



European Research Council
Executive Agency

Established by the European Commission

REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY

Financial Year 2019

This report on budgetary and financial management of the European Research Council Executive Agency (ERCEA) for the financial year 2019 has been prepared in accordance with Articles 51 to 57 of the Standard Financial Regulation for the executive agencies.

1. OVERVIEW OF THE BUDGET

1.1. Initial budget, amending budget and final budget

The ERCEA estimated its initial operating (i.e. administrative) budget needs for 2019 for a total amount of € 51.327.500. The ERCEA Steering Committee adopted it on 13 December 2018.

The budget was subsequently amended. The amendment was adopted on 30 September 2019 to cover staff expenditure. This was accomplished via re-allocating funds from several budget lines to the appropriate destinations, as well as via the increase of the total budget by € 190.340.

In view of optimizing the administrative budget execution the Agency is proceeding to transfers between items, chapters and budget lines and chapters. Four transfers have been approved by the Steering Committee on 22 February 2019, 18 July 2019, 6 December 2019 and 18 December 2019.

The below summary table explains how the budget was defined from the adopted to the final budget:

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

EUR

Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	16.650.000	173.000	-346.090	16.476.910
1112	Contract Agents	20.540.000	114.710	56.366	20.711.076
1121	Seconded National Experts	720.000	8.000	-170.618	557.382
1122	Interimaires & stagiaires	590.000	0	-7.648	582.352
1211	Recruitment, entering and leaving the service, transfer costs	42.000	0	-3.681	38.319
1221	Restaurant, Canteens	144.730	0	-8.004	136.726
1231	Medical service	101.000	0	-26.527	74.473
1241	Training	398.300	0	20.500	418.800
1251	Mobility and Public transportation	68.320	20.000	-6.165	82.155
1261	Social service and other interventions	665.000	83.000	233.310	981.310
1271	External services (PMO)	423.200	0	-28.052	395.148
1281	Internal meetings, events and reception	106.000	0	3.920	109.920
1291	Missions (administrative)	0	0	0	0
Title 1	Staff expenditure	40.448.550	398.710	-282.687	40.564.573
2111	Rental of building and associated costs	5.808.270	0	482.780	6.291.050
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	530.080	0	-49.341	480.739
2221	ICT services	1.571.600	-213.000	3.452	1.362.052
2311	Furniture, Material and Technical installations	143.080	0	-3.200	139.880
2321	Works of handling and removal of services	4.500	0	500	5.000
2331	Paper mill, office supplies	20.000	0	0	20.000
2341	Correspondence stamping and carriage costs	53.200	4.500	-3.900	53.800
2351	Acquisition of information	0	0	0	0
2361	Other current expenses (financial, legal, assurance,...)	45.020	20.130	-1.532	63.618
Title 2	Infrastructure and operating expenditure	8.175.750	-188.370	428.758	8.416.138
3111	Experts, studies, representation and external meeting expenses	374.000	0	-59.958	314.042
3121	Missions and related costs	486.500	0	-92.645	393.855
3131	Audit expenses	23.200	0	-11.625	11.575
3141	Expenses of Information, Publications and Communication	566.500	0	-68.525	497.975
3151	Expenses of translation	52.000	0	-21.527	30.474
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.201.000	-20.000	108.209	1.289.209
Title 3	Programme support expenditure	2.703.200	-20.000	-146.070	2.537.130
TOTAL BUDGET		51.327.500	190.340	0	51.517.840

Amendment

	Date	Main subject - description	Impact on commitment and payment appropriations in €
1	30 September 2019	Revision of staff salaries and needs for Social services CPE (Crèche et Petite Enfance)	Title 1: +398.710
		No needs anymore for SUMMA IT tool finally paid by DG RTD instead of the Agency	Title 2: (188.370)
		Reassessment of needs for IT external consultants	Title 3: (20.000)

List of transfers:

