



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 2021

Table of Contents

1. OVERVIEW OF THE BUDGET	3
1.1. Initial budget, amending budget and final budget.....	3
1.2. Budget implementation	8
1.2.1. 2021 appropriations (C1)	8
1.2.2. 2020 appropriations carried-forward to 2021 (C8).....	11
2. REVENUE.....	14
3. GLOSSARY ON TERMS, ABBREVIATIONS AND ACRONYMS USED IN THE REPORT ...	15

This report on budgetary and financial management of the European Research Council Executive Agency (ERCEA) for the financial year 2021 has been prepared in accordance with Articles 51 to 57 of the Standard Financial Regulation for the executive agencies¹.

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 26 February 2020 the ERCEA annual budget 2021 for € 56.106.600.

The ERCEA initial budget 2021 adopted by the ERCEA Steering Committee on 20 December 2020 for € 51.319.000 has been calculated solely based on the subsidy for the Horizon 2020 legacy and in line with the Amending Letter of the General EU Budget (COM(2020)748 of 13 November 2020).

Following the formal approval of the new MFF and the adoption of the Horizon Europe Programme and a thorough analysis of the changed expense patterns and of the impact in 2021 of COVID-19 pandemic related developments resulted in an increase of € 4.091.593,73 on the administrative budget, which was amended accordingly by decision of the Steering Committee on 25 June 2021. The final adopted administrative budget for 2021 amounts to € 55.410.593,73.

In view of optimizing the administrative budget execution, the Agency has proceeded to transfers between items, chapters and budget lines. Five transfers have been approved by the Steering Committee on 25 February 2021, 17 September 2021, 18 November 2021, 6 December 2021 and 17 December 2021.

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

¹ COMMISSION REGULATION 1653/2004 of 21 September 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

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

EUR

Budget Line / Title	Description	Draft Budget	Budget Amendments	Transfers	Final Budget
1111	Temporary agents	16.101.991	2.963.009	(1.146.920)	17.918.080
1112	Contract Agents	19.871.992	3.368.008	(1.115.506)	22.124.494
1121	Seconded National Experts	1.130.000	(210.000)	(10.260)	909.740
1122	Interimaires & stagiaires	720.000	(15.000)	49.763	754.763
1211	Recruitment, entering and leaving the service, transfer costs	16.200	(11.200)	(4.455)	545
1221	Restaurant, Canteens	144.615	(44.615)	8.000	108.000
1231	Medical service	106.000	20.000	(16.000)	110.000
1241	Training	384.402	(15.732)	(8.061)	360.609
1251	Mobility and Public transportation	91.369	(31.969)	(21.602)	37.798
1261	Social service and other interventions	1.046.500	(4.950)	(106.077)	935.473
1271	External services (PMO)	433.354	496	(6.678)	427.172
1281	Internal meetings, events and reception	30.000	(23.400)	(3.984)	2.616
1291	Missions (administrative)	0	0	0	0
Title 1	Staff expenditure	40.076.423	5.994.647	(2.381.780)	43.689.290
2111	Rental of building and associated costs	6.559.379	(242.020)	780.444	7.097.804
2121	Fitting out	0	0	0	0
2211	Hardware, software and linked expenses	351.980	132.500	413.612	898.092
2221	ICT services	2.277.500	55.500	(249.849)	2.083.151
2311	Furniture, Material and Technical installations	160.080	(43.580)	25.602	142.102
2321	Works of handling and removal of services	4.400	(2.000)	0	2.400
2331	Paper mill, office supplies	12.000	(6.000)	3.000	9.000
2341	Correspondence stamping and carriage costs	58.000	(10.500)	10.500	58.000
2351	Acquisition of information	8.000	0	(6.252)	1.748
2361	Other current expenses (financial, legal, assurance,...)	40.650	(500)	(30.559)	9.591
Title 2	Infrastructure and operating expenditure	9.471.989	(116.600)	946.497	10.301.886
3111	Experts, studies, representation and external meeting expenses	105.000	(1.943.000)	1.838.773	773
3121	Missions and related costs	104.700	(28.050)	(69.130)	7.520
3131	Audit expenses	0	0	0	0
3141	Expenses of Information, Publications and Communication	292.388	62.598	(60.505)	294.482
3151	Expenses of translation	68.500	(28.002)	(35.530)	4.969
3161	Conferences, seminars, trainings and other specific expenditure	0	0	0	0
3171	Operational related IT costs	1.200.000	150.000	(238.326)	1.111.674
Title 3	Programme support expenditure	1.770.588	(1.786.454)	1.435.283	1.419.418
TOTAL BUDGET		51.319.000	4.091.594	0	55.410.594

