

# LEGAL ASPECTS

**Georgiana BUZNOSU**

*Finance and Administration Unit*

*Clean Hydrogen JU*





## YOUR RIGHTS

e.g.:

- **To receive EU funding**, under the terms and conditions defined in the grant agreement,
- **To own the results** of the project that you have generated
- **To ask for amendments** of the grant agreement (if something needs to be changed)



## YOUR OBLIGATIONS

e.g.:

- **To implement the project** as planned in the description of the action (Annex 1 to the grant agreement)
- **Submit reports** at the time and for the periods defined in the grant agreement
- **Display the EU and JU emblem and reference to Horizon Europe funding**

See also Annex 5



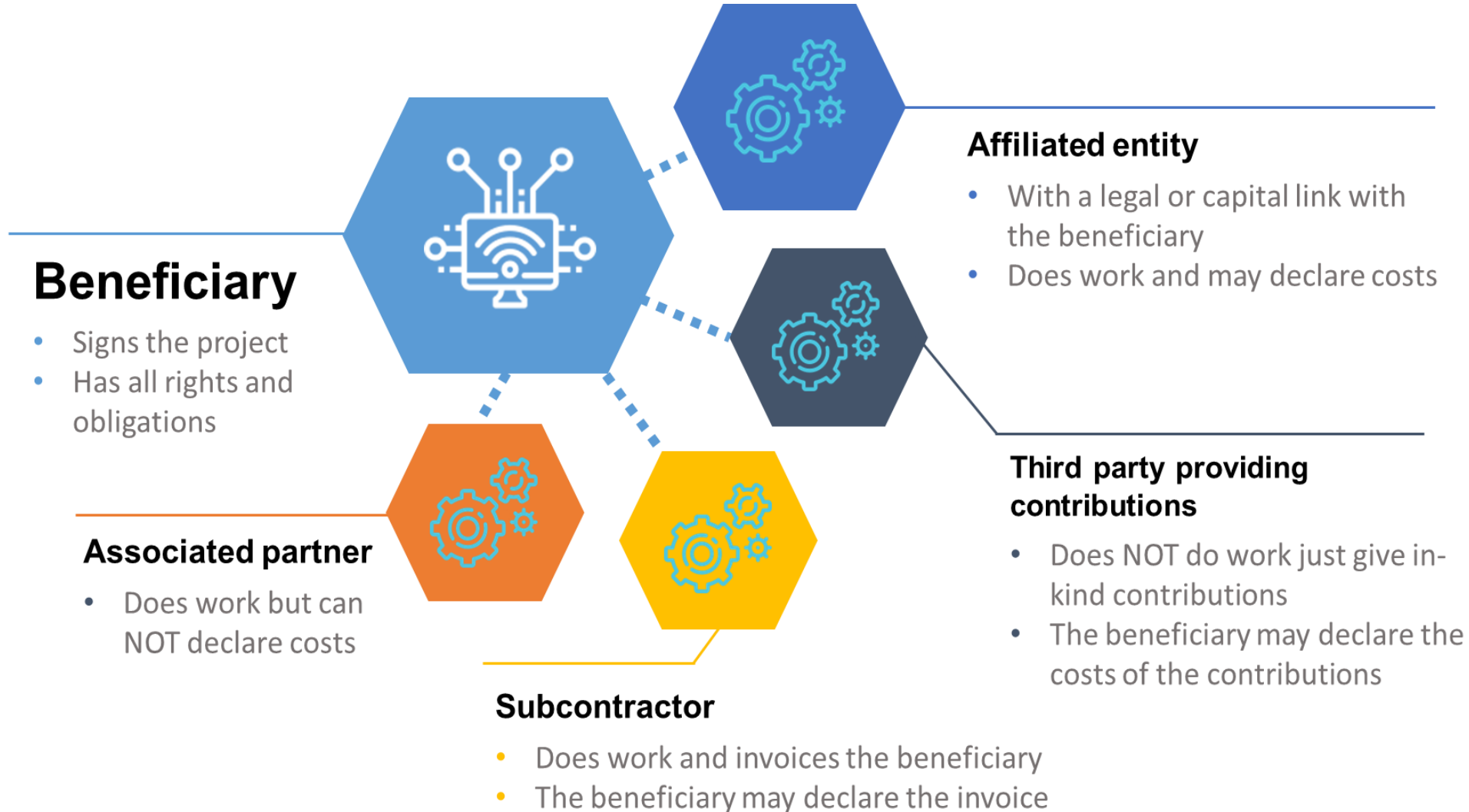
## HOW MUCH MONEY YOU CAN GET

*Overall, the granting authority can never pay*

- **more than the maximum grant amount fixed in the grant agreement.**
- **But: it may pay less;** e.g. if the project costs at the end are less than budgeted

