RULES ON THE USE OF APPROPRIATIONS FROM BUDGET ITEM 400

Adopted by the EP Bureau on 30 June 2003
and amended by the EP Bureau on 22 March 2006
further modified by the EP Bureau on 11th July 2007
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further amended by the EP Bureau on 2 July 2012
further amended by the EP Bureau on 11 March 2013
and further amended by the EP Bureau on 24 February 2014 and 14 April 2014
and further amended by the EP Bureau on 27 April 2015

IMPLEMENTING PROVISIONS OF THE GROUP OF THE PROGRESSIVE ALLIANCE OF SOCIALISTS & DEMOCRATS

Adopted by the Administrative Bureau on 6th December 2000
revised by the Administrative Bureau on 10th December 2003
updated by the Secretariat November 2007
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revision adopted by the Group on 12th December 2012
revision adopted by the Group on 16th December 2015
revision adopted by the Group on the 14th December 2016
PART 1 - Regulation

RULES ON THE USE OF APPROPRIATIONS FROM BUDGET ITEM 400
ADOPTED BY THE BUREAU ON 30 JUNE 2003¹

Preamble

The Bureau shall adopt these rules in the light of what is required because of the specific way in which the political groups operate.

These rules shall comply with the principles of unity, budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency.

Parliament shall confer responsibility for implementation on the groups. These rules shall include the appropriate provisions to ensure transparency of the transactions carried out, and shall include:

a) procurement procedures;
b) an effective internal control system for management operations;
c) accounting arrangements for those operations plus procedures for the presentation of accounts with a view to ascertaining that Community funds are properly used and determining the real extent to which they are so used;
d) an independent external audit;
e) publishing of accounts.

PART ONE - THE RULES

Chapter 1. GENERAL PROVISIONS

1. Legal basis of the management of the appropriations

The political groups manage the funds allocated to them according to the principles of indirect management of funds in analogical application of Article 60 of the Financial Regulation², whereby the specific requirements of the groups are taken into account in accordance with the provisions laid down in this regulation.

1.1 Nature of expenditure

1.1.1 The appropriations made available from item 400 are intended to cover:
- the administrative and operational expenditure of the political groups / non-attached Members' secretariat;
- expenditure on political and information activities conducted by the political groups/non-attached Members in connection with the European Union's political activities.

These appropriations may not:
- substitute for expenditure already covered by other budget items within the budget of the European Parliament, in particular expenditure under

1.1.1 Implementing measures:
- Rules governing Members’ missions adopted by the Group
- Implementing rules on the commitment and settlement of expenditure adopted by the Bureau of the Group
- Procurement guide adopted by the Bureau of the Group

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the Statute for Members of the European Parliament (hereinafter "the Statute") with the exception of expenses defrayed from the allowances provided for in Articles 25 and 33 of the Implementing Measures for the Statute for Members of the European Parliament, on condition that such expenses are listed in the accounting plan annexed to these rules.

To this end, the necessary measures must be taken by the political groups and the Administration to prevent any risk of double payment, particularly with regard to the general expenditure allowance, parliamentary assistance allowances, travel and subsistence expenses and visitors groups.

In cooperation with the Secretary-General of Parliament, the secretaries-general of the political groups shall determine arrangements to permit the exchange of information and to ensure a clear allocation of responsibilities;

- be used to finance any form of European, national, regional or local electoral campaign (guidelines for the interpretation of this indent are annexed to these rules);

- be used for the acquisition of immovable property or vehicles;

- be used to finance political parties at national and European level or their dependent bodies (including political parties' legally independent foundations) within the meaning of Regulation (EC) 2004/2003 of the European Parliament and of the Council of 4 November 2003 on the

In case of co-organisation with an affiliated organisation or with a European/national political party/foundation, the Authorising Officer must pre-approve the activity, on the basis of a written agreement, clearly indicating the responsibilities of all the parties involved and a clear

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regulations governing political parties at European level and the rules regarding their funding;

- be used to acquire financial participation or ownership in any other organisation.

1.1.2 The nature of expenditure must conform to the common accounting plan, which forms an integral part of these rules.

1.1.3 The appropriations may not be used to cover expenses where this may give rise to a conflict of interests, as defined in Article 57 of the Financial Regulation.

1.2 Allocation of appropriations

1.2.1 The allocation of the appropriations between the political groups and the non-attached Members shall be the subject of a decision of the Bureau based on a scale proposed by the chairs of the political groups. This allocation shall be established on the basis of the composition of the

description of how the costs are divided amongst the parties involved.

The Group is obliged to respect the rules governing budget item 400, which implies:

- The political Group’s involvement must be genuine;
- The estimated expenditure of each co-organiser must be determined in advance;
- The name/logo of the Group must feature at least as prominently as that of the European/national political party/foundation;
- There must be a clear separation of costs between the party/foundation and the Group. Services provided by the party/foundation are to be invoiced at cost price. Whenever services invoiced by the party/foundation to the Group are subcontracted, invoices together with the proof of payment to the subcontractor must be provided.

political groups and the number of non-attached Members as at 1 January of the year in question. It shall be distributed according to the rule set in Annex 3.

1.2.2 The political groups / non-attached Members may not finance their activities, as described in Article 1.1.1 of these rules, from resources other than those made available to them under budget Item 400 or the resources derived therefrom. Political groups / non-attached Members in their capacity as Members of the European Parliament may not receive either donations or legacies.

1.3 Changes and mergers between groups and dissolution of groups

1.3.1 Changes to the composition of the groups during the course of the financial year shall give rise to a proportional reallocation of appropriations on a pro rata basis.

This reallocation shall come into effect on the first day of the month following the date upon which the composition of the political group(s) was altered. The Administration shall carry out this reallocation at the beginning of the following financial year, when the appropriations are paid.

In the case of an especially significant change in composition, the Administration will submit a reallocation of appropriations to the Bureau for its approval.

Where one or more members of a political group opt to become non-attached, the amount to which a non-attached Member is entitled shall be reimbursed on a pro rata temporis basis. This reallocation shall come into effect on the first day of the month following the date upon which the

| 1.2.2 The bank accounts opened by the Group may not receive funds other than those described in Article 1.2.2 of the Rules. |
|---|---|
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composition of the political group(s) was altered. The Administration shall inform the political group(s) of the amount to be reimbursed; reimbursement shall be effected no later than one month after notification by the Administration. Should the amount not be reimbursed, it shall be deducted at the beginning of the following financial year, when the appropriations are paid.

Where a non-attached Member joins a political group, the Administration shall prepare a report on the statement of expenditure as at the date on which he or she joins the group. If appropriate, the appropriations not used by the non-attached Member shall be transferred to the group concerned.

1.3.2 Where a political group is dissolved, the former chair of the group shall remain responsible for the preparation of final accounts as of the date of the dissolution of the political group. Appropriations shall not be used to finance expenditure incurred after the date of the dissolution, unless it relates to the liquidation or a legal commitment previously entered into writing.

The political group shall forward to the President of the European Parliament, no later than three months after the date of the official dissolution of the group, a report on the use of the appropriations for the financial year in question in accordance with the detailed rules set out in Articles 2.7.1 and 2.7.2 of these rules.

Following the preparation of the financial statements as of the date of the dissolution of the group, the realisation of all assets and liabilities of the group shall be effected under the joint supervision of the former chairman of the group and of the Secretary-General of the European Parliament or his/her representative. The net assets, including any fixed assets, shall be reimbursed to the European Parliament.
The political group shall forward to the European Parliament, no later than three months after the date of the official dissolution of the group, all documents pertaining to the implementation and execution of the budget of the political group. These shall be kept for a period of at least five years after the discharge granted by the Parliament to the President.

Where a non-attached Member resigns, the Administration shall close the accounts of that Member, taking account of commitments previously entered into in writing.