	Date	Main subject - description	Impact on commitment and payment appropriations in €
1	22 February 2019	Transfers needed in order to cover unforeseen needs	Chapter 11 - remunerations: (205.700) Chapter 12 - Social services CPE (Crèche et Petite Enfance): 125.000 Chapter 21 - Building expenditure: 35.700 Chapter 23 - Legal charges: 45.000
2	18 July 2019	Transfer needed mostly to cover staff expenditures and Social services CPE (Crèche et Petite Enfance)	Chapter 11 - Remunerations: (127.010) Chapter 12 - Professional development: 123.300 Chapter 21 - Building expenditure: 10.270 Chapter 22 - ICT: (38.680) Chapter 23 - Movable property expenditure: 3.920 Chapter 31 - Programme Management expenditure 28.200
3	6 December 2019	Increase in salaries due to higher indexation rate and limitation of the use of interim workers	Chapter 11 remunerations: (5.000)
		No further needs for SLA HR	Chapter 12 - Professional development: (6.575)
		Audit costs	Chapter 31 - Programme management expenditure: 11.575
4	18 December 2019	Limitation of the use of interim staff	Chapter 11 - Remunerations: (130.279,45)
		Updates for SLA HR and training	Chapter 12 - Professional development: (56.422,92)
		Rent of 19 th floor COV2 building	Chapter 21 - Building expenditure: 436.809,87
		De-commitment of ICT services	Chapter 22 - ICT: (7209,47)
		No needs of legal expenditure given no appeal was made	Chapter 23 - Movable property expenditure: (57.052,72)
		De-commitment of missions expenditure, expert's costs, external meetings and translation services	Chapter 31 - Programme management expenditure: (185.845,31)

1.2. Budget implementation

1.2.1. 2019 appropriations (C1)

The execution of commitments appropriations amounts to € 51.512.839,63 and the execution of payments appropriations amounts to € 48.475.366,56.

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

EUR

Title	2019 commitments appropriations (€1)	Commitments 2019	% of implementation on commitments 2019	Payments 2019	% of implementation on payments 2019	Total unused appropriations current year	Appropriations to be carried-forward to 2020
Title 1 - Staff expenditure	40.564.572,63	40.559.572,63	99,99%	40.063.422,61	98,76%	5.000,00	496.150,02
Title 2 - Infrastructure and operating expenditure	8.416.137,68	8.416.137,67	100,00%	6.924.121,94	82,27%	0,01	1.492.015,73
Title 3 - Programme support expenditure	2.537.129,69	2.537.129,33	100,00%	1.487.822,01	58,64%	0,36	1.049.307,32
Total	51.517.840,00	51.512.839,63	99,99%	48.475.366,56	94,09%	5.000,37	3.037.473,07

The implementation of the final budget appropriations, fund source C1, is at a level of 99,99% for commitments (2018: 99.6 %) and 94.09 % for payments (2017: 93.7 %).

In 2019, the difference between commitments and payments amounts to € 3.037.473,07 (last column of the above table). The Agency carried forward this amount to 2020 as it corresponds to legal commitments contracted in 2019 but not yet paid on 31 December 2019.

Details are presented in the table below:

