



EASA Management Board Decision 21-2014
09/12/2014
Adopting the EASA Financial Implementing Rules
ANNEX – EASA Financial Implementing Rules

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Cologne, 9 December 2014



EASA FINANCIAL IMPLEMENTING RULES

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TITLE I

SUBJECT

Article 1

Subject

(Article 1 of the Financial Regulation)

These rules set out the Implementing Rules to the Financial Regulation of the European Aviation Safety Agency (hereinafter called the “Agency”).

Article 2

Definitions

(Article 2 of the Financial Regulation)

For the purposes of these Implementing Rules:

- (a) “Basic Regulation” shall mean the Regulation (EC) 216/2008 of the European Parliament and of the Council of 20 February 2008 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, and repealing Council Directive 91/670/EEC, Regulation (EC) No 1592/2002 and Directive 2004/36/EC;
- (b) “The Agency” shall mean the European Aviation Safety Agency as established by Regulation (EC) 1592/2002, replaced by Regulation (EC) 216/2008;
- (c) “Fees and charges” shall mean the fees paid by applicants for, and holders of, certificates and approvals issued by the Agency and charges for publications, training and other services provided by the Agency, as defined in articles 64 and 59 of the Basic Regulation;
- (d) “Financial regulation” shall mean the Financial Regulation of the European Aviation Safety Agency adopted by the Management Board on 10 December 2013;
- (e) “Staff Regulations” shall mean the Regulations (EC, Euratom) No 1023/2013 of officials of the European Union and the Conditions of employment of other servants of the European Union as applied to the staff of the Agency as stated in Article 29 of the Basic Regulation;
- (f) “General Financial Regulation” shall mean the Council Regulation (EC, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- (g) “General Rules of Application” shall mean the Commission Regulation (EC, Euratom) No 1268/2012 of 29 October 2012 laying down detailed rules of application of Council Regulation (EC, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union, repealing Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002;
- (h) “Union body” shall mean a body referred to in Article 208 of Regulation (EU, Euratom) No 966/2012.



TITLE II

BUDGETARY PRINCIPLES

CHAPTER 1

PRINCIPLE OF UNITY AND BUDGETARY ACCURACY

Article 3

Accounting for interest yielded on pre-financing

(Article 94 of the Financial Regulation)

Provisions of these rules concerning interest on pre-financing shall be without prejudice to the entry of pre-financing on the assets side of financial statements, as laid down in the accounting rules referred to in Article 94 of the Financial Regulation.

CHAPTER 2

PRINCIPLE OF ANNUALITY

Article 4

Appropriations for the financial year

(Article 12(3) of the Financial Regulation)

The commitment appropriations and payment appropriations authorised for the financial year shall consist of:

- (a) appropriations provided in the budget, including by amending budgets;
- (b) appropriations carried over;
- (c) appropriations provided following the receipt of revenue assigned during the financial year or during previous financial years and not used.

Article 5

Cancellation and carryover of appropriations

(Article 14(3) of the Financial Regulation)

1. The commitment appropriations and the non-differentiated appropriations relating to the building projects referred to in Article 14(3) of the Financial Regulation may be carried over only if the commitments could not be made before 31 December of the financial year for reasons not attributable to the authorising officer and if the preparatory stages are sufficiently advanced to make it reasonable to surmise that the commitment will be made by no later than 31 March of the following year or 31 December for building projects.



2. The preparatory stages referred to in Article 14(3) of the Financial Regulation, which should be completed by 31 December of the financial year in order to allow a carryover to the following year, are in particular:

(a) for global commitments within the meaning of Article 69(3)(b) of the Financial Regulation, the adoption of a financing decision or the closing by that date of the consultation of the departments concerned within the Agency for the adoption of the decision;

(b) for individual commitments within the meaning of Article 69(3)(a) of the Financial Regulation, the advanced stage of preparation of the contracts or agreements. This advanced stage of preparation of the contracts or agreements shall mean the completion of the selection of potential contractors or beneficiaries, prize winners or delegates.

3. Appropriations carried over in accordance with Article 14(3) of the Financial Regulation, which have not been committed by 31 March of the following financial year, or up to 31 December of the following year for amounts relating to building projects, shall be automatically cancelled.

The Agency shall inform the Commission of the appropriations cancelled in this way within one month following the cancellation in accordance with the first subparagraph.

4. The accounts shall identify appropriations carried over in accordance with paragraphs 1 to 4.

5. The appropriations for staff expenditure referred to in Article 14(2) of the Financial Regulation are those for remuneration and allowances for staff of the Agency to which Staff Regulation apply.



CHAPTER 3
PRINCIPLE OF UNIT OF ACCOUNT
(Chapter 4 of the Financial Regulation)

Article 6
Rate of conversion between the euro and other currencies
(Article 21 of the Financial Regulation)

1. Without prejudice to specific provisions deriving from the application of sectorial regulations, conversion between the euro and another currency shall be made using the daily euro rate published in the C series of the Official Journal of the European Union.

Where conversion between the euro and another currency is to be made by the contractors or beneficiaries, the specific arrangements for conversion contained in procurement contracts, grant agreements or financing agreements shall apply.

2. In order to avoid that currency conversion operations have a significant impact on the level of the Union co-financing or a detrimental impact on the Union budget, the specific arrangements for conversion referred to in paragraph 1 shall provide, if appropriate, for a rate of conversion between the euro and other currencies to be calculated using the average of the daily exchange rate in a given period.

3. If no daily euro rate is published in the Official Journal of the European Union for the currency in question, the Agency shall use the accounting rate referred to in paragraph 4.

4. For the purposes of the accounts provided for in Articles 100 to 105 of the Financial Regulation and subject to Article 103, conversion between the euro and another currency shall be made using the monthly accounting rate of the euro. That accounting rate shall be established by the Commission's accounting officer by means of any source of information he regards as reliable, on the basis of the rate on the penultimate working day of the month preceding that for which the rate is established.

5. The results of the currency operations referred to in paragraph 4 of this Article shall be shown under a separate heading in the Agency's accounts.

Article 7
Rate to be used for conversion between the euro and other currencies
(Article 21 of the Financial Regulation)

1. Without prejudice to specific provisions deriving from the application of sector-specific regulations, or from specific procurement contracts, grant agreements and financing agreements, the rate to be used for conversion between the euro and other currencies shall, in cases where the conversion is carried out by the authorising officer, be that of the day on which the payment order or recovery order is drawn up by the authorising department.

2. In the case of euro imprest accounts, the rate to be used for the conversion between the euro and other currencies shall be determined by the date of payment by the bank.



3. For the regularisation of imprest accounts in national currencies, as referred to in Article 21 of the Financial Regulation, the rate to be used for the conversion between the euro and other currencies shall be that of the month of the expenditure from the imprest account concerned.

4. For the reimbursement of flat-rate expenditure, or expenditure arising from the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union (hereinafter “Staff Regulations”) which is fixed at a ceiling, and which is paid in a currency other than the euro, the rate to be used shall be that which is in force when the entitlement arises.

CHAPTER 4

PRINCIPLE OF UNIVERSALITY

(Chapter 5 of the Financial Regulation)

Article 8

Structure to accommodate assigned revenue and provision of corresponding appropriations

(Article 23(6) of the Financial Regulation)

1. The structure to accommodate assigned revenue in the budget shall comprise:

(a) in the statement of revenue, a budget line to receive the revenue;

(b) in the statement of expenditure, the budget remarks shall show which lines may receive the appropriations corresponding to the assigned revenue which are made available.

In the case referred to in point (a) of the first subparagraph, if the amount of such revenue is foreseeable, it shall be entered on the line. If it is not foreseeable, a token entry “pro memoria” shall be made and the estimated revenue shall be shown for information in the remarks.

2. With the exception of appropriations corresponding to assigned revenue from fees and charges within the meaning of Article 6(2) of the Financial Regulation and appropriations corresponding to assigned revenue for specific programmes funded by the European Union Institutions within the meaning of Articles 23(2)(a) and 23(2)(c) of the Financial Regulation, the appropriations corresponding to assigned revenue shall be made available automatically, both as commitment appropriations and as payment appropriations, when the revenue has been received by the Agency.

3. Appropriations corresponding to assigned revenue from fees and charges within the meaning of Article 6(2) of the Financial Regulation may be made available as soon as the amount receivable has been estimated.

4. Appropriations corresponding to assigned revenue for specific programmes funded by the European Union Institutions within the meaning of Articles 23(2)(a) and 23(2)(c) may be made available after conclusion of the specific agreement between the Union Institution and the Agency for the assigned revenue for specific programmes.



Article 9
Charges entailed by acceptance of donations to the Agency
(Article 24 of the Financial Regulation)

For the purposes of the authorisation of the Management Board referred to in Article 24(2) of the Financial Regulation, the Director shall estimate and duly explain the financial charges, including follow-up costs, entailed by the acceptance of donations made to the Agency.

Article 10
Accounts for recoverable taxes
(Article 25(2) of the Financial Regulation)

1. In case the refund is not effected by force of national tax laws of the Member States, the corresponding entries in the suspense accounts will be cleared appropriately.

CHAPTER 5
PRINCIPLE OF SPECIFICATION
(Chapter 6 of the Financial Regulation)

Article 11
Rules concerning the calculation of percentages of transfers
(Article 27 of the Financial Regulation)

1. The percentages referred to in Article 27(1) of the Financial Regulation shall be calculated at the time the request for transfer is made and with reference to the appropriations provided in the budget, including amending budgets.

2. For the purposes of the percentage referred to in Article 27(1) of the Financial Regulation, the amount to be taken into consideration shall be the sum of the transfers to be made on the line from which the transfers are being made, after adjustment for earlier transfers made.

CHAPTER 6
PRINCIPLE OF SOUND FINANCIAL MANAGEMENT
(Chapter 7 of the Financial Regulation)

Article 12
Evaluation
(Article 29 of the Financial Regulation)

1. All proposals for programmes, projects or activities occasioning budget expenditure or changes to the work programme for which the overall estimated expenditure exceeds 5% of the average annual operational expenditure of the agency shall be the subject of an ex ante evaluation, which shall address, in particular:



- (a) the legal basis, if applicable;
- (b) the need to be met in the short or long term;
- (c) the added value of European Union involvement;
- (d) the business case, the scope of the programme, project or activity, the policy and management objectives to be achieved and the link to agency priorities;
- (e) the options available, including the risks associated with them; also including the option of doing nothing and the priority (low/medium/high);
- (f) the most appropriate method of implementation for the preferred option(s);
- (g) external coherence with activities of relevant actors;
- (h) the results and impacts expected, for instance economic, social and environmental impacts, and the indicators and evaluation arrangement needed to measure them;
- (i) the most appropriate method of implementation for the preferred option(s);
- (j) the internal coherence of the proposed programme, projects or activity and its relations with other relevant programmes, projects or activities;
- (k) the volume of appropriations, human resources and other administrative expenditure to be allocated with due regard for the cost effectiveness principle;
- (l) the lessons learned from similar experiences in the past.

