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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1416/76

of 1 June 1976

on the financial provisions applying to the European Centre for the Development of Vocational Training

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 209 thereof,

Having regard to Council Regulation (EEC) No 337/75 of 10 February 1975 establishing a European Centre for the Development of Vocational Training ⁽¹⁾,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas the above Regulation lays down the basic rules governing the management of the European Centre for the Development of Vocational Training, hereinafter called 'the Centre', the fixing of the annual subsidy to be charged against the budget of the Communities, the presentation and adoption of the statement of revenue and expenditure and the checks to which the Centre is subject;

Whereas it is necessary to set up the procedures to be adopted for establishing and implementing the statement of revenue and expenditure of the Centre and for presenting and auditing accounts; whereas the rules governing authorizing officers and accounting officers should also be determined and a system set up for monitoring the exercise of their responsibilities;

Whereas the Centre falls within the framework of the Communities and will function in accordance with Community law; whereas therefore it is advisable that the financial provisions governing the Centre should be as far as possible identical to the provisions of the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities ⁽³⁾, subject to certain derogations dictated by the requirements peculiar to the functioning of the Centre,

HAS ADOPTED THIS REGULATION:

TITLE I

GENERAL PRINCIPLES

Article 1

1. Each year a statement of revenue and expenditure shall forecast and authorize the estimated revenue and expenditure of the Centre.

2. Expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the statement of revenue and expenditure.

Administrative expenditure arising from contracts which have been concluded in accordance with local

usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the statement of revenue and expenditure for the financial year in which it is incurred.

Article 2

The appropriations entered in the statement of revenue and expenditure shall be used in accordance with the principles of economy and sound financial management.

⁽¹⁾ OJ No L 39, 13. 2. 1975, p. 1.

⁽²⁾ OJ No C 100, 3. 5. 1976, p. 13.

⁽³⁾ OJ No L 116, 1. 5. 1973, p. 1.

Article 3

1. All revenue and expenditure shall be entered in full in the statement of revenue and expenditure and in the accounts.

All revenue shall cover all expenditure.

2. Notwithstanding the provisions of the second subparagraph of paragraph 1, any revenue intended for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

After informing the Commission the Management Board may accept any donation made to the Centre, and in particular foundations, subsidies, gifts and bequests.

The Management Board shall accept donations which may involve any kind of financial charge only subject to authorization from the Commission which shall vote on the matter within two months from the date of receipt of the request from the Management Board. If no objection has been made within this period, the Management Board shall take a final decision on acceptance.

Article 4

No revenue shall be collected and no expenditure effected unless credited to or charged against an Article in the statement of revenue and expenditure.

Save as otherwise provided in this Regulation, expenditure may not be committed in excess of the appropriations authorized for the financial year or of the authorizations granted in respect of subsequent financial years.

No expenditure shall be authorized in excess of the allotted appropriations. The total amount of the proceeds shall be entered in the accounts without any adjustment of revenue against expenditure, save as otherwise provided in Article 22.

Article 5

The financial year shall correspond to the calendar year.

The revenue of a financial year shall be entered in the accounts for the financial year in which it is collected.

The allotted appropriations may be used solely to cover expenditure properly entered into and paid under the financial year for which they were granted,

save as otherwise provided in Article 6, and to cover the debts relating to preceding financial years for which no appropriation was carried forward.

The expenditure of a financial year shall be entered in the accounts for that year on the basis of expenditure the authorization for which reached the Financial Controller not later than 31 December, and for which the corresponding payments were effected not later than the following 15 January.

Article 6

1. (a) The appropriations relating to staff may not be carried forward.

(b) The appropriations not committed as at 31 December may be carried forward to the next financial year only.

(c) The appropriations in respect of payments still outstanding as at 31 December for commitments properly entered into between 1 January and 31 December shall be carried forward automatically to the next financial year only.

2. For the appropriations mentioned in paragraph 1 (b) the Commission shall submit to the Council and shall forward to the European Parliament, before 1 May, the duly documented requests to carry forward appropriations which the Centre has sent to it before 1 March.

If the Council, acting on a qualified majority and after having consulted the European Parliament, fails to take a contrary decision within a month, the carrying forward of these appropriations shall be deemed to be accepted.

3. Unexpended revenue and appropriations still available on 31 December, arising out of the donations referred to in Article 3 (2) shall be carried forward automatically.

4. The appropriations referred to in paragraph 1 (b) which have not been committed on 31 December and for which authority to carry forward to the next financial year has been given shall lapse if they have not been committed or paid out by the end of the said financial year.

5. The Commission shall be provided, for its information, before 1 March, with a list of the appropriations to be carried forward automatically. The Commission shall forward this list to the European Parliament and the Council for their information.

6. When implementing the statement of revenue and expenditure, details of the utilization of appropriations carried forward shall be entered separately article by article in the accounts for the current financial year.

Article 7

Current administrative expenditure chargeable to the next financial year and which, by its nature, arises at the beginning of that financial year may, as from 15 November of each year, be charged as an expected commitment against the appropriations provided for in respect of the next financial year up to a maximum of one quarter of the total corresponding appropriations for the current year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the statement of revenue and expenditure of the then current financial year.

Article 8

If the statement of revenue and expenditure is not finally adopted at the beginning of the financial year, Article 204 of the Treaty establishing the European Economic Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last statement duly adopted.

