Erasmus+
Capacity building in VET

Funding mechanisms

Online Info Session 7/12/2022

Silvia HOMBERGER (EACEA)

Lump Sum and concept of work package

- **Simplification – Lump sum system** focuses on **performance, content and quality of the project** (implemented activities, deliverables = work packages) and not on detailed financial reporting. Several categories of budget converted into a **simple lump sum amount** (fixed amount) **per work package and per partner**
- **Budget** - based on **work packages** (WP)

A work package:

- Is a major sub-division of the project
- Having objectives, milestones and activities
- Having multiple deliverables

A work package is NOT:

- A single activity (e.g. conference)
- Period of time (e.g. first half year of your project)

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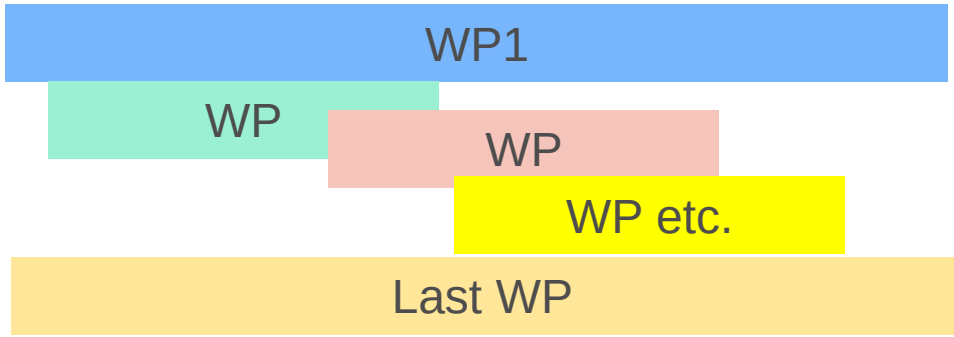
Lump Sum and concept of work package

Number and type of work packages (WPs)

(see part B, section 4.2. Work packages and activities):

- Minimum 3 and maximum should be manageable (e.g.10)
- Minimum number + type:
  - 1 - WP1 “Management and coordination activities”
  - 2 - WP/s “Project activities”
  - *Training, organisation of events, preparation and implementation, quality assurance etc.*
  - 3 - last WP “Impact and dissemination”



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Lump Sum and concept of work package

- **Evaluators:**
  - Assess budget" *The extent to which the project is cost-effective and allocates appropriate resources to each activity*"
  - Recommendations on budget (if need be) to Evaluation Committee
- New - During the **application assessment**, budget **may be confirmed or modified**:
  - **Ineligible** costs will be removed
    (outside eligibility period, activities already implemented, non eligible partnership etc.)
  - **Inflated costs** will be reduced
- Budget/EU grant **fixed** during preparation of Grant Agreement. The amounts per partner per each WP will be **displayed in your Grant Agreement** *(indicative date November 2023)*

Assessment at FINAL **reporting** stage focused on delivery and completion of WPs (work packages)
If you manage to **implement a WP, you will receive** the corresponding **amount**

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Payments of an EU grant

	First pre-financing	Second pre-financing	Balance payment
Duration	**Beginning of a project**	**Mid-term of a project** (Progress report)	**End of a project** (Final report)
1 year	80%	na	20%
2 or 3 years	40%	40%	20%

The table shows percentage of an EU grant

If a financial capacity check of an applicant shows weak results

-> more than one/two pre-financing payment/s

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Type of costs, basic documents and rules

1. Programme Guide
   (Page 335 - What are the funding rules? Page 412 – Check the financial conditions)

2. Annotated Model Grant Agreement

3. **EU grant is maximum 80%** of the estimated budget. Maximum EU grant: 400 000 EUR

4. 20% - Contribution from sources other than the EU grant (own resources, financial contributions from third parties or income generated by the project)

A. DIRECT PERSONNEL COSTS
A1. Employees (or equivalent) person months
Type 1
Type 2
Type 3
Type 4
Other
A.2 Natural persons under direct contract
A.3 Seconded persons
A.4 SME Owners without salary
A.5 Volunteers
B. Subcontracting costs
C. Purchase costs
C.1 Travel and subsistence per travel or day
Travel
Accommodation
Subsistence
C.2 Equipment (please refer to the Depreciation Cost sheet)
C.3 Other goods, works and services
Consumables
Services for Meetings, Seminars
Services for communication/promotion/dissemination
Website
Artistic Fees
Other (please specify details under worksheet "Comments")
TOTAL DIRECT COSTS INCLUDING SUBCONTRACTING (A+B+C+D)
E. Indirect costs 7% (rounded to zero decimals)
TOTAL COSTS (A+B+C+D+E) -

With partners agree on 4 common types of staff

5. Use actual costs for all type of costs *(estimation)*

6. No percentage limits *(for costs categories A, B or C)*

7. Recommendation:
   Prepare your total budget with all actual costs and then transfer it to work packages with lump sum system. You will do it with the help (if need be) of calculating an average amounts of actual costs

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Lump Sum **Type II**, the mechanism - example

BUDGET BASED

Cost categories

	Estimated eligible costs (per budget category)								
	Direct costs							Indirect costs	Total costs
	A. Personnel costs		B. Subcontracting	C. Purchase costs				E. Indirect costs	
	A.1 Employees (or equivalent)	A.2Volunteers	B. Subcontracting	C.1 Travel and subsistence		C.2 Equipment	C.3 Other goods, works and	E. Indirect costs	
				Travel	Subsistence				
Forms of funding	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Actual costs	Flat-rate costs	
Victory	80.000						13.458	6.542	100.000
Super Nova	140.000	-	-	-	-	30.000	16.916	13.084	200.000
Widget ltd	90.000			-	-		3.458	6.542	100.000
Total	310.000	-	-	-	-	-	33.832	26.168	400.000

LUMP SUM BASED

Work Packages

ESTIMATED BUDGET (LUMP SUM BREAKDOWN) FOR THE ACTION

	Estimated EU contribution									
	Estimated eligible lump sum contributions (per work package)									Maximum grant amount[1]
	WP1 [name]	WP2 [name]	WP3 [name]	WP4 [name]	WP5 [name]	WP6 [name]	WP7 [name]	WP8 [name]	WP9 [name]	
Forms of funding	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	/ Lump sum contribution / Financing not linked to costs /	
	a	b	c	d	e	f	g	h	i	l = a + b + c + d + e + f + g + h + i + j + k
Victory	30 000	20 000		10 000					20 000	80 000
Super Nova	20 000			30 000	30 000	30 000		20 000	30 000	160 000
Widget ltd	20 000		10 000				50 000			80 000
2.1 – [short name affiliated entity]										
X – [short name associated partner]										
Total consortium	70 000	20 000	10 000	40 000	30 000	30 000	50 000	20 000	50 000	320 000

80% of estimated total costs of 400 000 EUR

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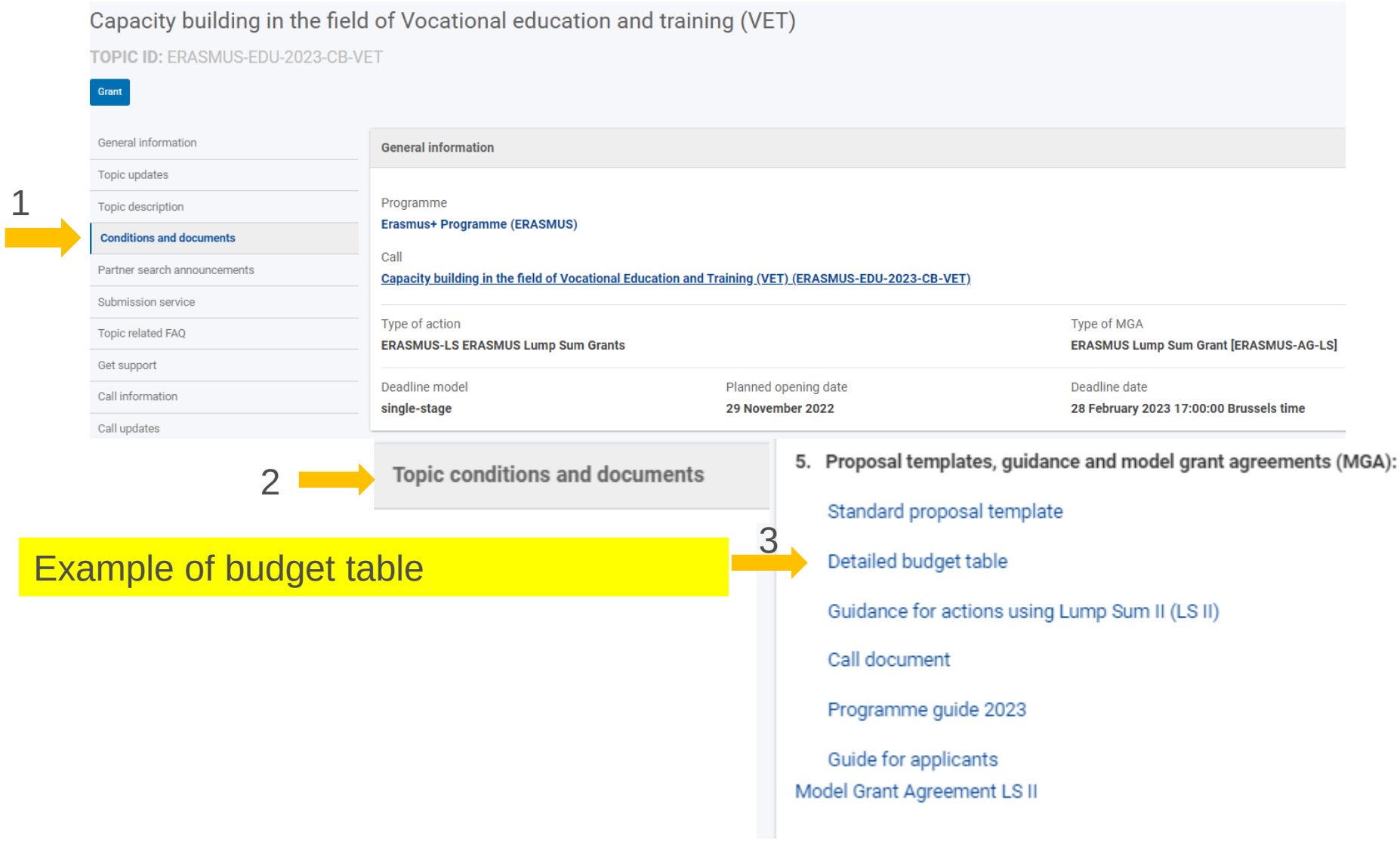
Where is a **model** of a budget excel table