2. The proposal shall set out the arrangements for monitoring, reporting and evaluation. taking due account of the respective responsibilities of all levels of management that will be involved in the implementation of the proposed programme, project or activity.

3. All programmes, projects or activities, including pilot projects and preparatory actions, where the resources mobilised exceed 10% of the average annual operational expenditure of the agency shall be the subject of an interim and/or ex post evaluation in terms of the human and financial resources allocated and the results obtained in order to verify that they were consistent with the objectives set, as follows:

- (a) the results obtained in carrying out a multiannual programme, project or activity shall be periodically evaluated in accordance with a timetable which enables the findings of that evaluation to be taken into account for any decision on the renewal, modification or suspension of the programme;
- (b) activities financed on an annual basis shall have their results evaluated at least every six years.

Points (a) and (b) of the first subparagraph shall not apply to each of the projects or actions conducted within those activities, for which the requirement may be met by the final reports sent by the bodies which carried out the action.



4. The evaluations referred to in paragraphs 1 and 3 shall be proportionate to the resources mobilised for and the impact of the programme or activity concerned.

CHAPTER 7

PRINCIPLE OF TRANSPARENCY

(Chapter 8 of the Financial Regulation)

Article 13

Provisional publication of a summary of the budget

(Article 31 of the Financial Regulation)

As soon as possible after the final adoption of the budget and within no more than four weeks, a summary of the budget figures shall be published on the Internet site of the Agency pending official publication in the Official Journal of the European Union.

Article 14

Publication of information on value and recipients of Agency funds

(Article 31(4) of the Financial Regulation)

1. The following information shall be published unless otherwise provided in these Rules, taking into account the criteria set out in Article 31(4) of the Financial Regulation:

- (a) the name of the recipient;
- (b) the locality of the recipient;
- (c) the amount awarded;
- (d) the nature and purpose of the measure.

For the purpose of point (b) the term 'locality' shall mean:

- (i) the address of the recipient when the latter is a legal person;
- (ii) Region/Province/State/Prefecture/other, where relevant on NUTS 2 (Nomenclature of Units for Territorial Statistics) level, i.e. 8 000 – 3 million inhabitants, when the recipient is a natural person.

As far as personal data referring to natural persons are concerned, the information published shall be removed two years after the end of the financial year in which the funds were awarded. The same shall apply to personal data referring to legal persons for whom the official title identifies one or more natural persons.

2. The information referred to in paragraph 1 shall only be published for prizes, grants and contracts which have been awarded as a result of contests or grant award procedures or public procurement procedures. The information shall not be published for:



(a) scholarships paid to natural persons and other direct support paid to natural persons in most need, referred to in Article 125(4)(c) of the General Financial Regulation;

(b) contracts below the amount referred to in Article 137(2) of the General Rules of Application.

3. The publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the recipients.

TITLE III

ESTABLISHMENT AND STRUCTURE OF THE BUDGET

CHAPTER 1

ESTABLISHMENT OF THE BUDGET

Article 15

Amending budgets

(Article 34 of the Financial Regulation)

Amending budgets shall be accompanied by statements of grounds and the information on the implementation of the budget for the preceding and current financial years available at the time of their establishment.

CHAPTER 2

STRUCTURE AND PRESENTATION OF THE BUDGET

Article 16

Budget nomenclature

(Article 36 of the Financial Regulation)

1. The budget nomenclature shall comply with the principles of specification, transparency and sound financial management. It shall provide clarity and transparency necessary for the budgetary process, facilitating the identification of the main objectives as reflected in the relevant legal bases, making possible choices on political priorities and enabling efficient and effective implementation.

2. Where the statement of expenditure of a section of the budget is presented in a nomenclature based on a classification by purpose, appropriations shall be divided into separate headings by title according to the following classification:

(a) Title 1 : Staff expenditure authorised in the establishment plan: there shall be an amount of appropriations and a number of employment posts corresponding to this expenditure;

(b) Title 2 : Buildings, Equipment, Information Services and other operating expenditures;



(c) Title 3 : Operational Expenditure;

(d) Title 4 : Expenditure Special Operations Programmes.

Article 17

Actual expenditure in the last financial year for which the accounts have been closed

(Article 37 of the Financial Regulation)

For the purposes of establishing the budget, actual expenditure in the last financial year for which the accounts have been closed shall be determined as follows:

(a) in commitments: commitments entered in the accounts during the financial year against appropriations for that financial year as defined in Article 4;

(b) in payments: payments made during the financial year, that is to say, for which a payment order has been sent to the bank, against appropriations for that financial year as defined in the same Article 4.

Article 18

Budget remarks

(Article 37(2)(d) of the Financial Regulation)

The budget remarks shall include:

(a) the references to the basic act, where one exists;

(b) all appropriate explanations concerning the nature and purpose of the appropriations.

TITLE IV IMPLEMENTATION OF THE BUDGET

CHAPTER 1 GENERAL PROVISIONS

Article 19

Information on transfers of personal data for audit purposes

(Article 39(2) of the Financial Regulation)

In any call made in the context of grants, procurement or prizes implemented in direct management, potential beneficiaries, candidates, tenderers and participants shall, in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council) be informed that, for the purposes of safeguarding the financial interests



of the Union, their personal data may be transferred to internal audit services, to the European Court of Auditors, to the Financial Irregularities Panel or to the European Anti-Fraud Office (hereinafter 'OLAF').

Article 20
Delegation of budget implementation powers
(Article 40 of the Financial Regulation)

1. The powers which the Authorising Officer delegates, allow the holders, in their capacity as authorising officers by delegation, to implement the budget by, in particular:

- (a) making budgetary and legal commitments as well as carrying out the preliminaries for these commitments;
- (b) validating and authorising expenditure;
- (c) establishing amounts receivable (including making financial corrections), and issuing recovery orders, waiving recovery and cancelling established amounts receivable;
- (d) taking individual decisions on the award of grants, public procurement contracts or prizes;
- (e) proposing transfers of appropriations;
- (f) selling assets placed under their responsibility.

The powers delegated may allow the authorising officer by delegation to carry out only some of the specific acts referred to above.

2. The tasks and responsibilities which are inherent to the position of the Authorising Officer may not be delegated, in particular:

- (a) the general responsibility for implementing revenue and expenditure in accordance with the principle of sound financial management and for ensuring that the requirements of legality and regularity are complied with, in accordance with Article 44(1) of the Financial Regulation;
- (b) the general responsibility for putting in place the organisational structure and the internal management and control procedures suited to the performance of his duties, including where appropriate ex post controls, in accordance with Article 44(2) of the Financial Regulation;
- (c) the obligation to take the necessary measures in the cases referred to in Article 48(1) of the Financial Regulation concerning possible irregularities, bad financial management or failure to abide by professional rules;
- (d) provision of the Consolidated Annual Activity Report (AAR) and the annexes thereto, in accordance with Article 47(1) of the Financial Regulation;
- (e) the waiving of amounts receivable exceeding EUR 5 000;



- (f) the signing of loans to finance the acquisition of buildings under Article 88(5) of the Financial Regulation;
- (g) the signing of public contracts concluded jointly with Member States, EFTA Member States and candidate countries.

3. Without prejudice to paragraphs 1 and 2, the authorising officer may lay down in the internal rules detailed measures for the management of appropriations as he considers necessary for proper implementation of the budget.

Article 21
Acts likely to constitute a conflict of interests and procedure
(Article 41 (2) of the Financial Regulation)

1. Acts likely to be affected by a conflict of interests within the meaning of Article 41(2) of the Financial Regulation may, inter alia, take one of the following forms without prejudice of their qualification as illegal activities under Article 48 of the Financial Regulations:

- (a) granting oneself or others unjustified direct or indirect advantages;
- (b) refusing to grant a beneficiary the rights or advantages to which the beneficiary is entitled;
- (c) committing undue or wrongful acts or failing to carry out acts that are mandatory.

Other acts likely to be affected by a conflict of interests are those which may impair the impartial and objective performance of a person's duties such as, inter alia, the participation in an evaluation committee for a public procurement or grant procedure when the person may, directly or indirectly, benefit financially from the outcome of these procedures.

2. A conflict of interests shall be presumed to exist if an applicant, candidate or tenderer is a member of staff covered by the Staff Regulations, unless his participation in the procedure has been authorised in advance by his superior.

3. In the event of a conflict of interests, the competent authority, as defined in Article 41(3) of the Financial Regulation, shall take appropriate measures to avoid any undue influence of the person concerned on the process or procedure in question.

CHAPTER 2
FINANCIAL ACTORS

Section 1
Rights and obligations of the financial actors

Article 22
Rights and obligations of the financial actors
(Article 43 - 51 of the Financial Regulation)



The Agency shall provide each financial actor with the resources required to perform his duties and a charter describing in detail his tasks, rights and obligations.

Section 2

Authorising officer

Article 23

Internal provisions governing delegations

(Article 40 of the Financial Regulation)

In accordance with the Financial Regulation and this Regulation, the Agency shall lay down in its internal rules such measures for governing delegations as it considers necessary for proper implementation of its budget.

Article 24

Keeping of supporting documents by authorising officers

(Article 44(5) of the Financial Regulation)

1. The authorising officer shall set up paper based or electronic systems for the keeping of original supporting documents relating to and subsequent to budget implementation and budget implementation measures. The systems shall provide for:

- (a) such documents to be numbered;
- (b) such documents to be dated;
- (c) registers, which may be computerised, to be kept identifying the exact location of such documents; and
- (d) such documents to be kept for at least five years from the date on which the European Parliament grants discharge for the budgetary year to which the documents relate;
- (e) keeping of documents relating to pre-financing guarantees for the institution and of a log to enable such guarantees to be adequately monitored.

Documents relating to operations not definitively closed shall be kept for longer than provided for in point (d) of the first subparagraph, that is to say, until the end of the year following that in which the operations are closed.

2. Personal data contained in supporting documents shall be deleted where possible when those data are not necessary for budgetary discharge, control and audit purposes. Article 37(2) of Regulation (EC) No 45/2001 shall apply to the conservation of traffic data.



Article 25
Transmission of financial and management information to the accounting officer
(Article 39 and 44 of the Financial Regulation)

The authorising officer shall send the accounting officer, in accordance with the rules adopted by the latter, the financial and management information required for the performance of the accounting officer's duties.

