

DECISION
ADB(D) 22-2010

**on the Application of a new cost accounting method
for Eurocontrol's contribution to the SJU**

THE ADMINISTRATIVE BOARD OF THE SESAR JOINT UNDERTAKING (SJU),

Having regard to Articles 5(e) and 5(g) of the SJU Statutes (here after the “SJU Statutes”) annexed to the Council Regulation (EC) 219/2007 of 27 February 2007 as last modified by Council Regulation (EC) 1361/2008 of 16 December 2008, here after the “SJU Regulation”.

Having regard to Schedule 2 Financial Provisions of the Multilateral Framework Agreement as approved by the Administrative Board in its meeting of 1 December 2009.

Having regard to Article 98 of the SJU Financial Rules.

Considering

The letter submitted by Eurocontrol, founding Member of the SJU, on 24 November 2010 and transmitted by the SJU to the Administrative Board, where Eurocontrol

- a. informs the SJU that
 - following “*the request of its Member States and stakeholders, the Agency has put in place a number of accounting measures designed to improve the accuracy, efficiency and transparency of its financial accounting, most notably the setting up of a functional budget and cost accounting mechanism*”, and
 - “*thanks to these measures, the Agency is now in a position to assign accurately the level of actual costs, both direct and indirect, with regard to activities provided for partner organisations, bringing EUROCONTROL into line with the standard best practice accounting principles used across the industry*”
 - the aforementioned accounting measures will be applicable as of 1 January 2011;
 - these new accounting measures imply “*changing the way of reporting its in-kind contribution from direct costs plus a flat rate of 7% indirect eligible costs, to direct costs plus indirect eligible costs calculated using a simplified method’ as it will be implemented*”
- b. requests the “*SJU Administrative Board to agree to apply the new cost accounting method as from 1 January 2011 to its contribution to the SJU, changing the way of reporting its in-kind contribution from direct costs plus a flat rate of 7% indirect eligible costs, to direct costs plus indirect eligible costs calculated using a simplified method*”.

In its ordinary meeting of 14 December 2010, HAS DECIDED AS FOLLOWS:

Article 1

- a. To take note of the request of Eurocontrol to apply the new accounting measures to the costs incurred as of 1 January 2011;
- b. To request the Executive Director of the SJU to ensure that these accounting measures :
 - i. will not undermine the EUR 700 million contribution of Eurocontrol to the SJU and its capacity to deliver the results in accordance with the agreement between Eurocontrol and the SJU of 12 June 2009;
 - ii. are compliant with the SJU Financial Rules and procedures and, in this respect, to request Eurocontrol to submit the necessary audit certificate;
- c. To request the Executive Director to report back to the Administrative Board on the matter as soon as the above mentioned actions are completed.

This decision shall enter into force on the date of its adoption.

Done in Brussels, 14 December 2010.

For the Administrative Board


Daniel Calleja Crespo
The Chairperson