Payments may be made monthly in respect of any chapter up to one-twelfth of the total appropriations entered in the chapter in question for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Centre monthly

appropriations in excess of one-twelfth of the amount of the subsidy reserved for the Centre in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities. Commitments may be entered into in respect of the relevant chapter up to one-quarter of the total appropriations entered in the chapter in question for the preceding financial year increased by one-twelfth for each completed month; the amount of the subsidy reserved for the Centre in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities may not, however, be exceeded.

At the request of the Management Board and without prejudice to the provisions of the second paragraph, the Commission may, in the light of administrative requirements, authorize two or more provisional twelfths simultaneously.

Article 9

The statement of revenue and expenditure of the Centre and the list of posts shall be published for information purposes in the *Official Journal of the European Communities*, at the same time as the budget of the Communities.

Article 10

The statement of revenue and expenditure shall be drawn up in units of account. The value of the unit of account shall be that laid down in the Financial Regulation applicable to the general budget of the European Communities.

TITLE II

PRESENTATION AND STRUCTURE OF THE STATEMENT OF REVENUE AND EXPENDITURE

Article 11

1. The Management Board of the Centre shall send the Commission by 31 March at the latest an estimate of the Centre's revenue and expenditure for the following year. This estimate shall include a list of posts.

2. The Management Board of the Centre may send supplementary or amending estimates to the Commission. Such estimates shall be presented and adopted in the same form and following the same procedure as the statement whose forecasts they

amend. They must be justified by reference to the statement.

Supplementary estimates must be submitted to the Commission as a general rule not later than the date laid down for submitting the estimate for the following financial year.

3. Where necessary, the Commission may make proposals to the budgetary authority concerning appropriate steps to be taken to amend the subsidy entered in the budget of the Communities under Article 13. In their deliberations the competent authorities shall take into account the urgency of the matter.

Article 12

1. In support of the estimate there shall be submitted:

- a list of posts including, for each category of staff, a detailed list of authorized posts and actual numbers of persons holding posts on the date of submission of the estimate of revenue and expenditure;
- where a change in the numbers of persons holding posts is proposed, a statement giving the reason for requesting new posts;
- a quarterly estimate of cash payments and receipts.

2. As a preface to the estimate the Management Board shall submit a general introductory note containing in particular:

- an outline of the policy justifying the request for the appropriations;
- an explanation of the changes in appropriations from one financial year to the next.

Furthermore, the Commission shall attach to the estimate an opinion which may contain different estimates duly supported.

3. The Commission may — if appropriate at the request of the Management Board — file, before the adoption of the Communities' budget, any amendment necessitated by the receipt of additional information.

Article 13

The subsidy for the Centre shall be made available to it in accordance with the rules laid down in this Regulation.

Article 14

The Management Board shall adopt the statement of revenue and expenditure before the beginning of the financial year, adjusting it to the subsidy granted by the budget authority.

The statement thus adopted shall be forwarded to the Commission forthwith.

Article 15

The statement of revenue and expenditure shall be subdivided into titles, chapters, articles and items according to the nature of the revenue or expenditure or the intended purpose thereof. It shall show:

- (a) the appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system;
- (b) the appropriations made available for the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, increased by the amounts carried forward, using the same classification;
- (c) appropriate comments on each subdivision; such comments may be binding, in which case this fact shall be specifically mentioned;
- (d) in an annex a list of posts fixing the number of posts for each grade in each category and in each service.

Article 16

The list of posts drawn up by the budget authority shall constitute a binding limit for the Centre; no appointment may be made in excess of that limit.

TITLE III

IMPLEMENTATION OF THE STATEMENT OF REVENUE AND EXPENDITURE

SECTION I

GENERAL PROVISIONS

Article 17

The statement of revenue and expenditure shall be implemented in accordance with the principle that the authorizing officers and accounting officers are different individuals.

The appropriations shall be administered by the authorizing officer who alone is empowered to enter into commitments regarding expenditure, establish

the sums due to be collected and issue receivable orders and payment orders. The operations of collection or payment shall be carried out by the accounting officer. The duties of an authorizing officer shall be incompatible with those of a financial controller or accounting officer.

Article 18

The Management Board of the Centre shall implement the statement of revenue and expenditure on its own responsibility in accordance with this Regulation and within the limits of the appropriations allotted.

The Management Board shall delegate its powers under conditions to be laid down by it and within the limits set in the instrument of delegation which shall be communicated to the delegatee, the accounting officer, the Financial Controller and the Audit Board.

Article 19

The Financial Controller of the Commission shall be responsible for checking the commitment and payment of all expenditure and the establishment and recovery of all revenue of the Centre.

The check shall be carried out by that official by means of inspection of the files relating to expenditure and revenue and, if necessary, on the spot.

The Financial Controller may be assisted in his duties by one or more assistant financial controllers.

The special rules applicable to such officials, which shall be laid down in the measures of implementation provided for under Article 76, shall be so formulated as to guarantee that such officials are independent in the discharge of their duties.

Article 20

The collection of revenue and the payment of expenditure shall be carried out by an accounting officer nominated by the Management Board.

Subject to the second subparagraph of Article 42, and to Article 43, the accounting officer alone is empowered to manage funds and assets. He shall be responsible for their safe-keeping.

He may be assisted in his duties by one or more assistant accounting officers, nominated under the same conditions as the accounting officer.

