



**European Research Council**  
Executive Agency

Established by the European Commission

# **FINAL ANNUAL ACCOUNTS OF THE EUROPEAN RESEARCH COUNCIL EXECUTIVE AGENCY**

## **Financial Statements**

### **Reports on the implementation of the Budget**

**Financial Year 2020**

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## CERTIFICATE AND STATEMENT OF THE DIRECTOR

### CERTIFICATE

The final annual accounts of the European Research Council Executive Agency for the year 2020 have been prepared in accordance with the Title IV Chapter 4 Section 3 and Title XIII of the Financial Regulation applicable to the general budget of the European Union and in accordance with Title VI of the Standard Financial Regulation for the Executive Agencies (Commission Regulation 1653/2004), the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the final annual accounts of the European Research Council Executive Agency in accordance with art. 30 (2) of the Standard Financial Regulation for the Executive Agencies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the final accounts that show the European Research Council Executive Agency's assets and liabilities and the budgetary implementation.

I hereby certify that 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 Research Council Executive Agency.

Brussels, 18/06/2021

*(qualified electronic signature)*

Claire Levacher  
Accounting Officer

### STATEMENT OF THE DIRECTOR

I, the undersigned, Waldemar Kütt, Director of the European Research Council Executive Agency, in my capacity as Authorising Officer,

- state that I have reasonable assurance that the resources assigned to the activities described in the final annual accounts have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgment and on the information at my disposal,

- confirm that I am not aware of anything not reported in the annual accounts which could harm the interests of the European Research Council Executive Agency.

Brussels, 18/06/2021

*(qualified electronic signature)*

Waldemar Kütt  
Director

## -INTRODUCTION

### LEGAL BASIS

The accounts of the European Research Council Executive Agency are kept in accordance with:

- The Commission Regulation (EC) n°1653/2004 of the Council of 21 September 2004 on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) n° 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.
- The 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 (OJ-L 193/30.07.2018, p.1).
- The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission in December 2004 and last updated in December 2020.
- The Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the accounting management of the European Communities' non-financial fixed assets.

### BACKGROUND INFORMATION

The European Research Council (ERC) consists of a Scientific Council and a Dedicated Implementation Structure, the European Research Council Executive Agency (ERCEA).

The Scientific Council defines the scientific funding strategy and methodologies, whereas the Dedicated Implementation Structure implements and applies this strategy and methodologies in the management and operations of the ERC activities.

The ERCEA, which was responsible for implementing the tasks concerned by the final accounts for the financial year 2020, was set up in December 2013 by Commission Decision C(2013)9048 of 17 December 2013 establishing the ERCEA and repealing Decision 2008/37/EC, for the management of the specific objective 'Strengthening frontier research through the activities of the European Research Council' of Part I 'Excellent Science' of the Specific Programme implementing Horizon 2020 (2014-2020).

The ERCEA succeeded the Executive Agency established by Decision 2008/37/EC and operated in accordance with Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, including budget implementation.

The ERC is the first European funding body set up to support investigator-driven frontier research following the relevant regulation and decisions<sup>11</sup>:

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<sup>11</sup> The listed regulation and decisions were those applicable during the 2020 financial year.

- The Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC.
- The Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC.
- The Commission Decision C(2013) 8915 of 12 December 2013 establishing the European Research Council.

Its main aim is to stimulate scientific excellence by supporting and encouraging the very best, truly creative scientists, scholars and engineers to be adventurous and take risks in their research. The scientists are encouraged to go beyond established frontiers of knowledge and the boundaries of disciplines.

Being 'investigator-driven', or 'bottom-up', in nature, the ERC approach allows researchers to identify new opportunities and directions in any field of research, rather than being led by priorities set by politicians. This approach ensures that funds are channelled into new and promising areas of research with a greater degree of flexibility.

ERC grants are awarded through open competition to projects headed by starting (StG), consolidating (CoG) or established researchers (AdG) as well as group of researchers (SyG), irrespective of their origins, who are working or moving to work in Europe - the sole criterion for selection is scientific excellence. The aim of the three first type of grants is to recognise the best ideas, and retain and confer status and visibility to the best brains in Europe, while also attracting talent from abroad. The aim of Synergy grant (SyG) scheme is to promote substantial advances at the frontiers of knowledge, to cross-fertilize scientific fields and to encourage new productive lines of enquiry and new methods and techniques including unconventional approaches and investigations at the interface between established disciplines. Finally the Proof of Concept instrument (PoC grant), aims at bridging the gap between research and social or commercial innovation.

The ERC complements other funding activities in Europe such as those of the national research funding agencies, and implements the specific objective 'Strengthening frontier research through the activities of the European Research Council' of Part I 'Excellent Science' of the Specific Programme implementing Horizon 2020 (2014-2020).

2020 was the last year of the 2014-2020 Multi Annual Framework (MFF). Under the new 2021-2027 MFF, the Agency will continue to manage the legacy of the following part of the Horizon 2020 Specific Programme – The Framework Programme for Research and Innovation (2014-2020): Part I 'Excellent science': 'Strengthening frontier research through the activities of the European Research Council' – and of the Specific Programme 'Ideas' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013). Further to the recent adoption of the Commission Decisions establishing and delegating powers to ERCEA<sup>12</sup>, and the repeal of Commission Decision C(2013)9048, the ERCEA – as newly reestablished –

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<sup>12</sup> These Commission Decisions are respectively the Commission Implementing Decision (EU) C/2021/953 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU, and the Commission Decision C/2021/950 delegating powers to the European Research Council Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of frontier research comprising, in particular, implementation of appropriations entered in the general budget of the Union

will also implement the programme Horizon Europe: Pillar I: the European Research Council (ERC).

The implementation by the ERCEA of the operational budget, covering mainly the evaluation and grants management, from the general budget of the Union is delegated to the Director of the ERCEA, who thereby assumes the role of Authorising Officer by delegation. The operational budget (in 2020 € 2.222.266.413<sup>13</sup>) is implemented under direct management. The related accounts are included in the European Commission annual accounts. The discharge in respect of the implementation of the operational appropriations is covered by the general discharge given to the Commission.

The ERCEA has its own legal personality. As a corollary, the Agency has its own operating budget. The budget covers its operating expenditure, mainly staff expenditure, office related costs, IT related costs and other services. Its revenue consists of an EU annual subsidy (in 2020, € 53.840.700. The ERCEA's Director is the Authorising Officer for this budget. He implements it under direct management. This operating budget is subject to a separate discharge by the Parliament.

The final annual accounts (financial statements and reports on the implementation of the budget of the ERCEA) covered by this document relate to the operating budget.

#### External Audit

The European Court of Auditors is required to scrutinise the ERCEA's accounts in line with the requirements of Article 287 of the Treaty on the Functioning of the European Union<sup>14</sup>.

#### Discharge

The European Parliament is the discharge authority within the EU. This means that, following the audit and finalisation of the annual accounts, it falls to the Council to recommend and then to the European Parliament to give a discharge to the ERCEA for a given financial year.

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<sup>13</sup> Commission Decision C(2020) 1814 final – 26/03/2020 approving the Annual Work Programme 2020 of the European Research Council Executive Agency

<sup>14</sup> Art. 65 of the Commission Regulation (EC) n° 1653/2004 of the 21 December 2004 on a standard regulation for the executive agencies pursuant to Council Regulation (EC) n° 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes. The reference to Article 248 of the EC Treaty in the mentioned article of the Standard regulation for EAs needs to be read as being made to the Article 287 of the Treaty on the Functioning of the European Union.

# **FINANCIAL STATEMENTS**

**Financial Year 2020**

## BALANCE SHEET

EUR

	Note	31.12.2020	31.12.2019
<b>NON-CURRENT ASSETS</b>		<b>907.033,33</b>	<b>1.624.309,82</b>
<b>Intangible assets</b>	2.1.	<b>36.386,00</b>	<b>173.866,00</b>
<b>Property, Plant and Equipment</b>	2.2.	<b>870.647,33</b>	<b>1.450.443,82</b>
Land and buildings		0,00	294,00
Plant and equipment		0,00	0,00
Computer hardware		118.410,00	273.893,00
Furniture and vehicles		54.390,00	74.629,00
Other fixtures and fittings		697.847,33	1.101.627,82
<b>CURRENT ASSETS</b>		<b>17.151.671,78</b>	<b>6.431.469,02</b>
<b>Exchange Receivables</b>	2.3.	<b>3.024.357,26</b>	<b>2.952.381,25</b>
Current receivables		4.134,48	
Current receivables from consolidated entities			
Sundry receivables		22.303,94	71.717,32
Deferred charges		2.997.918,84	2.880.663,93
<b>Non-exchange Receivables</b>	2.4.	<b>4.134,66</b>	<b>9.000,00</b>
Accrued income		4.134,66	9.000,00
<b>Cash and cash equivalents</b>	2.5.	<b>14.123.179,86</b>	<b>3.470.087,77</b>
<b>TOTAL ASSETS</b>		<b>18.058.705,11</b>	<b>8.055.778,84</b>
<b>NON CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>		<b>15.090.695,17</b>	<b>3.948.317,29</b>
<b>Provisions for risks and liabilities</b>	2.6.	<b>0,00</b>	<b>0,00</b>
<b>Payables</b>	2.7.	<b>15.090.695,17</b>	<b>3.948.317,29</b>
Current payables		55.518,07	754,85
Sundry payables		0,82	46.736,13
Accrued charges and deferred income		2.683.800,09	3.438.362,42
Accounts payable to consolidated EU entities	2.8.	12.351.376,19	462.463,89
<b>TOTAL LIABILITIES</b>		<b>15.090.695,17</b>	<b>3.948.317,29</b>
<b>NET ASSETS</b>		<b>2.968.009,94</b>	<b>4.107.461,55</b>
<b>Accumulated surplus/deficit</b>		<b>4.107.461,55</b>	<b>4.987.949,74</b>
<b>Economic result of the year</b>		<b>(1.139.451,61)</b>	<b>(880.488,19)</b>



## STATEMENT OF FINANCIAL PERFORMANCE

EUR

	Note	2020	2019
<b>OPERATING REVENUE</b>	3.1.	<b>51.749.682,30</b>	<b>51.451.475,94</b>
<b>Non-exchange revenue</b>		<b>51.647.418,81</b>	<b>51.106.240,78</b>
European Union Contribution	3.1.1.	51.647.418,81	51.055.376,11
Other non-exchange revenue	3.1.2.	0,00	50.864,67
<b>Exchange revenue</b>	3.1.3.	<b>102.263,49</b>	<b>345.235,16</b>
<b>OPERATING EXPENSES</b>		<b>52.889.133,91</b>	<b>52.331.964,13</b>
<b>Administrative expenses</b>	3.2.	<b>52.889.133,91</b>	<b>52.331.964,13</b>
Staff expenses	3.2.1.	40.072.513,84	38.220.874,04
Property, plant and equipment related expenses	3.2.2.	6.862.876,42	7.021.604,72
Other expenses	3.2.3.	5.953.743,65	7.089.477,38
Financial expenses		0,00	7,99
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>(1.139.451,61)</b>	<b>(880.488,19)</b>
Financial revenue			
Financial expenses			
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>			
Extraordinary gains			
Extraordinary losses			
<b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>			
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>(1.139.451,61)</b>	<b>(880.488,19)</b>

## CASH FLOW STATEMENT

EUR

	Note	2020	2019
Economic result of the year		<b>(1.139.451,61)</b>	<b>(880.488,19)</b>
<b>Operating activities</b>			
Amortisation		137.480,00	273.457,60
Depreciation		587.531,47	827.651,56
(Increase)/decrease in exchange receivables and non-exchange recoverables		(67.110,67)	(441.604,16)
Increase/(Decrease) in provisions		0,00	(45.864,67)
Increase/(Decrease) in payables		11.896.940,21	81.811,03
Increase/(decrease) in accrued charges and deferred income		(754.562,33)	498.928,11
<b>Net cash-flow from operating activities</b>	4.1.	<b>11.800.278,68</b>	<b>1.194.379,47</b>
<b>Investing activities</b>			
(Increase)/Decrease in intangible assets and property, plant and equipment		(7.734,98)	(220.210,98)
<b>Net cash-flow from investing activities</b>	4.2.	<b>(7.734,98)</b>	<b>(220.210,98)</b>
<b>Net cash-flow</b>		<b>10.653.092,09</b>	<b>93.680,30</b>
Net increase/(decrease) in cash and cash equivalents		10.653.092,09	93.680,30
Cash and cash equivalents at the beginning of the year		3.470.087,77	3.376.407,47
<b>Cash and cash equivalents at year-end</b>		<b>14.123.179,86</b>	<b>3.470.087,77</b>

## STATEMENT OF CHANGES IN NET ASSETS

EUR

	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
<b>Balance as at 31 December 2019</b>	<b>4.987.949,74</b>	<b>(880.488,19)</b>	<b>4.107.461,55</b>
Changes in accounting policies			
<b>Balance as at 1 January 2020</b>	<b>4.987.949,74</b>	<b>(880.488,19)</b>	<b>4.107.461,55</b>
Allocation of the economic result of previous year	(880.488,19)		
Economic result of the year		(1.139.451,61)	(1.139.451,61)
<b>Balance as at 31 December 2020</b>	<b>4.107.461,55</b>	<b>(1.139.451,61)</b>	<b>2.968.009,94</b>

# NOTES TO THE FINANCIAL STATEMENTS

These financial statements cover the period from 1 January 2020 until 31 December 2020.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1. Legal basis and Accounting rules

In accordance with the legal basis described above the following annual accounts together with the reports on implementation of the budget of the ERCEA have been drawn up.

These financial statements are prepared on the basis of the EU Accounting Rules as adopted by the Commission's Accounting Officer which adapt the International Public Sector Accounting Standards (and in some cases the International Financial Reporting Standards) to the specific environment of the EU, while the reports on implementation of the budget continue to be primarily based on movements of cash.

The accounting system of the ERCEA comprises general accounts and budget accounts. These accounts are kept in Euro on the basis of the calendar year. The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.<sup>15</sup> The general accounts allow for the preparation of the financial statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

The ERCEA's financial statements have been drawn up using the methods of preparation as set out in the accounting rules laid down by the European Commission's Accounting Officer.

### 1.2. Accounting principles

The objectives of the financial statements are to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity such as the ERCEA, the objectives are more specifically to provide information useful for decision-making, and to demonstrate the accountability of the entity for the resources entrusted to it.

Article 53 of the Standard Financial Regulation for the executive agencies<sup>16</sup> sets out the accounting principles to be applied in drawing up the financial statements: going concern basis, prudence, consistent accounting methods, comparability of information, materiality, no netting, reality over appearance, and accrual-based accounting.

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<sup>15</sup> This differs from cash-based accounting because of elements such as carry-overs.

<sup>16</sup> 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.

### **Going-concern principle**

When preparing financial statements an assessment of an entity's ability to continue as a going-concern shall be made. Financial statements shall be prepared on a going-concern basis unless there is an intention to liquidate the entity or to cease operating, or if there is no realistic alternative but to do so. These financial statements have been prepared in accordance with the going-concern principle, which means that the Agency is deemed to have been established for an indefinite duration.

### **Principle of prudence**

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

### **Principle of consistent accounting methods**

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Agency's Accounting Officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- a) in the event of a significant change in the nature of the entity's operations;
- b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

### **Principle of comparability of information**

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item the previous year.

Where, the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the annex to the financial statements.

### **Principle of Materiality**

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- a) the transactions are identical in nature, even if the amounts are large;
- b) the amounts are negligible;
- c) aggregation makes for clarity in the financial statements.

### **Principle of No-netting**

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

### **Principle of reality over appearance**

The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature.

### **Accrual-based accounting principle**

The accrual – based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial years to which they relate.

### **Exception to the accounting principles**

Where, in a specific case, the Accounting Officer considers that an exception should be made to the content of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

In parallel, the overall considerations (or accounting principles) to be followed when preparing the financial statements are also laid down in EU Accounting Rule 2 and are the same as those described in IPSAS, 1<sup>17</sup> that is: fair presentation, accrual basis, going-concern basis, consistency of presentation, aggregation, offsetting and comparative information.

## **1.3. Basis of preparation**

### **1.3.1. Currency and basis for conversion**

#### **Functional and reporting currency**

The financial statements are presented in euro, which is the functional and reporting currency of the EU.

#### **Transactions and balances**

Foreign currency transactions are recorded 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 translation of monetary items in foreign currency into euro at year-end are recognised in the statement of financial performance.

#### **Chart of Accounts**

The chart of Accounts used by the ERCEA follows the structure of the chart of Accounts of the European Commission (PCUE).

#### **Use of estimates**

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts presented and disclosed in the financial statements of the ERCEA. Significant estimates and assumptions in these financial statements require judgment and are used for, but not limited to, accrued income and charges, provisions, contingent assets and liabilities. Actual results reported in future periods may be different from these estimates. Changes in estimates are reflected in the period in which they become known.

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<sup>17</sup> International Public Sector Accounting Standards

## 1.4. Balance Sheet

Assets are resources controlled by the ERCEA as a result of past events and from which future economic benefits or service potential are expected to flow.

### 1.4.1. Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences are stated at historical cost less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful life. The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

Currently, the ERCEA uses 25% amortisation rate for its intangible assets.

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life (EU Accounting Rule 6).

Internally developed intangible assets are capitalised when the relevant criteria of the EU Accounting rules are met. The costs capitalisable 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.

### 1.4.2. Property, plant and equipment

All property, plant and equipment are identifiable non-monetary assets with physical substance. Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction 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 ERCEA 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.

Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life (EU Accounting Rule 7).

The depreciation is calculated using the straight-line method with the following rates and *pro-rata temporis* from the month of purchase of the asset:

Type of asset	Straight line depreciation rate
Leasehold improvement (works, fitting out)	10%
Plant and equipment	12% - 25%
Computer hardware	25%
Furniture	10% - 25%
Telecommunication and audio-visual equipment	25%

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.

#### **1.4.3. Financial assets**

The ERCEA has as financial assets its receivables and current bank accounts. Receivables arise when the ERCEA provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities more than 12 months of the balance sheet date. See notes 1.4.4 and 1.4.5 below for more information.

#### **1.4.4. Receivables**

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the ERCEA will not be able to collect all amounts due according to the original terms of receivables. 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.

See note 1.4.9 below concerning the treatment of accrued income at year-end.

