



**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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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 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).

## 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.

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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>1</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>2</sup> and parking space of Covent

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<sup>1</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>2</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 I - 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>3</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);
- in 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>3</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.