



European  
Global Navigation  
Satellite Systems  
Agency

**Report on Budgetary and Financial Management 2019**  
**GSA-FIN-BUD-RPT-257168**  
**Issue/version: 0.1**

# **Report on Budgetary and Financial Management 2019**

<b>1</b>	<b>Introduction .....</b>	<b>3</b>
<b>2</b>	<b>Executive summary .....</b>	<b>4</b>
<b>3</b>	<b>Budget management .....</b>	<b>5</b>
3.1	<i>Overview of the budget.....</i>	5
3.1.1	Initial budget, amending budget and final budget .....	5
3.1.2	List of amending budgets adopted by the Board .....	9
3.1.3	List of transfers adopted by the Director/Administrative Board.....	9
<b>4</b>	<b>Budget implementation in 2019 .....</b>	<b>14</b>
4.1	<i>Execution of commitments in 2019 .....</i>	15
4.2	<i>Execution of payments in 2019 .....</i>	16
4.3	<i>Internal assigned revenues (C4, C5) – implementation.....</i>	18
4.4	<i>Operational Expenditure – multi-annual overview.....</i>	19
4.5	<i>Appropriations arising from earmarked revenue – Delegation agreements with the European Commission (EC) .....</i>	19
4.6	<i>Payment appropriations carried over from 2018 to 2019 and carried over from 2019 to 2020 .....</i>	23
4.7	<i>Analysis on outstanding commitments .....</i>	24
<b>5</b>	<b>Revenue .....</b>	<b>26</b>
5.1	<i>Nature of Revenue.....</i>	26
<b>6</b>	<b>Staff and establishment plan for 2019 .....</b>	<b>27</b>
<b>7</b>	<b>Financial management .....</b>	<b>28</b>
7.1	<i>Financial and accounting systems .....</i>	28
7.2	<i>Financial management .....</i>	28
<b>Annex 1 .....</b>		<b>30</b>
<b>List of Acronyms and Abbreviations.....</b>		<b>30</b>
<b>Glossary.....</b>		<b>31</b>

## 1 Introduction

The purpose of this report is to present a summary of the budgetary and financial management by the European GNSS Agency (GSA) in 2019.

### LEGAL BASIS

Regulation (EU) No 912/2010 of the European Parliament and of the Council (as amended by Regulation (EU) No 512/2014 of the European Parliament and of the Council of 16 April 2014) setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council.

GNSS Regulation No 1285/2013 of the European Parliament and of the Council of 11 December 2013 on the implementation and exploitation of European satellite navigation systems and repealing Council Regulation (EC) No 876/2002 and Regulation (EC) No 683/2008 of the European Parliament and of the Council.

Article 103 of the GSA Financial Regulation stipulates that the Agency shall prepare "a report on budgetary and financial management for the financial year".

## 2 Executive summary

The GSA began the year 2019 with an initial budget of 35 061 733 EUR which was further amended due to the lower amount allocated to the GSA from the EU budget and lower EFTA contribution. Amendment number 1 reduced overall appropriation by 1 471 870,21 EUR bringing it to the final amount of 33 589 862,79 EUR.

Second amending budget increased overall payment appropriations by 2 428 724,45 EUR to be able to cover payments planned under Title 3 until the end of 2019. Final amount of payment appropriations after amendment no 2 was 36 018 587,24 EUR. Commitment appropriations remained unchanged.

Budget execution for the year was 100% in commitment appropriations and 100% in C1 payment appropriations when taking into account the non-automatic carry-forward in order to maintain the GSA's payment capacity on existing legal obligations.

The cancellation rate for 2018 payment appropriations carried over to 2019 was 1,7% (87 thousand EUR). This is 32% lower in comparison to 2018 cancellations and demonstrates an even more efficient financial management. Average payment times were 14,95 days, well below the 30 days EC benchmark and 20 days target. A total of 6 765 financial transactions were processed, representing a 2 % increase in comparison to 2018.

The GSA continued to manage a large amount of delegated budget in 2019. A total of 290,7 million EUR was committed under delegated budget in 2019 and 523,5 million EUR made in payments.

## **3 Budget management**

### **3.1 Overview of the budget**

#### **3.1.1 Initial budget, amending budget and final budget**

The GSA draft budget 2019 was approved by the Administrative board on 31 January 2018 for a total amount of 35 061 733 EUR and became the initial 2019 budget upon adoption of 2019 EU budget by the Council and European Parliament. The GSA Administrative Board approved 2019 amending budget number 1 on 31<sup>st</sup> January 2019, reflecting the fact that GSA requested additional 23 Temporary Agent (TA) posts and, in the final 2019 budget, only an additional 10 TA posts were granted. The amendment also included the revised European Free Trade Association (EFTA) contribution, reducing the 2019 initial budget by 1 471 870,21 EUR and bringing it to the final amount of 33 589 862,79 EUR.

In the second budget amendment GSA Administrative Board approved increase of overall payment appropriations to 36 018 587,24 EUR in order to be able to cover all planned payments under legal commitments of current and previous years (GSA Title 3 appropriations are differentiated).

Seven budget transfers were processed in 2019, six of which were authorised by the Executive Director as they concerned transfers of amounts either within Titles or below 10% between Titles and one transfer authorised by Administrative Board on 23 October 2019. For a detailed overview of the GSA initial and final budget structure, with a consolidated presentation of amendments and transfers, please refer to the table on the next page.