Article 21

1. The appropriations shall be classified by chapter and article.

2. The appropriations entered under a chapter of expenditure may not be used for the purposes of any other chapter of expenditure.

3. However, the Management Board may propose to the Commission that appropriations be transferred from one chapter to another.

The Commission shall act within one month. If it has not so acted, the transfers shall be deemed to be approved.

The Management Board or, by delegation, the Director of the Centre may authorize transfers between articles on behalf of the Centre.

The Commission shall be informed of such transfers.

4. Every proposal for a transfer within a chapter or between chapters shall be subject to the approval of the Financial Controller who shall attest that the appropriations are available.

5. This Article shall apply to the appropriations for revenue allocated for a specific purpose within the meaning of Article 3 (2) only as long as that revenue is not used for any other purpose.

Article 22

Notwithstanding Article 4:

(a) the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

- fines imposed on a party to a contract or an accepted tender;
- adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the chapter, article and financial year in respect of which the excess payment was made;
- the value of vehicles, apparatus, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue;

(b) the following sums may be reused:

- revenue arising from the refund of amounts paid in error against appropriations entered in the statement of revenue and expenditure;
- the proceeds from the supply of goods and services to other institutions or bodies,

including the reimbursement of mission allowances paid for the account of those institutions or bodies, and reimbursed by them;

- the amount of insurance indemnities received;
- the revenue from the sale of publications and films;
- the amount of the refund of fiscal charges incorporated in the price of the products or services provided to the Centre, effected by Member States pursuant to the provisions of the Protocol on the privileges and immunities of the European Communities;
- the revenue from the supply of goods and services and from building works against payment;
- the proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical and scientific purposes, when they are replaced.

The reuse of such sums must take place before the end of the financial year which follows the one in which the revenue was collected;

- (c) adjustments may be made in respect of the losses and gains made on the rates of exchange when transferring funds and also on debtor and creditor interest rates relating to cash operations, only the balance being shown as revenue or expenditure.

The accounting plan shall provide for suspense accounts in order to record the reuse of such sums in terms of both revenue and expenditure.

SECTION II

REVENUE AND MANAGEMENT OF AVAILABLE FUNDS

Article 23

1. Every measure which is such as to give rise to a debt due to the Centre must be preceded by a proposal from the authorizing officer. Such proposals shall be forwarded to the Financial Controller. They shall mention, in particular, the type of revenue, the estimated amount thereof and the item to which it is to be credited and also the name and description of the debtor. They shall be registered after approval by the Financial Controller. The latter's approval shall serve to certify that:

- (a) the revenue is correctly credited;

- (b) the proposal is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure applying to the Centre and of all acts made in implementation of those Regulations, and to the principles of sound financial management.

The Financial Controller may withhold his approval. The authorizing officer may, by a decision stating the full reasons therefor, and on his sole responsibility, overrule this refusal. The decision of the authorizing officer shall be implemented; it shall be communicated for information to the Financial Controller. The Management Board of the Centre shall periodically inform the Audit Board of each one of these decisions.

2. When the Management Board of the Centre waives the right to draw up a document establishing a debt or to recover sums due, it shall inform the Financial Controller thereof.

When the Financial Controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the Management Board thereof.

Article 24

The accounting officer shall assume responsibility for the revenue orders duly drawn up.

He shall see to it that the resources due to the Centre are recovered at the due dates stipulated in the revenue orders, and that the rights of the Centre are safeguarded.

The accounting officer shall inform the authorizing officer and the Financial Controller of any revenue not recovered within the time limits laid down.

Article 25

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

Article 26

The subsidy entered in the budget of the Communities shall be paid to the Centre in quarterly instalments, by the 15th day of each quarter, on the basis of the estimate referred to in the third indent of Article 12 (1) and in accordance with actual requirements.

SECTION III

COMMITMENT, CLEARANCE, AUTHORIZATION
AND PAYMENT OF EXPENDITURE

1. Commitment of expenditure

Article 27

1. All measures which may give rise to expenditure chargeable to the statement of revenue and expenditure must be preceded by a proposal for commitment of expenditure from the authorizing officer. A provisional commitment may be entered into in respect of current expenditure.

2. The procedure for implementing the provisions of paragraph 1 above shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Article 28

Proposals for commitments shall be referred to the Financial Controller and then to the accounting officer; they shall show in particular the purpose of the expenditure, the estimated amount involved, if possible the currency of payment, the item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller.

Article 29

The Financial Controller's approval of proposals for commitments of expenditure shall serve to certify that:

- (a) the expenditure has been correctly charged;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure and the Regulations applying to the Centre, and of all acts made in implementation of these Regulations;
- (d) the principles of sound financial management have been applied.

The Financial Controller may withhold his approval if it appears from the decision giving discharge that a commitment would not comply with the Regulations.

Article 30

Where the Financial Controller withholds his approval he shall furnish a written statement of his

reasons therefor. The authorizing officer shall be notified accordingly.

Where approval is withheld and the authorizing officer maintains his proposal, the matter shall be referred for a decision to the Management Board.

Except where the availability of the appropriations is in doubt, the Management Board may, by means of a decision stating the full reasons therefor, and on its sole responsibility, overrule such a refusal. This decision shall be implemented; it shall be communicated for information to the Financial Controller. The Management Board shall periodically inform the Audit Board of each of these decisions.