- FTOP portal – Funding and tender opportunities portal



Example of budget table

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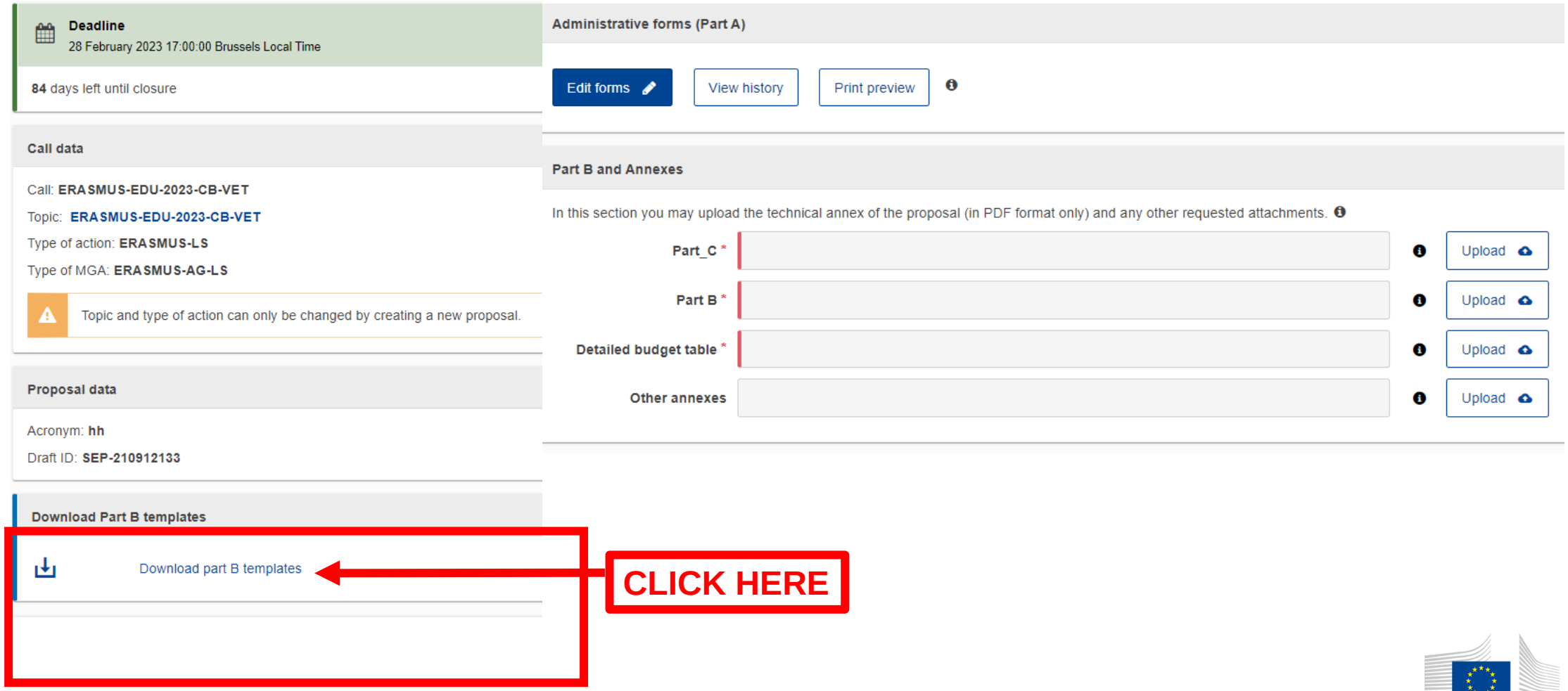
Where to find your Budget table (Excel) **once I start an online Submission process**



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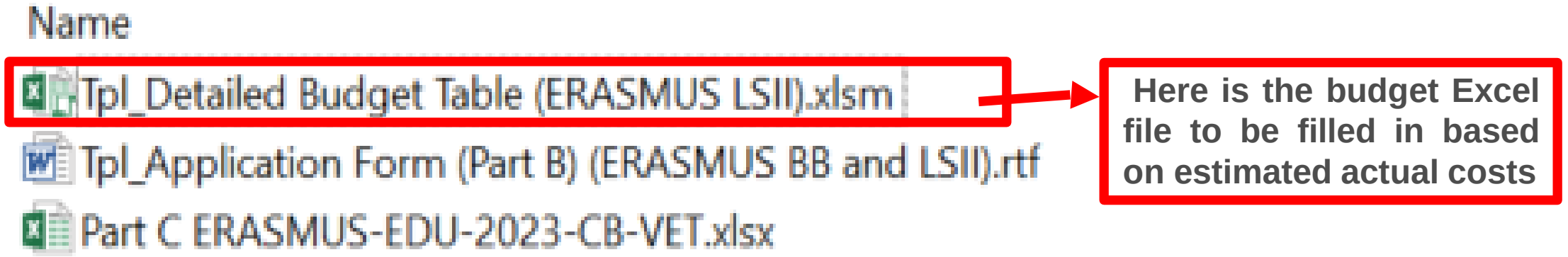
1. Where to find the Budget Excel table



2. Presentation of the Excel table

[Version LUMP SUM II - ERASMUS - v3.6_002, of 14/11/2022 18:00]

The document which will be created with format .XLSX
will be saved in the same folder
where this workbook .XLSM is currently placed.

Instructions

1	This workbook for Lump Sum calculation must be uploaded in the Submission system as a mandatory document in annex to the application. Please note that if you do not upload the fully completed Excel workbook as an annex, the application cannot be submitted (the system will not allow you to submit).
2	According to the Lump sum scheme, the lump sum for a Work Package (WP) will normally be paid only when the entire Work Package has been completed. Please take this into consideration while structuring your proposal. Work Packages should be designed in a way that enables the evaluator to clearly identify whether the action has been completed.
3	We recommend using Excel 2010 or more recent.
4	The only currency used in this worksheet is EURO.
5	The first thing you need to do is to **set the relevant Maximum Grant Amount (in row 34 of this sheet), and the maximum % of co-financing (in row 35, both in column E) applicable for the call.** This data can be found on the Portal under Topic Conditions and in the Call document.
6	You then have to fill in **only** the following sheets: 'Beneficiaries List' – 'Work Package list' – 'BE XXX' (one sheet per Participating Organisation) – 'Depreciation costs' (if your budget includes the purchase of equipment) and the last column of the 'Proposal Budget' sheet with the Requested EU Grant Amount
7	You first need to start filling in the sheet 'Beneficiaries list' where you are asked to enter all participants in the project including any Affiliated Entities. To add beneficiaries, please double-click on '**Add a Beneficiary**'; to add an affiliated entity, please, double-click on '**Add an Affiliated Entity**'. *NOTE: the costs of Associated Partners cannot appear in any part of this budget.*

Instructions | Beneficiaries List | Work Packages List | BE 001 | BE

Read carefully the tab instructions where you will find the information needed to fill in this Excel file