Table 1: 2019 Initial budget, amending budgets and final budget, in EUR

Title		Initial voted budget		Amendments/ transfers			Final budget	
Budg. line	Heading	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Description	Commitment appropriations	Payment appropriations
<b>Title 1 - Staff expenditure</b>								
1100	Staff expenditure	16 648 369,00	16 648 369,00	1 334 774,51	1 334 774,51	Salaries budget line was reinforced to cover increase in the 2019 correction coefficient.	17 983 143,51	17 983 143,51
1200	Recruitment costs	116 000,00	116 000,00	-16 000,00	-16 000,00	10 additional temporary agents (TA) received, while 23 TA initially requested.	100 000,00	100 000,00
1210	Medical services	60 000,00	60 000,00	-46 159,79	-46 159,79	Lower participation to annual medical visits than originally estimated led to significant budget savings.	13 840,21	13 840,21
1300	Missions and travel	1 401 500,00	1 401 500,00	-254 073,50	-254 073,50	Due to the good missions budget management available budget reinforced other lines such as Tuition and Salaries.	1 147 426,50	1 147 426,50
1400	Training expenditure	200 000,00	200 000,00	-7 000,00	-7 000,00		193 000,00	193 000,00
1500	Social measures	900 000,00	900 000,00	-589 414,90	-589 414,90	Value of the contracts signed was lower than originally estimated, also due to the lower number of additional TA.	310 585,10	310 585,10
1600	Interims & trainees	300 000,00	300 000,00	27 085,00	27 085,00		327 085,00	327 085,00
1700	Represent. expenditure	2 000,00	2 000,00	-1 047,90	-1 047,90		952,10	952,10
1800	Tuition fees	1 496 000,00	1 496 000,00	166 403,98	166 403,98	Tuition fees were higher than originally anticipated, given the unknown number of children and schools they will attend, when recruiting new staff.	1 662 403,98	1 662 403,98
	<b>Total for title 1</b>	<b>21 123 869,00</b>	<b>21 123 869,00</b>	<b>614 567,40</b>	<b>614 567,40</b>		<b>21 738 436,40</b>	<b>21 738 436,40</b>
<b>Title 2 - Administrative expenditure</b>								

Title		Initial voted budget		Amendments/ transfers			Final budget	
2000	Rental of buildings	3 323 000,00	3 323 000,00	-588 502,07	-588 502,07	Occupiers charges and facility services for GSMC UK building were initially budgeted for the full year, while finally only first quarter 2019 was financed from core budget.	2 734 497,93	2 734 497,93
2100	Data processing	1 560 064,00	1 560 064,00	165 051,49	165 051,49	Available budget was used to reinforce the Data Processing budget line, to make investments which had to be put on hold due to lack of budget availability.	1 725 115,49	1 725 115,49
2200	Movable property	73 500,00	73 500,00	-40 500,00	-40 500,00	Furniture needed for new staff was lower than originally estimated (lower number of additional TA received).	33 000,00	33 000,00
2300	Current admin. costs	1 116 000,00	1 116 000,00	-176 915,72	-176 915,72	Central Security support contract for 200k EUR was postponed to 2020.	939 084,28	939 084,28
2400	Postage and telecommunication	305 300,00	305 300,00	-99 401,76	-99 401,76	Contract for agency mobile communication (50K EUR) was postponed to 2020, lower than estimated consumption of mobile phones contracts.	205 898,24	205 898,24
2500	Meetings	60 000,00	60 000,00	-12 602,20	-12 602,20		47 397,80	47 397,80
2600	SAB administrative expenditure	350 000,00	350 000,00	-285 000,00	-285 000,00	There has not been any satellite launch in 2019, therefore SAB members missions were much lower and no FKC missions took place.	65 000,00	65 000,00
	<b>Total for title 2</b>	<b>6 787 864,00</b>	<b>6 787 864,00</b>	<b>-1 037 870,26</b>	<b>-1 037 870,26</b>		<b>5 749 993,74</b>	<b>5 749 993,74</b>
	<b>Total for titles 1 and 2</b>	<b>27 911 733,00</b>	<b>27 911 733,00</b>	<b>-423 302,86</b>	<b>-423 302,86</b>		<b>27 488 430,14</b>	<b>27 488 430,14</b>
<b>Title 3 - Operational expenditure</b>								

Title		Initial voted budget		Amendments/ transfers			Final budget	
3100	Studies and operations	6 300 000,00	6 300 000,00	-666 870,16	1 361 755,67	Corresponding budget was transferred to other areas where such funds were urgently needed, e.g. staff salaries, missions, training, tuition and important IT projects and activities which have had to be put on hold due to lack of budget availability.  Additional payment appropriations (PA) in the amount of 2.2 million EUR were received BL 3100 to cover expected payments on legal obligations from both previous years and in 2019.	5 633 129,84	7 661 755,67
3300	SAB operational expenditure	850 000,00	850 000,00	-381 697,19	18 401,43	Several ongoing contracts from previous years have been extended due to operational delays out of the GSA's control. Therefore there was no longer a need to sign additional contracts in 2019.  Additional PA in the amount of 167k EUR were received.	468 302,81	868 401,43
	<b>Total for title 3</b>	<b>7 150 000,00</b>	<b>7 150 000,00</b>	<b>-1 048 567,35</b>	<b>1 380 157,10</b>		<b>6 101 432,65</b>	<b>8 530 157,10</b>
	<b>TOTAL titles 1, 2 and 3</b>	<b>35 061 733,00</b>	<b>35 061 733,00</b>	<b>-1 471 870,21</b>	<b>956 854,24</b>	Amending budget no 1: decreased commitment and payment appropriations by 1.4 million EUR, reflecting the fact that GSA requested additional 23 TA posts and, in the final 2019 budget, only additional 10 TA posts were granted.  Amending budget no 2: increased payment appropriations in the amount of 2.4 million EUR to cover expected payments on contracts from both previous years and in 2019.	<b>33 589 862,79</b>	<b>36 018 587,24</b>



### 3.1.2 List of amending budgets adopted by the Board

Table 2: List of amending budgets in 2019

Nr.	Date of adoption	Main subject Description	Impact on Commitment appropriations (in EUR)	Impact on Payment appropriations (in EUR)
1	31.1. 2019	Adjustment of budget according to the actual EC contribution approved by budgetary authority and actual 2019 EFTA contribution.	-1 471 870,21	-1 471 870,21
2	02.10 .2019	Additional payment appropriations were needed under Title 3 to cover all planned payments (Title 3 appropriations are differentiated)	0	2 428 724,45

### 3.1.3 List of transfers adopted by the Director/Administrative Board

Seven budget transfers were processed in 2019, six of which were authorised by the executive Director as they concerned transfers of amounts either within Titles or below 10% between Titles and one transfer was authorised by Administrative Board.