The accounting officer shall be informed, regularly and at least for the closure of the accounts, by the authorising officer of the relevant financial data of the fiduciary bank accounts in order to allow the use of Agency funds to be reflected in the accounts of the Agency.

Article 26
Report on negotiated procedures
(Article 47(1) of the Financial Regulation)

The authoring officer shall record, for each financial year, contracts concluded by the negotiated procedures referred to in Articles 134(1) (a) to (g) and 135(1) (a) to (d) of the General Rules of Application. If the proportion of negotiated procedures in relation to the number of contracts awarded by the same authorising officer by delegation increases appreciably in relation to earlier years or if that proportion is distinctly higher than the average recorded for the Agency, the authorising officer responsible shall take measures to reverse that trend. The Agency shall report on negotiated procedures to budgetary authority, preferably as an annex to the Consolidated Annual Activity Report (AAR).

Article 27
Code of professional standards
(Article 46(4) and 54 of the Financial Regulation)

1. The staff designated by the authorising officer responsible to verify financial operations shall be chosen on the grounds of their knowledge, skills and particular qualifications as evidenced by diplomas or by appropriate professional experience, or after an appropriate training programme.

2. The Agency shall draw up a code of professional standards referred to in Article 46(4) of the Financial Regulations which determine, on matters of internal control:

- (a) the level of technical and financial competence required of the staff referred to in paragraph 1;
- (b) the obligation for such staff to undergo continuing training;
- (c) the mission, role and tasks allocated to them;
- (d) the rules of conduct, in particular the standards of ethics and integrity that they must comply with and the rights they enjoy.



3. The Agency shall put in place the appropriate structures to distribute to authorising departments and update periodically appropriate information concerning the control standards and the methods and techniques available for that purpose.

Articles 28
Consolidated annual activity report (AAR)
(Article 47(1) of the Financial Regulation)

The consolidated annual activity report (AAR) shall give an accurate description of:

- (a) the achievement of the objectives for the year, in accordance with the principle of sound financial management;
- (b) the financial situation and the events which have had a significant influence on activities during the year.

Article 29
Ex post controls and consolidated annual activity report
(46(2) and 46(3) of the Financial Regulation)

The result of the ex post controls shall, with other matters, be set out in the consolidated Annual Activity Report (AAR) submitted by the Executive Director to the Management Board.

Article 30
Failure of the Executive Director to take action
(Article 48 of the Financial Regulation)

Failure by the Executive Director to take action, as referred to in Article 48 of the Financial Regulation, shall mean the absence of any reply within a reasonable time given the circumstances of the case and, at all events, within a month at most.



Section 3

Accounting officer

Article 31

Appointment of the accounting officer

(Article 50(1) of the Financial Regulation)

The accounting officer shall, obligatorily, be chosen by the Agency on the grounds of his particular competence as evidenced by diplomas or by equivalent professional experience.

Article 32

Termination of duties of the accounting officer

(Article 50 of the Financial Regulation)

1. A trial balance shall be drawn up without delay in the event of termination of the duties of the accounting officer.

That statement shall be made up of the accounts provided for in Title IX of the Financial Regulation, closed on the last day of the month in which the accounting officer terminates his duties.

2. The trial balance accompanied by a handing over report shall be transmitted by the accounting officer who is terminating his duties or, if it is not possible, by a staff member in his department to the new accounting officer.

The new accounting officer shall sign the trial balance in acceptance within one month from the date of transmission and he may make reservations.

The handing over report shall also contain the result of the trial balance and any reservations made.

3. The Agency shall inform the European Parliament, the Council and the accounting officer of the Commission within two weeks of the appointment or termination of duties of its accounting officer.

Article 33

Validation of accounting and inventory systems

(Article 50(1)(e) of the Financial Regulation)

The authorising officer shall notify the accounting officer of all developments or significant modifications of a financial management system, an inventory system or a system for the valuation of assets and liabilities, if it provides data for the accounts of the Agency or is used to substantiate data thereof, so that the accounting officer can verify compliance with the validation criteria.

At any time, the accounting officer may re-examine a financial management system already validated.

Where a financial management system set up by the authorising officer is not or is no longer validated by the accounting officer, the authorising officer shall, together with the accounting officer, establish an action plan in order to correct, in due time, weaknesses for which the validation has been rejected.



The authorising officer shall be responsible for the completeness of information transmitted to the accounting officer.

Article 34
Treasury management
(Article 50(1)(f) of the Financial Regulation)

1. The accounting officer shall ensure that the Agency has at its disposal sufficient funds to cover the cash requirements arising from budgetary implementation.
2. For the purposes of paragraph 1, the accounting officer shall set up cash management systems enabling him to draw up cash-flow forecasts.

Article 35
Management of bank accounts
(Article 50(1)(f) of the Financial Regulation)

1. For the requirements of treasury management, the accounting officer may open accounts in the name of the Agency with financial institutions or national central banks or cause such accounts to be opened. In duly warranted circumstances, the accounting officer may open accounts in currencies other than the euro.
2. The accounting officer shall be responsible for closing accounts referred to in the paragraph 1 or for ensuring that such accounts are closed.
3. The accounting officer shall set the operating terms for accounts referred to in paragraph 1 with financial institutions, in accordance with the principles of sound financial management, efficiency and competitive tendering.
4. At least every five years the Agency's accounting officer shall re-launch competitive tendering between financial institutions with which accounts have been opened in accordance with paragraph 1.

Where local banking conditions allow for it, imprest related bank accounts opened with financial institutions located outside the Union shall be regularly subject to a competitive survey. Such a survey shall be undertaken, at least every five years, at the initiative of the imprest account holder, who then shall submit to the accounting officer a substantiated proposal for the selection of a bank for a period not exceeding five years.

5. The accounting officer shall ensure strict compliance with the operating terms for accounts opened with financial institutions in accordance with paragraph 1.

For imprest related bank accounts opened with financial institutions located outside the Union, the imprest account holder shall assume this responsibility taking into account the applicable legislation in the country where that holder exercises his mandate.



6. The accounting officer of the Commission shall inform the accounting officer of the agency, on the operating terms of accounts opened with financial institutions. The accounting officer of the Agency shall harmonise, with those operating terms, the operating terms of the accounts they open.

Article 36

Signatures on bank accounts

(Article 50(1)(f) of the Financial Regulation)

1. The terms governing the opening, operation and use of accounts shall provide, depending on internal control requirements, that cheques, bank credit transfer orders or any other banking operations must be signed by one or more duly authorised members of staff.

All payment instructions shall be signed by at least two duly authorised members of the accounting section according to the work instruction in force.

2. For the purposes of the first subparagraph, the accounting officer of the Agency shall communicate to all financial institutions with which the Agency has opened accounts the names and specimen signatures of the authorised members of staff.

Article 37

Management of account balances

(Article 50(1)(f) of the Financial Regulation)

1. The accounting officer shall ensure that the balance on the bank accounts provided for in Article 35 does not deviate significantly from the cash-flow forecasts referred to in Article 34(2) and in any event:

(a) that none of those accounts is in debit;

(b) that the balance of accounts held in other currencies is periodically converted into euro.

2. The accounting officer may not maintain balances in foreign currency accounts, which might cause excessive losses to the Agency as a result of exchange rate fluctuations.



Article 38
Transfers and conversion operations
(Article 50(1)(f) of the Financial Regulation)

Without prejudice to **Article 47**, the accounting officer shall conduct transfers between accounts opened in the name of the Agency with financial institutions, and conduct currency conversion operations.

Article 39
Methods of payment
(Article 50(1)(f) of the Financial Regulation)

Payments shall be made by bank credit transfer, by cheque or, from imprest accounts by debit card in accordance the second sub-paragraph of Article 51 of the Financial Regulation.

Article 40
Legal Entities file
(Article 50(1)(f) of the Financial Regulation)

1. The accounting officer may make payments by bank credit transfer only if the payee's bank account details and information confirming the payee's identity, or any modification have first been entered in a common file by the Agency.

Any such entry in the file of the payee's legal and bank account details or modification of those details shall be based on the Third Party form (THP) filled out and signed according to the related working instruction in force as defined by the accounting officer.

2. With a view to payment by bank credit transfer, authorising officers may enter into a commitment towards a third party on behalf of the Agency only if that third party has provided the documentation required for its entry in the file.

Authorising officers shall inform the accounting officer of any change in the legal and bank account details communicated to them by the payee and shall check that the bank account details communicated by the payee are still valid when each payment order is made.

Article 41
Keeping of supporting documents by the accounting officer
(Article 50 of the Financial Regulation)

Supporting documents for the accounting system and for the preparation of the accounts referred to in Article 92 of the Financial Regulation shall be kept for at least five years from the date on which the European Parliament grants discharge for the budgetary year to which the documents relate.



However, documents relating to operations not definitively closed shall be kept for longer, that is to say, until the end of the year following that in which the operations are closed. Article 37(2) of Regulation (EC) No 45/2001 shall apply to the conservation of traffic data.

The supporting documents are to be kept by each delegated or sub-delegated authorising officer responsible for the budget line concerned.

Section 4

Imprest administrator

Article 42

Conditions of use of imprest accounts

(Article 51 of the Financial Regulation)

1. Where, owing to the limited amounts involved, it is materially impossible or inefficient to carry out payment operations by budgetary procedures, imprest accounts may be set up for the payment of such expenditure.
2. The imprest administrator may provisionally validate and pay expenditure, on the instructions of the authorising officer responsible. Those instructions shall specify the rules and conditions under which the provisional validation and payments shall be carried out.
3. The creation of an imprest account and the appointment of an imprest administrator shall be the subject of a decision by the accounting officer, on a duly substantiated proposal from the authorising officer responsible. That decision shall set out the respective responsibilities and obligations of the imprest administrator and the authorising officer.

Amendment of the operating terms for an imprest account shall also be the subject of a decision by the accounting officer on a duly substantiated proposal from the authorising officer responsible.

Article 43

Conditions governing creation and payment

(Article 51 of the Financial Regulation)

1. The decision setting up an imprest account and appointing an imprest administrator and the decision amending the operating terms for an imprest account shall specify in particular:
 - (a) the maximum amount which may be initially provided as an imprest, and its purpose;
 - (b) whether a bank account or post office giro account is to be opened in the name of the Agency;
 - (c) the nature and maximum amount of each item of expenditure which may be paid by the imprest administrator to third parties or collected from them;
 - (d) the frequency with which supporting documents must be produced, the procedure for producing them and the arrangements for transmitting them to the authorising officer for settlement;



- (e) the procedure to be followed if the imprest has to be replenished;
- (f) that imprest transactions will be settled by the authorising officer by no later than the end of the following month, so that the accounting balance and the bank balance can be reconciled;
- (g) the period of validity of the authorisation given to the imprest administrator by the accounting officer;
- (h) the identity of the appointed imprest administrator.

