

SESAR Joint Undertaking Financial Rules

TITLE I

GENERAL PROVISIONS

Article 1

Subject matter

This document lays down the financial rules of the SESAR Joint Undertaking (hereinafter “SJU”). These financial rules do not depart from Commission delegated Regulation (EU) on the framework financial regulation for the bodies referred to in Article 208¹ except where its specific needs so required and with the Commission's prior consent.

Article 2

Definitions

For the purposes of these Financial Rules, the following definitions shall apply:

“**Constituent act**” means Council Regulation (EC) No 219/2007 of 27 February 2007², as last amended by Council Regulation (EC) No 721/2014 of 16 June 2014³;

“**Budget of the Union body**” means the instrument which, for each financial year, forecasts and authorises all revenue and expenditure considered necessary for the SJU;

“**Union body**” means any body referred to in Article 208 of Regulation (EU, Euratom) No 966/2012;

“**Administrative Board**” means the main internal body of the SJU that is responsible for taking decisions on financial and budgetary matters as defined in the Statutes annexed to the constituent act;

“**Executive Director**” means the person responsible for implementing the decisions of the Administrative Board and the SJU's budget as authorising officer as defined in the Statutes annexed to the constituent act;

¹ COMMISSION DELEGATED REGULATION (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council

² COUNCIL REGULATION (EC) No 219/2007 of 27 February 2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) (OJ L 64, 2.3.2007, p1)

³ COUNCIL REGULATION (EU) No 721/2014 of 16 June 2014 amending Regulation (EC) No 219/2007 on the establishment of a Joint Undertaking to develop the new generation European air traffic management system (SESAR) as regards the extension of the Joint Undertaking until 2024 (OJ L 192/1, 1.7.2014)

“Statutes” mean the Statutes of the SJU annexed to the constituent act;

“Member(s)” mean(s) the Member(s) of the SJU as referred in Article 1 of its Statutes.

Article 3

Periods, dates and time limits

Unless otherwise provided, Regulation (EEC, Euratom) No 1182/71 of the Council⁴ shall apply to deadlines set by these Rules.

Article 4

Protection of personal data

These Financial Rules are without prejudice to the requirements of Directive 95/46/EC of the European Parliament and of the Council⁵ and of Regulation (EC) No 45/2001 of the European Parliament and of the Council⁶.

Article 5

Respect for budgetary principles

The budget of the SJU shall be established and implemented in accordance with the principles of unity budgetary accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management which requires effective and efficient internal control and transparency as set out in these Financial Rules.

TITLE II

BUDGETARY PRINCIPLES

CHAPTER 1

Principles of unity and of budget accuracy

Article 6

Scope of the budget of the SJU

1. The budget of the SJU shall comprise:

(a) revenue consisting of its Members' financial contribution to the administrative costs;

⁴ Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time limits (OJ L 124, 8.6.1971, p. 1).

⁵ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).

⁶ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

- (b) revenue consisting of its Members' financial contribution to the operational costs;
- (c) revenue assigned to specific items of expenditure in accordance with Article 22;
- (d) the expenditure of the SJU, including administrative expenditure.

2. When one or several constituent acts provide that clearly defined tasks are financed separately or when the SJU implements tasks entrusted to it by a delegation agreement, it shall hold separate accounts, on the revenue and expenditure operations. The SJU shall clearly identify each group of tasks in its human resource programming included in the annual and multiannual programming document referred to in Article 31.

Article 7

Delegation agreements

1. The SJU shall not be entrusted budget implementation tasks by the Commission except if it is duly justified by the special nature of the action and specific expertise of the SJU.
2. The choice of the SJU shall take due account of:
 - (a) the cost efficiency of entrusting those tasks;
 - (b) the impact on the SJU's governance structure and on its financial and human resources.
3. Where the Commission exceptionally entrusts tasks to the SJU:
 - (a) Article 60 of Regulation (EU, Euratom) No 966/2012 shall apply to the SJU in respect of funds allocated to those tasks and Articles 95 and 96 of this Regulation shall not apply;
 - (b) tasks entrusted should be referred to in the annual work programme of the Union body, referred to in Article 31(3), for information purposes only
4. Without prejudice to paragraph 2, the authorising officer shall consult the Administrative Board before signing the delegation agreement.

Article 8

Specific rules on the principles of unity and budgetary accuracy

1. No revenue shall be collected and no expenditure effected unless booked to a line in the budget of the SJU.
2. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget of the SJU.
3. An appropriation may be entered in the budget of the SJU only if it is for an item of expenditure considered necessary.
4. Interests generated by pre-financing payment made from the budget of the SJU shall not be due to the SJU.

CHAPTER 2

Principle of annuality

Article 9

Definition

The appropriations entered in the budget of the SJU shall be authorised for a financial year which shall run from 1 January to 31 December.

Article 10

Type of appropriations

The budget of the SJU shall contain non-differentiated appropriations and, where justified by operational needs, differentiated appropriations. Differentiated appropriations shall consist of commitment appropriations and payment appropriations.

Commitment appropriations shall cover the total cost of the legal commitments entered into during the financial year.

Payment appropriations shall cover payments made to honour the legal commitments entered into in the financial year or preceding financial years.

Article 11

Accounting for revenue and appropriations

1. The revenue of the SJU referred to in Article 6 shall be entered in the accounts for the financial year on the basis of the amounts collected during that financial year.

2. The revenue of the SJU shall give rise to an equivalent amount of payment appropriations

3. The appropriations authorised for a financial year shall be used solely to cover expenditure committed and paid in that financial year, and to cover amounts due against commitments from preceding financial years.

4. Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

5. Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year.

Article 12

Commitment of appropriations

The appropriations entered in the budget of the SJU may be committed with effect from 1 January, once the budget of the SJU has been definitively adopted.

Article 13

Cancelation and carry-over of appropriations

1. Appropriations which have not been used by the end of the financial year for which they were entered shall be cancelled. However, given the needs of the SJU, the cancelled appropriations may be entered in the estimates of revenue and expenditure up to the following three financial years, in accordance with Article 32.

2. Appropriations relating to staff expenditure may not be carried over.

3. Differentiated commitment appropriations and non-differentiated appropriations not yet committed at the end of the financial year may be carried over in respect of:

(a) amounts corresponding to commitment appropriations;

(b) amounts corresponding to non-differentiated appropriations relating to building projects, for which most of the preparatory stages of the commitment procedure have been completed by 31 December. The preparatory stage of the commitment procedure shall be specified in the rules implementing these Financial Rules.

Such amounts may be committed up to 31 March of the following year, or up to 31 December of the following year for amounts relating to building projects.

4. Payment appropriations may be carried over in respect of amounts needed to cover existing commitments or commitments linked to commitment appropriations carried over, where the payment appropriations provided for in the relevant budget lines for the following financial year are not sufficient to cover requirements.

The SJU shall first use the appropriations authorised for the current financial year and shall not use the appropriations carried over until the former are exhausted

5. Non-differentiated appropriations corresponding to obligations duly contracted at the end of the financial year shall be carried over automatically to the following financial year only.

6. Appropriations carried over which have not been committed by 31 March of year N+1 shall be automatically cancelled and shall be identified in the accounts. Given the needs of the SJU, the cancelled appropriations shall be entered in the estimates of revenue and expenditure up to the following three financial years, in accordance with Article 32.

Article 14

Carry-over rules for assigned revenue

Carry-over or assigned revenue referred to in Article 22, and of appropriations not used and available at 31 December arising from such revenue shall comply with the following rules:

(a) external assigned revenue shall be carried over automatically and shall be fully used by the time all the operations relating to the programme or action to which it is assigned have been carried out; external assigned revenue received during the last year of the programme or action may be used in the first year of the succeeding programme or action;

(b) internal assigned revenue shall be carried over for one year only, with the exception of internal assigned revenue defined in point (f) of Article 22(3), which shall be carried over automatically.

By 1 June of the year N+1 at the latest, the SJU shall inform the Commission about the implementation of the assigned revenue carried over.

Article 15

Decommitment of appropriations

Where appropriations are decommitted in any financial year after that in which the appropriations were entered in the budget of the SJU as a result of total or partial non-implementation of the actions for which they were earmarked, the appropriations concerned shall be cancelled.

Article 16

Commitments

1. As from 15 October of each year, routine administrative expenditure may be committed in advance against the appropriations provided for the following financial year. Such commitments shall not, however, exceed one quarter of the appropriations decided by the Administrative Board on the corresponding budget line for the current financial year. They shall not apply to new expenditure of a kind not yet approved in principle in the last budget of the SJU duly adopted.

2. Expenditure which shall be paid in advance, for example rents, may give rise to payments from 1 December onwards to be charged to the appropriations for the following financial year. In this case, the limit referred to in paragraph 1 shall not apply.

Article 17

Rules applicable in the event of late adoption of the budget of the SJU

1. If the budget of the SJU has not been definitively adopted at the beginning of the financial year, the rules set out in paragraphs 2 to 6 shall apply.

2. Commitments and payments may be made within the limits laid down in paragraph 3.

3. Commitments may be made per chapter up to a maximum of one quarter of the total appropriations authorised in the relevant chapter of the previous financial year plus one twelfth for each month which has elapsed.

The limit of the appropriations provided for in the statement of estimates of revenue and expenditure shall not be exceeded.

Payments may be made monthly per chapter up to a maximum of one twelfth of the appropriations authorised in the relevant chapter of the preceding financial year. That sum shall not, however, exceed one twelfth of the appropriations provided for in the same chapter in the statement of estimates of revenue and expenditure.

4. The appropriations authorised in the relevant chapter of the preceding financial year, as specified in paragraphs 2 and 3, shall be understood as referring to the appropriations voted in the budget of the SJU, including by amending budgets, and after adjustment for the transfers made during that financial year.

5. At the request of the Executive director, if the continuity of action by the Union body and management needs so require, the Administrative Board, may authorise expenditure in excess of one provisional twelfth but not exceeding the total of four provisional twelfths, except in duly justified cases, both for commitments and for payments over and above those automatically made available in accordance with paragraphs 2 and 3.

The additional twelfths shall be authorised in full and shall not be divisible.

6. If, for a given chapter, the authorisation of four provisional twelfths granted in accordance with paragraph 5 is not sufficient to cover the expenditure necessary to avoid a break in continuity of action by the SJU in the area covered by the chapter in question, authorisation may exceptionally be given to exceed the amount of the appropriations entered in the corresponding chapter of the budget of the SJU of the preceding financial year. The Administrative Board shall act in accordance with the procedures provided for in paragraph 5. However, the overall total of the appropriations available in the budget of the SJU of the preceding financial year or in the draft budget of the SJU, as proposed, may in no circumstances be exceeded.