## PARTICIPATION

Same categories apply for the lump sum Model Grant Agreement



# Affiliated entities

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 (AP)

## Features:

- Must implement the tasks that are assigned to them in Annex 1
- 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 3.1g: 'Subcontracting costs' items** and the **Detailed Budget Table**

# Purchases

- Please insert the cost of Purchase costs in the Template Application Form – Part B -> **Table 3.1h: 'Purchase costs' items** (*travel and subsistence, equipment and other goods, works and services*) and **Detailed Budget Table**
  - *In case of **equipment**: explain if it is full costs or depreciation: this will be part of evaluation!*



**Ensure consistency between amounts in the Part B tables and Detailed Budget Tables (.xls to be submitted with the application)**

e.g.: H2 Valleys require significant investments (JU funding covers only a fraction) -> co-funding from other sources is needed

## RULES

“The Programme shall be implemented in **synergy** with other Union programmes” [[Article 15 \(1\) HE](#)]

### Limitations (non-exhaustive):

- a) **State aid rules:** refer also to [General Block Exemption Regulation](#) (including the provisions in the [Temporary Crisis and Transition Framework](#))
- b) **Rules on cumulation of funding:**
  - “An action that has received a contribution from another Union programme may also receive a contribution under the Programme, provided that the contributions do not cover the same costs. “(...), i.e no two sources of EU funding to the same expenditure item
  - “The cumulative financing shall not exceed the total eligible costs of the action.” [[Article 15\(4\) HE](#)]
- Possible mechanisms (non-exhaustive):
  - **STEP (Sovereignty) Seal:** For the topics below topics the STEP Seal (so called “Sovereignty Seal” under the STEP Regulation<sup>294</sup>) will be awarded to proposals exceeding all of the evaluation thresholds set out in this Annual Work Programme
  - **Cumulative funding** (use of several funding programmes – EU structural and R&I, national, regional etc)



[Horizon Europe Regulations](#)  
[Common Provisions Regulation for 2021-2027](#)  
[EC guidance on synergies](#)  
[GBER for state Aid](#)  
[Seal of Excellence](#)

# Lump Sum Characteristics

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# Why use lump sum funding?

## Significant potential for 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 burden
- Level playing field (SMEs vs Large enterprises)
- No change in terms of flexibility (deviations, amendments etc)

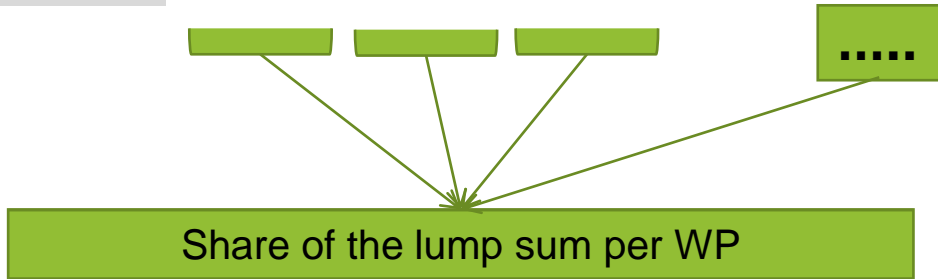
## Focus on content

- Focus less on financial management and more on content

# Lump sum – Key difference

- **Costs are only declared once → At proposal stage**
- After the evaluation, and if you are selected for funding, these costs are transformed to lump sum shares and are fixed in the grant agreement for each 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>

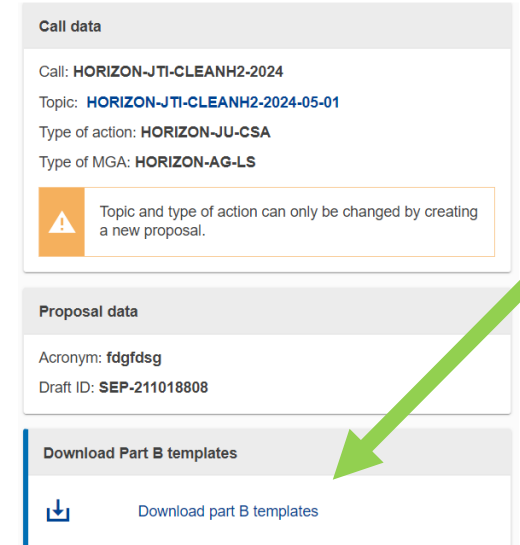


Lump sum = Maximum grant amount

- In setting the lump sum, you are free to define the amount necessary to carry out your project (but respecting topic condition restrictions)