2. In proposals for decisions setting up imprest accounts the authorising officer responsible shall ensure that:

- (a) priority is given to the use of budgetary procedures where there is access to the central computerised accounting system;
- (b) imprest accounts are used only in substantiated cases.

3. The maximum amount which may be paid by the imprest administrator where it is materially impossible or inefficient to carry out payment operations by budgetary procedures shall not exceed EUR 1 000 for each item of expenditure.

4. The imprest administrator may make payments to third parties on the basis and within the limits of:

- (a) prior budget and legal commitments signed by the authorising officer responsible;
- (b) the positive residual balance of the imprest account, in cash or at the bank.

5. Payments from imprest accounts may be made by bank credit transfer, cheque or other means of payment.

6. Payments made shall be followed by formal final validation decisions and/or payment orders signed by the authorising officer responsible.

Article 44 **Choice of imprest administrators** (Article 51 of the Financial Regulation)

Imprest administrators shall be chosen on the grounds of their knowledge, skills and particular qualifications as evidenced by diplomas or by appropriate professional experience, or after an appropriate training programme.

Article 45 **Endowment of imprest accounts** (Article 51 of the Financial Regulation)

1. The accounting officer shall make payments endowing imprest accounts and shall monitor those accounts from the point of view of opening of bank accounts and delegation of signatures and controls on the spot and in the centralised accounts. The accounting officer shall endow the imprest accounts. Imprests shall be paid to the bank account opened for the imprest.



Imprest accounts may also be endowed directly by miscellaneous local revenue such as that arising from:

- (a) sales of equipment;
- (b) publications;
- (c) miscellaneous repayments;
- (d) interest.

The imprest shall be settled, in terms of expenditure or miscellaneous or assigned revenue, in accordance with the decision setting up the imprest account referred to in Article 43 and the provisions of the Financial Regulation. The amounts in question shall be deducted by the authorising officer when he subsequently replenishes the imprest accounts concerned.

2. In order, in particular, to avoid any exchange losses, the imprest administrator may make transfers between different bank accounts relating to the same imprest.

Article 46
Checks by authorising officers and accounting officers
(Article 51 of the Financial Regulation)

1. The imprest administrator shall keep an account of the funds at his disposal, in cash and at the bank, and of payments made and amounts received, in accordance with the rules and on the instructions given by the accounting officer. Statements of that account shall be accessible at all times to the authorising officer responsible and a monthly list of transactions together with supporting documents shall be sent in the following month by the imprest administrator to the authorising officer for settlement of the imprest operations.

2. The accounting officer shall carry out, or have carried out by an official or other servant in his own department or in the authorising department specially empowered for that purpose, checks, which should normally be effected on the spot and without warning, to verify the existence of the funds allocated to the imprest administrators and the bookkeeping and to check that imprest transactions are settled within the time-limit set. The accounting officer shall communicate the findings of those checks to the authorising officer responsible.

Article 47
Procurement procedure
(Article 51 of the Financial Regulation)

Payments made from imprest accounts may, within the limits laid down in Article 137 (3) of the General Rules of Application, consist simply in the payment of costs against invoices, without prior acceptance of a tender.



CHAPTER 3

LIABILITY OF THE FINANCIAL ACTORS

Section 1

General rules

Article 48

Bodies responsible in matters of fraud

(Articles 48, 53(2) and 54 (5) of the Financial Regulation)

The authorities and bodies referred to in Articles 48, 53(2) and 54(5) of the Financial Regulation shall be understood to mean the bodies designated by the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union (hereinafter "the Staff Regulations") and the decisions of the Union institutions concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any other illegal activity detrimental to the Union's interests.

Section 2

Rules applicable to authorising officers by delegation and sub-delegation

Article 49

Confirmation of instructions

(Article 54(3) of the Financial Regulation)

1. An authorising officer by delegation or sub-delegation who receives a binding instruction which he considers to be irregular or contrary to the principle of sound financial management, in particular because the instruction cannot be carried out with the resources allocated to him/her, shall, in writing, so inform the authority from which he/she received the delegation or sub-delegation. If the instruction is confirmed in writing and that confirmation is received in good time and is sufficiently clear, in that it refers explicitly to the points which the authorising officer by delegation or sub-delegation has challenged, he/she may not be held liable; he/she shall carry out the instruction, unless it constitutes a breach of criminal law or of the relevant safety standards.
2. Paragraph 1 shall also apply in cases where an authorising officer learns, in the course of acting on a binding instruction, that the circumstances of the case may give rise to an irregular situation.
3. Any instructions confirmed in the circumstances described in Article 54(3) of the Financial Regulation shall be recorded by the authorising officer by delegation responsible and mentioned in his Annual Activity Report (AAR).

Article 50

Financial irregularities

(Articles 48 and 54 of the Financial Regulation)

Without prejudice to the powers of the European Anti-Fraud Office (OLAF), the specialised financial irregularities panel, referred to in Article 54 (5) in the Financial Regulations (hereinafter 'the Panel'), shall be competent in respect of any infringement of a provision of the Financial Regulation or of a provision relating to financial



management or the checking of operations resulting from an act or omission of an official or other member of staff.

Article 51

Financial irregularities panel

(Articles 48 and 54(5) of the Financial Regulation)

1. Cases of financial irregularities, as referred to in 50 shall be referred by the Executive Director to the panel referred to in Article 54 (5) of the Financial Regulation for an opinion.

Where a case is referred to it by the Executive Director (appointing authority or the authority authorised to conclude contracts of employment), the panel shall deliver an opinion evaluating whether irregularities within the meaning of Article 50 have occurred, how serious they are and what their consequences might be. Should the panel's analysis suggest that the case referred to is a matter for OLAF, it shall without delay return the case-file to the Executive Director and shall inform OLAF at once.

When the panel referred to in the first subparagraph is directly informed of a matter by a member of staff in accordance with Article 48 of the Financial Regulation, it shall transmit the file to the Executive Director and shall inform the member of staff accordingly. The appointing authority/Director may request the Panel's opinion on the case.

2. Should the Management Board decide to set up its own panel for financial irregularities referred to in Article 54(5) of the Financial Regulation, it shall specify the operating arrangements of the panel and its composition, which shall include an outside personality with the required qualifications and expertise.

CHAPTER 4

REVENUE OPERATIONS

Section 1

Estimate of amounts receivable

Article 52

Estimate of amounts receivable

(Article 60 of the Financial Regulation)

1. Estimates of amounts receivable shall specify the type of revenue and the budget item to which they are to be booked and, as far as possible, the particulars of the debtor and the estimated amount.

When drawing up an estimate of amounts receivable, the authorising officer responsible shall check in particular that:

(a) the revenue is booked to the correct budget item;

(b) the estimate is in order and complies with the provisions applicable and the principle of sound financial management.



2. Subject to Article 8(2), an estimate of amounts receivable shall not have the effect of making commitment appropriations available. In the cases referred to in Article 23 of the Financial Regulation, appropriations may be made available only after the sums due have actually been recovered by the Agency.

Section 2

Establishment of amounts receivable

Article 53 **Procedure**

(Article 60 of the Financial Regulation)

1. The establishment by the authorising officer responsible of an amount receivable shall constitute recognition of the right of the Agency in respect of a debtor and establishment of entitlement to demand that the debtor pay the debt.

2. The recovery order shall be the operation by which the authorising officer responsible instructs the accounting officer to recover the amount established.

3. The debit note shall be to inform the debtor that:

(a) the Agency has established the amount receivable;

(b) payment of the debt to the Agency is due on a certain date (hereinafter "the due date");

(c) failing payment by the due date, referred to in point (b), the debt shall bear interest at the rate referred to in Article 60 of the Financial Regulation, without prejudice to any specific rules applicable;

(d) failing reimbursement by the deadline referred to in point (b) the institution shall effect recovery either by offsetting or by enforcement of any guarantee lodged in advance;

(e) The accounting officer may effect recovery by offsetting before the deadline referred to in point (b), where it is necessary to protect the Agency's financial interests when he has justified grounds to believe that the amount due to the Agency would be lost, after the debtor has been informed of the reasons and date of the recovery by offsetting;

(f) if, after taking all the steps set out in points (a) to (e) of this subparagraph, the amount has not been recovered in full, the institution shall effect recovery by enforcement of a decision secured either in accordance with Article 79(2) of the General Financial Regulation or by legal action.

The Authorising officer shall print out the debit note and send it to the debtor. The accounting officer shall be informed of that dispatch through the financial information system.

Article 54

Establishment of amounts receivable

(Article 60 of the Financial Regulation)



To establish an amount receivable the authorising officer responsible shall ensure that:

- (a) the receivable is certain and not subject to any condition;
- (b) the receivable is of fixed amount, expressed precisely in cash terms;
- (c) the receivable is due and is not subject to any payment time;
- (d) the particulars of the debtor are correct;
- (e) the amount to be recovered is booked to the correct budget item;
- (f) the supporting documents are in order; and
- (g) the principle of sound financial management is complied with.

Article 55

Supporting documents for the establishment of amounts receivable

(Article 60 of the Financial Regulation)

1. The establishment of an amount receivable shall be based on supporting documents certifying the Agency's entitlement.
2. Before establishing an amount receivable the authorising officer responsible shall personally check the supporting documents or, on his/her own responsibility, shall ascertain that this has been done.
3. The supporting documents shall be kept by the authorising officer in accordance with Articles 24 and 25.

Section 3

Authorisation of recovery

Article 56

Establishment of the recovery order

(Article 61 of the Financial Regulation)

1. The recovery order shall specify or be linked in the Agency's financial system to:
 - (a) the financial year to which the revenue is to be booked;
 - (b) the references of the act or legal commitment which is the source of the debt and gives rise to the entitlement to recovery;
 - (c) the budget article and any other subdivision that may apply, including, where appropriate, the references of the corresponding budget commitment;



(d) the amount to be recovered, expressed in euro;

(e) the name and address of the debtor;

(f) the due date, referred to in Article 53(3)(b); and

(g) the possible method of recovery, including in particular recovery by offsetting or enforcement of any guarantee lodged.

2. The recovery order shall be dated and signed by the authorising officer responsible, then sent to the accounting officer.

3. The accounting officer of the Agency shall keep a list of amounts due to be recovered. Agency entitlements shall be grouped in the list according to the date of issue of the recovery order.