#### **1.4.5. Cash and cash equivalents**

Cash and cash equivalents are financial instruments and classified as available for sale financial assets. They include cash at hand and deposits held at call with banks.

#### **1.4.6. Provisions**

Provisions are recognised when the ERCEA 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. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date.

#### **1.4.7. Financial liabilities**

The ERCEA has as financial liabilities its payables. They are classified as current liabilities, except for maturities more than 12 months after the balance sheet date. See note 1.4.8 below for more information.

#### **1.4.8. Payables**

A significant amount of the payables of the ERCEA are related to the purchase of goods or services. Those 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 ERCEA.

#### **1.4.9. Accrued and deferred income and charges**

According to the EU Accounting Rules, transactions and events are recognised in the financial statements 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 Commission and by the ERCEA, which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the ERCEA or a contractual agreement exists (*i.e.* by reference to a treaty), an accrued income 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 or charges will be deferred and recognised in the subsequent accounting period.

## **1.5. Statement of financial performance**

### **1.5.1. Revenue**

Non-exchange revenue makes up the vast majority of the ERCEA's revenue and includes mainly EU subsidy.

Exchange revenue is the revenue from the sale of goods and services. It 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.

Interest income consists of received bank interest.

### **1.5.2. Expenses**

According to the principle of accrual-based accounting, the financial statements take account of expenses relating to the reporting period, without taking into consideration the payment date; meaning when the goods or services are used or consumed.

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the ERCEA. They are valued at original invoice cost.

Non-exchange expenses account for the majority of the ERCEA's expenses. They relate to transfers to beneficiaries and can be mainly of two types: entitlements and transfers under agreement.

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 (Financial Regulation, Staff Regulations, or other regulation) or a contract 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 expenses.

## **1.6. Contingent Assets and Liabilities**

### **1.6.1. 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 ERCEA. It is not recognised because the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

### **1.6.2. 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 ERCEA; 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.

## **1.7. Consolidation**

According to article 57 of the Standard Financial Regulation for the executive agencies, the ERCEA's annual accounts are consolidated with the European Commission's annual accounts.

## **2. NOTES TO THE BALANCE SHEET**

### **NON-CURRENT ASSETS**

The ERCEA uses ABAC Assets as inventory application, which is an integrated part of the ABAC platform. The non-current intangible and tangible (property, plant and equipment) assets are called also fixed assets.

#### **2.1. Intangible fixed assets**

To be entered in the financial inventory in the balance sheet they must be controlled by the ERCEA and generate future economic benefits for the Agency. Moreover, the assets should have a purchase price above € 700.

The ERCEA's individual threshold for capitalisation of internally generated intangible assets is € 100.000,00.

The intangible fixed assets at the ERCEA consist of computer software and the development cost of the intangible assets under construction.

EUR

	Internally generated Computer Software and other Computer Software	Intangible assets under construction	Total
<b>Gross carrying amounts 01.01.2020</b>	<b>7.549.570,56</b>		<b>7.549.570,56</b>
Additions			
Disposals	(25.738,15)		(25.738,15)
Transfer between headings			
Other changes			
<b>Gross carrying amounts 31.12.2020</b>	<b>7.523.832,41</b>		<b>7.523.832,41</b>
<b>Accumulated amortization and impairment 01.01.2020</b>	<b>(7.375.704,56)</b>		<b>(7.375.704,56)</b>
Amortization	(137.480,00)		(137.480,00)
Disposals	25.738,15		25.738,15
<b>Accumulated amortization and impairment 31.12.2020</b>	<b>(7.487.446,41)</b>		<b>(7.487.446,41)</b>
<b>Net carrying amounts 31.12.2020</b>	<b>36.386,00</b>		<b>36.386,00</b>

EUR

Not capitalised cost	Research cost	Not capitalised development cost *
<b>Cost of the year</b>	-	119.537,00

\* Including yearly amortization on the internally generated intangible assets

The internally generated intangible assets represent an important part of the fixed assets and consist mainly in IT tools for the management of the Agency's operational programmes, namely for Grants and Evaluations and to a lesser extent for the administrative management of the Agency, as detailed in the table below:

Intangible assets	Acquisition value	Cumulative depreciation	Net value
Internally developed assets by RTD/DIGIT/Agencies	5.237.716,01	(5.237.716,01)	0,00
Internally developed assets by ERCEA	2.062.030,59	(2.054.076,59)	7.954,00
Other intangible assets	224.085,81	(195.653,81)	28.432,00
<b>Total net amount 31.12.2020</b>	<b>7.523.832,41</b>	<b>(7.487.446,41)</b>	<b>36.386,00</b>

The internally developed IT software for the management of the Agency's operational programmes carried out by and for various Directorates-General in the Commission and Executive agencies was completely depreciated at year end 2018. These IT tools were developed until 2013 and mostly capitalized over three years.

In 2014, the Service Level Agreement for the provision of FP7 information systems and services and the Common Evaluation Platform by 31 December 2013 was terminated. The European Commission set up the Common Support Center (CSC) in DG RTD, responsible for the implementation and support of IT systems for Horizon 2020 and all common FP7 applications and implemented the new partnership agreement between the CSC, representing the Research family DGs, and the DG for Informatics (DIGIT). Under this partnership, the CSC is developing several IT tools (such as COMPASS, SYGMA, etc.). The development costs of these tools are shared among DGs without any financial participation of the ERCEA. No development costs are activated since 2014 in the ERCEA annual accounts regarding these tools.

The net value of the internally developed IT software carried out by the Agency is equal to € 7.954,00 (€ 127.491,00 in 2019).

## **2.2. Property, plant and equipment**

Tangible (fixed) assets at the ERCEA consist of leasehold improvements (fitting out), technical equipment, furniture, kitchen and cafeteria equipment, computer hardware, telecommunication and audio-visual equipment.

As a general rule, the Agency books as fixed tangible assets only items whose purchase price is above € 700. Items with lower value are treated as expenses of the year and are registered in the physical inventory when the value is between € 100 and € 700.

Details of the property, plant and equipment's depreciation can be found in the table below (in EUR):

Year N	Buildings	Plant and Equipment	Furniture and vehicles	Computer hardware	Other Fixtures and Fittings	Total
<b>Gross carrying amounts 01.01.2020</b>	<b>6.155,41</b>	<b>19.022,60</b>	<b>371.497,84</b>	<b>1.391.951,65</b>	<b>8.084.438,07</b>	<b>9.873.065,57</b>
Additions				7.734,98		7.734,98
Disposals		(1.414,10)		(182.452,84)		(183.866,94)
Others						
<b>Gross carrying amounts 31.12.2020</b>	<b>6.155,41</b>	<b>17.608,50</b>	<b>371.497,84</b>	<b>1.217.233,79</b>	<b>8.084.438,07</b>	<b>9.696.933,61</b>
<b>Accumulated depreciation and impairment 01.01.2020</b>	<b>(5.861,41)</b>	<b>(19.022,60)</b>	<b>(296.868,84)</b>	<b>(1.118.058,65)</b>	<b>(6.982.810,25)</b>	<b>(8.422.621,75)</b>
Depreciation	(294,00)		(20.239,00)	(160.307,98)	(403.780,49)	(584.621,47)
Disposals		1.414,10		179.542,84		180.956,94
Others						0,00
<b>Accumulated depreciation and impairment 31.12.2020</b>	<b>(6.155,41)</b>	<b>(17.608,50)</b>	<b>(317.107,84)</b>	<b>(1.098.823,79)</b>	<b>(7.386.590,74)</b>	<b>(8.826.286,28)</b>
<b>Net carrying amounts 31.12.2020</b>	<b>0,00</b>	<b>0,00</b>	<b>54.390,00</b>	<b>118.410,00</b>	<b>697.847,33</b>	<b>870.647,33</b>

The heading "other fixtures and fittings" represents the largest amount of the tangible assets. It corresponds to:

Description	Note	Gross carrying amounts 31.12.2020	Accumulated amortization and impairment 31.12.2020	Net carrying amounts 31.12.2020
Fitting out of the building COV2	1	5.876.386,47	-5.843.367,47	33.019,00
Canteen	2	650.144,86	-520.115,86	130.029,00
Audio visual equipment	3	1.365.638,59	-903.632,59	462.006,00
Open space 20th floor	4	128.873,77	-78.756,19	50.117,58
Other	5	63.394,38	-40.718,63	22.675,75
<b>Total</b>		<b>8.084.438,07</b>	<b>-7.386.590,74</b>	<b>697.847,33</b>

1. The fitting out of the building COV2 (€ 5.876.386,47) is represented by the works made for the initial fitting out of the building occupied by the Agency (COV) through a 15-year duration usufruct contract (€ 5.543.448,65) and the value of subsequent works for the fitting out (€ 332.937,82). The works have been capitalized over a useful life of 10 years.
2. The amount for the canteen, created in 2012 for the benefit of the staff of the different organisations established in the building where the Agency has its premises, corresponds to the participation of the Agency to the canteen building costs (€ 650.144,86). The delivery of the canteen took place in January 2013 and it started to be used beginning February 2013. The works have been capitalized over a useful life of 10 years starting from February 2013.

3. The telecommunication and audio-visual equipment represents an amount to € 1.365.638,59 and are capitalized under this heading. It is depreciated over a useful life of 4 years. This includes the installation of telecommunication and audio-visual equipment in the 7<sup>th</sup> floor in COVE Building for the evaluation facilities which represents an amount equal to € 1.011.365.
4. The costs for an amount equal to € 128.873,77 of the works carried out to create an open space for offices, replacing the former cafeteria in the 20<sup>th</sup> floor of the building. The delivery of the open space took place in May 2017. The costs are depreciated over the remaining duration of the usufruct contract (September 2023).
5. The other fittings are mainly:
  - The participation for an amount equal to € 16.427,44 of the creation of a new cafeteria on the 1<sup>st</sup> floor of the building for the benefit of the staff of the different organisations established in this building. The delivery of the cafeteria took place in May 2017. The costs have been fully depreciated end of 2018 considering the closing of the cafeteria end of October 2018.
  - The fitting out of the 7<sup>th</sup> floor COVE through the SLA with OIB for an amount equal to € 38.892,65. The delivery of the works took place on 1 September 2018. The costs are depreciated over the remaining duration of the usufruct contract (September 2023).

The disposals correspond mainly to the decommissioning of PCs, screens, printers and laptops that have reached the retirement age of 4 years or more or that became obsolete. This material has been donated to CLOSE THE GAP International according to a DIGIT framework contract.

## **CURRENT ASSETS**

### **2.3. Exchange receivables**

	EUR	
	2020	2019
Deferred charges	2.997.918,84	2.880.663,92
Sundry receivables	22.303,94	71.717,32
Current receivables	4.134,48	
<b>Total</b>	<b>3.024.357,26</b>	<b>2.952.381,24</b>

The balance of the deferred charges (€ 2.997.918,84) corresponds mainly to:

- deferred charges related to the rent of the building where the ERCEA has established its headquarters, each yearly instalment starting at the end of September (€ 2.830.452,77);
- deferred charges related to IT maintenance or licences expenses(€ 107.623,31).

Sundry receivables amount to € 22.303,94. They consist in :

- salary advances (€ 2.733,99 in comparison to € 36.245,00 in 2019);
- monthly salary regularisations concerning staff members and other balances linked to payroll paid to staff on behalf of the Commission and other institutions (€ 13.194,95 in comparison to € 35.472,32 in 2019);
- an amount receivable corresponding to the costs of proceeding to be reimbursed to the ERCEA following the decision of the Court of Justice (case T-493/17) (€ 6.375, initially € 9.000 to be

reimbursed into 24 instalments).

On 31 December 2020, like in 2019, there is no due receivable. No write-offs and no provision were made during the year.

The maximum exposure to credit risk is equal to the carrying amount (see § 6. Financial instruments).

#### 2.4. Non-exchange receivables

The non-exchange receivables correspond to the accrued income. In 2020, this amount relates mainly to the reimbursement of software maintenance expenses unduly paid for € 4.093,23.

#### 2.5. Cash and cash equivalents

	EUR	
	2020	2019
Bank account	14.123.179,86	3.470.087,77

The bank account is held with ING Belgium SA.

As a result of the procedure ERCEA/CAO/PN/2019/32, the ERCEA decided to request the extension of the bank account at ING Belgium SA/NV as from 1 January 2020 for the entire duration of the service contract (31 December 2024).

The increase of the bank account balance of € 14.123.179,86 in comparison to 2019 is explained by the first instalment of the 2021 subsidy received from the Commission on 30/12/2020 for € 11.800.000,00.

### CURRENT LIABILITIES

#### 2.6. Current provisions/short-term provisions for risks and liabilities

There is no provision for risks and liabilities on 31/12/2020 and on 31/12/2019.

#### 2.7. Payables

The accounts payables at 31 December 2020 comprise outstanding unpaid invoices and claims from suppliers and other public bodies.

	EUR	
	2020	2019
Current payables	55.518,07	754,85
Sundry payables	0,82	46.736,13
Accrued charges	2.683.800,09	3.438.362,42
Incl. Staff holiday accrual	1.236.657,55	802.082,88
Accounts payable to consolidated EU entities	12.351.376,19	462.463,89
<b>Total</b>	<b>15.090.695,17</b>	<b>3.948.317,29</b>

The current payables in 2020 include:

- outstanding commercial invoices (€ 52.144,80) with suppliers of goods and services;
- regularisations linked to the payroll and still to be settled with other EU institutions (€ 3.373,27).

The sundry payables in 2020 consist in 2019 mainly consisted of:

- the Crèches and Garderie expenses to be paid to OIB on behalf of the staff (€ 19.325,30 in comparison to € 0,00 in 2020);
- and monthly salary regularisations concerning staff members not yet paid by the Agency to the Staff or the Commission (€ 27.118,23 in comparison to € 0,82 in 2020).

Accrued charges are expenses related to goods or services provided to the Agency that have been incurred but not yet paid. The estimated amount of € 2.683.800,09 to accrue as charges is mainly composed of:

- € 740.372,24 for goods or services delivered in 2020 by other Agencies and/or by the Commission's Directorates General in the frame of the Service level Agreements signed with the Agency (against 1.540.456,19 in 2019). The decrease is mainly explained by the fact that:
  - the rent of the 19<sup>th</sup> floor of the COV2 building was invoiced before the end of the year in 2020 although an accrued charge for an amount equal to € 457.310,12 was needed in 2019;
  - part of the 7<sup>th</sup> in the COV2 building was not rented anymore to OIB in 2020.
- € 546.066,81 for invoices for goods or services delivered but not yet invoiced (IT consultants, interim workers, communication costs, etc. against € 944.011,27 in 2019). The decrease is mainly due to:
  - the reduction of the number of IT consultants used in 2020 compared to 2019 (8 compared to 13);
  - the COVID-19 outbreak that led to the suspension of all physical presence meetings with experts and reduction of staff missions to the essential;
  - the organisation of events at year end 2019 (and not in 2020) leading to accrued charges to be taken into account.
- the calculated amount of holiday compensation staff (€ 1.236.657,55). According to the EU Staff Regulation, Annex V: Leave, Article 4, Commission Decision on leave (C(2013) 9051 final), if the person at the time of leaving the service has not used up their annual leave, they shall be paid compensation equal to one thirtieth of their monthly remuneration for each leave's day due to them (against € 802.082,88 in 2019); due to the COVID-19 outbreak, the number of leave days not taken on 31 December 2020 increased by an average of 3.6 days per person.
- the staff entitlements for 2020 but paid in 2021 (€ 90.864,08 against € 70.139,75 in 2019);
- and the deferred income covering the period from 1 January 2021 to 23 September 2021 of the re-invoicing to the EASME of the part already paid by the ERCEA to the contractor for the renting of the COV2 ground floor rooms (€ 69.356,07 against € 75.550,17 in 2019).

## **2.8. Accounts payable to consolidated EU entities**

EUR

	2020	2019
Repayable positive budgetary result	12.351.376,19	462.463,89



The amount of € 12.351.376,19 consists in :

- € 11.800.000,00 received from the Commission on 30 December 2020 for the first instalment of the 2021 subsidy;
- € 531.076,19 part of the 2020 subsidy to be reimbursed to the Commission as a result of 2020 budgetary management (See reports on the implementation of the budget).

### 3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

#### 3.1. Revenue

Revenues consist mainly of the Union contribution (subsidy) received from the European Commission.

##### 3.1.1. Union contribution

	EUR	
	2020	2019
Union contribution	52.178.495,00 <sup>18</sup>	51.517.840,00 <sup>19</sup>
Subsidy to be reimbursed – budgetary outturn	(531.076,19)	(462.463,89)
<b>Total</b>	<b>51.647.418,81</b>	<b>51.055.376,11</b>

The EU subsidy amount is the part of the EC subsidy, incremented by the recovery of costs from previous years, justified by the expenditure supported during the exercise, the outstanding payment obligations of the Agency (called RAL or *Reste à Liquidier*), and adjusted by the Budgetary result of the previous year - See reports on the implementation of the budget.

This method of revenue determination is cash-principle based as it is drawn from the budget outturn, while for the expenditure, accrual principles applied (hence the RAL taken into account). The amount of the subsidy so defined is € 51.647.418,81.

##### 3.1.2. Other non-exchange revenue

	EUR	
	2020	2019
Liquidated damages	0,00	5.000,00
Reversal of provision for risks and liabilities	0,00	45.864,67
<b>Total</b>	<b>0,00</b>	<b>50.864,67</b>

In 2020, there are no other non-exchange revenue.

In 2019:

- The liquidated damages are the damages claimed to a supplier according to the application of contracts.

<sup>18</sup> Funded by the European Commission from C1 voted credits (€ 51.319.000,00), EFTA (€ 859.495,00) and third countries contributions (€ 0)

<sup>19</sup> Funded by the European Commission from C1 voted credits (€ 49.573.340,00), EFTA (€ 1.179.846,00) and third countries contributions (€ 764.654,00)

- The judgement rendered by the General Court on case T-348/16 against the ERCEA on 17 January 2019 requires the ERCEA to pay the legal costs of the beneficiary related to this case. These costs were paid for € 43.617,67 on 18 April 2019. Therefore, the provision of € 45.864,67 that covers those litigation costs has been reversed.