1.4 Responsibility

The political groups shall be responsible to the institution for the use of appropriations, within the limits of the powers conferred upon them by the Bureau for application of these rules. They shall ensure that the appropriations are used in accordance with these rules and they shall take appropriate action to prevent any expenditure which is not in accordance with these rules.

The political group, represented by its chair, shall have authorising officer powers. Each group’s internal rules shall make provision for the appointment of an authorising officer by delegation.

The authorising officer by delegation and authorising officers by sub-delegation shall be empowered to authorise expenditure, to establish entitlements to be collected and to issue recovery orders and payment orders.

1.4 Responsibility

By delegating decision taken by the group represented by its chairman, the Bureau shall be appointed as principal delegated authorising body. The Bureau shall appoint delegated and sub-delegated authorising officers; the instrument appointing a delegated or sub-delegated authorising officer shall stipulate the scope of the powers conferred.

Delegated or sub-delegated authorising officers may act only within the limits fixed by the instrument of delegation or sub-delegation. The competent delegated or sub-delegated authorising officer may be assisted in his or her duties by one or more officials responsible for carrying out, under the responsibility of the former, certain operations necessary to the execution of the budget.
### 1.5 Publicity, co-organisation and sponsoring

1.5.1 The name and / or logo of the political group must be clearly mentioned in connection with any political or information activity financed by the appropriations entered under Item 400.

1.5.1.1 Publications or other information material or activities published or produced by non-attached Members shall carry the name of the Member and full, clear indication of his or her status as a "Non-Attached Member of the European Parliament", either beside or directly below the name of the Member. Both the name and status must be prominent and must appear on the cover page of any publication or information material produced.

The use of the logo of the European Parliament is not permitted for a non-attached Member without authorisation for its use from the Secretary-General of the European Parliament.

As at present, these communications activities and publications by non-attached Members shall indicate that sole liability rests with the author and that the European Parliament is not responsible for any use that may be made of the information contained therein.

1.5.1.2 Publications or other information material or activities which are published or produced by individual Members of the European Parliament who belong to a political group within the meaning of Rule 30 of the Rules of Procedure[^6] will carry the name and/or logo of the political group to which they belong.

1.5.1.2. The price for edibles/drinkable gadgets should not exceed 10 EUR per item, VAT excluded. The price for other gadgets should not exceed 21 EUR per item, VAT excluded. Design and delivery costs are included in these ceilings. The total yearly share of all gadgets produced by a given national delegation must not exceed 35% of its total yearly budget (carry forward included).

[^6]: The references to the Rules of Procedure are to the version in force at the date of adoption of the last Bureau amending decision.
<table>
<thead>
<tr>
<th>The use of the European Parliament logo by individual Members who belong to a political group is to be subject to an authorisation procedure by the Group to which they belong.</th>
<th>Items produced should clearly be gadgets for “wide” distribution and not for “gifts” (except when gadgets are only produced for a specific activity). Expenses for catering/breakfast/lunch/dinner should not exceed 55 EUR excluding VAT per person. For specific situations e.g. VIP guests, where some flexibility is requested, the project should be presented to the Authorising Officer for prior approval.</th>
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<tr>
<td>1.5.2 Political groups and non-attached Members may organise political or information activities jointly with third parties. In such cases the involvement of the political group or of the non-attached Member must be genuine. For political groups, their name and/or logo must feature as prominently as those of the other organisers. For non-attached Members, their status as a non-attached member of the European Parliament must feature as prominently as that of the other organisers. The likely expenditure of each co-organiser must be determined in advance.</td>
<td>1.5.2 The name and/or logo of the Group must feature in a prominent place on all material produced. At the time of settlement in respect of a co-organised activity, a statement of expenditure signed by all the co-organisers OR a statement of expenditure accompanied by a copy of the invoices paid by the co-organisers must be presented, showing the expenditure of each of the co-organisers. In this case, the size of the Group’s name and logo must be at least as prominent as the name / logo of the other co-organisers.</td>
</tr>
<tr>
<td>1.5.3 In their political or information activities the political groups / non-attached Members may mention third parties involved in those activities. In such cases the names and logos of those third parties shall be less prominent than those of the political group / non-attached Members.</td>
<td>1.5.3 If there is no payment by a third party, the activity shall be exclusive to the parliamentary group or its national delegations. The logo or name of the third party shall be less prominent and must be perceived as such. This logo must be limited in size and at the bottom of the material so that the third party cannot be mistaken as a co-organiser of the activity. <strong>A pre-approval request is strongly recommended.</strong></td>
</tr>
<tr>
<td>1.5.4 Any service provided by political parties or by their dependent bodies in connection with the organisation of activities must be properly invoiced at cost price; if services are subcontracted, invoices together with proof of payment to the subcontractor must be provided to the political groups / non-attached Members.</td>
<td>1.5.4 If a paying third party cannot invoice with VAT, the original invoices of any subcontractors shall be submitted to the Group.</td>
</tr>
</tbody>
</table>
1.6 Subscriptions and subsidies to third parties

1.6.1 Without prejudice to Article 1.1.1 of these rules, political groups/non-attached Members may support external organisations financially from Item 400 appropriations, in the form of a subsidy or a subscription, up to a total amount of 5% of their annual appropriations received under Item 400. In doing so, they must ask for an audited statement or financial statement of the use of the support received where the sum involved exceeds €10 000. Subsidies may not be paid to national or European political parties or to their dependent bodies (including political parties' legally independent foundations).

1.6 Subsidies:

Decisions regarding subsidies shall be taken by the Bureau.
- National delegations may not give subsidies or pay subscriptions.
- The Group may not grant subsidies intended to cover the running costs of organisations.
- The Group may finance specific events organised by third organisations only in accordance with Article 1.1.1.
- The Group may not finance an action in its entirety. The request for a subsidy shall be submitted with a programme and a draft budget.
- Following the decision of the Bureau, upon specific request the Group may advance 50% of the total subsidy agreed.
- The final payment shall be made after submission of a financial statement on implementation of the draft budget submitted and accompanied by copies of invoices paid and supporting documents regarding the activity.
- The name of the Group shall be referred to in the activity.

Subscriptions

If the Parliamentary Group is a member of a third organisation, a subscription may be paid. The amount of the subscription shall be approved by the Bureau. Payment of the subscription shall be subject to submission of the budget of the third organisation, in which the Group’s subscription shall appear. A copy of the balance sheet and revenue and expenditure account for the previous financial year shall also be submitted. Management accounts shall be such as to enable an audited statement to be drawn up on the use of appropriations received by the group as required in Article 1.6.2.
### 1.7 Employment contracts

**1.7.1** Other than staff employed in conformity with the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities, the political groups may employ contractual personnel and conclude service contracts using appropriations from Item 400.

An employment contract shall include at least the following details:
- information enabling the contracted person's identity to be verified,
- the length of the contract,
- a summary job description,
- the place(s) of work,
- the working hours (full-time/part-time),
- the gross monthly salary of the contracted person and any other financial entitlements, holiday pay, end-of-year bonus and arrangements for mission expenses,
- provision of a monthly pay slip,
- arrangements governing annual leave, including the length thereof,
- arrangements governing termination of the contract, including the period of notice,
- a clause specifying the national law applicable to the employment contract,
- the national social security scheme⁷ of which the contracted person is a member,
- a clause expressly stating that the other party of the employment contract is the political group and not the European Parliament.

### 1.7 Employment contracts

**1.7.1** The Group may not conclude an employment contract under private law.

The national delegations, in the context of decentralised appropriations, may conclude employment contracts or contracts for the provision of services under their exclusive responsibility. The job description and tasks performed shall comply with Article 1.1.1.