Section 4

Recovery

Article 57

Recovery by offsetting

(Articles 62 of the Financial Regulation)

1. Where the debtor has a claim on the Agency that is certain, of a fixed amount and due, relating to a sum established by a payment order, the accounting officer shall, once the deadline referred to in Article 53(3)(b) has passed, recover established amounts receivable by offsetting.

In exceptional circumstances, where it is necessary to safeguard the financial interests of the Agency, when the accounting officer has justified reasons for believing that the amount due to the Agency would be lost, the accounting officer shall recover by offsetting before the deadline referred to in Article 53(3)(b).

The accounting officer shall also recover by offsetting before the deadline referred to in Article 53(3)(b) when the debtor agrees.

2. Before proceeding with any recovery in accordance with paragraph 1, the accounting officer shall consult the authorising officer responsible and inform the debtors concerned.

Where the debtor is a national authority or one of its administrative entities, the accounting officer shall also inform the Member State concerned at least 10 working days in advance of his intention to resort to recovery by offsetting. However, in agreement with the Member State or administrative entity concerned, the accounting officer may proceed with the recovery by offsetting before that deadline has passed.

3. The offsetting referred to in paragraph 1 shall have the same effect as a payment and discharge the Agency for the amount of the debt and, where appropriate, of the interest due.



Article 58
Recovery procedure failing voluntary payment
(Articles 62(2) &(3) of the Financial Regulation)

1. Without prejudice to Article 56, if the full amount has not been recovered by the deadline referred to in Article 53(3)(b) and specified in the debit note, the accounting officer shall inform the authorising officer responsible and shall without delay launch the procedure for effecting recovery by any means offered by the law, including, where appropriate, by enforcement of any guarantee lodged in advance.
2. Without prejudice to Article 56, where the recovery method referred to in paragraph 1 cannot be used and the debtor has failed to pay in response to the letter of formal notice sent by the accounting officer, the accounting officer shall enforce a recovery decision secured by legal action.

Article 59
Default interest
(Article 60(4) of the Financial Regulation)

1. Without prejudice to any specific provisions deriving from the application of sector-specific rules, any amount receivable not repaid on the deadline referred to in Article 53(3)(b) shall bear interest in accordance with the General Framework Financial Regulation paragraphs 2 and 3 of this article.
2. The interest rate for amounts receivable not repaid on the deadline referred to in Article 53(3)(b) shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the due date falls, increased by:
 - (a) eight percentage points where the obligating event is a public supply and service contract referred to in Title V of the General Financial Regulation;
 - (b) three and a half percentage points in all other cases.
3. Interest shall be calculated from the calendar day following the deadline referred to in Article 53(3)(b) and specified in the debit note up to the calendar day on which the debt is repaid in full.
The recovery order corresponding to the amount of the default interest shall be issued when this interest is actually received.
4. In the case of fines, where the debtor provides a financial guarantee which is accepted by the accounting officer instead of payment, the interest rate applicable from the due date referred to in Article 53(3)(b) shall be the rate referred to in paragraph 2 of this article as in force on the first day of the month in which the decision imposing a fine has been adopted and increased by only one and a half percentage points.

Article 60
Waiving of recovery of an established amount receivable
(Article 62(4) of the Financial Regulation)



1. The authorising officer responsible may waive recovery of all or part of an established amount receivable only in the following cases:

- (a) where the foreseeable cost of recovery would exceed the amount to be recovered and the waiver would not harm the Agency's image;
- (b) where the amount receivable cannot be recovered in view of its age or the insolvency of the debtor;
- (c) where recovery is inconsistent with the principle of proportionality.

2. In the case referred to in point (c) of paragraph 1, the authorising officer responsible shall act in accordance with predetermined procedures established within the Agency and shall apply the following criteria which are compulsory and applicable in all circumstances:

- (a) the facts, having regard to the gravity of the irregularity giving rise to the establishment of the amount receivable (fraud, repeat offence, intent, diligence, good faith, manifest error);
- (b) the impact that waiving recovery would have on the operation of the Agency and its financial interests (amount involved, risk of setting a precedent, undermining of the authority of the law).

Depending on the circumstances of the case, the authorising officer responsible may also have to take the following additional criteria into account:

- (a) any distortion of competition that would be caused by the waiving of recovery;
- (b) the economic and social damage that would be caused were the debt to be recovered in full.

3. The waiver decision referred to in Article 62(4) of the Financial Regulation shall be substantiated and shall refer to the diligence exercised to secure recovery and the points of law and fact on which the waiver is based. The authorising officer shall waive recovery in accordance with the procedure provided for in Article 62 of the Financial Regulation.

4. The waiving of recovery of an established amount receivable may not be delegated by the Executive Director where the amount to be waived is EUR 5 000 or more.

5. The Agency shall send to the European Parliament and Council each year a report on the waivers referred to in paragraphs 1 to 4 involving EUR 100 000 or more. That report shall be annexed to the Consolidated Annual Activity Report (AAR) referred to in Article 47 of the Financial Regulation.

Article 61

Cancellation of an established amount receivable

(Article 62 (5) of the Financial Regulation)

In the event of a mistake as to a point of law, the authorising officer responsible shall cancel the established amount receivable in accordance with Articles 55 and 56; cancellation shall be suitably substantiated.



The Agency shall lay down in its internal rules the conditions and procedure for delegating the power to cancel an established amount receivable.



Article 62
Recovery of fines or other penalties
(Article 62 of the Financial Regulation)

1. Where an action is brought before the Court of Justice of the European Union against an Agency decision imposing a fine or other penalties under the TFEU or Euratom Treaty and until such time as all legal remedies have been exhausted, the debtor shall either provisionally pay the amounts concerned on the bank account designated by the accounting officer or provide a financial guarantee acceptable to the accounting officer. The guarantee shall be independent of the obligation to pay the fine or penalty payment or other penalties and shall be enforceable upon first call. It shall cover the claim as to principal and the interest due as specified in Article 60(4) of the Financial Regulation.

2. The Agency shall secure the provisionally cashed amounts by having them invested in financial assets thus ensuring the security and liquidity of the monies whilst also aiming at yielding a positive return.

3. After the exhaustion of all legal remedies and where the fine or penalty has been confirmed any of the following measures shall be taken:

(a) the provisionally collected amounts and the interest and other amounts they have yielded shall be entered into the budget in accordance with Article 62 of the Financial Regulation at the latest during the financial year following the year in which all legal remedies have been exhausted;

(b) where a financial guarantee has been lodged, the latter shall be enforced and the corresponding amounts entered in the budget;

Where the amount of the fine or of the penalty has been increased by the Court, points (a) and (b) of the first subparagraph under paragraph 3 in this article shall apply up to the amounts of the decision of the Agency and the accounting officer shall collect the amount corresponding to the increase, which will be entered into the budget.

4. After all legal remedies have been exhausted and where the fine or penalty has been cancelled or reduced any of the following measures shall be taken:

(a) the amounts unduly collected together with the interest yielded shall be repaid to the third party concerned. In cases where the overall return yielded for the relevant period has been negative, the nominal value of the amounts unduly collected shall be repaid;

(b) where a financial guarantee has been lodged, the latter shall be released accordingly.



Article 63
Rules for limitation periods
(Article 66 of the Financial Regulation)

1. The limitation period for entitlements of the Agency in respect of third parties shall begin to run on the expiry of the deadline communicated to the debtor in the debit note as specified in Article 53(3)(b).

The limitation period for entitlements of third parties in respect of the Agency shall begin to run on the date on which the payment of the third party's entitlement is due according to the corresponding legal commitment.

2. The limitation period for entitlements of the Agency in respect of third parties shall be interrupted by any act of an institution, or a Member State acting at the request of an institution, notified to the third party and aiming at recovering the debt.

The limitation period for entitlements of third parties in respect of the Agency shall be interrupted by any act notified to the Agency by its creditors or on behalf of its creditors aiming at recovering the debt.

3. A new limitation period of five years shall begin to run on the day following the interruptions referred to in paragraph 2.

4. Any legal action relating to an amount receivable as referred to in paragraph 1, including actions brought before a court which later declares itself not to have jurisdiction, shall interrupt the limitation period. The new limitation period of five years shall not begin until a judgment having the force of res judicata is given or there is an extrajudicial settlement between the same parties on the same action.

5. Where the accounting officer allows the debtor additional time for payment in accordance with Article 64 of the Financial Regulation, this shall be considered as an interruption of the limitation period. The new limitation period of five years shall begin to run on the day following the expiry of the extended time for payment.

6. Entitlements shall not be recovered after the expiry of the limitation period, as established in paragraphs 1 to 5.



CHAPTER 5

EXPENDITURE OPERATIONS

Article 64

Financing decision

(Article 68 of the Financial Regulation)

1. The financing decision shall set out the essential elements of an action involving expenditure from the budget.

2. The financing decision shall in particular set out the following:

(a) for grants:

- (i) the reference to the basic act and the budgetary line;
- (ii) the priorities of the year, the objectives to be fulfilled and the foreseen results with the appropriations authorised for the financial year;
- (iii) the essential eligibility, selection and award criteria to be used to select the proposals;
- (iv) the maximum possible rate of co-financing and if different rates are envisaged the criteria to be followed for each rate;
- (v) the timetable and the indicative amount of the calls for proposals;

(b) for procurement:

- (i) the global budgetary envelope reserved for the procurements during the year;
- (ii) the indicative number and type of contracts envisaged and if possible their subject in generic terms;
- (iii) the indicative time-frame for launching the procurement procedures;

(c) for prizes:

- (i) the reference to the basic act and the budgetary line;
- (ii) the objectives to be fulfilled and the foreseen results;
- (iii) the essential conditions for participation and award criteria;
- (iv) the timetable of the contest and the amount of the prize or prizes.



Section 1

Commitment of expenditure

Article 65

Single signature

(Article 69 of the Financial Regulation)

1. There should be a single signatory for the budget commitment and the corresponding legal commitment. This rule may be departed from in the following cases alone:

- (a) where the commitments are provisional;
- (b) where global commitments relate to financing agreements with third countries;
- (c) where the Agency's decision constitutes the legal commitment;
- (d) where the global commitment is implemented by a number of legal commitments, for which different authorising officers by delegation are responsible;

2. If the authorising officer responsible who signed the budget commitment is not available and remains unavailable for a period incompatible with the time-limits for concluding the legal commitment, that legal commitment shall be concluded by the person designated under the deputation rules adopted by the Agency, provided that that person has the status of authorising officer in accordance with Article 40 of the Financial Regulation.

Article 66

Registration of individual legal commitments

(Article 69 of the Financial Regulation)

In the case of a global budget commitment followed by one or several individual legal commitments, the authorising officer responsible shall register in the central accounts the amounts of this or these successive individual legal commitments. The authorising officer responsible shall check that the aggregate amount does not exceed the amount of the global commitment covering them.