### 3.1.3. Exchange revenue

EUR

	2020	2019
Miscellaneous recoveries	101.547,95	344.458,44
Bank interest and exchange rate gains	715,54	776,72
<b>Total</b>	<b>102.263,49</b>	<b>345.235,16</b>

The miscellaneous recoveries correspond to:

EUR

	2020	2019
Reversal of year N-1 over-accrued charges (1)	0,00	193.513,04
Reimbursement of charges under Service Level Agreement with Directorate Generals of the European Commission	0,00	57.345,12
Re-invoicing of the ERCEA COV2 ground floor rooms to the EASME	101.363,15	83.216,28
Others	184,80	10.384,00
<b>Total</b>	<b>101.547,95</b>	<b>344.458,44</b>

- (1) According to the EC accounting rules, it is not needed to restate to the revenue from the expenses the impact of the over-accrued charges of year N-1.

### 3.2. Administrative Expenses

#### 3.2.1. Staff expenses

Staff expenses (€ 40.072.513,84 against € 38.220.874,04 in 2019) contain personnel related expenses:

	2020	2019
Salaries, allowances, social and pension contributions and an accrual for untaken holidays and other staff costs	39.007.268,00	37.296.768,02
Allowances for SNE	776.053,16	580.743,29
Employer's contribution to the school transport, contribution to staff public transport passes and other staff perquisites	289.192,68	343.362,73
<b>Total</b>	<b>40.072.513,84</b>	<b>38.220.874,04</b>

Compared to last year, staff costs have increased by approximately € 1,8 million (+4,8%) because the number of positions occupied in 2020 is higher than in 2019 (515 in 2020, including 15 SNE compared to 508 including 11 SNE in 2019) and the indexation, seniority progression and reclassifications have contributed to the increase in salaries costs.

All salary calculations are externalized to the Office for administration and payment of individual entitlements (also known as the Paymaster's Office –PMO<sup>20</sup>) which is a central office of the European Commission. These calculations add up as staff expenses and are included with the same title in the Statement of financial performance of the Agency.

The Agency is only responsible for the communication to the PMO of reliable information allowing the calculation of the staff costs. It is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

The staff perquisites expenses have decreased mainly due to the reduction of request from staff for contribution to public transport and of employer's contribution to European school transport due to the COVID-19 impact and the impact in 2019 (and not in 2020) of the costs incurred for the ERCEA 10<sup>th</sup> anniversary event that took place in September 2019. The reimbursement scheme of home office equipment – pursuing the “fit@work” policy of the Commission, and put in place within the context of the pandemic compensates partially this decrease.

### 3.2.2. Property, plant and equipment related expenses

Property, plant and equipment related expenses contain the charged amortisation and depreciation of respectively intangible and tangible assets, the rental of buildings, the maintenance, security and insurance of the premises:

EUR

	2020	2019
Building expenses	6.137.864,95	5.918.977,56
<i>With third parties</i>	<i>3.323.647,87</i>	<i>3.128.861,30</i>
<i>With consolidated entities</i>	<i>2.814.217,08</i>	<i>2.790.116,26</i>
Fixed Assets Expenses	725.011,47	1.102.627,16
<b>Property, plant and equipment related expenses</b>	<b>6.862.876,42</b>	<b>7.021.604,72</b>

The building expenses with third parties correspond to the rental of the building occupied by the Agency (COV) through a 15-years duration usufruct contract starting in September 2008, amended on 21 September 2020. The amendment related to the addition of the rental of 19<sup>th</sup> floor as from the 24 September 2020, previously rented to REA (see below): it explains the increase of these expenses.

The building expenses with consolidated entities correspond to the services linked to the building and 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). The ERCEA rented as from mid 2019 the 7<sup>th</sup> floor of the COVE building to OIB and since 19 November 2019, it rented to the 19<sup>th</sup> floor of COV2 building until 23 September 2020.

The other fixed assets related expenses relate to the amortisation and depreciation charges of the Agency's intangible and tangible assets, respectively € 137.480,00 and € 584.621,47 (in comparison to € 273.457,60 and € 827.651,56 in 2019). In addition, there is a loss on the disposal of tangible fixed assets of € 2.910,00 (in comparison to € 1.518,00 in 2019). Depreciation expenses decreased from 2019 as some equipment is fully depreciated and very few equipment with an impact on assets were purchased in 2020 (see 2.1. and 2.2.).

<sup>20</sup> The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is also audited by the European Court of Auditors.

### 3.2.3. Other expenses

The other administrative expenses (€ 5.953.743,65 against € 7.089.477,38 in 2019) contain:

- the other expenses with consolidated entities (€ 3.517.717,62 in comparison to € 3.242.945,82 in 2019) which regroup different types of expenses mainly for service level agreement (SLAs with DGs such as BUDG, DIGIT, PMO, OIB and HR);
- and the administrative expenses with non-consolidated entities (€ 2.436.026,03 against € 3.846.531,56 in 2019) which includes the following expenditure related to services and goods provided by external contractors (in EUR):

	2020	2019
IT expenses, services and supplies (a)	1.139.027,30	1.348.628,95
Office Supplies and material (b)	396.978,43	736.427,99
Missions (c)	13.608,55	393.866,07
Training	195.919,92	195.989,80
Communications	124.607,10	62.866,70
Reimbursement of experts (c)	21.069,02	289.712,22
Recruitment costs (c)	6.600,00	33.911,76
Legal expenses	38.591,00	43.617,67
Other expenditure (d)	498.372,11	739.659,81
Exchange rate losses	1.252,60	1.850,59
<b>Other expenses</b>	<b>2.436.026,03</b>	<b>3.846.531,56</b>

- The operational IT costs reduction is mainly due to the internalisation of certain tasks and because of abandoning migration of certain legacy systems that can be maintained until the phase out. The number of IT consultants in 2020 was equal to 8 in comparison to 13 in 2019.
- The decrease of the office supplies costs is mainly due to the reduced purchase of IT equipment and the purchase of Microsoft licences through the DIGIT SLA (recorded as other expenses with consolidated entities) instead of a contract with a third party.
- The COVID-19 outbreak that leads to the suspension of all physical presence meetings with experts or panels with candidates and reduction of staff missions to the essential in light of the obligations flowing from the duty of care and the travelling restrictions imposed around the globe explains the decrease of the reimbursements of experts, the missions and recruitment costs.
- The decrease in other expenditure relates mainly to the reduction in the number of interim agents as well as the decrease in the number of contracts for various external events due to the COVID-19 pandemic.

## 4. NOTES TO THE CASH-FLOW STATEMENT

Cash flow information is used to provide a basis for assessing the ability of the ERCEA to generate cash and cash equivalents, and its needs to utilise those cash flows.

The cash flow statement is prepared using the indirect method. This means that the statement of financial performance of the financial year is adjusted for the effects of transactions of a non-cash

nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cash flows.

Cash flows arising from transactions in a foreign currency are recorded in the EU's reporting currency (euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cash flow.

The cash flow statement presented reports cash flows during the period classified by operating and investing activities (the ERCEA does not have financing activities).

#### 4.1. Operating activities

Operating activities are the activities of the EU that are not investing activities. These are the majority of the activities performed.

#### 4.2. Investing activities

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments, which are not included in cash equivalents. The objective is to show the real investments made by the ERCEA.

### 5. CONTINGENT ASSETS AND LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

#### 5.1. Contingent Liabilities

The Municipality of Saint-Josse has invoiced the municipal tax on office space for the 2019 fiscal year to the bare owner of the Covent Garden building, considered as the taxpayer. The bare owner lodged a complaint against this decision.

The Legal Service of the European Commission supports the bare owner on its complaint against the Municipality on behalf of OIB and the executives agencies concerned.

Despite the arguments of the lawyers of the bare owner contesting the interpretation of the municipality tax regulation with regard to the identification of the taxpayer, there is nevertheless a small risk that the Collège of the Municipality decide to maintain the tax. In such a case, based on Art. 17.2 of the usufruct contract, the bare owner would claim from the ERCEA to reimburse the tax (€ 471.002,40, divided as follows: € 235.501,20 for fiscal year 2019 and same amount estimated for 2020) paid to the Municipality. To date, the decision of the Collège of the Municipality on this issue has still not been communicated to us. If the contestation from the bare owner is rejected by the Municipality, the EC Legal Service would consider to further pursue the case before the Court.

#### 5.2. Other significant disclosures

##### 5.2.1. Outstanding commitments not yet expensed (Carry-overs)

	2020	2019
<b>Automatic carry-overs C1</b>	1.818.504,42	3.037.473,07
<b>Accrued expenses</b>	(1.346.886,59)	(2.446.289,38)

EUR

<b>Outstanding commitments not yet expensed</b>	<b>471.617,83</b>	<b>591.183,69</b>
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The amount disclosed above is the budgetary RAL (*Reste à Liquider*) less related amounts that have been included as expenses in the 2020 statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or de-commitments have not yet been made.

### 5.2.2. Significant legal commitments

In EUR	2020	2019
Future commitments on existing contracts	<b>7.771.773,77</b>	9.851.781,93

The future commitment on existing contract results from the usufruct contract for the building starting in September 2008 for a duration of 15 years, amended on 21 September 2020 to add the rental of the 19<sup>th</sup> floor. The Agency occupies 7 floors of COV2, part of COVE and parking space of Covent Garden Building at place Rogier – 1210 Saint Josse.

The period covered runs until 23 September 2023.

The total future charges for the building amount to € 7.771.773,77, detailed as follow :

Description	Minimum lease payments			Total of minimum lease payments
	<1yr	1-5 yrs	>5 yrs	
building - usufruct contract	3.868.285,46	3.903.488,31		<b>7.771.773,77</b>

### 5.2.3. Other disclosures

#### **COVID-19**

The coronavirus outbreak has had huge impacts on the EU economy in 2020. Despite the challenges faced at the beginning of the pandemic, the ERCEA managed to quickly adapt its processes and way of working and deliver. Based on the information available at the date of the signature of these annual accounts, the main financial effects of the coronavirus outbreak on the Agency's activities have been described in § 5.1. of the reports on the implementation of the budget of the ERCEA and in § 3.2. of the notes to the financial statements.

Indeed, the Agency had to reduce its 2020 budget. Additionnal transfers were also introduced. The detailed credit operations and reasons are explained under point § 5.1. of the reports on the implementation of the budget of the ERCEA.

With respect to the statement of financial performance, compared to 2019 annual accounts, some expenses decreased due to the pandemic, even though the impact of the latter cannot be assessed precisely. The detailed explanation is available in the notes related to the statement of financial performance (§ 3.2. Administrative expenses).

#### **Brexit**

On 1 February 2020 the United Kingdom ceased to be a Member State of the European Union. Following the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (the 'Withdrawal Agreement') between the two parties, the United Kingdom committed to pay all its obligations under the current MFF and previous financial perspectives following from its membership of the Union. The United Kingdom has paid into the 2020 EU Budget during the year, and received payments, as if it were a Member State.

At the date of transmission of these accounts, and based on the Withdrawal Agreement concluded and already in operation, there is no financial impact to be reported in these accounts. For further information on the impact of the Withdrawal Agreement on the EU, please see the 2020 consolidated EU annual accounts.

## **6. FINANCIAL INSTRUMENTS**

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign currency risks, information about which and how they are managed is set out below.

### **Credit risk**

Credit risk is the risk of loss due to a debtor's default to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

It should be underlined that differed charges and receivables mainly concern consolidated entities.

Treasury resources are kept with commercial bank. The EU contribution is requested and paid 3 times a year based on cash forecasts to limit the amount of cash on the bank account.

Specific guidelines are applied for the selection of commercial banks in order to further minimise counterparty risk to which the ERCEA is exposed:

- The bank was selected through a call for tenders. The minimum short-term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1).
- The credit ratings of the bank where the ERCEA has its account is reviewed on a regular basis.

The Agency has a current account at ING Belgium SA. Risks have been assessed as follows by the principal rating agencies:

	<b>Moody's</b>	<b>Fitch</b>	<b>S&amp;P</b>
<b>Short-term rating</b>	P-1	F1	A-1
<b>Long-term rating</b>	Aa3	AA-	A+

The maximum exposure to credit risk is:

EUR

31 December 2020	All receivables with third parties including accruals & deferrals (excluding receivables with MS and receivables with consol. entities)	Receivables with consolidated entities	Bank accounts
<b>Counterparties <u>with</u> external credit rating</b>			<b>14.123.179,86</b>
Prime and high grade			14.123.179,86
Upper medium grade			
<b>Counterparties <u>without</u> external credit rating</b>	<b>3.028.491,92</b>	<b>0,00</b>	
Debtors who never defaulted	3.028.491,92		

EUR

31 December 2020	Neither past due nor impaired (1)	Past due but not impaired			Total (1+2+3+4)
		< 1 year (2)	1-5 years (3)	> 5 years (4)	
Receivables with third parties	3.028.491,92				3.028.491,92
Receivables with consolidated entities					

## Liquidity risk

Liquidity risk is the risk that arises from the difficulty of 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. Liquidity risk arises from the ongoing financial obligations, including settlement of payables.

The ERCEA manages liquidity risk by continually monitoring forecast and actual cash flows. Ageing balances for assets and liabilities are an important source of information for the management of liquidity risk.

At the end of 2020, the Agency has no long-term liabilities; only short-term payables for a total amount of € 12.406.895,08 out of which € 12.351.376,19 vis-à-vis consolidated entities.

The Agency's bank account may not be overdrawn and the EU budgetary principles ensure that overall cash resources for a given year are sufficient for the execution of payments.



Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control framework, and audit principles.

### Foreign currency risk

Currency risk is the risk that the EU's 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.

Most financial assets and liabilities are in euro, so in these cases the ERCEA has no foreign currency risk.

When miscellaneous receipts are received in currencies other than euro, they are converted into euro and transferred to accounts held in euro.

The carrying amounts of financial instruments are as follows:

	EUR	
	2020	2019
<b>Financial assets</b>		
Deferred charges	2.997.918,84	2.880.663,92
Sundry receivables	22.303,94	71.717,32
Current receivables from consolidated entities		
Current receivables	4.134,48	
Non- exchange receivables	4.134,66	9.000,00
Cash and cash equivalents	14.123.179,86	3.470.087,77
<b>Total financial assets</b>	<b>17.151.671,78</b>	<b>6.431.469,01</b>
<b>Financial liabilities</b>		
Provisions, non-current	0,00	0,00
Current payables	55.518,07	754,85
Sundry payables	0,82	46.736,13
Accounts payable to consolidated EU entities	12.351.376,19	462.463,89
<b>Total financial liabilities</b>	<b>12.406.895,08</b>	<b>509.954,87</b>
<b>Total net financial instruments</b>	<b>4.744.776,70</b>	<b>5.921.514,14</b>

## 7. CHANGES IN ACCOUNTING POLICIES

There is no change in accounting policies in the 2020 annual accounts.

## 8. RELATED PARTY DISCLOSURE

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

Highest grade description	Grade	Number of persons of this grade
Director, Heads of Department, Heads of Unit	AD14	6

The remuneration equivalent to the grades of the key management personnel in the table is in accordance with the Staff Regulations of the European Union.

## 9. EVENTS AFTER THE BALANCE SHEET DATE

At the date of issue of the accounts, no material issue came to the attention of the Accounting Officer of the ERCEA or were reported to her that would require separate disclosure under that section, except as follows:

### *Transfer of IT equipment from the ERCEA to DIGIT on 1/01/2021*

In the context of the integration of the DIGIT's DWP services for the ERCEA as provided under the Service Level Agreement SLA DIGIT-041-05 Appendix A-7 DWP<sup>21</sup> signed on 6 January 2021, all IT equipment and licences, registered in the ERCEA inventory on 31 December 2020 (assets and non assets), identified to support the DWP Services, have been transferred in 2021 to DIGIT with effect on 1 January 2021<sup>22</sup>. The IT equipment to be transferred on 1 January 2021 represents the following as of 31 December 2020:

Description		Gross carrying amounts 31.12.2020	Accumulated amortization 31.12.2020	Net carrying amounts 31.12.2020
Computer and hardware	Assets (financial inventory)	446.942,79	-417.517,79	<b>29.425,00</b>
	Non assets (operational inventory)	511.059,49		
<b>Total</b>		<b>958.002,28</b>		

<sup>21</sup> Ares(2021)112938 of 6 January 2021

<sup>22</sup> Ares(2021)1128615 of 9 February 2021

**REPORTS ON THE IMPLEMENTATION OF THE BUDGET  
OF THE EUROPEAN RESEARCH COUNCIL  
EXECUTIVE AGENCY**

**Financial Year 2020**

## 1. Introduction

### 1.1. ERCEA budget and its implementation

<b>Budget</b>	. 52.178.495 €
<b>Commitments</b>	. 99,73 % of implementation of commitments appropriations of the current year . 3,5 % of appropriations to be carried-forward to 2021
<b>Payments</b>	. 96,25 % of implementation of payments appropriations of the current year . 90,5 % of implementation on appropriations carried-forward from 2019

Following the COVID-19 outbreak, ERCEA's activities swiftly transitioned to the new remote working modalities. Despite the prompt Agency's reaction, the prolonged pandemic with its uncertain and unforeseeable circumstances challenged the execution of the administrative budget. Even though the Agency has reduced its budget mainly on salaries and programme management expenditure (see § 5. Budget expenditure) and taking into account this particular working context, the Agency managed to maintain a high rate of implementation in both commitment and payment appropriations.

### 1.2. Budgetary structure and principles

#### 1.2.1. Budgetary structure

The budgetary accounts are kept in accordance with the Financial Regulation applicable to the general budget of the EU and in accordance with the Standard Financial Regulation for the executive agencies.

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the implementation of the Agency's activities.

Every year, the ERCEA estimates its revenue and expenditure for the year and draws up a draft budget which it sends to the Commission. The Commission then incorporates the ERCEA's budget in the general budget and sends it to the Budgetary Authority. Based on this draft budget, the Council draws its position which is then the subject of negotiations between the two arms of the Budgetary Authority. The President of the Parliament declares that the joint draft has been finally adopted, thus making the budget enforceable.

The budget structure for the ERCEA consists of operating (*i.e.* administrative) appropriations and has only non-differentiated appropriations, meaning that the commitment and the payment appropriations are of the same amount. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality).

The appropriations are split into commitment and payment appropriations:

- Commitment appropriations (CA) – cover the total cost of the legal obligations entered into for the current financial year.
- Payment appropriations (PA) – cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years.

The main source of appropriations is:

- the budget for the current year, which corresponds to the adopted budget for the current year and amending and transfer budgets (fund source C1);
- and the non-differentiated payment appropriations which may be carried over automatically for one financial year only (fund source C8).