The employment contract shall contain the following:
- name of the delegation and its representative, who shall be the chair or treasurer,
- details identifying the employee,
- duration of contract,
- job description complying with the first paragraph,
- place(s) of work,
- working hours (full-time / part-time),
- salary (before tax).

National delegations shall submit documentation pertaining to membership of the employee in a social security scheme and proof that an industrial accidents insurance policy has been taken out or, if such cover is included in the social security scheme, a certificate from the competent national body.

National delegations shall comply with the tax and social security provisions applicable.

The contract shall include a declaration that neither the European Parliament nor the Parliamentary Group may be regarded as employers or a contracting party.

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⁷ Pursuant to Article 4 of Regulation (EEC) No 1408/71 of 14 June 1971, social security consists of the following branches: (a) sickness and maternity benefits; (b) invalidity benefits; (c) old-age benefits; (d) survivors' benefits; (e) benefits in respect of accidents at work and occupational diseases; (f) death grants; (g) unemployment benefits; and (h) family benefits.
A service contract shall include at least the following details:
- the identity and legal status of the service provider,
- the length of the contract,
- a description of the services to be provided,
- the place(s) where services are to be provided,
- the price (including VAT, where appropriate),
- a clause specifying the national law applicable to the service contract,
- the service provider's obligation to comply with the law applicable to him or her,
- the service provider’s VAT registration number and business registration number (or relevant legal basis for exemption from the obligation to be so registered),
- a clause expressly stating that the other party of the service contract is the political group and not the European Parliament.

The groups shall make the necessary arrangements to ensure checks on compliance. Employment contracts or contracts for the provision of a service lasting six months or more which are concluded by the political groups shall be forwarded each quarter, together with a copy of the most recent salary statement or invoice, to the Secretary-General of the European Parliament for information.

Employment contracts are not authorised for non-attached Members.

National delegations may conclude contracts for the provision of services. Such contracts shall include the following:
- identity of the service provider (natural or legal person);
- duration of contract,
- description of the services to be rendered, which shall comply with Article 1.1.1,
- the price (including VAT, where applicable),
- the service provider's obligation to comply with the applicable legislation,
- specific reference that there is no connection between provider and national delegation,
- a declaration that neither the European Parliament nor the Parliamentary Group may be considered as a contracting party.

A fees invoice shall be presented for settlement, accompanied by proof of the work undertaken. In exceptional cases, taking into account the purpose of the contract, this may take the form of a declaration by the provider, signed by the delegation chair by way of confirmation.
Chapter 2: FINANCIAL REGULATION

2.1 General provisions

2.1.1 The appropriations shall be paid to the political groups at the beginning of each financial year, or at the beginning of each month should the provisional twelfths system apply, into bank accounts specially opened for that purpose.

The financial year shall begin on 1 January and end on 31 December.

However, in the years in which European elections are held, the first budgeting period shall begin on 1 January and end on 30 June and the second shall begin on 1 July and end on 31 December.

2.1.2 Each group shall adopt internal financial rules. The Secretary-General shall be notified of these internal financial rules and of any revision thereof. The rules shall be published electronically on Parliament's Internet site. In accordance with those rules, each group shall adopt an annual budget, which shall authorise the revenue and expenditure.

2.1.2 Group Budget (Rule 49 of the Group’s Rules of Procedure)

1. The group shall hold an annual debate on the budgetary priorities for the following financial year.

2. On a proposal from the treasurer, the Bureau shall adopt the group's draft annual budget.

3. The treasurer shall submit the draft budget adopted by the Bureau to group members. Members shall have two weeks to table amendments. An amendment to the draft budget may be tabled by a national delegation or by a group of members representing at least five per cent of the group as a whole.

4. The Bureau shall, on a proposal by the treasurer, deliver its opinion on the amendments tabled, and may table compromise amendments. Its opinion shall be forwarded to the group.

5. The group shall vote on the compromise amendments and on all the amendments tabled and shall adopt the budget in final form.
2.1.3 Payment shall constitute the final action whereby the group is discharged of its obligations towards its creditors.

2.1.4 If no budget has been adopted before 1 January, commitments and payments shall be possible under the provisional twelfths system if the expenditure was authorised in principle in the last budget adopted by the group.

2.1.5 Revenue and expenditure shall be entered in their full amount in the budget and in the expenditure and may not be offset one against the other. No revenue may be generated, no commitment or payment made without reference to a chapter, an article or an item or a line within the budget.

2.1.6 Appropriations that are not used during the financial year may be carried over to the following financial year up to a maximum of 50% of the annual appropriations received from the European Parliament's budget. Amounts exceeding 50% shall be repaid to Parliament's budget, after the accounts have been closed and the auditors’ report submitted to the President of the European Parliament.

For the purpose of calculating the carry-over in election years for those groups which continue to exist after the elections, the two half-yearly budgetary periods shall be aggregated and regarded as constituting a single financial year as referred to in this paragraph.

2.1.6 The Central Group’s and National delegations’ authorised carry-forward

The Group shall be authorised to carry forward 40% of the appropriations in the budget of the financial year in question, carry forward from previous year excluded, to the following financial year. Each national delegation shall be authorised to carry forward 30% of the appropriations in the budget of the financial year in question, carry forward from previous year excluded, to the following financial year. This carry-forward shall be subject to Article 2.1.6 of these rules, and may be reduced should the Group be required to reimburse appropriations to the European Parliament.

Amounts resulting from individual delegations’ carry forward exceeding the authorised maximum 30% will be added to the total amount of decentralised credits on next financial year’s budget subject to eventual reimbursement to the European Parliament.

Amounts resulting from the central group's carry over exceeding the authorised maximum 40% will be added to the total budget of next
2.1.7 The budget shall be implemented in accordance with the principle that the duties of authorising officer and accounting officer are mutually incompatible.

2.1.8 All revenue received and all expenditure incurred must have a proper legal basis and must reflect sound financial management.

2.1.9 Each group may decide, in accordance with its own internal rules, on any delegation to a member of the group and/or staff employed by that group. Any delegation must set the limits and conditions of the delegation and must be documented by a written decision.

2.1.10 Appropriations may be set aside within the budget to cover centralised or decentralised political and information activities.

Each group must adopt specific rules and procedures regarding the commitment and execution of decentralised appropriations.

The authorising officer responsible may provide for the opening of imprest accounts pursuant to Article 2.5.5 of these rules in order to effect expenditure relating to activities at regional level.

2.1.11 Each group must adopt rules governing the transfer of appropriations from one item to another within its own budget.

2.1.12 Each group must keep, for a period of at least five years after the discharge granted by the European Parliament to its President, all documents pertaining to the implementation and execution of the budget. The Administration shall keep, for at least five years after the discharge granted to the President for the execution of the budget, the reports financial year subject to eventual reimbursement to the European Parliament.
forwarded by non-attached Members.

2.2   Execution of the budget

2.2.1 The appropriations authorised within the budget cover one financial year.

2.2.2 The budgets of the political groups are established in accordance with the common accounting plan shown in Part 2 of these rules. The groups may introduce any sub-divisions they wish provided that they respect the common accounting plan.

2.2.3 Each group must introduce an internal control system and ensure that each budgetary transaction is processed by:

- the staff member responsible for initiation tasks;
- the staff member responsible for ex ante verifications;
- the responsible authorising officer.

Initiation and ex ante verification duties are mutually incompatible, as shall be authorising officer and accounting officer duties. Staff members responsible for ex ante verifications may not come under the authority of staff members responsible for initiation tasks.

Before payment orders are issued, steps shall be taken to:
- determine or verify the existence and the amount of the sum due;
- verify the availability of the appropriations;
- verify that all supporting documents have been collected;
- verify the conditions under which payments fall due; and
- verify that the expenditure is in line with the rules governing the use of the appropriations under Item 400.