2. Clearance of expenditure

Article 31

The purpose of clearance of expenditure by the authorizing officer shall be:

- to verify the creditor's claim;
- to determine or verify the existence and the amount of the debt; and
- to verify the conditions under which payment falls due.

Article 32

Clearance of expenditure shall be subject to the submission of supporting documents attesting the creditor's claim and the service rendered or the existence of a document justifying payment.

The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

3. Authorization of expenditure

Article 33

Authorization shall be the formal step whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

Article 34

The payment order shall state:

- the financial year against which the payment shall be charged,
- the Article in the statement of revenue and expenditure and any other subdivision that may apply,
- the amount to be paid (in figures and words) and the currency of payment,
- the name and address of the payee,
- the purpose of the expenditure,
- and the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

Article 35

The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by a statement certifying the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventory referred to in Article 52.

It shall show the numbers and dates of the relevant approvals of commitments. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Article 36

For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's right to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

The authorizing officer may grant advances to personnel if a provision laid down by regulation specifically provides therefor, or if a member of the staff has to make disbursements on behalf of the Centre which are chargeable to the statement of revenue and expenditure.

Apart from the imprests referred to in Article 43, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 37

Payment orders shall be sent to the Financial Controller for prior approval.

Prior approval shall confirm that:

- (a) the payment order was properly issued,
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct,
- (c) the expenditure is charged to the correct item,
- (d) the appropriations are available,
- (e) the supporting documents are in order,
- (f) the payee is correctly described.

Article 38

Should approval be withheld, Article 30 shall apply.

Article 39

After approval the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

4. Payment of expenditure

Article 40

Payment shall be the final action whereby the Centre is discharged of its obligations towards its creditors.

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

In the event of an error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Regulation, the accounting officer must suspend payment.

Article 41

If payment is suspended, the accounting officer shall give the reasons therefor in a written statement which he shall send forthwith to the authorizing officer and, for information, to the Financial Controller.

Except where the validity of the discharge is contested, the authorizing officer may place the matter before the authority appointed by the Centre in the manner laid down in the rules of procedure of the Centre. The said authority may require in writing, and on its own responsibility, that payment be effected.

Article 42

Payments shall be effected as a general rule through a bank account or post office giro account.

The procedure for opening, administering and using such accounts shall, in particular, indicate expenditure the payment of which must be effected either by cheque or by post office or bank transfer order, and require the signature on cheques and on post office or bank transfer orders of two duly authorized officials, one signature necessarily being that of the accounting officer, an assistant accounting officer, or an imprest-holder.

5. Imprests

Article 43

For the payment of certain categories of expenditure, imprests may be advanced.

The implementation procedure referred to in Article 76 shall contain specific provisions concerning in particular:

- the appointment of imprest-holders;
- the nature and maximum amount of each item of expenditure to be paid;
- the maximum amount of the imprest which may be advanced;
- the time within which supporting documents must be produced;
- the responsibility of the imprest-holders.

TITLE IV

CONCLUSION OF CONTRACTS, INVENTORY, ACCOUNTANCY

SECTION I

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES FOR BUILDING WORKS, AND HIRE CONTRACTS

Article 44

1. Contracts for the purchase or hiring of goods, for the provision of services or for building works shall be in writing. They shall be concluded following the award of contract or invitation to tender.

However, contracts may be entered into by direct agreement in the circumstances referred to in Article 46.

Purchases may be made by way of a bill of costs or invoice in the case provided for in Article 50.

2. Invitations to competitive tender shall, as a general rule, be published in all the Member States, and, where appropriate, in non-member countries, in so far as this is compatible with the development of the relevant industries in the Communities. However, the distribution of such invitations to tender may be restricted, where the scale or nature of the goods or services is such that they are not appropriate for a general invitation to competitive tender.

Article 45

1. The award of contracts shall be an administrative procedure prior to the letting of a

contract following an invitation to competitive tender. Its effect shall be to confer publicly on the tenderer whose tender is the lowest — out of all those which are entered in due and proper form, meet the conditions laid down, and are comparable with each other — the right to the final award of the contract, after approval by the authorizing officer. The award of contract shall be termed public or open, where it is open to all comers to submit a tender; it shall be termed restricted where tenders may be entered only by those whom it has been decided to consult because of their special qualifications.

2. A contract following an invitation to tender is a contract entered into by the contracting parties following an invitation to competitive tender. In this case, the offer considered the most attractive may be freely chosen, taking into account the cost of performance, operating costs involved, technical merit, the time for performance, together with the financial guarantees and the guarantees of professional competence put forward by each of the tenderers.

An invitation to tender shall be termed public or open where a general invitation to competitive tender is involved; it shall be termed restricted where it is addressed only to those whom it has been decided to consult because of their special qualifications.

3. The procedure for issuing an invitation to competitive tender, both as regards the award of contract and invitations to tender, shall be specified in the implementation procedure referred to in Article 76.

Article 46

Contracts may be made by direct agreement:

- (a) where the contract for the purchase or hiring of goods, for the provision of services or for building works involves an amount not exceeding 5 000 units of account, the Centre being bound, however, as far as possible and by all appropriate means, to enable suppliers who are likely to be able to supply the goods and services in question to compete;
- (b) where the purchase or hiring of goods, the provision of services or the building works are so urgently needed that it is not possible to wait for one of the tendering procedures specified in Article 45 to be carried out;
- (c) where the award of contract procedure or invitations to tender do not give any result or where the prices quoted are not acceptable;
- (d) where for technical, practical or legal reasons, the supply of goods and services can be carried out only by a particular contractor or supplier;
- (e) for contracts for the supply of additional goods and services or for additional building works which technically cannot be separated from the main contract.