CHAPTER 3

Principle of equilibrium

Article 18

Definition and scope

1. Revenue and payment appropriations shall be in balance.
2. Commitment appropriations may not exceed the amount of the Union contribution, plus own revenue and any other revenue referred to in Article 6.
3. The SJU may not raise loans within the framework of the budget of the Union body.
4. The Union contribution to the SJU shall constitute for its budget a balancing contribution and may be divided into a number of payments.
5. The SJU shall implement rigorous cash management, taking due account of assigned revenue, in order to ensure that its cash balances are limited to duly justified requirements. With its payment requests, it shall submit detailed and updated forecasts on its real cash requirements throughout the year, including information on assigned revenue.

Article 19

Budget result from financial year

1. If the budget result within the meaning of Article 96 is positive, it shall be entered in the budget for the following financial year as revenue.
2. If the budget result within the meaning of Article 96 is negative, it shall be entered in the budget of the SJU for the following financial year as payment appropriations or, where appropriate, offset against positive budget result of the SJU in the following financial years.
3. The revenue or payment appropriations shall be entered in the budget of the SJU during the budgetary procedure using the letter of amendment procedure set out in Article 39 of Regulation (EU, Euratom) No 966/2012 or, while implementation of the budget of the SJU is under way, by means of an amending budget.

CHAPTER 4

Principle of unit of account

Article 20

Use of euro

The budget of the SJU shall be drawn up and implemented in euro and the accounts shall be presented in euro.

However, for cash-flow purposes, the accounting officer and, in the case of imprest accounts, the imprest administrators shall be authorised to carry out operations in other currencies as laid down in the SJU financial rules.

CHAPTER 5

Principle of universality

Article 21

Definition and scope

Without prejudice to Article 22, total revenue shall cover total payment appropriations. Without prejudice to Article 24, all revenue and expenditure shall be entered in full without any adjustment against each other.

Article 22

Assigned revenue

1. External assigned revenue and internal assigned revenue shall be used to finance specific items of expenditure

2. The following shall constitute external assigned revenue:

(a) revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests;

(b) revenue from delegation agreements referred to in Article 7;

(c) internal assigned revenue referred to in paragraph 3, to the extent that it is ancillary to the other revenue referred to in points (a) and (b) of this paragraph;

3. The following shall constitute internal assigned revenue:

(a) revenue from third parties in respect of goods, services or work supplied at their request, with the exception of fees and charges referred to in Article 6(1)(a);

(b) proceeds from the sale of vehicles, equipment, installations, materials, and scientific and technical apparatus, which are replaced or scrapped when the book value is fully depreciated;

(c) revenue arising from the repayment, in accordance with Article 61, of amounts wrongly paid;

(d) proceeds from the supply of goods, services and works for Union institutions or other Union bodies;

- (e) insurance payments received;
- (f) revenue from lettings;
- (g) revenue from the sale of publications and films, including those on an electronic medium;
- (h) revenue arising from subsequent reimbursement of taxes pursuant to Article 24(3)(b).

4. Without prejudice to Article 22(2)(e) the relevant constituent act may also assign the revenue for which it provides to specific items of expenditure. Unless specified otherwise in the relevant constituent act, such revenue shall constitute internal assigned revenue.

All items of revenue within the meaning of points (a) and (b) of paragraph 2 and points (a) and (d) of paragraph 3 shall cover all direct or indirect expenditure incurred by the activity or purpose in question.

The budget of the SJU shall include lines to accommodate external assigned revenue and internal assigned revenue and wherever possible shall indicate the amount.

Assigned revenue may be included in the estimate of revenue and expenditure only for the amounts which are certain at the date of the establishment of the estimate.

Article 23

Donations

The Executive Director may accept any donation made to the SJU, such as foundations, subsidies, gifts and bequests.

Acceptance of donations which may involve a financial charge shall be subject to the prior authorisation of the Administrative Board, which shall take a decision within two months of the date on which the request is submitted to it. If the Administrative Board fails to take a decision within that period, the donation shall be deemed accepted.

Article 24

Rules on deductions and exchange rates adjustments

The following deductions may be made from payment requests, which shall then be passed for payment of the net amount:

- (a) penalties imposed on parties to procurement contracts or beneficiaries;
- (b) discounts, refunds and rebates on individual invoices and cost statements;
- (c) adjustments for amounts unduly paid.

The adjustments referred to in point (c) of the first subparagraph may be made, by means of direct deduction, against a new interim payment or payment of a balance to the same payee under the chapter, article and financial year in respect of which the excess payment was made.

Union accounting rules shall apply to the deductions referred to in points (c) of the first subparagraph.

The cost of products or services provided to the SJU incorporating taxes refunded by the Member States pursuant to the Protocol on the Privileges and Immunities of the European Union shall be charged to the budget of the SJU for the ex-tax amount provided that it applies to the SJU.

The cost of products or services provided to the SJU incorporating taxes refunded by third countries on the basis of relevant agreements may be charged to the budget of the SJU for any of the following:

- (a) the ex-tax amount;
- (b) the tax-inclusive amount. In such case, subsequently reimbursed taxes shall be treated as internal assigned revenue.

Any national taxes temporarily borne by the SJU under paragraphs 2 and 3 shall be entered in a suspense account until they are refunded by the State concerned.

Any negative budget result shall be entered in the budget of the SJU as expenditure.

Adjustments may be made in respect of exchange differences occurring in the implementation of the budget of the SJU. The final gain or loss shall be included in the budget result for the year.

CHAPTER 6

Principle of specification

Article 25

General provisions

Appropriations shall be earmarked for specific purposes by title and chapter. The chapters shall be further subdivided into articles and items.

Article 26

Transfers

1. The Executive Director may transfer appropriations:

(a) from one title to another up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made;

(b) from one chapter to another and from one article to another without limit.

2. Beyond the limit referred in paragraph 1, the Executive Director may propose to the Administrative Board transfers of appropriations from one title to another. The Administrative Board shall have three weeks in which to oppose such transfers. After this time-limit they shall be deemed to be adopted.

3. Proposals for transfers and transfers carried out under paragraphs 1 and 2 shall be accompanied by appropriate and detailed supporting documents showing the implementation of appropriations and estimates of requirements up to the end of the financial year, both for the headings to be credited and for those from which the appropriations are drawn.

The Executive Director shall inform the Administrative Board as soon as possible of all transfers made. The Executive Director shall inform the European Parliament and the Council of all transfers carried out under paragraph 2.

Article 27

Specific rules on transfers

1. Appropriations may only be transferred to lines in budget of the SJU for which the budget of the SJU has authorised appropriations or which carry a token entry “pro memoria”.
2. Appropriations corresponding to assigned revenue may be transferred only if such revenue is used for the purpose for which it is assigned.

CHAPTER 7

Principle of sound financial management

Article 28

Principles of economy, efficiency and effectiveness/Principle of sound financial management

1. Appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.
2. The principle of economy requires that the resources used by the SJU for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency concerns the best relationship between resources employed and results achieved.

The principle of effectiveness concerns the attainment of the specific objectives set and the achievement of the intended results.

3. The SJU shall carry out a benchmarking exercise referred to in Article 50 of Regulation (EU, Euratom) No 966/2012.

The benchmarking exercise shall include:

- a review of the efficiency of the SJU horizontal services;
- a cost-benefit analysis of sharing services or transferring them entirely to another Union body or the Commission.

When carrying out the benchmarking exercise referred to in the first and the second subparagraphs, the SJU shall make necessary arrangements to avoid any conflict of interests.

4. Specific, measurable, achievable, relevant and timed objectives shall be set for all sectors of activity covered by the budget of the SJU. The achievement of those objectives shall be monitored by performance indicators for each activity and the information shall be provided to the

Administrative Board by the Executive Director. This information shall be provided annually and at the latest in the documents accompanying the draft budget of the SJU.

5. In order to improve decision-making and considering the provisions of Article 7 of the Constituent act, the SJU shall undertake both ex ante and ex post evaluations in line with guidance provided by the Commission. Such evaluations shall be applied to all programmes or activities which entail significant spending and evaluation results shall be sent to the Administrative Board.

6. The Executive Director shall prepare an action plan to follow-up on the conclusions of the evaluations referred to in paragraph 5 and report on its progress twice a year to the Commission and regularly to the Administrative Board.

7. The Administrative Board shall scrutinise the implementation of the action plan referred to in paragraph 6.

Article 29

Internal control of budget implementation

1. The budget of the SJU shall be implemented in compliance with effective and efficient internal control.

2. For the purposes of the implementation of the budget of the SJU, internal control is defined as a process applicable at all levels of management and designed to provide reasonable assurance of achieving the following objectives:

(a) effectiveness, efficiency and economy of operations;

(b) reliability of reporting;

(c) safeguarding of assets and information;

(d) prevention, detection, correction and follow-up of fraud and irregularities;

(e) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

3. Effective internal control shall be based on best international practices and include, in particular, the following:

(a) segregation of tasks;

(b) an appropriate risk management and control strategy including control at recipient level;

(c) avoidance of conflicts of interests;

(d) adequate audit trails and data integrity in data systems;

(e) procedures for monitoring of performance and for follow-up of identified internal control weaknesses and exceptions;

(f) periodic assessment of the sound functioning of the internal control system.

4. Efficient internal control shall be based on the following elements:

(a) the implementation of an appropriate risk management and control strategy coordinated among appropriate actors involved in the control chain;

(b) the accessibility for all appropriate actors in the control chain of the results of controls carried out;

(c) reliance, where appropriate, on independent audit opinions, provided that the quality of the underlying work is adequate and acceptable and that it was performed in accordance with agreed standards;

(d) the timely application of corrective measures including, where appropriate, dissuasive penalties;

(e) the elimination of multiple controls;

(f) improving the cost-benefit ratio of controls.

CHAPTER 8

Principle of transparency

Article 30

Publication of accounts, budgets and reports

1. The budget of the SJU shall be established and implemented and the accounts presented in accordance with the principle of transparency.

2. A summary of the budget of the SJU and any amending budget of the SJU, as definitively adopted, shall be published in the Official Journal of the European Union within three months of their adoption.