2.2.3 The Bureau

The Bureau shall exercise administrative and financial powers in accordance with Rule 29 of the group's Rules of Procedure and the current Financial Regulation. Its duties shall include the following:
- exercising the functions of principal delegated authorising body;
- adopting the draft budget;
- adopting the financial regulations and implementing rules;
- executing the budget and implementing transfers of appropriations within the budget;
- forwarding audited accounts to the European Parliament and to the auditors;
- adopting, on a proposal by the Secretary-General, all administrative rules having financial implications for the Group.
PROCEDURE FOR AUTHORISATION AND SETTLEMENT OF EXPENDITURE

I. Authorisation of expenditure

A – Authorising officers and imprest administrators

The Bureau shall decide, at the start of the parliamentary term, on the powers to be delegated to the Chairman and Treasurer (as delegated authorising officers), to the chairs and treasurers of national delegations (as imprest administrators) and to members of the secretariat (as delegated or sub-delegated authorising officers).

It shall lay down the extent and conditions for exercise thereof.

The Bureau may at any time modify delegations of powers and the extent or conditions for exercise thereof.

B – Procedure for the authorisation of expenditure

All Group expenditure with the exception of expenditure under Chapter VII, Article 1 – Political and information activities of the Members, administrative expenses and political and information activities of the national delegations – shall be authorised in advance.

The Bureau as principal delegated authorising body

Requests to the Bureau shall be forwarded to it by the Secretary-General, having been approved by the head of sector concerned and signed by the initiator.

Requests shall include the purpose of the expenditure, the total cost in euro and the necessary supporting documents, depending on the type of expenditure (see annex: Manual on authorisation and settlement of expenditure).
The ex-ante monitoring service shall process the request and inform the Bureau, which shall check for compliance with these rules.

The Bureau shall authorise the expenditure either in ordinary session or, where necessary, by means of a written urgent consultation procedure, and may appoint a specific sub-delegated authorising officer to execute legal obligations. (The sub-delegated authorising officer may not be the same person as the initiator.)

The decisions of the Bureau shall be minuted and the interested parties notified.

**Delegated authorising officers**

The delegated authorising officers designated by the Bureau shall, at the start of the financial year, make the provisional commitments for current expenditure. Delegated authorising officers shall authorise each item of expenditure, and shall proceed with the legal commitments necessary for executing expenditure following the opinion of the ex-ante monitoring service.

**Initiators** of expenditure

The **initiator** is the person who deals with, prepares and follows-up acts and financial operations, it being understood that the authorising officer is responsible for decision-taking.

1. The **initiator** of expenditure shall prepare:
   - administrative acts, contracts required for decision-taking by the authorising officer,
   - order forms approved before signature by the authorising officer by the **ex-ante monitoring** service, which shall ascertain the availability of funds and compliance with the expenditure commitment and with the rules on Item 400.
2. The **initiator** shall, under normal circumstances, be the only point of contact for third parties with whom an order or a contract has been placed.

He shall strictly respect the decisions of the authorising officer.

3. The **initiator** shall ensure that the goods or services ordered or contracted for have been delivered in conformity with the decision of the authorising officer.

II. - **Authorising officers and ex-ante monitoring**

- Authorising officers shall be responsible for executing revenue and expenditure operations in accordance with the principles of good financial management and ensuring the legality and regularity of such operations.

  The execution of revenue operations shall include drawing up estimates of amounts due, establishing entitlements to be collected, and issuing recovery orders. It shall include, where necessary, relinquishing established amounts due.

Authorising officers, assisted by the ex-ante monitoring service, shall verify:

- On adoption of a budgetary commitment:
  a) that the charge on the budget is accurate;
  b) that appropriations are available;
  c) that the expenditure complies with these rules and other provisions adopted by the group;
  d) that the principle of sound financial management is being
adhered to.

• On registering a legal obligation:
  a) that the obligation is covered by a matching budgetary appropriation;
  b) that the expenditure complies with these rules and other provisions adopted by the group
  c) that the principle of sound financial management is being adhered to.

• On settling items of expenditure, it shall:
  a) verify that the creditor holds a valid claim,
  b) determine or verify the validity and amount of the claim;
  c) verify the conditions in which the claim is payable.

When important remarks or negative opinions are given by the ex-ante department, the Authorising Officer decides either, to follow the ex-ante department's opinion or to overrule the negative opinion. When overruling this negative opinion, the Authorising Officer must document the reasons for the final approval of the invoices.

III – Expenditure validation procedures

Where the Bureau is the delegated authorising body or decentralised expenditure is involved, validation shall be carried out jointly by the Treasurer.

Expenditure relating to the office of Chairman shall be validated by the Treasurer. Expenditure relating to the office of Treasurer shall be validated by the Chairman.
Other expenditure shall be validated by the delegated or subdelegated authorising officer(s).

**Centralised activities**
On receipt of the invoice or request for settlement and supporting documents depending on type of expenditure, by the financial service, it shall forward the invoice or request for payment and supporting documents to the initiator of the expenditure, who is responsible for giving the “certified correct” by signing the invoice or the request for payment. Meaning he is confirming that the items that are the subject of the order or contract have been delivered in accordance with the decision of the Authorising Officer. The financial service shall then prepare the file and proceed with the conformity check with the rules in order to present it to the delegated or subdelegated Authorising Officer who is then responsible to apply the “pass for payment” by signing the payment order.

**Decentralised activities (2.1.10)**
For the decentralised activities of the national delegations, the members who conclude a contract for the supply of goods and/or services can in no case engage the Group’s responsibility towards the supplier. The member remains personally liable until the settlement of the expenditure by the S&D Group. However, his responsibility may still be engaged in case of fraud or embezzlement proved by the ex-post control.
In the case of decentralised appropriations, the chair or treasurer of a national delegation shall send a request for validation to the financial service, accompanied by the original invoice or by the request for payment, together with the necessary supporting documents, depending on type of expenditure. Proof of payment shall be attached if payment has been made from an account opened in connection with a permanent imprest account.
In the case of subcontracting, referred to in Article 1.5.3 of the Rules, the invoice shall be produced and accompanied by proof of payment to the subcontractor.
2.2.4 Commitments and payments may only be made within the appropriations available. Any commitment decision must cover the exact amount.

2.2.5 The issue of payment orders shall constitute the act whereby instruction is given to pay an item of expenditure.

The **financial** service shall prepare the file in the light of Article 2.2.4 of the Rules and forward it for validation to the Treasurer, who shall sign to authorise the expenditure and the issue the payment order.

**IV – Payment**

Every item of expenditure shall be paid directly from a Group bank account to the supplier of the goods or services. For payments over a threshold of 2500 €, in view of double checking the bank details of new suppliers and before amending bank details of existing suppliers, the Accounting unit will contact these suppliers via contact information other than that mentioned on the invoice and obtain a confirmation of bank details by email. This procedure is not obligatory for guests participating in Group events who personally fill out and sign their reimbursement request forms.

Cash payments shall be authorised in exceptional circumstances for practical reasons that shall be duly justified. Preapproval is strongly recommended in case of cash payment above 1,000 €.

However, the Group may reimburse payment by a third party if this is necessary. In that event, the Group shall reimburse the expenditure to the third party upon presentation of a signed claim for reimbursement, accompanied by the original invoice sent to the Group and proof of payment.
2.3 Procurement

Unless the provider is an institution or has already been selected by an institution, following an invitation to tender, all purchases must be made through procurement procedures, account being taken of political groups’/non-attached Members’ specific circumstances, which are as follows:

- a consultation procedure with at least five candidates must be used for contracts with a value of more than € 60 000; a decision may be taken only if at least three valid tenders have been submitted;
- a consultation procedure with at least three candidates must be used for contracts with a value of between € 15 000 and € 60 000;
- for any contract with a value of less than € 15 000 a single tender shall be sufficient.