Table 3: List of transfers in 2019

#	Date of transfer adoption	Main subject description	From	To	Impact on Commitment appropriations (in EUR)	Impact on Payment appropriations (in EUR)
1	12.08.2019	<p>Reallocation of available funds on the operations budget in order to cover increased staff needs mainly due to the impact of the increase of the correction coefficient at the end of 2018 and 2019 and additional needs for relocation allowances for departing staff compared to initial estimations, additional needs for installation allowance and for the annual travel allowance.</p> <p>In view of ever-increasing security needs, Title 3 budget was transferred to the Training budget line (BL1400) in order to cover specialised Cyber Security training for select operational staff.</p> <p>Unused budget for social measures (BL1500) reinforced Salaries budget line (BL1100). Title 3 budget is also transferred to missions, in particular due to migration missions related to GSMC and tuition budget line (BL1800), where estimated amount was lower due to difficulties to estimate number of children of newly recruited staff.</p> <p>298k EUR in payment appropriations only (Title 3 appropriations are differentiated) are transferred to BL3300 in order to cover expected payments on legal obligations from both current and previous years.</p>	BL1500 BL3100 BL3300	BL1100	415 445,90	415 445,90
			BL2300	BL2500	10 000	10 000
			BL3100	BL1300	265 000	265 000
				BL1400		
				BL1800		
			BL3100	BL3300		298 723,72
2	25.10.2019	Administrative Board decision GSA-AB-WP-71 from 23 October 2019 transferring available funds from Title 3 to salaries and tuition.	BL3100	BL1100	197 684,27	197 684,27
				BL1800		
			BL3300	BL1100	412 975	412 975
3	08.11.2019	<p>Reallocation of available funds to increase the commitment appropriations to cover increased staff needs.</p> <p>Unused budget for social measures (BL1500), Missions (BL1300), Current administrative budget (BL2300) and SAB administrative budget (BL2600) reinforced Salaries budget line (BL1100).</p> <p>Due to the good missions budget management available credits can reinforce tuition budget line (BL1800), where</p>	BL1500 BL1210 BL1300	BL1100	461 264	461 264

		<p>estimated amount was lower due to difficulties to estimate number of children of newly recruited staff. Also lower than expected use of Training budget (BL1400) is transferred to Tuition fees (BL1800).</p> <p>Unused Flight Key Cell (FKC) mission budget and SAB administrative budget (BL2600) and Postage and telecommunication budget (BL2400) reinforced ICT budget line (BL2100) to finance additional projects that were originally freezed due to budget unavailability.</p> <p>Savings under Current administrative budget line (BL2300) stem mainly from Legal advisory contracts, where budget needed is finally lower then estimated due to the staff reinforcement of Legal department. Available budget will be transferred to Building budget line (BL2000) and Movable property (BL2200) to finance additional needs on these budget lines, such as furniture for newcomers etc.</p>	BL2300				
			BL2600				
			BL1400	BL1800	51 000	51 000	
			BL1210				
			BL2300	BL2000	173 500	173 500	
			BL2400				
			BL2400	BL2100	190 000	190 000	
			BL2600				
			BL2300	BL2200	13 500	13 500	
4	28.11.2019	<p>Available budget under Buildings (BL2000), Postage and telecommunication costs (BL2400) and Movable property (BL2200) reinforced Title 3 to enable to sign GSA/OP/08/18/LOT 2/SC1 contract under budget line 3300.</p> <p>Savings under Current administrative budget line (BL2300) reinforced ICT budget line (BL2100) to finance additional projects that were originally freezed due to budget unavailability.</p>	BL2000	BL3300	66 277,81	66 277,81	
			BL2200				
			BL2400				
			BL2300	BL2100	38 000	38 000	
5	10.12.2019	<p>Available budget under Salaries (BL1100), Buildings (BL2000) and Missions (BL1300) was used for Title 3 to enable to sign GSA/OP/09/16/Lot3 SC9 EGNSS user segment and market development in Aviation contract and GSMC Security Monitoring Services contract under budget line 3100.</p> <p>Savings under SAB administrative expenditure line (BL2600) and Meetings budget line (BL2500) reinforced Current administrative line (BL2300) to finance additional small contracts such as GSMC Spain key management system and security furniture purchase.</p>	BL1100	BL3100	159 814,11	159 814,11	
			BL1300				
			BL2000				
			BL2500	BL2300	20 703,28	20 703,28	
			BL2600				
			BL2500	BL2100	514,03	514,03	

6	17.12.2019	<p>Available budget under Salaries (BL1100), Recruitment (BL1200), Medical services (BL1210) and Missions (BL1300) reinforced Interims and trainees budget line (BL1600) and Tuition budget line (BL1800). Remaining budget available under Buildings (BL2000), Telecommunications (BL2400), Meetings (BL2500) and SAB administrative line (BL2600) was used for Current administration budget line to enable to sign Legal support contract which was originally put on hold due to budget unavailability.</p>	BL1200	BL1600	40 600	40 600
			BL1300			
			BL1210	BL1800	48 405,40	48 405,40
			BL1300			
			BL1100	BL2300	96 000	96 000
			BL1300			
			BL2000			
			BL2400			
			BL2500			
			BL2600			
7	23.12.2019	<p>This transfer concerns the reallocation of available funds on a number of budget lines in order to ensure optimal use of commitment appropriations in 2019.</p> <p>The staff salaries line were reduced to zero, given that it is not possible to carry-forward appropriations.</p> <p>The amounts for missions raised and approved in 2019 and on other budget lines such as Recruitment (BL1200), Medical services (BL1210), Social measures (BL1500), Interims &amp; trainees (BL1600), Tuition (BL1800), Data processing (BL2100), Meetings (BL2500) and Current administrative costs (BL2300) were adjusted to the final amount needed for carry-forward.</p> <p>66k EUR in payment appropriations only (Title 3 appropriations are differentiated) were transferred from BL3300 to BL3100 in order to cover expected payments on legal obligations from both previous years and 2019.</p>	BL1300	BL1400	3 000	3 000
			BL1300	BL1500	6 295	6 295
			BL1200	BL1800	72 998,58	72 998,58
			BL1210			
			BL1300			
			BL1600			
			BL1700			
			BL1100	BL2300	32 631	32 631
			BL1300			



			BL2100			
			BL2500			
			BL3300	BL3100		66 278,10

## 4 Budget implementation in 2019

Execution of C1 commitment appropriations remained high in all titles and budget lines, reaching a global 100% execution.

Where 2019 C1 payment appropriations were concerned, execution rate was also of 100%. This execution rate incorporates the non-automatic carry forward of payment appropriations to the amount of 1 160 542,09 EUR adopted by the Administrative Board on 29 January 2020 in order to maximise the use of the remaining payment credits on Title 3.