The summary shall show the five main revenue budget lines, the five main expenditure budget lines for the administrative and operational budget of the SJU, the establishment plan and an estimate of the number of contract staff expressed in full-time equivalents for which appropriations are budgeted, and seconded national experts. It shall also indicate the figures for the previous year.

The budget of the SJU including the establishment plan and amending budgets of the SJU, as finally adopted, as well as an indication of the number of contract staff expressed in full-time equivalents for which appropriations are budgeted, and seconded national experts, shall be transmitted for information to the European Parliament and the Council, the Court of Auditors and the Commission, and shall be published on the Internet site of the SJU within four weeks of their adoption.

The SJU shall make available on its internet site no later than 30 June of the following financial year information on the recipients of funds deriving from the budget of the SJU, including experts contracted pursuant to Article 88, in accordance with paragraphs 2, 3 and 4 of Article 21 of Commission Delegated Regulation (EU) No 1268/2012⁷ following a standard presentation. The published information shall be easily accessible, transparent and comprehensive. The information

⁷ COMMISSION DELEGATED REGULATION (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

shall be made available with due observance of the requirements of confidentiality and security, in particular the protection of personal data laid down in Regulation (EC) No 45/2001.

TITLE III

ESTABLISHMENT AND STRUCTURE OF THE BUDGET

CHAPTER 1

Establishment of the budget of the SJU

Article 31

Annual and multi-annual programming

1. The SJU shall draw up a global work programme divided into periods of thirty-six months and an annual work programme taking into account guidelines set by the Commission.

2. The global work programme shall set out:

- overall strategic programming including objectives, expected results and performance indicators;
- resource programming including multi-annual budget and staff.

The resource programming shall include qualitative and quantitative information on the human resource and budgetary matters for the reporting purposes, in particular:

- for the years n-1 and n, the information on the number of officials, temporary and contract staff as defined in the Staff Regulations as well as seconded national experts;
- for the year n-1 an estimate of the budgetary operations within the meaning of Article 96 and information on contribution in kind granted by the host Member State to the SJU;
- for the year n+1 estimate of the number of officials, temporary and contract staff as defined in the Staff Regulations;
- for the following years, an indicative budget and staff resource programming.

The Commission shall send to the SJU the opinion of its relevant services on the draft human resource programming.

If the SJU does not fully take into account the Commission services' opinion, it shall provide the Commission with adequate explanations.

The resource programming shall be updated annually. The strategic programming shall be updated where appropriate, and in particular to address the outcome of the overall evaluations referred to in the constituent act.

3. The annual work programme of the Union body shall comprise detailed objectives and expected results including performance indicators. It shall also contain a description of the action(s) to be financed and an indication of the amount of financial and human resource allocated to each action. The annual work programme shall be coherent with the global work programme referred to in paragraph 1.

It shall clearly indicate which tasks of the SJU have been added, changed or deleted in comparison with the previous financial year.

4. Any substantial amendment to the annual work programme shall be adopted by the same procedure as the initial work programme, in accordance with the provisions of the constituent act and Article 33 of these Rules.

The Administrative Board may delegate the power to make non-substantial amendments to the annual work programme to the authorizing officer of the SJU.

Article 32

Establishment of the budget

1. The budget shall be established in accordance with the provisions of the constituent act.

2. In accordance with Article 15(2) of the SJU's Statutes, the Executive Director shall transmit to the SJU's Members the cost estimates of the SESAR project as approved by the Administrative Board. The cost estimates shall cover at least the years N and N+1 and shall be transmitted to the Members no later than 31 March of the preceding year (N-1).

3. The SJU shall send the Commission a provisional draft estimate of its revenue and expenditure and the general guidelines underlying that estimate no later than 31 January each year. The provisional draft estimate of the revenue and expenditure of the SJU shall include in particular:

(a) the amount of financial contributions made by the Members and the value of the contributions in kind made by the Members, other than the Union;

(b) information on the unused appropriations that are re-entered in the estimate of revenue and expenditure per year in accordance with Article 13.

4. In accordance with Article 37 of Regulation (EU, Euratom) No 966/2012, each year the SJU shall send to the Commission, the European Parliament and the Council an estimate of its revenue and expenditure as specified in the constituent act.

5. The estimate of revenue and expenditure of the SJU shall include:

(a) an establishment plan setting the number of permanent and temporary posts authorised within the limits of the budget appropriations, by grade and by category;

(b) where there is a change in the number of persons in post, a statement justifying the request for new posts;

(c) a quarterly estimate of cash payments and receipts;

(d) information on the achievement of all previously set objectives for the various activities. Evaluation results shall be consulted and referred to as evidence of the likely merits of an increase or decrease of the proposed budget of the SJU in comparison with its budget for year n.

6. The SJU shall send to the Commission, the European Parliament and the Council the draft programming document referred to in Article 33 no later than 31 January each year as well as any later updated version of that document.

7. As part of the procedure for adoption of the budget, the Commission shall send the SJU's statement of estimates to the European Parliament and the Council and propose the amount of the contribution for the SJU and the number of staff it considers that the SJU needs. The Commission shall provide the draft establishment plan of the SJU and for an estimate of the number of contract staff and of seconded national experts expressed in full-time equivalents for which appropriations are proposed as soon as the Commission has established the draft budget.

8. The European Parliament and the Council shall adopt the establishment plan of the SJU and any subsequent amendment thereto in accordance with Article 37(1).

The establishment plan shall be published in an Annex to Section III – Commission – of the budget.

9. In accordance with article 15.4 of the Statutes, the Executive Director shall prepare the draft budget for the following year (N) and submit it to the Administrative Board for adoption. The draft budget shall be submitted to the Administrative Board no later than 30 September of the preceding year (N-1)

10. The budget of the SJU and the establishment plan together with the programming document referred to in Article 31 shall be adopted by the Administrative Board. They shall become definitive after final adoption of the budget setting the amount of the contribution and the establishment plan and if necessary the budget of the SJU and the establishment plan shall be adjusted accordingly.

11. When entrusting new tasks to the SJU, the Commission shall, without prejudice to the legislative procedures for the modification of the constituent act, submit to the European Parliament and to the Council the necessary information to assess impact of the new tasks on the resources of the SJU so as to review, where necessary, its financing.

Article 33

Amending budgets

Any amendment to the budget of the SJU, including the establishment plan, shall be the subject of an amending budget adopted by the same procedure as the initial budget of the Union body, in accordance with the provisions of the constituent act and Article 32 of these Rules.

CHAPTER 2

Structure and presentation of the budget of the SJU

Article 34

Structure of the budget of the SJU

The budget of the SJU shall consist of a statement of revenue and a statement of expenditure.

Article 35

Budget nomenclature

In so far as it is justified by the nature of the SJU's activities, the statement of expenditure must be set out on the basis of a nomenclature with a classification by purpose. That nomenclature shall be determined by the SJU and shall make a clear distinction between administrative appropriations and operating appropriations.

Article 36

Presentation of the budget of the SJU

The budget of the SJU shall show:

1. In the statement of revenue:

- (a) the estimated revenue of the SJU for the financial year concerned ('year n');
- (b) the estimated revenue for the preceding financial year and the revenue for year n – 2;
- (c) appropriate remarks on each revenue line;

2. In the statement of expenditure:

- (a) the commitment and payment appropriations for the financial year n;
- (b) the commitment and payment appropriations for the preceding financial year, and the expenditure committed and the expenditure paid in year n – 2 - the latter also expressed as a percentage of the budget of the SJU of year n;
- (c) a summary statement of the schedule of payments due in subsequent financial years to meet budget commitments entered into in earlier financial years;
- (d) appropriate remarks on each subdivision.

Article 37

Rules on the establishment plans for staff

The establishment plan referred to in Article 32 shall show next to the number of posts authorised for the financial year, the number authorised for the preceding year and the number of posts actually filled. It shall constitute an absolute limit for the SJU. No appointment may be made in excess of the limit set.

However, save in the case of grades AD 16, AD 15, AD 14 and AD 13, the Administrative Board may modify the establishment plan by up to 10 % of posts authorised, subject to the following conditions:

- (a) the volume of staff appropriations corresponding to a full financial year is not affected;
- (b) the limit of the total number of posts authorised by the establishment plan is not exceeded;
- (c) the SJU has taken part in a benchmarking exercise with other bodies of the Union as initiated by the Commission's staff screening exercise.

2. By derogation from the second subparagraph of paragraph 1, the effects of part-time work authorised by the appointing authority in accordance with the Staff Regulations may be offset by other appointments. Where a staff member requests the withdrawal of the authorisation before expiry of the granted period, the SJU shall take appropriate measures to respect the limit referred to in point (b) of the second subparagraph of paragraph 1 as soon as possible.

TITLE IV

IMPLEMENTATION OF THE BUDGET OF THE SJU

CHAPTER 1

General provisions

Article 38

Budget implementation in accordance with the principle of sound financial management

1. The Executive Director shall perform the duties of authorising officer. He or she shall implement the revenue and expenditure of the budget in accordance with the financial rules of the SJU and the principle of sound financial management under his or her own responsibility and within the limits of the appropriations authorised.
2. Without prejudice to the responsibilities of the authorising officer as regards prevention and detection of fraud and irregularities, the SJU shall participate in fraud prevention activities of the European Anti-fraud Office.

Article 39

Delegation of budget implementation powers

1. The Executive Director may delegate the powers of budget implementation to staff of the SJU covered by the Staff Regulations, in accordance with the conditions laid down in the financial rules of the SJU adopted by the management board. Those so empowered may act only within the limits of the powers expressly conferred upon them.
2. The delegatee may subdelegate the powers received as provided for in the rules implementing these Rules referred to in Article 112. Each act of sub-delegation shall require the explicit agreement of the Executive Director.

Article 40

Conflict of interests

1. Financial actors within the meaning of Chapter 2 of this title and any other person involved in budget implementation, management, including acts preparatory thereto, audit or control shall not take any action which may bring their own interests into conflict with those of the SJU.

Where such a risk exists, the person in question shall refrain from such action and shall refer the matter to the competent authority who shall confirm in writing whether a conflict of interests exists. Where a conflict of interest is found to exist, the person in question shall cease all activities in the matter. The competent authority shall take any further appropriate action.

2. For the purposes of paragraph 1, a conflict of interests exists where the impartial and objective exercise of the functions of a financial actor or other person, as referred to in paragraph 1, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a recipient.