The 2020 budget is distributed in the following budget titles:

EUR			
Budget Title	2020 commitments appropriations (C1)	Payments appropriations carried-forward from 2019 (RAL C8)	Total 2020 budget
Title I - Staff expenditure	42.086.157,93	496.150,02	<b>42.582.307,95</b>
Title 2 - Infrastructure and operating expenditure	8.631.523,04	1.492.015,73	<b>10.123.538,77</b>
Title 3 - Programme support expenditure	1.460.814,03	1.049.307,32	<b>2.510.121,35</b>
<b>Total</b>	<b>52.178.495,00</b>	<b>3.037.473,07</b>	<b>55.215.968,07</b>

### 1.2.2. Budgetary principles

The budget of the ERCEA has been established in compliance with the principles of unity, budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as set out in the Standard Financial Regulation for the executive agencies.

#### *Principle of unity and budgetary accuracy*

The budget shall be the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Agency.

#### *Principle of annuality*

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

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

#### *Principle of equilibrium*

The Agency's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the Community subsidy, plus own revenue and any other revenue.

The Agency may not raise loans.

*Principle of unit of account*

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro. However, for cash-flow purposes, the Accounting Officer and, in the case of imprest accounts, imprest administrators shall be authorised to carry out operations in national currencies.

*Principle of universality*

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

*Principle of specification*

The appropriations in their entirety 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*

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Agency for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

*Principle of transparency*

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Union and amending budgets shall be published in an appropriate way within two months of their adoption.

## **2. Budget result**

### **2.1. Calculation of the budget result**

The budgetary outturn account was prepared in accordance with the requirements of 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, repealing Regulation (EU, Euratom) No 966/2012 (OJ-L 193/30.07.2018 (art 244: Budget implementation reports), and in accordance with the requirements of the Standard Financial Regulation for the executive agencies, Article 56.

The revenue entered in the accounts is the amount actually received during the course of the year. For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations mean payments that are made by the Accounting Officer by 31 December of the financial year.

The following are added to or deducted from the resulting figure:

- the net balance of cancellations of payment appropriations carried over from previous year and any payments,
- the balance of exchange-rate gains and losses recorded during the year.

Payment appropriations carried over include automatic carry-overs only. The cancellation of unused payment appropriations carried over from the previous year shows the cancellations on appropriations carried over automatically.

## 2.2. Budget outturn table

	EUR	
	2020	2019
<b>REVENUE</b>		
Union contribution, cashed	52.178.495,00 <sup>23</sup>	51.517.840,00 <sup>24</sup>
Other revenue, cashed	101.772,24	155.192,97
<b>TOTAL REVENUE (a)</b>	<b>52.280.267,24</b>	<b>51.673.032,97</b>
<b>EXPENDITURE</b>		
<b>Budget Title 1: Staff</b>		
Payments current year	41.653.643,72	40.063.422,61
Appropriations carried over to next year	352.730,23	496.150,02
<b>Budget Title 2: Administrative</b>		
Payments current year	7.667.697,39	6.924.121,94
Appropriations carried over to next year	907.590,89	1.492.015,73
<b>Budget Title 3: Operational</b>		
Payments current year	898.116,92	1.487.822,01
Appropriations carried over to next year	558.183,30	1.049.307,32
<b>TOTAL EXPENDITURE (b)</b>	<b>52.037.962,45</b>	<b>51.512.839,63</b>
<b>OUTTURN FOR THE FINANCIAL YEAR (a-b)</b>	<b>242.304,79</b>	<b>160.193,34</b>
Cancellation of unused payment appropriations carried over from the previous year	289.308,46	303.344,42
Exchange rate differences	(537,06)	(1.073,87)
<b>BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR</b>	<b>531.076,19</b>	<b>462.463,89</b>

The budget result for 2020 amounts to € 531.076,19 and is comprised of:

- € 140.523,55 – not used appropriations current year,
- € 289.308,46 – not used payment appropriations carried forward from 2019,
- € 101.772,24 – other income due to amounts to be reimbursed or to the rental of meeting rooms,
- € (537,06) – exchange rate differences.

<sup>23</sup> Funded by the European Commission from C1 voted credits (51.319.000 €), EFTA (859.495 €) and third countries contributions (0 €)

<sup>24</sup> Funded by the European Commission from C1 voted credits (49.573.340 €), EFTA (1.179.846 €) and third countries contributions (764.654 €)

### 3. Reconciliation of the economic result with the budget result

EUR

	2020	2019
<b>Statement of Financial Performance (economic result)</b>	(1.139.451,61)	(880.488,19)
<b>Adjustments for accrual items (items included in the Statement of Financial Performance but not in the Budgetary Outturn)</b>		
Adjustments for accrual cut-off (reversal previous year)	(3.432.240,26)	(2.771.014,41)
Adjustments for accrual cut-off (cut-off current year )	2.723.464,29	3.432.240,26
Unpaid invoices at year end but booked in charges	20.300,00	754,85
Depreciation of intangible and tangible assets	725.011,47	1.102.627,16
Provisions		(45.864,67)
Recovery Orders issued in the year on revenue accounts and not yet cashed	(10.509,48)	
Pre-financing received in previous year and cleared in the year		
Payments made from carry overs of payment appropriations	2.748.164,61	2.562.106,02
Adjustments for deferred charges (cut-off)	(2.967.387,87)	(2.889.663,93)
Adjustments for deferred charges previous year (reversal)	2.870.411,96	2.502.192,87
<b>Adjustments for budgetary items (items included in the Budgetary Outturn but not in the Statement of Financial Performance)</b>		
Asset acquisitions (less unpaid amounts)	(7.734,98)	(278.761,31)
New pre-financing received in the year and remaining open as at 31.12	531.076,19	462.463,89
Budgetary recovery orders issued before the year and cashed in the year		
Payment appropriations carried over to next year	(1.818.504,42)	(3.037.473,07 )
Cancellation of unused carried over payment appropriations from previous year	289.308,46	303.344,42
Adjustment for carry over from the previous year of appropriations available at 31.12 arising from assigned revenue		
Payments on open invoices from previous year booked in charges		
Other	(832,16)	
<b>Total</b>	<b>531.076,19</b>	<b>462.463,89</b>
<b>Budgetary result (+ for surplus)</b>	<b>531.076,19</b>	<b>462.463,89</b>
<b>Unexplained discrepancy</b>	<b>0,00</b>	<b>0,00</b>

The financial statements of the year are prepared on the basis of accrual accounting principles by which transactions are recorded in the period to which they incurred. The result for the year using the accrual basis is indicated in the Statement of Financial Performance. However, the budget result is based on modified cash accounting rules. In the latter, only payments made and revenue cashed in the period as well as carry-over of appropriations are recorded. The economic result and the budget result



both cover the same underlying transactions; therefore, it is a useful control to ensure that they are reconcilable.

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore, the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary, the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes.

The net accrued expenses mainly consist of accruals made for year-end cut-off purposes. While accrued expenses are not considered as budgetary expenditure, payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure.

Besides the payments made against the year's appropriations, the appropriations for that year that are carried to the next year also need to be taken into account in calculating the budget result for the year. The same applies for the budgetary payments made in the current year from carry-overs and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the accrual accounts that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

#### 4. Budget revenue

EUR

Income budget line	Type of revenue	Draft budget	Amendment	Final Budget	Entitlements established	Revenue received
200	Commission subsidy	53.840.700,00	-1.662.205,00	52.178.495,00	52.178.495,00	52.178.495,00
910	Recuperation of expenses				8.112,67	3.978,19
920	Miscellaneous revenue	pm	pm	pm	104.169,05	97.794,05
<b>TOTAL</b>		<b>53.840.700,00</b>	<b>-1.662.205,00</b>	<b>52.178.495,00</b>	<b>52.290.776,72</b>	<b>52.280.267,24</b>

In accordance with Article 5 of the Standard Financial Regulation for the executive agencies, 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.

The balancing subsidy paid by DG RTD in 2020 amounts to € 52.178.495,00 out of which:

- € 51.319.000,00 from C1 voted appropriations,
- € 859.495,00 from EFTA appropriations
- € 0,00 from third country appropriations

The other revenues consist in:

- the recovery of amounts overpaid to contractors € 8.112,67;
- an amount for € 9.000,00 corresponding to the costs of proceeding to be reimbursed to the ERCEA following the decision of the Court of Justice (case T-493/17) (to be reimbursed into 24 instalments, € 6.375,00 still to receive);

- the re-invoicing to 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 24 September 2020 to 23 September 2021 (€ 95.169,05);

## 5. Budget expenditure

### 5.1. Overview of commitment and payment appropriations of the current budget - Fund source C1

Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	17.387.400	-40.000	112.600	17.460.000
1112	Contract Agents	20.977.000	40.000	96.950	21.113.950
1121	Seconded National Experts	850.000	30.000	-70.000	810.000
1122	Interimaires & stagiaires	840.000	0	-276.330	563.670
1211	Recruitment, entering and leaving the service, transfer costs	41.000	-300	-33.700	7.000
1221	Restaurant, Canteens	136.800	-10.000	27.200	154.000
1231	Medical service	109.000	0	-24.000	85.000
1241	Training	405.700	0	12.460	418.160
1251	Mobility and Public transportation	85.450	-33.500	4.225	56.175
1261	Social service and other interventions	927.500	0	74.591	1.002.091
1271	External services (PMO)	426.300	0	-14.567	411.733
1281	Internal meetings, events and reception	48.900	-5.000	-39.522	4.378
1291	Missions (administrative)	0	0	0	0
<b>Title 1</b>	<b>Staff expenditure</b>	<b>42.235.050</b>	<b>-18.800</b>	<b>-130.092</b>	<b>42.086.158</b>
2111	Rental of building and associated costs	6.441.900	-195.001	103.272	6.350.171
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	550.000	-45.567	-58.906	445.527
2221	ICT services	1.491.900	-3.820	117.843	1.605.923
2311	Furniture, Material and Technical installations	114.400	-59.725	72.396	127.071
2321	Works of handling and removal of services	4.400	0	-3.000	1.400
2331	Paper mill, office supplies	21.000	0	0	21.000
2341	Correspondence stamping and carriage costs	55.200	0	3.000	58.200
2351	Acquisition of information	10.000	0	-2.919	7.081
2361	Other current expenses (financial, legal, assurance,...)	60.650	-35.000	-10.500	15.150
<b>Title 2</b>	<b>Infrastructure and operating expenditure</b>	<b>8.749.450</b>	<b>-339.113</b>	<b>221.186</b>	<b>8.631.523</b>
3111	Experts, studies, representation and external meeting expenses	416.500	-341.250	-16.676	58.574
3121	Missions and related costs	500.000	-425.000	-29.000	46.000
3131	Audit expenses	0	0	0	0
3141	Expenses of Information, Publications and Communication	537.500	-274.442	-41.252	221.806
3151	Expenses of translation	73.200	-56.000	3.834	21.034
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.329.000	-207.600	-8.000	1.113.400
<b>Title 3</b>	<b>Programme support expenditure</b>	<b>2.856.200</b>	<b>-1.304.292</b>	<b>-91.094</b>	<b>1.460.814</b>
<b>TOTAL BUDGET</b>		<b>53.840.700</b>	<b>-1.662.205</b>	<b>0</b>	<b>52.178.495</b>

On basis of the draft budget presented to the Budgetary Authority, the ERCEA Steering Committee adopted on 22 February 2019 the ERCEA annual budget 2020 for € 53.840.700.

A thorough analysis of the changed expense patterns and of the COVID-19 related developments resulted in a decrease of € 1.662.205 (3.09%) on the administrative budget, which was amended accordingly by decision of the Steering Committee on 21 September 2020.

In view of optimizing the administrative budget execution and also to take into account the impact of the pandemic particularly on salaries items (see fist transfer on 24 June 2020), the Agency has

proceeded to transfers between items, chapters and budget lines. Four transfers have been approved by the Steering Committee on 24 June 2020, 19 November 2020, 8 December 2020 and 21 December 2020, corrected on 22 December 2020 via a Director’s decision.

The pandemic affected all budgetary titles:

- On Title 1, expenses declined at first due to delays in the recruitment processes, sudden cancellation and postponement of some expenditure under social services (e.g. all physical presence-training activities, medical expenses, internal meetings etc.). The Agency’s quick re-organisation of old and new activities remotely and the moderate re-start of certain social services, however, balanced the forecasted reduction in the expenses.
- On Title 2, the savings from the drop in maintenance requests for office equipment and from the reduced purchase of newcomers’ equipment funded higher investments in ICT infrastructures in order to facilitate and improve the increasing number of remote activities. Reduction in building related costs, instead, allowed reallocation of resources for purchasing of personal protection equipment (e.g. masks, gloves, etc.) – essential for the staff required to be present within the premises – and the reimbursement scheme of home office equipment – pursuing the “fit@work” policy of the Commission.
- Title 3, instead, suffered the strongest downturn, estimated at -45,67% of the initial budget with amended budget and equal to -48,85% by year-end. Such a consistent shrinking in expenses was caused by the suspension of all physical presence meetings with experts and reduction of staff missions to the essential in light of the obligations flowing from the duty of care and the travelling restrictions imposed around the globe.

#### Amendment

Date		Impact on commitment and payment appropriations in €	Main subject - description
1	21 September 2020	Title 1: (18.800)	Transfers to optimize the administrative budget execution.
		Title 2: (339.113)	
		Chapter 21 – rental of building: (195.001)	Reduction due to the updated information received by OIB concerning the rent and overall building expenditure under the relevant SLA (service level agreement).
		Chapter 22 – ICT: (49.387)	Reduction related to savings made to software and hardware initially budgeted due to the COVID-19 crisis.
		Chapter 23 – Furniture and other : (94.725)	Adjustment on staff protection material budget needed, as the framework contract was not yet signed and optimisation on the legal expenses.
		Title 3: (1.304.292) Experts: (341.250) Missions: (425.000) Communication: (274.442) Translation: (56.000) Operational related IT costs: (207.600)	This chapter contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 outbreak those activities were suspended and therefore the budget reduced.  Reduction also on the operational IT costs due to the internalisation of certain tasks and because of abandoning migration of certain legacy systems that can be maintained until the phase out.

List of transfers:

Date		Impact on commitment and payment appropriations in €	Main subject - description
1	24 June 2020	Chapter 11 - remunerations: (64.400)	Originally, the forecast for this chapter could rise up to an additional amount of € 627.000. This scenario was not further applicable, as this chapter was heavily affected by the COVID-19 pandemic crisis. Indeed, during the lockdown months, the recruitment pace slowed down and suffered delays. In addition, the salary forecast for 2020 was recalculated with a maximum potential salary adjustment of 0,9% instead of 1,7%. Furthermore, elements such as the number of reclassifications and the average vacancy rate were adjusted. It therefore results in a minor decrease compared to the initial budget.
		Chapter 12 - Professional development and Social expenditure: (147.992)	Given the COVID-19 circumstances, activities such as social services (crèche), recruitment costs and internal communication meetings and events, were consequently affected and put on hold, and thus resulting in a decrease of the initially foreseen expenditure.
		Chapter 22 – ICT: 87.567	Increase due to the rise of the charges of the SLA's and MoU's.
		Chapter 23 – Furniture, Material and Technical installations: 124.825	Increase related to the provision of purchase of personal protection material related to COVID-19 (masks, gloves etc.).
2	19 November 2020	Chapter 11 - Remunerations: (106.330)	Revision of the salaries calculation
		Chapter 12 - Professional development: 211.734,15	Increase mainly of the CPE costs (Crèches et Petite Enfance) due to the COVID-19 impact (increase of the employer's contribution).
		Chapter 21- Building expenditure: 34.503,51	Increase to cover the unforeseen request to pay a communal tax for the building
		Chapter 22 - ICT: 2.836	Increase due to the rise of the charges of the SLA's and MoU's.
		Chapter 23 - Movable property expenditure: (63.000)	Adjustment on staff protection material budget needed, as the framework contract was not yet signed and optimisation on the legal expenses.
		Chapter 31 - Programme management expenditure: (79.743,66)	Supplementary optimisation of this chapter impacted by COVID-19, as the main activities under this chapter are usually performed with physical presence (missions, experts and communication activities)
3	8 December 2020	Chapter 11 - Remunerations: 33.950	Additional needs identified for the payment of salaries for the Contract Agents
		Chapter 12 - Professional development: (73.054,22)	Decrease was mainly related to the updated information received on the expenses for the Medical Service and for European school transport (less transportation due to COVID-19 outbreak)
		Chapter 21- Building expenditure: 106.968,82	Revision of the costs for SLA OIB
		Chapter 22 - ICT: (31.466,25)	Re-evaluation of needs led to decrease of the budget
		Chapter 23 - Movable property expenditure: (25.048,04)	Re-evaluation of needs led to decrease of the budget
		Chapter 31 - Programme management expenditure: (11.350,31)	Additional optimisation of this chapter impacted by COVID-19

Date		Impact on commitment and payment appropriations in €	Main subject - description
4	21 December 2020	Chapter 12 – Professional development: 16.000	Revision of the costs for SLA OIB
		Chapter 21- Building expenditure: (38.200)	Re-evaluation of needs led to decrease of the budget
		Chapter 23 - Movable property expenditure: 22.200	Revision of the costs for SLA OIB
5	22 December 2020	Chapter 23 - Movable property expenditure: 0	Corrigendum of transfer fourth of 21 December 2020 due to technical mistake

The COVID-19 crisis affected also the following financial aspects:

- The development of the pandemic imposed regular and cautious revision of some contracts related to daily office activities. Consequently, 15 amendments (out of 47) due to COVID-19 outbreak were processed in 2020.
- The partial slowdown of the activities reduced by 23% the number of the invoices received in 2020 (760 in total) compared to 2019 (987 in total) and by 38% the number of payments (966 in 2020 compared to 1558 in 2019).

## 5.2. Implementation of commitment and payment appropriations of the current budget

The below budgetary tables depict the details of the Agency's budget implementation in 2020.