## 4.1 Execution of commitments in 2019

Table 4: Execution of C1 commitment appropriations 2019, in EUR

Budget line	Heading	COMMITMENT APPROPRIATIONS BUDGETED 2019	Commitment Appropriations (CAs)			
			EXECUTED IN 2019	%	UNCOMMITTED	%
<b>Title 1 - Staff expenditure</b>						
1100	Staff expenditure	17 983 143,51	17 983 143,51	100%	0	0%
1200	Recruitment costs	100 000,00	100 000,00	100%	0	0%
1210	Medical services	13 840,21	13 840,21	100%	0	0%
1300	Missions and travel	1 147 426,50	1 147 426,50	100%	0	0%
1400	Training expenditure	193 000,00	193 000,00	100%	0	0%
1500	Social measures	310 585,10	310 585,10	100%	0	0%
1600	Interims & Trainees	327 085,00	327 085,00	100%	0	0%
1700	Representation expenditure	952,10	952,10	100%	0	0%
1800	Tuition fees	1 662 403,98	1 662 403,98	100%	0	0%
	<b>Total for title 1</b>	<b>21 738 436,40</b>	<b>21 738 436,40</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Title 2 - Administrative expenditure</b>						
2000	Rental of buildings	2 734 497,93	2 734 497,93	100%	0	0%
2100	Data processing	1 725 115,49	1 725 115,49	100%	0	0%
2200	Movable property	33 000,00	33 000,00	100%	0	0%
2300	Current administrative costs	939 084,28	939 084,28	100%	0	0%
2400	Postage and telecommunication costs	205 898,24	205 898,24	100%	0	0%
2500	Meetings	47 397,80	47 397,80	100%	0	0%
2600	SAB administrative expenditure	65 000,00	65 000,00	100%	0	0%
	<b>Total for title 2</b>	<b>5 749 993,74</b>	<b>5 749 993,74</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
	<b>Total for titles 1 and 2</b>	<b>27 488 430,14</b>	<b>27 488 430,14</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Title 3 - Operational expenditure</b>						
3100	Expenditure on studies	5 633 129,84	5 633 129,84	100%	0	0%
3300	SAB operational expenditure	468 302,81	468 302,81	100%	0	0%
	<b>Total for title 3</b>	<b>6 101 432,65</b>	<b>6 101 432,65</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
	<b>TOTAL T1+T2+T3</b>	<b>33 589 862,79</b>	<b>33 589 862,79</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

## 4.2 Execution of payments in 2019

Table 5: Execution of C1 payment appropriations 2019, in EUR

Budget line	Heading	PAYMENT APPROPRIATIONS BUDGETED 2019	Payment Appropriations (PAs)				TOTAL EXECUTED	%
			PAID IN 2019	%	CARRIED FORWARD	%		
<b>Title 1 - Staff expenditure</b>								
1100	Staff expenditure	17 983 143,51	17 983 143,51	100%	0,00	0%	17 983 143,51	100%
1200	Recruitment costs	100 000,00	51 469,78	51%	48 530,22	49%	100 000,00	100%
1210	Medical services	13 840,21	11 720,21	85%	2 120,00	15%	13 840,21	100%
1300	Missions and travel	1 147 426,50	981 036,38	85%	166 390,12	15%	1 147 426,50	100%
1400	Training expenditure	193 000,00	115 804,36	60%	77 195,64	40%	193 000,00	100%
1500	Social measures	310 585,10	215 588,02	69%	94 997,08	31%	310 585,10	100%
1600	Interims & Trainees	327 085,00	174 937,05	53%	152 147,95	47%	327 085,00	100%
1700	Representation expenditure	952,10	855,03	90%	97,07	10%	952,10	100%
1800	Tuition fees	1 662 403,98	1 653 849,53	99%	8 554,45	1%	1 662 403,98	100%
	<b>Total for title 1</b>	<b>21 738 436,40</b>	<b>21 188 403,87</b>	<b>97%</b>	<b>550 032,53</b>	<b>3%</b>	<b>21 738 436,40</b>	<b>100%</b>
<b>Title 2 - Administrative expenditure</b>								
2000	Rental of buildings	2 734 497,93	1 427 086,03	52%	1 307 411,90	48%	2 734 497,93	100%
2100	Data processing	1 725 115,49	584 539,94	34%	1 140 575,55	66%	1 725 115,49	100%
2200	Movable property	33 000,00	10 603,72	32%	22 396,28	68%	33 000,00	100%
2300	Current administrative costs	939 084,28	226 589,68	24%	712 494,60	76%	939 084,28	100%
2400	Postage and telecommunication costs	205 898,24	67 328,64	33%	138 569,60	67%	205 898,24	100%





2500	Meetings	47 397,80	36 360,89	77%	11 036,91	23%	47 397,80	100%
2600	SAB administrative expenditure	65 000,00	45 831,15	71%	19 168,85	29%	65 000,00	100%
	<b>Total for title 2</b>	<b>5 749 993,74</b>	<b>2 398 340,05</b>	<b>42%</b>	<b>3 351 653,69</b>	<b>58%</b>	<b>5 749 993,74</b>	<b>100%</b>
	<b>Total for titles 1 and 2</b>	<b>27 488 430,14</b>	<b>23 586 743,92</b>	<b>86%</b>	<b>3 901 686,22</b>	<b>14%</b>	<b>27 488 430,14</b>	<b>100%</b>
	<b>Title 3 - Operational expenditure</b>							
3100	Expenditure on studies	7 661 755,67	6 501 213,58	85%	1 160 542,09	15%	7 661 755,67	100%
3300	SAB operational expenditure	868 401,43	868 401,43	100%	0,00	0%	868 401,43	100%
	<b>Total for title 3</b>	<b>8 530 157,10</b>	<b>7 369 615,01</b>	<b>86%</b>	<b>1 160 542,09</b>	<b>14%</b>	<b>8 530 157,10</b>	<b>100%</b>
	<b>TOTAL T1+T2+T3</b>	<b>36 018 587,24</b>	<b>30 956 358,93</b>	<b>86%</b>	<b>5 062 228,31</b>	<b>14%</b>	<b>36 018 587,24</b>	<b>100%</b>