3. The competent authority referred to in paragraph 1 shall be the immediate superior of the member of staff concerned. If the member of staff is the Executive Director, the competent authority shall be the Administrative Board.

4. The SJU shall adopt rules on the prevention and management of conflict of interests.

Article 41

Method of implementation of the budget of the SJU

1. The budget of the SJU shall be implemented by the Executive Director in the departments placed under his or her authority.

2. Technical expertise tasks and administrative, preparatory or ancillary tasks not involving the exercise of public authority or the use of discretionary powers of judgement may be entrusted by contract to external private-sector entities or bodies, where this proves to be indispensable.

CHAPTER 2

Financial actors

Section 1

Principle of segregation of duties

Article 42

Segregation of duties

The duties of authorising officer and accounting officer shall be segregated and mutually exclusive.

Section 2

Authorising officer

Article 43

Powers and duties of authorising officer

1. The authorising officer shall be responsible for implementing revenue and expenditure in accordance with the principle of sound financial management and for ensuring compliance with the requirements of legality and regularity.

2. For the purposes of paragraph 1, the authorising officer shall, in accordance with the minimum standards adopted by the Administrative Board on the basis of equivalent standards laid down by the Commission for its own departments and having due regard to the risks associated with the management environment and the nature of the action financed, put in place the organisational structure and the internal control systems suited to the performance of the duties of authorising officer.

The establishment of such structure and systems shall be supported by a comprehensive risk analysis, which takes into account their cost effectiveness.

The authorising officer may establish within his or her departments an expertise and advice function to help him or her control the risks involved in his or her activities.

3. To implement expenditure, the authorising officer shall make budgetary and legal commitments, shall validate expenditure and authorise payments and shall undertake the preliminary steps for the implementation of appropriations.

4. Implementation of revenue shall comprise drawing up estimates of amounts receivable, establishing entitlements to be recovered and issuing recovery orders. It shall involve waiving established entitlements, where appropriate.

5. The authorising officer shall conserve the supporting documents relating to operations carried out for a period of five years from the date of the decision granting discharge in respect of implementation of the budget of the SJU. Personal data contained in supporting documents shall be deleted where possible when those data are not necessary for budgetary discharge, control and audit purposes. In any event, as regards the conservation of traffic data, Article 37(2) of Regulation (EC) No 45/2001 shall apply.

Article 44

Ex ante controls

1. Each operation referred to in Article 43 shall be subject at least to an ex ante control based on a desk review of documents and on the available results of controls already carried out, relating to the operational and financial aspects of the operation.

Ex ante controls shall comprise the initiation and the verification of an operation.

2. Initiation of an operation shall be understood as all the operations which are preparatory to the adoption of the acts implementing the budget of the SJU by the authorising officers referred to in Articles 32 and 33.

3. Ex ante verification of an operation shall be understood as all the ex ante checks put in place by the authorising officer in order to verify the operational and financial aspects.

4. Ex ante controls shall verify the coherence among supporting documents requested and any other information available. The extent in terms of frequency and intensity of the ex ante controls shall be determined by the authorising officer responsible taking into account risk-based and cost-effectiveness considerations. In case of doubt, the authorising officer responsible for validating the relevant payment shall request complementary information or perform an on-the-spot control in order to obtain reasonable assurance as part of the ex ante control.

The purpose of the ex ante controls shall be to ascertain that:

(a) the expenditure is in order and comply with the provisions applicable;

(b) the principle of sound financial management set out in Article 28 has been applied.

For the purpose of controls, a series of similar individual transactions relating to routine expenditure on salaries, pensions, reimbursement of mission expenses and medical expenses may be considered by the authorising officer to constitute a single operation.

5. For a given transaction, the verification shall be carried out by staff other than those who initiated the operation. The staff who carry out the verification shall not be subordinate to the members of staff who initiated the operation.

Article 45

Ex post controls

1. The authorising officer may put in place ex post controls to verify operations already approved following ex ante controls. Such controls may be organised on a sample basis according to risk.
2. The ex post controls may be carried out on the basis of documents and, where appropriate, on the spot.

The ex post controls shall verify that operations financed by the budget of the SJU are correctly implemented and in particular that the criteria referred to in Article 44(4) are complied with.

The outcomes of ex post controls shall be reviewed by the authorising officer at least annually to identify any potential systemic issues. The authorising officer shall take measures to address those issues.

The risk analysis referred to in paragraph 1 shall be reviewed in the light of the results of controls and other relevant information.

In case of multi-annual programmes, the authorising officer shall establish a multi-annual control strategy, specifying the nature and extent of controls over the period and the manner how the results are to be measured year-on-year for the annual assurance process.

3. The ex ante controls shall be carried out by staff other than those responsible for the ex post controls. The staff responsible for the ex post controls shall not be subordinate to the members of staff responsible for the ex ante controls.

Where the authorising officer implements financial audits of beneficiaries as ex-post controls, the related audit rules shall be clear, consistent and transparent, and shall respect the rights of both the SJU and the auditees.

4. Staff responsible for controlling the management of financial operations referred to in paragraph 3 shall have the necessary professional skills. They shall respect a specific code of professional standards adopted by the SJU and based on standards laid down by the Commission for its own departments.

Article 46

Consolidated Annual Activity Report

1. The authorising officer shall report to the Administrative Board on the performance of his duties in a form of a consolidated annual activity report containing:

(a) information on:

- the implementation of the body's annual work programme, budget and staff resources referred to in Article 37;
- management and internal control systems including the summary of number and type of internal audits carried out by the internal auditor, the internal audit capabilities, the recommendations made and the action taken on these recommendations and on the recommendations of previous years, as referred to in Articles 81 and 82;

- any observations of the Court of Auditors and the actions taken on these observations;
- the accounts and the report on budgetary and financial management without prejudice to Articles 91, 95 and 96.

(b) declaration of the authorising officer stating whether he has a reasonable assurance that unless otherwise specified in any reservations related to defined areas of revenue and expenditure:

- the information contained in the report presents a true and fair view;
- the resources assigned to the activities described in the report have been used for their intended purpose and in accordance with the principle of sound financial management;
- the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

The consolidated annual activity report shall indicate the results of the operations by reference to the objectives set, the risks associated with the operations, the use made of the resources provided and the efficiency and effectiveness of the internal control systems, including an overall assessment of the costs and benefits of controls.

The consolidated annual report shall be submitted to the Administrative Board for the assessment.

2. No later than 1 July each year the consolidated annual activity report together with its assessment shall be sent by the Administrative Board to the Court of Auditors, to the Commission, to the European Parliament and the Council.

3. Additional reporting requirements may be provided in the constituent act in duly justified cases, in particular when it is required by the nature of the field in which the body operates.

Article 47

Protection of Union's financial interests

1. If a member of staff, involved in the financial management and control of transactions, considers that a decision he or she is required by his or her superior to apply or to agree to is irregular or contrary to the principles of sound financial management or the professional rules which that member of staff is required to observe, he or she shall inform the Executive Director in writing who shall reply in writing. If the Executive Director fails to take action or confirms the initial decision or instruction and the member of staff believes that such confirmation does not constitute a reasonable response to his or her concern, the member of staff shall inform the relevant panel referred to in Article 53(5) and the Administrative Board in writing.

2. In the event of any illegal activity, fraud or corruption which may harm the interests of the Union, the member of staff shall inform the authorities and bodies designated by the applicable legislation. Contracts with external auditors carrying out audits of the financial management of the SJU shall provide for an obligation of the external auditor to inform the authorising officer of any suspected illegal activity, fraud or corruption which may harm the interests of the Union.

Article 48

Delegation of budget implementation

Where powers of budget implementation are delegated or subdelegated in accordance with Article 39, Article 43(1), (2) and (3) shall apply mutatis mutandis to the authorising officers by delegation or sub-delegation.

Section 3

Accounting officer

Article 49

Powers and duties of the accounting officer

1. The Administrative Board shall appoint an accounting officer, covered by the Staff Regulations, who shall be totally independent in the performance of his or her duties. The accounting officer shall be responsible in the SJU for:

(a) properly implementing payments, collecting revenue and recovering amounts established as being receivable;

(b) preparing and presenting the accounts in accordance with Title IX;

(c) keeping the accounts in accordance with Title IX;

(d) implementing, in accordance with Title VII, the accounting rules and the chart of accounts in accordance with the provisions adopted by the Commission's accounting officer;

(e) laying down and validating the accounting systems and, where appropriate, validating systems laid down by the authorising officer to supply or justify accounting information; in this respect, the accounting officer shall be empowered to verify at any time compliance with validation criteria;

(f) treasury management.

2. Two or more Union bodies may appoint the same accounting officer.

The SJU may also agree with the Commission that the accounting officer of the Commission shall also act as accounting officer of the SJU.

The SJU may also entrust the accounting officer of the Commission with part of the tasks of an accounting officer of the SJU, taking into account the cost benefit analysis referred to in Article 28.

In the case referred to in this subparagraph, they shall make necessary arrangements in order to avoid any conflict of interests.

3. The accounting officer shall obtain from the authorising officer all the information necessary for the production of accounts which give a true and fair view of the SJU's financial situation and of budgetary implementation. The authorising officer shall guarantee the reliability of that information.

4. Before the adoption of the accounts by the Executive Director, the accounting officer shall sign them off, thereby certifying that the accounting officer has reasonable assurance that the accounts present a true and fair view of the financial situation of the SJU.

For the purposes of the first subparagraph, the accounting officer shall verify that the accounts have been prepared in accordance with the accounting rules, referred to in Article 143 of Regulation (EU, Euratom) No 966/2012, and that all revenue and expenditure is entered in the accounts.

The authorising officer shall forward any information that the accounting officer needs in order to fulfil his or her duties.

The authorising officers shall remain fully responsible for the proper use of the funds they manage, the legality and regularity of the expenditure under their control and the completeness and accuracy of the information forwarded to the accounting officer.

5. The accounting officer shall be empowered to check the information received as well as to carry out any further checks he or she deems necessary in order to sign off the accounts.

The accounting officer shall make reservations, if necessary, explaining exactly the nature and scope of such reservations.

Subject to paragraph 7 of this Article and Article 50, only the accounting officer shall be empowered to manage cash and cash equivalents. The accounting officer shall be responsible for their safekeeping.

The accounting officer may, in the performance of his or her duties, delegate certain tasks to subordinate staff subject to the Staff Regulations, where this is indispensable for the performance of his or her duties.