The main reasons explaining the amendment and transfers described in this section are summarised hereunder:

- On Title 1, the amendment included an increase in salaries corresponding to the additional part of the subsidy and EFTA funds needed in order to fully cover the salary payments and the recruitment schedule. Then these expenses declined due to delays in the recruitment processes and a high turnover of staff. The reduction of planned social activities (e.g. internal meetings, recruitment, Crèches et Petite Enfance etc.), as a result of the pursuing COVID-19 pandemic privileging the remote and teleworking modalities also explains a decrease in this title. The current situation led also to the reduction of the staff mobility and transportation costs.
- On Title 2, the main increase relates to the investments in ICT infrastructures in order to facilitate and improve the increasing number of remote activities. These costs mainly relate to the video-conferencing installation for hybrid meeting rooms, the upgrade of all the big rooms on the 7th floor of COVE building with videoconferencing and the refurbishment of the auditorium on the 25th floor and certain rooms of COV2 building. The ICT services relating to Home equipment provided in DIGIT's reimbursement scheme to the staff also explains an increase in this title. Additionally, a payment claim in relation to the municipal tax on office space for the fiscal years 2019, 2020 and 2021 was made by the bare owner of the Covent Garden building.
- Title 3 contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 pandemic those activities were suspended and therefore the budget was reduced substantially. Furthermore, the difficulties in contracting consultants under the IT support expenditure and several early contract terminations have considerably affected the consumption of this title.

Amendment

Date		Impact on commitment and payment appropriations in €	Main subject - description
1	25 June 2021	Title 1: 5.994.647	Increase explained: a) by the reinstatement from Title 3 of the € 1.880.000 needed for the 2021 StG call evaluation commitment under Title 3 (see below first transfer on 25 February 2021) b) with the additional part of the subsidy and EFTA funds needed in order to fully cover the salary payments and the recruitment schedule.
		Title 2: (116.600)	
		Chapter 21 - rental of building: (242.020)	Reduction due to the updated information received from OIB and HR concerning the overall building expenditure under the relevant SLAs (service level agreement).
		Chapter 22 - ICT: 188.000	Increase due to video-conferencing installation needs for hybrid meeting rooms
		Chapter 23 - Furniture and other : (62.580)	Adjustment on staff protection material budget needed
		Title 3: (1.786.454) Experts: (1.943.000) Missions: (28.050) Communication: 62.598 Translation: (28.002) Operational related IT costs: 150.000	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 (missions for € 28.050 and experts for € 63.000). Reduction also on the Experts item: a) due to the de-commitment of the budgetary commitment temporary created under the

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

Date	Impact on commitment and payment appropriations in €	Main subject - description
		administrative budget to cover the contracts for experts participating to the ERC 2021 StG call given that the adoption of the HE Framework Programme was delayed and thus the operational credits not available (see first transfer below), and b) following the reinstatement of this amount to Title 1 (see above)

List of transfers:

	Date	Impact on commitment and payment appropriations in €	Main subject - description
1	25 February 2021	Chapter 11 – Remunerations: (1.880.000) Chapter 31 – Programme management expenditure: 1.880.000	Due to the delay in the adoption of the HE Framework Programme and constraints coming from the call calendar for ERC 2021 StG, a temporary budgetary commitment needed to be created under the ERCEA administrative budget as an exceptional solution in order to cover the generation of the contracts for the experts participating in this call. The total estimated amount to cover the ERC 2021 StG call Step 1 and the Initial Panel Chair Meeting was taken from the chapter 11 and transferred to item 3111 under which the budgetary commitment for € 1.880.000 € was exceptionally created.
2	17 September 2021	Chapter 11 – Remunerations: 10.100 Chapter 12 - Professional development and Social expenditure: 86.900 Chapter 22 – ICT: 50.000 Chapter 23 – Furniture, Material and Technical installations: (2.000) Chapter 31 - Programme management expenditure: (145.000)	 Increase due to the rise in SLA PMO charges. Increase due to the ICT services related to Home equipment provided in the DIGIT reimbursement scheme to the staff. Decrease due to the reduction of the OIB costs for office supplies This chapter contains the main activities where usually physical presence is required like missions, experts, communication activities etc. Due to the COVID-19 pandemic those activities were suspended and therefore the budget reduced.
3	18 November 2021	Chapter 11 - Remunerations: 136.900 Chapter 12 - Professional development: (65.288) Chapter 21- Building expenditure: 35.000 Chapter 22 - ICT: (2.405) Chapter 23 - Movable property expenditure: 3.248 Chapter 31 - Programme management expenditure: (107.455)	Revision of the salaries calculation (indexation rate equal to 3,5% instead of previously 2,6%) Decrease mainly of the CPE costs (Crèches et Petite Enfance) and SLA HR IDOC Increase due to the rise in SLA OIB charges. Decrease due to the revision of the MoU's costs and increase due to the needs of audiovisual equipment and of new servers. Increase relates to extra needs identified for removals and office supplies in view of offices rearrangements. 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)
4	6 December 2021	Chapter 11 - Remunerations: (475.202)	Decrease due to the low occupancy rate (numerous resignations during the last quarter) and the salary

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

	Date	Impact on commitment and payment appropriations in €	Main subject - description
			indexation, which was finally set at 1.9% instead of the 3.5% previously forecasted,
		Chapter 21- Building expenditure: 718.641	Increase related mainly to the municipality tax paid by the owner of the building (Immobilière Royal Rogier) and claimed for reimbursement by the real estate manager Cushman and Wakefield.
		Chapter 22 - ICT: 117.475	Increase related to the upgrade of all big rooms on the 7 th floor of COVE building with videoconferencing, the refurbishment of the auditorium on the 25 th floor and a couple of rooms of COV2 building, and in addition the replacement of some servers and the backup devices in the local IT infrastructure.
		Chapter 23 - Movable property expenditure: 5.589	Increase due to extra needs for some additional furniture.
		Chapter 31 - Programme management expenditure: (205.575)	Reduction linked mainly to: a) the difficulties in contracting consultants under the IT support expenditure (and also to several early contract terminations). b) The pandemic effect on missions, communication translation and expert's management
5	17 December 2021	Chapter 11 - Remunerations: (14.721)	After the final payment of the salaries and additional costs, the remaining amount was de-committed and transferred to other chapters.
		Chapter 12 – Professional development: (20.542)	Decrease due to unused funds for CPE (Crèche et Petite Enfance).
		Chapter 21- Building expenditure: 26.804	Additional amount needed for the municipality tax paid by the owner of the building (Immobilière Royal Rogier) and claimed for reimbursement by the real estate manager Cushman and Wakefield.
		Chapter 23 - Movable property expenditure: (3.546)	Decrease due to unused funds under removal costs and correspondence.
		Chapter 31 - Programme management expenditure: 13.314	Increase mainly due to one contract renewal for digital media services and to missions

The partial slowdown of the activities due to the COVID-19 crisis affected also the number of the invoices received and the payments made, respectively 715 in 2021 compared to 760 in 2020 and 987 in 2019 and 856 in 2021 compared to 966 in 2020 and 1558 in 2019.

1.2. Budget implementation

1.2.1. 2021 appropriations (C1)

The execution of commitments appropriations amounts to € 55.409.796,77 and the execution of payments appropriations amounts to € 52.560.900,29.

EUR

Title	2021 commitments appropriations (C1)	Commitments 2021	% of implementation on commitments 2021	Payments 2021	% of implementation on payments 2021	Total unused appropriations current year	Appropriations to be carried- forward to 2022
Title 1 - Staff expenditure	43.689.289,76	43.688.496,32	100,00%	43.132.281,45	98,73%	793,44	556.214,87
Title 2 - Infrastructure and operating expenditure	10.301.886,33	10.301.883,43	100,00%	8.621.636,20	83,69%	2,90	1.680.247,23
Title 3 - Programme support expenditure	1.419.417,64	1.419.417,02	100,00%	806.982,64	56,85%	0,62	612.434,38
Total	55.410.593,73	55.409.796,77	100,00%	52.560.900,29	94,86%	796,96	2.848.896,48

The implementation of the final budget appropriations, fund source C1, is at a level of 100 % for commitments (2020: 99,73 %) and 94,86 % for payments (2020: 96,25 %).