Article 47

There shall be no discrimination between nationals of Member States on grounds of nationality in respect of contracts entered into by the Centre.

Article 48

Contracts involving amounts exceeding 12 000 units of account shall be subject to the authorization of the Management Board.

Article 49

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors by a clause included among the warranty clauses, that they make a preliminary deposit.

The amount of the deposit shall be fixed:

- according to the usual trade terms of supply contracts;
- according to the special conditions governing building contracts.

For building works involving an amount exceeding 100 000 units of account, a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been performed or completion has been late, the Centre shall ensure that it is adequately compensated in respect of all damages, interest and costs by the deduction of the amount from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 50

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied or of the building works does not exceed 200 units of account. This limit shall be increased to 500 units of account for expenditure to be entered into outside the seat of the Centre.

Article 51

When concluding contracts referred to in this Regulation, the Centre shall comply with the measures laid down in respect of public works by the Council in implementation of the Treaty.

SECTION II

INVENTORY OF MOVABLE AND IMMOVABLE PROPERTY

Article 52

A permanent quantitative inventory of all movable and immovable property belonging to the Centre shall be kept in accordance with a model drawn up by the Commission. Only movable property

exceeding a specific value provided for in the measures of implementation taken under Article 76 shall be entered in the inventory.

The Centre shall instruct its departments to check that the entries in the inventory correspond to the facts.

Article 53

The sale of movable property shall be suitably advertised as laid down in the measures of implementation taken under Article 76.

Apart from through sales by public auction, staff of the Centre may not acquire any movable property sold by the Centre.

Article 54

A statement or record shall be drawn up by the authorizing officer and endorsed by the Financial Controller whenever any property in the inventory is disposed of, scrapped, hired out, or is missing on account of loss, theft or any other reason.

The statement or record shall indicate in particular any obligation that may devolve on a member of the staff of the Centre or any other person to replace the item in question.

If immovable property or large installations are made available free of charge, they must be covered by contracts approved by the Financial Controller, and shall be the subject of an annual communication to the Commission when the estimate of revenue and expenditure is presented.

Article 55

Every purchase of movable or immovable property as defined in Article 52 shall, before payment is made, be entered in the permanent inventory.

That entry shall be recorded in the corresponding invoice or annexed document prepared with a view to paying the expenditure in question.

SECTION III

ACCOUNTS

Article 56

The accounts shall be kept by the method of double entry, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year; they shall be authenticated by supporting documents. They may be kept in the currency of the country where the Centre has its seat.

The revenue and expenditure account and the balance sheet shall be drawn up in units of account.

Any amount expressed in units of account shall be entered in the accounts in terms of the parity in force on the date of actual payment or transfer.

Article 57

Entries relating to the accounts of the statement of revenue and expenditure and to commitments and established entitlements accounts shall be made on the basis of an accounting plan comprising a nomenclature of items which makes a clear distinction between the balance sheet accounts and the expenditure and revenue accounts in the statement of revenue and expenditure.

These entries shall be recorded in books or on cards. These shall make it possible to draw up a general monthly statement of accounts, and a statement by chapter and article, of revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 58

All advances shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

Article 59

Details of the method for drawing up and operating the accounting plan shall be laid down by the implementation procedure referred to in Article 76.

Article 60

The accounts shall be closed at the end of the financial year to enable the balance sheet and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS,
ACCOUNTING OFFICERS AND IMPREST-HOLDERS*Article 61*

Authorizing officers who, when establishing entitlements to be recovered or issuing receivable orders, entering into commitments of expenditure or signing payment orders do so without complying with this Regulation and the rules for its implementation shall be liable to disciplinary action and, where appropriate, to pay compensation. The same shall apply if they omit to draw up a document establishing a debt due or if they neglect to issue receivable orders or are, without justification, late in issuing them.

Article 62

1. Accounting officers and assistant accounting officers shall be liable to disciplinary action and, where appropriate, to payment of compensation in respect of payments made by them in disregard of the third subparagraph of Article 40.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from a deliberate error or serious negligence on their part.

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and the administration of bank accounts and post office giro accounts, and in particular:

- (a) where the payments or recoveries made by them do not agree with the amounts on the payment orders or receivable orders;
- (b) where they effect payment to a party other than the entitled payee.

2. Imprest-holders shall render themselves liable to disciplinary action and, where appropriate, to payment of compensation in the following cases:

- (a) where they cannot give satisfactory proof, with documents in due and proper form, of payments made by them;
- (b) where they effect payment to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of a deliberate error or serious negligence on their part.

3. The accounting officers, assistant accounting officers and imprest-holders shall insure themselves against the risks arising under this article.

The Centre shall cover the insurance costs relating thereto.

Article 63

Authorizing officers, accounting officers, assistant accounting officers and imprest-holders shall be liable to disciplinary action and, where appropriate, to the payment of compensation in respect of actions relating to their duties.

Article 64

The Centre shall be allowed a period of two years from the date when the revenue and expenditure account is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

TITLE VI

PRESENTING AND AUDITING THE ACCOUNTS

SECTION I

PRESENTING THE ACCOUNTS

Article 65

The Management Board shall draw up each year a revenue and expenditure account for the Centre.

