



European  
Global Navigation  
Satellite Systems  
Agency

**Report on Budgetary and Financial Management 2020**  
**GSA-FIN-BUD-RPT-262115**  
**Issue/version: 0.1**

# **Report on Budgetary and Financial Management 2020**

<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 .....	10
3.1.3	List of transfers adopted by the Director/Administrative Board .....	10
<b>4</b>	<b>Budget implementation in 2020 .....</b>	<b>16</b>
4.1	<i>Execution of commitments in 2020 .....</i>	17
4.2	<i>Execution of payments in 2020 .....</i>	18
4.3	<i>Internal assigned revenues (C4, C5) – implementation .....</i>	20
4.4	<i>Operational Expenditure – multi-annual overview .....</i>	21
4.5	<i>Appropriations arising from earmarked revenue – Delegation agreements with the European Commission (EC) .....</i>	21
4.6	<i>Payment appropriations carried over .....</i>	26
4.7	<i>Analysis on outstanding commitments .....</i>	27
<b>5</b>	<b>Revenue .....</b>	<b>29</b>
5.1	<i>Nature of Revenue .....</i>	29
<b>6</b>	<b>Staff and establishment plan for 2020 .....</b>	<b>30</b>
<b>7</b>	<b>Financial management .....</b>	<b>31</b>
7.1	<i>Financial and accounting systems .....</i>	31
7.2	<i>Financial management .....</i>	31
<b>Annex 1 .....</b>		<b>33</b>
<b>List of Acronyms and Abbreviations .....</b>		<b>33</b>
<b>Glossary .....</b>		<b>34</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 2020.

### 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 draft budget 2020 in the amount of 36 406 280,88 EUR became final upon adoption of the 2020 EU budget by the Council and European Parliament. The initial budget 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 appropriations by 956 801,03 EUR bringing it to the final amount of 35 449 479,85 EUR.

The second amending budget concerned the transfer of 800 000 EUR for both commitment and payment appropriations from the operational budget line 3100 in order to reinforce the Staff expenditure budget line 1100.

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 (83% of payment appropriations were used in 2020 and 17% were carried over to 2021).

The cancellation rate for 2019 payment appropriations carried over to 2020 reached 1,97% (99 thousand EUR), which can be considered very low given the difficult circumstances due to the COVID-19 situation. Average payment times were 14,26 days, well below the 30 days EC benchmark and 20 days target.

The GSA continued to manage a large amount of delegated budget in 2020. A total of 402 million EUR was committed under delegated budget in 2020 and 753 million EUR made in payments.

## 3 Budget management

### 3.1 Overview of the budget

The GSA budget consists of three titles indicating the nature of the expenditure:

- Title 1 – staff expenditure
- Title 2 – buildings, data processing and miscellaneous administrative expenditure
- Title 3 – operational expenditure

Both non-differentiated and differentiated appropriations are used in the Agency. Non-differentiated appropriations where the amounts of commitment and payment appropriations must be the same are used for title 1 and title 2, whereas differentiated appropriations used for title 3 can differ in their amounts.

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

The GSA draft budget 2020 was approved by the Administrative board on 31 January 2019 for a total amount of 36 406 280,88 EUR and became the initial 2020 budget upon adoption of the 2020 EU budget by the Council and European Parliament. The GSA Administrative Board approved the first 2020 amending budget number 1 on 29<sup>th</sup> January 2020, reflecting the fact that GSA requested an additional 23 Temporary Agent (TA) posts and, in the final 2020 budget, only an additional 10 TA posts were granted. The amendment also included the revised European Free Trade Association (EFTA) contribution, reducing the 2020 initial budget by 956 801,03 EUR and bringing it to the final amount of 35 449 479,85 EUR.

In the second budget amendment the GSA Administrative Board approved the transfer of 800 000 EUR for both commitment and payment appropriations from the operational budget line 3100 to Staff expenditure budget line 1100.

Seven budget transfers were processed in 2020, all of them authorised by the Executive Director as they concerned transfers of amounts either within Titles or below 10% between Titles. 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: 2020 Initial budget, amending budgets and final budget, in EUR