The instrument of delegation shall lay down the tasks entrusted to the delegates and their rights and obligations.

SECTION 4

IMPREST ADMINISTRATOR

Article 50

Imprest accounts

Where it proves indispensable for the payment of small sums and for the collection of other revenue referred to in Article 6, imprest accounts may be set up. Imprest accounts shall be endowed by the accounting officer and shall be placed under the responsibility of imprest administrators designated by him or her.

The maximum amount of each item of expenditure or revenue that can be paid by the imprest administrator to third parties shall not exceed EUR 60 000 and shall be specified by the SJU for each item of expenditure or revenue. Payments from imprest accounts may be made by bank credit transfer, including the direct debit system referred to in Article 73(1), cheque or other means of payment, in accordance with the instructions laid down by the accounting officer.

Chapter 3

Liability of financial actors

Section 1

general rules

Article 51

Withdrawal of delegation and suspension of duties given to financial actors

Authorising officers by delegation and subdelegation may at any time have their delegation or subdelegation withdrawn temporarily or definitively by the authority which appointed them.

The authorising officer may at any time withdraw his or her agreement to a specific subdelegation.

The accounting officer or imprest administrator, or both, may at any time be suspended temporarily or definitively from their duties by the Administrative Board. In such a case, the Administrative Board shall appoint an interim accounting officer.

Paragraphs 1 and 2 shall be without prejudice to any disciplinary action taken in respect of the financial actors referred to in those paragraphs.

Article 52

Liability of the financial actors for illegal activity, fraud or corruption

Articles 51 to 55 are without prejudice to any liability under criminal-law which the financial actors referred to in Article 51 may incur as provided for in the applicable national law and in the provisions in force concerning the protection of the Union's financial interests and the fight against corruption involving Union officials or officials of Member States.

Without prejudice to Articles 46, 47 and 48 each authorising officer, accounting officer or imprest administrator shall be liable to disciplinary action and payment of compensation as laid down in the Staff Regulations. In the event of illegal activity, fraud or corruption which may harm the interests of the Union, the matter shall be submitted to the authorities and bodies designated by the applicable legislation, in particular to European Anti-Fraud Office.

Section 2

Rules applicable to authorising officers

Article 53

Rules applicable to authorising officers

1. The authorising officer shall be liable for payment of compensation as laid down in the Staff Regulations.
2. The obligation to pay compensation shall apply in particular if the authorising officer, whether intentionally or through gross negligence on his or her part:
 - (a) determines entitlements to be recovered or issues recovery orders, commits expenditure or signs a payment order without complying with this Rules and, where appropriate, with the rules implementing the SJU's Financial Rules;
 - (b) omits to draw up a document establishing an amount receivable, neglects to issue a recovery order or is late in issuing it or is late in issuing a payment order, thereby rendering the SJU liable to civil action by third parties.
3. An authorising officer by delegation or subdelegation who considers that a decision, which is his or her responsibility to take, is irregular or contrary to the principle of sound financial management

shall inform the delegating authority in writing. If the delegating authority then gives a reasoned instruction in writing to the authorising officer by delegation or subdelegation to take that decision, that authorising officer shall not be held liable.

4. In the event of delegation, the authorising officer shall continue to be responsible for the efficiency and effectiveness of the internal management and control systems put in place and for the choice of the authorising officer by delegation.

5. The specialised financial irregularities panel set up by the Commission or in which the Commission participates in accordance with Article 73(6) of Regulation (EU, Euratom) No 966/2012, shall exercise the same powers in respect of the SJU as it does in respect of Commission departments, unless the Administrative Board decides to set up a functionally independent panel, or to participate in a joint panel established by several bodies. For cases submitted by Union bodies, the specialised financial irregularities panel set up by the Commission or in which the Commission participates shall include one staff member of the SJU.

On the basis of the opinion of the panel referred to in the first subparagraph, the Executive Director shall decide whether to initiate proceedings for disciplinary action or payment of compensation. If the panel detects systemic problems, it shall send a report with recommendations to the authorising officer and to the Commission's internal auditor. If the opinion implicates the Executive Director, the panel shall send it to the Administrative Board and the Commission's internal auditor. The Executive Director shall refer, in anonymous form, to opinions of the panel in his or her annual activity report and indicate the follow-up measures taken.

6. Any member of staff may be required to compensate, in whole or in part, any damage suffered by the SJU as a result of serious misconduct on his or her part in the course of or in connection with the performance of his or her duties. The appointing authority shall take a reasoned decision, after completing the formalities laid down by the Staff Regulations with regard to disciplinary matters.

Section 3

Rules applicable to accounting officers and imprest administrators

Article 54

Rules applicable to accounting officers

An accounting officer shall be liable to disciplinary action and payment of compensation, as laid down in, and in accordance with the procedures in the Staff Regulations. An accounting officer may, in particular, become liable as a result of any of the following forms of misconduct on his or her part:

- (a) losing or damaging funds, assets or documents in his or her keeping or causing them to be lost or damaged by his or her negligence;
- (b) wrongly altering bank accounts or postal giro accounts;
- (c) recovering or paying amounts which are not in conformity with the corresponding recovery or payment orders;
- (d) failing to collect revenue due.

Article 55

Rules applicable to imprest administrators

An imprest administrator officer shall be liable to disciplinary action and payment of compensation, as laid down in, and in accordance with, the procedures in the Staff Regulations. An imprest administrator may in particular become liable as a result of any of the following forms of misconduct on his or her part:

- (a) losing or damaging funds, assets and documents in his or her keeping or causing them to be lost or damaged by his or her negligence;
- (b) not providing proper supporting documents for the payments he or she has made;
- (c) making payments to persons other than those entitled to such payments;
- (d) failing to collect revenue due.

CHAPTER 4

REVENUE OPERATIONS

Article 56

Request for payment

The SJU shall present to the Commission requests for payment of all or part of the Union contribution pursuant to Article 18(6) under terms and at intervals agreed with the Commission.

Article 57

Treatment of interest

The interest generated by funds paid to the SJU by the Commission by way of the contribution shall not be due to the budget

Article 58

Estimate of amounts receivable

When the authorising officer has sufficient and reliable information in respect of any measure or situation which may give rise to an amount owing to the SJU, the authorising officer shall make an estimate of the amount receivable.

The estimate of the amount receivable shall be adjusted by the authorising officer as soon as he or she is aware of an event modifying the measure or the situation which gave rise to the estimate being made.

When establishing the recovery order on a measure or situation that had previously given rise to an estimate of amounts receivable, that estimate shall be adjusted accordingly by the authorising officer.

If the recovery order is drawn up for the same amount as the original estimate of amounts receivable, that estimate shall be reduced to zero.

Article 59

Establishment of amounts receivable

1. The establishment of an amount receivable is the act by which the authorising officer:
 - (a) verifies that the debt exists;
 - (b) determines or verifies the reality and the amount of the debt;
 - (c) verifies the conditions according to which the debt is due.
2. Any amount receivable that is identified as being certain, of a fixed amount and due shall be established by a recovery order to the accounting officer followed by a debit note sent to the debtor, both drawn up by the authorising officer.
3. Amounts wrongly paid shall be recovered.
4. Any debt not repaid on the due date laid down in the debit note shall bear interest in accordance with Delegated Regulation (EU) No 1268/2012.
5. In duly substantiated cases, certain routine revenue items may be established provisionally. Provisional establishment shall cover the recovery of several individual amounts which need not therefore be established individually. Before the end of the financial year, the authorising officer shall amend the amounts established provisionally to ensure that they correspond to the amounts receivable actually established.

Article 60

Authorisation of recovery

The authorisation of recovery is the act by which the authorising officer instructs the accounting officer, by issuing a recovery order, to recover an amount receivable which that authorising officer has established.

Article 61

Rules on recovery

1. The accounting officer shall act on recovery orders for amounts receivable duly established by the authorising officer. The accounting officer shall exercise due diligence to ensure that the SJU receives its revenue and shall ensure that its rights are safeguarded.
2. If actual recovery has not taken place by the due date stipulated in the debit note, the accounting officer shall inform the authorising officer and immediately launch the procedure for effecting recovery by any means offered by the law, including, where appropriate, by offsetting and, if this is not possible, by enforced recovery.
3. The accounting officer shall recover amounts by offsetting them against equivalent claims that the SJU has on any debtor who in turn has a claim on the SJU. Such claims shall be certain, of a fixed amount and due.

4. Where the authorising officer plans to waive or partially waive recovery of an established amount receivable, he or she shall ensure that the waiver is in order and is in accordance with the principles of sound financial management and proportionality.

The waiver decision shall be substantiated. The authorising officer may delegate the waiver decision only for amounts receivable of less than EUR 5 000.

The waiver decision shall state what action has been taken to secure recovery and the points of law and fact on which it is based.

5. The authorising officer shall cancel an established amount receivable in full or in part when the discovery of a mistake reveals that the amount had not been correctly established. Such cancellation shall be by decision of the authorising officer and shall be suitably substantiated.

Article 62

Collection formalities

1. Upon actual recovery of the sum due, the accounting officer shall make an entry in the accounts and shall inform the authorising officer.

2. A receipt shall be issued in respect of all cash payments made to the accounting officer.

3. Partial reimbursement by a debtor subject to several recovery orders shall first be posted on the oldest entitlement unless otherwise specified by the debtor.

Any partial payments shall first cover the interest.

Article 63

Additional time for payment

1. The accounting officer, in collaboration with the authorising officer, may allow additional time for payment only at the written request of the debtor, with due indication of the reasons, and provided that the following two conditions are fulfilled:

(a) the debtor undertakes to pay interest at the rate specified in Article 83 of Delegated Regulation (EU) 1268/2012 for the entire additional period allowed, starting from the deadline referred to in Article 80(3)(b) of Delegated Regulation (EU) 1268/2012;

(b) in order to safeguard the rights of the SJU, the debtor lodges a financial guarantee covering the debt outstanding in both the principal sum and the interest, which is accepted by the SJU's accounting officer.

The guarantee referred to in point (b) of the first subparagraph may be replaced by a joint and several guarantee by a third party approved by the SJU's accounting officer.

2. In exceptional circumstances, following a request by the debtor, the accounting officer may waive the requirement of a guarantee referred to in point (b) of the first subparagraph of paragraph 1 when, on the basis of his assessment, the debtor is willing and able to make the payment in the additional time period but is not able to lodge such guarantee and is in a distressed situation.

