



Annual accounts of the European Data Protection Supervisor

Financial year 2019

CONTENTS

CERTIFICATION OF THE ACCOUNTS	3
BACKGROUND INFORMATION ON THE EDPS	4
FINANCIAL STATEMENTS AND EXPLANATORY NOTES	5
BALANCE SHEET	7
STATEMENT OF FINANCIAL PERFORMANCE	8
CASHFLOW STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS	11
THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES.....	25

CERTIFICATION OF THE ACCOUNTS

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Data Protection Supervisor in accordance with Article 246 of the Financial Regulation ('FR')¹ and I hereby certify that the annual accounts of the European Data Protection Supervisor for the year 2019 have been prepared in accordance with Title XIII of the FR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Data Protection Supervisor's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Data Protection Supervisor.

Rosa ALDEA BUSQUETS

**Accounting Officer of the
European Data Protection
Supervisor**

¹ REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012.

BACKGROUND INFORMATION ON THE EDPS

The European Data Protection Supervisor (EDPS) is an independent supervisory authority which ensures that the European institutions and bodies respect the right to privacy when they process personal data and develop new policies. A number of specific duties of the EDPS are laid down in Regulation (EU) 2018/1725. The three main fields of work are:

- (1) Supervision: The EDPS monitors the processing of personal data in the EU administration and ensures compliance with the data protection rules;
- (2) Consultation: The EDPS advises the European Parliament, the Council and the European Commission on proposals for new legislation and a wide range of other issues having an impact on data protection; and
- (3) Cooperation: The EDPS cooperates with other data protection authorities in order to promote consistent data protection throughout Europe.

The EDPS operates as a unique and independent institution with its own budgetary responsibility before the Parliament and the Council. Its budget is entirely administrative and is funded directly by the EU General Budget.

As an EU institution, within the context of the Financial Regulation (FR), the EDPS is required to prepare and adopt its own annual accounts, which are ultimately consolidated within those of the EU. The preparation of the annual accounts is the responsibility of the EDPS Accounting Officer who is (following the decision of the EDPS) the Accounting Officer of the Commission.

Highlights of the year

2019 was the first full year of functioning of the European Data Protection Board (for which the EDPS provides the Secretariat) and was furthermore marked by the implementation of new tasks resulting from the European Data Protection Regulation 2018/1725.

During 2019, the institution focussed on three strategic areas:

- Supervision of the processing of personal data by the EU institutions and bodies;
- Contribution to policy making by providing advice to the legislator;
- Cooperation with other data protection authorities in Europe and around the world.

In the 2019 annual accounts, the most significant change as compared to 2018 relates to an increase in expenses including staff costs. Amounts are higher mainly due to the strengthening of the role and thus increased business activity of EDPS – revenue is similarly higher to cover this increased expenditure.

The budget of the institution amounted to EUR 16 638 572 in 2019. The budget implementation in terms of commitments was 91.97%; in terms of payments was 80.69%. 12.18% (EUR 1 875 600) payment appropriations were carried over to 2020. Further details can be found in section 1.3 of the budgetary implementation reports.

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.

CONTENTS

BALANCE SHEET	7
STATEMENT OF FINANCIAL PERFORMANCE	8
CASHFLOW STATEMENT	9
STATEMENT OF CHANGES IN NET ASSETS	10
NOTES TO THE FINANCIAL STATEMENTS	11
1. SIGNIFICANT ACCOUNTING POLICIES	12
2. NOTES TO THE BALANCE SHEET	19
3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE	21
4. OTHER SIGNIFICANT DISCLOSURES	23
5. FINANCIAL RISK MANAGEMENT	24

BALANCE SHEET

		EUR '000	
	Note	31.12.2019	31.12.2018
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	2.1	216	57
		216	57
CURRENT ASSETS			
<i>Exchange receivables and non-exchange recoverables</i>	2.2	85	141
		85	141
TOTAL ASSETS		301	198
CURRENT LIABILITIES			
<i>Payables</i>	2.3	(71)	(139)
<i>Accrued charges and deferred income</i>	2.4	(593)	(783)
		(664)	(922)
TOTAL LIABILITIES		(664)	(922)
NET ASSETS		(362)	(724)
<i>Accumulated deficit</i>		(724)	(318)
<i>Economic result of the year</i>		362	(406)
NET ASSETS		(362)	(724)

STATEMENT OF FINANCIAL PERFORMANCE

		EUR '000	
	Note	2019	2018
REVENUE			
Revenue from non-exchange transactions			
<i>Funds transferred from the Commission</i>		14 138	10 893
<i>Other non-exchange revenue</i>	3.1	1 246	1 116
		15 384	12 009
Revenue from exchange transactions			
<i>Other exchange revenue</i>	3.2	108	0
		108	0
Total revenue		15 492	12 010
EXPENSES			
<i>Staff costs</i>	3.3	(8 412)	(7 741)
<i>Other expenses</i>	3.4	(6 719)	(4 674)
Total expenses		(15 131)	(12 416)
ECONOMIC RESULT OF THE YEAR		362	(406)

CASHFLOW STATEMENT²

	EUR '000	
	2019	2018
<i>Economic result of the year</i>	362	(406)
Operating activities		
<i>Depreciation and amortization</i>	53	12
<i>(Increase)/decrease in exchange receivables and non-exchange recoverables</i>	56	(88)
<i>Increase/(decrease) in payables</i>	(69)	48
<i>Increase/(decrease) in accrued charges & deferred income</i>	(189)	461
Investing activities		
<i>(Increase)/decrease in intangible assets and property, plant and equipment</i>	(212)	(26)
NET CASHFLOW	–	–
<i>Net increase/(decrease) in cash and cash equivalents</i>	–	–
<i>Cash and cash equivalents at the beginning of the year</i>	–	–
<i>Cash and cash equivalents at year-end</i>	–	–

² The EDPS does not have its own bank accounts. All payments are processed via the Commission's treasury system and registered in a liaison account. At year-end, this account is regularised and the total cash transfer is reflected in the statement of financial performance as funds transferred from the Commission.