In 2021, the difference between commitments and payments amounts to € 2.848.896,48 (last column of the above table). The Agency carried forward this amount to 2022 as it corresponds to legal commitments contracted in 2021 but not yet paid on 31 December 2021.

Details are presented in the table below:

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

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)
Title 1	Staff expenditure	43.689.289,76	43.688.496,32	100,00%	43.132.281,45	98,73%	793,44	556.214,87
Chapter 11 - Remunerations, Allowances and Charges		41.707.077,18	41.706.285,90	100,00%	41.474.853,58	99,44%	791,28	231.432,32
1 1 1 1	Temporary agents	17.918.079,97	17.918.079,97	100,00%	17.918.079,97	99,92%	0,00	0,00
1 1 1 2	Contract Agents	22.124.494,21	22.124.494,21	100,00%	22.124.494,21	99,98%	0,00	0,00
1 1 2 1	Seconded National Experts	909.740,00	908.948,84	99,91%	908.761,50	98,99%	791,16	187,34
1 1 2 2	Interimaires & stagiaires	754.763,00	754.762,88	100,00%	523.517,90	73,65%	0,12	231.244,98
Chapter 12 - Professional Development and Social expenditure		1.982.212,58	1.982.210,42	100,00%	1.657.427,87	83,62%	2,16	324.782,55
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	544,59	544,59	100,00%	544,59	93,71%	0,00	0,00
1 2 2 1	Restaurant Canteens	108.000,00	108.000,00	100,00%	72.000,00	90,82%	0,00	36.000,00
1 2 3 1	Medical service	110.000,00	110.000,00	100,00%	79.319,00	59,85%	0,00	30.681,00
1 2 4 1	Training	360.608,84	360.607,73	100,00%	330.773,73	62,51%	1,11	29.834,00
1 2 5 1	Mobility and Public transportation	37.797,86	37.797,86	100,00%	30.797,86	80,90%	0,00	7.000,00
1 2 6 1	Social service and other interventions	935.472,87	935.472,68	100,00%	725.864,39	99,98%	0,19	209.608,29
1 2 7 1	External services (PMO)	427.172,00	427.172,00	100,00%	415.512,74	94,51%	0,00	11.659,26
1 2 8 1	Internal meetings events and reception	2.616,42	2.615,56	99,97%	2.615,56	78,92%	0,86	0,00
Title 2	Infrastructure	10.301.886,33	10.301.883,43	100,00%	8.621.636,20	83,69%	2,90	1.680.247,23
Chapter 21 - Building expenditure		7.097.803,55	7.097.803,55	100,00%	5.918.425,75	83,38%	0,00	1.179.377,80
2 1 1 1	Rental of building and associated costs	7.097.803,55	7.097.803,55	100,00%	5.918.425,75	88,67%	0,00	1.179.377,80
Chapter 22 - ICT		2.981.242,56	2.981.240,16	100,00%	2.588.826,73	86,84%	2,40	392.413,43
2 2 1 1	Hardware software and linked expenses	898.091,56	898.090,82	100,00%	512.617,39	74,42%	0,74	385.473,43
2 2 2 1	ICT services	2.083.151,00	2.083.149,34	100,00%	2.076.209,34	99,04%	1,66	6.940,00
Chapter 23 - Movable property and Current Operating expenditure		222.840,22	222.839,72	100,00%	114.383,72	51,33%	0,50	108.456,00
2 3 1 1	Furniture Material and Technical installations	142.101,52	142.101,02	100,00%	74.746,78	87,25%	0,50	67.354,24
2 3 2 1	Works of handling and removal of services	2.400,00	2.400,00	100,00%	1.098,24	86,60%	0,00	1.301,76
2 3 3 1	Paper mill office supplies	9.000,00	9.000,00	100,00%	0,00	90,00%	0,00	9.000,00
2 3 4 1	Correspondence stamping and carriage costs	58.000,00	58.000,00	100,00%	27.200,00	87,30%	0,00	30.800,00
2 3 5 1	Acquisition of information	1.747,70	1.747,70	100,00%	1.747,70	187,30%	0,00	0,00
2 3 6 1	Other current expenses (financial legal assurance)	9.591,00	9.591,00	100,00%	9.591,00	87,30%	0,00	0,00
Title 3	Programme Support expenditure	1.419.417,64	1.419.417,02	100,00%	806.982,64	56,85%	0,62	612.434,38
Chapter 31 - Programme Management expenditure		1.419.417,64	1.419.417,02	100,00%	806.982,64	56,85%	0,62	612.434,38
3 1 1 1	Experts, studies, representation and external meeting expenses	773,27	773,27	100,00%	273,27	74,63%	0,00	500,00
3 1 2 1	Missions and related costs	7.520,00	7.520,00	100,00%	4.187,52	91,37%	0,00	3.332,48
3 1 4 1	Expenses of Information, Publications and Communication	294.481,87	294.481,87	100,00%	148.255,60	39,44%	0,00	146.226,27
3 1 5 1	Expenses of translation	4.968,50	4.968,00	99,99%	4.225,50	96,90%	0,50	742,50
3 1 7 1	Operational related IT costs	1.111.674,00	1.111.673,88	100,00%	650.040,75	67,83%	0,12	461.633,13
TOTAL		55.410.593,73	55.409.796,77	100,00%	52.560.900,29	94,86%	796,96	2.848.896,48