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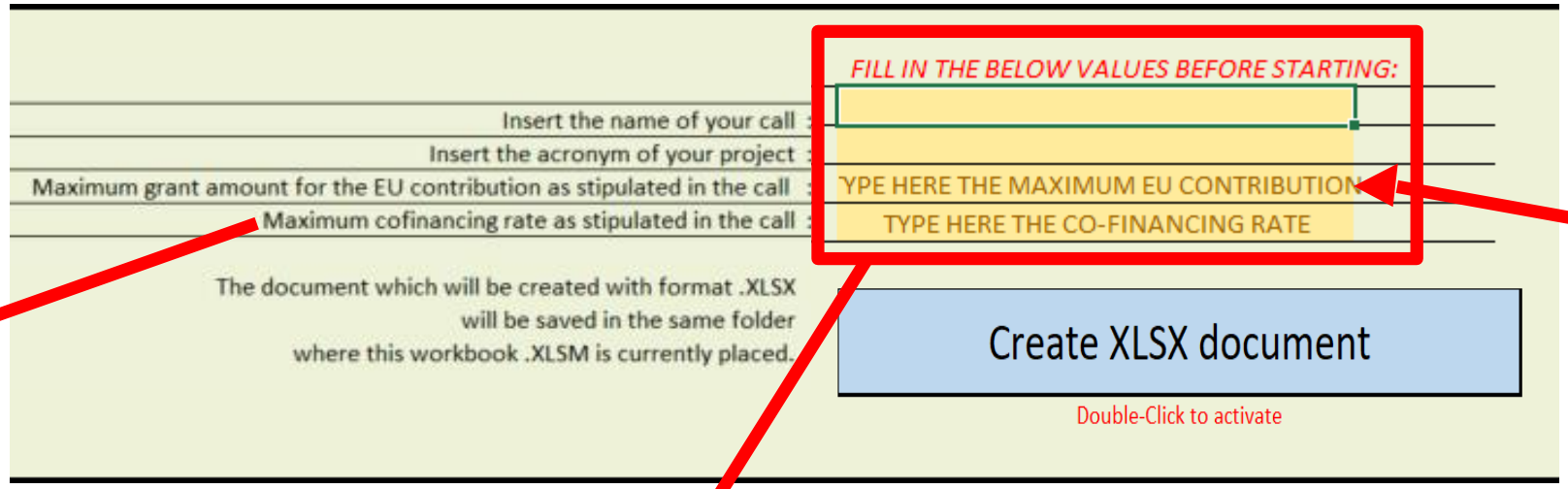
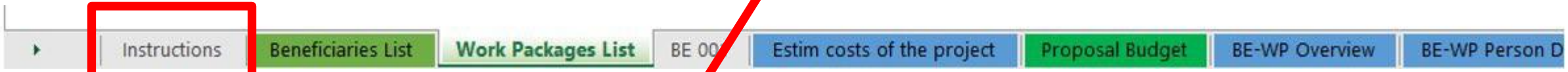
2. Presentation of the Excel table

Please indicate the <u>EU</u> Co-financing rate <u>80%</u>



Maximum EU contribution = EU grant

400 000 EUR



You will first have to fill in that information in the tab « Instructions » based on the information mentioned in the Erasmus+ Programme Guide

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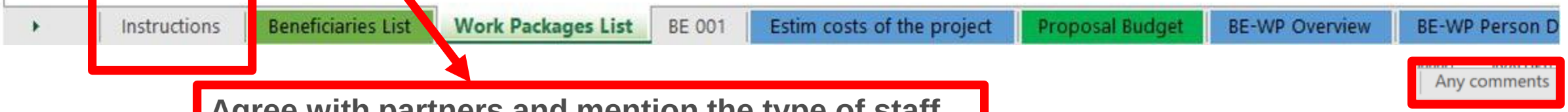
2. Presentation of the Excel table

You can customize here the categories of Employees that correspond to your organisation (example: Senior Staff, Junior Staff, ...).
Please, note that this definition is common to all Work Packages for all Beneficiaries.

A. DIRECT PERSONNEL COSTS
A1. Employees (or equivalent) person months (you can change the types based on your structure)
Type 1
Type 2
Type 3
Type 4
Other

Explain the staff category « Other » in the sheet « Any comments »



Agree with partners and mention the type of staff that wil be identical for all partners that will work on the project. You can split your staff in maximum 5 types (See slide further on 'tab BE 001')

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3. Beneficiaries list

[Version LUMP SUM II - ERASMUS - v3.6_002, of 14/11/2022 19:00]

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Instructions

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3	We recommend using Excel 2010 or more recent.
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7	You first need to start filling in the sheet 'Beneficiaries list' where you are asked to enter all participants in the project including any Affiliated Entities. To add beneficiaries, please double-click on '**Add a Beneficiary**'; to add an affiliated entity, please, double-click on '**Add an Affiliated Entity**'. *NOTE: the costs of Associated Partners cannot appear in any part of this budget.*
8	Then you can fill in the sheet 'Work Packages list', where you are asked to enter all the Work Packa… To add a work package, please double-click on '**Add a Work Package**'.
9	Once you have completed the 'Beneficiaries List' and 'Work Packa… sheets, or each time you add or remove a beneficiary or a work-package, you must double-click on one of the **"Apply changes"** buttons to generate the related sheets in the Excel workbook. At this stage your spreadsheet is ready to be edited Beneficiary by Beneficiary (BE XXX) for all the workpackages

Instructions | Beneficiaries List | Work Packages List | BE 001 | BE 002 | BE 003 | Estim costs of the proje… | Proposal Budget | …E-WP Overview | BE-WP Person Months | Depreciation Costs

These 4 tabs will have to be filled in in order for your Detailed budget table to be complete, before uploading it into the Submission system