STATEMENT OF CHANGES IN NET ASSETS

EUR '000

	Accumulated Surplus/ (Deficit)	Economic result of the year	Net Assets
BALANCE AS AT 31.12.2017	(100)	(218)	(318)
<i>Allocation 2017 economic result</i>	(218)	218	–
<i>Economic result of the year</i>	–	(406)	(406)
BALANCE AS AT 31.12.2018	(318)	(406)	(724)
<i>Allocation 2018 economic result</i>	(406)	406	–
<i>Economic result of the year</i>	–	362	362
BALANCE AS AT 31.12.2019	(724)	362	(362)

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. Reporting period

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. Currency and basis for conversion

The annual accounts are presented in thousands of euros, the euro being the EU's functional currency. Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2019	31.12.2018	Currency	31.12.2019	31.12.2018
BGN	1.9558	1.9558	PLN	4.2568	4.3014
CZK	25.4080	25.7240	RON	4.783	4.6635
DKK	7.4715	7.4673	SEK	10.4468	10.2548
GBP	0.8508	0.8945	CHF	1.0854	1.1269
HRK	7.4395	7.4125	JPY	121.9400	125.8500
HUF	330.5300	320.9800	USD	1.1234	1.145

1.2.3. Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, accrued and deferred revenue and charges, provisions, financial risk on accounts receivable, contingent assets and liabilities, and degree of impairment of assets. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision

of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.3. BALANCE SHEET

1.3.1. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations).

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives (3 to 11 years). The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

1.3.2. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the entity and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred. Land is not depreciated, as it is deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
<i>Buildings</i>	<i>4 % to 10 %</i>
<i>Plant and equipment</i>	<i>10 % to 25 %</i>
<i>Furniture and vehicles</i>	<i>10 % to 25 %</i>
<i>Computer hardware</i>	<i>25 % to 33 %</i>
<i>Other</i>	<i>10 % to 33 %</i>

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents shall be charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the statement of financial position.

1.3.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.3.4. Financial assets

Financial assets are classified in the following categories: 'financial assets at fair value through surplus or deficit', 'loans and receivables', 'held-to-maturity investments' and 'available for sale financial assets'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

(i) *Financial assets at fair value through surplus or deficit*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the entity. Derivatives are also presented in this category. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the balance sheet date. During this financial year, the entity did not hold any investments in this category.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in non-current assets, except for maturities within 12 months of the balance sheet date. Loans and receivables include term deposits with the original maturity above three months.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the positive intention and ability to hold to maturity. During this financial year, the entity did not hold any investments in this category.

(iv) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are classified as either current or non-current assets, depending on the period of time the entity expects to hold them, which is usually the maturity date. During this financial year, the entity did not hold any investments in this category.

Initial recognition and measurement

Purchases and sales of financial assets at fair value through surplus or deficit, held-to-maturity and available for sale are recognised on their trade date, i.e. the date on which the entity commits to purchase or sell the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers. Financial instruments are initially recognised at fair value. For all financial assets not carried at fair value through surplus or deficit, transaction costs are added to the fair value at initial recognition.

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party.

Subsequent measurement

Financial assets at fair value through surplus or deficit are subsequently carried at fair value, with gains and losses arising from changes in the fair value being included in the statement of financial performance in the period in which they arise.

Loans and receivables and held-to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised in the fair value reserve. Interest on available for sale financial assets, calculated using the effective interest method, is recognised in the statement of financial performance.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired and whether an impairment loss should be recorded in the statement of financial performance.

1.3.5. Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, he has the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.6. Receivables and recoverables

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions,

whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments and are thus classified as loans and receivables and measured accordingly (see 1.3.4 above).

Recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.7. Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.8. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.3.9. Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see note **1.4.1**).

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.10. Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements provide

a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. STATEMENT OF FINANCIAL PERFORMANCE

1.4.1. Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance it is distinguished between:

(i) Revenue from non-exchange transactions

Revenue from non-exchange transactions are taxes and transfers because the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability (pre-financing received).

(ii) Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

1.4.2. Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. They include both the expenses from exchange transactions and expenses from non-exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non-exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. CONTINGENT ASSETS AND LIABILITIES

1.5.1. Contingent assets

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or, in the rare circumstances where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.6. CONSOLIDATION

The accounts of this entity are fully consolidated in the EU consolidated annual accounts.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. PROPERTY, PLANT AND EQUIPMENT

	EUR '000			
	Plant and equipment	Furniture and vehicles	Computer hardware	TOTAL
<i>Gross carrying amount at 31.12.2018</i>	32	77	27	136
<i>Additions</i>	165	5	42	212
<i>Disposals</i>	(7)	(3)	(13)	(22)
Gross carrying amount at 31.12.2019	191	79	57	326
<i>Accumulated depreciation at 31.12.2018</i>	(23)	(31)	(25)	(79)
<i>Depreciation charge for the year</i>	(45)	0	(8)	(53)
<i>Disposals</i>	7	3	13	22
Accumulated depreciation at 31.12.2019	(62)	(28)	(21)	(110)
NET CARRYING AMOUNT AT 31.12.2019	129	51	36	216
<i>NET CARRYING AMOUNT AT 31.12.2018</i>	9	46	2	57

2.2. EXCHANGE RECEIVABLES & NON-EXCHANGE RECOVERABLES

All amounts under this heading relate to current receivables from exchange transactions and are split as follows:

	EUR '000	
	31.12.2019	31.12.2018
<i>Deferred charges relating to exchange transactions</i>	79	138
<i>Others</i>	6	3
Total	85	141

The deferred charges shown under exchange receivables mainly comprise prepaid IT and communication expenses (kEUR 44).

LIABILITIES

2.3. PAYABLES

	EUR '000	
	31.12.2019	31.12.2018
<i>Current payables</i>	12	8
<i>EU consolidated entities</i>	59	132
Total	71	139

At 31 December 2019, the payables comprise amounts owed to suppliers (kEUR 12) and amounts owed to other consolidated entities of the EU (kEUR 59). The latter largely refers to unpaid recovery orders related to translation services and training provided by the Commission at the end of 2019.

2.4. ACCRUED CHARGES

	EUR '000	
	31.12.2019	31.12.2018
<i>Accrued charges</i>	593	783

The most significant accrued charges concern other services provided by third parties (kEUR 272), untaken staff holidays (kEUR 195), missions (kEUR 64) and communication and publication services (kEUR 43).

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

3.1. OTHER NON-EXCHANGE REVENUE

	EUR '000	
	2019	2018
Staff taxes and contributions	1 246	1 116

The amount relates to taxes, retirement contributions and other deductions from staff salaries.

3.2. OTHER EXCHANGE REVENUE

	EUR '000	
	2019	2018
Revenue for provision of services	108	–

The amount relates to services provided to the EFTS Surveillance Authority's (ESA).

EXPENSES

3.3. STAFF COSTS

	EUR '000	
	2019	2018
Staff costs	8 412	7 741

Included under this heading are salary expenses and other employment-related allowances and benefits. Calculations related to staff costs are, based on the service level agreement, entrusted to the European Commission's Office for administration and payment of individual entitlements (also known as the Paymaster's Office-PMO). These amounts are paid directly by the European Commission to the beneficiaries and recharged to the EDPS using a liaison account.