As regards Title 1 - Staff expenditure, end 2021, 126 temporary agents, 358 contracts agents, 16 Seconded National Experts (in total 500 against 515 in 2020), were employed explaining the execution on chapters 11 and 12² (+4% in comparison to 2020).

² Chapter 11 concerns salaries and allowances and Chapter 12 concerns 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.

The breakdown by type of expenditure shows that the total staff expenditure (excluding the interim agents and trainees) accounts for about 73,9 % of total commitments (in comparison to 75,6 % in 2020).

93,7% of the amount committed covers the remuneration, allowances and charges of the staff (interim agents and trainees excluded). 4,5 % of the committed amount is related to professional development and social expenditure. The remaining balance concerns the "interimaires" costs (1,7%).

The trainings under item 1241 covered the following activities:

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

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

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 68,9 % of the amount committed under this title (73,5 % in 2020). 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 (28,9 % against 23,9 % in 2020).

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 floors³ and parking space of Covent Garden Building at place Rogier – 1210 Saint Josse as well as the 7th floor of the evaluation facilities of the COVE building as of 1 April 2018 which is rented to OIB through the Service Level Agreement.

IT expenditure (chapter 22) represents 28,9% of title 2 and concerns mainly:

- the maintenance/renewal of software, licences and servers;
- the audio visual equipment of the meeting rooms;

³

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

- 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 the Directorate General DIGIT of the Commission in the frame of the Level Agreement SLA for the network service, mailboxes and other Commission applications such as "Ares", "EU Learn" and "Sysper" and the related IT equipment and licences needed for the users. Within the context of the integration of the DIGIT's Digital Work place services for the ERCEA in this SLA, 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.

Chapter 23 (movable property and current operating expenditure) represents 2,2% of the Title 2 (against 2,7% in 2020).

Title 3 - Programme support expenditure, that represents 2,6 % of the total commitments (2,8 % in 2020), 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 (78,3% of Title 3 in 2021 in comparison to 76,2% in 2020).

The main appropriations to be carried forward to 2022 (€ 2.848.896,48 ; 5,1% of the budget) are on the main following activities:

- Municipality tax paid by the owner of the building (Immobilière Royal Rogier) and claimed for reimbursement for € 670.330,39;
- SLA OIB, € 563.968,91: balance payment;
- Operational related IT costs, € 461.633,13: this amount mainly concerns the payment of the IT consultants for the 4th quarter 2021 and for January 2022;
- IT hardware, software and linked expenses, € 392.413,43: mainly investments in ICT infrastructures (servers, audiovisual equipment, etc);
- Interim workers : € 179.613,54 related to 2021 November and December services;
- Crèches et Petite Enfance: balance payment for € 147.374,00 ;
- Communication € 146.226,27: mainly for the payments of costs linked to media services or campaigns, ERC website maintenance contracts

1.2.2. 2020 appropriations carried-forward to 2021 (C8)

The 2020 appropriations that were carried forward to 2021 as C8 appropriations amounted to € 1.818.504,42 (3,5 % of the budget). Out of this amount, € 1.594.440,62 have been paid (87,7 %, to be compared to 90,5 % in 2020). The 2020 appropriations (budget of € 52.178.495) have been finally paid at 99,3 % (€ 50.219.458,03 on C1 appropriations and € 1.594.440,62 on C8 appropriations).