Fund Source: C1

Budget line	Official Budget Item Desc (Fr)	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)
<b>Title 1</b>	<b>Staff expenditure</b>	<b>42.086.157,93</b>	<b>42.006.373,95</b>	<b>99,81%</b>	<b>41.653.643,72</b>	<b>98,97%</b>	<b>79.783,98</b>	<b>352.730,23</b>
<b>Chapter 11 - Remunerations, Allowances and Charges</b>		<b>39.947.620,00</b>	<b>39.886.886,51</b>	<b>99,85%</b>	<b>39.819.044,91</b>	<b>99,68%</b>	<b>60.733,49</b>	<b>67.841,60</b>
1 1 1 1	Temporary agents	17.460.000,00	17.453.595,35	99,96%	17.453.595,35	99,92%	6.404,65	0,00
1 1 1 2	Contract Agents	21.113.950,00	21.099.002,76	99,93%	21.099.002,76	99,98%	14.947,24	0,00
1 1 2 1	Seconded National Experts	810.000,00	780.618,40	96,37%	780.523,06	98,99%	29.381,60	95,34
1 1 2 2	Interimaires & stagiaires	563.670,00	553.670,00	98,23%	485.923,74	73,65%	10.000,00	67.746,26
<b>Chapter 12 - Professional Development and Social expenditure</b>		<b>2.138.537,93</b>	<b>2.119.487,44</b>	<b>99,11%</b>	<b>1.834.598,81</b>	<b>85,79%</b>	<b>19.050,49</b>	<b>284.888,63</b>
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	7.000,00	6.600,00	94,29%	6.557,24	93,71%	400,00	42,76
1 2 2 1	Restaurant Canteens	154.000,00	144.136,60	93,60%	110.314,79	90,82%	9.863,40	33.821,81
1 2 3 1	Medical service	85.000,00	85.000,00	100,00%	72.958,20	59,85%	0,00	12.041,80
1 2 4 1	Training	418.160,17	410.297,81	98,12%	263.164,56	62,51%	7.862,36	147.133,25
1 2 5 1	Mobility and Public transportation	56.175,00	55.347,36	98,53%	51.371,86	80,90%	827,64	3.975,50
1 2 6 1	Social service and other interventions	1.002.091,48	1.001.994,39	99,99%	936.501,98	99,98%	97,09	65.492,41
1 2 7 1	External services (PMO)	411.733,00	411.733,00	100,00%	389.351,90	94,51%	0,00	22.381,10
1 2 8 1	Internal meetings events and reception	4.378,28	4.378,28	100,00%	4.378,28	78,92%	0,00	0,00
<b>Title 2</b>	<b>Infrastructure</b>	<b>8.631.523,04</b>	<b>8.575.288,28</b>	<b>99,35%</b>	<b>7.667.697,39</b>	<b>88,83%</b>	<b>56.234,76</b>	<b>907.590,89</b>
<b>Chapter 21 - Building expenditure</b>		<b>6.350.171,33</b>	<b>6.299.260,11</b>	<b>99,20%</b>	<b>5.730.006,51</b>	<b>90,23%</b>	<b>50.911,22</b>	<b>569.253,60</b>
2 1 1 1	Rental of building and associated costs	6.350.171,33	6.299.260,11	99,20%	5.730.006,51	88,67%	50.911,22	569.253,60
<b>Chapter 22 - ICT</b>		<b>2.051.449,75</b>	<b>2.047.675,45</b>	<b>99,82%</b>	<b>1.783.065,03</b>	<b>86,92%</b>	<b>3.774,30</b>	<b>264.610,42</b>
2 2 1 1	Hardware software and linked expenses	445.526,57	441.752,27	99,15%	261.643,91	74,42%	3.774,30	180.108,36
2 2 2 1	ICT services	1.605.923,18	1.605.923,18	100,00%	1.521.421,12	99,04%	0,00	84.502,06
<b>Chapter 23 - Movable property and Current Operating expenditure</b>		<b>229.901,96</b>	<b>228.352,72</b>	<b>99,33%</b>	<b>154.625,85</b>	<b>67,26%</b>	<b>1.549,24</b>	<b>73.726,87</b>
2 3 1 1	Furniture Material and Technical installations	127.070,72	125.995,26	99,15%	88.102,27	87,25%	1.075,46	37.892,99
2 3 2 1	Works of handling and removal of services	1.400,00	1.400,00	100,00%	1.266,12	86,60%	0,00	133,88
2 3 3 1	Paper mill office supplies	21.000,00	21.000,00	100,00%	16.800,00	90,00%	0,00	4.200,00
2 3 4 1	Correspondence stamping and carriage costs	58.200,00	57.876,22	99,44%	41.376,22	87,30%	323,78	16.500,00
2 3 5 1	Acquisition of information	7.081,24	7.081,24	100,00%	7.081,24	187,30%	0,00	0,00
2 3 6 1	Other current expenses (financial legal assurance)	15.150,00	15.000,00	99,01%	0,00	87,30%	150,00	15.000,00
<b>Title 3</b>	<b>Programme Support expenditure</b>	<b>1.460.814,03</b>	<b>1.456.300,22</b>	<b>99,69%</b>	<b>898.116,92</b>	<b>61,48%</b>	<b>4.513,81</b>	<b>558.183,30</b>
<b>Chapter 31 - Programme Management expenditure</b>		<b>1.460.814,03</b>	<b>1.456.300,22</b>	<b>99,69%</b>	<b>898.116,92</b>	<b>61,48%</b>	<b>4.513,81</b>	<b>558.183,30</b>
3 1 1 1	Experts, studies, representation and external meeting expenses	58.574,20	56.795,42	96,96%	45.327,92	74,63%	1.778,78	11.467,50
3 1 2 1	Missions and related costs	46.000,00	45.500,00	98,91%	45.104,00	91,37%	500,00	396,00
3 1 4 1	Expenses of Information, Publications and Communication	221.805,83	219.804,92	99,10%	127.439,47	39,44%	2.000,91	92.365,45
3 1 5 1	Expenses of translation	21.034,00	21.034,00	100,00%	1.034,00	96,90%	0,00	20.000,00
3 1 7 1	Operational related IT costs	1.113.400,00	1.113.165,88	99,98%	679.211,53	67,83%	234,12	433.954,35
<b>TOTAL</b>		<b>52.178.495,00</b>	<b>52.037.962,45</b>	<b>99,73%</b>	<b>50.219.458,03</b>	<b>96,25%</b>	<b>140.532,55</b>	<b>1.818.504,42</b>

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The implementation of the final budget appropriations, fund source C1, is at a level of 99,73% for commitments (2019: 99,99 %) and 96,25 % for payments (2019: 94,09 %).

The cancellation of commitment and payment appropriations totalled € 140.532,55 which represents only 0,3 % of the budget (0,01 % in 2019).

3,5% (€ 1.818.504,42) of the undifferentiated commitment and payment appropriations are carried forward to 2021 to cover the payment of services/goods delivered in 2020 but not invoiced at the end of December 2020 or to be delivered in 2021.

As regards Title 1 - Staff expenditure, end 2020, related to 119 temporary agents, 372 contracts agents, 15 Seconded National Experts and 9 agents financed from participation of candidate countries and/or third countries (in total 515 agents against 508 in 2019), were employed explaining the execution on chapters 11 and 12<sup>25</sup> (+3,6% in comparison to 2019).

The breakdown by type of expenditure shows that the total staff expenditure accounts (excluding the interim agents and trainees) for about 80,7 % of total commitments (in comparison to 78,7% to 2019).

94% of the amount committed covers the remuneration, allowances and charges of the staff (interim agents and trainees excluded). 5 % of the committed amount is related to professional development and social expenditure. The remaining balance concerns the "interimaires" costs (1%).

As regards Title 2 - Infrastructure and operating expenditure, the main post is the rental and charges of the building (chapter 21) which is 73,5 % of the amount committed under this title (74,7 % in 2019). 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). The rest consists mainly in the purchases of IT equipment and IT services (23,9 % against 21,9 % in 2018).

The Title 3 - Programme support expenditure, that represents 2,8 % of the total commitments (4,9 % in 2019), of which 76,2 % are allocated to IT consultants costs (50,8 % in 2019), consists mainly in the external experts meetings, the missions and the communication budget.

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<sup>25</sup> 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, pre-recruitment medical visits and annual medical visits and training costs.

## Fund Source: C8

Budget line	Official Budget Item Desc (Fr)	C8 Appropriations (1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2020 (2-3)
<b>Title 1</b>	<b>Staff expenditure</b>	<b>496.150,02</b>	<b>447.436,80</b>	<b>90,18%</b>	<b>48.713,22</b>	<b>0,00</b>
<b>Chapter 11 - Remunerations, Allowances and Charges</b>		<b>61.599,47</b>	<b>60.757,20</b>	<b>98,63%</b>	<b>842,27</b>	<b>0,00</b>
1 1 2 1	Seconded National Experts	200,00	132,52	66,26%	67,48	0,00
1 1 2 2	Interimaires & stagiaires	61.399,47	60.624,68	98,74%	774,79	0,00
<b>Chapter 12 - Professional Development and Social expenditure</b>		<b>434.550,55</b>	<b>386.679,60</b>	<b>88,98%</b>	<b>47.870,95</b>	<b>0,00</b>
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	4.416,73	9,16	0,21%	4.407,57	0,00
1 2 2 1	Restaurant Canteens	27.306,62	27.306,62	100,00%	0,00	0,00
1 2 4 1	Training	117.771,52	105.543,80	89,62%	12.227,72	0,00
1 2 5 1	Mobility and Public transportation	1.974,76	1.899,95	96,21%	74,81	0,00
1 2 6 1	Social service and other interventions	220.845,98	199.483,88	90,33%	21.362,10	0,00
1 2 7 1	External services (PMO)	29.615,72	23.095,79	77,98%	6.519,93	0,00
1 2 8 1	Internal meetings events and reception	32.619,22	29.340,40	89,95%	3.278,82	0,00
<b>Title 2</b>	<b>Infrastructure</b>	<b>1.492.015,73</b>	<b>1.372.383,82</b>	<b>91,98%</b>	<b>119.631,91</b>	<b>0,00</b>
<b>Chapter 21 - Building expenditure</b>		<b>1.125.231,22</b>	<b>1.033.909,72</b>	<b>91,88%</b>	<b>91.321,50</b>	<b>0,00</b>
2 1 1 1	Rental of building and associated costs	1.125.231,22	1.033.909,72	91,88%	91.321,50	0,00
<b>Chapter 22 - ICT</b>		<b>257.512,53</b>	<b>235.392,64</b>	<b>91,41%</b>	<b>22.119,89</b>	<b>0,00</b>
2 2 1 1	Hardware software and linked expenses	90.517,13	75.784,55	83,72%	14.732,58	0,00
2 2 2 1	ICT services	166.995,40	159.608,09	95,58%	7.387,31	0,00
<b>Chapter 23 - Movable property and Current Operating expenditure</b>		<b>109.271,98</b>	<b>103.081,46</b>	<b>94,33%</b>	<b>6.190,52</b>	<b>0,00</b>
2 3 1 1	Furniture Material and Technical installations	72.752,57	72.752,57	100,00%	0,00	0,00
2 3 2 1	Works of handling and removal of services	924,48	835,96	90,42%	88,52	0,00
2 3 3 1	Paper mill office supplies	4.000,00	3.898,00	97,45%	102,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	11.594,93	11.594,93	100,00%	0,00	0,00
2 3 6 1	Other current expenses (financial legal assuran	20.000,00	14.000,00	70,00%	6.000,00	0,00
<b>Title 3</b>	<b>Programme Support expenditure</b>	<b>1.049.307,32</b>	<b>928.343,99</b>	<b>88,47%</b>	<b>120.963,33</b>	<b>0,00</b>
<b>Chapter 31 - Programme Management expenditure</b>		<b>1.049.307,32</b>	<b>928.343,99</b>	<b>88,47%</b>	<b>120.963,33</b>	<b>0,00</b>
3 1 1 1	Experts, studies, representation and external meeting expenses	56.991,46	42.932,88	75,33%	14.058,58	0,00
3 1 2 1	Missions and related costs	44.570,07	16.695,79	37,46%	27.874,28	0,00
3 1 3 1	Audit expenses	11.575,00	11.575,00	100,00%	0,00	0,00
3 1 4 1	Expenses of Information, Publications and Communication	404.358,66	357.225,19	88,34%	47.133,47	0,00
3 1 5 1	Expenses of translation	1.000,00	0,00	0,00%	1.000,00	0,00
3 1 7 1	Operational related IT costs	530.812,13	499.915,13	94,18%	30.897,00	0,00
<b>TOTAL</b>		<b>3.037.473,07</b>	<b>2.748.164,61</b>	<b>90,48%</b>	<b>289.308,46</b>	<b>0,00</b>



The 2019 appropriations that were carried forward to 2020 as C8 appropriations amounted to € 3.037.473,07 (5,9 % of the budget). Out of this amount, € 2.748.161,61 have been paid (90,5 %, to be compared to 89,4 % in 2019). The 2019 appropriations (budget of € 51.517.840,00) have been finally paid at 99,43 % (€ 48.475.366,56 on C1 appropriations and € 2.748.164,61 on C8 appropriations).

The main amounts that were unduly carried forward (€ 289.308,46) and therefore had to be de-committed are mainly the following:

- € 106.181,26 related to SLA OIB 2018;
- € 53.016,89 related to IT expenses ;
- € 47.133,47 related to communications expenses;
- € 27.558,38 related to missions;
- € 55.788,05 related to different budget lines and contracts.

## 6. Evolution of commitments outstanding

*For current outstanding commitments (C1 2020):*

	2020 commitments appropriations (C1)	Commitments 2020	Total unused appropriations current year	Payments 2020	Appropriations to be carried- forward to 2021	% of the commitments
Title 1 - Staff expenditure	42.086.157,93	42.006.373,95	79.783,98	41.653.643,72	352.730,23	0,8%
Title 2 - Infrastrucutre and operating expenditure	8.631.523,04	8.575.288,28	56.234,76	7.667.697,39	907.590,89	10,6%
Title 3 - Programme support expenditure	1.460.814,03	1.456.300,22	4.513,81	898.116,92	558.183,30	38,3%
<b>Total</b>	<b>52.178.495,00</b>	<b>52.037.962,45</b>	<b>140.532,55</b>	<b>50.219.458,03</b>	<b>1.818.504,42</b>	<b>3,5%</b>

Budget line	Commitment user reference	Open amount RAL (C8 in 202)
1121	INSURANCE ACCIDENT AXA FOR NON-STATUTORY STAFF 2020	95,34
1122	RANDSTAD - SALARIES INTERIMAIRES - 2020	67.746,26
1211	D2 - PERSONNEL SELECTION EXPENSES 2020	42,76
1221	SLA OIB 2020	33.821,81
1231	INTEGRATED HR SLA ERCEA 2020	12.041,80
1241	D2 SLA EAS - 2020	11.935,00
1241	2020 - D2 INDIVIDUAL EXTERNAL TRAINING REQUESTS	3.052,90
1241	D2 FWC HR/R3/PO/2015/005 OF 15 ABILWAYS PROCESS ENGINEERING PREPARING THE ERCEA FOR THE CHALLENGES OF THE FUTURE"	42.185,00
1241	D2 FWC HR/R3/PR/2014/083 LOT 10 OF 4 ROSETTA STONE ORDER FORM ONLINE LANGUAGE COURSES (2020 CALL)	5.312,00
1241	D2 - FWC HR/R1/PO/2018/004 OF 2 - TRAINING COMPETENCY MANAGEMENT: CONTINUED - DELOITTE	63.810,00
1241	D2 - FWC EPSO/EUSA/PO/2018/028 LOT 2 - OF 1 - COACHING PACKAGE D2, COMMUNICATION TEAM - THE GREENHOUSE GROUP	16.923,00
1241	D2 - INSIGHT - DI/07722 - SC 4255-4256 - PERFORMANSE TRAINING COURSE FOR CAREER GUIDANCE OFFICERS (PERF-ECHO AND MANAGE-R) - NOV. 2020-FEB. 2021	3.915,35
1251	SLA OIB 2020	1.000,00
1251	SLA OIB 2020	1.675,00
1251	D2 - CONTRIBUTION TO STAFF COMMUTING BY BIKE.	1.300,50
1261	SLA OIB 2020	2.000,00
1261	D2 FINANCIAL ASSISTANCE (DOMESTIC HELP) 2020	7.225,03
1261	D2 EUROPEAN SCHOOL TRANSPORT 2020	3.925,00
1261	D2 TRIPLE A & C TRADING SPRL FWC 30-CE-0848891/00-78 OF 2020-04 PURCHASE COSTS OF PROMOTIONAL MATERIAL FOR THE STAFF	1.246,00
1261	D2 - CHAIRS AND SCREENS REIMBURSEMENT SCHEME FOR TELEWORKING	51.096,38
1271	D2 SLA PMO 2020	22.381,10
2111	SLA OIB 2020	166.000,00
2111	SLA OIB 2020	11.500,00
2111	SLA OIB 2020	205.000,00
2111	SLA OIB 2020	8.500,00
2111	SLA OIB 2020	88.300,00
2111	2020 - D0 - BUILDING INSURANCE	26.796,07
2111	INTEGRATED HR SLA ERCEA 2020	63.157,53
2211	ERC-PROC-0652 FWC DI/06940 OF 3721 GETSYS PURCHASE OF MAINTENANCE XEROX	1.695,00
2211	D1 - ERC-PROC-0681, OFFER 4 - FWC DI 7560 - MAINTENANCE OF COPY MACHINES UNDER PAY PER CLICK (PPCP) PROACTIVE MAINTENANCE - CANON BELGIUM	1.060,00
2211	D1 INSIGHT FWC DI/07722 OF 07722-OF-Q0059437 ERC-PROC-0694 MAINTENANCE RENEWAL OF NAVICAT 03/12/2020- 02/12/2021 AND 14/12/2020 - 13/12/2021	508,56
2211	D1 - NTT BELGIUM - FWC DI/07500 - ORDER FORM 12721 - PURCHASE OF NETWORK CODECS AND ACCESSORIES FOR AUDIO-VISUAL EQUIPMENT FOR ROOM COVE 07/083 AND COV2 24/057	26.060,80
2211	D1 DG SCIC ERC-PROC-0700 SPECIFIC CONVENTION (SC) SCIC/ERCEA/2020/SCIC.C.4(2020)8001558 ERCEA FOR MEETING ROOM INSTALLATION IN 2021	75.100,00
2211	D1 DG SCIC ERC-PROC-0659 SPECIFIC CONVENTION (SC) N° SCIC/ERCEA/SCIC.C.4(2020)8149154 ERCEA FOR MEETING ROOM MAINTENANCE 2020	75.684,00
2221	D1 - DIGIT SERVICES TO ERCEA - 2020	4.800,00
2221	ERC-PROC-0656 FWC DI/7270 SC 300 ICT LOGISTICS SUPPORT 2020 FOR D1 UNIT GISIS	41.884,06
2221	ERC-PROC-0654 FWC DI/07270 SC 296 PROVISION OF IT LOGISTIC SUPPORT IN 2020 GISIS	1.500,00
2221	ERC-PROC-0658 FWC DI 7270 SC 301 GISIS IT SUPPORT TO EVALUATIONS FOR 2020	27.738,00
2221	D1 - RENEWAL OF ERC WEBSITE HOSTING SERVICES AND MAINTENANCE - ERCEA/2020/VLVP/0015 -ERC-PROC-0676 - AUSY IT CONSULTING	8.580,00