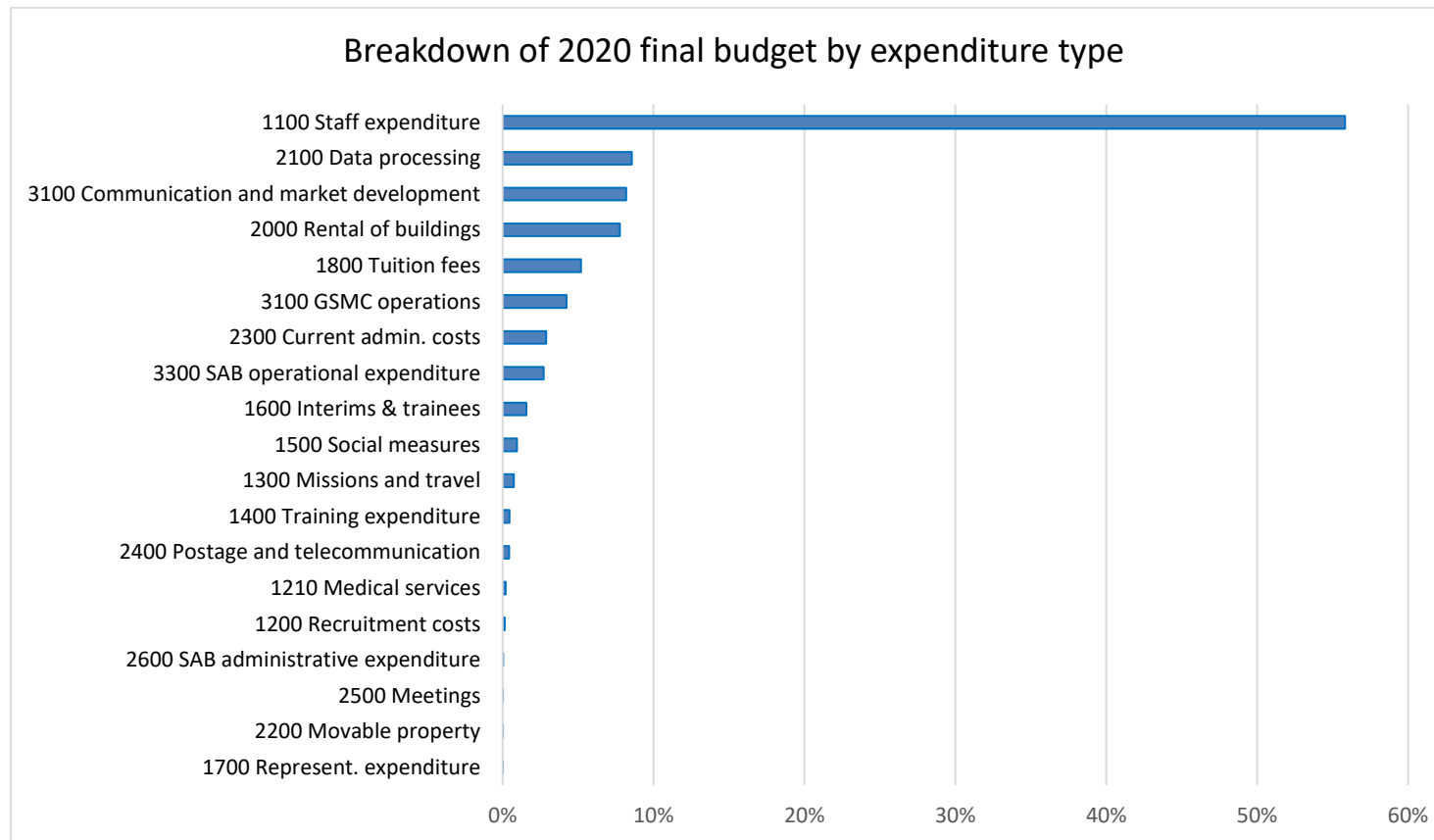
Title		Initial voted budget		Amendments/ transfers			Final budget	
Budg. Line	Heading	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Description	Commitment appropriations	Payment appropriations
<b>Title 1 - Staff expenditure</b>								
1100	Staff expenditure	18 908 106,82	18 908 106,82	879 604,51	879 604,51	Salaries budget line was reinforced to cover increase in both 2019 and 2020 correction coefficient. The correction coefficient for the year was announced in November 2020 and applied retroactively to July 2020 and therefore it has been difficult to predict it with certainty.	19 787 711,33	19 787 711,33
1200	Recruitment costs	116 000,00	116 000,00	-64 286,00	-64 286,00	Lower than foreseen costs are related to the COVID-19 situation, as the majority of recruitment procedures were held online and therefore no travel costs were incurred by the candidates.	51 714,00	51 714,00
1210	Medical services	60 000,00	60 000,00	16 024,37	16 024,37	Higher budgetary needs than foreseen for medical services contract for the headquarter staff.	76 024,37	76 024,37
1300	Missions and travel	1 451 050,00	1 451 050,00	-1 184 507,48	-1 184 507,48	Majority of the missions planned had to be cancelled, postponed or held via online tools due to COVID-19	266 542,52	266 542,52
1400	Training expenditure	157 500,00	157 500,00	4 404,32	4 404,32	The actual costs of training were slightly higher in comparison to the initial estimate.	161 904,32	161 904,32
1500	Social measures	500 000,00	500 000,00	-159 001,05	-159 001,05	Value of the contracts signed was lower than originally estimated, also due to the lower number of additional TA than initially requested.	340 998,95	340 998,95
1600	Interims & trainees	300 000,00	300 000,00	261 960,00	261 960,00	There were higher needs for interim replacement than foreseen due to maternity leaves etc.	561 960,00	561 960,00

Title		Initial voted budget		Amendments/ transfers			Final budget	
1700	Represent. expenditure	2 000,00	2 000,00	-1 901,17	-1 901,17	Representation expenditure lower than foreseen.	98,83	98,83
1800	Tuition fees	1 702 000,00	1 702 000,00	142 325,65	142 325,65	Tuition fees were higher than originally anticipated, given the unknown number of children and schools they will attend, when recruiting new staff.	1 844 325,65	1 844 325,65
	<b>Total for title 1</b>	<b>23 196 656,82</b>	<b>23 196 656,82</b>	<b>-105 376,85</b>	<b>-105 376,85</b>		<b>23 091 279,97</b>	<b>23 091 279,97</b>
<b>Title 2 - Administrative expenditure</b>								
2000	Rental of buildings	2 873 016,00	2 873 016,00	-120 061,51	-120 061,51	Savings under the buildings budget line are mainly related to the lower consumption of occupiers charges and facility services contracts for Prague and Paris due to COVID-19.	2 752 954,49	2 752 954,49
2100	Data processing	1 537 898,06	1 537 898,06	1 494 988,72	1 494 988,72	Available budget was used to reinforce the Data Processing budget line to make investments which previously had to be delayed or put on hold due to budgetary constraints (e.g. purchase of SINA laptops or preparation of digital transformation towards EUSPA).	3 032 886,78	3 032 886,78
2200	Movable property	50 000,00	50 000,00	-43 200,02	-43 200,02	Movable property costs were lower due to the delay of the EC framework contract for purchase of furniture which was finally not available at all during 2020.	6 799,98	6 799,98
2300	Current admin. costs	1 203 180,00	1 203 180,00	-181 746,91	-181 746,91	Central Security support contract for 200 thousand EUR was postponed until 2021.	1 021 433,09	1 021 433,09
2400	Postage and telecommunication	265 530,00	265 530,00	-108 803,36	-108 803,36	Consumption of mobile phones contracts was lower than estimated. Contract for Wide Area Network (WAN) services for all GSA sites was partially covered under delegated budget.	156 726,64	156 726,64
2500	Meetings	60 000,00	60 000,00	-53 091,10	-53 091,10	Almost all meetings were cancelled in 2020 due to COVID-19.	6 908,90	6 908,90
2600	SAB administrative expenditure	290 000,00	290 000,00	-279 485,16	-279 485,16	There were no Flight Key Cell (FKC) missions in 2020 due to the COVID-19 and SAB members missions were significantly lower in comparison to initial plan.	10 514,84	10 514,84