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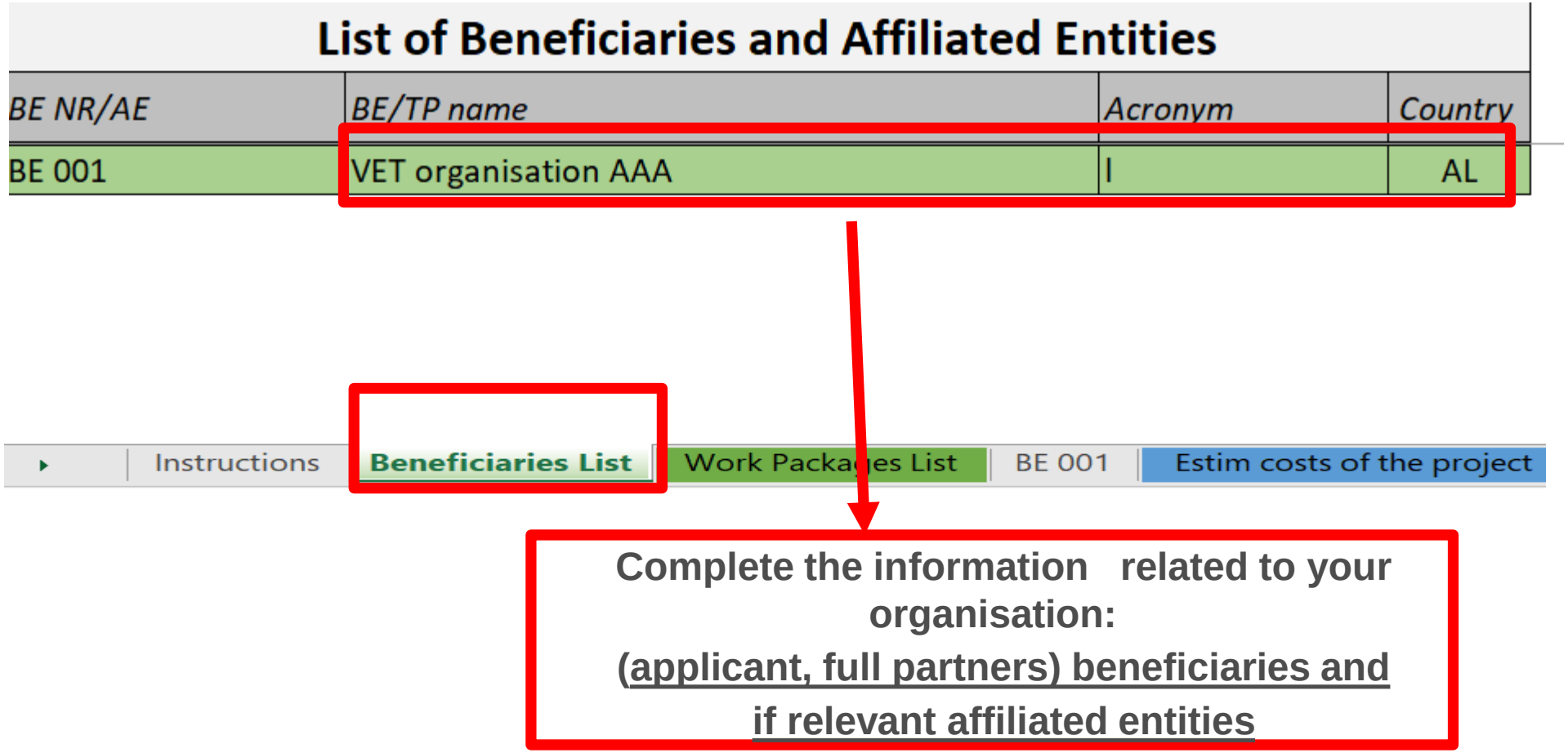
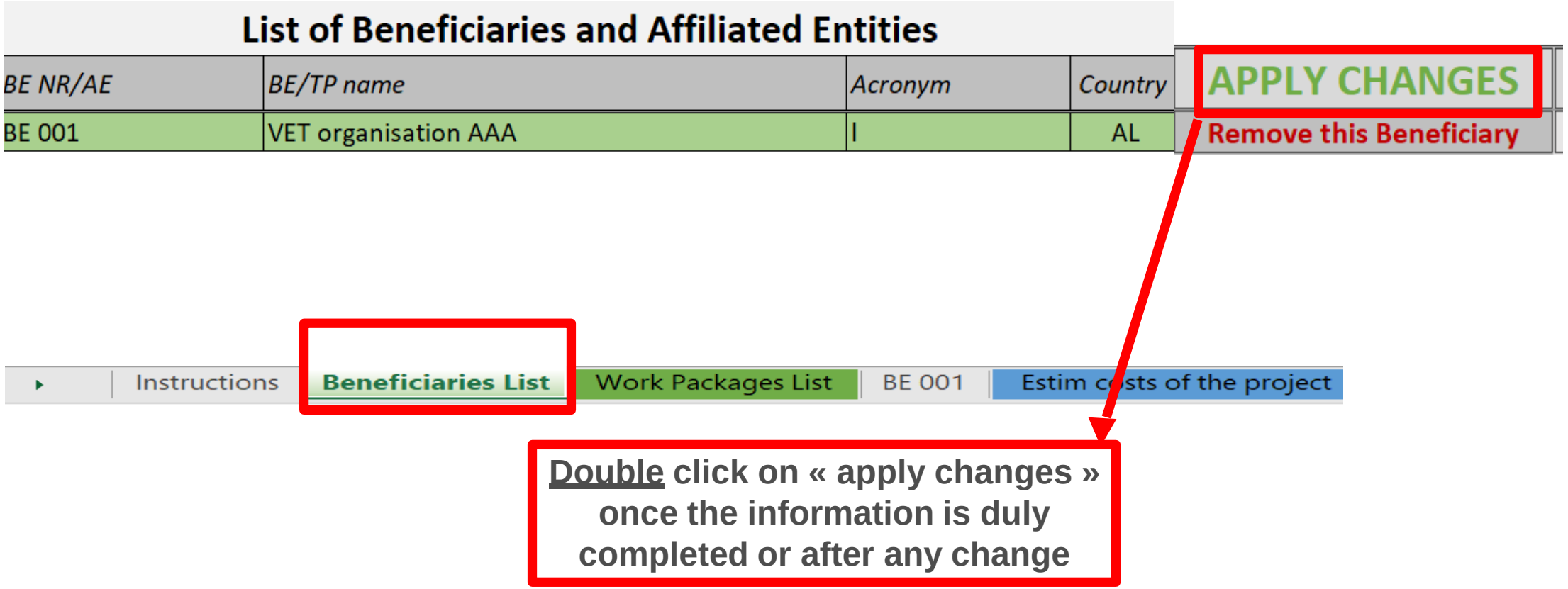
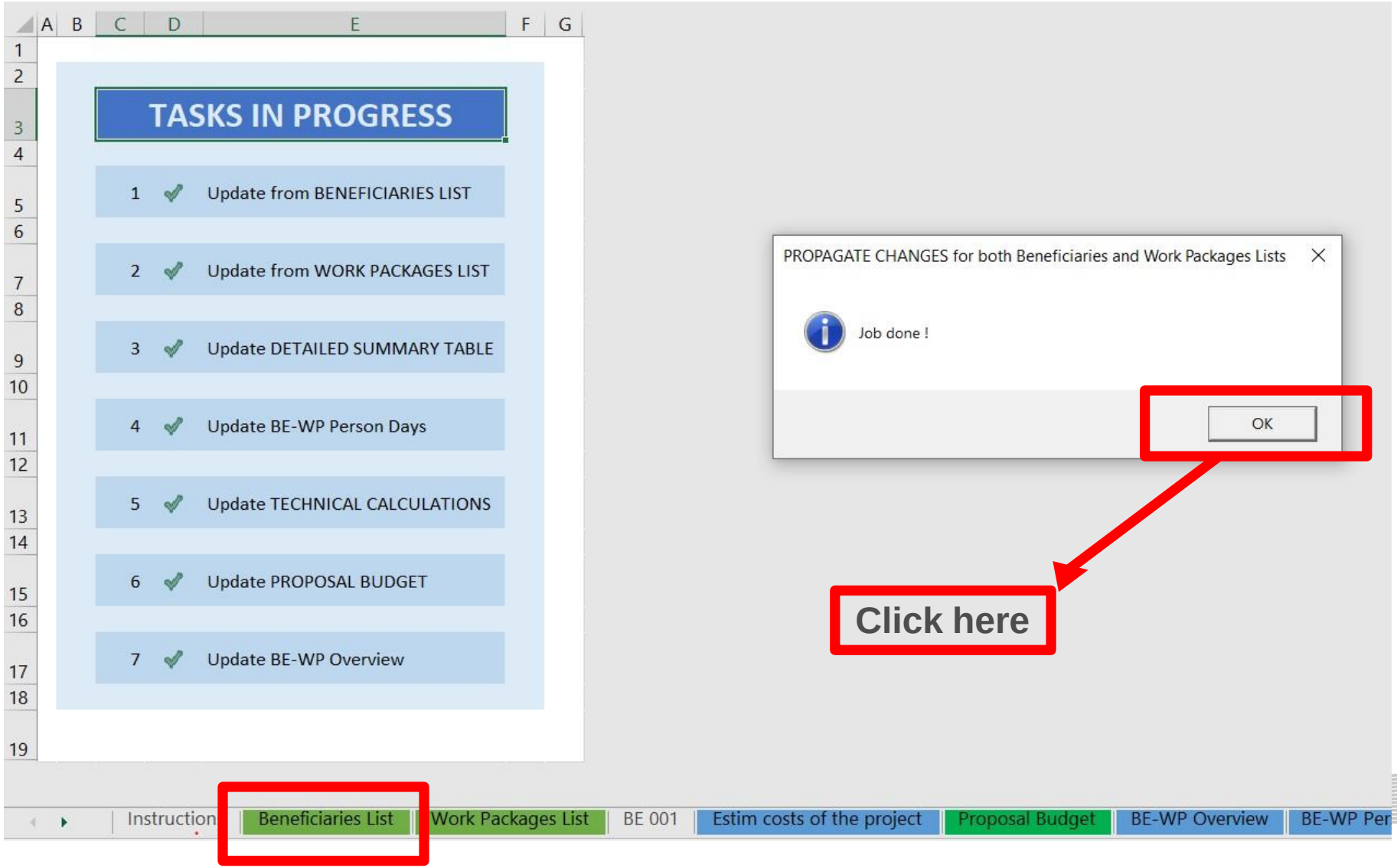
3. Beneficiaries list