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

Fund Source: C1

Budget line	Official Budget Item Desc (Er)	Appropriation (1)	Committed Amount (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Total unused appropriations current year (1-2)	Appropriations to carry forward to 2020 (2-3)
Title 1	Staff expenditure	40.564.572,63	40.559.572,63	99,99%	40.063.422,61	98,76%	5.000,00	496.150,02
Chapter 11 - Remunerations, Allowances and Charges		38.327.720,55	38.322.720,55	99,99%	38.261.121,08	99,83%	5.000,00	61.599,47
1 1 1 1	Temporary agents	16.476.909,55	16.476.909,55	100,00%	16.476.909,55	99,92%	0,00	0,00
1 1 1 2	Contract Agents	20.711.076,14	20.711.076,14	100,00%	20.711.076,14	99,98%	0,00	0,00
1 1 2 1	Seconded National Experts	557.382,38	557.382,38	100,00%	557.182,38	98,99%	0,00	200,00
1 1 2 2	Interimaires & stagiaires	582.352,48	577.352,48	99,14%	515.953,01	73,65%	5.000,00	61.399,47
Chapter 12 - Professional Development and Social expenditure		2.236.852,08	2.236.852,08	100,00%	1.802.301,53	80,57%	0,00	434.550,55
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	38.319,33	38.319,33	100,00%	33.902,60	93,71%	0,00	4.416,73
1 2 2 1	Restaurant Canteens	136.726,18	136.726,18	100,00%	109.419,56	90,82%	0,00	27.306,62
1 2 3 1	Medical service	74.473,40	74.473,40	100,00%	74.473,40	59,85%	0,00	0,00
1 2 4 1	Training	418.799,76	418.799,76	100,00%	301.028,24	62,51%	0,00	117.771,52
1 2 5 1	Mobility and Public transportation	82.154,64	82.154,64	100,00%	80.179,88	80,90%	0,00	1.974,76
1 2 6 1	Social service and other interventions	981.310,44	981.310,44	100,00%	760.464,46	99,98%	0,00	220.845,98
1 2 7 1	External services (PMO)	395.148,00	395.148,00	100,00%	365.532,28	94,51%	0,00	29.615,72
1 2 8 1	Internal meetings events and reception	109.920,33	109.920,33	100,00%	77.301,11	78,92%	0,00	32.619,22
Title 2	Infrastructure	8.416.137,68	8.416.137,67	100,00%	6.924.121,94	82,27%	0,01	1.492.015,73
Chapter 21 - Building expenditure		6.291.049,87	6.291.049,87	100,00%	5.165.818,65	82,11%	0,00	1.125.231,22
2 1 1 1	Rental of building and associated costs	6.291.049,87	6.291.049,87	100,00%	5.165.818,65	88,67%	0,00	1.125.231,22
Chapter 22 - ICT		1.842.790,54	1.842.790,53	100,00%	1.585.278,00	86,03%	0,01	257.512,53
2 2 1 1	Hardware software and linked expenses	480.738,54	480.738,53	100,00%	390.221,40	74,42%	0,01	90.517,13
2 2 2 1	ICT services	1.362.052,00	1.362.052,00	100,00%	1.195.056,60	99,04%	0,00	166.995,40
Chapter 23 - Movable property and Current Operating expenditure		282.297,27	282.297,27	100,00%	173.025,29	61,29%	0,00	109.271,98
2 3 1 1	Furniture Material and Technical installations	139.879,60	139.879,60	100,00%	67.127,03	87,25%	0,00	72.752,57
2 3 2 1	Works of handling and removal of services	5.000,00	5.000,00	100,00%	4.075,52	86,60%	0,00	924,48
2 3 3 1	Paper mill office supplies	20.000,00	20.000,00	100,00%	16.000,00	90,00%	0,00	4.000,00
2 3 4 1	Correspondence stamping and carriage costs	53.800,00	53.800,00	100,00%	42.205,07	87,30%	0,00	11.594,93
2 3 6 1	Other current expenses (financial legal assurance)	63.617,67	63.617,67	100,00%	43.617,67	87,30%	0,00	20.000,00
Title 3	Programme Support expenditure	2.537.129,69	2.537.129,33	100,00%	1.487.822,01	58,64%	0,36	1.049.307,32
Chapter 31 - Programme Management expenditure		2.537.129,69	2.537.129,33	100,00%	1.487.822,01	58,64%	0,36	1.049.307,32
3 1 1 1	Experts, studies, representation and external meeting expenses	314.042,34	314.042,34	100,00%	257.050,88	74,63%	0,00	56.991,46
3 1 2 1	Missions and related costs	393.854,79	393.854,79	100,00%	349.284,72	91,37%	0,00	44.570,07
3 1 3 1	Audit expenses	11.575,00	11.575,00	100,00%	0,00	19,37%	0,00	11.575,00
3 1 4 1	Expenses of Information, Publications and Communication	497.974,96	497.974,96	100,00%	93.616,30	39,44%	0,00	404.358,66
3 1 5 1	Expenses of translation	30.473,50	30.473,50	100,00%	29.473,50	96,90%	0,00	1.000,00
3 1 7 1	Operational related IT costs	1.289.209,10	1.289.208,74	100,00%	758.396,61	67,83%	0,36	530.812,13
TOTAL		51.517.840,00	51.512.839,63	99,99%	48.475.366,56	94,09%	5.000,37	3.037.473,07

As regards Title 1 - Staff expenditure, end 2019, 126 temporary agents, 362 contracts agents, 11 Seconded National Experts and 9 agents financed from participation of candidate countries and/or third countries were recruited explaining the execution on chapters 11 and 12¹⁵.