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

Title	Payments appropriations carried-forward from 2020 (RAL C8)	Amounts paid	Total unused payment appropriations carried forward from 2020	% of implementation on appropriations carried-forward from 2020	Final amount from 2020
Title I - Staff expenditure	352.730,23	243.017,01	109.713,22	68,9%	0,00
Title 2 - Infrastructure and operating expenditure	907.590,89	821.417,51	86.173,38	90,5%	0,00
Title 3 - Programme support expenditure	558.183,30	530.006,10	28.177,20	95,0%	0,00
Total	1.818.504,42	1.594.440,62	224.063,80	87,7%	0,00

The main amounts that were unduly carried forward (€ 224.063,80) and therefore had to be de-committed are mainly the following:

- € 70.392,50 related to SLA OIB 2020;
- € 53.945,33 related to SLA HR 2020;
- € 26.820,08 related to the chair and screens reimbursement scheme for teleworking;
- € 14.324,00 related to SLA Translations 2020;
- € 13.032,00 related to coaching training
- € 45.549,89 related to different budget lines and contracts.

Details are presented in the table below:

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

Fund Source: C8

Budget line	Official Budget Item Desc (Fr)	C8 Appropriations (1)	Committed Amount (2)	% Committed (2/1)	Paid (2)	% Paid (2/1)	Total unused (de-committed) appropriations (1-2)	Appropriations to carry forward to 2020 (2-3)
Title 1	Staff expenditure	352.730,23	243.017,01	68,90%	243.017,01	68,90%	109.713,22	0,00
Chapter 11 - Remunerations, Allowances and Charges		67.841,60	61.978,26	91,36%	61.978,26	91,36%	5.863,34	0,00
1 1 2 1	Seconded National Experts	95,34	95,34	100,00%	95,34	100,00%	0,00	0,00
1 1 2 2	Interimaires & stagiaires	67.746,26	61.882,92	91,35%	61.882,92	91,35%	5.863,34	0,00
Chapter 12 - Professional Development and Social expenditure		284.888,63	181.038,75	63,55%	181.038,75	63,55%	103.849,88	0,00
1 2 1 1	Recruitment, entering and leaving the service, transfer costs	42,76	0,00	0,00%	0,00	0,00%	42,76	0,00
1 2 2 1	Restaurant Canteens	33.821,81	0,00	0,00%	0,00	0,00%	33.821,81	0,00
1 2 3 1	Medical service	12.041,80	954,00	7,92%	954,00	7,92%	11.087,80	0,00
1 2 4 1	Training	147.133,25	125.955,96	85,61%	125.955,96	85,61%	21.177,29	0,00
1 2 5 1	Mobility and Public transportation	3.975,50	562,00	14,14%	562,00	14,14%	3.413,50	0,00
1 2 6 1	Social service and other interventions	65.492,41	31.185,69	47,62%	31.185,69	47,62%	34.306,72	0,00
1 2 7 1	External services (PMO)	22.381,10	22.381,10	100,00%	22.381,10	100,00%	0,00	0,00
1 2 8 1	Internal meetings events and reception	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00
Title 2	Infrastructure	907.590,89	821.417,51	90,51%	821.417,51	90,51%	86.173,38	0,00
Chapter 21 - Building expenditure		569.253,60	500.729,31	87,96%	500.729,31	87,96%	68.524,29	0,00
2 1 1 1	Rental of building and associated costs	569.253,60	500.729,31	87,96%	500.729,31	87,96%	68.524,29	0,00
Chapter 22 - ICT		264.610,42	254.492,42	96,18%	254.492,42	96,18%	10.118,00	0,00
2 2 1 1	Hardware software and linked expenses	180.108,36	177.407,61	98,50%	177.407,61	98,50%	2.700,75	0,00
2 2 2 1	ICT services	84.502,06	77.084,81	91,22%	77.084,81	91,22%	7.417,25	0,00
Chapter 23 - Movable property and Current Operating expenditure		73.726,87	66.195,78	2,83	66.195,78	89,79%	7.531,09	0,00
2 3 1 1	Furniture Material and Technical installations	37.892,99	37.226,55	98,24%	37.226,55	98,24%	666,44	0,00
2 3 2 1	Works of handling and removal of services	133,88	0,00	0,00%	0,00	0,00%	133,88	0,00
2 3 3 1	Paper mill office supplies	4.200,00	0,00	0,00%	0,00	0,00%	4.200,00	0,00
2 3 4 1	Correspondence stamping and carriage costs	16.500,00	13.969,23	84,66%	13.969,23	84,66%	2.530,77	0,00
2 3 6 1	Other current expenses (financial legal assuranc	15.000,00	15.000,00	100,00%	15.000,00	100,00%	0,00	0,00
Title 3	Programme Support expenditure	558.183,30	530.006,10	94,95%	530.006,10	94,95%	28.177,20	0,00
Chapter 31 - Programme Management expenditure		558.183,30	530.006,10	94,95%	530.006,10	94,95%	28.177,20	0,00
3 1 1 1	Experts, studies, representation and external meeting expenses	11.467,50	0,00	0,00%	0,00	0,00%	11.467,50	0,00
3 1 2 1	Missions and related costs	396,00	169,90	42,90%	169,90	42,90%	226,10	0,00
3 1 3 1	Audit expenses	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00
3 1 4 1	Expenses of Information, Publications and Communication	92.365,45	90.205,85	97,66%	90.205,85	97,66%	2.159,60	0,00
3 1 5 1	Expenses of translation	20.000,00	5.676,00	28,38%	5.676,00	28,38%	14.324,00	0,00
3 1 7 1	Operational related IT costs	433.954,35	433.954,35	100,00%	433.954,35	100,00%	0,00	0,00
TOTAL		1.818.504,42	1.594.440,62	87,68%	1.594.440,62	87,68%	224.063,80	0,00