The choice of supplier or provider must be substantiated and all the procurement-related documents must be kept by the authorising officer. In the case of non-attached Members, all documents must be submitted to the Administration.

Contracts shall be awarded by either of the procedures provided for in Article 110(2) of the Financial Regulation.

Political groups / non-attached Members may award a contract by negotiated procedure on the basis of a single tender, by way of derogation from the provisions of this article, in the instances referred to in Articles 129 and 130 of the Commission Delegated Regulation on the rules of application of the Financial Regulation of the European Union.

Threshold requiring a call for offers

- If the estimated value of a market is comprised between €15 000 and €60 000 or higher than 60.000€ (excluding VAT), respectively a consultation procedure with at least 3 or 5 candidates must be sought.
- The Procurement limit applies depending on who made the decision (Group, delegation, MEP). The evidence of who made the decision should be kept.
- Such contracts may be concluded for a maximum four years, including any renewable periods (or more under justified circumstances). In such cases, the threshold will take effect having regard to the full duration of the contract and all potential expenditures provided for in the contract. Contracts should not be concluded for a period which exceeds the legislative term.

Where a contractor engages and pays subcontractors, the threshold applies to the contractor's global invoice.

Exceptions

- Negotiation on the basis of a single tender is permitted in the case of instances / services referred to in Articles 137 of the rules of application (RAP) of the Financial Regulation (revised on 01/01/2016).
- When the object of an activity is a message in the media, it is authorised to choose the most appropriate medium to reach that audience. However, the Group cannot pay more than the going commercial rates of that chosen medium.

Practical details and procedures on procurement procedure will be laid out in the “Procurement guide” approved by the Bureau of the Group.

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2.4 Inventory

2.4.1 An inventory detailing numbers and value shall be established and maintained by each group in respect of purchases financed by the appropriations under Item 400. Non-consumables with a useful life exceeding one year and an acquisition value equal to or greater than the threshold laid down for Parliament property shall be entered in the inventory. The inventory shall be kept in accordance with the detailed rules annexed hereto.

2.5 Accounts

2.5.1 Accounts covering the period of a calendar year shall be kept in euros, using the double-entry system. They shall reflect the year’s revenue and expenditure in full and shall be substantiated by supporting documents. The revenue and expenditure account and the balance sheet shall also be presented in euros.

Supporting documents shall include original invoices and any relevant document justifying the nature of the expenditure.

2.5.2 The accounts shall be finalised at the end of the financial year so that the financial report of the group can be drawn up.

2.4 Inventory

Goods purchased by the Group or by national delegations in the context of decentralised appropriations shall be listed in the Group’s inventory.

The inventory shall list the goods, price, user, place, and year of purchase.

Expenditure relating to the purchase of goods may be entered in the revenue and expenditure account only after inclusion in the inventory.

Goods purchased by the Group may only be used by staff of the Group secretariat, staff employed by national delegations who have a contract paid by the Group, and the Chairman and Treasurer of the Group.

Goods purchased by the Group shall be located in a European Parliament building; in the case of decentralised appropriations, they may also be located in a national-parliament building.

The user shall be responsible for the goods he or she is provided with. He or she shall make a declaration in the event of loss or theft.

2.5.2 The bureau shall appoint the accountant and deputy accountants.
The financial report shall comprise a balance sheet, a statement of revenue and expenditure for the financial year and relevant explanatory notes.

The keeping and presentation of the accounts shall be subject to the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission set out in Articles 143 and 144 of the Financial Regulation in so far as they are applicable to the implementation of item 400. If an accounting rule diverges materially from these considerations, the notes to the financial statements shall reflect this.

The balance sheet and the statement of revenue and expenditure shall be drawn up in accordance with the harmonised Accounting Plan in Part 2 of these rules. Expenditure shall be classified by purpose.

In order to facilitate harmonisation of the presentation of the financial statements of the political groups, a specimen financial report is available in a handbook for the political groups.

2.5.3 The statement of revenue and expenditure shall be drawn up in accordance with the generally accepted principles of accrual-based accounting.

Expenditure which is incurred no later than 31 December (30 June and 31 December respectively in European election years) relating to activities which have taken place during the current financial year may be entered as expenditure in the revenue and expenditure account if the actual payments are made no later than 31 January of the following year. (31 July during an election year).

The accountant's duties shall include:
- duly executing payments, cashing receipts and recovering established amounts due;
- allocating funds to imprest accounts;
- preparing and submitting accounts;
- recovering established amounts due;
- maintaining accounts;
- drawing up accounting rules and methods;
- treasury management;
- management of inventory and annual depreciation records;
- management and maintenance of funds and holdings.
2.5.4 Item 400 appropriations shall be disbursed from bank accounts opened by the political groups in their name.

Details of all bank accounts opened by the political groups must appear in the accounts. The groups may open accounts in their name for the purpose of the standing imprests referred to in Article 2.5.5 of these rules.

All transactions involving the bank accounts belonging to the group must be entered in the accounts for the entire amount.

2.5.5 Any imprest shall be subject to an expenditure commitment for the entire amount.
A distinction shall be made between a standing imprest and a fixed-duration imprest.

All imprests shall be opened and closed by the authorising officer responsible. Imprest expenditure shall be administered by the imprest administrator in accordance with the instructions given in the expenditure commitment.

The administrators of imprest accounts shall be responsible for the payment or the reimbursement of the amounts to which the imprest relates.

2.5.4 The Group shall open bank accounts in its name, with the Chairman and Treasurer as account holders. They shall give a mandate to the accountant and the assistant accountants for the execution of payment and recovery orders.
Every payment shall be recorded in the accounts at the time it is made.

2.5.5 The Group may open an imprest account in the following cases only:
- a temporary imprest account: one-off mission by a member of the secretariat
- a permanent imprest account:
  - mission by the Chairman (Article 1 of the rules governing mission expenses),
  - missions by secretariat staff members (Article 4 of S&D internal rules),
  - implementation of decentralised appropriations of national delegations entered in Chapter VII of the budget in accordance with the procedures below,
  - operational costs of the offices of the President and the Secretary-General.

Every holder of an imprest account shall sign a declaration of acceptance and liability.
At the request of the chair and treasurer of a national delegation, the Group may open a permanent imprest account limited to 15% of the financial year's appropriations earmarked for that delegation.
That imprest shall be paid into one or more bank accounts of the Group opened for this purpose, the authorised signatories for which shall be the chair and treasurer of the delegation only.
These accounts may not receive funds other than those from the Group
## 2.6 Financial control

### 2.6.1 The annual accounts of the groups and their presentation shall be submitted to an external audit. The examination by the external auditors shall be carried out in accordance with the following remit.

The task of the auditor shall be to carry out an independent audit in accordance with the international auditing standards (IAS) issued by the IASSB standards body. It shall include such tests of the accounting records and other auditing procedures as are considered necessary to form an independent view with reasonable assurance that:

- budget or resources produced by or resulting from implementation thereof.

Payments shall be made exclusively by bank transfer and cheque.

Any payment that is not settled by the Group at the end of the financial year or at the explicit request of the Group shall be reimbursed by the chair or treasurer of the delegation concerned at the end of the first quarter of the following financial year.

If reimbursement is not effected immediately after the request made in advance by the Chairman to the Treasurer, the latter shall be entitled:
- not to renew the imprest account in question,
- to close the bank account in question,
- to freeze all the appropriations of the delegation.

Each payment made from such accounts during a financial year must be presented for settlement to the Group at the end of the financial year at the latest.

### 2.6 Rule 50 of the Group’s Rules of Procedure – Rendering of accounts – Discharge

1. The Group shall elect three auditors responsible for submitting to it an annual report on the Group’s accounts in line with the internal financial regulations.

