

European Aviation Safety Agency

**Annex 1: Explanatory Note and summary tables on
the 2010 2nd Amending Budget**



1. Background

Pursuant to Article 28 of the Financial Regulation adopted by Management Board decision 09-2003 of 26 August 2003, which was last amended by the Management Board decision 06-2009 of 9 June 2009:

“Any amendment to the budget, including the establishment plan, shall be the subject of an amending budget adopted by the same procedure as the initial budget, in accordance with the provisions of the Basic Regulation and Article 27”.

In light of the above legal framework, the Agency is presenting an amending budget in order to properly reflect the results of the re-assessment of the resources needed taking into consideration the evolution of the revenues for fees and charges and the updated forecast for outsourcing related to certification activities to National Aviation Authorities for the year 2010.

2. Income analysis

The income side of the budget registers the following modifications:

- Increase of revenues from Fees and Charges activities of €2.700.000 on budget line 100 due to the combined effects of a revised forecast on invoicing and new applications.

3. Expenditure analysis

The request for amending budget covers the Fees and Charges related activities.

- a) Revision of the budget for the Certification outsourcing to National Aviation Authorities with an increase of € 2.300.000 on budget line 3000. This increase is mainly explained by an increase of the outsourcing activities on products certification and the associated Working Budget.
- b) Revision of the budget for Legal expenses because the Legal Department expects to execute two framework contracts for external legal advice for pre-litigation and litigation support related to Fees and Charges activities. In addition, it may, upon requests raised, outsource legal support in the



recovery of debts (fees or charges). To cover expenses for these activities a budget of € 100.000 on budget line 2330 is to be foreseen.

- c) Set up of the Internal Occurrence Reporting System (IORS) for which the Agency estimates that a budget of €300.000 is necessary to cover software costs and consultants for 2010. The expense should be covered by the additional revenues generated by Fees and Charges and included in budget line 3200.

Summary of Fees and Charges amendments ('000 Euro):

DIR	Type	Budget line		Budget 2010 (a)	1st Amending Budget 2010 (b)	Internal Transfers (c)	Current Budget - 30.07.10 (d)	2nd Amending Budget (e)	Delta (e-d)
F	I	100	Revenue from F&C	66.420	70.179	-	70.179	72.879	2.700
			Total	66.420	70.179	-	70.179	72.879	2.700
C	E	3000	Outsourcing Certification Activities/C	17.011	24.633	-	24.633	26.933	2.300
R	E	2330	Legal Expenses	100	140	-	140	240	100
F	E	3200	Development of business applications	3.602	3.602	396	3.998	4.298	300
			Total	20.713	28.375	396	28.771	31.471	2.700

Internal transfers (396 Keuro) correspond to transfers made in accordance with the article 23 of the Agency's Financial Regulation, not subject to MB approval and that have been authorised by the Executive Director.