2. REVENUE

In accordance with Article 5 of the Standard Financial Regulation for the Executive Agencies⁴, 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	Outstanding at the end of the year
200	Commission subsidy	51.319.000,00	4.091.593,73	55.410.593,73	55.410.593,73	55.410.593,73	0,00
910	Recuperation of expenses				118.026,39	118.026,39	0,00
920	Miscellaneous revenue	pm	pm	pm	339.134,35	101.298,27	237.836,08
TOTAL		51.319.000,00	4.091.593,73	55.410.593,73	55.867.754,47	55.629.918,39	237.836,08

To cover its administrative costs for 2021, the ERCEA receives a subsidy from the EU budget. This subsidy of € 55.410.593,73 was paid in six instalments by the parent DG of the Agency.

The received other revenues (€ 219.324,66, income budget lines 910 and 920) consist mainly in:

- the recovery of amounts overpaid to contractors € 9.067,56;
- the recovery of amounts overpaid to the European Commission for the services provided to the Agency by DGs through SLAs (Service level Agreement) € 108.958,83;
- the recovery of € 3.750,00 out of the € 9.000,00 of 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, € 2.625 received in 2020, 3.750 received in 2021, € 2.625 still to receive);
- the re-invoicing to the EISMEA 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 2021 to 23 September 2022 (€ 97.548,27).

The amount still to be received (€ 237.836,08) corresponds to:

- the € 2.625 still to receive regarding the costs of proceeding as described above;
- the re-invoicing to the REA of the part already paid by the ERCEA to the contractor for the renting of a part of the 19th floor of the COV2 building and for the period from 1 January 2022 to 23 September 2022 (€ 235.211,08).

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

⁴ Commission Regulation (EC) n°1653/2004 of 21 September 2004 on a Standard Financial Regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes amended by Commission Regulation (EC) n° 1821/2005 of 08 November 2005 and Commission Regulation (EC) n° 651/2008 of 09 July 2008.

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

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

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

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.

Report on the budgetary and financial management of the European Research Council Executive Agency (ERCEA)
Financial Year 2021

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.