The pensions of the EDPS staff members are covered by the Pensions Scheme of European Officials. This pension scheme is a defined benefit plan, i.e. the amount of benefit an employee will receive on retirement, depends on factors such as age and years of service. Both the EDPS staff and the Commission contribute to the pension scheme and the contribution percentage is revised yearly to reflect the changes in the Staff Regulation. The cost to the Commission is not reflected in the EDPS accounts. Similarly, the future benefits, payable to the EDPS staff, are accounted for in the liabilities of the Commission, as it is the Commission who will pay out these benefits. No provisions related to the future pensions are made in these accounts.

3.4. OTHER EXPENSES

	EUR '000	
	2019	2018
<i>External non-IT services</i>	3 204	1 502
<i>Operating lease expenses</i>	881	909
<i>Experts costs</i>	808	346
<i>External IT services</i>	773	756
<i>Property, plant and equipment related expenses</i>	589	648
<i>Missions</i>	219	211
<i>Communications & publications</i>	123	165
<i>Other</i>	122	137
Total	6 719	4 674

The increase is related to the strengthening of the role and thus business activities of EDPS. Moreover 2019 was the first year that the secretariat of the European Data Protection Board (EDPB) was fully operational for the whole year. There was also an increased activity due to the additional tasks given by the new GDPR, which are the main reasons for the increase of external non-IT services and building related expenses.

The operating leasing expenses comprise rental charges of the office building rented to EDPS by the European Parliament. The future payments during the remaining term of the lease contract are follows:

	EUR '000			
	Future amounts to be paid			
	< 1 year	1- 5 years	> 5 years	Total
<i>Buildings</i>	1 876	8 273	2 173	12 321

4. OTHER SIGNIFICANT DISCLOSURES

4.1. OUTSTANDING COMMITMENTS NOT YET EXPENSED

	EUR '000	
	31.12.2019	31.12.2018
<i>Outstanding commitments not yet expensed</i>	1 412	1 615

The amount comprises the budgetary RAL ('Reste à Liquider') less related amounts which have been included as expenses in the 2019 statement of financial performance. The budgetary RAL is an amount representing open commitments for which payments and/or de-commitments have not yet been made.

4.2. RELATED PARTIES

The related parties of the EDPS are the other EU consolidated entities and EDPS key management personnel. Transactions between these parties take place as part of the normal EDPS operations and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

4.3. KEY MANAGEMENT ENTITLEMENTS

The highest ranked civil servant of EDPS is the European Data Protection Supervisor, who executes the role of the Authorizing Officer.

	31.12.2019	31.12.2018
<i>European Data Protection Supervisor</i>	AD 16	AD 16

The European Data Protection Supervisor is remunerated in accordance with the Staff Regulations of the European Union that is published on the Europa website which is the official document describing the rights and the obligations of all officials of the EU.

4.4. EVENTS AFTER REPORTING DATE

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

5. FINANCIAL RISK MANAGEMENT

5.1. TYPES OF RISK

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate, because of variations in market prices. Market risk embodies not only the potential for loss, but also the potential for gain. It comprises currency risk, interest rate risk and other price risk (the EDPS has no significant other price risk).

(1) Currency risk is the risk that the EDPS operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

(2) Interest rate risk is the possibility of a reduction in the value of a security, especially a bond, resulting from an increase in interest rates. In general, higher interest rates will lead to lower prices of fixed rate bonds, and vice versa. EDPS does not have any securities thus it is not exposed to the interest rate risk.

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Liquidity risk is the risk that arises from the difficulty in selling an asset; for example, the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or meet an obligation.

5.2. CURRENCY RISKS

Exposure to currency risk at year-end

At 31 December 2019 the financial assets are entirely composed of exchange receivables. The financial liabilities are entirely composed of accounts payables. The ending balances of both financial liabilities and financial assets are quoted in EUR. At the year-end EDPS thus does not have any exposure to currency risks.

5.3. CREDIT RISK

Financial assets that are neither past due nor impaired

At 31 December 2019 financial assets comprise entirely exchange receivables that are neither past due nor impaired.

Financial assets by risk category

The exchange receivables entirely relate to entities without external credit rating that have never defaulted in the past.

5.4. LIQUIDITY RISK

Maturity analysis of financial liabilities by remaining contractual maturity

The financial liabilities are composed of accounts payable to third parties (kEUR 12) and to consolidated entities (kEUR 59). All the accounts payable have remaining contractual maturity of less than 1 year.

THE BUDGET IMPLEMENTATION REPORTS AND EXPLANATORY NOTES

It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables below may appear not to add-up.

CONTENTS

1.	BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION	27
2.	RESULT OF THE IMPLEMENTATION OF THE BUDGET	29
3.	IMPLEMENTATION OF BUDGET REVENUE	30
4.	IMPLEMENTATION OF BUDGET EXPENDITURE	31
5.	OUTSTANDING COMMITMENTS	43
6.	GLOSSARY.....	46

1. BUDGETARY PRINCIPLES, STRUCTURE AND HIGHLIGHTS OF THE BUDGETARY IMPLEMENTATION

1.1. Budgetary principles

The establishment and implementation of the budget of EDPS is governed by the following basic principles set out in the Financial Regulation applicable to the general budget of the Union:

Principles of unity and budgetary accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the budget of EDPS.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

An appropriation may be entered in the budget only if it is for an item of expenditure considered necessary.

Principle of annuality

The appropriations entered in the budget shall be authorised for a financial year which shall run from 1 January to 31 December.

Principle of equilibrium

Revenue and payment appropriations shall be in balance.

Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Principle of sound financial management

Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

Principle of transparency

The budget shall be established and implemented and the accounts presented in accordance with the principle of transparency. The budget and any amending budgets shall be published in the Official Journal of the European Union within three months of their adoption.

1.2. Structure and presentation of the budget

The EDPS main source of revenue is revenue from the European Union (EU) shown in the Commission's budgetary accounts. The Commission collects the own resources for the EU and distributes the revenues to the other EU institutions. The only own source of EDPS budget revenue is the revenue from taxes and other deductions from its staff.

As the whole of the expenditure is of an administrative nature, all EDPS appropriations are of the non-differentiated type.

The structure of the budgetary implementation reports is the same as that the EDPS budget itself, and is broken down into three titles:

Title 1 budget lines are related to staff expenditure such as salaries and allowances for persons working with EDPS. It also includes recruitment expenses, staff missions, and expenses for the socio-medical infrastructure.