Article 64

List of entitlements

The accounting officer shall keep a list of amounts due to be recovered. The SJU's entitlements shall be grouped in the list according to the date of issue of the recovery order. The accounting officer shall also indicate decisions to waive or partially waive recovery of established amounts. The list shall be added to the SJU's report on budgetary and financial management.

The SJU shall establish a list of SJU entitlements stating the names of the debtors and the amount of the debt, where the debtor has been ordered to reimburse by a court decision that has the force of res judicata and where no or no significant reimbursement has been made for one year following its pronouncement. The list shall be published, with due regard to the protection of personal data in accordance with the requirements of Regulation (EC) No 45/2001.

As far as personal data referring to natural persons are concerned, the information published shall be removed once the amount of the debt has been fully reimbursed. The same shall apply to personal data referring to legal persons for whom the official title identifies one or more natural persons.

The decision to include the debtor on the list of SJU entitlements shall be taken in compliance with the principle of proportionality and shall take into account, in particular the significance of the amount.

Article 65

Limitation period

Entitlements of the SJU in respect of third parties and entitlements of third parties in respect of the SJU shall be subject to a limitation period of five years.

Article 66

Specific provisions applicable to fees and charges

Where the SJU collects fees and charges referred to in Article 6(1)(a), an overall provisional estimate of such fees and charges shall be made at the beginning of each financial year.

Where fees and charges are entirely determined by legislation or decisions of the management board, the authorising officer may abstain from issuing recovery orders and directly draw up debit notes after having established the amount receivable. In this case, all details of the SJU's entitlement shall be registered. The accounting officer shall keep a list of all debit notes and provide the number of the debit notes and the global amount in the SJU's report on budgetary and financial management.

Where the SJU uses a separate invoicing system, the accounting officer shall regularly, and at least on a monthly basis, enter the accumulated sum of fees and charges received into the accounts.

The SJU shall provide services by virtue of the tasks entrusted to it only after the corresponding fee or charge has been paid in its entirety. However, in exceptional circumstances, a service may be provided without prior payment of the corresponding charge or fee. In cases where service has been provided without prior payment of the corresponding charge or fee, Articles 59 to 65 shall apply.

CHAPTER 5

EXPENDITURE OPERATIONS

Article 67

Financing decisions

1. Every item of expenditure shall be committed, validated, authorised and paid.
2. Every commitment of expenditure shall be preceded by a financing decision.
3. The annual work programme of the SJU shall be equivalent to a financing decision for the activities it covers, provided that the elements set out in Article 31(3) are clearly identified.
4. Administrative appropriations may be implemented without a prior financing decision.

Article 68

Types of commitments

1. A budgetary commitment is the operation by which the appropriation necessary to cover subsequent payments to honour legal commitments is reserved.
2. A legal commitment is the act whereby the authorising officer enters into or establishes an obligation which results in a charge.
3. Budgetary commitments shall fall into one of the following three categories:
 - (a) individual: the budgetary commitment is individual when the recipient and the amount of the expenditure are known;
 - (b) global: the budgetary commitment is global when at least one of the elements necessary to identify the individual commitment is still not known;
 - (c) provisional: the budgetary commitment is provisional when it is intended to cover routine administrative expenditure and either the amount or the final payees are not definitively known.

The provisional budget commitment shall be implemented either by the conclusion of one or more individual legal commitments giving rise to an entitlement to subsequent payments or, in exceptional cases relating to expenditure on staff management, directly by payments.

4. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments only where the constituent act or basic act so provides or where they relate to administrative expenditure.

Article 69

Rules applicable to commitments

1. In respect of any measure which may give rise to expenditure chargeable to the budget of the SJU, the authorising officer shall make a budgetary commitment before entering into a legal commitment with third parties.

2. The obligation to make a budgetary commitment before entering into a legal commitment as provided for in paragraph 1, shall not be applicable to legal commitments concluded following a declaration of a crisis situation in the framework of a business continuity plan, in accordance with the procedures adopted by the SJU.

3. Global budgetary commitments shall cover the total cost of the corresponding individual legal commitments concluded up to 31 December of year $n + 1$.

Subject to Articles 68(4) and 86(2) individual legal commitments relating to individual or provisional budgetary commitments shall be concluded by 31 December of year n .

At the end of the periods referred to in the first and the second subparagraph, the unused balance of such budgetary commitments shall be decommitted by the authorising officer.

The amount of each individual legal commitment adopted following a global budgetary commitment shall, prior to signature, be registered by the authorising officer in the budgetary accounts and booked to the global budgetary commitment.

4. The budgetary and legal commitments entered into for actions extending over more than one financial year shall, except in the case of staff expenditure, have a final date for implementation set, in accordance with the principle of sound financial management.

Any parts of such commitments which have not been executed six months after the date referred to in the first subparagraph of this paragraph shall be decommitted in accordance with Article 15.

The amount of a budget commitment corresponding to a legal commitment for which no payment within the meaning of Article 74 has been made within two years of the signing of the legal commitment shall be decommitted, except where that amount relates to a case under litigation before judicial courts or arbitral bodies or where there are special provisions laid down in basic acts.

Article 70

Checks applicable to commitments

1. When adopting a budget commitment, the authorising officer shall ensure that:

(a) the expenditure has been charged to the correct item in the budget of the SJU;

(b) the appropriations are available;

(c) the expenditure is in compliance with the applicable provisions, in particular those of the SJU Regulation, the financial rules of the SJU and all acts adopted pursuant to them;

(d) the principle of sound financial management is respected.

2. When registering a legal commitment by physical or electronic signature, the authorising officer shall ensure that:

(a) the commitment is covered by the corresponding budgetary commitment;

(b) the expenditure is legal and regular and in compliance with the applicable provisions, in particular those of the Constituent Act, the financial rules of the SJU and all acts adopted pursuant to them;

(c) the principle of sound financial management is respected.

Article 71

Validation of expenditure

Validation of expenditure is the act whereby the authorising officer:

- (a) verifies the existence of the creditor's entitlement;
- (b) determines or verifies the reality and the amount of the claim;
- (c) verifies the conditions according to which payment is due.

Article 72

Validation and material form of "passed for payment"

1. Validation of any expenditure shall be based on supporting documents attesting the creditor's entitlement, on the basis of a statement of services actually rendered, supplies actually delivered or work actually carried out, or on the basis of other documents justifying payment, including recurring payments of subscriptions or training courses.
2. The authorising officer shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done, before taking the decision validating the expenditure.
3. The validation decision shall be expressed by the signing of a 'passed for payment' voucher by the authorising officer.
4. In a non-computerised system, "passed for payment" shall take the form of a stamp incorporating the signature of the authorising officer.

In a computerised system, "passed for payment" shall take the form of validation using the personal password of the authorising officer.

Article 73

Authorisation of expenditure

1. The authorisation of expenditure is the act by which the authorising officer, having verified that the appropriations are available, instructs the accounting officer, by issuing a payment order, to pay an amount of expenditure which the authorising officer has validated.

Where periodic payments are made with regard to services rendered, including rental services, or goods delivered, and subject to the authorising officer's risk analysis, the authorising officer may order the application of a direct debit system.

2. The payment order shall be dated and signed by the authorising officer, then sent to the accounting officer. The supporting documents shall be kept by the authorising officer in accordance with Article 44(5).

3. Where appropriate, the payment order sent to the accounting officer shall be accompanied by a document certifying that the goods have been entered in the inventories referred to in Article 106(1).

Article 74

Types of payments

1. Payment shall be made on production of proof that the relevant action has been carried out in accordance with the provisions of the basic act or the contract or grant agreement, and shall cover one of the following operations:

(a) payment of the entire amount due;

(b) payment of the amount due in any of the following ways:

(i) pre-financing, which may be divided into a number of payments after the signature of the contract or grant agreement or after notification of the grant decision.

(ii) one or more interim payments as a counterpart of a partial execution of the action;

(iii) payment of the balance of the amounts due where the action is completely executed.

Pre-financing shall provide a float. It may be split into a number of payments in accordance with sound financial management.

An interim payment, which may be repeated, may cover expenditure incurred for the implementation of the decision or agreement or to pay for services, supplies or works completed and/or delivered at interim stages of the contract. It may clear pre-financing in whole or in part, without prejudice to the provisions of the basic act.

The closure of the expenditure shall take the form of the payment of the balance which may not be repeated and which clears all preceding expenditure, or a recovery order.

2. A distinction shall be made in the budgetary accounting between the different types of payment referred to in paragraph 1 at the time each payment is made.

Article 75

Payment limited to funds available

Payment of expenditure shall be made by the accounting officer within the limits of the funds available.

Article 76

Time limits

The payment of expenditure shall be carried out within the time limits specified in, and in accordance with Regulation (EU, Euratom) No 966/2012 and Delegated Regulation (EU) No 1268/2012.

CHAPTER 6

IT SYSTEMS

Article 77

Electronic management of operations

Where revenue and expenditure operations are managed by means of computer systems, documents may be signed by a computerised or electronic procedure.

Article 78

e-Government

The SJU shall establish and apply uniform standards for the electronic exchange of information with third parties participating in procurement and grant procedures. In particular, it shall, to the greatest possible extent, design and implement solutions for the submission, storage and processing of data submitted in grant and procurement procedures, and to this end, shall put in place a single electronic data interchange area for applicants, candidates and tenderers.

Article 79

Good administration

1. The authorising officer shall make known without delay the need to supply evidence and/or documentation, their form and prerequisite content, as well as, where appropriate, the indicative timetable for completion of award procedures.
2. Where, due to an obvious clerical error on the part of the applicant or tenderer, the applicant or tenderer omits to submit evidence or to make statements, the evaluation committee or, where appropriate, the authorising officer shall, except in duly justified cases, ask the applicant or tenderer to provide the missing information or clarify supporting documents. Such information or clarifications shall not substantially change the proposal or alter the terms of the tender.

Article 80

Indication of means of redress

Where a procedural act of an authorising officer adversely affects the rights of an applicant or tenderer, beneficiary or contractor, it shall contain an indication of the available means of administrative and/or judicial redress for challenging that act.

In particular, the nature of the redress, the body or bodies before which it can be brought, as well as time limits for their exercise shall be indicated.

CHAPTER 7

INTERNAL AUDITOR

Article 81

Appointment and powers and duties of the internal auditor

1. The SJU shall have an internal auditing function which shall be performed in compliance with the relevant international standards.
2. The internal audit function shall be performed by the Commissions' internal auditor. The internal auditor may be neither authorising officer nor accounting officer neither of the SJU nor of the Commission.
3. The internal auditor shall advise the SJU on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and promoting sound financial management.