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year. It shall be submitted in the same form and following the same subdivisions as the statement of revenue and expenditure.

Article 66

The revenue and expenditure account shall include the following tables subdivided in accordance with the budget nomenclature of the Communities:

1. A table of revenue including:

- estimated revenue for the financial year;
- amendments to the revenue estimates as a result of supplementary or amending statements;
- amounts collected;
- amounts still to be collected at the end of the financial year.

A statement shall be annexed, where appropriate, to this table, showing the balances and gross amounts of the transactions referred to in Article 22.

2. A table showing the trend in appropriations in respect of the financial year, indicating:

- the initial appropriations;
- any amendments to appropriations introduced by means of transfers;
- any amendments introduced by means of supplementary or amending statements;
- the final appropriations for the financial year.

3. A table of expenditure showing the trend in appropriations in respect of the financial year, indicating:

- the total appropriations;
- the commitments entered into and chargeable to the financial year;
- the payments made at the end of the period of implementation of the statement of revenue and expenditure;
- the amounts still to be paid at the close of the financial year;
- the appropriations carried forward automatically under Article 6 (1) (c);
- the available appropriations carried forward under Article 6 (1) (b);
- the available appropriations to be cancelled.

A statement shall be annexed to this table, where appropriate, showing the balances and gross amounts of the transactions referred to in Article 22.

4. A table showing the trend in appropriations carried forward from preceding financial years, indicating:

- the amount of appropriations carried forward;
- the payments shown in the accounts at the end of the period of implementation of the statement of revenue and expenditure;
- the unused appropriations to be cancelled;
- the unused appropriations to be carried forward again the next financial year.

Article 67

The Management Board shall also draw up a balance sheet of the assets and liabilities of the Centre as at 31 December of the preceding financial year. A statement of accounts, showing cash movements and balances, drawn up as at the same date, shall be attached thereto.

Article 68

The Management Board shall, by 31 March at the latest, send the revenue and expenditure account and the balance sheet of the Centre for the preceding financial year to the Commission and to the Audit Board.

SECTION II

CHECKING THE ACCOUNTS

Article 69

The Audit Board shall exercise its powers in respect of the Centre in accordance with the Financial Regulation applicable to the general budget of the European Communities.

Article 70

The Centre shall forward to the Audit Board, on a quarterly basis and at the latest within the month which follows the end of the quarter, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the statement of revenue and expenditure and relating to the commitment and payment of expenditure and the establishment and collection of revenue.

The Audit Board may question the Centre on the subject of the said supporting documents.

Article 71

The Centre shall afford the Audit Board all the facilities and give it all the information which the Audit Board may consider necessary for the performance of its task.

In particular, the Centre shall place at the disposal of the Audit Board all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Audit Board may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

To this end, the officials whose operations are inspected by the Audit Board shall in particular:

- (a) make available their cash in hand, and present any other cash, securities and all types of assets, and the supporting documents in respect of their stewardship, with which they are entrusted, and also any books, registers and other documents relating thereto;
- (b) present the correspondence and any other document required for the full implementation of the audit.

The information supplied under (b) may be requested only by the Audit Board or by one of its members, and such requests shall be in writing.

The Audit Board shall be empowered to audit the documents in respect of the revenue and expenditure which are held in the department of the Centre and, in particular, in the department responsible for decisions in respect of such revenue and expenditure.

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner, and that the financial management has been sound, shall extend to the utilization, by bodies outside the Centre, of Community funds received by way of aid.

The granting of aid to bodies outside the Centre shall be subject to the acceptance by the recipients of the audit being carried out by the Audit Board on the utilization of the amounts granted as aid.

Article 72

Any comments which the Audit Board considers should appear in its report shall be communicated to the Commission and to the Centre.

The Centre shall send its reply to the Audit Board and, at the same time, to the Commission. The Audit Board shall attach to its report an assessment of the soundness of the financial management.

Article 73

The Audit Board shall conclude its report on the accounts for the preceding financial year not later than 15 July, and shall send it to the Centre and to the Commission. The Audit Board shall, not later than that date, make known its observations on the balance sheet.

The Commission shall submit the revenue and expenditure account, the balance sheet and the report of the Audit Board, together with the replies to the comments, to the European Parliament and the Council by 31 October at the latest.

Article 74

The Council and the European Parliament shall, before 30 April of the next year, give a discharge to the Management Board in respect of the implementation of the statement of revenue and expenditure. If that date cannot be met, the Council or the European Parliament shall inform the Management Board of the reasons for postponing the decision.

The Management Board shall take all appropriate steps to comply with the comments appearing in the decisions giving discharge. At the request of the European Parliament, the Council or the Commission, the Management Board shall report on the measures taken in the light of these comments. This report shall also be forwarded to the Audit Board.

Subject to the provisions of the second sentence of the second subparagraph, the Centre must give an account, in an Annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

TITLE VII
FINAL PROVISIONS

Article 75

The Management Board shall inform the Audit Board, as soon as possible, of all decisions and measures taken in implementation of Articles 3, 6 (6), 14 and 21.

The Audit Board and the Financial Controller shall be informed of the appointment of the accounting officer, assistant accounting officers and imprest-holders made in accordance with Articles 20 and 43.