Title 2 budget lines relate to all buildings, equipment and miscellaneous administrative expenditure.

Title 3 budget lines relate to the creation of the EDPB (European Data Protection Board) which is be administratively attached to the EDPS Secretariat. The first appropriations were requested for 2015 in order to create an internal Task Force by mid-2015 with the mandate of executing preliminary preparatory work.

1.3. Highlights of the budgetary implementation

In 2019, the EDPS was allocated a budget of EUR 16 638 572. This represents an increase of 15.15 % compared to the 2018 budget.

The overall increase was mainly due to the impact of the new tasks resulting from the European Data Protection Regulation 1725/2018 and the necessary growth of the European Data Protection Board (hereafter EDPB) that was created on 25 May 2018 and for which the EDPS was entrusted to provide an independent secretariat.

As regards budget implementation, the overall rate in commitment appropriations amounted to 92 %.

Implementation of Titles 1 and 2, 96 % and 93 % respectively, were quite good. These titles relate mainly to the EDPS staff and activities (only building and some other minor expenditure are shared with the EDPB in Title 2). The main obstacle preventing the EDPS from a higher implementation in Title 2 was the delay on the foreseen expansion of both organisations within the building they are currently occupying and sharing with the European Ombudsman. Indeed, due to the staff increases foreseen both for 2019 and 2020, it was agreed with the European Parliament (both EDPS and EDPB are hosted in one of their buildings) that the EDPS would get further office space and would occupy the whole building during the last quarter of 2019. The corresponding budget line was therefore increased to cover for the related extra rent and charges. Due to several reasons, this expansion did not occur as foreseen and therefore the funds remained unused.

As to Title 3, dedicated to the EDPB, the implementation rate was lower than expected and amounted to only 86 %. The board being functioning only since May 2018, this means that the budget for 2019 was prepared even before it was operational and therefore it was difficult to estimate.

2. RESULT OF THE IMPLEMENTATION OF THE BUDGET

		EUR '000	
	Title	2019	2018
Revenue		1 246	1 116
of which:			
Revenue accruing from persons working with the institutions and other Union bodies	4	1 246	1 116
Expenditure		(13 515)	(11 137)
of which:			
Staff expenditure	1	(7 373)	(6 798)
Administrative expenditure	2	(2 761)	(2 448)
Operational expenditure	3	(3 381)	(1 890)
Payment appropriat. carried over to the following year		(1 878)	(2 403)
of which:			
Staff expenditure	1	(61)	(144)
Administrative expenditure	2	(562)	(1 115)
Operational expenditure	3	(1 255)	(1 143)
Cancellation of unused appropri. carried over from year n-1		419	636
Evolution of assigned revenue (B)-(A)		(16)	-
Unused appropriations at the end of current year (A)		16	-
Unused appropriations at the end of previous year (B)		-	-
Exchange rate differences		0	(0)
Budget result		(13 745)	(11 787)

3. IMPLEMENTATION OF BUDGET REVENUE

3.1. Implementation of budget revenue – Title 4

EUR '000

Item	Income appropriations		Entitlements established			Revenue			Out-standing
	Initial budget	Final budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Total	%
	1	2	3	4	5=3+4	6	7	8=6+7	9=8/2
									10=5-8
4000 Proceeds from the tax on the salaries, wages and allowances of officials, other servants and persons in receipt of a pension	663	663	546	-	546	546	-	546	82 %
4030 Proceeds from the temporary contribution from the salaries of officials and other servants in active employment	-	-	(0)	-	(0)	(0)	-	(0)	-
4040 Proceeds from the special levy and the solidarity levy on the salaries of officials and other servants in active employment	131	131	104	-	104	104	-	104	80 %
Total Chapter 40	794	794	651	-	651	651	-	651	82 %
4100 Staff contributions to the pension scheme	636	636	595	-	595	595	-	595	94 %
Total Chapter 41	636	636	595	-	595	595	-	595	94 %
Total Title 4	1 430	1 430	1 246	-	1 246	1 246	-	1 246	87 %
GRAND TOTAL	1 430	1 430	1 246	-	1 246	1 246	-	1 246	87 %

4. IMPLEMENTATION OF BUDGET EXPENDITURE

4.1. Breakdown & changes in commitment appropriations

4.1.1. Breakdown & changes in commitment appropriations – Title 1

Item	Budget appropriations			Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	
	1	2	3	4=1+2+3	5	6	7=5+6 8=4+7
1000 Remuneration and allowances	705	-	-	705	-	-	705
1010 Further training	25	-	-	25	-	-	25
1011 Mission expenses, travel expenses and other ancillary expenditure	59	-	-	59	-	-	59
Total Chapter 10	790	-	-	790	-	-	790
1100 Remuneration and allowances	5 541	-	(595)	4 946	-	-	4 946
1101 Entitlements on entering the service, transfer and leaving the service	50	-	45	95	-	-	95
1110 Contract staff	606	-	647	1 253	-	108	1 361
1111 Cost of traineeships and staff exchanges	282	-	(44)	238	-	-	238
1112 Services and work to be contracted out	53	-	(53)	-	-	-	-
1120 Mission expenses, travel expenses and other ancillary expenditure	135	-	36	171	-	-	171
1121 Recruitment costs	7	-	(2)	5	-	-	5
1122 Further training	80	-	(23)	57	-	-	57
1124 Medical service	15	-	-	15	-	-	15
1125 Union nursery centre and other day nurseries and after-school centres	80	-	(17)	63	-	-	63
1126 Relations between staff and other welfare expenditure	8	-	6	14	-	-	14
Total Chapter 11	6 856	-	0	6 856	-	108	6 964
Total Title 1	7 645	-	0	7 645	-	108	7 753

EUR '000

4.1.2. Breakdown & changes in commitment appropriations – Title 2

EUR '000

Item	Budget appropriations			Additional appropriations			Total appropri- available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	
	1	2	3	4=1+2+3	5	6	7=5+6 8=4+7
2000 Rents, charges and buildings expenditure	1 832	-	-	1 832	-	-	1 832
2010 Equipment	420	-	198	618	-	-	618
2011 Supplies	15	-	-	15	-	-	15
2012 Other operating expenditure	230	-	6	236	-	-	236
2013 Translation and interpretation costs	700	-	(349)	351	-	-	351
2014 Expenditure on publishing and information	158	-	-	158	-	-	158
2015 Expenditure in connection with the activities of the institution	144	-	30	174	-	-	174
2016 Other activities related to external stakeholders	80	-	115	195	-	-	195
Total Chapter 20	3 579	-	-	3 579	-	-	3 579
Total Title 2	3 579	-	-	3 579	-	-	3 579