The registration in the accounts shall indicate the references of the global commitment against which the individual commitments are being booked.

The authorising officer responsible shall register the amounts in the accounts before signing the corresponding individual legal commitment, except in the cases referred to in Article 70(2) of the Financial Regulation.

In all cases, the authorising officer responsible shall check that the aggregated amount does not exceed the amount of the global commitment covering them.

Articles 67

Global and provisional commitments

(Article 69(3) of the Financial Regulation)



1. The global budgetary commitment shall be implemented by the conclusion of one or more legal commitments.
2. In relation to communication expenditures engaged in by the Agency for the coverage of Agency events, the provisional budgetary commitment may be implemented directly by payments.

Article 68
Adoption of a global commitment
(Article 69(3)(b) of the Financial Regulation)

A global commitment shall be made on the basis of a financing decision.

The global commitment shall be made at the latest before the decision on the selection of recipients is taken and, where implementation of the appropriations concerned involves the adoption of a work programme within the meaning of Article 32 of the Financial Regulations, at the earliest after that programme has been adopted.

Article 69
Administrative expenditure covered by provisional commitments
(Article 69 (3)(c) of the Financial Regulation)

Items regarded as routine administrative expenditure which may give rise to provisional commitments shall include the following:

- (a) expenditure on staff, whether or not covered by the Staff Regulations, on other human resources and pensions and on the remuneration of experts;
- (b) training expenditure;
- (c) expenditure on competitions, selection and recruitment;
- (d) mission expenses;
- (e) representation expenses;
- (f) meeting expenses;
- (g) freelance interpreters and/or translators;
- (h) exchanges of officials;
- (i) recurring rentals of movable and immovable property or recurring payments relating to building contracts within the meaning of Article 121 of the General Rules of Application or loan instalments pursuant to Article 88(5) of the General Financial Regulation;
- (j) miscellaneous insurance;



- (k) cleaning and maintenance;
- (l) welfare and medical expenditure;
- (m) the use of telecommunications services;
- (n) financial charges;
- (o) legal expenses;
- (p) damages, including interest;
- (q) work equipment;
- (r) water, gas and electricity;
- (s) periodical publications on paper or in electronic versions;
- (t) communications activities engaged in by the Agency for the coverage of Agency events.

Section 2

Validation of expenditure

Article 70

Passing for payment of procurement contracts for interim and balance payments

(Article 73 of the Financial Regulation)

For interim and balance payments corresponding to procurement contracts, the endorsement "passed for payment" shall certify that:

- (a) the Agency has received and formally registered an invoice drawn up by the contractor;
- (b) the invoice itself, or an internal document accompanying the invoice received, has been endorsed "certified correct" and signed by an official or other servant technically competent and duly empowered by the authorising officer responsible;
- (c) all aspects of the invoice have been checked by the authorising officer responsible or on his responsibility with a view to determining in particular the amount to be paid and the validity of the payment as discharge of the debt.

The endorsement "certified correct", referred to in point (b) of the first paragraph shall certify that the services provided for in the contract have been properly provided, or that the supplies provided for in the contract have been properly delivered, or that the work provided for in the contract has been properly carried out. For supplies and work, the official or other servant technically competent shall draw up a provisional acceptance certificate, then a final acceptance certificate at the end of the guarantee period laid down in the contract. Those two certificates shall count as the "certified correct" endorsement.



For recurring payments including payment of subscriptions or training courses, the endorsement 'certified correct', shall certify that the entitlement of the creditor is in accordance with relevant documents justifying payment.

Article 71

Passing for payment of grants for interim and balance payments

(Article 73 of the Financial Regulation)

For interim and balance payments corresponding to grants, the endorsement "passed for payment" shall certify that:

- (a) the Agency has received and formally registered a payment request drawn up by the beneficiary;
- (b) the payment request itself, or an internal document accompanying the payment request received, has been endorsed "certified correct" and signed by an official or other servant technically competent, empowered by the authorising officer responsible; by such endorsement, he certifies that the action or work programme carried out by the beneficiary is in all respects in compliance with the grant agreement;
- (c) all aspects of the payment request have been checked by the authorising officer responsible or on his responsibility with a view to determining in particular the amount to be paid and the validity of the payment as discharge of the debt.

By endorsement referred to in point (b), the official or other servant technically competent, duly empowered by the authorising officer responsible, certifies that the action or work programme carried out by the beneficiary is in all respects in compliance with the grant agreement or decision, including, where applicable that the costs declared by the beneficiary are eligible.



Article 72
Certified correct for pre-financing payments
(Article 73 of the Financial Regulation)

For pre-financing payments, the authorising officer responsible or a technically competent member of staff, duly empowered by the authorising officer responsible shall certify with the endorsement 'certified correct' that the conditions required in the legal commitment for the payment of the pre-financing are met.

Article 73
Passing for payment of staff expenditure
(Article 73 of the Financial Regulation)

For payments corresponding to staff expenditure, the endorsement "passed for payment" shall certify that the following supporting documents exist:

- (a) in respect of monthly salary:
 - (i) the complete list of staff, giving all the components of remuneration;
 - (ii) a form (personal information sheet) based on decisions taken in each individual case, showing, whenever such change occurs, any change in any component of remuneration;
 - (iii) in the case of recruitments or appointments, a certified true copy of the recruitment or appointment decision which accompanies the validation of the first salary payment;
- (b) in respect of other remunerations (staff paid on an hourly or daily basis): a statement signed by the authorised official or other servant showing the days and hours worked;
- (c) in respect of overtime: a statement signed by the authorised official or other servant certifying the amount of overtime worked;
- (d) in respect of mission expenses:
 - (i) the travel order signed by the competent authority;
 - (ii) the statement of mission expenses, signed by the official on mission and by the administrative superior to whom the appropriate powers have been delegated, and showing, in particular, the place of mission, the dates and times of departure and arrival at the place of mission, travel expenses, subsistence expenses, and other expenses duly authorised on production of supporting documents;
- (e) in respect of other staff expenditure, including subscriptions or training courses which, according to the contract, are to be paid in advance, the supporting documents referring to the decision on which the expenditure is based and giving all the components of the calculation.



The statement of mission expenses referred to in point (d) (ii) of the first subparagraph shall indicate the place of mission, the dates and times of departure and arrival at the place of mission, travel expenses, subsistence expenses, and other expenses duly authorised on production of supporting documents.

Article 74

Material form of “certified correct” and “passed for payment”

(Article 73 of the Financial Regulation)

In a non-computerised system, “certified correct” and “passed for payment” shall take the form of a stamp incorporating the signature of the authorising officer responsible or of an official or other servant technically competent, empowered by the authorising officer responsible in accordance with Article 73. In a computerised system, “certified correct” and “passed for payment” shall take the form of validation using the personal password of the authorising officer responsible or of an official or other servant technically competent, empowered by the authorising officer responsible.

Section 3

Authorisation of payments

Article 75

Checks on payments by the authorising officer

(Article 74 of the Financial Regulation)

When drawing up the payment order, the authorising officer responsible shall ensure that:

- (a) the payment order has been properly issued, meaning that a corresponding validation decision has been taken previously in the form of “passed for payment”, that the particulars of the payee are correct and that the amount is due;
- (b) the payment order corresponds to the budget commitment against which it is booked;
- (c) the expenditure is charged to the correct item in the budget;
- (d) appropriations are available.



Article 76
Mandatory details on payment orders and transmission to the accounting officer
(Article 74 of the Financial Regulation)

1. The payment order shall state:

- (a) the financial year to which the expenditure is to be booked;
- (b) the budget article and any other subdivision that may apply;
- (c) the references of the legal commitment giving rise to an entitlement to payment;
- (d) the references of the budget commitment against which it is to be booked;
- (e) the amount to be paid, expressed in euro;
- (f) the name, address and bank account details of the payee;
- (g) the object of the expenditure;
- (h) the means of payment;
- (i) the entry of items in the inventory in accordance with Article 114.

2. The payment order shall be dated and signed by the authorising officer responsible, then sent to the accounting officer. The material form shall comply with the provisions in Article 76.

Section 4
Payment of expenditure

Article 77
Supporting documents
(Article 75 of the Financial Regulation)

1. Pre-financing, including in cases where it is split into a number of payments, shall be paid either on the basis of the contract, the agreement or the basic act, or on the basis of supporting documents, which make it possible to check the conformity of the actions financed with the terms of the contractor agreement in question. If a date of payment for pre-financing is determined in those instruments, payment of the due amount shall not be dependent upon further demand.

2. Interim payments and payments of balances shall be based on supporting documents which make it possible to check that the action financed has been carried out in accordance with the terms of the contract or agreement concluded with the beneficiary or of the basic act.

3. The authorising officer responsible shall lay down, in compliance with the principle of sound financial management, the nature of the supporting documents referred to in paragraph 1 in accordance with the basic



act, where one exists, and the contracts and agreements concluded with the beneficiary. Interim and final technical and financial implementation reports, shall constitute supporting documents for the purposes of paragraph 1.

4. The supporting documents shall be kept by the authorising officer responsible in accordance with Article 24.

Section 5

Time limits for expenditure operations

Article 78 **Time limits**

(Article 77 of the Financial Regulations)

1. Payments shall be made within:

(a) 90 calendar days for delegation agreements, contracts, grant agreements and decisions involving technical services or actions which are particularly complex to evaluate and for which payment depends on the approval of a report or a certificate;

(b) 60 calendar days for all other delegation agreements, contracts, grant agreements and decisions for which payment depends on the approval of a report or a certificate;

(c) 30 calendar days for all other delegation agreements, contracts, grant agreements and decisions.

2. The authorising officer responsible may suspend the time limit for payment where:

(a) the amount of the payment request is not due; or

(b) the appropriate supporting documents have not been produced.

If information comes to the notice of the authorising officer responsible which puts in doubt the eligibility of expenditure in a payment request, he or she may suspend the time limit for payment for the purpose of verifying, including by means of on the spot checks, that the expenditure is indeed eligible.

3. The creditors concerned shall be informed in writing of the reasons for that suspension.

4. Where the suspension exceeds two months, the creditor may request a decision by the authorising officer responsible on whether the suspension is to be continued.

5. Except in the case of Member States, on expiry of the time limits laid down in paragraph 1, the creditor shall be entitled to interest.

Article 79

Payment time limits and default interest

(Article 77 of the Financial Regulations)



1. The time allowed for making payments shall be understood as including validation, authorisation and payment of expenditure.

It shall begin to run from the date on which a payment request is received.

A payment request shall be registered by the authorised department of the authorising officer responsible as soon as possible and is deemed to be received on the date it is registered.