2. On the basis of this report and the observations of the Treasurer and the Bureau, the Group shall decide on the granting of a discharge. In addition to the standardised statement, the approved external auditing company shall be asked to submit a management letter each financial year setting out recommendations and comments on observed weaknesses.
(a) the statement of revenue and expenditure gives a true and fair view of the group's financial position for the financial year concerned;
(b) the balance sheet gives a true and fair view of the group's assets at the end of the financial year;
(c) the overall considerations on financial statements in the rules adopted by the Accounting Officer of the Commission set out in Articles 143 and 144 of the Financial Regulation have been observed in the preparation and presentation of the accounts, or where appropriate, a divergence from these overall considerations is adequately explained by a note to the financial statements;
(d) an effective and efficient internal control system for the management of operations, which includes effective segregation of the duties of authorising officer and accounting officer or of the equivalent functions;
(e) the accounts have been presented in accordance with the harmonised Accounting Plan in Part 2 of these rules;
(f) the expenditure complies with the provisions of these rules;
(g) the expenditure has been charged to the correct item in the budget of the group;
(h) the appropriations were available;
(i) the principles of sound financial management have been applied;
(j) payment orders are substantiated by original supporting documents (or certified true copies);
(k) the group's internal rules have been observed.

At the end of his or her examination, the auditor shall set out his or her views in an audit report addressed to the chair of the political group concerned.

The approved external auditing company shall proceed, initially on the basis of its annual auditing duties, to conduct random on-the-spot checks.

In addition to its annual auditing duties, the approved external auditing company shall be expected, at the request of the delegated authorising officer, to conduct random on-the-spot checks in the course of the financial year.
2.6.2 The external auditor shall verify the risk management activities of the group, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management. The external auditor shall be responsible in particular for:

(a) assessing the suitability and effectiveness of internal management systems and the performance of departments in implementing policies, programmes and actions by reference to the risks associated with them;

(b) assessing the efficiency and effectiveness of the internal control and audit systems applicable to every budget implementation operation.

The external auditor's duties shall cover all the group's activities and departments. He / she shall enjoy full and unlimited access to all information required to perform his duties, if necessary on the spot, including in the Member States and in third countries.

The external auditor shall include in his/her annual audit report his/her opinion on the control systems.

2.6.3 On a proposal from the Secretary-General, the Bureau of the European Parliament shall establish a list of approved external auditing companies. The Secretary-General is authorised to include further auditing companies on the list, during its period of validity, except in the last three months, if they apply and fulfil the conditions of the call for expression of interest. The political groups are free to select their own auditing company from that list. The auditor shall be appointed on the basis of a standard letter of employment. The maximum length of consecutive engagement of the same auditing company is five years.\(^9\)

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\(^9\) *The first five-year period starts on 21 September 2010.*
2.7 Reporting to the European Parliament

2.7.1 Before the end of the fourth month following the end of the financial year, each political group shall submit to the President of the European Parliament an audited report on the utilisation of appropriations for the past financial year.

2.7.2 This financial report shall comprise:

(a) the auditor's report covering the points set out in Section 2.6.1 of these rules.
(b) the financial report of the group as described in Section 2.5.2 of these rules.

This report shall be forwarded to the Secretary-General and shall be published on Parliament's Internet site.

The President of the European Parliament shall forward the reports referred to in Section 2.7.2 of these rules to the Bureau and the Bureau and Committee on Budgetary Control, which shall deal with them in accordance with the powers conferred upon them by the Parliament's Rules of Procedure.

2.7.3 Where the Bureau, having been consulted pursuant to Article 2.7.3 of these rules and taking account of the opinion of the Committee on Budgetary Control, takes the view that the appropriations have not been used in accordance with these rules, the appropriations shall be repaid to the European Parliament within three months of the date on which the irregularity was established.

In such cases the Bureau may decide that the European Parliament shall recover the funds which have been improperly spent by withholding appropriations from the following financial year.
2.8 Consultation

2.8.1 The groups and non-attached Members shall consult with each other concerning any matter regarding the application of these rules with a view to harmonizing their application.

2.9 Rules specific to the non-attached Members

2.9.1 Non-attached Members’ expenditure shall be effected either through direct payments to suppliers or through reimbursement by the Administration as soon as possible, upon submission of the supporting and other documents required by these rules and after verification that they are in conformity with the rules. The Administration shall check that:
(a) the expenditure is in accordance with the rules and is not covered by other allowances;
(b) the rules have been observed;
(c) principle of sound financial management has been applied;
(d) the expenditure is substantiated by original supporting documents and proof of payment in the case of reimbursement to the Member (or by true copies, as certified by the supplier or any other authority empowered to certify conformity);

When requesting reimbursement of expenses, Members should aim to collate as many items as possible on one claim form, and should note that an individual reimbursement will not be made for sums below € 50.

The financial year shall begin on 1 January and end on 31 December.

In the years in which European elections are held, the first budgeting period shall begin on 1 January and end on 30 June and the second shall begin on 1 July and end on 31 December.
2.9.2 Appropriations that are not used during the financial year may be carried over to the following financial year up to a maximum of 50% of the appropriations received from the European Parliament's budget.

Amounts exceeding 50% shall be cancelled, for the benefit of the European Parliament's budget, after the accounts have been closed.

2.9.3 Appropriations for non-attached Members shall be managed by the Administration of the European Parliament in accordance with the annexed accounting plan.

2.9.4 Where a non-attached Member resigns or joins a political group, he or she shall submit to the Administration all outstanding items of expenditure incurred no later than the date on which he or she resigned or joined the political group within one month of that date.

2.9.5 Items of property purchased by non-attached Members using their Item 400 appropriations shall be entered in the European Parliament's inventory. Non-consumables with a useful life exceeding one year and an acquisition value equal to or greater than the threshold laid down for Parliament property shall be entered in the inventory. The inventory shall be kept in accordance with the detailed rules annexed hereto.

2.9.6 The Administration shall prepare a statement of revenue and expenditure and balance sheet for each Member, establishing the regularity of the accounts and their conformity with these rules. A consolidated version of these documents shall subsequently be published on the website of the European Parliament.

2.9.7 The President of the European Parliament shall forward these documents, which he or she shall receive before 30 April of the following financial year, to the Bureau and the Committee on Budgetary Control, which shall deal with them in accordance with the powers conferred upon
them under Parliament’s Rules of Procedure.

2.9.8 Where the Bureau, having been consulted pursuant to the previous subparagraph and in agreement with the Committee on Budgetary Control, takes the view that the appropriations have not been used in accordance with these rules, the appropriations shall be repaid to the European Parliament within three months of the date on which the irregularity was established.
PART 2 – ACCOUNTING PLAN

The Plan includes examples in italics to provide accounting guidelines.

PROFIT AND LOSS ACCOUNT/STATEMENT OF REVENUE AND EXPENDITURE

Title 1 – REVENUE

CHAPTER 1 - EP SUBSIDIES AND OTHER EP REVENUE

1. Allocation from EP
   Annual appropriation received from EP under budget line 400 as allocated by the Bureau (Article 1.2.1 of the Rules governing budget line 400)

2. Other revenue from EP
   Revenue other than the appropriations under budget line 400 received by the Group from the European Parliament

CHAPTER 2 - OWN RESOURCES

1. Interest and similar receipts
   Bank interest received by the Group on current accounts, fixed-term accounts, deposits, investment funds or other instruments held with financial institutions

2. Exchange gains
   Revenue from exchange of currencies.
   Revenue from the revaluation of currencies at the end of the financial year.