### 4.3 Internal assigned revenues (C4, C5) – implementation

#### Fund source C4 – Internal assigned revenues of the year

Table 6: Execution of C4 commitment and payment appropriations 2019, in EUR

Budget line	Heading	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Uncommitted	Carried over
1100	Staff expenditure	559,51	-	0%	-	0%	559,51	559,51
1300	Missions and travel	9 779,22	-	0%	-	0%	9 779,22	9 779,22
1400	Training expenditure	3 832,02	-	0%	-	0%	3 832,02	3 832,02
1500	Social measures	1 626,97	-	0%	-	0%	1 626,97	1 626,97
1800	Tuition fees	20 200,00	-	0%	-	0%	20 200,00	20 200,00
2000	Rental of buildings	252 461,71	-	0%	-	0%	252 461,71	252 461,71
2300	Current admin. costs	536,32	-	0%	-	0%	536,32	536,32
	<b>Total</b>	<b>288 995,75</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>288 995,75</b>	<b>288 995,75</b>

#### Fund source C5 – Carried-over internal assigned revenues

Table 7: Execution of C5 commitment and payment appropriations 2019, in EUR

Budget line	Heading	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Uncommitted	Balance Payment (2-3)
1200	Recruitment costs	444,37	444,37	100%	444,37	100%	0,00	0,00
1300	Missions and travel	2 196,21	2 196,21	100%	2 196,21	100%	0,00	0,00
1500	Social measures	1 445,90	1 445,90	100%	1 445,90	100%	0,00	0,00
1800	Tuition fees	64 124,25	64 124,25	100%	64 124,25	100%	0,00	0,00
2000	Rental of buildings	240 233,68	240 233,68	100%	240 233,68	100%	0,00	0,00
2100	Data processing	31 704,35	31 704,35	100%	31 704,35	100%	0,00	0,00
2300	Current admin. costs	228,69	228,69	100%	228,69	100%	0,00	0,00
	<b>Total</b>	<b>340 377,45</b>	<b>340 377,45</b>	<b>100%</b>	<b>340 377,45</b>	<b>100%</b>	<b>0,00</b>	<b>0,00</b>

## 4.4 Operational Expenditure – multi-annual overview

Table 8: C1 commitment appropriations under Title 3 in 2019, 2018 and 2017, in EUR

Budget line	Heading	Commitment Appropriations 2019	Commitment Appropriations 2018	Commitment Appropriations 2017
3100	GSMC operations	2 367 918	710 611	2 991 502
3100	Promotion and marketing of the services	3 265 211,84	3 175 602,41	2 217 274,11
3300	Security accreditation	468 302,81	534 783,75	695 937,75
	<b>Total</b>	<b>6 101 432,65</b>	<b>4 420 997,16</b>	<b>5 904 713,86</b>

## 4.5 Appropriations arising from earmarked revenue – Delegation agreements with the European Commission (EC)

The GSA continued to manage a large number of delegated appropriations by the European Commission during 2019. Earmarked appropriations are appropriations from external assigned revenue – fund source R0.

Table 9: Overview of external assigned revenue budget lines in 2019

Budget line	Heading	Summary of development
3913	FP7 2 <sup>nd</sup> call	Call project activities have been finalised and Agency proceeded with its financial and administrative closure. No additional payment appropriations requested.
3917	FP7 3 <sup>rd</sup> call	All projects financed under this call were closed in 2016. No additional payment appropriations requested. Closure of the budget line is pending the enforcement of one open recovery order.
3918	PRS Delegation Agreement	The PRS Delegation Agreement covers the implementation of the following tasks: i) development of a standalone first generation PRS receiver within the framework of the PRS Pilot Project; ii) provision of technical assistance to the Commission for setting up the Galileo Security Monitoring Centre (GSMC). No payments were made in 2019, EUR 3 027 701,50 still remains to be paid on two open contracts. No additional payment appropriations were requested.

3920	EGNOS Exploitation Delegation Agreement	<p>The EGNOS Exploitation Delegation Agreement was signed in April 2014 for a period of 7 years with a delegated budget of 1.45 billion EUR, which was increased in 2016 by 102 million EUR to a total amount of 1.552 billion EUR. It makes provision for the Agency to carry out the implementation of tasks related to (A) Programme Management and Engineering Activities; (B) Operational Activities and Service Provision; (C) Communication Activities and (D) Asset Management.</p> <p>A total amount of 137.8 million EUR was committed in 2019 with a total of 127.1 million EUR made in payments. Payment appropriations for a total of 240 million EUR were inscribed.</p>
3921	Horizon 2020 1 <sup>st</sup> call	<p>By the end of 2019, all 27 signed grants were technically closed and for 26 grants the final payment was processed.</p> <p>One PRS contract is still ongoing.</p> <p>Under H2020 1<sup>st</sup> call in 2019 the GSA has paid a total of 7.8 million EUR.</p>
3922	Galileo Exploitation Delegation Agreement	<p>The Galileo Exploitation Delegation Agreement was signed in October 2014 for a period of 7 years with a delegated budget of 490 million EUR with following amendments:</p> <ul style="list-style-type: none"> <li>• 300 million EUR delegated in an amendment to the agreement in December 2015;</li> <li>• further increased by 1.61 billion EUR in 2016;</li> <li>• increase by 410 million EUR in 2018</li> </ul> <p>bringing the total amount delegated under this agreement to 2.81 billion EUR.</p> <p>The Delegation Agreement makes provision for the Agency to carry out the implementation of tasks related to (A) Operational Activities; (B) Management Activities; (C) Contribution to definition of mission, service and system evolutions; (D) Activities concerning fundamental elements; (E) Asset management and (F) Contribution to the management of the security activities.</p> <p>A total amount of EUR 133 million EUR was committed in 2019 and a total amount of 369 million EUR was made in payments in 2019.</p> <p>Payment appropriations for a total of 467 million EUR were inscribed.</p>
3923	Horizon 2020 2 <sup>nd</sup> call	<p>Out of 13 grant agreements, 12 projects of the 2nd call were technically completed, for 8 grants the final payment was processed and the remaining projects are ongoing (1 project from a technical point of view) or the final payment is under review (4 projects).</p> <p>A total of 1.8 million EUR was paid in 2019.</p> <p>Payment appropriations for a total of 840 thousand EUR were inscribed.</p>
3924	Horizon 2020 3 <sup>rd</sup> call	<p>Out of 18 grant agreements signed under the 3<sup>rd</sup> call, 3 projects were technically completed and the remaining 15 were still ongoing, by the end of 2019.</p> <p>At the end of 2019 a total of 8.2 million EUR was paid.</p> <p>Payment appropriations for a total of 13 million EUR were inscribed.</p>
3925	Horizon 2020 4 <sup>th</sup> call	<p>At the end of 2019 the GSA signed 12 Grants agreements for the H2020 4<sup>th</sup> call in the amount of 19.9 million EUR.</p> <p>10 million EUR was paid in 2019 and payment appropriations in the amount of 11.1 million EUR were inscribed.</p>