4.1.3. Breakdown & changes in commitment appropriations – Title 3

EUR '000

Item	Budget appropriations			Additional appropriations				Total apppr. available
	Initial adopted budget	Amending budgets	Transfers	Final budget adopted	Carry-overs	Assigned revenue	Total	
	1	2	3	4=1+2+3	5	6	7=5+6	8=4+7
3010 Remuneration and allowances	1 358	-	(370)	988	-	-	-	988
3011 Entitlements on entering, leaving the service and on transfer	50	-	-	50	-	-	-	50
3020 Contract staff	157	-	591	748	-	-	-	748
3021 Cost of traineeships and staff exchanges	393	-	(241)	152	-	-	-	152
3022 Services and work to be contracted out	53	-	20	72	-	-	-	72
3030 Mission expenses, travel expenses and other ancillary expenditure	25	-	12	37	-	-	-	37
3031 Recruitment costs	6	-	-	6	-	-	-	6
3032 Further training	25	-	-	25	-	-	-	25
3033 Medical service	4	-	-	4	-	-	-	4
3034 Community nursery centre and other day nurseries and after-school centres	32	-	(12)	20	-	-	-	20
3040 Meetings of the Board	936	-	(40)	896	-	-	-	896
3041 Translation and interpretation costs	1 500	-	39	1 539	-	-	-	1 539
3042 Expenditure on publishing and information	45	-	61	106	-	-	-	106
3043 Information technology equipment and services	400	-	-	400	-	-	-	400
3044 Travel expenses of external experts	10	-	-	10	-	-	-	10
3045 External consultancy and studies	280	-	(60)	220	-	-	-	220
3046 Expenditure in connection with the activities of the European Data Protection Board	140	-	-	140	-	-	-	140
Total Chapter 30	5 414	-	0	5 414	-	-	-	5 414
Total Title 3	5 414	-	0	5 414	-	-	-	5 414
GRAND TOTAL	16 639	-	0	16 639	-	108	108	16 746

4.2. Breakdown & changes in payment appropriations

4.2.1. Breakdown & changes in payment appropriations – Title 1

Item	Budget appropriations			Additional appropriations			Total appropri- available
	Initial budget adopted 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Carry-overs 5	Assigned revenue 6	
1000 Remuneration and allowances	705	-	-	705	-	-	705
1010 Further training	25	-	-	25	2	-	27
1011 Mission expenses, travel expenses and other ancillary expenditure	59	-	-	59	17	-	77
Total Chapter 10	790	-	-	790	19	-	809
1100 Remuneration and allowances	5 541	-	(595)	4 946	-	-	4 946
1101 Entitlements on entering the service, transfer and leaving the service	50	-	45	95	-	-	95
1110 Contract staff	606	-	647	1 253	-	108	1 361
1111 Cost of traineeships and staff exchanges	282	-	(44)	238	8	-	246
1112 Services and work to be contracted out	53	-	(53)	-	0	-	0
1120 Mission expenses, travel expenses and other ancillary expenditure	135	-	36	171	58	-	229
1121 Recruitment costs	7	-	(2)	5	4	-	9
1122 Further training	80	-	(23)	57	20	-	77
1124 Medical service	15	-	-	15	4	-	19
1125 Union nursery centre and other day nurseries and after-school centres	80	-	(17)	63	26	-	88
1126 Relations between staff and other welfare expenditure	8	-	6	14	5	-	19
Total Chapter 11	6 856	-	0	6 856	126	108	7 089
Total Title 1	7 645	-	0	7 645	144	108	7 898

EUR '000

4.2.2. Breakdown & changes in payment appropriations – Title 2

EUR '000

Item	Budget appropriations			Additional appropriations				Total appropri- available
	Initial budget adopted 1	Amending budgets 2	Transfers 3	Final adopted budget 4=1+2+3	Carry-overs 5	Assigned revenue 6	Total 7=5+6	
2000 Rents, charges and buildings expenditure	1 832	-	-	1 832	308	-	308	2 140
2010 Equipment	420	-	198	618	189	-	189	807
2011 Supplies	15	-	-	15	3	-	3	18
2012 Other operating expenditure	230	-	6	236	18	-	18	254
2013 Translation and interpretation costs	700	-	(349)	351	152	-	152	502
2014 Expenditure on publishing and information	158	-	-	158	41	-	41	199
2015 Expenditure in connection with the activities of the institution	144	-	30	174	30	-	30	204
2016 Other activities related to external stakeholders	80	-	115	195	374	-	374	569
Total Chapter 20	3 579	-	-	3 579	1 115	-	1 115	4 694
Total Title 2	3 579	-	-	3 579	1 115	-	1 115	4 694

4.2.3. Breakdown & changes in payment appropriations – Title 3

Item	Budget appropriations			Additional appropriations			Total appropri- available
	Initial budget adopted	Amending budgets	Transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3	4=1+2+3	5	6	7=5+6
							8=4+7
3010 Remuneration and allowances	1 358	-	(370)	988	-	-	988
3011 Entitlements on entering, leaving the service and on transfer	50	-	-	50	-	-	50
3020 Contract staff	157	-	591	748	-	-	748
3021 Cost of traineeships and staff exchanges	393	-	(241)	152	8	-	161
3022 Services and work to be contracted out	53	-	20	72	5	-	77
3030 Mission expenses, travel expenses and other ancillary expenditure	25	-	12	37	3	-	40
3031 Recruitment costs	6	-	-	6	2	-	8
3032 Further training	25	-	-	25	19	-	44
3033 Medical service	4	-	-	4	1	-	5
3034 Community nursery centre and other day nurseries and after-school centres	32	-	(12)	20	-	-	20
3040 Meetings of the Board	936	-	(40)	896	101	-	997
3041 Translation and interpretation costs	1 500	-	39	1 539	534	-	2 073
3042 Expenditure on publishing and information	45	-	61	106	84	-	191
3043 Information technology equipment and services	400	-	-	400	363	-	763
3044 Travel expenses of external experts	10	-	-	10	-	-	10
3045 External consultancy and studies	280	-	(60)	220	15	-	235
3046 Expenditure in connection with the activities of the European Data Protection Board	140	-	-	140	7	-	147
Total Chapter 30	5 414	-	0	5 414	1 143	-	6 557
Total Title 3	5 414	-	0	5 414	1 143	-	6 557
GRAND TOTAL	16 639	-	0	16 639	2 403	108	19 149