3. Miscellaneous resources
   Limited to various resources generated directly by activities financed from appropriations under budget line 400, including credit notes or refunds relating to previous financial years (Article 1.2.2. of the Rules governing budget line 400)

4. Amount carried forward from the preceding financial year
   Positive balance of assets and liabilities on the balance sheet for the previous financial year (Article 2.1.6. of the Rules governing budget line 400)

TOTAL REVENUE

Title II – EXPENDITURE

CHAPTER 1 – STAFF

1. Secretariat missions*
   Expenditure on missions by staff which are not directly related to an activity covered by other articles.

2. Recruitment**
   All costs connected with the recruitment of new members of Group staff, including staff missions in connection with recruitment procedures.

* The costs of offsetting the climate impacts of travel are regarded as an integral part of travel costs.

** Not authorised for non-attached Members
3. Traineeships
   All costs connected with traineeship agreements concluded by the Group covering expenses relating to missions by trainees which are not directly linked to an activity covered by other articles.

4. Salaries and related costs*, fees
   All costs connected with employment and service contracts concluded by the Group which are not chargeable to articles other than budget line 400 of the EP budget.

5. Staff training*
   All costs connected with the organisation of training courses for Group staff members, including mission expenses for such training.

6. Staff entertainment*
   All costs connected with entertainment for staff of the Group secretariat.

CHAPTER 2 – EQUIPMENT, ROUTINE ADMINISTRATIVE EXPENDITURE AND OPERATING EXPENDITURE

1. Equipment, operating expenditure, computer engineering and maintenance
   Purchase of computer equipment, contracts for assistance, advisory services, development of software and other ancillary expenses. Depreciation costs included.

2. Equipment, telecommunications-related installation and maintenance expenditure, office machinery, furniture and technical installations
   Purchase of office equipment, contracts for assistance and other ancillary expenses. Depreciation costs included.

3. Stationery and office supplies
   Purchase of consumable office supplies.

4. Postage and telecommunications
   Fixed and mobile telephones, fax, postage, Internet subscriptions, delivery by express courier, etc.

5. Printing and photocopying costs
   Hire of photocopiers including costs of additional copies. For leasing contracts with option to purchase, see fixed assets.

6. Office rental costs*
   Costs of renting Group offices outside the EP’s three places of work.

CHAPTER 3 – DOCUMENTATION, STUDIES AND RESEARCH

1. Newspapers, magazines, press agencies and books
   Including online subscriptions.

2. Studies and research
   Fees for experts commissioned to make studies, including travel expenses in connection with presentation of the relevant study.

3. Databases

* Not authorised for non-attached Members
CHAPTER 4 – LEGAL AND ACCOUNTING COSTS, FINANCIAL CHARGES AND OTHER OPERATING EXPENDITURE

1. Legal costs
   Lawyers' fees, legal advice and other relevant expenses, costs of staff missions in this connection included.

2. Accounting/audit costs
   Costs connected with the Group's accounting and preparation of financial statements, maintenance costs of accounting software and external auditors' fees included.

3. Financial charges and exchange losses
   Bank charges, including debit interest and default interest and charges for online banking services.

4. Translation and interpreting costs
   Costs relating to translation and interpreting outside the framework of activities covered by another heading of this Accounting Plan.

5. Other operating expenditure

CHAPTER 5 – EXPENDITURE ON MEETINGS AND ENTERTAINMENT

1. Official Group meetings
   Costs relating to official meetings of the Group and its Bureau, study days.
   Costs of such meetings not covered by the EP.
   Costs of staff missions and travel expenses of participants included.

2. Other meetings and conferences
   Costs of meetings and conferences organised by the Group other than those covered by Article 5.1.
   Including missions by Members outside the EP's places of work with a political programme.
   Including staff and Members' mission expenses and travel expenses of participants.

3. Expenditure on entertainment
   Entertainment expenses not relating to an activity covered by another article of this Accounting Plan.

4. Guests
   All expenses relating to the invitation of public figures in their capacity as leaders of opinion or experts outside the framework of an activity covered by another article of this Accounting Plan.
   Including guests invited to meetings of bodies of the Group whose expenses are not covered by other articles of this Accounting Plan.

5. Fact-finding missions by individual Members
   Including mission expenses of accompanying staff
   Not covering mission expenses of Members in connection with activities covered by other articles of this Accounting Plan.
   Not covering the expenses of delegations of Members with a Group programme.

CHAPTER 6 – PUBLICATIONS AND ADVERTISING

1. Posters, booklets, publications
   All expenses relating to posters, information booklets and leaflets published by the Group

* Not authorised for non-attached Members
** The costs of offsetting the climate impacts of travel are regarded as an integral part of travel costs.
2. Advertising inserts and audiovisual advertising
   All expenses relating to inserts in newspapers and magazines and audiovisual advertising.

3. Advertising material, novelty items, telecommunications advertising
   Including postcards without any printed message.
   Advertising material purchased under this Article is not to be entered on the assets side of the balance sheet unless it is to be sold.

4. Internet sites and cyber advertising
   All costs relating to the Group's Internet sites.

5. Visits to institutions, information stands
   All costs relating to EP open days, Group information stands.
   Including mission expenses for Group staff.
   Including groups of visitors to EP not subsidised by EP.

CHAPTER 7 – MEMBERS

Point 7.1 has been incorporated into Chapter 5.5

1. Decentralised political and information activities
   Appropriation to cover administrative expenditure, political and information activities by national delegations and/or political and information activities carried out by Members in the Member States
   A breakdown of expenditure charged to this article must be attached to the profit and loss account. The breakdown must indicate the allocation of expenditure charged to this article in accordance with the headings in Annex 2 of this Accounting Plan.

CHAPTER 8 – SUBSIDIES AND SUBSCRIPTIONS

1. Subsidies
   Donations to European political parties are not authorised.

2. Subscriptions
   Subscriptions to European political parties are not authorised.

TOTAL EXPENDITURE

BALANCE CARRIED FORWARD

GRAND TOTAL OF REVUE AND EXPENDITURE
### BALANCE SHEET

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<th>TITLE IV - LIABILITIES</th>
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<td><strong>Chapter I Reserves</strong>&lt;br&gt;I.1 Balance carried forward&lt;br&gt;Appropriations carried forward to the next financial year</td>
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<td><strong>Chapter II Debtors, stocks and other current assets</strong>&lt;br&gt;II.1 Suppliers&lt;br&gt;Including advance payments on orders for delivery in a subsequent financial year and claims on suppliers.&lt;br&gt;II.2 Staff&lt;br&gt;Advances to staff of Group Secretariat.&lt;br&gt;II.3 VAT&lt;br&gt;Amounts of VAT to be reimbursed by Member States in a subsequent financial year.&lt;br&gt;II.4 Stocks&lt;br&gt;Stocks of advertising material intended for sale. Valued at acquisition price subject to prudent person rule. Stationery and office supplies are not to be entered in the balance sheet but should be recorded in the cost accounting on the date of purchase.&lt;br&gt;II.5 Others</td>
<td><strong>Chapter II Financial debts</strong>&lt;br&gt;Debts to financial institutions, including debit balances on the Group's bank accounts at the end of the financial year&lt;br&gt;II.1 Financial debts of more than one year&lt;br&gt;II.2 Financial debts of less than one year</td>
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<td><strong>Chapter III Cash and banks</strong>&lt;br&gt;<em>Cash and securities with financial institutions</em>&lt;br&gt;III.1 Securities&lt;br&gt;(Bonds, investment funds, money market funds)&lt;br&gt;The method of valuation must be explained in the notes to the annual accounts.&lt;br&gt;III.2 Cash&lt;br&gt;(currency, current accounts and fixed-term deposits)</td>
<td><strong>Chapter III Other debts</strong>&lt;br&gt;III.1 Other debts&lt;br&gt;Miscellaneous debts other than provisions for invoices outstanding at the end of the month following the financial year end&lt;br&gt;III.2 Charges settled during financial year n and paid in financial year n+1&lt;br&gt;All expenses relating to the current financial year and paid during the month following the financial year end.</td>
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<th><strong>Total assets</strong></th>
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<td><strong>Chapter IV: Accrued charges/Deferred Income</strong>&lt;br&gt;IV.1 Accrued charges&lt;br&gt;IV.2 Deferred income</td>
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PART 3 – GUIDELINES FOR THE INTERPRETATION