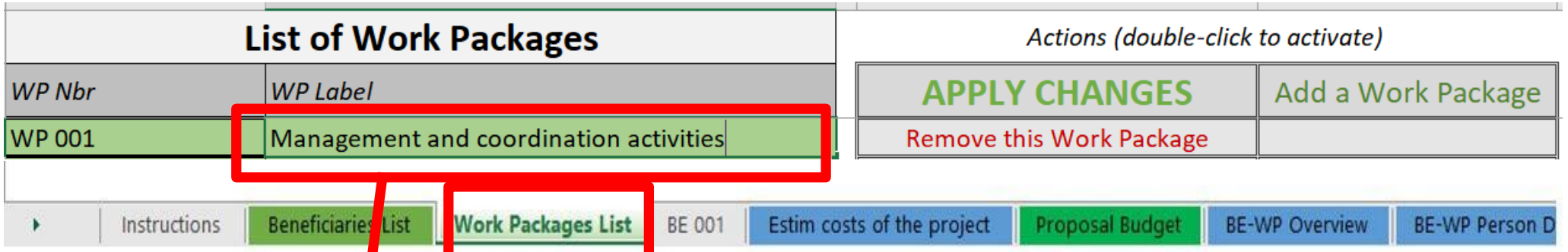
3. Beneficiaries list



3. Beneficiaries list

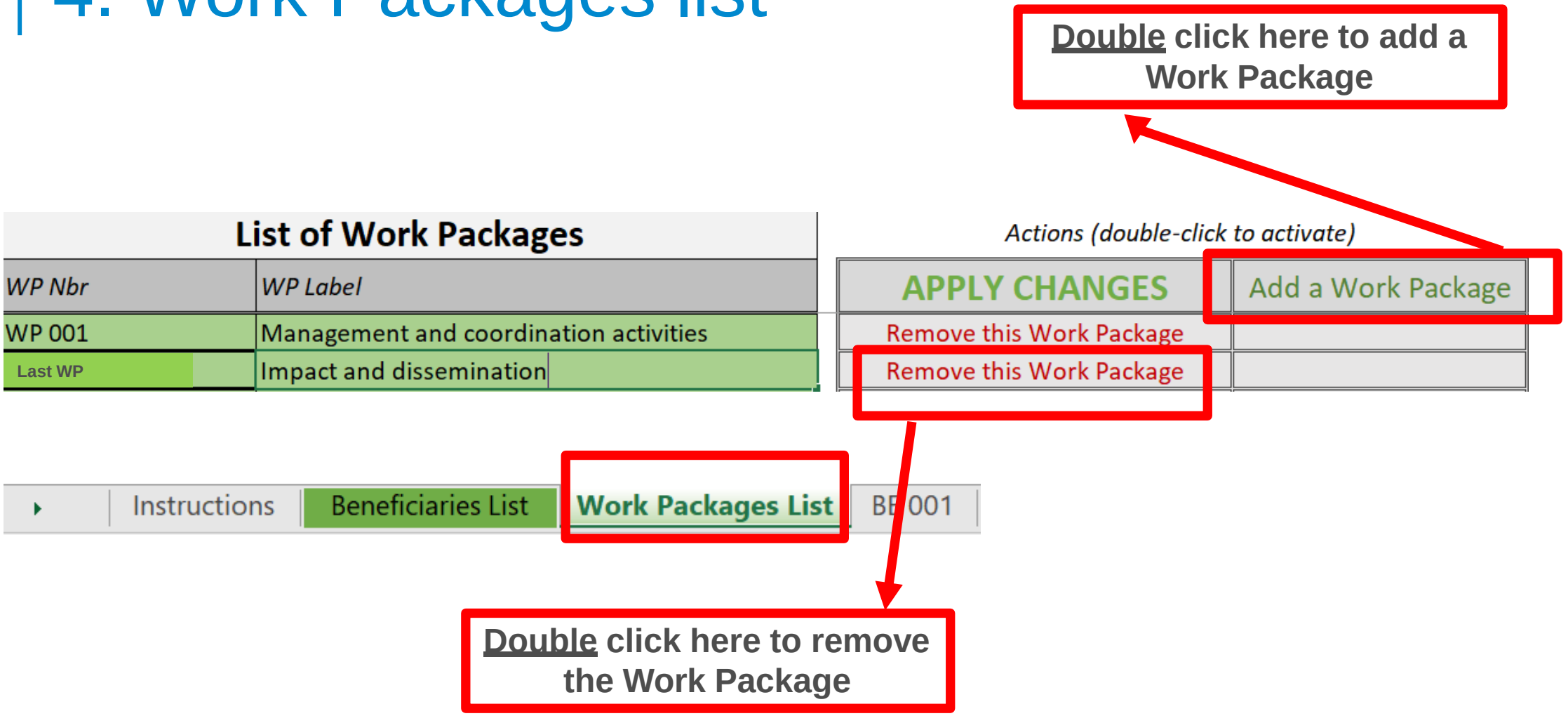


4. Work Packages list

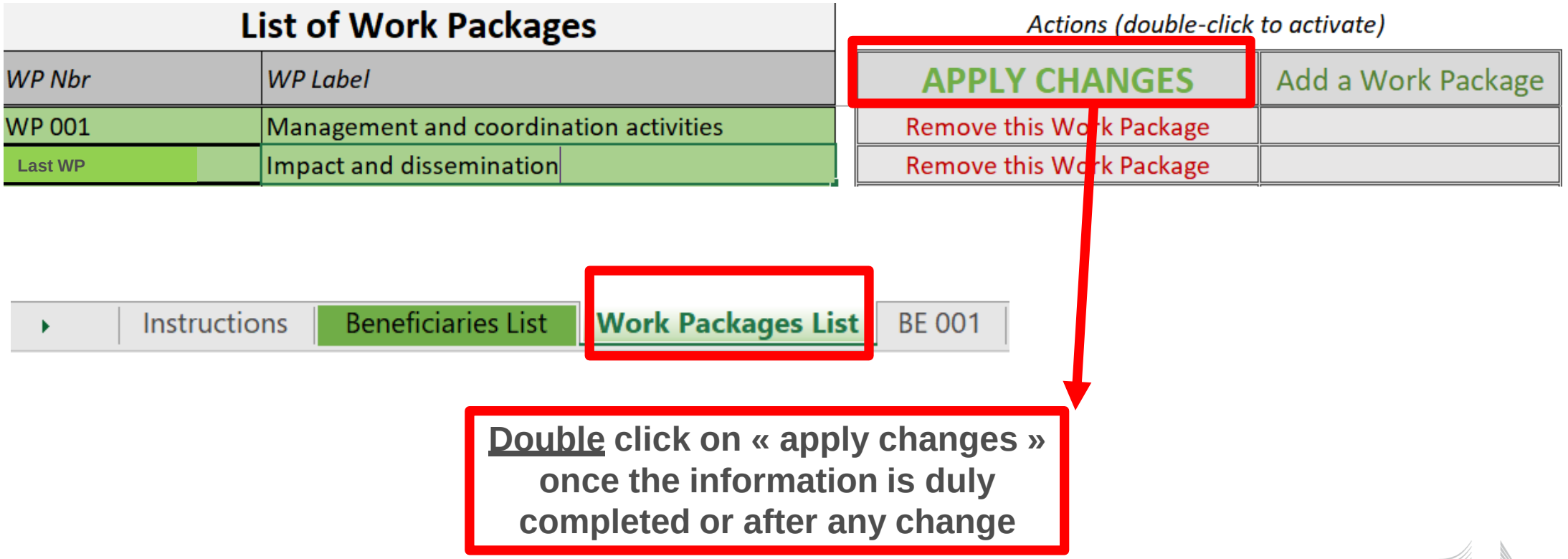


Complete the information related to your different work packages Coherently with Part B