4.3. Implementation of commitment appropriations

4.3.1. Implementation of commitment appropriations - Title 1

EUR '000

Item	Total approp. availab.	Commitments made				Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12	
1000 Remuneration and allowances	705	626	-	-	626	89 %	-	-	-	79	-	-	79
1010 Further training	25	2	-	-	2	6 %	-	-	-	24	-	-	24
1011 Mission expenses, travel expenses and other ancillary expenditure	59	21	-	-	21	36 %	-	-	-	38	-	-	38
Total Chapter 10	790	649	-	-	649	82 %	-	-	-	141	-	-	141
1100 Remuneration and allowances	4 946	4 802	-	-	4 802	97 %	-	-	-	144	-	-	144
1101 Entitlements on entering the service, transfer and leaving the service	95	95	-	-	95	100 %	-	-	-	-	-	-	-
1110 Contract staff	1 361	1 252	-	92	1 344	99 %	16	-	16	1	-	-	1
1111 Cost of traineeships and staff exchanges	238	238	-	-	238	100 %	-	-	-	-	-	-	-
1120 Mission expenses, travel expenses and other ancillary expenditure	171	170	-	-	170	99 %	-	-	-	1	-	-	1
1121 Recruitment costs	5	5	-	-	5	98 %	-	-	-	0	-	-	0
1122 Further training	57	57	-	-	57	100 %	-	-	-	-	-	-	-
1124 Medical service	15	15	-	-	15	100 %	-	-	-	-	-	-	-
1125 Union nursery centre and other day nurseries and after-school centres	63	47	-	-	47	75 %	-	-	-	16	-	-	16
1126 Relations between staff and other welfare expenditure	14	14	-	-	14	100 %	-	-	-	-	-	-	-
Total Chapter 11	6 964	6 693	-	92	6 785	97 %	16	-	16	163	-	-	163
Total Title 1	7 753	7 342	-	92	7 434	96 %	16	-	16	304	-	-	304

4.3.2. Implementation of commitment appropriations - Title 2

EUR '000

Item	Total approp. availab.	Commitments made					Appropriations carried over to 2020				Appropriations lapsing			
		from final adopt. budget	from carry- overs	from assign. revenue	Total	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total	
		1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12
2000		1 832	1 685	-	-	1 685	92 %	-	-	-	147	-	-	147
2010		618	601	-	-	601	97 %	-	-	-	17	-	-	17
2011		15	15	-	-	15	100 %	-	-	-	0	-	-	0
2012		236	236	-	-	236	100 %	-	-	-	-	-	-	-
2013		351	330	-	-	330	94 %	-	-	-	21	-	-	21
2014		158	124	-	-	124	79 %	-	-	-	34	-	-	34
2015		174	136	-	-	136	78 %	-	-	-	38	-	-	38
2016		195	195	0	0	195	100 %	0	0	0	0	0	0	0
Total Chapter 20														
		3 579	3 323	-	-	3 323	93 %	-	-	-	256	-	-	256
Total Title 2		3 579	3 323	-	-	3 323	93 %	-	-	-	256	-	-	256

4.3.3. Implementation of commitment appropriations - Title 3

EUR '000

Item	Total approp. availab.	Commitments made					Appropriations carried over to 2020			Appropriations lapsing				
		from final adopt. budget	from carry- overs	3	4	5=2+3+ 4	%	Assign. revenue	By decision	Total	from final adopt. budget	from carry- overs	from assign. revenue	Total
	1	2	3	4	5=2+3+ 4	6=5/1	7	8	9=7+8	10	11	12	13=10+ 11+12	
3010 Remuneration and allowances	988	710	-	-	-	72 %	-	-	-	279	-	-	-	279
3011 Entitlements on entering, leaving the service and on transfer	50	13	-	-	-	26 %	-	-	-	37	-	-	-	37
3020 Contract staff	748	748	-	-	-	100 %	-	-	-	-	-	-	-	-
3021 Cost of traineeships and staff exchanges	152	147	-	-	-	97 %	-	-	-	5	-	-	-	5
3022 Services and work to be contracted out	72	72	-	-	-	100 %	-	-	-	0	-	-	-	0
3030 Mission expenses, travel expenses and other ancillary expenditure	37	34	-	-	-	93 %	-	-	-	3	-	-	-	3
3031 Recruitment costs	6	3	-	-	-	54 %	-	-	-	3	-	-	-	3
3032 Further training	25	25	-	-	-	100 %	-	-	-	-	-	-	-	-
3033 Medical service	4	2	-	-	-	50 %	-	-	-	2	-	-	-	2
3034 Community nursery centre and other day nurseries and after-school centres	20	-	-	-	-	0 %	-	-	-	20	-	-	-	20
3040 Meetings of the Board	896	655	-	-	-	73 %	-	-	-	241	-	-	-	241
3041 Translation and interpretation costs	1 539	1 539	-	-	-	100 %	-	-	-	-	-	-	-	-
3042 Expenditure on publishing and information	106	106	-	-	-	99 %	-	-	-	1	-	-	-	1
3043 Information technology equipment and services	400	374	-	-	-	94 %	-	-	-	26	-	-	-	26
3044 Travel expenses of external experts	10	0	-	-	-	3 %	-	-	-	10	-	-	-	10
3045 External consultancy and studies	220	117	-	-	-	53 %	-	-	-	103	-	-	-	103
3046 Expenditure in connection with the activities of the European Data Protection Board	140	91	-	-	-	65 %	-	-	-	49	-	-	-	49
Total Chapter 30	5 414	4 637	-	-	-	86 %	-	-	-	777	-	-	-	777
Total Title 3	5 414	4 637	-	-	-	86 %	-	-	-	777	-	-	-	777
GRAND TOTAL	16 746	15 302	-	-	92	15 394	92 %	16	-	16	1 337	-	-	1 337