The internal auditor shall be responsible, in particular, for:

(a) assessing the suitability and effectiveness of internal management systems and the performance of departments in implementing programmes and actions by reference to the risks associated with them;

(b) assessing the efficiency and effectiveness of the internal control and audit systems applicable to each operation for implementation of the budget of the SJU.

4. The internal auditor shall perform his or her duties in relation to all the SJU's activities and departments. The internal auditor shall enjoy full and unlimited access to all information required to perform his or her duties.

5. The internal auditor shall take note of the consolidated annual activity report of the authorising officer and any other pieces of information identified.

6. The internal auditor shall report to the Administrative Board and the Executive Director on his or her findings and recommendations.

The internal auditor shall also report in any of the following cases:

- critical risks and recommendations have not been addressed;
- there are significant delays in the implementation of the recommendations made in previous years.

The Administrative Board and the Executive Director shall ensure regular monitoring of the implementation of audit recommendations. The Administrative Board shall examine the information referred to in the Article 46(1)(a) and whether the recommendations have been fully and timely implemented.

The SJU shall make available the contact details of the internal auditor to any natural or legal person involved in expenditure operations, for the purposes of confidentially contacting the internal auditor.

The reports and findings of the internal auditor shall be accessible to the public only after validation by the internal auditor of the action taken for their implementation.

Article 82

Independence of the internal auditor

The independence of the internal auditor, his or her liability for action taken in the performance of his or her duties and the right for the internal auditor to bring action before the Court of Justice of the European Union shall be determined in accordance with Article 100 of Regulation (EU, Euratom) No 966/2012.

Article 83

Establishment of internal audit capability

1. The Administrative Board may establish, with due regard to cost effectiveness and added value, an internal audit capability which shall perform its duties in compliance with the relevant international standards.

The purpose, authority and responsibility of the internal audit capability shall be provided for in the internal audit charter and shall be subject to the approval of the Administrative Board.

The annual audit plan of an internal audit capability shall be drawn up by the Head of internal audit capability taking into consideration inter alia the Executive Director's assessment of risk in the SJU.

It shall be reviewed and approved by the Administrative Board.

The internal audit capability shall report to the Administrative Board and the Executive Director on his or her findings and recommendations.

2. If the internal audit capability of the SJU is not cost-effective or is not able to meet international standards, the SJU may decide to share an internal audit capability with other Union bodies functioning in the same policy area.

In such cases the executive board of the concerned Union bodies shall agree on the practical modalities of the shared internal audit capability.

3. The internal audit actors shall cooperate efficiently through exchanging information and audit reports and, where appropriate, establishing joint risk assessments, and carrying out joint audits.

The Administrative Board and the Executive Director shall ensure regular monitoring of the implementation of internal audit capability's recommendation.

TITLE V

PROCUREMENT

Article 84

General provisions

1. As regards procurement, Title V of Regulation (EU, Euratom) No 966/2012 and Delegated Regulation (EU) No 1268/2012 shall apply subject to Article 85 and any specific provisions of the constituent instrument.

2. The SJU may be associated, at its request, as contracting authority, in the award of Commission or inter-institutional contracts and with the award of contracts of other Union bodies.

3. The SJU shall participate in the central exclusion database set up and operated by the Commission pursuant to Article 108 of Regulation (EU, Euratom) No 966/2012.

Article 85

Procurement Procedures

1. The SJU may conclude a contract, without having recourse to a public procurement procedure, with the Commission, Eurocontrol, the inter-institutional offices and the Translation Centre for bodies of the European Union established by Council Regulation (EC) No 2965/94 for the supply of goods, provision of services or performance of work that the latter provide.

2. The SJU may use joint procurement procedures with contracting authorities of the host Member State to cover its administrative needs. In such case, Article 133 of Delegated Regulation (EU) No 1268/2012 shall apply mutatis mutandis.

TITLE VI

SPECIFIC PROVISIONS REGARDING ADMINISTRATIVE APPROPRIATIONS

Article 86

Administrative appropriations

1. Administrative appropriations shall be non-differentiated appropriations.

2. Administrative expenditure arising from contracts covering periods that extend beyond the financial year, either in accordance with local practice or relating to the supply of equipment, shall be charged to the budget of the SJU of the financial year in which it is effected.

3. The SJU shall provide the European Parliament and the Council, by 1 July each year, with a working document on its building policy, which shall incorporate the following information:

(a) for each building, the expenditure and surface area covered by the appropriations of the corresponding lines in the budget of the SJU;

(b) the expected evolution of the global programming of surface area and locations for the coming years with a description of the building projects in planning phase which are already identified;

(c) the final terms and costs, as well as relevant information regarding project implementation of new building projects previously submitted to the European Parliament and the Council under the procedure established in Article 87 and not included in the preceding year's working documents.

Article 87

Building projects

1. For any building project likely to have significant financial implications for the budget of the SJU, the SJU shall inform the European Parliament and the Council as early as possible about the building surface area required and provisional planning before any prospecting of the local market takes place, in the case of building contracts, or before invitations to tender are issued, in the case of building works.

2. For any building project likely to have significant financial implications for the budget of the SJU, the SJU shall present the building project, including its detailed estimated costs and its financing, as well as a list of draft contracts intended to be used, and shall request the approval of the European Parliament and the Council before contracts are concluded. At the request of the SJU, documents submitted relating to the building project shall be treated confidentially.

Except in cases of force majeure, the European Parliament and the Council shall deliberate upon the building project within four weeks of its receipt by both institutions.

The building project shall be deemed approved at the expiry of this four-week period, unless the European Parliament or the Council take a decision contrary to the proposal within that period of time.

If the European Parliament and/or the Council raise duly justified concerns within that four-week period, that period shall be extended once by two weeks.

If the European Parliament or the Council takes a decision contrary to the building project, the SJU shall withdraw its proposal and may submit a new one.

3. In cases of force majeure, the information provided for in paragraph 4 may be submitted jointly with the building project. The European Parliament and the Council shall deliberate upon the building project within two weeks of its receipt by both institutions. The building project shall be deemed to be approved at the expiry of this two-week period, unless the European Parliament and/or the Council take a decision contrary to the proposal within this period of time.

4. The following shall be considered as building projects likely to have significant financial implications for the budget of the SJU:

(a) any acquisition of land;

(b) the acquisition, sale, structural renovation, construction of buildings or any project combining these elements to be implemented in the same timeframe, exceeding EUR 3 000 000;

(c) any new building contract (including usufructs, long-term leases and renewals of existing building contracts under less favourable conditions) not covered by point b) with an annual charge of at least EUR 750 000;

(d) the extension or renewal of existing building contracts (including usufruct and long-term leases) under the same or more favourable conditions, with an annual charge of at least EUR 3 000 000.

5. Without prejudice to Article 18(4), a building acquisition project may be financed through a loan, subject to prior approval by the European Parliament and the Council.

Loans shall be contracted and repaid in accordance with the principle of sound financial management and with due regard to the best financial interests of the Union.

When the SJU proposes to finance the acquisition through a loan, the financing plan to be submitted, together with the request for prior approval by the SJU, shall specify in particular, the maximum level of financing, the financing period, the type of financing, the financing conditions and savings compared to other types of contractual arrangements.

The European Parliament and the Council shall deliberate upon the request for prior approval within four weeks, extendable once by two weeks, of its receipt by both institutions. The acquisition

through a loan shall be deemed to be rejected if the European Parliament and the Council do not expressly approve it within the deadline.

TITLE VII

EXPERTS

Article 88

Remunerated external experts

Article 287 of Delegated Regulation (EU) No 1268/2012 shall apply mutatis mutandis to the selection of experts subject to any specific procedure laid down in the basic act of the programme the implementation of which is entrusted to the SJU. Such experts shall be paid on the basis of a fixed amount announced in advance and shall be chosen on the basis of their professional capacity.

The SJU may use the lists drawn up by the Commission or by other Union bodies.

The SJU may, if deemed appropriate and in duly justified cases, select any individual with the appropriate skills from outside the lists.

External experts shall be selected on the basis of skills, experience and knowledge appropriate to carry out the tasks assigned to them and in accordance with the principles of non-discrimination, equal treatment and absence of conflict of interests.

TITLE VIII

GRANTS AND PRIZES AWARDED BY THE SJU

Article 89

Grants

Where the SJU may award grants in accordance with the Constituent Act or by delegation of the Commission pursuant to Article 58(1)(c)(iv) of Regulation (EU, Euratom) No 966/2012, the relevant provisions of that Regulation and Delegated Regulation (EU) No 1268/2012 shall apply subject to any specific provisions of the constituent instrument.

Article 90

Prizes

1. Where the SJU may award prizes in accordance with the Constituent Act or by delegation of the Commission pursuant to Article 58(1)(c)(iv) of Regulation (EU, Euratom) No 966/2012, the relevant provisions of that Regulation and Delegated Regulation (EU) No 1268/2012 shall apply subject to paragraph 2 of this Article and any specific provisions of the constituent instrument.

2. Contests for prizes with a unit value of EUR 1 000 000 or more may only be published if they are provided for in the draft programming document referred to in Article 32(6)

TITLE IX

PRESENTATION OF THE ACCOUNTS AND ACCOUNTING

CHAPTER 1

PRESENTATION OF THE ACCOUNTS

Article 91

Structure of the accounts

The accounts of the SJU shall comprise:

- (a) the financial statements of the SJU;
- (b) the reports on implementation of the SJU.

Article 92

Report on budgetary and financial management

1. The SJU shall prepare a report on budgetary and financial management for the financial year.
2. The Executive Director shall send the report to the European Parliament, the Council, the Commission and the Court of Auditors, by 31 March of the following financial year.
3. The report referred to in paragraph 2 shall give an account, both in absolute terms and expressed as a percentage, at least, of the rate of implementation of appropriations together with summary information on the transfers of appropriations among the various budget items.

Article 93

Rules governing the accounts

1. The accounting officer of the SJU shall apply the rules adopted by the accounting officer of the Commission based on internationally accepted accounting standards for the public sector.
2. The accounts of the SJU referred to in Article 91 shall respect the budgetary principles laid down in Articles 5 to 30. They shall present a true and fair view of the budgetary revenue and expenditure operations.