Title		Initial voted budget		Amendments/ transfers		Final budget	
<b>Total for title 2</b>		<b>6 279 624,06</b>	<b>6 279 624,06</b>	<b>708 600,66</b>	<b>708 600,66</b>	<b>6 988 224,72</b>	<b>6 988 224,72</b>
<b>Total for titles 1 and 2</b>		<b>29 476 280,88</b>	<b>29 476 280,88</b>	<b>603 223,81</b>	<b>603 223,81</b>	<b>30 079 504,69</b>	<b>30 079 504,69</b>
<b>Title 3 - Operational expenditure</b>							
3100	Studies and operations	6 150 000,00	6 150 000,00	-1.745.836,50	-1.508.237,30	4 404 163,50	4 641 762,70
3300	SAB operational expenditure	780 000,00	780 000,00	185.811,66	-51.787,54	965 811,66	728 212,46
<b>Total for title 3</b>		<b>6 930 000,00</b>	<b>6 930 000,00</b>	<b>-1 560 024,84</b>	<b>-1 560 024,84</b>	<b>5 369 975,16</b>	<b>5 369 975,16</b>
<b>TOTAL titles 1, 2 and 3</b>		<b>36 406 280,88</b>	<b>36 406 280,88</b>	<b>-956 801,03</b>	<b>-956 801,03</b>	<b>35 449 479,85</b>	<b>35 449 479,85</b>



Graph 1: Breakdown of final 2020 budget by expenditure type



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

Table 2: List of amending budgets in 2020

Nr.	Date of adoption	Main subject Description	Impact on Commitment appropriations (in EUR)	Impact on Payment appropriations (in EUR)
1	29.1.2020	Adjustment of budget according to the actual EC contribution approved by budgetary authority and actual 2020 EFTA contribution.	-956 801,03	-956 801,03
2	24.4.2020	Amending budget transferred 800 000 EUR from operational budget to staff salaries to cope with expected higher needs under this budget line.	0	0

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

Seven budget transfers were processed in 2020, all of them were authorised by the Executive Director as they concerned transfers of amounts either within Titles or below 10% between Titles.

Table 3: List of transfers in 2020

#	Date of transfer adoption	Main subject description	From	To	Impact on Commitment appropriations (in EUR)	Impact on Payment appropriations (in EUR)
1	07.07.2020	Reallocation of available funds from mission budget (BL1300) in order to increase the commitment appropriations available to cover increased staff needs (BL1100). This is mainly due to the impact of the increase of the correction coefficient at the end of 2019 and additional needs for installation allowance and for the annual travel allowance.	1300	1800	500 000	500 000
				1100		
			2000	2100	200 000	200 000
			2400			
			2600			
			3100	3300		1 040 000
2	24.09.2020	Reallocation of available funds from the mission budget (BL1300) and social measures (BL1500) in order to increase the commitment appropriations available to cover increased staff needs (BL1100). This was related to the expected impact of the correction coefficient that shall be announced at end of October 2020 with the retroactive effect to July 2020. It also covered additional needs for installation allowance and for the annual travel allowance. Savings under missions (BL1300) also reinforced Interims and Trainees line (BL1600) to cover requests for Interims received from departments. The medical services line (BL1210) was increased in view of new medical services contract preparation for Headquarters.	1200	1100	10 000	10 000
				1210		
			1300	1100	640 000	640 000
				1600		

			1500	1100	150 000	150 000
			2500	2000	40 000	40 000
			2600	3300	150 000	150 000
				2300		
				2000		
3	12.11.2020	The Agency received information about the correction coefficient and indexation applied retroactively to July 2020, therefore available funds from the Salaries budget line (BL1100) could be reallocated. Funds reinforced Title 3 SAB Operational expenditure to sign GSA/OP/02/17 Outreach specific contract. To a small extent this transfer also reinforced Interims budget line (BL1600) to allow the signature of interim worker contracts for Communication and ICT departments.	1100	1600	52 828	52 828
				3300		
			1200	1210	32 000	32 000
				1600		
			2200	2100	164 077,21	164 077,21
			2300			
			2400			
			2500			
			2600			
4	04.12.2020	After processing of December salaries, this transfer reallocated available funds from the Salaries budget line (BL1100).	1100	2100	946 305	946 305