4.4. Implementation of payment appropriations

4.4.1. Implementation of payment appropriations - Title 1

EUR '000

Item	Payments made					Appropriations carried over to 2020					Appropriations lapsing				
	from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total		
1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13		
1000 Remuneration and allowances	705	626	-	-	626 89 %	-	-	-	-	79	-	-	79	-	-
1010 Further training	27	2	2	-	3 11 %	-	-	-	-	24	-	-	24	-	-
1011 Mission expenses, travel expenses and other ancillary expenditure	77	16	12	-	28 36 %	5	-	-	5	38	5	-	44	-	-
Total Chapter 10	809	643	14	-	657 81 %	5	-	-	5	141	5	-	147	-	-
1100 Remuneration and allowances	4 946	4 802	-	-	4 802 97 %	-	-	-	-	144	-	-	144	-	-
1101 Entitlements on entering the service, transfer and leaving the service	95	95	-	-	95 100 %	-	-	-	-	-	-	-	-	-	-
1110 Contract staff	1 361	1 252	-	92	1 344 99 %	-	-	16	16	1	-	-	1	-	-
1111 Cost of traineeships and staff exchanges	246	235	6	-	241 98 %	3	-	-	3	-	2	-	2	-	-
1112 Services and work to be contracted out	0	-	0	-	0 21 %	-	-	-	-	-	0	-	0	-	-
1120 Mission expenses, travel expenses and other ancillary expenditure	229	135	31	-	166 73 %	35	-	-	35	1	27	-	28	-	-
1121 Recruitment costs	9	4	3	-	8 84 %	0	-	-	0	0	1	-	1	-	-
1122 Further training	77	46	10	-	56 72 %	11	-	-	11	-	10	-	10	-	-
1124 Medical service	19	10	4	-	14 73 %	5	-	-	5	-	-	-	-	-	-
1125 Union nursery centre and other day nurseries and after-school centres	88	47	16	-	63 71 %	-	-	-	-	16	9	-	25	-	-
1126 Relations between staff and other welfare expenditure	19	12	2	-	15 78 %	2	-	-	2	-	2	-	2	-	-
Total Chapter 11	7 089	6 638	73	92	6 803 96 %	56	-	16	71	163	52	-	215	-	-
Total Title 1	7 898	7 281	87	92	7 460 94 %	61	-	16	77	304	58	-	362	-	-

4.4.2. Implementation of payment appropriations - Title 2

Item	Payments made					Appropriations carried over to 2020					Appropriations lapsing				EUR '000
	from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total		
										11	12	13			
	1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13	
2000 Rents, charges and buildings expenditure	2 140	1 685	308	-	1 993	93 %	-	-	-	-	147	-	-	147	
2010 Equipment	807	354	184	-	538	67 %	247	-	-	247	17	5	-	23	
2011 Supplies	18	13	1	-	14	80 %	2	-	-	2	0	2	-	2	
2012 Other operating expenditure	254	226	18	-	244	96 %	10	-	-	10	-	-	-	-	
2013 Translation and interpretation costs	502	261	88	-	349	69 %	69	-	-	69	21	64	-	84	
2014 Expenditure on publishing and information	199	41	24	-	64	32 %	84	-	-	84	34	18	-	51	
2015 Expenditure in connection with the activities of the institution	204	100	18	-	118	58 %	36	-	-	36	38	12	-	50	
2016 Other activities related to external stakeholders	569	81	310	-	391	69 %	114	-	-	114	-	64	-	64	
Total Chapter 20	4 694	2 761	951	-	3 712	79 %	562	-	-	562	256	164	-	420	
Total Title 2	4 694	2 761	951	-	3 712	79 %	562	-	-	562	256	164	-	420	

4.4.3. Implementation of payment appropriations - Title 3

EUR '000

Item	Payments made					Appropriations carried over to 2020					Appropriations lapsing				
	from final adopt. budget	from carry-overs	from assign. revenue	Total	%	Autom. carry-overs	By decision	Assigned rev.	Total	from final adopt. budget	from carry-overs	from assign. rev.	Total		
1	2	3	4	5=2+3+4	6 = 5/1	7	8	9	10=7+8+9	11	12	13	14=11+12+13		
3010 Remuneration and allowances	988	-	-	710	72 %	-	-	-	-	279	-	-	279	-	
3011 Entitlements on entering, leaving the service and on transfer	50	-	-	13	26 %	-	-	-	-	37	-	-	37	-	
3020 Contract staff	748	-	-	748	100 %	-	-	-	-	-	-	-	-	-	
3021 Cost of traineeships and staff exchanges	161	0	-	148	92 %	-	-	-	-	5	8	-	13	-	
3022 Services and work to be contracted out	77	-	-	-	0 %	72	-	-	72	0	5	-	5	-	
3030 Mission expenses, travel expenses and other ancillary expenditure	40	27	1	27	68 %	7	-	-	7	3	3	-	5	-	
3031 Recruitment costs	8	3	2	5	56 %	0	-	-	0	3	0	-	3	-	
3032 Further training	44	18	7	25	58 %	7	-	-	7	-	12	-	12	-	
3033 Medical service	5	2	1	2	50 %	0	-	-	0	2	0	-	2	-	
3034 Community nursery centre and other day nurseries and after-school centres	20	-	-	-	0 %	-	-	-	-	20	-	-	20	-	
3040 Meetings of the Board	997	640	29	669	67 %	15	-	-	15	241	72	-	312	-	
3041 Translation and interpretation costs	2 073	730	468	1 198	58 %	808	-	-	808	-	66	-	66	-	
3042 Expenditure on publishing and information	191	62	81	143	75 %	43	-	-	43	1	4	-	4	-	
3043 Information technology equipment and services	763	211	338	549	72 %	164	-	-	164	26	25	-	51	-	
3044 Travel expenses of external experts	10	0	-	0	3 %	-	-	-	-	10	-	-	10	-	
3045 External consultancy and studies	235	-	15	15	6 %	117	-	-	117	103	0	-	103	-	
3046 activities of the European Data Protection Board	147	71	5	76	52 %	20	-	-	20	49	2	-	51	-	
Total Chapter 30	6 557	3 381	946	4 328	66 %	1 255	-	-	1 255	777	197	-	974	-	
Total Title 3	6 557	3 381	946	4 328	66 %	1 255	-	-	1 255	777	197	-	974	-	
GRAND TOTAL	19 149	13 423	1 984	92 15 499	81 %	1 878	-	16	1 894	1 337	419	-	1 756	-	

5. OUTSTANDING COMMITMENTS

5.1. Outstanding commitments – Title 1

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year				Total commitments outstanding at year-end
	1	2	3	4=1+2+3	5	6	7	8=5+6+7	
1000 Remuneration and allowances	-	-	-	-	626	626	-	-	-
1010 Further training	2	-	2	-	2	2	-	-	-
1011 Mission expenses, travel expenses and other ancillary expenditure	17	(5)	12	-	21	16	-	5	5
Total chapter 10	19	(5)	14	-	649	643	-	5	5
1100 Remuneration and allowances	-	-	-	-	4 802	4 802	-	-	-
1101 Entitlements on entering the service, transfer and leaving the service	-	-	-	-	95	95	-	-	-
1110 Contract staff	-	-	-	-	1 344	1 344	-	-	-
1111 Cost of traineeships and staff exchanges	8	(2)	6	-	238	235	-	3	3
1112 Services and work to be contracted out	0	(0)	0	-	-	-	-	-	-
1120 Mission expenses, travel expenses and other ancillary expenditure	58	(27)	31	-	170	135	-	35	35
1121 Recruitment costs	4	(1)	3	-	5	4	-	0	0
1122 Further training	20	(10)	10	-	57	46	-	11	11
1124 Medical service	4	-	4	-	15	10	-	5	5
1125 Union nursery centre and other day nurseries and after-school centres	26	(9)	16	-	47	47	-	-	-
1126 Relations between staff and other welfare expenditure	5	(2)	2	-	14	12	-	2	2
Total chapter 11	126	(52)	73	-	6 785	6 730	-	56	56
Total Title 1	144	(58)	87	-	7 434	7 373	-	61	61