1. of Article 1.1.1 on expenditure covered by other budget items within the budget of the European Parliament (this interpretation does not apply to non-attached Members):

1.1 A political group, or a national delegation in the context of decentralised political or information activities, may use appropriations under Item 400 for office rental in a Member State, provided that the activities undertaken therein (including the activities of any staff employed and located there):

- are carried out in the name of the group or a delegation of the group only;
- do not bear the name of an individual MEP other than as a participant/director/contributor in/of/to this activity;

and that such office is clearly identified as an office of the group/delegation of the group, is not used as an MEP’s constituency office, and is not used to accommodate an MEP’s assistant or for receiving or meeting the general public in a representational capacity as an MEP. (Where the circumstances may give rise to reasonable doubt, a Member may be called on to demonstrate that s/he is using her/his general expenditure allowance for office expenditure in her/his capacity as an MEP as evidence that Item 400 appropriations are not being substituted for such expenditure).

1.2 A political group may authorise the use of Item 400 appropriations to cover travel expenses for a group mission, authorised in advance, for a Member travelling within the country in which s/he was elected, provided that the activity concerned takes place in a locality at least 150 km away from his/her home.

2. of Article 1.1.1 on the electoral nature of a political and information activity:

2.1 The electoral nature of an activity or action is determined by the general context of the activity. This means that even if expressions such as ‘candidate’, ‘list’, ‘parties’, ‘vote’ are not directly used, the electoral character may emerge from the direct or indirect purpose and general context of the activity.

An activity which is considered partially of an electoral nature will be rejected in its entirety.

The prohibition of an activity of an electoral nature applies whatever the nature of the activity or the medium used.
2.2 The following political and information activities are considered to be permitted by the rules:

- provision of information to the public about the date and the practical and technical arrangements for the elections and an invitation to citizens to participate in the elections;
- an activity report for the outgoing Parliament;
- any normal parliamentary activity undertaken under the direct responsibility of a political group or non-attached Member, such as the publication of press releases and policy statements; any such political and information activity, undertaken by a political group or non-attached Member one month before a European election, must not be co-sponsored, co-signed or supported in any other way by any European, national, regional or local political party or organisation and must not include names of Members of the European Parliament other than as bibliographical information; and
- political and information activities in relation to a referendum campaign on a European subject.

2.3 As a guideline, even if this is not an exhaustive list, the following are considered as electoral campaigning and are thus forbidden under Item 400:

- any use of the word candidate;
- any mention of a list or list number;
- any recommendation/request to vote for a list, a candidate of a political leaning or the direct or indirect use of the word vote in this context;
- any activity relating to the preparation of the electoral campaign;
- any mention of the fact that a sitting Member is standing as a candidate again and is seeking a vote/confidence/support; and
- the presence on any supporting material of the name/photo of standing candidates not currently Members of the European Parliament;
- any publicity item, whatever the medium used, for production and/or use 30 days prior to the electoral period in a European election year, which bears the photograph and the name of the Member concerned and which does not relay information relating to the activities of the outgoing Parliament.
ANNEX 1

INVENTORIES

For each item of property, the inventory shall give the description, unit cost, purchase date, location and the most recent date on which its physical presence was checked by the group or confirmed by the holder. Each item shall be checked at least once every three years.

At the end of each financial year, the value of the inventory taking account of depreciation, subdivided by type of asset, shall be registered on the group's balance sheet. Depreciation shall be calculated in accordance with the linear method on a monthly basis. The presentation of the inventory shall take the form of a balance sheet note drawn up in accordance with the format provided below this annex (Annex 1a).

Before 30 January each year, each group’s accounting officer shall forward to the Directorate-General for Finance a table setting out the value of the inventory as at 31 December of the previous financial year, together with the schedule of assets entered in the financial inventory. Should the audit report recommend that the value of the inventory be amended, the new value shall be given in the report to the European Parliament.

Any sale of assets entered in the inventory shall be published and recorded in the accounts and offers for the assets on sale invited. Any deletion from the inventory shall be recorded in a written declaration stating why the asset is to be deleted and how it is to be ultimately disposed of. The declaration shall be approved by the group's accounting officer.

Where a group is dissolved, the inventory register and all assets shall be handed over to the European Parliament.

Assets purchased by non-attached Members shall be entered by the Administration in the European Parliament's financial inventory (in respect of any item with a value equal to or greater than the threshold given in Article 2.4.1 of these rules).

In the event of the resignation of a non-attached Member, or should his or her term of office come to an end, assets paid for from Parliament's budget shall be returned to the Administration at one of Parliament's places of work. If a non-attached Member joins a political group, assets shall be transferred to that group's inventory. If a Member leaves a group, assets shall remain the property of the group which financed the purchase thereof.
<table>
<thead>
<tr>
<th>Category and depreciation rate</th>
<th>Computer software 25% (Euro)</th>
<th>Computer hardware 25% (Euro)</th>
<th>Telecom equipment 25% (Euro)</th>
<th>Technical equipment and supplies 12.5% (Euro)</th>
<th>Miscellaneous installations and machines 12.5% (Euro)</th>
<th>Furniture (chairs, desks, cupboards) 10% (Euro)</th>
<th>Total (Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Historic cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balances (historic cost)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Sales entered in profit and loss account</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add Acquisitions during financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Add Transfers</td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Gives Closing balance at historic cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balances (accumulated depreciation)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation of fixed assets sold and entered in profit and loss account</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add depreciation for financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gives Closing balance at historic cost</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net value</strong></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Net accounting value as at 31/12/N-1</td>
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<tr>
<td>Net accounting value as at 31/12/N</td>
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</tr>
</tbody>
</table>
### ANNEX 2

**BREAKDOWN OF OUTFITURN OF DECENTRALISED APPROPRIATIONS**

**CHAPTER 7, ARTICLE 1.**

Breakdown in accordance with the Accounting Plan annexed to the Rules on the use of appropriations from budget item 400

<table>
<thead>
<tr>
<th>CHAPTER/ARTICLE</th>
<th>HEADING</th>
<th>OUTFITURN financial year N</th>
<th>%</th>
<th>OUTFITURN financial year N-1</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Staff</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>2</td>
<td>Secretariat equipment and expenses</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>3</td>
<td>Documentation, studies and research</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Legal, accounting, and financial costs and other operating costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Other meetings and conferences</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Expenditure on entertainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Guests</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Posters, booklets and publications</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>62</td>
<td>Advertising inserts and audiovisual advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>Advertising material, novelty items, telecommunications advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>Internet sites and cyber advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>Visits to institutions, information stands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL ART. 7.1.** ... 100% ... 100%
Distribution scale of Item 400 appropriations

The appropriations shall be distributed as follows:

- firstly, the part to which the non-attached Members are entitled shall be deducted as follows:
  - an amount equal to 60 % of the average ‘Item 400 budget’ (i.e. the figure obtained by dividing the amount entered against Item 400 by the number of Members of the European Parliament) shall be allocated to each non-attached Member;
- then, the balance shall be distributed among the political groups as follows:
  - an amount equivalent to:
    - 2.5 % of the balance shall be distributed in equal shares among the political groups;
    - 97.5 % of the balance shall be distributed proportionally to the number of seats obtained by each political group.