# Writing a lump sum proposal

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



**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**

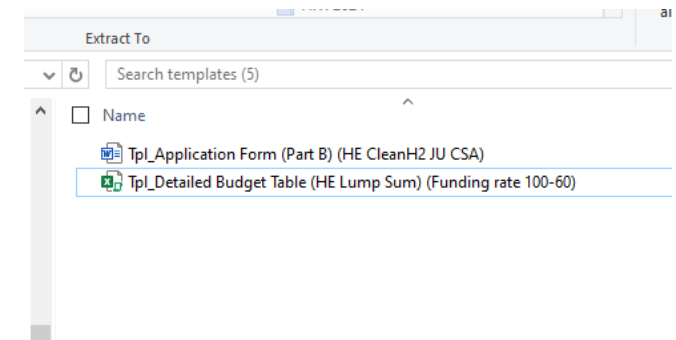
 Download part B templates

**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 \***  


**Detailed Budget Table \***  




Extract To

Search templates (5)

Name

 TpL\_Application Form (Part B) (HE CleanH2 JU CSA)

 **TpL\_Detailed Budget Table (HE Lump Sum) (Funding rate 100-60)**

# Detailed Budget Table

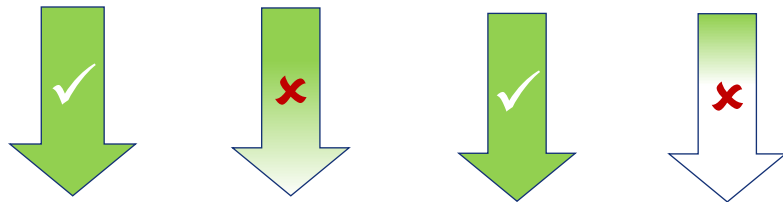
- In this detailed budget table, you provide **cost estimations for each cost category** per beneficiary (and affiliated entity if any) and per work package.
- The cost estimations must be an **approximation of your actual costs**.
- The cost estimations are used to generate in the detailed budget table a **breakdown of lump sum shares** per work package and per participant.

- 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 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
<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



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

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

Final payments can also pay partially completed work packages.

# Project design – Work packages

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

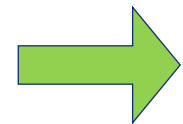


As many as needed but no more than what is manageable

- The default reporting period duration is 18 months (e.g 18+18, 18+18+12 etc)
- Bear this in mind when you time your work packages!
- Dividing your work packages just to match the timing of reporting periods is **not recommended**.
- It could only be considered for work packages that have the same activities throughout project. (e.g Management , Communication, Dissemination, Exploitation)

# Lump Sum Budgeting in Writing your Proposal

- **Novelty** : **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 to be evaluated.
- **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 are provided in the Funding & Tenders portal  
=> Follow the instructions : e.g. *For each beneficiary, add Full & short name, Country & funding rate; add as many Work packages as needed, and click to Apply Changes, to generate the Budget sheets per beneficiary .*



- **Some general points & JU recommendations presented in the next slides per cost category**