### Cash flow of delegated budget

Table 10: Overview of earmarked revenue (R0) during 2019, in EUR

Budget line	Activity	Commitments in 2019	Payment appropriations 1/1/2019	2019 payment appropriations received (+) /returned (-)	Payments made during 2019	Remaining payment appropriations 31/12/2019
3913	FP7 1&2 calls	0	141 786,20	0	0	141 786,20
3917	FP7 3rd call	0	334 803,98	0	0	334 803,98
3918	PRS DA	0	3 027 701,50	0	0	3 027 701,50
3919	Exploitation DA	0	0	0	0	0,00
3920	EGNOS DA	137 764 319,76	121 177 132,73	239 979 401,73	127 146 183,76	234 010 350,70
3921	H2020 1st call	16 531,31	10 343 911,38	184 332,02	7 760 136,68	2 768 106,72
3922	Galileo DA	133 016 673,71	298 299 022,54	466 938 506,00	368 564 557,40	396 672 971,14
3923	H2020 2nd call	5 305,45	2 569 980,33	840 065,34	1 786 393,03	1 623 652,64
3924	H2020 3rd call	22 144,00	962 459,88	12 952 162,33	8 183 685,81	5 730 936,40
3925	H2020 4th call	19 871 792,75	0,00	11 100 000,00	10 053 214,55	1 046 785,45
	<b>Totals</b>	<b>290 696 766,98</b>	<b>436 856 798,54</b>	<b>731 994 467,42</b>	<b>523 494 171,23</b>	<b>645 357 094,73</b>

Table 11: Overview of earmarked revenue (R0) – cumulative appropriations, in EUR

Budget line	Activity	Cumulative Commit. Appropriations (1)	Cumulative Commitment (2)	Executed amount	% Committed (2/1)	Cumulative Credit Not Used (1-2)	Cumulative Payment Appropriations (3)	2019 Executed Payment amount (4)	% Paid (4/3)	R A L (2-4)
3913	FP7 1 <sup>st</sup> and 2 <sup>nd</sup> call	296 527,01	0		0%	296 527,01	141 786,10	0	0%	0
3917	FP7 3rd call	1 753 834,16	0		0%	1 753 834,16	334 803,98	0	0%	0
3918	PRS DA	3 132 188,88	3 027 701,50		97%	104 487,38	3 027 701,50	0	0%	3 027 701,50
3919	Exploitation DA	0	0		0%	0	0	0	0%	0
3920	EGNOS DA	964 262 318,98	689 970 535,50		72%	274 291 783,48	361 156 534,46	127 146 183,76	35%	562 824 351,74
3921	H2020 1st call	15 784 991,96	11 298 938,34		72%	4 486 053,62	10 528 243,40	7 760 136,68	74%	3 538 801,66
3922	Galileo DA	1 686 487 506,24	1 135 941 153,51		67%	550 546 352,73	765 237 528,54	368 564 557,40	48%	767 376 596,11
3923	H2020 2nd call	5 386 136,90	3 546 443,57		66%	1 839 693,33	3 410 045,67	1 786 393,03	52%	1 760 050,54
3924	H2020 3rd call	21 765 935,44	17 099 486,04		79%	4 666 449,40	13 914 622,21	8 183 685,81	59%	8 915 800,23
3925	H2020 4th call	20 500 000,00	19 871 792,75		97%	628 207,25	11 100 000,00	10 053 214,55	91%	9 818 578,20
<b>Total</b>		<b>2 719 369 439,57</b>	<b>1 880 756 051,21</b>		<b>69%</b>	<b>838 613 388,36</b>	<b>1 168 851 265,86</b>	<b>523 494 171,23</b>	<b>45%</b>	<b>1 357 261 879,98</b>

## 4.6 Payment appropriations carried over from 2018 to 2019 and carried over from 2019 to 2020

Table 12: Automatic carry over, in EUR

	Automatic carry over from 2019 to 2020			Automatic carry over from 2018 to 2019		
	Total C1 commitments 2019	of which carried over to 2020	%	Total C1 commitments 2018	of which carried over to 2019	%
Title 1 Staff	21 738 436,40	550 032,53	2,53%	19 754 010,84	727 802,06	3,68%
Title 2 Administrative expenditure	5 749 993,74	3 351 653,69	58,29%	8 055 574,00	4 517 293,91	56,08%
Title 3 Operational expenditure	6 101 432,65	0	0%	4 420 997,16	0	0%
<b>Total</b>	<b>33 589 862,79</b>	<b>3 901 686,22</b>	<b>12%</b>	<b>32 230 582</b>	<b>5 245 095,97</b>	<b>16,27%</b>

Table 13: Non automatic carry over, in EUR

	Non automatic carry over 2019 to 2020			Non automatic carry over 2018 to 2019		
	Total C1 commitments 2019	of which carried over to 2020	%	Total C1 commitments 2018	of which carried over to 2019	%
Title 1 Staff	21 738 436,40	0	0%	19 754 010,84	0	0%
Title 2 Administrative expenditure	5 749 993,74	0	0%	8 055 574,00	0	0%
Title 3 Operational expenditure	6 101 432,65	1 160 542,09	19%	4 420 997,16	0	0%
	<b>33 589 862,79</b>	<b>1 160 542,09</b>	<b>3%</b>	<b>32 230 582</b>	<b>0</b>	<b>0%</b>

## 4.7 Analysis on outstanding commitments

This chapter summarises the evolution of outstanding commitment balances during 2019 by budget line and title.

The cancellation rate of payment appropriations carried over from 2018 to 2019 was 1,7% of the amount carried over (87 476,45 EUR). This represents decrease by 32% in the amount cancelled in comparison to 2018 (127 759,15 EUR) and demonstrates an even more efficient financial management.