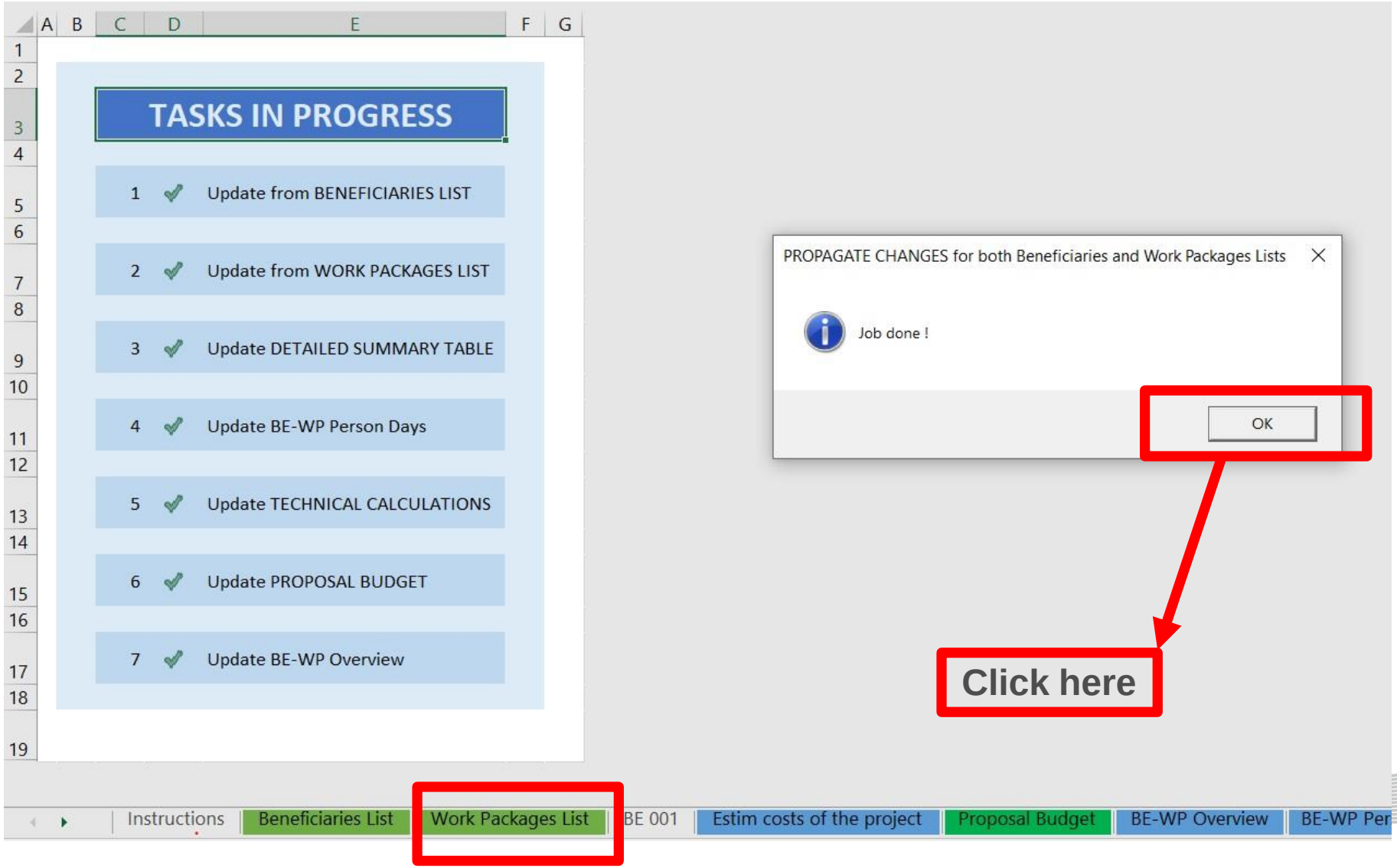
4. Work Packages list



4. Work Packages list



4. Work Packages list



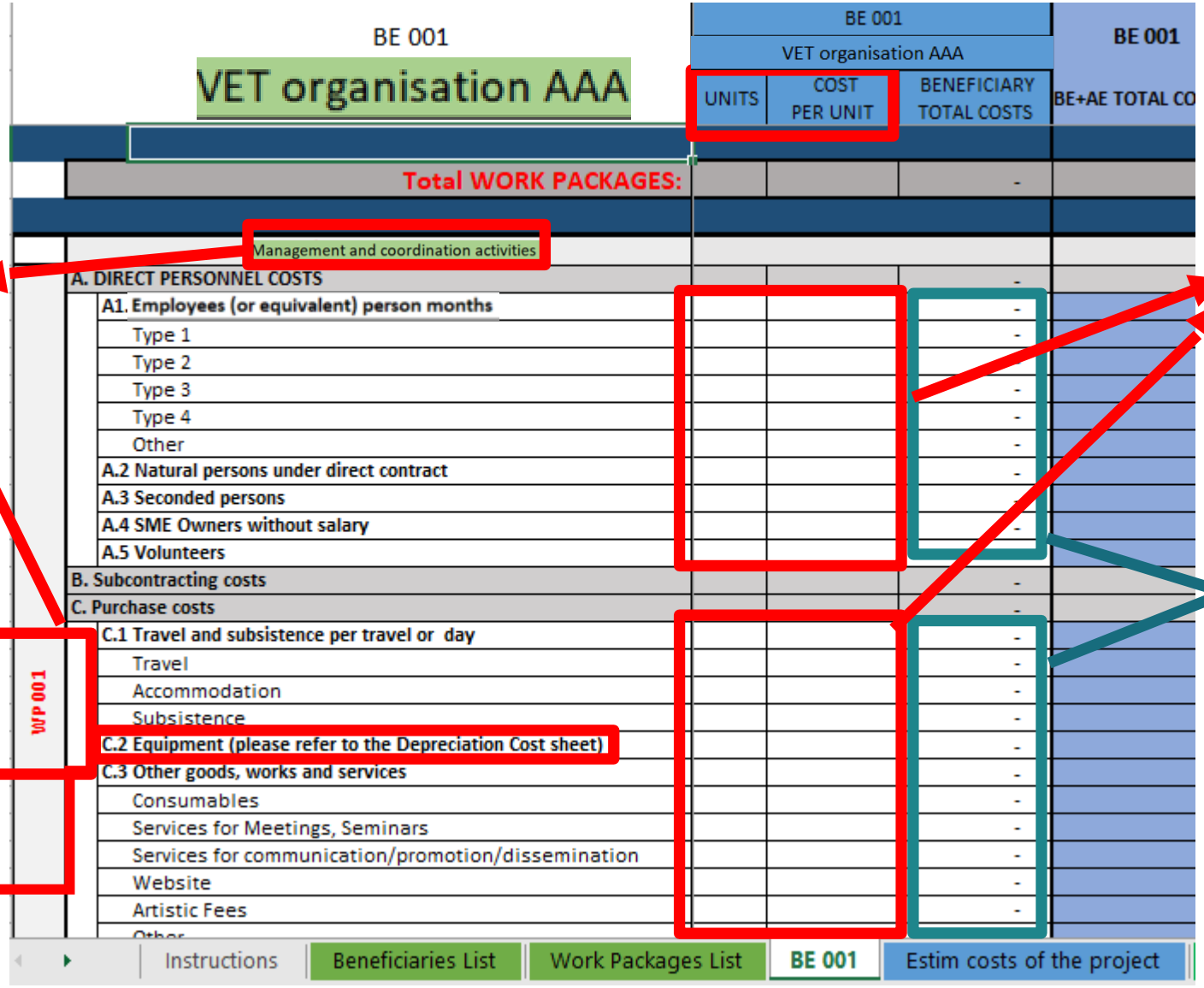
5. Report of the estimated actual costs

Reference to the Work Package

Just go down in the Excel sheet to see the other Work Packages

You have to fill in the estimated actual cost per Work Package

The indirect costs are automatically calculated and are intended to cover all costs linked to the general administration of the project (PCs, portables, supplies, paper, electricity, etc.)



	BE 001 VET organisation AAA UNITS	COST PER UNIT	BENEFICIARY TOTAL COSTS	BE 001 BE+AE TOTAL CO
Total WORK PACKAGES:			-	
Management and coordination activities				
A. DIRECT PERSONNEL COSTS			-	
A1. Employees (or equivalent) person months			-	
Type 1			-	
Type 2			-	
Type 3			-	
Type 4			-	
Other			-	
A.2 Natural persons under direct contract			-	
A.3 Seconded persons			-	
A.4 SME Owners without salary			-	
A.5 Volunteers			-	
B. Subcontracting costs			-	
C. Purchase costs			-	
C.1 Travel and subsistence per travel or day			-	
Travel			-	
Accommodation			-	
Subsistence			-	
C.2 Equipment (please refer to the Depreciation Cost sheet)			-	
C.3 Other goods, works and services			-	
Consumables			-	
Services for Meetings, Seminars			-	
Services for communication/promotion/dissemination			-	
Website			-	
Artistic Fees			-	

WP 001

Instructions | Beneficiaries List | Work Packages List | BE 001 | Estim costs of the project

Cells that need to be filled in

For each cost (line) both columns have to be filled in

The other columns will be automatically calculated

These cells are calculated automatically

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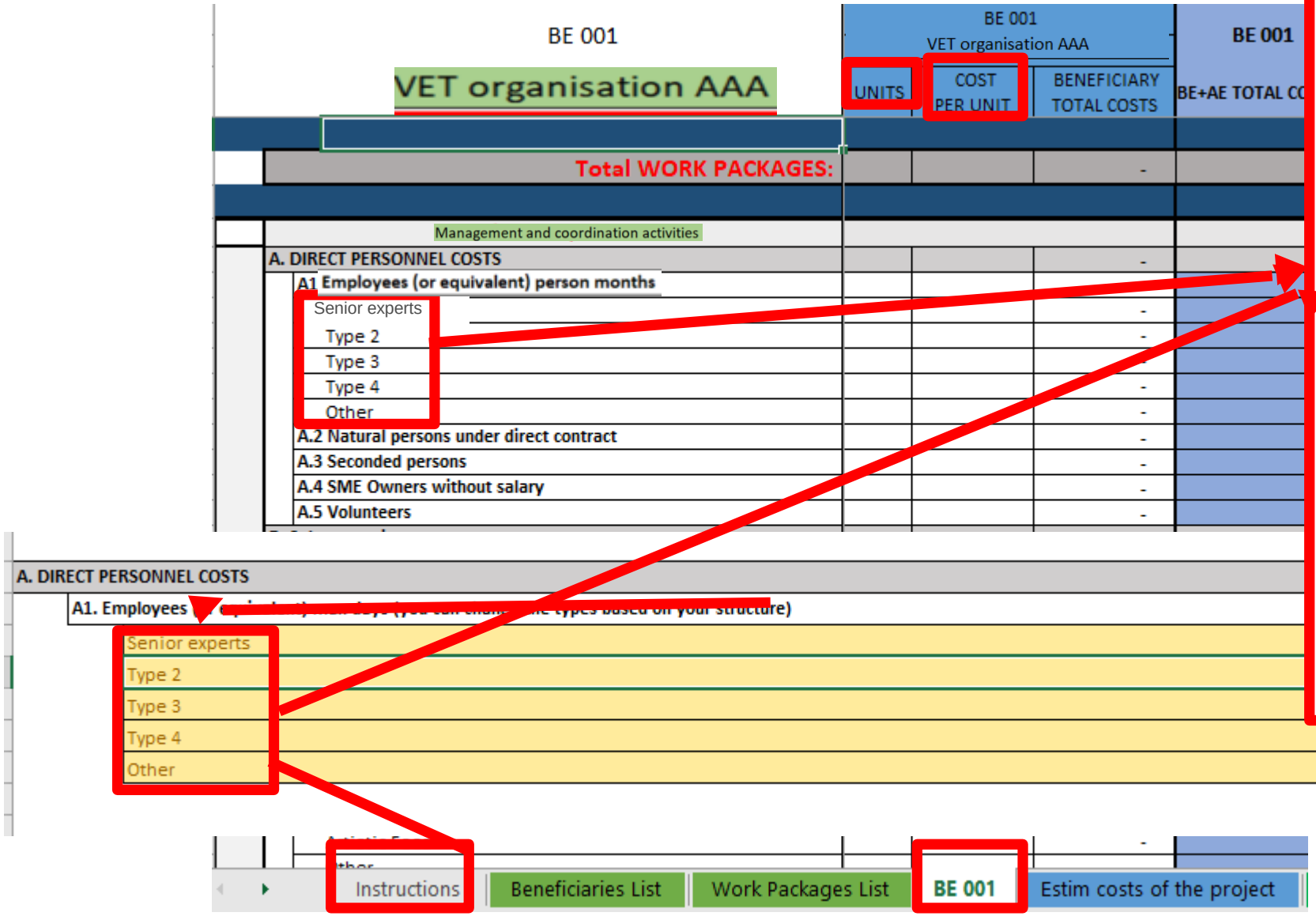
5. Report of the estimated actual costs



See initial slides 'Instructions' to update the type of staff.