The date of payment is deemed to be the date on which the Agency's account is debited.

2. A payment request shall include the following essential elements:

- (a) creditor's identification;
- (b) amount;
- (c) currency;
- (d) date.

Where at least one essential element is missing, the payment request shall be rejected.

The creditor shall be informed in writing of the rejection and the reasons for it as soon as possible and in any case within 30 calendar days from the date on which the payment request was received.

3. In the case of suspension as referred to in Article 78(2), the remaining time allowed for payment shall begin to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out.

4. On expiry of the time-limits laid down in Article 78(1)(a), (b) and (c), the creditor shall be entitled to interest in accordance with the following conditions:

- (a) the interest rates shall be those referred to in Article 59(2);
- (b) the interest shall be payable for the period elapsing from the calendar day following expiry of the time-limit for payment laid down in Article 78(1) of up to the day of payment.

However, when the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment.

5. The Agency shall submit to the European Parliament and Council a report on the compliance with the time-limits and on the suspension of the time-limits laid down in Article 78. The report of the Agency shall be annexed to the consolidated annual activity report referred to in Article 47 of the Financial Regulation.



CHAPTER 6 IT SYSTEMS

Article 80 Description of IT systems

(Chapter 6 of the Financial Regulation)

Where computer systems and subsystems are used to process budget implementation operations, a full and up-to-date description of each system or subsystem shall be required.

Each description shall define the content of all data fields and describe how the system treats each individual operation. It shall show in detail how the system guarantees the existence of a complete audit trail for each operation.

Article 81 Periodical save

(Chapter 6 of the Financial Regulation)

The data in computer systems and subsystems shall be saved periodically and kept in a safe place.

Article 82 Work programme

(Article 82(3) of the Financial Regulation)

1. The internal auditor shall adopt his work programme and shall submit it to the agency.
2. The agency may ask the internal auditor to carry out audits not included in the work programme referred to in paragraph one.



Article 83
Independence

(Article 83 of the Financial Regulation)

The internal auditor shall enjoy complete independence in the conduct of his audits.

He/she may not be given any instructions nor be restricted in any way as regards the performance of the functions which, by virtue of his appointment, are assigned to him under the Financial Regulation.

Article 84
Action before the Court of Justice of the European Union

(Article 83 of the Financial Regulation)

Without prejudice to the remedies allowed by the Staff Regulations, the internal auditor may bring an action directly before the Court of Justice of the European Union in respect of any act relating to the performance of his duties as internal auditor. Such an action must be lodged within three months running from the calendar day on which the act in question is notified.

Such actions shall be investigated and heard as provided for in Article 91(5) of the Staff Regulations of Officials of the European Union.

Article 85
Buildings

(Article 88 of the Financial Regulation)

1. The expenditure referred to in Article 88(1) of the Financial Regulation shall include the costs of the fitting out of buildings. It shall not include the charges.
2. The early information procedure set out in Article 88(1) of the Financial Regulation and the prior approval procedure set out in Article 88(2) thereof shall not apply to acquisition of land free of charge or for a symbolic amount.
3. The prior approval procedure set out in Article 88(2) of the Financial Regulation shall not apply to preparatory contracts or studies necessary to evaluate the detailed cost and financing of the building project.
4. The thresholds of EUR 750 000 or EUR 3 000 000 referred to in points (b), (c) and (d) of Article 88(4) of the Financial Regulation shall include the costs of fitting out of the building. For rents and usufruct contracts, those thresholds shall take into account the costs of the fitting out of the building but not the other charges.

TITLE V
PROCUREMENT



Article 86

(Article 85 and 86 of the Financial Regulation; Title V of the General Financial Regulation; Title V of the General Rules of Application)

1. Where applicable references to “contracting authority/ies” or institution(s) in the General Rules of Application, referred to in paragraph 1, shall read “the Agency”.
2. Agency measures may be adopted to specify internal procurement procedures.

TITLE VI GRANTS AND PRIZES

Article 87

(Article 90 and 91 of the Financial Regulation; Title VI and Title VII of the General Financial Regulation; Title VI and Title VII of the General Rules of Application)

1. Where applicable references to “Commission” in the General Rules of Application, referred to in paragraph 1, shall read “the Agency”.

TITLE VII PRESENTATION OF THE ACCOUNTS AND ACCOUNTING

CHAPTER 1 PRESENTATION OF THE ACCOUNTS

Article 88

Report on budgetary and financial management during the year

(Article 93 of the Financial Regulation)

The report on budgetary and financial management during the year shall give an accurate description of:

- (a) the achievement of the objectives for the year, in accordance with the principle of sound financial management;
- (b) the financial situation and the events which have had a significant influence on activities during the year.

The report on budgetary and financial management shall be separate from the reports on implementation of the budget referred to in Article 92 of the Financial Regulation.



Article 89
Exception to the accounting principles
(Article 95 of the Financial Regulation)

Where, in a specific case, the accounting officer considers that an exception should be made to the content of one of the accounting principles outlined in the Union accounting rules, that exception shall be duly substantiated and reported in the notes to the financial statements referred to in Article 92.

Article 90
Statement of financial performance
(Article 96(1)(a) of the Financial Regulation)

The statement of financial performance shall show the income and charges for the year, classified according to their nature.

Article 91
Cash flow statement
(Article 96(1)(b) of the Financial Regulation)

The cash flow statement shall show treasury movements.

The treasury shall be made up of the following:

- (a) cash in hand;
- (b) bank accounts and deposits payable on demand, and;
- (c) other disposable assets which can quickly be converted to cash and whose value is stable.



Article 92
Notes to the financial statements
(Article 96(2) of the Financial Regulation)

The notes referred to in Article 96(2) of the Financial Regulation shall form an integral part of the financial statements. It shall contain at least the following information:

- (a) accounting principles, rules and methods;
- (b) explanatory notes, supplying additional information not contained in the body of the financial statements which is necessary for picture true and fair view;
- (c) off-balance-sheet commitments showing entitlements and obligations not included in the balance sheet which could have a material impact on the assets and liabilities, the financial situation or the result of the entity concerned.

Article 93
Explanatory notes
(Article 96(2) of the Financial Regulation)

The explanatory notes shall be presented with cross references to the items in the financial statements to which they relate and in the same order of presentation.

Article 94
Budgetary outturn accounts
(Article 97 of the Financial Regulation)

The budgetary outturn account shall contain:

- (a) information on revenue comprising:
 - (i) changes in the revenue estimates in the budget;
 - (ii) the revenue outturn;
 - (iii) entitlements established;
- (b) information showing changes in the total commitment and payment appropriations available;
- (c) information showing the use made of the total commitment and payment appropriations available;
- (d) information showing commitments outstanding, those carried over from the previous year and those made during the year.



Article 95

Notes to the budgetary outturn account

(Article 97 of the Financial Regulation)

The notes to the budgetary outturn account referred to in Article 97 of the Financial Regulation shall contain at least:

(a) information on the budget principles, types of appropriation and the structure of the budget;

(b) information on commitments outstanding;

(c) the information required for a proper understanding of the budget outturn;

(d) a breakdown of the budget outturn account detailing the revenue and expenditure for the Agency's activities financed by fees & charges and activities funded by the European Union contribution and contributions other than fees & charges.

Article 96

Modalities of transmission of accounts

(Article 98 and 99 of the Financial Regulation)

Provisional accounts and the final accounts referred to in Articles 98 and 99 of the Financial Regulation may be sent by electronic means.

CHAPTER 2 ACCOUNTING

Section 1

Organisation of the accounts

Article 97

Organisation of the accounts

(Article 100 of the Financial Regulation)

1. The accounting officer of the Agency shall draw up and keep updated documents describing the organisation of the accounts and accounting procedures of his institution.
2. Budget revenue and expenditure shall be recorded in the computerised system referred to in Article 98, according to the economic nature of the operation, as current revenue or expenditure or as capital.



Article 98
Computerised systems
(Article 100 of the Financial Regulation)

1. The accounts shall be kept with the help of an integrated computerised system.
2. Where accounts are kept using computerised systems and subsystems, such systems and subsystems shall be described in full.

That description shall define the content of all data fields and specify how the system treats individual operations. It shall state how the system guarantees the existence of a complete audit trail for each operation and for any change made to the computerised systems and subsystems so that it is possible at any time to identify the nature of the change and the person who made it.

The description of computerised accounting systems and subsystems shall indicate any links between those systems and the central accounting system, particularly as regards the transfer of data and the reconciliation of balances.

3. Access to the computerised systems and subsystems shall be confined to persons included on a list of authorised users which is kept and updated.

Section 2
Accounting ledgers

Article 99
Accounting ledgers
(Article 103 of the Financial Regulation)

1. The Agency shall keep a journal, a general ledger and at least sub-ledgers for debtors, creditors and fixed assets, unless it is not justified by cost-benefit considerations.
2. The accounting ledgers shall consist of electronic documents, which are identified by the accounting officer and offer full guarantees for use as evidence.
3. Entries in the journal shall be transferred to the general ledger, itemised according to the chart of accounts referred to in Article 103.
4. The journal and the general ledger may be split into as many special journals and special ledgers as are necessary to meet requirements.
5. Entries recorded in special journals and special ledgers shall be centralised at least every month in the journal and in the general ledger.



Article 100
Trial balance

(Article 103 of the Financial Regulation)

The Agency shall establish a trial balance covering all the accounts of the general accounts, including the accounts cleared during the year, with, in each case:

- (a) account number;
- (b) description;
- (c) total debits;
- (d) total credits;
- (e) balance.

Article 101
Accounting reconciliations

(Article 103 of the Financial Regulation)

1. The data in the general ledger shall be kept and organised in such a way as to justify the content of each of the accounts included in the trial balance.
2. As regards the inventory of fixed assets, the provisions of Articles 111 to 115 shall apply.

Article 102
Inventory

(Article 106 of the Financial Regulation)

1. The inventory is a statement of all assets and liabilities and commitments of all kinds, indicating for each item the quantity and value on the inventory date.
2. The data in the inventory shall be kept and organised in such a way as to justify the content of each of the accounts included in the trial balance.
3. As regards the inventory of fixed assets, the provisions of Articles 111 to 115 shall apply.

Section 3
Chart of accounts

Article 103
Chart of accounts

(Article 102 of the Financial Regulation)



1. The chart of accounts shall be adopted by the Agency's accounting officer based on the specific needs of the Agency.

2. The chart of accounts shall divide the accounts into classes. Each class may be subdivided into groups or subgroups, as required.