		<p>Funds from Salaries budget line (BL1100) reinforced:</p> <ul style="list-style-type: none"> <li>Data processing line (BL2100) to finance contracts that were initially on hold due to budget unavailability, such as GSA/OP/01/17/LOT1/SC11 - ICT support for EUSPA Digital Transformation;</li> <li>Operational budget line 3100 to provide sufficient budget for signature of GSA/RP/11/16/SC15 (SSS2) for provision of security support services to GSMC until July 2021.</li> <li>SAB operational expenditure (BL3300) to provide sufficient budget for signature of GSA/OP/08/18 LOT2 SC 3 for support to SAB accreditation activities until July 2021.</li> </ul> <p>Savings under Buildings budget line (BL2000) related to lower consumption of occupiers charges and facility services contracts for Prague and Paris due to COVID-19. Funds were reallocated to Data processing line as described above. Payment appropriations only in the amount of 1 166 787,54 EUR (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 2020.</p>				
				3100		
				3300		
			1300	1600	10 000	10 000
			2000	2100	183 061,51	183 061,51
			2400			
			3300	3100		1 166 787,54
5	11.12.2020	<p>After processing of December salaries available funds were reallocated from the Salaries budget line (BL1100) to:</p> <ul style="list-style-type: none"> <li>Data processing line (BL2100) to finance purchase of SINA laptops that was on hold due to budget unavailability;</li> <li>Operational budget line 3100 to provide sufficient budget for signature of MKD contract GSA/OP/09/16/LOT4/SC8 for provision of on-site support in mass market and in the area of start-ups and entrepreneurship and signature of new EUSPA logo contract GSA/NP/14/20.</li> </ul> <p>Savings under Representation expenditure (BL1700), Recruitment costs (BL1200) and Social Measures (BL1500) were used for Training expenditure (BL1400) to provide sufficient budget for signature of GSMC Cyber security training. Savings under Meetings (BL2500) and SAB administrative expenditure (BL2600) were used for Data processing line reinforcement as described above.</p>				
			1200	1400	27 124,82	27 124,82
			1500			
			1700			
			1100	2100	285 758,28	285 758,28
			1300			
			1500			
			2300			
			2500			

			2600				
			1100	3100	190 549,50	190 549,50	
			3300				
6	23.12.2020	<p>Reallocation of available funds on a number of budget lines in order to ensure optimal use of commitment appropriations in 2020.</p> <p>The staff salaries line was reduced to zero, given that it is not possible to carry-forward appropriations.</p> <p>Finally it has been possible to better estimate the amounts needed to carry-forward for missions launched and approved in 2020 (BL1300) and on other budget lines such as Medical services (BL1210), Social measures (BL1500), Interims and trainees (BL1600), Tuition (BL1800), Postage and telecommunication costs (BL2400) and Current administrative costs (BL2300). Respective provisional commitments were decreased or increased accordingly.</p> <p>Funds available under the operational budget line (BL3100) reinforced mainly Tuition expenditure (BL1800) and Interims and trainees (BL1600).</p> <p>Budget became available due to the de-commitment of SECMON contracts GSA/NP/50/18 SC 9 and SC11 as contractor was not able to provide the service.</p> <p>Payment appropriations in the amount of 110 811,66 EUR (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 2020.</p>	1100	1300	8 542,52	8 542,52	
			1210				
			1400				
			1400	1500	2 860,77	2 860,77	
			1400	1800	62 325,65	62 325,65	
			3100				
			2100	1600	10 000,00	10 000,00	
			2300				
			2400				
			3100				
3300	3100			110 811,66			

7	23.12.2020	<p>Reallocation of available funds on operational budget line (BL3100) that became available due to the fact that it was not possible to conclude Contract NP/14/20 for EUSPA logo.</p> <p>Funds reinforced Current administrative costs (BL2300).</p>	3100	2300	8 500,00	8 500,00
---	------------	--	------	------	----------	----------

## 4 Budget implementation in 2020

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

Where 2020 C1 payment appropriations were concerned, 83% were paid in 2020 and 17% was carried forward to 2021. Carry over rate incorporates the non-automatic carry forward of payment appropriations to the amount of 870 792,31 EUR adopted by the Administrative Board on 28 January 2021 in order to maximise the use of the remaining payment credits on Title 3.

### Commitment appropriations

- 100% in Title 1 and 2  
Administrative budget
- 100% in Title 3  
Operational budget

### Payment appropriations

- 83% paid in 2020  
on all 3 titles
- 17% carried  
forward



## 4.1 Execution of commitments in 2020

Table 4: Execution of C1 commitment appropriations 2020, in EUR

Budget line	Heading	COMMITMENT APPROPRIATIONS BUDGETED 2020	Commitment Appropriations (CAs)			
			EXECUTED IN 2020	%	UNCOMMITTED	%
<b>Title 1 - Staff expenditure</b>						
1100	Staff expenditure	19 787 711,33	19 787 711,33	100%	0	0%
1200	Recruitment costs	51 714	51 714	100%	0	0%
1210	Medical services	76 024,37	76 024,37	100%	0	0%
1300	Missions and travel	266 542,52	266 542,52	100%	0	0%
1400	Training expenditure	161 904,32	161 904,32	100%	0	0%
1500	Social measures	340 998,95	340 998,95	100%	0	0%
1600	Interims & Trainees	561 960	561 960	100%	0	0%
1700	Representation expenditure	98,83	98,83	100%	0	0%
1800	Tuition fees	1 844 325,65	1 844 325,65	100%	0	0%
	<b>Total for title 1</b>	<b>23 091 279,97</b>	<b>23 091 279,97</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Title 2 - Administrative expenditure</b>						
2000	Rental of buildings	2 752 954,49	2 752 954,49	100%	0	0%
2100	Data processing	3 032 886,78	3 032 886,78	100%	0	0%
2200	Movable property	6 799,98	6 799,98	100%	0	0%
2300	Current administrative costs	1 021 433,09	1 021 433,09	100%	0	0%
2400	Postage and telecommunication costs	156 726,64	156 726,64	100%	0	0%
2500	Meetings	6 908,90	6 908,9	100%	0	0%
2600	SAB administrative expenditure	10 514,84	10 514,84	100%	0	0%
	<b>Total for title 2</b>	<b>6 988 224,72</b>	<b>6 988 224,72</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
	<b>Total for titles 1 and 2</b>	<b>30 079 504,69</b>	<b>30 079 504,69</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Title 3 - Operational expenditure</b>						
3100	Expenditure on studies	4 404 163,50	4 404 163,50	100%	0	0%
3300	SAB operational expenditure	965 811,66	965 811,66	100%	0	0%
	<b>Total for title 3</b>	<b>5 369 975,16</b>	<b>5 369 975,16</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
	<b>TOTAL T1+T2+T3</b>	<b>35 449 479,85</b>	<b>35 449 479,85</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