Budget line	Commitment user reference	Open amount RAL (C8 in 2021)
2311	SLA OIB 2020	500,00
2311	SLA OIB 2020	5.000,00
2311	SLA OIB 2020	19.400,00
2311	2020 - D2 SUPPLIES (PETITES FOURNITURES)	445,49
2311	D2 FWC OIB.DR.2/PO/2014/055/622/C0/L3A OF 1 INTERSTUHL ACHAT DE CHAISE SECRÉTAIRE POUR LE STAFF	7.214,57
2311	FWC OIB.02/PO/2018/008/750/C0/L0-A OF 1 BRUYNZEEL STORAGE SYSTEMS NV/SA ACHAT D'ÉTAGÈRES POUR LES ARCHIVES DU PERSONNELS	5.332,93
2321	D2-SPECIFIC CONTRACT ERCEA.2020.01-FWC OIB.02/PO/2017/005/748/C0/L1-MOZER BELUX	133,88
2331	SLA OIB 2020	4.200,00
2341	SLA OIB 2020	1.200,00
2341	SLA OIB 2020	13.800,00
2341	SLA OIB 2020	1.500,00
2361	D3 - LEGAL CHARGES 2019	15.000,00
3111	B2 - ALLOFRUITS- ERCEA/B2/PN/2019/61 LOT 1 - ACHAT DE PRODUITS ALIMENTAIRES BIOLOGIQUES (FRUITS)	4.914,00
3111	B2 - LA FERME NOS PILIFS - ERCEA/B2/PN/2019/61 LOT 2 - ACHAT DE PRODUITS ALIMENTAIRES BIOLOGIQUES (BICUIITS, THÉS)	6.374,70
3111	D2 - COFFEE MACHINES FOR EVALUATION EXPERTS ON COV 7TH FLOOR - FWC ERCEA/D2/PN/2019/20 - FINEST GLOBE SERVICES SA	178,80
3121	MISSIONS 2020	396,00
3141	SLA OIB 2020	1.000,00
3141	OPOCE 2020	600,00
3141	A2 SMALL COMMUNICATION EXPENSED 2020	850,00
3141	A2 FWC PO/2016-20/A5 SC ERCEA 2020/01 AUSY IT TECHNICAL MAINTENANCE AND UPDATE OF THE ERC WEBSITE AND ONLINE APPLICATIONS	34.920,00
3141	A2 - FWC PO/2016-20/A5 - SC NO ERCEA 2020/02 - AUSY IT - SENIOR WEB DESIGNER SERVICES - GRAPHIC DESIGN FOR ERC DIGITAL MEDIA	3.850,00
3141	FWC ERCEA/A2/PN/2019/25-2 SC 2020-01 OLD CONTINENT SPRL PRODUCTION OF PORTRAIT VIDEOS OF THE 3 WINNING GRANTEEES OF THE ERC PUBLIC ENGAGEMENT WITH RESEARCH AWARDS	17.495,45
3141	A2 - ICF NEXT - PO ERCEA/2020/VLVP/0022 - PURCHASE OF SERVICES FOR THE WIDENING CAMPAIGN - UP TO 15 DEC 2020	13.850,00
3141	A2 - MELT WATER THE NETHERLANDS BV - ERCEA/A2/PN/2019/39 TACIT RENEWAL 1 - MEDIA MONITORING AND SOCIAL MEDIA ENGAGEMENT PLATFORM	14.900,00
3141	A2 OLD CONTINENT SPRL FWC ERCEA/A2/PN/2019/25-2 SC ERCEA 2020-03 PRODUCTION OF VIDEO - PROVIDE CONCRETE INFORMATION ABOUT THE APPLICATION PROCESS FOR THE ERC PROOF OF CONCEPT GRANTS	4.900,00
3151	CDT - TRANSLATIONS 2020	20.000,00
3171	ERC-PROC-0674 FWC BUGD/2016/PO/01 LOT2 - NO 0825053 SC 02-488 145 DAYS	8.384,40
3171	D1 - ERC-PROC-0693 - FWC BUDG/2016/PO/01 LOT 2 - NO 0825053 SC 02-568 - ARHS CONSORTIUM - NEW SERVICE FIXED PRICE CONTRACT FOR THE IMPROVEMENT OF THE PROPHY TOOL	71.160,75
3171	ERC-PROC-0577 FWC 7704 SC 010436 EXT 1, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4) 120 DAYS	22.489,60
3171	ERC-PROC-0595 SC 008903 (002888) UNDER FRAMEWORK CONTRACT DIGITTM - DI/7704 APPLICATION ARCHITECT - EXTENSION 210 DAYS	36.047,82
3171	ERC-PROC-0599 FWC 07702 SC 013165EXT 2 - PTM - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3) 110 DAYS	67.641,12
3171	ERC-PROC-0613 FWC DI/7701 SC 014082 APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 2) SINGH 120 DAYS	60.717,60
3171	ERC-PROC-0690 FWC 07701 SC 014046 - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 1) 60 DAYS	31.198,80
3171	D1 ARHS DEVELOPMENTS SA FWC 07701 SC 014496 ERC-PROC-0601 - EXT 2, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3) 50 DAYS	27.829,00
3171	D1 TRASYS INTERNATIONAL GEIE FWC 07704 SC 014491 ERC-PROC-0577 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4 - 45 DAYS	28.915,20
3171	D1 TRASYS INTERNATIONAL GEIE FWC 07704 SC 014504 ERC-PROC-0595 EXT 2 - AA, - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 5) 30 DAYS	21.204,60
3171	D1 ARHS DEVELOPMENTS SA ERC-PROC-0696 FWC 07701 SC 015284 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1) 50 DAYS	22.947,00
3171	ERC-PROC-0594 FWC DI/7701 SC 009572 PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1) 220 DAYS	35.418,46
<b>PAYMENTS APPROPRIATIONS CARRIED FORWARD TO 2021</b>		<b>1.818.504,42</b>

**For outstanding commitments from 2019 (C8 2020):**

Title	Payments appropriations carried-forward from 2019 (RAL C8)	Amounts paid	Total unused payment appropriations carried forward from 2019	% of implementation on appropriations carried-forward from 2019	Final amount from 2019
Title 1 - Staff expenditure	496.150,02	447.436,80	48.713,22	90,2%	0,00
Title 2 - Infrastrucutre and operating expenditure	1.492.015,73	1.372.383,82	119.631,91	92,0%	0,00
Title 3 - Programme support expenditure	1.049.307,32	928.343,99	120.963,33	88,5%	0,00
<b>Total</b>	<b>3.037.473,07</b>	<b>2.748.164,61</b>	<b>289.308,46</b>	<b>90,5%</b>	<b>0,00</b>

Budget Position	Com L2 User Reference	Open amount (C8 in 2020)	Amount paid in 2020 (C8)
1121	INSURANCE FOR NON-STATUTORY STAFF 2019	200,00	-132,52
1122	RANDSTAD - SALARIES INTERIMAIRES - 2019	61.399,47	-60.624,68
1211	D2 - PERSONNEL SELECTION EXPENSES 2019	4.407,57	0,00
1211	PRESTO 2019 - RECRUITMENT	9,16	-9,16
1221	SLA OIB 2019	27.306,62	-27.306,62
1241	2019 - D2 SLA EAS	33.800,00	-26.875,00
1241	2019 - D2 INDIVIDUAL EXTERNAL TRAINING REQUESTS	1.227,00	-824,20
1241	D2 FXC EPSO/EUSA/PO/2014/069 LOT 2 OF 17 JULHIET&KIENBAUM	165,00	0,00
1241	PRESTO 2019 - TRAINING	54,16	-54,16
1241	D2-ROSETTA STONE- HR/R3/PR/2014/083 LOT N°10 - ORDER FORM N°1 - E-LEARNING LANGUAGES (EN)	59,50	0,00
1241	D2 - SHIRE PROFESSIONAL LIMITED - ERCEA/D2/PN/2018/58 - TRAINING COURSE ON "UNCONSCIOUS BIAS"	14.250,00	-12.720,00
1241	D2 FWC HR/R3/PO/2016/044 LOT 1 OF 2 KEYJOB EXCEL TRAINING COURSES	2.860,00	-2.860,00
1241	D2 FWC HR/R3/PR/2015/003 LOT 6 OF 3 ACCENTURE - ETHICS IN THE WORK CONTEXT OF A PUBLIC INSTITUTION	945,99	-945,99
1241	D2 FWC HR/R3/PR/2015/003 LOT 6 OF 4 ACCENTURE SUPERVISION SESSION FOR CONFIDENTIAL COUNSELLORS	472,99	-472,99
1241	ERCEA/D2/PN/2019/47 ORGANIZATION OF A TEAM BUILDING EVENT AND RELATED SERVICES LA FERME NOS PILIFS 10/10/2019	1.470,00	-1.230,00
1241	D2 - FWC EPSO/EUSA/PO/2016/001 - FACING CHANGE (CLASSROOM TRAINING COURSE & COACHING SESSIONS) - AIM & ASSOCIES SPRL - OFFER NO 5 OF 24/09/2019	6.173,71	-6.173,71
1241	A1 FWC HR/R3/PO/2015/005 OF 12 ABILWAYS TEAM BUILDING UNIT A1 13 DECEMBER 2019	11.150,00	-10.992,50
1241	D2 FWC HR/R3/PR/2015/003 OF 15 ABILWAYS TRAINING ON "TRAIN THE TRAINERS"	9.645,00	-9.645,00
1241	D2 FWC HR/R3/PO/2016/044 OF 3 KEYJOB EXCEL TRAINING COURSES FOR ERCEA STAFF	4.460,00	-3.132,08
1241	D2 - ERCEA/D2/PN/2019/46 - LICENCE DEG DROIT, FORMATION CONTINUE 1A - UNIVERSITE DE LILLE - VANESSA BALZANO	2.340,00	-920,00
1241	ERCEA/D2/PN/2019/50 VENUE AND CATERING - TEAM BUILDING EVENT A1 - 13 DECEMBER 2019DOLCE LA HULPE	2.921,82	-2.921,82
1241	D2 - TRAINING SESSION FOR CONFIDENTIAL COUNSELLING PROGRAMME - FWC HR/R3/PR/2015/003 - ACCENTURE - OFFER OF 22/07/2019 - ORDER FORM FORM NO 5	1.891,98	-1.891,98
1241	D2 FWC HR/R1/PO/2018/004 OF 1 DELOITTE SELF ASSESSMENT TOOL: NEXT GENERATION	21.980,00	-21.980,00
1241	D2 FWC HR/R3/PR/2015/003 OF 6 ACCENTURE TEAM BUILDING EVENT FOR UNIT D2 07/01/2020 "HR PROFESSIONALS"	1.904,37	-1.904,37
1251	D0 - CONTRIBUTION TO STAFF TRANSPORT EXPENSES 2019	418,55	-343,74
1251	SLA OIB 2019	526,21	-526,21
1251	SLA OIB 2019	1.030,00	-1.030,00
1261	D2 FINANCIAL ASSISTANCE (DOMESTIC HELP) 2019	426,58	-314,68
1261	D2 - SOCIAL SERVICES CPE 2019	174.041,24	-174.041,24
1261	D2 EUROPEAN SCHOOL TRANSPORT 2019	20.223,90	-20.223,90
1261	SLA OIB 2019	22.900,10	-2.241,84
1261	D2-2019 INTERNAL COMMUNICATION EVENTS SMALL EXPENSES	1.337,26	-745,32
1261	D2 - OFFER ECR-19-133-RQ191292 OF 21/10/2019 - FWC 2016/RTD/OP/PP-04281-2016 - TRIPLE A & C - PROMOTIONAL MATERIAL FURNITURE (STAR AWARD)	1.916,90	-1.916,90
1271	D2 SLA PMO 2019	10.115,72	-3.595,79
1271	INTEGRATED HR SLA ERCEA 2019	19.500,00	-19.500,00
1281	B3 INTERNAL SCIENTIFIC SEMINARS 2019	2.792,48	-794,74
1281	PRESTO 2019 - INTERNAL MEETINGS AND REPRESENTATION	7.328,89	-7.264,18
1281	D2 - STAFF EVENTS (SCHUMAN TROPHY, ETC.) - SMALL EXPENSES	3.194,85	-2.713,82
1281	D2 - PROMOTIONAL MATERIALS FOR STAFF - ORDER 2019-03 - FWC SCIC/2016/FWC/PROMO/1.0 - IGEP	19.303,00	-18.567,66