Article 94

Accounting principles

The financial statements referred to in Article 91 shall present information, including information on accounting policies, in a manner that ensures it is relevant, reliable, comparable and understandable. The financial statements shall be drawn up in accordance with generally accepted accounting principles as outlined in the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012.

Article 95

Financial statements

The financial statements shall be presented in euro and shall comprise:

(a) the balance sheet and the statement of financial performance, which represent all assets and liabilities, the financial situation and the economic result at 31 December of the preceding year; they shall be presented in accordance with the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012;

(b) the cash-flow statement showing amounts collected and disbursed during the year and the final treasury position;

(c) the statement of changes in net assets presenting an overview of the movements during the year in reserves and accumulated results.

2. The notes to the financial statements shall supplement and comment on the information presented in the statements referred to in paragraph 1 and shall supply all the additional information prescribed by internationally accepted accounting practice where such information is relevant to the SJU's activities.

Article 96

Budgetary implementation reports

1. The budgetary implementation reports shall be presented in euro. They shall consist of:

(a) reports which aggregate all budgetary operations for the year in terms of revenue and expenditure;

(b) explanatory notes, which shall supplement and comment on the information given in the reports;

(c) the annex concerning the revenue and expenditure in terms of in-kind contributions from the SJU's Members .

2. The budget result shall consist of the difference between:

- all the revenue collected in respect of that financial year;
- the amount of payments made against appropriations for that financial year increased by the amount of the appropriations for the same financial year carried over.

The difference referred to in the first subparagraph shall be increased or decreased on the one hand, by the net amount of appropriations carried over from previous financial years which have been cancelled and, on the other hand, by:

- payments made in excess of non-differentiated appropriations carried over from the previous financial year, as a result of change in euro rates;
- the balance resulting from exchange gains and losses during the financial year, both realised and non-realised.

3. The structure of the budgetary implementation reports shall be the same as that of the budget of the SJU itself.

Article 97

Provisional accounts

1. The accounting officer of the SJU shall send the provisional accounts to the accounting officer of the Commission and to the Court of Auditors by 1 March of the following year.
2. The accounting officer of the SJU shall also send by 1 March of the following year a reporting package to the accounting officer of the Commission, in a standardised format as laid down by the accounting officer of the Commission for consolidation purposes.

Article 98

Approval of the final accounts

1. In accordance with Article 148(1) of Regulation (EU, Euratom) No 966/2012, the Court of Auditors shall, by 1 June of the following year at the latest, make its observations on the provisional accounts of the SJU.
2. On receiving the Court of Auditors' observations on the provisional accounts of the SJU, the accounting officer shall draw up the final accounts of the SJU in accordance with Article 49. The Executive Director shall send them to the Administrative Board, which shall give an opinion on these accounts.
3. The accounting officer shall send the final accounts, together with the opinion of the Administrative Board, to the accounting officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July of the following financial year.

The accounting officer of the SJU shall also send by 1 July, a reporting package to the accounting officer of the Commission, in a standardised format as laid down by the accounting officer of the Commission for consolidation purposes.

4. The accounting officer of the SJU shall also send to the Court of Auditors, with a copy to the accounting officer of the Commission, at the same date as the transmission of his or her final accounts, a representation letter covering those final accounts.

The final accounts shall be accompanied by a note drawn up by the accounting officer, in which the latter declares that the final accounts were prepared in accordance with this Title and with the applicable accounting principles, rules and methods.

The final accounts of the SJU shall be published in the Official Journal of the European Union by 15 November of the following year.

5. The Executive Director shall send the Court of Auditors a reply to the observations made in its annual report by 30 September of the following year at the latest. The replies of the SJU shall be sent to the Commission at the same time.

CHAPTER 2

ACCOUNTING AND PROPERTY INVENTORIES

SECTION 1

COMMON PROVISIONS

Article 99

The accounting system

1. The accounting system of the SJU shall serve to organise the budgetary and financial information in such a way that figures can be entered, filed and registered.
2. The accounting system shall consist of general accounts and budgetary accounts. The accounts shall be kept in euro on the basis of the calendar year.
3. The authorising officer may also keep analytical accounts.

Article 100

Common requirements for the institutions' accounting system

The accounting rules and the harmonised chart of accounts to be applied by the SJU shall be adopted by the Commission's accounting officer in accordance with Article 152 of Regulation (EU, Euratom) No 966/2012.

SECTION 2

GENERAL AND BUDGETARY ACCOUNTS

Article 101

The general accounts

The general accounts shall record, in chronological order using the double entry method, all events and operations which affect the economic and financial situation and the assets and liabilities of the SJU.

Article 102

Entries in the general accounts

1. Balances and movements in the general accounts shall be entered in the accounting ledgers.
2. All accounting entries, including adjustments to the accounts, shall be based on supporting documents, to which the entries shall refer.
3. The accounting system shall be such as to leave a clear audit trail for all accounting entries.

Article 103

Accounting adjustments

The accounting officer of the SJU shall, after the close of the financial year and up to the date of presentation of the final accounts, make any adjustments which, without involving disbursement or collection in respect of that year, are necessary for a true and fair presentation of the accounts. Such adjustments shall comply with the accounting rules referred to in Article 100.

Article 104

Budgetary accounting

1. The budgetary accounts shall provide a detailed record of the implementation of the budget of the SJU.
2. For the purposes of paragraph 1, the budgetary accounts shall record all budgetary revenue and expenditure operations provided for in Title IV.

Article 105

Property inventory

1. The SJU shall keep inventories showing the quantity and value of all the tangible, intangible and financial assets constituting Union property in accordance with a model drawn up by the accounting officer of the Commission.

The SJU shall check that entries in the inventory correspond to the actual situation.

2. The sale of the SJU's tangible assets shall be suitably advertised.

TITLE X

EXTERNAL AUDIT, DISCHARGE AND COMBATTING FRAUD

Article 106

External audit

1. An independent external auditor shall verify that the annual accounts of the SJU, properly present the income, expenditure and financial position of the SJU prior to the consolidation in the final accounts of the SJU.

Unless otherwise provided for in the constituent act, the Court of Auditors shall prepare a specific annual report on the SJU in line with the requirements of Article 287(1) of TFEU.

In preparing the report referred to in the second subparagraph, the Court shall consider the audit work performed by the independent external auditor referred to in the first subparagraph and the action taken in response to his or her findings.

2. The SJU shall send to the Court of Auditors the budget of the SJU, as finally adopted. It shall inform the Court of Auditors, as soon as possible, of all decisions and acts adopted pursuant to Articles 9, 13, 20 and 22.
3. The scrutiny carried out by the Court of Auditors shall be governed by Articles 158 to 163 of Regulation (EU, Euratom) No 966/2012.

Article 107

Timetable of the discharge procedure

1. The European Parliament, upon a recommendation from the Council, shall, before 15 May of year N+2 save where otherwise provided in the constituent act, give a discharge to the director in respect of the implementation of the budget for year N. The Executive Director shall inform the Administrative Board of the observations of the European Parliament contained in the resolution accompanying the discharge decision.

2. If the date provided for in paragraph 1 cannot be met, the European Parliament or the Council shall inform the Executive Director of the reasons for the postponement.

3. If the European Parliament postpones the decision giving a discharge, the Executive Director, in cooperation with the management board, shall make every effort to take measures as soon as possible to remove or facilitate removal of the obstacles to that decision.

Article 108

The discharge procedure

1. The discharge decision shall cover the accounts of all the revenue and expenditure of the SJU, the budget result and the assets and liabilities of the SJU shown in the financial statement.

2. With a view to granting the discharge, the European Parliament shall, after the Council has done so, examine the accounts and financial statements of the SJU. It shall also examine the annual report made by the Court of Auditors, together with the replies of the director of the SJU, any relevant special reports by the Court of Auditors in respect of the financial year concerned and the Court of Auditors' statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions.

3. The Executive Director shall submit to the European Parliament, at its request, in the same manner as provided for in Article 165(3) of Regulation (EU, Euratom) No 966/2012 any information required for the smooth application of the discharge procedure for the financial year concerned.

Article 109

Follow-up measures

1. The Executive Director shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendation for discharge adopted by the Council.

2. At the request of the European Parliament or the Council, the Executive Director shall report on the measures taken in the light of those observations and comments. The Executive Director shall send a copy thereof to the Commission and the Court of Auditors.

Article 110

On-the-spot checks by the Commission, the Court of Auditors and OLAF

1. The SJU shall grant Commission staff and other persons authorised by it, as well as the Court of Auditors, access to its sites and premises and to all the data and information, including data and information in electronic format, needed in order to conduct their audits.

2. The European Anti-Fraud Office (OLAF) may carry out investigations including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council and Council Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with grant or contract awarded under this Regulation.

3. Without prejudice to paragraphs 1 and 2, agreements with third countries and international organisations, contracts, grants and procurements of the SJU shall contain provisions expressly empowering the European Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

TITLE XI

TRANSITIONAL AND FINAL PROVISIONS

Article 111

Information requests by the European Parliament and the Council

The European Parliament, the Council and the Commission shall be entitled to obtain any necessary information or explanations from the SJU regarding budgetary matters within their fields of competence.

Article 112

Rules implementing the financial rules of the SJU

The Administrative Board shall, as far as is necessary and with the Commission's prior consent, adopt detailed rules for implementing the financial rules of the SJU, on a proposal from its Executive Director.

Article 113

Repeal and transitional provisions

1. The SJU Financial Rules adopted by Decision ADB (D) 14-2013 of the Administrative Board are repealed with retroactive effect from 1 January 2014, with the exception of the transitional provisions laid down in Article 118 of that Decision where the reference to paragraphs 4 and 7 of Article 27 of the SJU Financial Rules adopted on 31 December 2010 shall be read as reference to paragraphs 5 and 9 of Article 27 of the same Rules.

2. Actions initiated prior to 1 January 2014 under Regulation (EC) No 219/2007 and financial obligations related to those actions shall continue to be governed, until their completion, by the provisions of Regulation (EC) No 219/2007 in force on 31 December 2013. These actions include the actions arising from calls for proposals provided for in annual implementation plan for 2013.

Article 114

Entry into force

This Regulation shall enter into force on the day following that of its adoption by the Administrative Board. It shall apply retroactively from 1 January 2014. However, Articles 46 and 81(5) shall apply from 1 January 2015 and Article 31 and paragraphs 5 and 8 of Article 32 shall apply from 1 January 2016.