## 4.2 Execution of payments in 2020

Table 5: Execution of C1 payment appropriations 2020, in EUR

Budget line	Heading	PAYMENT APPROPRIATIONS BUDGETED 2020	Payment Appropriations (PAs)				TOTAL EXECUTED	%
			PAID IN 2020	%	CARRIED FORWARD	%		
<b>Title 1 - Staff expenditure</b>								
1100	Staff expenditure	19 787 711,33	19 787 711,33	100%	0	0%	19 787 711,33	100%
1200	Recruitment costs	51 714	51 714	100%	0	0%	51 714,00	100%
1210	Medical services	76 024,37	27 868,08	37%	48 156,29	63%	76 024,37	100%
1300	Missions and travel	266 542,52	246 825,85	93%	19 716,67	7%	266 542,52	100%
1400	Training expenditure	161 904,32	41 295,78	26%	120 608,54	74%	161 904,32	100%
1500	Social measures	340 998,95	165 949,59	49%	175 049,36	51%	340 998,95	100%
1600	Interims & Trainees	561 960	246 491,66	44%	315 468,34	56%	561 960,00	100%
1700	Representation expenditure	98,83	98,83	100%	0	0%	98,83	100%
1800	Tuition fees	1 844 325,65	1 679 359,98	91%	164 965,67	9%	1 844 325,65	100%
	<b>Total for title 1</b>	<b>23 091 279,97</b>	<b>22 247 315,10</b>	<b>96%</b>	<b>843 964,87</b>	<b>4%</b>	<b>23 091 279,97</b>	<b>100%</b>
<b>Title 2 - Administrative expenditure</b>								
2000	Rental of buildings	2 752 954,49	1 465 556,80	53%	1 287 397,69	47%	2 752 954,49	100%
2100	Data processing	3 032 886,78	809 693,79	27%	2 223 192,99	73%	3 032 886,78	100%
2200	Movable property	6 799,98	0	0%	6 799,98	100%	6 799,98	100%
2300	Current administrative costs	1 021 433,09	452 225,64	44%	569 207,45	56%	1 021 433,09	100%
2400	Postage and telecommunication costs	156 726,64	67 824,60	43%	88 902,04	57%	156 726,64	100%

2500	Meetings	6 908,90	6 908,90	100%	0	0%	6 908,90	100%
2600	SAB administrative expenditure	10 514,84	8 801,14	84%	1 713,70	16%	10 514,84	100%
	<b>Total for title 2</b>	<b>6 988 224,72</b>	<b>2 811 010,87</b>	<b>40%</b>	<b>4 177 213,85</b>	<b>60%</b>	<b>6 988 224,72</b>	<b>100%</b>
	<b>Total for titles 1 and 2</b>	<b>30 079 504,69</b>	<b>25 058 325,97</b>	<b>83%</b>	<b>5 021 178,72</b>	<b>17%</b>	<b>30 079 504,69</b>	<b>100%</b>
	<b>Title 3 - Operational expenditure</b>							
3100	Expenditure on studies	4 641 762,70	3 770 970,39	81%	870 792,31	19%	4 641 762,70	100%
3300	SAB operational expenditure	728 212,46	728 212,46	100%	0	0%	728 212,46	100%
	<b>Total for title 3</b>	<b>5 369 975,16</b>	<b>4 499 182,85</b>	<b>84%</b>	<b>870 792,31</b>	<b>16%</b>	<b>5 369 975,16</b>	<b>100%</b>
	<b>TOTAL T1+T2+T3</b>	<b>35 449 479,85</b>	<b>29 557 508,82</b>	<b>83%</b>	<b>5 891 971,03</b>	<b>17%</b>	<b>35 449 479,85</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 2020, in EUR

Budget line	Heading	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Uncommitted	Carried over
1300	Missions and travel	4 060,76	-	0%	-	0%	4 060,76	4 060,76
1400	Training expenditure	49,05	-	0%	-	0%	49,05	49,05
1500	Social measures	4 139,72	-	0%	-	0%	4 139,72	4 139,72
1800	Tuition fees	28 490,13	-	0%	-	0%	28 490,13	28 490,13
2000	Rental of buildings	248 628,76	-	0%	-	0%	248 628,76	248 628,76
2100	Data processing	12 350,26	-	0%	-	0%	12 350,26	12 350,26
	<b>Total</b>	<b>297 718,68</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>297 718,68</b>	<b>297 718,68</b>

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

Table 7: Execution of C5 commitment and payment appropriations 2020, in EUR

Budget line	Heading	Appropriation (1)	Committed (2)	% Committed (2/1)	Paid (3)	% Paid (3/1)	Uncommitted	Balance Payment (2-3)
1100	Staff expenditure	559,51	559,51	100%	559,51	100%	0,00	0,00
1300	Missions and travel	9 779,22	9 779,22	100%	9 779,22	100%	0,00	0,00
1400	Training expenditure	3 832,02	3 832,02	100%	3 832,02	100%	0,00	0,00
1500	Social measures	1 626,97	1 626,97	100%	1 626,97	100%	0,00	0,00
1800	Tuition fees	20 200,00	20 200,00	100%	20 200,00	100%	0,00	0,00
2000	Rental of buildings	252 461,71	252 461,71	100%	252 461,71	100%	0,00	0,00
2300	Current admin. costs	536,32	536,32	100%	536,32	100%	0,00	0,00
	<b>Total</b>	<b>288 995,75</b>	<b>288 995,75</b>	<b>100%</b>	<b>288 995,75</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 2020, 2019 and 2018, in EUR

Budget line	Heading	Commitment Appropriations 2020	Commitment Appropriations 2019	Commitment Appropriations 2018
3100	GSMC operations	1 500 682	2 367 918	710 611
3100	Promotion and marketing of the services	2 903 481,50	3 265 211,84	3 175 602,41
3300	Security accreditation	965 811,66	468 302,81	534 783,75
	<b>Total</b>	<b>5 369 975,16</b>	<b>6 101 432,65</b>	<b>4 420 997,16</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 2020. Earmarked appropriations are appropriations from external assigned revenue – fund source R0.