You have to encode your real costs using the following unit: 1 unit is 1 one person- month

You first have to calculate average amounts if you have different costs per staff member
Afterwards, you insert the amount to
« Cost per unit »

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6. Proposal Budget

Click here to go to the column Requested EU Grant Amount

		Services for Meetings, Seminars	Services for communication/ promotion/ dissemination	Website	Artistic Fees	Other	D. Other cost categories	D.1 Financial support to third parties	TOTAL DIRECT COSTS INCLUDING SUBCONTRACTING (A+B+C+D)	E. Indirect costs 7% (rounded to zero decimals)	TOTAL COSTS (A+B+C+D+E)	MAX EU CONTRIBUTION = 80 % of 356.238 € or 400.000 €
												Max EU CONTRIBUTION
aa		66	-	-	-	-	-	-	115.466	7.733	123.199	98.559
bb		-	-	-	-	-	-	-	167.770	11.744	179.514	143.611
ccc		-	-	-	-	-	-	-	5.579	391	5.970	4.776
c1		-	-	-	-	-	-	-	44.444	3.111	47.555	38.044
TOTAL	Consortium	66	-	-	-	-	-	-	333.259	22.979	356.238	284.990

Instructions | Beneficiaries List | Work Packages List | BE 001 | BE 002 | BE 003 | Estim costs of the projec | Proposal Budget | E-WP Overview | BE-WP Person Months | Depreciation Costs | Any comments

This is total Maximal EU grant and an EU grant per partner

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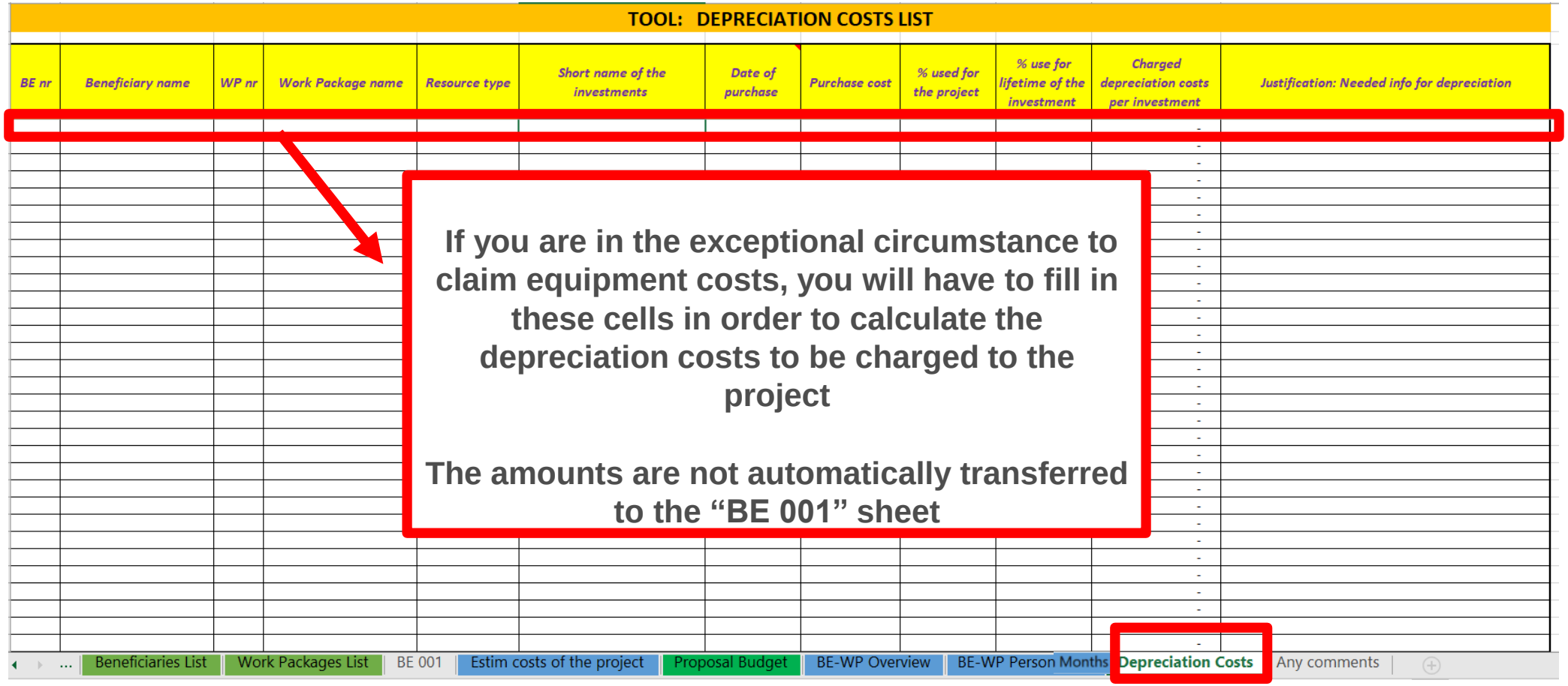
7. Complementary information



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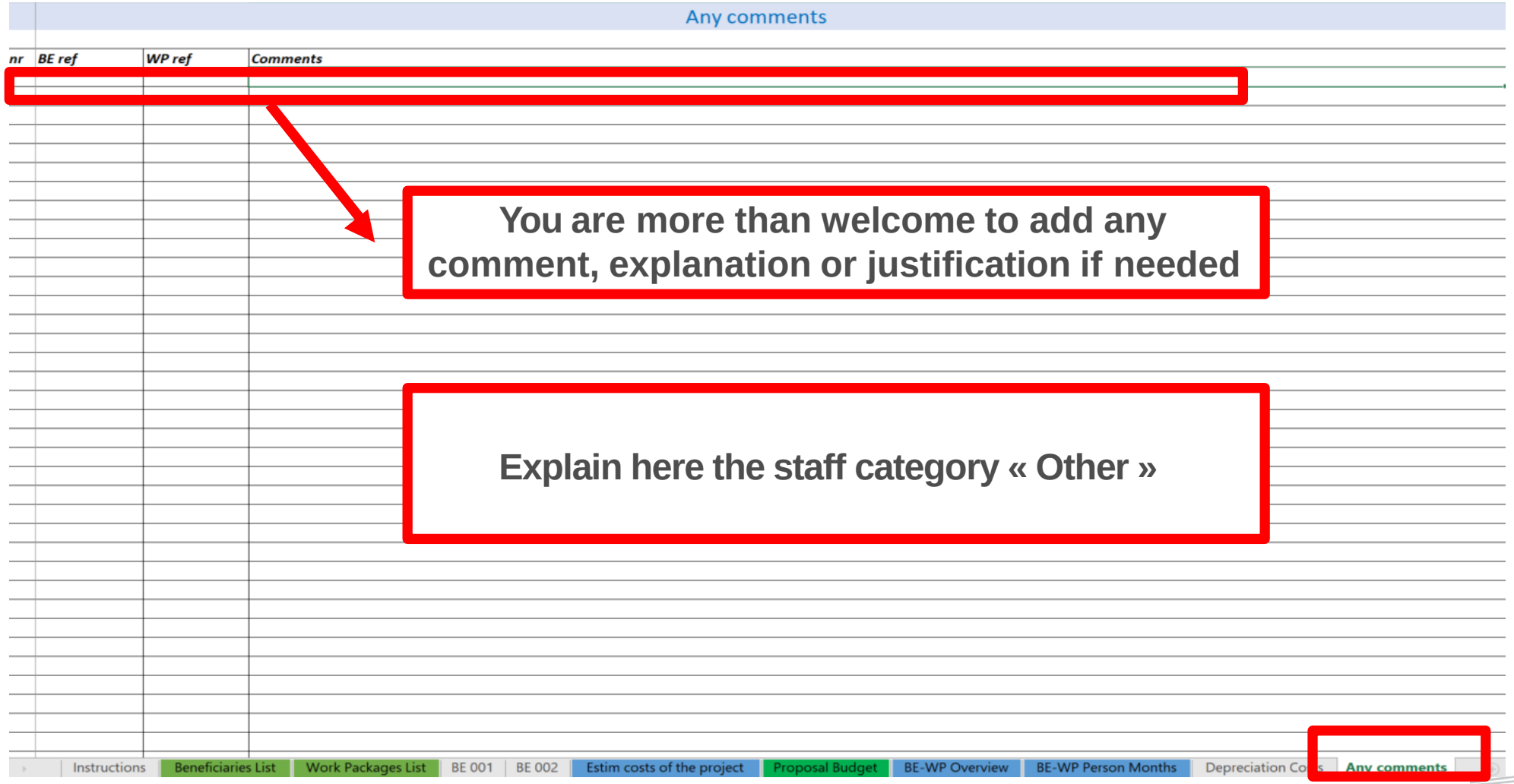
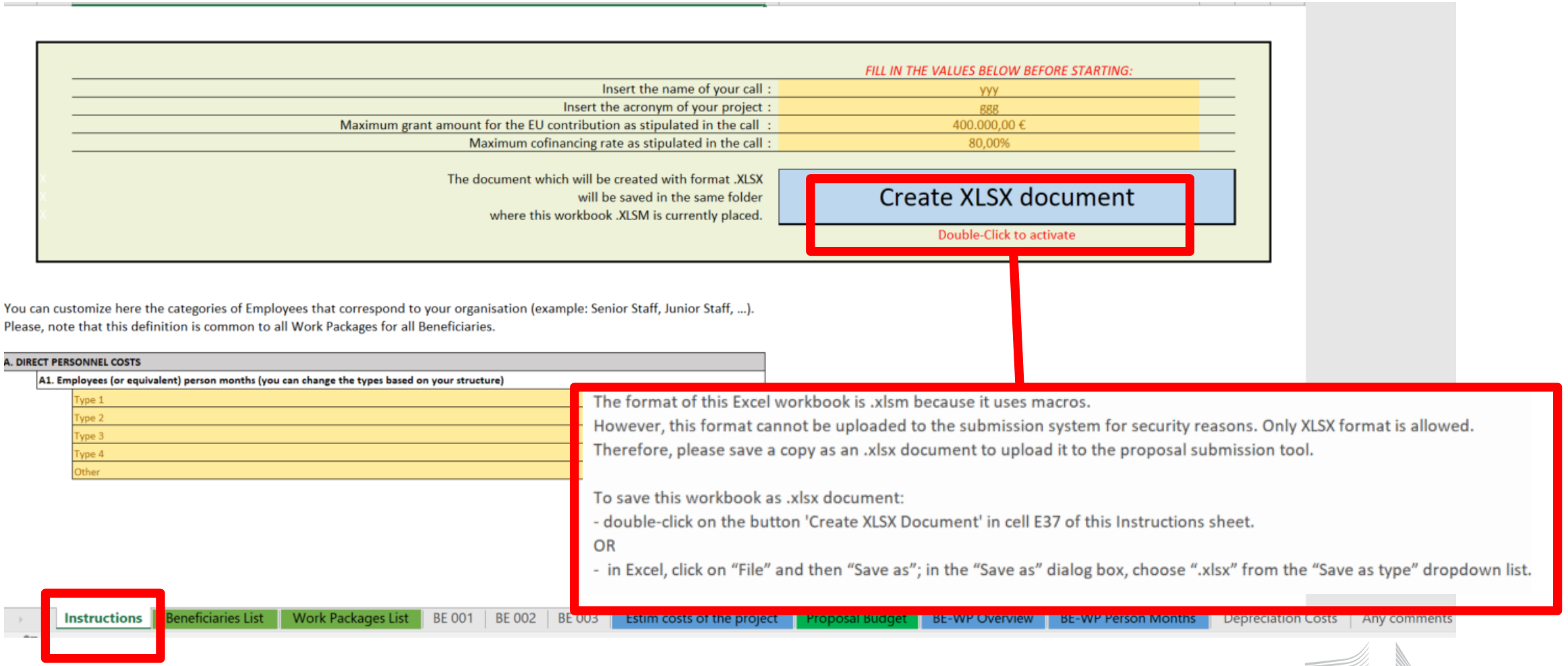
7. Complementary information