Article 76

On a proposal by the Director and with the assent of the Financial Controller the Management Board shall establish the procedures required for implementing this Regulation.

Article 77

This Regulation shall enter into force on the fifth day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 1 June 1976.

For the Council

The President

G. THORN

COUNCIL REGULATION (EEC) No 1417/76

of 1 June 1976

on the financial provisions applying to the European Foundation for the Improvement
of Living and Working Conditions

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 209 thereof,

Having regard to Council Regulation (EEC) No 1365/75 of 26 May 1975 on the creation of a European Foundation for the Improvement of Living and Working Conditions ⁽¹⁾,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas the above Regulation lays down the basic rules governing the management of the European Foundation for the Improvement of Living and Working Conditions, hereinafter called 'the Foundation', the fixing of the annual subsidy to be charged against the budget of the Communities, the presentation and adoption of the statement of revenue and expenditure and the checks to which the Foundation is subject;

Whereas it is necessary to set up the procedures to be adopted for establishing and implementing the statement of revenue and expenditure of the Foundation and for presenting and auditing accounts; whereas the rules governing authorizing officers and accounting officers should also be determined and a system set up for monitoring the exercise of their responsibilities;

Whereas the Foundation falls within the framework of the Communities and will function in accordance with Community law; whereas therefore it is advisable that the financial provisions governing the Foundation should be as far as possible identical to the provisions of the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities ⁽³⁾, subject to certain derogations dictated by the requirements peculiar to the functioning of the Foundation,

HAS ADOPTED THIS REGULATION:

TITLE I

GENERAL PRINCIPLES

Article 1

1. Each year a statement of revenue and expenditure shall forecast and authorize the estimated revenue and expenditure of the Foundation.

2. Expenditure may be authorized for a period going beyond the financial year only in accordance with the detailed rules provided for in the statement of revenue and expenditure.

Administrative expenditure arising from contracts which have been concluded in accordance with local usage for periods going beyond the financial year is not subject to the provisions of the preceding subparagraph. Such expenditure shall be charged to the statement of revenue and expenditure for the financial year in which it is incurred.

⁽¹⁾ OJ No L 139, 30. 5. 1975, p. 1.

⁽²⁾ OJ No C 100, 3. 5. 1976, p. 13.

Article 2

The appropriations entered in the statement of revenue and expenditure shall be used in accordance with the principles of economy and sound financial management.

Article 3

1. All revenue and expenditure shall be entered in full in the statement of revenue and expenditure and in the accounts.

All revenue shall cover all expenditure.

2. Notwithstanding the provisions of the second subparagraph of paragraph 1, any revenue intended

⁽³⁾ OJ No L 116, 1. 5. 1973, p. 1.

for a specific purpose, such as income from foundations, subsidies, gifts and bequests, shall not be used for any other purpose.

After informing the Commission the Administrative Board may accept any donation made to the Foundation, and in particular foundations, subsidies, gifts and bequests.

The Administrative Board shall accept donations which may involve any kind of financial charge only subject to authorization from the Commission which shall vote on the matter within two months from the date of receipt of the request from the Administrative Board. If no objection has been made within this period, the Administrative Board shall take a final decision on acceptance.

Article 4

No revenue shall be collected and no expenditure effected unless credited to or charged against an Article in the statement of revenue and expenditure.

Save as otherwise provided in this Regulation, expenditure may not be committed in excess of the appropriations authorized for the financial year or of the authorizations granted in respect of subsequent financial years.

No expenditure shall be authorized in excess of the allotted appropriations. The total amount of the proceeds shall be entered in the accounts without any adjustment of revenue against expenditure, save as otherwise provided in Article 22.

Article 5

The financial year shall correspond to the calendar year.

The revenue of a financial year shall be entered in the accounts for the financial year in which it is collected.

The allotted appropriations may be used solely to cover expenditure properly entered into and paid under the financial year for which they were granted, save as otherwise provided in Article 6, and to cover the debts relating to preceding financial years for which no appropriation was carried forward.

The expenditure of a financial year shall be entered in the accounts for that year on the basis of expenditure the authorization for which reached the Financial Controller not later than 31 December, and for which the corresponding payments were effected not later than the following 15 January.

Article 6

1. (a) The appropriations relating to staff may not be carried forward.
 - (b) The appropriations not committed as at 31 December may be carried forward to the next financial year only.
 - (c) The appropriations in respect of payments still outstanding as at 31 December for commitments properly entered into between 1 January and 31 December shall be carried forward automatically to the next financial year only.
2. For the appropriations mentioned in paragraph 1 (b) the Commission shall submit to the Council and shall forward to the European Parliament, before 1 May, the duly documented requests to carry forward appropriations which the Foundation has sent to it before 1 March.

If the Council, acting on a qualified majority and after having consulted the European Parliament, fails to take a contrary decision within a month, the carrying forward of these appropriations shall be deemed to be accepted.

3. Unexpended revenue and appropriations still available on 31 December, arising out of the donations referred to in Article 3 (2) shall be carried forward automatically.
4. The appropriations referred to in paragraph 1 (b) which have not been committed on 31 December and for which authority to carry forward to the next financial year has been given shall lapse if they have not been committed or paid out by the end of the said financial year.
5. The Commission shall be provided, for its information, before 1 March, with a list of the appropriations to be carried forward automatically. The Commission shall forward this list to the European Parliament and the Council for their information.
6. When implementing the statement of revenue and expenditure, details of the utilization of appropriations carried forward shall be entered separately article by article in the accounts for the current financial year.