Table 9: Overview of external assigned revenue budget lines in 2020

Budget line	Heading	Summary of development
3913	FP7 2 <sup>nd</sup> call	Call project activities have been finalised and the Agency proceeded with its financial and administrative closure. Payment appropriations in the amount of 141 thousand EUR were returned to European Commission and budget line was closed in 2020.
3917	FP7 3 <sup>rd</sup> call	All projects financed under this call were closed in 2016. The Agency returned to European Commission remaining 334,8 thousand EUR of payment appropriations in 2020. Closure of the budget line is pending the enforcement of one open recovery order in the amount of 8 thousand EUR.
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).  Payments in the value of 2,3 million EUR were made in 2020. No additional payment appropriations were requested in 2020.

3920	EGNOS Exploitation Delegation Agreement	<p>The EGNOS Exploitation Delegation Agreement was signed in April 2014 for a period of 7 years. Total amount of 1,514 billion EUR is currently delegated under this agreement.</p> <p>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 29,7 million EUR was committed in 2020 with a total of 166,3 million EUR made in payments. Payment appropriations for a total of 178,8 million EUR were inscribed.</p>
3921	Horizon 2020 1 <sup>st</sup> call	<p>By the end of 2020, all 27 projects were technically concluded and the final payments were processed, except for one project, for which the final payment is under assessment.</p> <p>One PRS contract is still ongoing.</p> <p>Under H2020 1<sup>st</sup> call the GSA has paid a total of 41 thousand EUR in 2020.</p>
3922	Galileo Exploitation Delegation Agreement	<p>The Galileo Exploitation Delegation Agreement was signed in October 2014 for a period of 7 years. Total amount of 2,94 billion EUR is currently delegated under this agreement.</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 350,6 million EUR was committed in 2020 and a total amount of 567 million EUR was made in payments in 2020.</p> <p>Payment appropriations for a total of 703 million EUR were inscribed.</p>
3923	Horizon 2020 2 <sup>nd</sup> call	<p>Out of 13 grant agreements, all projects of the 2<sup>nd</sup> call were technically completed, for 11 grants the final payment was processed and for the 2 remaining projects the final payment is either under review or the request is being prepared by the Consortium.</p> <p>Under H2020 2<sup>nd</sup> call the GSA has paid 553 thousand EUR in 2020.</p> <p>Payment appropriations for a total of 16,5 thousand EUR were inscribed in 2020.</p>
3924	Horizon 2020 3 <sup>rd</sup> call	<p>Out of 18 grant agreements, 10 projects were technically completed by the end of 2020 and the remaining 8 were still ongoing. For 6 grants the final payment was processed and for 4 grants the final payment is under assessment or the request is being prepared by the Consortia.</p> <p>Under H2020 3<sup>rd</sup> call the GSA has paid a total of 4,97 million EUR in 2020.</p> <p>Payment appropriations for a total of 952 thousand EUR were inscribed in 2020.</p>

3925	Horizon 2020 4 <sup>th</sup> call	<p>The GSA signed 12 Grant agreements for the H2020 4<sup>th</sup> call in the amount of 19,9 million EUR in 2019 and 2020, all projects are ongoing.</p> <p>Under H2020 4<sup>th</sup> call the GSA has paid a total of 888 thousand EUR in 2020.</p> <p>Payment appropriations for a total of 419 thousand EUR were inscribed in 2020.</p>
3926	GOVSATCOM Preparatory action	<p>GOVSATCOM preparatory action contribution agreement was signed 7 April 2020 with a delegated budget of 4,5 million EUR.</p> <p>During 2020 350 thousand EUR was committed and 28 thousand EUR of payment appropriations was used.</p> <p>Payment appropriations for a total of 1,2 million EUR were inscribed in 2020.</p>
3927	H2020 - 5 <sup>th</sup> call	<p>The GSA signed 9 Grant agreements for the H2020 5<sup>th</sup> call in the amount of 20,9 million EUR at the end of 2020.</p> <p>Under H2020 5<sup>th</sup> call the GSA has committed 20,9 million EUR and a total of 10,7 million EUR was paid in 2020.</p> <p>Payment appropriations for a total of 11,6 million EUR were inscribed in 2020.</p>
3928	GOVSATCOM Entrusted	<p>The GSA has entered into an agreement with the European Commission represented by the Research Executive Agency for coordinating a H2020 research grant ENTRUSTED, complementing GOVSATCOM activities.</p> <p>The grant agreement was signed in August 2020 for a maximum grant amount of 2 999 940 EUR. ENTRUSTED will be implemented by almost 20 institutions representing EU Member States and EU agencies.</p> <p>A total of 2,1 million EUR of payment appropriations was inscribed. No payment or commitment appropriations were used in 2020 yet.</p>



### Cash flow of delegated budget

Table 10: Overview of earmarked revenue (R0) during 2020, in EUR

Budget line	Activity	Commitments in 2020	Payment appropriations 1/1/2020	2020 payment appropriations received (+) /returned (-)	Payments made during 2020	Remaining payment appropriations 31/12/2020
3913	FP7 1&2 calls	-	141 786,10	- 141 786,10	-	-
3917	FP7 3rd call	-	334 803,98	- 334 803,98	-	-
3918	PRS DA	-	3 027 701,50	-	2 341 521,00	686 180,50
3919	Exploitation DA	-	-	-	-	-
3920	EGNOS DA	29 739 153,83	234 010 350,70	178 814 931,14	166 261 222,86	246 564 058,98
3921	H2020 1st call	41 178,19	2 768 106,72	-	41 178,19	2 726 928,53
3922	Galileo DA	350 567 071,56	396 672 971,14	703 294 577,00	567 287 637,47	532 679 910,67
3923	H2020 2nd call	7 040,12	1 623 652,64	16 493,03	552 817,72	1 087 327,95
3924	H2020 3rd call	10 741,00	5 730 936,40	951 633,70	4 967 587,41	1 714 982,69
3925	H2020 4th call	482 000,00	1 046 785,45	419 325,12	888 309,88	577 800,69
3926	GOVSATCOM Prep	349 763,00	-	1 200 000,00	28 226,00	1 171 774,00
3927	H2020 – 5th call	20 898 916,74	-	11 594 404,21	10 672 404,29	921 999,92
3928	GOVSATCOM Entrusted	-	-	2 109 330,00	-	2 109 330,00
	<b>Totals</b>	<b>402 095 864,44</b>	<b>645 357 094,63</b>	<b>897 924 104,12</b>	<b>753 040 904,82</b>	<b>790 240 293,93</b>