8. Upload the file in the application



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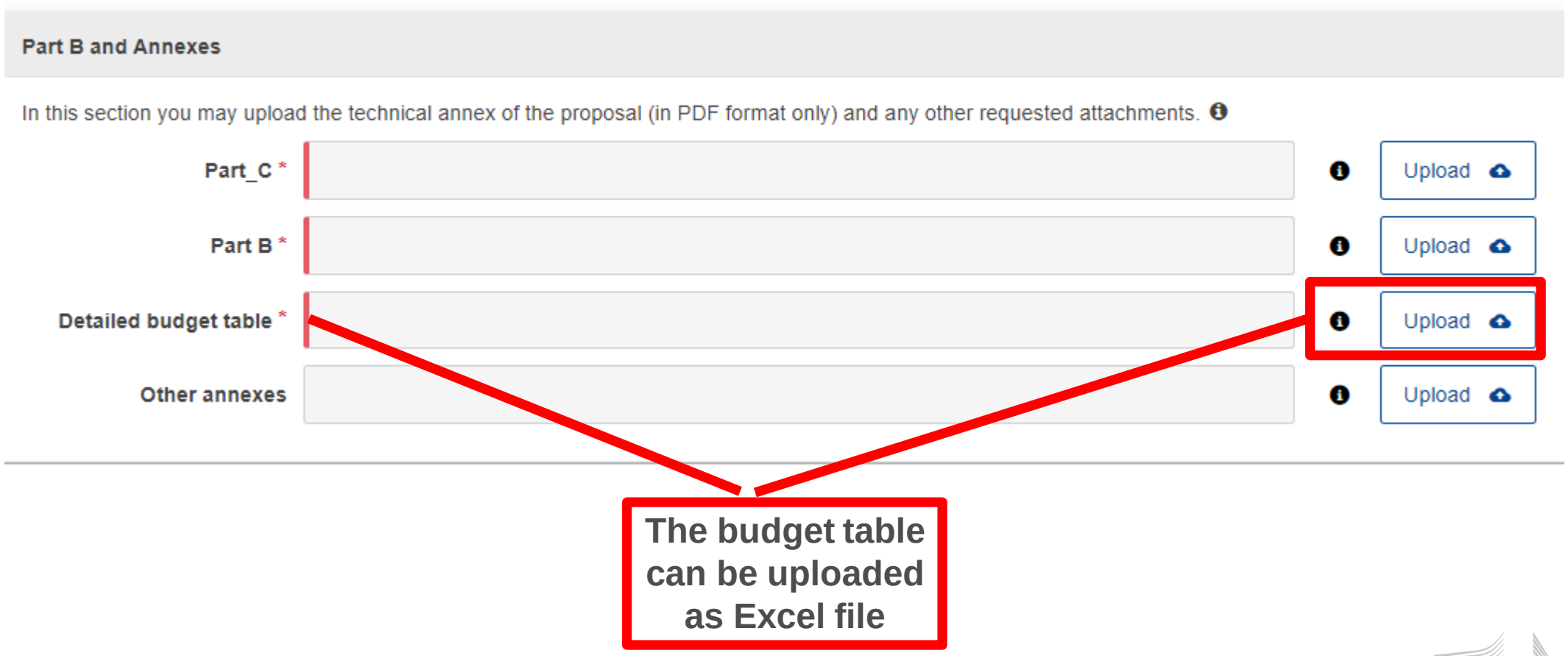

9. Insert EU grant in PART A

Excel budget table

14	**Indirect costs** will be calculated automatically in each 'BE XXX' sheet.
15	The summary tables 'BE-WP Overview', 'Estim costs of the project', 'Proposal Budget', and 'BE-WP Person Months' will be produced automatically.
16	The amount calculated in the **'BE-WP Overview'** sheet of this Excel workbook under the heading 'Maximum EU Grant Amount' **must be identical** to the Requested Grant Amount in the "Section 3 - Budget", in the application form.
17	The '**Estim costs of the project**', **Proposal Budget**' and '**BE-WP person months**' sheets are there for your information and will be used during evaluation of your application.

Part A of an application

Application forms

Proposal ID SEP-210903849
Acronym test

3 - Budget

No	Name of Beneficiary	Country	Requested grant amount
1	Test Camelia-valeria	BE	0.00
	Total		0.00

ATTENTION

A total EU grant and an EU grant per partner from an excel budget table sheet « BE-WP Overview » under the heading « MAXIMUM EU GRANT AMOUNT » has to be inserted in « PART A » of an application (Edit forms / 3. Budget), They must be identical

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TIPS

- Very first thing to do: Make sure you carefully read the *Instructions*
- Do not search for staff costs tables per country in the Programme guide. They do not exist for CB VET action. Insert actual costs.
- Your partners have to approve the budget/EU grant before submission of an application.
- Make sure your amounts are coherent in all parts of the application *(e.g. EU grant in the excel budget table and in the part A)*
- Make sure your budget is sound, detailed, organised and coherent with the work packages
- Make sure you regularly save your document and double click to apply the changes
- Do not forget: this action should strengthen capacity of VET of third countries NOT associated to the Programme

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Common mistakes and solutions

- Total estimated costs ARE equal to EU grant. If EU grant is e.g. 400 000 EUR (80% of total estimated costs) then the total estimated costs are 500 000 EUR (400 000 EUR + 100 000 EUR). NB: 400 000 EUR is a maximal EU grant

- It is not correct that each organisation can have its own name for each staff category. All partners will have identical commonly agreed names of each staff category

- Staff costs – "unit" and "cost per unit " in Lump sum ARE not the same terms as in unit costs system. In Lump sum "Unit" is one person month. "Cost per unit" is an actual (average if need be) costs of one staff category per one month. For "Services for meetings, seminars" a "unit" means number of meetings/seminars and "cost per unit"is an actual (average if need be) costs of one meeting/seminar

- The EU grant in part A is not filled in OR it is different than in an excel budget table. EU grant in part A should be filled in and it must be identical with an EU grant in an excel budget table.

- The tables *(e.g. part B - 2.1.4 Cost effectiveness and financial management or* Estimated budget — Resources*)*, are not filled in, because it is written (n/a for prefixed Lump Sum Grants). They should be filled in as Lump sum type II ARE NOT prefixed Lump Sum

- The table "Staff effort" in part B is filled in, despite the fact it is written (n/a for Lump Sum Grant).
  It should not be filled in as Lump Sum type II are Lump Sum Grant.

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