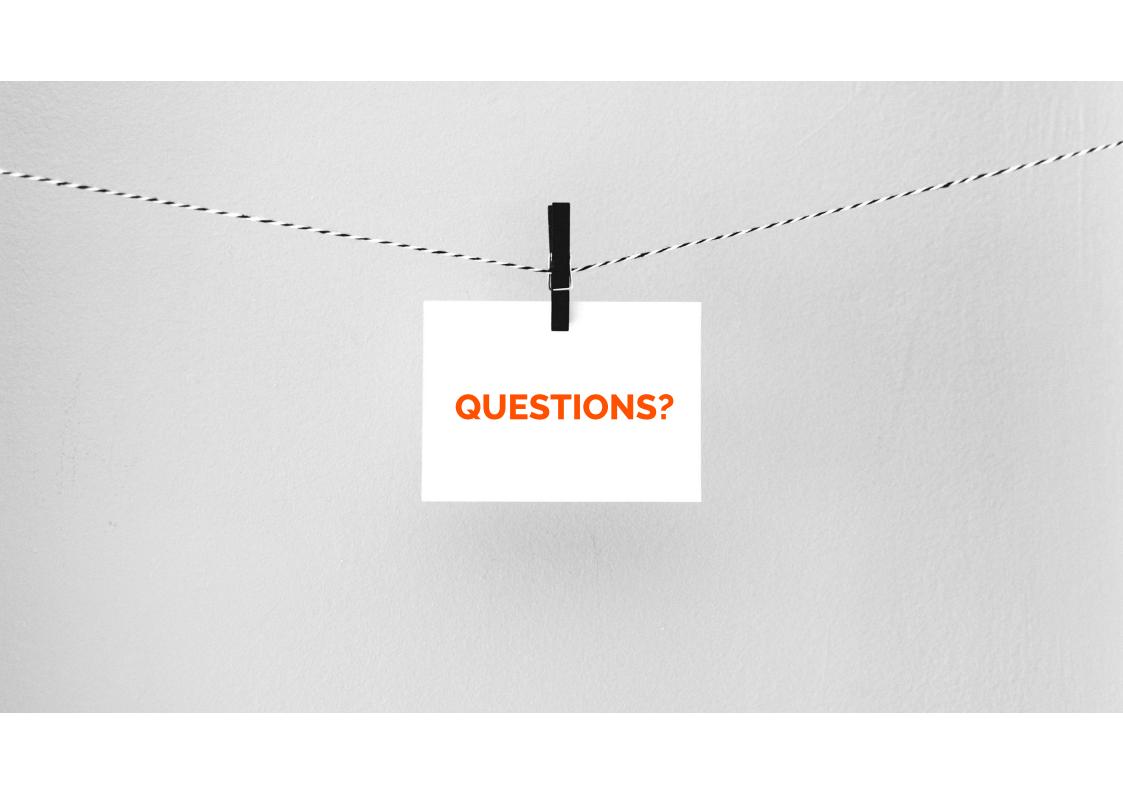


Source: EC slides: Lump Sum Funding in Horizon Europe: How does it work? How to write a proposal? (9 February 2023)

#### What if?

- The lump sum project is not your only project
- You have both a running budgetbased grant and a lump sum project and what if one of them is H2020 and the other one is Horizon Europe?
- What if you have colleagues who are working on both a lump sum project and a budget-based grant?

Good questions, right?





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