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

Budget line	Activity	Cumulative Commit. Appropriations (1)	Cumulative Commitment (2)	Executed amount (2/1)	% Committed (2/1)	Cumulative Credit Not Used (1-2)	Cumulative Payment Appropriations (3)	2020 Executed Payment amount (4)	% Paid (4/3)	R A L (2-4)
3913	FP7 1 <sup>st</sup> and 2 <sup>nd</sup> call	0,00	0,00	0,00	0,0%	0,00	0,00	0,00	0%	0,00
3917	FP7 3rd call	1 419 030,18	0,00	0,00	0,0%	1 419 030,18	0,00	0,00	0%	0,00
3918	PRS DA	3 132 188,88	3 027 701,50	96,7%	104 487,38	3 027 701,50	2 341 521,00	77%	686 180,50	
3919	Exploitation DA	0,00	0,00	0,0%	0,00	0,00	0,00	0%	0,00	
3920	EGNOS DA	837 246 416,36	591 619 393,03	70,7%	245 627 023,33	412 825 281,84	166 261 222,86	40%	425 358 170,17	
3921	H2020 1st call	6 651 864,42	3 100 706,49	46,6%	3 551 157,93	2 768 106,72	41 178,19	1%	3 059 528,30	
3922	Galileo DA	1 317 922 948,84	1 102 726 104,12	83,7%	215 196 844,72	1 099 967 548,14	567 287 637,47	52%	535 438 466,65	
3923	H2020 2nd call	3 550 486,61	1 389 149,83	39,1%	2 161 336,78	1 640 145,67	552 817,72	34%	836 332,11	
3924	H2020 3rd call	9 563 991,86	8 322 787,61	87,0%	1 241 204,25	6 682 570,10	4 967 587,41	74%	3 355 200,20	
3925	H2020 4th call	10 446 785,45	10 300 578,20	98,6%	146 207,25	1 466 110,57	888 309,88	61%	9 412 268,32	
3926	H2020 - 5th call	4 500 000,00	349 763,00	7,8%	4 150 237,00	1 200 000,00	28 226,00	2%	321 537,00	
3927	GOVSATCOM Prep	21 500 000,00	20 898 916,74	97,2%	601 083,26	11 594 404,21	10 672 404,29	92%	10 226 512,45	
3928	GOVSATCOM Entrusted	2 999 940,00	0,00	0,0%	2 999 940,00	2 109 330,00	0,00	0%	0,00	
<b>Total</b>		<b>2 218 933 652,60</b>	<b>1 741 735 100,52</b>	<b>78,5%</b>	<b>477 198 552,08</b>	<b>1 543 281 198,75</b>	<b>753 040 904,82</b>	<b>48,79%</b>	<b>988 694 195,70</b>	

## 4.6 Payment appropriations carried over

Table 12: Automatic carry over, in EUR

	Automatic carry over from 2020 to 2021			Automatic carry over from 2019 to 2020		
	Total C1 commitments 2020	Payment appropriations carried over to 2021	%	Total C1 commitments 2019	Payment appropriations carried over to 2020	%
Title 1 Staff	23 091 279,97	843 964,87	3,65%	21 738 436,40	550 032,53	2,53%
Title 2 Administrative expenditure	6 988 224,72	4 177 213,85	59,78%	5 749 993,74	3 351 653,69	58,29%
Title 3 Operational expenditure	5 369 975,16	0,00	0%	6 101 432,65	0,00	0%
<b>Total</b>	<b>35 449 479,85</b>	<b>5 021 178,72</b>	<b>14%</b>	<b>33 589 862,79</b>	<b>3 901 686,22</b>	<b>12%</b>

Table 13: Non automatic carry over, in EUR

	Non automatic carry over 2020 to 2021			Non automatic carry over 2019 to 2020		
	Total C1 commitments 2020	Payment appropriations carried over to 2021	%	Total C1 commitments 2019	Payment appropriations carried over to 2020	%
Title 1 Staff	23 091 279,97	0,00	0%	21 738 436,40	0,00	0%
Title 2 Administrative expenditure	6 988 224,72	0,00	0%	5 749 993,74	0,00	0%
Title 3 Operational expenditure	5 369 975,16	870 792,31	16%	6 101 432,65	1 160 542,09	19%
<b>Total</b>	<b>35 449 479,85</b>	<b>870 792,31</b>	<b>2%</b>	<b>33 589 862,79</b>	<b>1 160 542,09</b>	<b>3%</b>

## 4.7 Analysis on outstanding commitments

This chapter summarises the evolution of outstanding commitment balances during 2020 by budget line and title.

The cancellation rate of payment appropriations carried over from 2019 to 2020 was 1,97% of the amount carried over (99 575,90 EUR). The cancellations remain very low (cancellations in 2019 were 87 476,45 EUR) which demonstrates an efficient financial management.