The breakdown by type of expenditure shows that the total staff expenditure accounts for about 78,7 % of total commitments.

The trainings under item 1241 ordered in 2019 covered the following activities:

- Commission trainings (financial courses such as ABAC accounting systems, languages, etc.) managed under the SLA signed by Commission DGs and the ERCEA.
- Teambuilding actions
- Training for management (coaching,...)
- External trainings.

School transport costs under item 1251 arise from the right for Agency staff to have their children go to European Schools. In addition and, in line with the Commission, the ERCEA based on its decision taken in 2010, reimburses part of staff's public transportation costs.

Crèche and Garderie costs under item 1261 are related to art 6.1 of the SLA signed with OIB and substantiated by the confirmation given by the ERCEA to OIB to support this type of expenses.

Item 1271 includes the fees paid for the services provided to the Agency by PMO: calculation of the staff salary and entitlements, including SNEs, determination of the rights at entry in service and along the career, liquidation of mission expenses, and calculation of reimbursement of travel costs to the convoked candidates at recruitment interview, etc.

As regards Title 2 Infrastructure and operating expenditure, the main post is the renting and charges of the building (chapter 21) which is 74,7 % of the amount committed under this title. Building charges come from the services provided by DG HR (caretaking costs, technical and security controls of the building, badges to the staff, etc.) and by OIB (maintenance, cleaning, participation to the Covent Garden canteen costs, renting).

In the frame of an usufruct contract starting in September 2008 for a duration of 15 years, the Agency occupies 7 floors¹⁶ and parking space of Covent Garden Building at place Rogier – 1210 Saint Josse as well as the 7th floor of the evaluation facilities of the COVE building as of 1 April 2018 which is rented to OIB through the Service Level Agreement.

IT expenditure (chapter 22) represents 21.9% of title 2 and concerns mainly:

- the maintenance/renewal of software, licences and servers;
- the purchase of IT equipment (computer, laptop, etc.);
- the audio visual equipment of the meeting rooms;
- the helpdesk, the costs of computerised central financial and accounting system named ABAC (Service Level Agreement with DG BUDG);

¹⁵ Chapter 11 concerns salaries and allowances and 12 removal expenditures, installation costs, change of personnel and recruitment costs incurred by the Agency from the launch of a selection procedure to the effective recruitment of the selected candidates as well as pre-recruitment medical visits, annual medical visits and training costs.

¹⁶ Including the 19th floor of the COV2 building, which has been also rented as from 19 November 2019.

- the costs paid for the services provided to the Agency by Directorate General DIGIT of the Commission in the frame of a Memorandum of Understanding for network service, mailboxes and other Commission applications such as "Ares", "Syslog" and "Sysper".

The chapter 23 (movable property and current operating expenditure) represents 3,4% of the Title 2.

As regards Title 3 - Programme support expenditure, the main expenditures are related to:

- the external experts meetings, the Board Meetings, the meetings with National Representatives, etc;
- the missions;
- the communication budget, that covers among others the items of expenditures necessary to build the corporate identity of the ERC, through organisation of events (publication, productions of videos, development and enhancement of the website and media monitoring activities);
- the development of IT applications requiring specialized profiles and specific competencies from IT consultants (50,8% of the Title 3).

The main appropriations to be carried forward to 2019 (€ 3.037.473,07 ; 5,9% of the budget) are on the main following budget lines:

- SLA OIB, € 703.477,76: balance payment;
- Operational related IT costs, € 530.812,13: amount mainly concerns for the payment of the IT consultants for the 4th quarter 2019 and from January 2020;
- Rent to REA of the 19th floor of the COV2 building: € 447.174,72.
- Communication, € 404.358,66: mainly for the payments of costs linked to media services or events, ERC website maintenance contracts and of the 4th quarter for two external consultants;
- IT hardware, software and linked expenses, € 257.512,53: hardware purchased at the end of 2018 (maintenances, new servers and storage, laptops, licences and IT support services...);
- Training € 117.771,52: mainly for the balance payment of external contracts;
- Social service: € 174.041,24 for the payment of CPE (Crèche);
- SLA HR: € 70.936,13
- Interim workers : € 61.399,47.