Budget Position	Com L2 User Reference	Open amount (C8 in 2020)	Amount paid in 2020 (C8)
2111	2019 - D2 C&W COSTS MANAGEMENT COMMON PARKING FACILITIES	6,000,00	-5.270,58
2111	SLA OIB 2019	149.163,94	-149.163,94
2111	SLA OIB 2019	373.581,22	-288.529,81
2111	SLA OIB 2019	6.683,75	-6.683,75
2111	SLA OIB 2019	40.672,85	-40.672,85
2111	SLA OIB 2019	50.518,61	-50.518,61
2111	INTEGRATED HR SLA ERCEA 2019	51.436,13	-45.895,46
2111	RENT TO REA 19TH FLOOR, 19-11-2019 TO 23/09/2020	447.174,72	-447.174,72
2211	D1 ERC-PROC-0596 FWC DI/06940 OF3585 GETSYS PURCHASE OF XEROX COPY MACHINES MAINTENANCE FOR 2019	2.500,00	-1.609,48
2211	D1 ERC-PROC-0629 FWC DI/07560 OF 4 MAINTENANCE CANON PRINTERS-PPCP CANON BELGIUM	14.215,32	-373,26
2211	ERC-PROC-0647 FWC DI/06940 OF 3707 MOVE OF THREE COPY MACHINES GETSYS	571,20	-571,20
2211	D1 - ERC-PROC-0647 - OFFER 3711 - FWC DI-06940 - MOVE OF 1 XEROX COPY MACHINE - GETSYS	190,40	-190,40
2211	ERC-PROC-0646 FWC DI/07720 OF 1006894 BECHTLE PURCHASE OF MAINTENANCE CPU LICENCES VMWARE 27/11/2019-26/11/2022	11.585,82	-11.585,82
2211	ERC-PROC-0653 FWC DI/07650 OF 1966 BECHTLE PURCHASE OF HARDWARE FOR SKYPE	5.291,00	-5.291,00
2211	ERC-PROC-0647 FWC DI/7560 OF 0359 MOVE OF ONE CANON COPY MACHINE CANON	40,00	-40,00
2211	ERC-PROC-0655 - FWC DI/06940 - OFFER 3730 - GETSYS - PURCHASE OF TONER CARTRIDGES	9.809,91	-9.809,91
2211	D1 - ERC-PROC-0664 - OFFER 2091 - FWC DI/07630 - BECHTLE - PURCHASE OF 43 LAPTOPS	27.112,28	-27.112,28
2211	ERC-PROC-0650 FWC 07630 SC OF1803 BECHTLE - PURCHASE OF LENOVO M720 SFF DESKTOP PC	19.201,20	-19.201,20
2221	D1 - DIGIT SERVICES TO ERCEA - 2019	55.946,02	-55.946,02
2221	D1 - DIGIT SERVICES TO ERCEA - 2019	49.946,02	-49.946,02
2221	D1 - DIGIT SERVICES TO ERCEA - 2019	51,06	-51,06
2221	D1 ERC-PROC-0603 SC 254 UNDER FWC DI/07270 GISIS ICT LOGISTICS SUPPORT 2019	32.235,30	-30.922,01
2221	D1 ERC-PROC-0604 FWC DI/07270 SC 255 GISIS IT LOGISTICS SERVICES (STRUCTURAL MOBES)-2019	10.000,00	-5.569,62
2221	D1 ERC-PROC-0605 PO ERCEA/A2/PN/2019/08 AUSY WEBSITE HOSTING SERVICES	5.120,00	-5.120,00
2221	D1 - ERC-PROC-0625, COMMITMENT REQUEST FOR THE PROVISION OF SPECIFIC IT SUPPORT FOR 2019 EVALUATIONS SC 268 UNDER FRAMEWORK CONTRACT DI7270	13.697,00	-12.053,36
2311	SLA OIB 2019	934,38	-934,38
2311	SLA OIB 2019	14.195,56	-14.195,56
2311	D2 - DROMEAS - FWC OIB.DR.2/PO/2014/055/622/CO/L1A - OFFER N.PRF-SK-05210 04-07-2019 - ACHAT DE TABLES ELECTRIQUES, ARMOIRES ET PIEDESTAUX POUR LE 19EME DU COV2	38.757,57	-38.757,57
2311	D2 - DROMEAS - FWC OIB.DR.2/PO/2014/055/622/CO/L1A - OFFER N.PRF-SK-05775 - 07-10-2019 - ACHAT DE TABLES DE REUNION POUR FUTURE SALLE DU 19EME ETAGE	2.426,68	-2.426,68
2311	D2 - BON DE COMMANDE NO 1 - INTERSTUHL - OFFRE DU 08/10/2019 - FWC OIB.DR.2./PO/2014/055/622/CO/L3A - ACHAT DE CHAISES POUR SALLES DE REUNION AU 19EME COV2	16.438,38	-16.438,38
2321	D2 SPECIFIC CONTRACT ERCEA.2019.01 UNDER FWC OIB.02/PO/2017/005/748/CO/L1 MOZER BELUX	924,48	-835,96
2331	SLA OIB 2019	4.000,00	-3.898,00
2341	SLA OIB 2019	9.494,93	-9.494,93
2341	SLA OIB 2019	2.100,00	-2.100,00
2361	D3-KOUTALIDIS LAW FIRM - ERCEA/D3/PN/2019/10 LEGAL ASSISTANCE TO ERCEA IN CASE T-348/16 OP	20.000,00	-14.000,00
3111	B0 WORKSHOP 2019	5.336,07	-2.193,43
3111	A1 - EXTERNAL MEETINGS 2019	3.722,82	-2.391,38
3111	A2-EXTERNAL MEETINGS 2019	6.118,88	0,00
3111	PRESTO - EXTERNAL MEETINGS 2019	39.170,22	-36.754,37
3111	D3- EXTERNAL MEETINGS 2019 - STEERING COMMITTEE	99,65	-99,65
3111	ERCEA/B2/PN/2019/44 FOURNISTURE DES FRUITS ET DES BISCUITS FERME NOS PILIFS 9,23,30 SEPT ; 7,14 OCT ; 11,18,25 NOV 2019	526,32	0,00
3111	B - RESTAURATION POUR UN DINER LE 2 DÉCEMBRE 2019, LORS DE L'ÉVÈNEMENT « FRONTIER RESEARCH : CREATING PATHWAYS TO SUSTAINABILITY », RÉF.: ERCEA/2019/VLVP/0001 - OFFRE DU 18-19/11/2019 - LE NOUVEAU PALACE	517,50	0,00
3111	D2 - MACHINES A CAFE POUR L'ESPACE EVALUATION AU COVE A2 - FWC ERCEA/D2/PN/2019/20 OF 2-2019 - FINEST GLOBE SERVICES SA - OVERCONSUMPTION OF COFFEE FOR EXPERTS COVE 7TH FLOOR	1.500,00	-1.494,05
3121	D0 - MISSIONS 2019	44.254,17	-16.695,79
3121	2019 - DO ASSURANCE MISSIONS CIGNA 01/07/2019-30/06/2020	315,90	0,00
3131	C4-LUBBOCK FINE CHARTERED ACCOUNTANTS - ERCEA AUDITS BATCH SPECIFIC CONTRACT 2017-B334	5.792,00	-5.792,00
3131	C4 - LUBBOCK FINE - ADDITIONAL COMMITMENT FOR SPECIFIC CONTRACT 2016 B300	5.783,00	-5.783,00
3141	OPOCE 2019	9.128,73	-1.536,16
3141	A2- SMALL COMMUNICATION EXPENSES 2019	939,12	-230,12
3141	SLA OIB 2019	369,59	0,00
3141	A2 - RENTING OF VENUE FOR THE POLICY EVENT OF 03/12/2019 - PALAIS DES ACADEMIES - PROCEDURE ERCEA/A2/PN/2019/11	4.400,00	-4.000,00
3141	A2 - NOVACOMM CONSORTIUM (AUSY BELGIUM) PRODUCTION OF ARTICLES FOR THE STORIES WEBPAGES - SC 2019/01 - FWC PO/2016-20/A5	12.195,00	-12.195,00
3141	A2 - NOVACOMM CONSORTIUM (AUSY BELGIUM) - TECHNICAL MAINTENANCE AND DEVELOPMENTS OF ERC WEBSITE FOR 12 MONTHS - SC 2019/02 - FWC PO/2016-20/A5	40.375,00	-40.375,00
3141	ERCEA/A2/PN/2019/24 EURACTIV MEDIA NETWORK ORGANISATION AND PROMOTION OF A PANEL DEBATE AT ERC - BRUSSELS - 03/12/2019	31.500,00	-31.500,00
3141	A2 - FWC 30-CE-0848891/00-78- OF 2019 -05 - TRIPLE A - PROMOTIONAL MATERIAL FOR A2	498,00	-498,00
3141	A2 SC NO 2019/LO1/010-ERCEA FWC 00015142 VO COMMUNICATION - POLICY EVENT IN BRUSSELS 03/12./2019	59.101,82	-45.103,26
3141	A2 FWC PO/2016-20/A5 SC 2019/03 AUSY IT CONSULTING ERC WEBSITE SEARCH ENGINE OPTIMISATION (SEO) SERVICES	3.635,00	-2.964,25
3141	A2 - COACHING FOR 4 RESEARCHERS FOR EVENT IN BRUSSELS - 03/11/2019 - ERCEA/A2/PN/2019/52 - DEBATRIX	1.625,00	-1.625,00
3141	A2 - MEDIA TRAININGS FOR MEMBERS OF THE SCIENTIFIC COUNCIL AND PIS - RED THREAD (LAURA SHIELDS) - ERCEA/A2/PN/2019/56	9.800,00	-5.000,00
3141	A2 - MEDIA MONITORING CONTRACT - REF ERCEA/A2/PN/2019/39 - MELT WATER THE NETHERLANDS BV	14.900,00	-14.900,00
3141	A2 - PURCHASE OF PROMOTIONAL MATERIAL - TRIPLE A - FWC 30-CE-0848891/00-78 - OFFER ECR19-142 ERCEA/A2/PN/2019/25-1 SC ERCEA 2019/01 PURCHASE OF AN EXISTING ERC VIDEO ANIMATION - ERC APPLICATION PROCESS WELL PLAYED BVBA	15.020,00	-15.020,00
3141	ERCEA/A2/PN/2019/25-1 SC ERCEA 2019/02 WELL PLAYED BVBA PRODUCTION OF A TEEASER SHOWCASING SOME OF THE GROUND-BREAKING RESEARCH CARRIED OUT BY ERC GRANTEEES	10.690,00	-10.690,00
3141	ERCEA/A2/PN/2019/25-1 SC ERCEA 2019/03 WELL PLAYED BVBA PRODUCTION OF A TEEASER EXPLAINING THE ERC IN A SNAPSHOT	10.690,00	-10.690,00
3141	FWC DI-07712-00 SC 002539, ERC-PROC-588, BAZZANI ELISA - PROFILE: IS SUPPORT MANAGER (SPM) - (LEVEL OF EXPERTISE:LEVEL 2), FWC 07712 220 DAYS	80.106,40	-80.106,40
3141	D1 ERC-PROC-587 FWC DI/07712-00 SENGAL ALICE FWC 07704 220 DAYS	92.950,00	-74.360,00
3151	2019 - SCIC INTERPRETATION	1.000,00	0,00

Budget Position	Com L2 User Reference	Open amount (C8 in 2020)	Amount paid in 2020 (C8)
3171	ERC-PROC-0660 FWC BUDG/2016/PO/01-LOT 2 SC 02-377 ARHS NEW SERVICE FIXED PRICE CONTRACT FOR THE IMPROVEMENT OF THE PROPHY TOOL	29.720,05	-29.720,05
3171	D1 - FWC BUDG16/PO/01-0824996 - ERC-PROC-0657 - SC 02-376 - PLOUTOS - REQUEST ERCEA/D1/2019/0657 - SPEEDWELL APPLICATION MIGRATION	40.951,62	-10.054,62
3171	D1 ERC-PROC-0593 FWC BUDG/2016/PO/01-LOT 2 (DIMOS IV) SC 02-199 ANALYST-PROGRAMMER WEB/JEE/RDBMS REPLACED BY SARA SALLEH	37.385,10	-37.385,10
3171	D1 ERC-PROC-0613 - APPLICATION ARCHITECT FWC DIGIT-TM LOT 1 -DI/7701 150 DAYS	24.776,00	-24.776,00
3171	ERC-PROC-0601 FWC DI/7701 - APPLICATION ARCHITECT 220 DAYS	67.043,60	-67.043,60
3171	D1 - SC 003164, ERC-PROC-0600 - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 1), FWC 07702	31.953,90	-31.953,90
3171	D1 ERC-PROC-0628 FWC 07701 SC 005431 - PROFILE: TECHNOLOGY EXPERT (TEX) - (LEVEL OF EXPERTISE:LEVEL 5) 30 DAYS	19.786,20	-19.786,20
3171	D1 - SC 002885, ERC-PROC-0594 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 1), FWC 07701 - 220 DAYS	38.289,95	-38.289,95
3171	D1 - SC 002888, ERC-PROC-0595 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4), FWC 07704 - 210 DAYS	40.274,55	-40.274,55
3171	SC 008491, ERC-PROC-0613 APPLICATIO - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 2),- IN EXECUTION OF THE FRAMEWORK CONTRACT DIGIT-TM LOT 1 -DI/7701	29.731,20	-29.731,20
3171	D1 ERC-PROC-0577 SC 002039 UNDER FWC 07704 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 4) 210 DAYS	72.368,35	-72.368,35
3171	ERC-PROC-0598 FWC DI/7701 TECHNOLOGY EXPERT 210 DAYS	41.375,92	-41.375,92
3171	ERC-PROC-0599 - FWC 07702 SC 002913 - PROFILE: APPLICATION ARCHITECT (AA) - (LEVEL OF EXPERTISE:LEVEL 3) 210 DAYS	57.155,69	-57.155,69
<b>TOTAL</b>		<b>3.037.473,07</b>	<b>-2.748.164,61</b>
<b>UNUSED PAYMENT APPROPRIATIONS TO BE REIMBURSED TO THE COMMISSION</b>			<b>289.308,46</b>

## ANNEX: Glossary on terms, abbreviations and acronyms used

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.
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 ( <i>e.g.</i> : 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.
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.



**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 2020**

This report on budgetary and financial management of the European Research Council Executive Agency (ERCEA) for the financial year 2020 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**

On basis of the draft budget presented to the Budgetary Authority, the ERCEA Steering Committee adopted on 22 February 2019 the ERCEA annual budget 2020 for € 3.840.700.

A thorough analysis of the changed expense patterns and of the COVID-19 related developments resulted in a decrease of 1.662.205 € (3,09%) on the administrative budget, which was amended accordingly by decision of the Steering Committee on 21 September 2020.

In view of optimizing the administrative budget execution and also to take into account the impact of the pandemic particularly on salaries items (see fist transfer on 24 June 2020), the Agency has proceeded to transfers between items, chapters and budget lines. Four transfers have been approved by the Steering Committee on 24 June 2020, 19 November 2020, 8 December 2020 and 21 December 2020, corrected on 22 December 2020 via a Director's decision.

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

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EUR

Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	17.387.400	-40.000	112.600	17.460.000
1112	Contract Agents	20.977.000	40.000	96.950	21.113.950
1121	Seconded National Experts	850.000	30.000	-70.000	810.000
1122	Interimaires & stagiaires	840.000	0	-276.330	563.670
1211	Recruitment, entering and leaving the service, transfer costs	41.000	-300	-33.700	7.000
1221	Restaurant, Canteens	136.800	-10.000	27.200	154.000
1231	Medical service	109.000	0	-24.000	85.000
1241	Training	405.700	0	12.460	418.160
1251	Mobility and Public transportation	85.450	-33.500	4.225	56.175
1261	Social service and other interventions	927.500	0	74.591	1.002.091
1271	External services (PMO)	426.300	0	-14.567	411.733
1281	Internal meetings, events and reception	48.900	-5.000	-39.522	4.378
1291	Missions (administrative)	0	0	0	0
<b>Title 1</b>	<b>Staff expenditure</b>	<b>42.235.050</b>	<b>-18.800</b>	<b>-130.092</b>	<b>42.086.158</b>
2111	Rental of building and associated costs	6.441.900	-195.001	103.272	6.350.171
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	550.000	-45.567	-58.906	445.527
2221	ICT services	1.491.900	-3.820	117.843	1.605.923
2311	Furniture, Material and Technical installations	114.400	-59.725	72.396	127.071
2321	Works of handling and removal of services	4.400	0	-3.000	1.400
2331	Paper mill, office supplies	21.000	0	0	21.000
2341	Correspondence stamping and carriage costs	55.200	0	3.000	58.200
2351	Acquisition of information	10.000	0	-2.919	7.081
2361	Other current expenses (financial, legal, assurance,...)	60.650	-35.000	-10.500	15.150
<b>Title 2</b>	<b>Infrastructure and operating expenditure</b>	<b>8.749.450</b>	<b>-339.113</b>	<b>221.186</b>	<b>8.631.523</b>
3111	Experts, studies, representation and external meeting expenses	416.500	-341.250	-16.676	58.574
3121	Missions and related costs	500.000	-425.000	-29.000	46.000
3131	Audit expenses	0	0	0	0
3141	Expenses of Information, Publications and Communication	537.500	-274.442	-41.252	221.806
3151	Expenses of translation	73.200	-56.000	3.834	21.034
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.329.000	-207.600	-8.000	1.113.400
<b>Title 3</b>	<b>Programme support expenditure</b>	<b>2.856.200</b>	<b>-1.304.292</b>	<b>-91.094</b>	<b>1.460.814</b>
<b>TOTAL BUDGET</b>		<b>53.840.700</b>	<b>-1.662.205</b>	<b>0</b>	<b>52.178.495</b>

The pandemic affected all budgetary titles:

- On Title 1, expenses declined at first due to delays in the recruitment processes, sudden cancellation and postponement of of some expenditure under social services (e.g. all physical presence-training activities, medical expenses, internal meetings etc ...). The Agency's quick re-organisation of old and new activities remotely and the moderate re-start of certain social services, however, balanced the forecasted reduction in the expenses.
- On Title 2, the savings from the drop in maintenance requests for office equipment and from the reduced purchase of newcomer's equipment funded higher investments in ICT infrastructures in order to facilitate and improve the increasing number of remote activities. Reduction in building related costs, instead, allowed reallocation of resources for purchasing of personal protection equipment (e.g. masks, gloves, etc.) – essential for

the staff required to be present within the premises – and the reimbursement scheme of home office equipment – pursuing the “fit@work” policy of the Commission.

- Title 3, instead, suffered the strongest downturn, estimated at -45,67% of the initial budget with amended budget and equal to -48,85% by year-end. Such a consistent shrinking in expenses was caused by the suspension of all physical presence meetings with experts and reduction of staff missions to the essential in light of the obligations flowing from the duty of care and the travelling restrictions imposed around the globe.

#### Amendment

Date	Impact on commitment and payment appropriations in €	Main subject - description
1 21 September 2020	Title 1: (18.800)	Transfers to optimize the administrative budget execution.
	Title 2: (339.113)	
	Chapter 21 – rental of building: (195.001)	Reduction due to the updated information received by OIB concerning the rent and overall building expenditure under the relevant SLA (service level agreement).
	Charpet 22 – ICT: (49.387)	Reduction related to savings made to software and hardware initially budgeted due to the COVID-19 crisis.
	Chapter 23 – Furniture and other : (94.725)	Adjustment on staff protection material budget needed, as the framework contract was not yet signed and optimisation on the legal expenses.
	Title 3: (1.304.292) Experts: (341.250) Missions: (425.000) Communication: (274.442) Translation: (56.000) Operational related IT costs: (207.600)	This chapter contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 outbreak those activities were suspended and therefore the budget reduced. Reduction also on the operational IT costs due to the internalisation of certain tasks and because of abandoning migration of certain legacy systems that can be maintained until the phase out.

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List of transfers:

Date		Impact on commitment and payment appropriations in €	Main subject - description
1	24 June 2020	Chapter 11 - remunerations: (64.400)	Originally, the forecast for this chapter could rise up to an additional amount of € 627.000. This scenario was not further applicable, as this chapter was heavily affected by the COVID-19 pandemic crisis. Indeed, during the lockdown months, the recruitment pace slowed down and suffered delays. In addition the salary forecast for 2020 was recalculated with a maximum potential salary adjustment of 0,9% instead of 1,7%. Furthermore, elements such as the number of reclassifications and the average vacancy rate were adjusted. It therefore resulted in a minor decrease compared to the initial budget.
		Chapter 12 - Professional development and Social expenditure: (147.992)	Given the COVID-19 circumstances, activities such as social services (crèche), recruitment costs and internal communication meetings and events, were consequently affected and put on hold, and thus resulting in a decrease of the initially foreseen expenditure.
		Chapter 22 – ICT: 87.567	Increase due to the rise of the charges of the SLA's and MoU's.
		Chapter 23 – Furniture, Material and Technical installations: 124.825	Increase related to the provision of purchase of personal protection material related to COVID-19 (masks, gloves etc.).
2	19 November 2020	Chapter 11 - Remunerations: (106.330)	Revision of the salaries calculation
		Chapter 12 - Professional development: 211.734,15	Increase mainly of the CPE costs (Crèches et Petite Enfance) due to the COVID-19 impact (increase of the employeur's contribution).
		Chapter 21- Building expenditure: 34.503,51	Increase to cover the unforeseen request to pay a communal tax for the building
		Chapter 22 - ICT: 2.836	Increase due to the rise of the charges of the SLA's and MoU's.
		Chapter 23 - Movable property expenditure: (63.000)	Adjustment on staff protection material budget needed, as the framework contract was not yet signed and optimisation on the legal expenses.
Chapter 31 - Programme management expenditure: (79.743,66)	Supplementary optimisation of this chapter impacted by COVID-19, as the main activities under this chapter are usually performed with physical presence (missions, experts and communication activities)		
3	8 December 2020	Chapter 11 - Remunerations: 33.950	Additional needs identified for the payment of salaries for the Contract Agents
		Chapter 12 - Professional development: (73.054,22)	Decrease mainly related to the updated information received on the expenses for the Medical Service and for European school transport (less transportation due to COVID-19 outbreak)
		Chapter 21- Building expenditure: 106.968,82	Revision of the costs for SLA OIB
		Chapter 22 - ICT: (31.466,25)	Re-evaluation of needs led to decrease of the budget
		Chapter 23 - Movable property	Re-evaluation of needs led to decrease of the

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Date		Impact on commitment and payment appropriations in €	Main subject - description
		expenditure: (25.048,04)	budget
		Chapter 31 - Programme management expenditure: (11.350,31)	Additional optimisation of this chapter impacted by COVID-19
4	21 December 2020	Chapter 12 - Professional development: 16.000	Revision of the costs for SLA OIB
		Chapter 21- Building expenditure: (38.200)	Re-evaluation of needs led to decrease of the budget
		Chapter 23 - Movable property expenditure: 22.200	Revision of the costs for SLA OIB
5	22 December 2020	Chapter 23 - Movable property expenditure: 0	Corrigendum of transfer fourth of 21 December 2020 due to technical mistake

The COVID-19 crisis affected also the following financial aspects:

- The development of the pandemic imposed regular and cautious revision of some contracts related to daily office activities. Consequently, 15 amendments (out of 47) due to COVID-19 outbreak were processed in 2020.
- The partial slowdown of the activities reduced by 23% the number of invoices received in 2020 (760 in total) compared to 2019 (987 in total) and by 38% the number of payments (966 in 2020 compared to 1558 in 2019).