Table 14: Overview of outstanding balances at the end of 2020, in EUR

Budget line	Description	Outstanding balances as of 01/01/2020 C8	De-commitments	Payments on outstanding balances in 2020	New 2020 commitments C1,C4, C5	Payments on new 2020 commitments C1,C2,C4,C5	Payment appropriations cancellations in 2020	Outstanding balances as of 31/12/2020 RAL
		(a)	(b)	(c)	(d)	(e)	(f)	(g)=(a)-(b)-(c)+(d)-(e)
1100	Staff costs	0,00	0,00	0,00	19 788 270,84	19 788 270,84	0,00	0,00
1200	Recruitment	48 530,22	20 479,38	28 050,84	51 714,00	51 714,00	20 479,38	0,00
1210	Medical expenses	2 120,00	0,00	2 120,00	76 024,37	27 868,08	0,00	48 156,29
1300	Missions	166 390,12	12 315,59	154 074,53	276 321,74	256 605,07	12 315,59	19 716,67
1400	Training	77 195,64	12 659,91	64 535,73	165 736,34	45 127,80	12 659,91	120 608,54
1500	Social measures	94 997,08	0,00	94 997,08	342 625,92	167 576,56	0,00	175 049,36
1600	Interims & Trainees	152 147,95	208,52	151 939,43	561 960,00	246 491,66	208,52	315 468,34
1700	Representation	97,07	0,00	97,07	98,83	98,83	0,00	0,00
1800	Tuition fees	8 554,45	0,00	8 554,45	1 864 525,65	1 699 559,98	0,00	164 965,67
	<b>Total title 1</b>	<b>550 032,53</b>	<b>45 663,40</b>	<b>504 369,13</b>	<b>23 127 277,69</b>	<b>22 283 312,82</b>	<b>45 663,40</b>	<b>843 964,87</b>

Budget line	Description	Outstanding balances as of 01/01/2020 C8	De-commitments	Payments on outstanding balances in 2020	New 2020 commitments s C1,C4, C5	Payments on new 2020 commitments C1,C2,C4,C5	Payment appropriations cancellations in 2020	Outstanding balances as of 31/12/2020 RAL
2000	Rent	1 307 411,90	25 835,49	1 281 576,41	3 005 416,20	1 718 018,51	25 835,49	1 287 397,69
2100	Data processing	1 140 575,55	1 188,11	1 139 387,44	3 032 886,78	809 693,79	1 188,11	2 223 192,99
2200	Movable property	22 396,28	96,74	22 299,54	6 799,98	0,00	96,74	6 799,98
2300	Current admin costs	712 494,60	7 105,59	705 389,01	1 021 969,41	452 761,96	7 105,59	569 207,45
2400	Postage and telecommunication costs	138 569,60	15 292,12	123 277,48	156 726,64	67 824,60	15 292,12	88 902,04
2500	Meetings	11 036,91	4 394,45	6 642,46	6 908,90	6 908,90	4 394,45	0,00
2600	SAB administrative expenditure	19 168,85	0,00	19 168,85	10 514,84	8 801,14	0,00	1 713,70
	<b>Total title 2</b>	<b>3 351 653,69</b>	<b>53 912,50</b>	<b>3 297 741,19</b>	<b>7 241 222,75</b>	<b>3 064 008,90</b>	<b>53 912,50</b>	<b>4 177 213,85</b>
3100	Operations & studies	4 432 119,26	166 507,93	3 844 057,90	4 404 163,50	1 087 454,58	0,00	3 738 262,35
3300	SAB costs	535 033,31	1 912,70	486 728,61	965 811,66	241 483,85	0,00	770 719,81
	<b>Total title 3</b>	<b>4 967 152,57</b>	<b>168 420,63</b>	<b>4 330 786,51</b>	<b>5 369 975,16</b>	<b>1 328 938,43</b>	<b>0,00</b>	<b>4 508 982,16</b>
	<b>Totals</b>	<b>8 868 838,79</b>	<b>267 996,53</b>	<b>8 132 896,83</b>	<b>35 738 475,60</b>	<b>26 676 260,15</b>	<b>99 575,90</b>	<b>9 530 160,88</b>



## 5 Revenue

### 5.1 Nature of Revenue

Table 15: Overview of revenue in 2020, 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)	35 449 479,85	35 449 479,40	35 449 479,40	0
2008	Other subsidy from Commission (Delegation Agreements)	0	897 387 960,16	897 387 960,16	0
9000	Other income (Recovery orders issued in 2020)	0	927 170,15	707 193,66	219 976,49
	<b>TOTAL</b>	<b>35 449 479,85</b>	<b>933 764 609,71</b>	<b>933 544 633,22</b>	<b>219 976,49</b>



## 6 Staff and establishment plan for 2020

Table 16: Establishment plan in 2020

	2020			
	Authorised under the EU Budget		Filled as of 31/12/2020	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13		3		2
AD 12		8		
AD 11		9		7
AD 10		16		11
AD 9		27		20
AD 8		46		32
AD 7		27		46
AD 6		4		17
AD 5		6		10
AD total		<b>147</b>		<b>146</b>
AST 11				
AST 10				
AST 9				
AST 8				
AST 7				
AST 6		1		1
AST 5		2		1
AST 4				1
AST 3				1
AST 2				
AST 1				
AST total		3		4
<b>GRAND TOTAL</b>		<b>150</b>		<b>150</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 2020: 927 commitments, de-commitments and modification of commitments, 2 482 payment requests, 312 mission orders, 53 recovery orders, 4 forecasts of revenue and 7 budget transfers. All in all, 3 785 financial transactions were processed by the GSA in 2020 (6 765 transactions in 2019). The decrease in



comparison to 2019 is attributable to much lower number of mission orders and related payments due to COVID-19, all other transactions either remained at the same level or increased in 2020.

The GSA succeeded in maintaining very good payment time statistics with 98,7 % of all payments within the prescribed time limit and with an average payment time of 14,26 days in 2020. This is an improvement in comparison to 2019 where the GSA processed 98,2% of all payments in time and average payment time was 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**