Table 14: Overview of outstanding balances at the end of 2019, in EUR

Budget line	Description	Outstanding balances as of 01/01/2019 C5,C8	Decommitments	Payments on outstanding balances in 2019	New 2019 commitments C1,C4, C5	Payments on new 2019 commitments C1,C2,C4,C5	Cancellations in 2019	Outstanding balances as of 31/12/2019
		(a)	(b)	(c)	(d)	(e)	(f)	(g)=(a)-(b)-(c)+(d)-(e)
1100	Staff costs	-	-	-	17 983 143,51	17 983 143,51	0,00	0,00
1200	Recruitment	38 399,41	-	38 399,41	100 444,37	51 914,15	0,00	48 530,22
1210	Medical expenses	46 919,00	6 284,98	40 634,02	13 840,21	11 720,21	6 284,98	2 120,00
1300	Missions	195 813,07	-	195 813,07	1 149 622,71	983 232,59	0,00	166 390,12
1400	Training	126 835,82	145,11	126 690,71	193 000,00	115 804,36	145,11	77 195,64
1500	Social measures	181 256,36	-	181 256,36	312 031,00	217 033,92	0,00	94 997,08
1600	Interims & Trainees	117 825,20	253,24	117 571,96	327 085,00	174 937,05	253,24	152 147,95
1700	Representation	40,00	40,00	-	952,10	855,03	40,00	97,07
1800	Tuition fees	20 713,20	-	20 713,20	1 726 528,23	1 717 973,78	0,00	8 554,45
	<b>Total title 1</b>	<b>727 802,06</b>	<b>6 723,33</b>	<b>721 078,73</b>	<b>21 806 647,13</b>	<b>21 256 614,60</b>	<b>6 723,33</b>	<b>550 032,53</b>



Budget line	Description	Outstanding balances as of 01/01/2019 C5,C8	Decommitments	Payments on outstanding balances in 2019	New 2019 commitments C1,C4, C5	Payments on new 2019 commitments C1,C2,C4	Cancellations in 2019	Outstanding balances as of 31/12/2019
2000	Rent	1 202 709,60	17 700,35	1 185 009,25	2 974 731,61	1 667 319,71	17 700,35	1 307 411,90
2100	Data processing	2 510 924,28	39 482,38	2 471 441,90	1 756 819,84	616 244,29	39 482,38	1 140 575,55
2200	Movable property	0	-	0,00	33 000,00	10 603,72	0,00	22 396,28
2300	Current admin costs	650 751,27	12 148,57	638 602,70	939 312,97	226 818,37	12 148,57	712 494,60
2400	Post/telecom	127 139,56	11 352,36	115 787,20	205 898,24	67 328,64	11 352,36	138 569,60
2500	Meetings	8 833,94	-	8 833,94	47 397,80	36 360,89	0,00	11 036,91
2600	SAB administrative expenditure	16 935,26	69,46	16 865,80	65 000,00	45 831,15	69,46	19 168,85
	<b>Total title 2</b>	<b>4 517 293,91</b>	<b>80 753,12</b>	<b>4 436 540,79</b>	<b>6 022 160,46</b>	<b>2 670 506,77</b>	<b>80 753,12</b>	<b>3 351 653,69</b>
3100	Operations & studies	5 422 530,24	122 327,24	4 945 221,69	5 633 129,84	1 555 991,89	0,00	4 432 119,26
3300	SAB costs	948 692,75	13 560,82	868 401,43	468 302,81	0,00	0,00	535 033,31
	<b>Total title 3</b>	<b>6 371 222,99</b>	<b>135 888,06</b>	<b>5 813 623,12</b>	<b>6 101 432,65</b>	<b>1 555 991,89</b>	<b>0,00</b>	<b>4 967 152,57</b>
	<b>Totals</b>	<b>11 616 318,96</b>	<b>223 364,51</b>	<b>10 971 242,64</b>	<b>33 930 240,24</b>	<b>25 483 113,26</b>	<b>87 476,45</b>	<b>8 868 838,79</b>



## 5 Revenue

### 5.1 Nature of Revenue

Table 15: Overview of revenue in 2019, in EUR

Budget Item	Type of revenue	Revenue Budget	Entitlements established	Revenue received	Outstanding at the end of the year
2000	Commission subsidy (for the operating budget -Titles 1,2 and 3 - of the agency)	36 018 587,24	36 018 587,46	36 018 587,46	0,00
2008	Other subsidy from Commission (Delegation Agreements)	0,00	731 943 475,19	731 942 287,55	1 187,64
9000	Other income (Recovery orders issued in 2019)	0,00	691 481,45	467 842,12	223 639,33
	<b>TOTAL</b>	<b>36 018 587,24</b>	<b>768 653 544,10</b>	<b>768 428 717,13</b>	<b>224 826,97</b>



## 6 Staff and establishment plan for 2019

Table 16: Establishment plan in 2019

	2019			
	Authorised under the EU Budget		Filled as of 31/12/2019	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13		4		2
AD 12		7		1
AD 11		8		6
AD 10		17		10
AD 9		20		18
AD 8		42		35
AD 7		24		38
AD 6		6		15
AD 5		6		8
AD total		135		134
AST 11				
AST 10				
AST 9				
AST 8				
AST 7				
AST 6		2		1
AST 5		1		1
AST 4		1		1
AST 3				1
AST 2				
AST 1				
AST total		4		4
<b>GRAND TOTAL</b>		<b>139</b>		<b>138</b>

## 7 Financial management

### 7.1 Financial and accounting systems

Since September 2012, and given the multi-location environment under which the Agency is operating (offices and staff spread out in four EU countries), Paperless, an electronic workflow validation system developed for the GSA is used to carry out all financial transactions in the Agency. Paperless is used together with the standard EU financial tools ABAC Workflow (budgetary management) ABAC Accounting (SAP), ABAC Assets (management of fixed assets) and ABAC Data Warehouse (financial reporting tool).

The GSA uses the ABAC system, hosted by the Commission, for its budget accounts and for the purposes of its budgetary management i.e. commitment and payment transactions. From this system and together with the use of ABAC Data Warehouse reporting tool, reports on financial management and budget execution are produced. The GSA uses the ABAC Assets system to manage and account for its fixed assets. H2020 projects and external experts are processed in the EC IT tools (Compass/Sigma, EMI).