3. The chart of accounts must contain at least the following classes:

(a) for the balance-sheet accounts:

(i) class 1: accounts for capital, provisions and creditors due in over one year;

(ii) class 2: accounts for formation expenses, fixed assets and debtors due in over one year;

(iii) class 3: stock accounts;

(iv) class 4: accounts for debtors and creditors due in one year or less;

(v) class 5: financial accounts;

(b) for the revenue and expenditure accounts:

(i) class 6: charges accounts;

(ii) class 7: income accounts;

(c) for the special accounts: classes 8 and 9: special accounts;

(d) for off-balance-sheet transactions: class 0: off-balance-sheet transactions.

4. The contents of each account and class and its operation shall be laid down in the chart of accounts.

Section 4 Registration

Article 104 Entries in the accounts

(Article 103 of the Financial Regulation)

1. Entries shall be made using the double entry method, whereby any movement or variation recorded in the accounts shall be represented by an entry establishing an equivalence between the amount debited and the amount credited in the various accounts affected by that entry.

2. The euro counterpart of a transaction denominated in a currency other than the euro shall be calculated and entered in the accounts.



Transactions in foreign currencies in accounts, which can be revalued, shall be revalued at least each time the accounts are closed.

That revaluation shall be based on the rates laid down in accordance with Article 6.

The rate to be used for conversion between the euro and another currency to draw up the balance sheet at 31 December of year N shall be that of the last working day of year N.

3. The accounting rules adopted under Article 101 of the Financial Regulation shall specify the conversion and re-evaluation rules to be provided for the purposes of accrual accounting.

Article 105 **Accounting records**

(Article 103 of the Financial Regulation)

All accounting records shall specify the origin, content and booking reference of each data item and the references of the relevant supporting documents.

Article 106 **Supporting documents**

(Article 103 of the Financial Regulation)

1. Each entry shall be based on a dated and numbered supporting document, produced on paper or on a medium which guarantees the reliability and safeguarding of its content for the periods laid down in Article 24.

2. Operations of the same type, carried out in the same place and on the same day may be summarised in a single supporting document.

Article 107 **Recording in the journal**

(Article 103 of the Financial Regulation)

Accounting operations shall be recorded in the journal by one of the following methods, which are not mutually exclusive:

(a) day by day, operation by operation;

(b) in the form of a monthly summary of the total amounts involved in operations, provided that all documents allowing verification of individual operations day by day are kept.

Article 108 **Validation of entries** (Article 103 of the Financial Regulation)



1. Entries in the journal and in an inventory ledger shall be made final by means of a validation procedure prohibiting any change to or deletion of the entry.
2. A closure procedure designed to freeze the chronology of records and guarantee their inviolability shall be implemented at the latest before the final financial statements are presented.

Section 5

Reconciliation and verification

Article 109

Reconciliation of accounts

(Article 103 of the Financial Regulation)

1. The balance of accounts in the trial balance shall be reconciled periodically, and at least at the annual closure, with the data from the management systems used by authorising officers for the management of assets and liabilities and for the daily input into the accounting system.
2. Periodically, and at least whenever the accounts are closed, the accounting officer shall check that the data in the inventory ledger referred to in Article 99 correspond to the actual situation, in particular as regards:
 - (a) cash at bank, by reconciliation of the statements of account from financial institutions;
 - (b) cash in cash offices, by reconciliation with the data in the cash book.

The fixed assets accounts shall be reviewed in accordance with Article 115.

3. The suspense accounts shall be opened and reviewed annually by the accounting officer. Those accounts shall be under the responsibility of the authorising officer and he shall clear them as soon as possible.

Section 6

Budget accounts

Article 110

Content and keeping of budget accounts

(Article 105 of the Financial Regulation)

1. The budget accounts shall show, for each subdivision of the budget:
 - (a) in the case of expenditure:
 - (i) the appropriations authorised in the initial budget, the appropriations entered in amending budgets, the appropriations carried over, the appropriations available following collection of assigned revenue, transfers of appropriations and the total appropriations thus available;



(ii) the commitments and payments in respect of the financial year;

(b) in the case of revenue:

(i) the estimates entered in the initial budget, the estimates entered in amending budgets, assigned revenue and the total amount of estimates thus determined;

(ii) the entitlements established and the amounts recovered in respect of the financial year in question;

(c) the commitments still to be paid and revenue still to be recovered carried forward from previous financial years.

The commitment appropriations and payment appropriations referred to in point (a) of the first subparagraph shall be entered and shown separately.

2. The budget accounts shall show separately:

(a) the use of appropriations carried over and the appropriations for the year;

(b) the clearance of outstanding commitments.

On the revenue side, amounts still to be recovered from previous financial years shall be shown separately.

3. The budget accounts may be organised in such a way as to develop a cost accounting system.

4. The budget accounts shall be kept using computer systems, in books or on file cards.

CHAPTER 3

PROPERTY INVENTORIES

(Chapter 2 of the Financial Regulation)

Article 111

Property inventories

(Article 106 of the Financial Regulation)

The system of property inventories shall be established by the authorising officer with technical assistance from the accounting officer. That inventory system must supply all the information required for keeping the accounts and safeguarding assets.

Article 112

Safeguarding property

(Article 106 of the Financial Regulation)



The Agency shall adopt provisions on safeguarding the property included in its balance sheet and decide which administrative department are responsible for the inventory system.

Article 113

Entry of items in the inventory

(Article 106 of the Financial Regulation)

All items acquired with a period of use greater than one year, which are not consumables, and whose purchase price or production cost is higher than that indicated in the Union accounting rules adopted under Article 101 of the Financial Regulation shall be entered in the inventory and recorded in the fixed assets accounts.

Article 114

Content of the inventory for each item

(Article 106 of the Financial Regulation)

The inventory shall contain an appropriate description of each item and specify its location, or for movable items, the service or person responsible, the date of acquisition and its unit cost.



Article 115
Inventory checks of movable property
(Article 106 of the Financial Regulation)

Inventory checks carried out by the Agency shall be performed in such a way as to ensure that each item physically exists and matches the relevant entry in the inventory. Such checks shall be carried out under an annual verification programme, save for tangible and intangible fixed assets, which shall be checked at least on a three-year basis.

Article 116
Resale of property
(Article 106 of the Financial Regulation)

Staff members, officials and any other servants may not acquire items that are resold by the Agency save where those items are resold by public tender procedure.

Article 117
Procedure for sale of fixed assets
(Article 106 of the Financial Regulation)

1. Sales of fixed assets shall be advertised locally in appropriate fashion, if the unit purchase value is EUR 8 100 or more the period between publication of the last announcement and conclusion of the sales contract shall be no less than 14 calendar days.

Those sales shall be the subject of a notice of sale published in the Official Journal of the European Union, if the unit purchase value is EUR 391 100 or more. Appropriate advertising may also be placed in the Member States' press. The period between the date of publication of the notice in the Official Journal of the European Union and conclusion of the sales contract shall be no less than one month.

2. The Agency may forgo advertising where the cost of advertising exceeds the expected return from the operation.

3. The Agency shall always endeavour to obtain the best price for sales of fixed assets.

4. Paragraphs 1, 2 and 3 shall not apply to sales between Union institutions and their bodies referred to in Article 208 of the General Financial Regulation.



Article 118
Procedure for disposing of fixed assets
(Article 106 of the Financial Regulation)

A statement or record shall be drawn up by the authorising officer whenever any property in the inventory, including buildings, is sold, given away free of charge, scrapped, hired out or missing on account of loss, theft or any other reason.

The statement or record shall indicate in particular whether the item must be replaced at the expense of an official or other servant of the Agency or any other person.

Where immovable property or major installations are made available free of charge, a contract must be drawn up and the case notified in an annual report sent to the European Parliament and the Council when the preliminary draft budget is presented.

Staff members, officials or other servants of the institutions and bodies referred to in Article 141 of the General Financial Regulation may not be recipients of the property in the inventory given away free of charge or scrapped.

Article 119
Remunerated external experts

(Article 89 of the Financial Regulations, Article 287 of the General Rules of Application,
(EU, Euratom) No. 966/2012)

1. For values below the thresholds laid down in Article 170(1) of the General Rules of Application, (EU, Euratom) No. 966/2012, remunerated external experts may be selected on the basis of the procedure laid down in paragraph 2.

2. A call for expressions of interest shall be published in the Official Journal of the European Union or where it is necessary to provide publicity among potential candidates, on the internet site of the Agency.

The call for expressions of interest shall include a description of the tasks, their duration and the fixed conditions of remuneration. Those conditions may be based on unit prices.

A list of experts shall be drawn up following the call for expressions of interest. It shall be valid for no more than five years from its publication or for the duration of a multiannual programme related to the tasks.

3. Any interested natural person may submit an application at any time during the period of its validity, with the exception of the last three months of that period. Remunerated external experts shall not be selected to perform the tasks referred to in Article 89 of the Financial Regulation if they are in one of the situations of exclusion referred to in Articles 106 and 107 of the General Financial Regulation.

4. All exchanges with selected experts, including the conclusion of contracts and any amendments thereto, may be done through electronic exchange systems set up by the Union institutions and bodies.

These systems shall meet the following requirements:



- (a) only authorised persons may have access to the system and to documents transmitted through it;
- (b) only authorised persons may electronically sign or transmit a document through the system;
- (c) authorised persons must be identified through the system by established means;
- (d) the time and date of the electronic transaction must be determined precisely;
- (e) the integrity of documents must be preserved;
- (f) the availability of documents must be preserved;
- (g) where appropriate, the confidentiality of documents must be preserved;
- (h) the protection of personal data in accordance with the requirements of Regulation (EC) No 45/2001 must be ensured.

Data sent or received through such a system shall enjoy legal presumption of the integrity of the data and the accuracy of the date and time of sending or receiving the data indicated by the system.

A document sent or notified through such a system shall be considered as equivalent to a paper document, shall be admissible as evidence in legal proceedings, shall be deemed to be the original of the document and shall enjoy legal presumption of its authenticity and integrity, provided it does not contain any dynamic features capable of automatically changing it.

The electronic signatures referred to in point (b) of the second subparagraph shall have the equivalent legal effect of handwritten signatures.

5. The list of experts and the subject of the tasks shall be published annually. The remuneration shall be published where it exceeds EUR 15 000 for the task performed.

6. Paragraph 5 shall not apply if such publication risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of experts.

Article 120

Repeal

The Implementing Rules adopted by the Management Board decision 07-2009 of 09 June 2009 are repealed with effect of 1 January 2014.

Article 121

Entry into force

These Implementing Rules shall enter into force on the day following its adoption by the Management Board of the Agency. They shall apply as of 1 January 2014. However Article 28 shall apply from 1 January 2015.



Done at Cologne,

PEKKA HENTTU
Chair of the Management Board