1.2.2. 2018 appropriations carried-forward to 2019 (C8)

The 2018 appropriations that were carried forward to 2019 as C8 appropriations amounted to € 2.865.450,44 (5,9 % of the budget). Out of this amount, € 2.562.106,02 € have been paid (89,4 %, to be compared to 93,4 % in 2018. The 2018 appropriations (budget of € 48.808.107) have been paid at 98,97 % (€ 45.741.759,54 on C1 appropriations and € 2.562.106,02 on C8 appropriations).

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

Title	Payments appropriations carried-forward from 2018 (RAL CB)	Amounts paid	Total unused payment appropriations carried-forward from 2018	% of implementation on appropriations carried-forward from 2018	Final amount from 2018
Title 1 - Staff expenditure	515.165,42	476.545,13	38.620,29	92,5%	0,00
Title 2 - Infrastructure and operating expenditure	1.448.610,32	1.269.317,23	179.293,09	87,6%	0,00
Title 3 - Programme support expenditure	901.674,70	816.243,66	85.431,04	90,5%	0,00
Total	2.865.450,44	2.562.106,02	303.344,42	89,4%	0,00

The main amounts that were unduly carried forward (€ 303.344,42) and therefore had to be de-committed are mainly the following:

- € 127.958,50 related to SLA OIB 2018
- € 31.333,41 related to experts meetings
- € 26.986,70 related to building insurance
- € 27.595,33 related to external consultants
- € 89.470,48 related to different budget lines and contracts

Details are presented in the table below:

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

Fund Source: C8

Budget line	Official Budget-Item Desc (Fr)	€8 Appropriations (1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2020 (2-3)
Title 1	Staff expenditure	515.165,42	476.545,13	92,50%	38.620,29	0,00
Chapter 11 - Remunerations, Allowances and Charges		106.570,51	103.051,16	96,70%	3.519,35	0,00
1 1 2 1	Seconded National Experts	365,00	365,00	100,00%	0,00	0,00
1 1 2 2	Interimaires & stagiaires	106.205,51	102.686,16	96,69%	3.519,35	0,00
Chapter 12 - Professional Development and Social expenditure		408.594,91	373.493,97	91,41%	35.100,94	0,00
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	1.080,84	604,54	55,93%	476,30	0,00
1 2 2 1	Restaurant Canteens	30.660,00	30.638,29	99,93%	21,71	0,00
1 2 3 1	Medical service	17.760,60	17.760,60	100,00%	0,00	0,00
1 2 4 1	Training	162.344,61	149.266,22	91,94%	13.078,39	0,00
1 2 5 1	Mobility and Public transportation	2.671,55	2.316,70	86,72%	354,85	0,00
1 2 6 1	Social service and other interventions	132.641,21	131.325,55	99,01%	1.315,66	0,00
1 2 7 1	External services (PMO)	58.835,03	38.981,00	66,25%	19.854,03	0,00
1 2 8 1	Internal meetings events and reception	2.601,07	2.601,07	100,00%	0,00	0,00
Title 2	Infrastructure	1.448.610,32	1.269.317,23	87,62%	179.293,09	0,00
Chapter 21 - Building expenditure		950.980,62	797.684,19	83,88%	153.296,43	0,00
2 1 1 1	Rental of building and associated costs	950.980,62	797.684,19	83,88%	153.296,43	0,00
Chapter 22 - ICT		429.194,62	407.077,01	94,85%	22.117,61	0,00
2 2 1 1	Hardware software and linked expenses	353.240,32	341.889,85	96,79%	11.350,47	0,00
2 2 2 1	ICT services	75.954,30	65.187,16	85,82%	10.767,14	0,00
Chapter 23 - Movable property and Current Operating expenditure		68.435,08	64.556,03	94,33%	3.879,05	0,00
2 3 1 1	Furniture Material and Technical installations	52.585,11	51.077,52	97,13%	1.507,59	0,00
2 3 2 1	Works of handling and removal of services	500,00	480,00	96,00%	20,00	0,00
2 3 3 1	Paper mill office supplies	4.000,00	1.648,54	41,21%	2.351,46	0,00
2 3 4 1	Correspondence stamping and carriage costs	11.349,97	11.349,97	100,00%	0,00	0,00
Title 3	Programme Support expenditure	901.674,70	816.243,66	90,53%	85.431,04	0,00
Chapter 31 - Programme Management expenditure		901.674,70	816.243,66	90,53%	85.431,04	0,00
3 1 1 1	Experts, studies, representation and external meeting expenses	70.713,78	39.380,37	55,69%	31.333,41	0,00
3 1 2 1	Missions and related costs	45.294,17	37.058,87	81,82%	8.235,30	0,00
3 1 3 1	Audit expenses	46.309,00	28.942,00	62,50%	17.367,00	0,00
3 1 4 1	Expenses of Information, Publications and Communication	271.460,07	256.171,82	94,37%	15.288,25	0,00
3 1 5 1	Expenses of translation	1.539,00	1.539,00	100,00%	0,00	0,00
3 1 7 1	Operational related IT costs	466.358,68	453.151,60	97,17%	13.207,08	0,00
TOTAL		2.865.450,44	2.562.106,02	89,41%	303.344,42	0,00