The general accounts are maintained by the SAP system which is managed and hosted by the Commission.

Since November 2015, the European Commission's Accounting Officer has provided accounting services for the GSA on the basis of a Service Level Agreement.

GSA Administrative Board adopted on 16 August 2019 GSA Financial Regulation 2019 based on Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty.

### 7.2 Financial management

In quantitative terms, the GSA carried out the following number of transactions during 2019: 778 commitments, de-commitments and modification of commitments, 4 262 payment requests, 1 657 mission orders, 61 recovery orders and 7 budget transfers. All in all, 6 765 financial transactions were processed by the GSA in 2019 (in comparison to 6 635 transactions processed in 2018).

The GSA succeeded in maintaining its payment time statistics in 2019 with 98,2 % of all payments within the prescribed time limit of 30 days, 60 days or 90 days for grants and with an average payment time of 14,95 days.



## Annex 1

### List of Acronyms and Abbreviations

Abbreviation	Definition
AD	Administrator
AST	Assistant
AO	Authorising officer
DA	Delegation agreement
CA	Contract agent
C1	Appropriations of the current year, approved by the budgetary authority and entered in the budget at the start of the financial year.
C2	Appropriations carried-over non-automatically
C4	Appropriations from internal assigned revenue of the year
C5	Appropriations from internal assigned revenue carried over
C8	Carry-forward of commitments (differentiated and non-differentiated) and corresponding payment appropriations (non-differentiated)
C9	Carry-forward of commitments without the corresponding payment (non-differentiated) appropriations
R0	Appropriations from external assigned revenue of the year and carried over
EC	European Commission
EGNOS	EGNOS European Geostationary Navigation Overlay System
FKC	Flight Key Cell
FP-6	Sixth Framework Programme for Research and Development
FP-7	Seventh Framework Programme for Research and Development
H2020	Horizon 2020
PRS	Public Regulated Service
SAB	Security Accreditation Board



## Glossary

Term	Definition
ABAC	This is the name given to the Commission's accounting system, which since 2005 has been enriched by accrual accounting rules. Apart from the cash-based budget accounts, the Commission produces accrual-based accounts which recognise revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis budgetary accounting that recognises transactions and other events only when cash is received or paid.
Accounting	The act of recording and reporting financial transactions, including the creation of the transaction, its recognition, processing, and summarisation in the financial statements.
Administrative appropriations	Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).
Adjustment	Amending budget or transfer of funds from one budget item to another
Adopted budget	Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority. Cf. Budget.
Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
Amending budget	Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.
Annuality	The budgetary principle according to which expenditure and revenue is programmed and authorised for one year, starting on 1 January and
Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and
Assigned revenue External/Internal	Dedicated revenue received to finance specific items of expenditure. Main sources of external assigned revenue are financial contributions
Authorising Officer (AO)	The AO is responsible in each institution for authorising revenue and expenditure operations in accordance with the principles of sound
Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate
Budget result	The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate
Budget implementation	Consumption of the budget through expenditure and revenue operations.
Budget item / Budget line / Budget position	As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature
Budgetary authority	Institutions with decisional powers on budgetary matters: the European Parliament and the Council of Ministers
Budgetary commitment	A budgetary commitment is a reservation of appropriations to cover for subsequent expenses.



Cancellation of appropriations	Unused appropriations that may no longer be used.
Carryover of appropriations	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.
Commitment appropriations	Commitment appropriations cover the total cost of legal obligations (contracts, grant agreements/decisions) that could be signed in the current financial year. Art. 7 FR: <i>Commitment appropriations cover the total cost in the current financial year of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year.</i>
De-commitment	Cancellation of a reservation of appropriations
Differentiated appropriations	Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year. Art. 7 FR: <i>Differentiated appropriations are entered for multiannual operations. They consist of commitment appropriations and payment appropriations.</i>
Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution. (Cf. Assigned revenue)
Economic result	Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.
Entitlements established	Entitlements are recovery orders that the European Union must establish for collecting income.
Exchange rate difference	The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currency at the closure.
Expenditure	Term used to describe spending the budget from all types of funds sources.
Financial regulation (FR)	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union. (OJ L 298, 26.10.2012, p. 1)
Funds Source	Type of appropriations (e.g.: C1, C2, etc.)
Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
Implementation	Cf. Budget implementation
Income	Cf. Revenue





Joint Undertakings (JUs)	A legal EU-body established under the TFEU. The term can be used to describe any collaborative structure proposed for the " <i>efficient execution of Union research, technological development and demonstration programmes</i> ".
Lapsing appropriations	Unused appropriations to be cancelled at the end of the financial year. <i>Lapsing</i> means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation.
Legal base (basic act)	The legal base or basis is, as a general rule, a law based on an article in the Treaty giving competence to the Community for a specific policy area and setting out the conditions for fulfilling that competence including budget implementation. Certain Treaty articles authorise the Commission to undertake certain actions, which imply spending, without there being a further legal act.
Legal commitment	A legal commitment establishes a legal obligation towards third parties.
Non-differentiated appropriations	Non-differentiated appropriations are for operations of an annual nature. (Art. 9 FR). In the EU-Budget non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments
Operational appropriations	Operational appropriations finance the different policies, mainly in the form of grants or procurement.
Outstanding commitment	Legal commitments having not fully given rise to liquidation by payments. Cf. RAL.
Outturn	Cf. Budget result
Payment	A payment is a cash disbursement to honour legal obligations.
Payment appropriations	Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years (Art. 7 FR).
RAL	Sum of outstanding commitments. Outstanding commitments (or RAL, from the French ' <i>reste à liquider</i> ') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations. (Cf. <i>Outstanding commitments</i> )
Recovery	The recovery order is the procedure by which the Authorising officer (AO) registers an entitlement by the Commission in order to retrieve the amount which is due. The entitlement is the right that the Commission has to claim the sum which is due by a debtor, usually a beneficiary.
Result	Cf. Outturn



Revenue	Term used to describe income from all sources financing the budget.
Rules of application	Detailed rules for the implementation of the financial regulation. They are set out in a Commission regulation adopted after consulting all institutions and cannot alter the financial regulation upon which they depend.
Surplus	Positive difference between revenue and expenditure (see Budget result) which has to be returned to the funding authority as provided in the Financial Regulation.
Transfer	Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation. The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorization.



**End of Document**