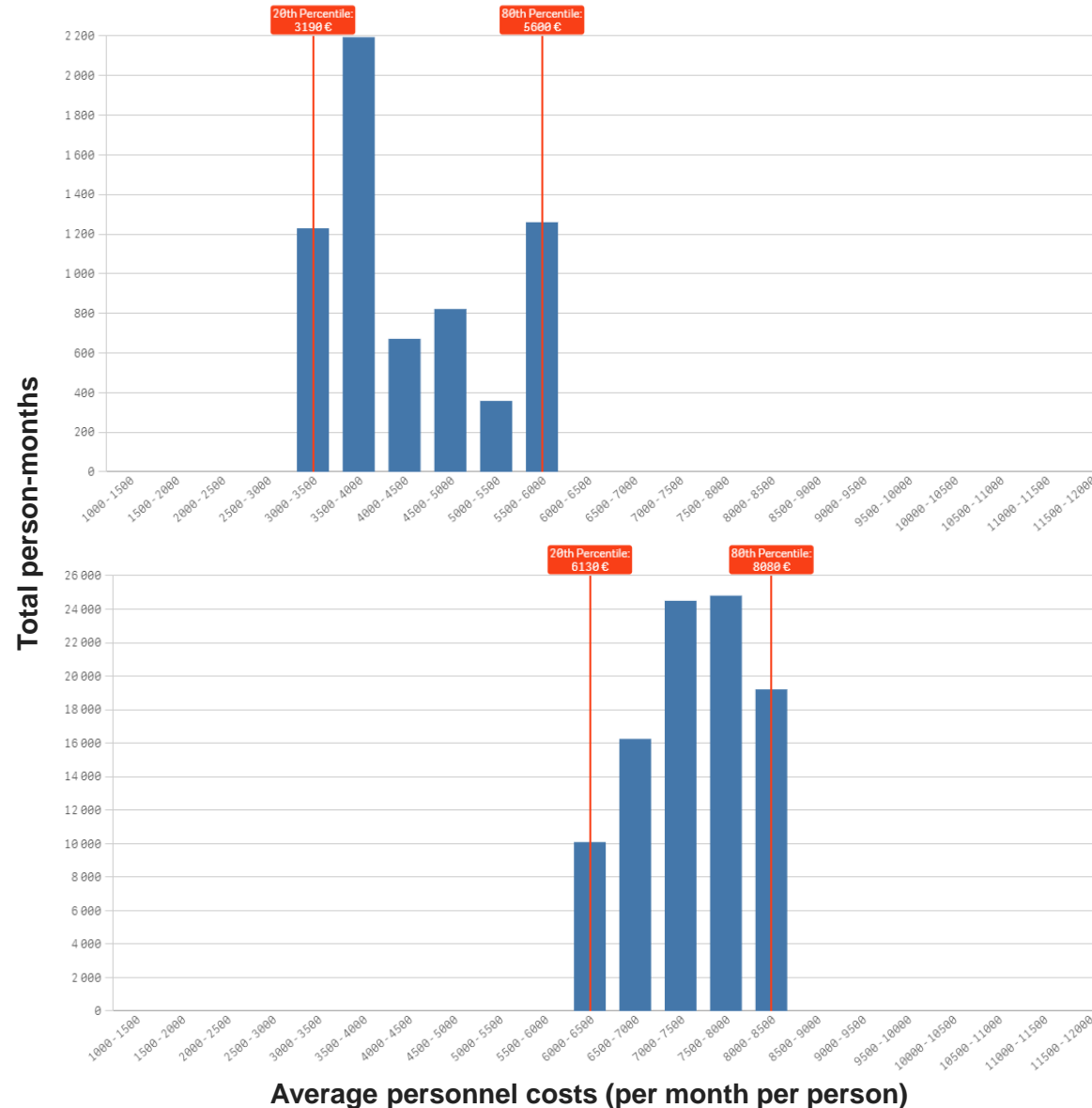
# BE Sheet – All costs budgeted as average Cost per ITEM X Number of ITEMS

Coordinator: BE1 - BUDGET SHEET		View Summary		BE1-AE2			
COST CATEGORY	Baird COMPOUND			Test Compound D			BE+AE TOTAL COSTS
	ITEMS	COST PER ITEM	BE TOTAL COSTS	ITEMS	COST PER ITEM	AE TOTAL COSTS	
<b>COSTS WORK PACKAGE 1: Coordination &amp; Management</b>							
<b>1. DIRECT PERSONNEL COSTS</b>							
<b>1.1 Employees (or equivalent)</b>							
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
<b>1.2 Natural Persons under direct contract</b>							
<b>1.3 Seconded Persons</b>							
<b>1.4 SME owners and natural person beneficiaries</b>							
	2.0	5080	10160.00		6706	0.00	10160.00
<b>2. DIRECT SUBCONTRACTING COSTS</b>							
	2.0	5000	10000.00	1.0	17857	17857.14	27857.14
<b>3. DIRECT PURCHASE COSTS</b>							
<b>3.1 Travel and subsistence</b>							
<b>3.2 Equipment (complete 'Depreciation costs' sheet)</b>							
Equipment			0.00			0.00	0.00
Infrastructure			0.00			0.00	0.00
Other assets			0.00			0.00	0.00
<b>3.3 Other goods, works and services</b>							
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
<b>4. OTHER COST CATEGORIES</b>							
<b>4.1 Financial support to third parties (if applicable in the topic specific conditions)</b>							
<b>4.2 Internally invoiced goods and services</b>							
<b>4.3 Transnational access to research infrastructure item costs (if mentioned as eligible in the topic specific conditions)</b>							
<b>4.4 Virtual access to research infrastructure item costs (if mentioned as eligible in the topic specific conditions)</b>							
<b>4.5 PCP/PPI procurement costs (if mentioned as eligible in the topic specific conditions)</b>							
<b>TOTAL DIRECT PERSONNEL COSTS AND PURCHASE COSTS (A+C)</b>			27060.00			350000.00	377060.00
<b>TOTAL DIRECT COSTS (A+B+C+D)</b>			37060.00			367857.14	404917.14
<b>INDIRECT COSTS (25% * (A+C))</b>			6765.00			87500.00	94265.00
<b>TOTAL COSTS (A+B+C+D+E)</b>			43825.00			455357.14	499182.14
<b>COSTS WORK PACKAGE 2: Feasibility Analysis</b>							
<b>1. DIRECT PERSONNEL COSTS</b>							
<b>1.1 Employees (or equivalent)</b>							

- 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.