2. REVENUE

In accordance with Article 5 of the Standard Financial Regulation for the Executive Agencies¹⁷, the revenue of the Agency shall comprise a grant awarded by the Communities and any other revenue, including assigned revenue within the meaning of Article 15 thereof.

EUR

Income budget line	Type of revenue	Draft budget	Amendment	Final Budget	Entitlements established	Revenue received
200	Commission subsidy	51.327.500,00	190.340,00	51.517.840,00	51.517.840,00	51.517.840,00
910	Recuperation of expenses				57.345,12	57.345,12
920	Miscellaneous revenue	pm	pm	pm	97.847,85	97.847,85
TOTAL		51.327.500,00	190.340,00	51.517.840,00	51.673.032,97	51.673.032,97

To cover its administrative costs for 2019, the ERCEA receives a subsidy from the EU budget. This subsidy of € 51.517.840,00 was paid in three instalments by the parent DG of the Agency.

The received other revenues (income budget lines 910 and 920) consist mainly in:

- the reimbursement of undue expenses for € 57.345,12 (SLA HR);
- the re-invoicing to REA and EASME of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (4 meeting rooms and 1 secretary room) and for the period from 23 September 2019 to 23 September 2020 (€ 97.847,85).

The other revenues are included in the revenues for the calculation of the budget outturn and are therefore returned back to the European Commission.

¹⁷ Commission Regulation (EC) n°1653/2004 of 21/09/2004 on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation (EC) n° 1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

3. GLOSSARY ON TERMS, ABBREVIATIONS AND ACRONYMS USED IN THE REPORT

Term	Definition
ABAC	Name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Adjustment	Amending budget or transfer of funds from one budget item to another
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf Budget
Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and ending on 31 December.
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.
Assigned revenue	External/Internal Used to finance specific items of expenditure. The complete list of items constituting assigned revenue is given in the Financial Regulation (FR) Art. 21.
Authorising Officer (AO)	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound financial management and for ensuring that the requirements of legality and regularity are complied with.
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks.
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences. The resulting amount will have to be reimbursed to the funding authority as provided in the Standard Financial Regulation for the Executive Agencies.
Budget implementation	Consumption of the budget through expenditure and revenue operations.

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.
Budgetary Authority	Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers
Budgetary commitment	A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.
Cancellation of appropriations	Unused appropriations that may no longer be used.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year.
De-commitment	Cancellation of a reservation of appropriations
Differentiated appropriations	Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.
Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Entitlements are recovery orders that the European Union must establish for collecting income.
Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Financial Regulation (FR)	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ-L 193/30.07.2018, p.1)
Funds Source	Type of appropriations (e.g.: C1, C2, etc.)
C1	Current Appropriations = Initial Budget + Amending Budget + Transfers
C8	Appropriations automatically carried forward from previous year to current year
IC1	Universal revenue voted in the budget
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2019

Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Art. 12 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments
Operating (i.e. administrative) appropriations	Operating (i.e. administrative) appropriations cover the running costs of the entity (staff, buildings, office equipment.....).
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Outturn	Cf. Budget result
Payment	A payment is a cash disbursement to honour legal obligations.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.
RAL	Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Outturn
Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation (FR). The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.