## 1.2. Budget implementation

### 1.2.1. 2020 appropriations (C1)

The execution of commitments appropriations amounts to € 52.037.962,45 and the execution of payments appropriations amounts to € 50.219.458,03.

EUR

Title	2020 commitments appropriations (C1)	Commitments 2020	% of implementation on commitments 2020	Payments 2020	% of implementation on payments 2020	Total unused appropriations current year	Appropriations to be carried-forward to 2021
Title 1 - Staff expenditure	42.086.157,93	42.006.373,95	99,81%	41.653.643,72	98,97%	79.783,98	352.730,23
Title 2 - Infrastructure and operating expenditure	8.631.523,04	8.575.288,28	99,35%	7.667.697,39	88,83%	56.234,76	907.590,89
Title 3 - Programme support expenditure	1.460.814,03	1.456.300,22	99,69%	898.116,92	61,48%	4.513,81	558.183,30
<b>Total</b>	<b>52.178.495,00</b>	<b>52.037.962,45</b>	<b>99,73%</b>	<b>50.219.458,03</b>	<b>96,25%</b>	<b>140.532,55</b>	<b>1.818.504,42</b>

The implementation of the final budget appropriations, fund source C1, is at a level of 99,73% for commitments (2019: 99,99 %) and 96,25 % for payments (2019: 94,09 %).

In 2020, the difference between commitments and payments amounts to € 1.818.504,42 (last column of the above table). The Agency carried forward this amount to 2021 as it corresponds to legal commitments contracted in 2020 but not yet paid on 31 December 2020.

Details are presented in the table below:

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Fund Source: C1

Budget line	Official Budget Item Desc (Fr)	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)
<b>Title 1</b>	<b>Staff expenditure</b>	<b>42.086.157,93</b>	<b>42.006.373,95</b>	<b>99,81%</b>	<b>41.653.643,72</b>	<b>98,97%</b>	<b>79.783,98</b>	<b>352.730,23</b>
<b>Chapter 11 - Remunerations, Allowances and Charges</b>		<b>39.947.620,00</b>	<b>39.886.886,51</b>	<b>99,85%</b>	<b>39.819.044,91</b>	<b>99,68%</b>	<b>60.733,49</b>	<b>67.841,60</b>
1 1 1 1	Temporary agents	17.460.000,00	17.453.595,35	99,96%	17.453.595,35	99,92%	6.404,65	0,00
1 1 1 2	Contract Agents	21.113.950,00	21.099.002,76	99,93%	21.099.002,76	99,98%	14.947,24	0,00
1 1 2 1	Seconded National Experts	810.000,00	780.618,40	96,37%	780.523,06	98,99%	29.381,60	95,34
1 1 2 2	Interimaires & stagiaires	563.670,00	553.670,00	98,23%	485.923,74	73,65%	10.000,00	67.746,26
<b>Chapter 12 - Professional Development and Social expenditure</b>		<b>2.138.537,93</b>	<b>2.119.487,44</b>	<b>99,11%</b>	<b>1.834.598,81</b>	<b>85,79%</b>	<b>19.050,49</b>	<b>284.888,63</b>
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	7.000,00	6.600,00	94,29%	6.557,24	93,71%	400,00	42,76
1 2 2 1	Restaurant Canteens	154.000,00	144.136,60	93,60%	110.314,79	90,82%	9.863,40	33.821,81
1 2 3 1	Medical service	85.000,00	85.000,00	100,00%	72.958,20	59,85%	0,00	12.041,80
1 2 4 1	Training	418.160,17	410.297,81	98,12%	263.164,56	62,51%	7.862,36	147.133,25
1 2 5 1	Mobility and Public transportation	56.175,00	55.347,36	98,53%	51.371,86	80,90%	827,64	3.975,50
1 2 6 1	Social service and other interventions	1.002.091,48	1.001.994,39	99,99%	936.501,98	99,98%	97,09	65.492,41
1 2 7 1	External services (PMO)	411.733,00	411.733,00	100,00%	389.351,90	94,51%	0,00	22.381,10
1 2 8 1	Internal meetings events and reception	4.378,28	4.378,28	100,00%	4.378,28	78,92%	0,00	0,00
<b>Title 2</b>	<b>Infrastructure</b>	<b>8.631.523,04</b>	<b>8.575.288,28</b>	<b>99,35%</b>	<b>7.667.697,39</b>	<b>88,83%</b>	<b>56.234,76</b>	<b>907.590,89</b>
<b>Chapter 21 - Building expenditure</b>		<b>6.350.171,33</b>	<b>6.299.260,11</b>	<b>99,20%</b>	<b>5.730.006,51</b>	<b>90,23%</b>	<b>50.911,22</b>	<b>569.253,60</b>
2 1 1 1	Rental of building and associated costs	6.350.171,33	6.299.260,11	99,20%	5.730.006,51	88,67%	50.911,22	569.253,60
<b>Chapter 22 - ICT</b>		<b>2.051.449,75</b>	<b>2.047.675,45</b>	<b>99,82%</b>	<b>1.783.065,03</b>	<b>86,92%</b>	<b>3.774,30</b>	<b>264.610,42</b>
2 2 1 1	Hardware software and linked expenses	445.526,57	441.752,27	99,15%	261.643,91	74,42%	3.774,30	180.108,36
2 2 2 1	ICT services	1.605.923,18	1.605.923,18	100,00%	1.521.421,12	99,04%	0,00	84.502,06
<b>Chapter 23 - Movable property and Current Operating expenditure</b>		<b>229.901,96</b>	<b>228.352,72</b>	<b>99,33%</b>	<b>154.625,85</b>	<b>67,26%</b>	<b>1.549,24</b>	<b>73.726,87</b>
2 3 1 1	Furniture Material and Technical installations	127.070,72	125.995,26	99,15%	88.102,27	87,25%	1.075,46	37.892,99
2 3 2 1	Works of handling and removal of services	1.400,00	1.400,00	100,00%	1.266,12	86,60%	0,00	133,88
2 3 3 1	Paper mill office supplies	21.000,00	21.000,00	100,00%	16.800,00	90,00%	0,00	4.200,00
2 3 4 1	Correspondence stamping and carriage costs	58.200,00	57.876,22	99,44%	41.376,22	87,30%	323,78	16.500,00
2 3 5 1	Acquisition of information	7.081,24	7.081,24	100,00%	7.081,24	187,30%	0,00	0,00
2 3 6 1	Other current expenses (financial legal assurance)	15.150,00	15.000,00	99,01%	0,00	87,30%	150,00	15.000,00
<b>Title 3</b>	<b>Programme Support expenditure</b>	<b>1.460.814,03</b>	<b>1.456.300,22</b>	<b>99,69%</b>	<b>898.116,92</b>	<b>61,48%</b>	<b>4.513,81</b>	<b>558.183,30</b>
<b>Chapter 31 - Programme Management expenditure</b>		<b>1.460.814,03</b>	<b>1.456.300,22</b>	<b>99,69%</b>	<b>898.116,92</b>	<b>61,48%</b>	<b>4.513,81</b>	<b>558.183,30</b>
3 1 1 1	Experts, studies, representation and external meeting expenses	58.574,20	56.795,42	96,96%	45.327,92	74,63%	1.778,78	11.467,50
3 1 2 1	Missions and related costs	46.000,00	45.500,00	98,91%	45.104,00	91,37%	500,00	396,00
3 1 4 1	Expenses of Information, Publications and Communication	221.805,83	219.804,92	99,10%	127.439,47	39,44%	2.000,91	92.365,45
3 1 5 1	Expenses of translation	21.034,00	21.034,00	100,00%	1.034,00	96,90%	0,00	20.000,00
3 1 7 1	Operational related IT costs	1.113.400,00	1.113.165,88	99,98%	679.211,53	67,83%	234,12	433.954,35
<b>TOTAL</b>		<b>52.178.495,00</b>	<b>52.037.962,45</b>	<b>99,73%</b>	<b>50.219.458,03</b>	<b>96,25%</b>	<b>140.532,55</b>	<b>1.818.504,42</b>



As regards Title 1 - Staff expenditure, end 2020, related to 119 temporary agents, 372 contracts agents, 15 Seconded National Experts and 9 agents financed from participation of candidate countries and/or third countries (in total 515 agents against 508 in 2019), were employed explaining the execution on chapters 11 and 12<sup>26</sup> (+3,6% in comparison to 2019).

The breakdown by type of expenditure shows that the total staff expenditure accounts (excluding the interim agents and trainees) for about 80,7 % of total commitments (in comparison to 78,7% to 2019).

94% of the amount committed covers the remuneration, allowances and charges of the staff (interim agents and trainees excluded). 5 % of the committed amount is related to professional development and social expenditure. The remaining balance concerns the "interimaires" costs (1%).

The trainings under item 1241 ordered in 2020 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 (conflict management, coaching,...)
- External trainings (out of which: competency management, process engineering preparing the ERCEA for the challenges of the future,..).

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 via the "Mobility.net" IT tool.

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. As from December 2020, the item 1261 includes the reimbursement scheme of home office equipment – pursuing the "fit@work" policy of the Commission and put in place within the context of COVID-19 outbreak.

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 rental and charges of the building (chapter 21) which is 73,5 % of the amount committed under this title (74,7 % in 2019). 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). The rest consists mainly in the purchases of IT equipment and IT services (23,9 % against 21,9 % in 2019).

In the frame of an usufruct contract starting in September 2008 for a duration of 15 years, amended on 21 September 2020, the Agency occupies 7 floors<sup>27</sup> and parking space of Covent

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<sup>26</sup> 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, pre-recruitment medical visits and annual medical visits and training costs.

<sup>27</sup> Including the 19<sup>th</sup> floor of the COV2 building, which has been also rented as from 24 September 2020.

Garden Building at place Rogier – 1210 Saint Josse as well as the 7<sup>th</sup> 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 23,9% 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);
- the costs paid for the services provided to the Agency by Directorate General DIGIT of the Commission in the frame of a SLA for network service, mailboxes and other Commission applications such as "Ares", "EU Learn" and "Sysper".

The chapter 23 (movable property and current operating expenditure) represents 2,7% of the Title 2 (against 3,4% in 2019).

The Title 3 - Programme support expenditure, that represents 2,8 % of the total commitments (4,9 % in 2019), consists mainly in:

- 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 (76,2% of the Title 3 in 2020 in comparison to 50,8% in 2019).

The main appropriations to be carried forward to 2021 (€ 1.818.504,42 ; 3,5% of the budget) are on the main following budget lines:

- SLA OIB, € 564.396,81: balance payment;
- Operational related IT costs, € 433.954,35: this amount mainly concerns the payment of the IT consultants for the 4<sup>th</sup> quarter 2020 and from January 2021;
- IT hardware, software and linked expenses, € 264.610,42: mainly IT support services, maintenance for and audiovisual equipment;
- Training € 147.133,25: mainly for the balance payment of external contracts;
- Communication € 92.365,45: mainly for the payments of costs linked to media services or campaigns, ERC website maintenance contracts
- Interim workers : € 67.746,26.

### **1.2.2. 2019 appropriations carried-forward to 2020 (C8)**

The 2019 appropriations that were carried forward to 2020 as C8 appropriations amounted to € 3.037.473,07 (5,9 % of the budget). Out of this amount, € 2.748.161,61 have been paid (90,5 %, to be compared to 89,4 % in 2019). The 2019 appropriations (budget of € 51.517.840,00)

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have been finally paid at 99,43 % (€ 48.475.366,56 on C1 appropriations and € 2.748.164,61 on C8 appropriations).

Title	Payments appropriations carried-forward from 2019 (RAL C8)	Amounts paid	Total unused payment appropriations carried forward from 2019	% of implementation on appropriations carried-forward from 2019	Final amount from 2019
Title 1 - Staff expenditure	496.150,02	447.436,80	48.713,22	90,2%	0,00
Title 2 - Infrastructre and operating expenditure	1.492.015,73	1.372.383,82	119.631,91	92,0%	0,00
Title 3 - Programme support expenditure	1.049.307,32	928.343,99	120.963,33	88,5%	0,00
<b>Total</b>	<b>3.037.473,07</b>	<b>2.748.164,61</b>	<b>289.308,46</b>	<b>90,5%</b>	<b>0,00</b>

The main amounts that were unduly carried forward (€ 289.308,46) and therefore had to be de-committed are mainly the following:

- € 106.181,26 related to SLA OIB 2019
- € 53.016,89 related to IT expenses
- € 47.133,47 related to communications expenses
- € 27.558,38 related to missions
- € 55.788,05 related to different budget lines and contracts

Details are presented in the table below:

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Fund Source: C8

Budget line	Official Budget Item Desc (Fr)	C8 Appropriations (1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2020 (2-3)
<b>Title 1</b>	<b>Staff expenditure</b>	<b>496.150,02</b>	<b>447.436,80</b>	<b>90,18%</b>	<b>48.713,22</b>	<b>0,00</b>
<b>Chapter 11 - Remunerations, Allowances and Charges</b>		<b>61.599,47</b>	<b>60.757,20</b>	<b>98,63%</b>	<b>842,27</b>	<b>0,00</b>
1 1 2 1	Seconded National Experts	200,00	132,52	66,26%	67,48	0,00
1 1 2 2	Interimaires & stagiaires	61.399,47	60.624,68	98,74%	774,79	0,00
<b>Chapter 12 - Professional Development and Social expenditure</b>		<b>434.550,55</b>	<b>386.679,60</b>	<b>88,98%</b>	<b>47.870,95</b>	<b>0,00</b>
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	4.416,73	9,16	0,21%	4.407,57	0,00
1 2 2 1	Restaurant Canteens	27.306,62	27.306,62	100,00%	0,00	0,00
1 2 4 1	Training	117.771,52	105.543,80	89,62%	12.227,72	0,00
1 2 5 1	Mobility and Public transportation	1.974,76	1.899,95	96,21%	74,81	0,00
1 2 6 1	Social service and other interventions	220.845,98	199.483,88	90,33%	21.362,10	0,00
1 2 7 1	External services (PMO)	29.615,72	23.095,79	77,98%	6.519,93	0,00
1 2 8 1	Internal meetings events and reception	32.619,22	29.340,40	89,95%	3.278,82	0,00
<b>Title 2</b>	<b>Infrastructure</b>	<b>1.492.015,73</b>	<b>1.372.383,82</b>	<b>91,98%</b>	<b>119.631,91</b>	<b>0,00</b>
<b>Chapter 21 - Building expenditure</b>		<b>1.125.231,22</b>	<b>1.033.909,72</b>	<b>91,88%</b>	<b>91.321,50</b>	<b>0,00</b>
2 1 1 1	Rental of building and associated costs	1.125.231,22	1.033.909,72	91,88%	91.321,50	0,00
<b>Chapter 22 - ICT</b>		<b>257.512,53</b>	<b>235.392,64</b>	<b>91,41%</b>	<b>22.119,89</b>	<b>0,00</b>
2 2 1 1	Hardware software and linked expenses	90.517,13	75.784,55	83,72%	14.732,58	0,00
2 2 2 1	ICT services	166.995,40	159.608,09	95,58%	7.387,31	0,00
<b>Chapter 23 - Movable property and Current Operating expenditure</b>		<b>109.271,98</b>	<b>103.081,46</b>	<b>94,33%</b>	<b>6.190,52</b>	<b>0,00</b>
2 3 1 1	Furniture Material and Technical installations	72.752,57	72.752,57	100,00%	0,00	0,00
2 3 2 1	Works of handling and removal of services	924,48	835,96	90,42%	88,52	0,00
2 3 3 1	Paper mill office supplies	4.000,00	3.898,00	97,45%	102,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	11.594,93	11.594,93	100,00%	0,00	0,00
2 3 6 1	Other current expenses (financial legal assuranc	20.000,00	14.000,00	70,00%	6.000,00	0,00
<b>Title 3</b>	<b>Programme Support expenditure</b>	<b>1.049.307,32</b>	<b>928.343,99</b>	<b>88,47%</b>	<b>120.963,33</b>	<b>0,00</b>
<b>Chapter 31 - Programme Management expenditure</b>		<b>1.049.307,32</b>	<b>928.343,99</b>	<b>88,47%</b>	<b>120.963,33</b>	<b>0,00</b>
3 1 1 1	Experts, studies, representation and external meeting expenses	56.991,46	42.932,88	75,33%	14.058,58	0,00
3 1 2 1	Missions and related costs	44.570,07	16.695,79	37,46%	27.874,28	0,00
3 1 3 1	Audit expenses	11.575,00	11.575,00	100,00%	0,00	0,00
3 1 4 1	Expenses of Information, Publications and Communication	404.358,66	357.225,19	88,34%	47.133,47	0,00
3 1 5 1	Expenses of translation	1.000,00	0,00	0,00%	1.000,00	0,00
3 1 7 1	Operational related IT costs	530.812,13	499.915,13	94,18%	30.897,00	0,00
<b>TOTAL</b>		<b>3.037.473,07</b>	<b>2.748.164,61</b>	<b>90,48%</b>	<b>289.308,46</b>	<b>0,00</b>

## 2. REVENUE

In accordance with Article 5 of the Standard Financial Regulation for the Executive Agencies<sup>28</sup>, 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	53.840.700,00	-1.662.205,00	52.178.495,00	52.178.495,00	52.178.495,00
910	Recuperation of expenses				8.112,67	3.978,19
920	Miscellaneous revenue	pm	pm	pm	104.169,05	97.794,05
<b>TOTAL</b>		<b>53.840.700,00</b>	<b>-1.662.205,00</b>	<b>52.178.495,00</b>	<b>52.290.776,72</b>	<b>52.280.267,24</b>

To cover its administrative costs for 2020, the ERCEA receives a subsidy from the EU budget. This subsidy of € 52.178.495,00 was paid in six instalments by the parent DG of the Agency.

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

- the recovery of amounts overpaid to contractors € 8.112,67;
- an amount for € 9.000,00 corresponding to the costs of proceeding to be reimbursed to the ERCEA following the decision of the Court of Justice (case T-493/17) (to be reimbursed into 24 instalments, € 6.375,00 still to receive);
- the re-invoicing to 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 24 September 2020 to 23 September 2021 (€ 95.169,05).

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

<sup>28</sup> 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.

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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 ( <i>e.g.</i> : 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.

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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.