- Experts involved in the evaluation of lump sum proposals use the dashboard to ensure that staff budgets are reasonable and non-excessive.
- For each combination of country and organisation type selected, the dashboard displays the distribution between the 20th and the 80th percentile, and the median personnel costs.
- Based on grants signed from 2021 – updated in **November 2024**.
- **Applicants justify high personnel costs in the ‘Any comments’ tab of the Excel detailed budget table.**

Access the dashboard [here](#)



# Subcontracting and Direct Purchase Costs

(Budgeted as # Items X Average Cost per item, Detailed in Part B sections 3.1g & 3.1h)

19	<b>C. DIRECT PURCHASE COSTS</b>			
20	<b>C.1 Travel and subsistence</b>	2,00	650,00	1.300,00
21	<b>C.2 Equipment (complete 'Depreciation costs' sheet)</b>			
22	<i>Equipment</i>	1,00	450,00	450,00
23	<i>Infrastructure</i>			0,00
24	<i>Other assets</i>			0,00
25	<b>C.3 Other goods, works and services</b>			
26	<i>Consumables</i>	4,00	1000,00	4.000,00
27	<i>Services for meetings, seminars</i>	1,00	3000,00	3.000,00
28	<i>Services for dissemination activities (including website)</i>			0,00
29	<i>Publication fees</i>	2,00	1000,00	2.000,00
30	<i>Other (shipment, insurance, translation, etc.)</i>			0,00

- Enter the **total number of units** and the **average cost per unit** for each relevant cost category.
- The cost per unit will be an average of the prices of all items in the given category for a given beneficiary and a given work package. No more detailed information is required in the Excel file.
- If purchase costs exceed 15% of the personnel costs of a given beneficiary, this beneficiary must complete table **3.1h of Part B of the proposal template**

Table 3.1h: 'Purchase costs' items (travel and subsistence, equipment and other goods, works and services)

Participant Number/Short Name		
	Cost (€)	Justification
Travel and subsistence		
Equipment		
Other goods, works and services		
Remaining purchase costs (<15% of pers. costs)		
<b>Total</b>		

# Equipment

Equipment costs listed in a BE sheet to be further detailed in the **Depreciation sheet, or in the Any Comments sheet.**



- **Depreciation Costs** to be listed encoded per Beneficiary & WP as # of Items X average depreciation “Cost per Item” in the Beneficiary sheet, based on to explanations of Depreciation Calculation in the Depreciation sheet ( manual entry to BE sheet)

C. DIRECT PURCHASE COSTS
C.1 Travel and subsistence
C.2 Equipment (complete 'Depreciation costs' sheet)
Equipment
Infrastructure
Other assets



TOOL: DEPRECIATION COSTS LIST											
BE nr	Beneficiary name	WP nr	Work Package name	Resource type	Short name of the investments	Date of purchase (real or planned date of purchase)	Purchase cost	% used for the project	% of useful life of the equipment in the project	Charged depreciation costs per investment	Justification: Needed info for depreciation

- For **Full capitalized costs** of equipment items authorized as per call conditions, there’s no need to fill-in the Depreciation sheet, but a comment to be added in the Comments sheet : *Equipment items A,B,C.. budgeted at full cost as per call conditions.*

Any comments			
nr	BE ref	WP ref	Comments
	BE1		Qualified senior reseracher needed, so personnel costs are higher than average for WP1
	BE3		No depreciation but Full Purchase capitalised costs of call-specified equipment
	BE4		Own resources of 100 K

- **Deviations in various costs categories, other costs details ( if not already explained in 3.1g for Sub-contracting, or 3.1h for Purchase costs, or depreciation sheet), or own resources to be explained and justified the Comments table .**
- **Consistency of costs details between the different parts of the proposal.**

# 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>
Percentage:	51.97%	18.44%	29.58%	100.00%	

### 3 - Budget

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	<b>Not applicable for our Call 2025</b>			
2	Test Camelia-valeria	BE	Affiliated	350 000.00				
3	Test France	FR	Partner	200 000.00				
4	Janitom Tomasz Janisz	PL	Partner	600 000.00				
	Total			1 350 000.00				

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

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

**Make sure that Requested EU grant is equal or less than the costs in the Lump Sum Breakdown (Excel)**

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