5.2. Outstanding commitments – Title 2

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year					Total commitments outstanding at year-end
	1	2	3	4=1+2+3	5	6	7	8=5+6+7	9=4+8	
2000 Rents, charges and buildings expenditure	308	-	308	-	1 685	1 685	-	-	-	-
2010 Equipment	189	(5)	184	-	601	354	-	247	247	247
2011 Supplies	3	(2)	1	-	15	13	-	2	2	2
2012 Other operating expenditure	18	-	18	-	236	226	-	10	10	10
2013 Translation and interpretation costs	152	(64)	88	-	330	261	-	69	69	69
2014 Expenditure on publishing and information	41	(18)	24	-	124	41	-	84	84	84
2015 Expenditure in connection with the activities of the institution	30	(12)	18	-	136	100	-	36	36	36
2016 Other activities related to external stakeholders	374	(64)	310	-	195	81	-	114	114	114
Total chapter 20	1 115	(164)	951	-	3 323	2 761	-	562	562	562
Total Title 2	1 115	(164)	951	-	3 323	2 761	-	562	562	562

5.3. Outstanding commitments – Title 3

EUR '000

Item	Commitments outstanding at the end of previous year				Commitments of the year					Total commitments outstanding at year-end
	Committm. carried forward from prev. year	Decommit. Revaluation Cancellat.	Payments	Total	Committm. made during the year	Payment	Cancellation of commitments which cannot be carried forward	Commit. outstanding at year-end		
	1	2	3	4=1+2+3	5	6	7	8=5-6-7	9=4+8	
3010 Remuneration and allowances	-	-	-	-	710	710	-	-	-	
3011 Entitlements on entering, leaving the service and on transfer	-	-	-	-	13	13	-	-	-	
3020 Contract staff	-	-	-	-	748	748	-	-	-	
3021 Cost of traineeships and staff exchanges	8	(8)	0	(0)	147	147	-	-	(0)	
3022 Services and work to be contracted out	5	(5)	-	-	72	-	-	72	72	
3030 Mission expenses, travel expenses and other ancillary expenditure	3	(3)	1	-	34	27	-	7	7	
3031 Recruitment costs	2	(0)	2	-	3	3	-	0	0	
3032 Further training	19	(12)	7	-	25	18	-	7	7	
3033 Medical service	1	(0)	1	-	2	2	-	0	0	
3040 Meetings of the Board	101	(72)	29	-	655	640	-	15	15	
3041 Translation and interpretation costs	534	(66)	468	-	1 539	730	-	808	808	
3042 Expenditure on publishing and information	84	(4)	81	-	106	62	-	43	43	
3043 Information technology equipment and services	363	(25)	338	-	374	211	-	164	164	
3044 Travel expenses of external experts	-	-	-	-	0	0	-	-	-	
3045 External consultancy and studies	15	(0)	15	-	117	-	-	117	117	
3046 Expenditure in connection with the activities of the European Data Protection Board	7	(2)	5	-	91	71	-	20	20	
Total chapter 30	1 143	(197)	946	(0)	4 637	3 381	-	1 255	1 255	
Total Title 3	1 143	(197)	946	(0)	4 637	3 381	-	1 255	1 255	
GRAND TOTAL	2 403	(419)	1 984	-	15 394	13 515	-	1 878	1 878	

6. GLOSSARY

ABAC

This is the 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.

Accounting Officer

The role, powers and responsibilities of the accounting officer are set out in the Financial Regulation:

- proper implementation of payments,
- collection of revenue,
- recovery of amounts and offsetting,
- keeping, preparing and presenting the accounts,
- laying down the accounting rules and methods and the chart of accounts,
- laying down and validating the accounting systems and validating systems laid down by the authorising officer to supply or justify accounting information (local systems),
- treasury management,
- designation of the Imprest Administrators,
- opening and closing bank accounts in the name of the Institution.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adjustment

Amending budget or transfer of funds from one budget item to another.

Adopted budget

Draft budget becomes the adopted budget as soon as 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 and commitment appropriations equal payment appropriations.

Assigned revenue External/Internal

Dedicated revenue received to finance specific items of expenditure.

Main sources of external assigned revenue *are financial contributions from third countries to programmes financed by the Union.*

Main sources of internal assigned revenue are revenue from third parties in respect of goods, services or work supplied at their request, revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films, including those on an electronic medium.

The complete list of items constituting assigned revenue is given in the Financial Regulation Art. 21.

Authorising Officer by Delegation (AOD)

The AOD is responsible in each entity 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.

The AOD is responsible for taking all financial decision concerning actions under his/her responsibility. Particularly, he/she must take decisions to implement the budget based on his/her risk analysis.

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.

For agencies, the resulting amount will have to be reimbursed to the funding authority as provided in the Financial Regulation for agencies.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

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: for the EU institutions, the European Parliament and the Council of Ministers.

For the agencies and joint undertakings, their board is the budgetary authority.

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. Financial Regulation Art. 7: *Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one 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. Financial Regulation Art. 7: *Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.*

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.

For reference, Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

Funds Source

Type of appropriations

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

Joint Undertakings (JUs)

A legal EU-body established under the Treaty on the Functioning of the European Union. The term can be used to describe any collaborative structure proposed for the *"efficient execution of Union research, technological development and demonstration programmes"*.

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.

Only for joint undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called "N+3" rule). Hence, lapsing appropriations for JUs could be re-activated until financial year "N+3".

Legal base (basic act)

The legal base or basis is, as a general rule, a law based on an article in the Treaty on the Functioning of the European Union giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain articles from the treaty 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. (Financial Regulation Art. 9). In the EU Budget, non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments.

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitment

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid or legal commitments having not fully given rise to liquidation by payments. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Outturn

Cf. Budget result

Payment

A payment is a 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 (Financial Regulation Art. 7).

RAL

Sum of outstanding commitments. Cf. Outstanding commitments

Recovery

The recovery order is the procedure by which the Authorising officer by Delegation (AOD) 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. Budget result

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 (Cf. 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. However, they are expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The Financial Regulation identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.