Article 7

Current administrative expenditure chargeable to the next financial year and which, by its nature, arises at the beginning of that financial year may, as from 15 November of each year, be charged as an expected commitment against the appropriations provided for

in respect of the next financial year up to a maximum of one quarter of the total corresponding appropriations for the current year. However, such commitments shall not apply to new expenditure of a kind not yet approved in principle in the statement of revenue and expenditure of the then current financial year.

Article 8

If the statement of revenue and expenditure is not finally adopted at the beginning of the financial year, Article 204 of the Treaty establishing the European Economic Community shall apply to commitments and payments of expenditure of a kind already approved in principle in the last statement duly adopted.

Payments may be made monthly in respect of any chapter up to one-twelfth of the total appropriations entered in the chapter in question for the preceding financial year; this may not, however, have the effect of placing at the disposal of the Foundation monthly appropriations in excess of one-twelfth of the amount of the subsidy reserved for the Foundation in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities. Commitments may be entered into in respect of the relevant chapter up to one-quarter of the total

appropriations entered in the chapter in question for the preceding financial year increased by one-twelfth for each completed month; the amount of the subsidy reserved for the Foundation in the draft budget or, in the absence thereof, in the preliminary draft budget of the Communities may not, however, be exceeded.

At the request of the Administrative Board and without prejudice to the provisions of the second paragraph, the Commission may, in the light of administrative requirements, authorize two or more provisional twelfths simultaneously.

Article 9

The statement of revenue and expenditure of the Foundation and the list of posts shall be published for information purposes in the *Official Journal of the European Communities*, at the same time as the budget of the Communities.

Article 10

The statement of revenue and expenditure shall be drawn up in units of account. The value of the unit of account shall be that laid down in the Financial Regulation applicable to the general budget of the European Communities.

TITLE II

PRESENTATION AND STRUCTURE OF THE STATEMENT OF REVENUE AND EXPENDITURE

Article 11

1. The Administrative Board of the Foundation shall send the Commission by 31 March at the latest an estimate of the Foundation's revenue and expenditure for the following year. This estimate shall include a list of posts.

2. The Administrative Board of the Foundation may send supplementary or amending estimates to the Commission. Such estimates shall be presented and adopted in the same form and following the same procedure as the statement whose forecasts they amend. They must be justified by reference to the statement.

Supplementary estimates must be submitted to the Commission as a general rule not later than the date laid down for submitting the estimate for the following financial year.

3. Where necessary, the Commission may make proposals to the budgetary authority concerning

appropriate steps to be taken to amend the subsidy entered in the budget of the Communities under Article 13. In their deliberations the competent authorities shall take into account the urgency of the matter.

Article 12

1. In support of the estimate there shall be submitted:

- a list of posts including, for each category of staff, a detailed list of authorized posts and actual numbers of persons holding posts on the date of submission of the estimate of revenue and expenditure;
- where a change in the numbers of persons holding posts is proposed, a statement giving the reason for requesting new posts;
- a quarterly estimate of cash payments and receipts.

2. As a preface to the estimate the Administrative Board shall submit a general introductory note containing in particular:

- an outline of the policy justifying the request for the appropriations;
- an explanation of the changes in appropriations from one financial year to the next.

Furthermore, the Commission shall attach to the estimate an opinion which may contain different estimates duly supported.

3. The Commission may — if appropriate at the request of the Administrative Board — file, before the adoption of the Communities' budget, any amendment necessitated by the receipt of additional information.

Article 13

The subsidy for the Foundation shall be made available to it in accordance with the rules laid down in this Regulation.

Article 14

The Administrative Board shall adopt the statement of revenue and expenditure before the beginning of the financial year, adjusting it to the subsidy granted by the budget authority.

The statement thus adopted shall be forwarded to the Commission forthwith.

Article 15

The statement of revenue and expenditure shall be subdivided into titles, chapters, articles and items according to the nature of the revenue or expenditure or the intended purpose thereof. It shall show:

- (a) the appropriations made available for the financial year in question divided into titles, chapters, articles and items, following a decimal classification system;
- (b) the appropriations made available for the preceding financial year and the actual expenditure for the last financial year for which the accounts have been closed, increased by the amounts carried forward, using the same classification;
- (c) appropriate comments on each subdivision; such comments may be binding, in which case this fact shall be specifically mentioned;
- (d) in an annex a list of posts fixing the number of posts for each grade in each category and in each service.

Article 16

The list of posts drawn up by the budget authority shall constitute a binding limit for the Foundation; no appointment may be made in excess of that limit.

TITLE III

IMPLEMENTATION OF THE STATEMENT OF REVENUE AND EXPENDITURE

SECTION I

GENERAL PROVISIONS

Article 17

The statement of revenue and expenditure shall be implemented in accordance with the principle that the authorizing officers and accounting officers are different individuals.

The appropriations shall be administered by the authorizing officer who alone is empowered to enter into commitments regarding expenditure, establish the sums due to be collected and issue receivable orders and payment orders. The operations of collection or payment shall be carried out by the accounting officer. The duties of an authorizing

officer shall be incompatible with those of a financial controller or accounting officer.

Article 18

The Administrative Board of the Foundation shall implement the statement of revenue and expenditure on its own responsibility in accordance with this Regulation and within the limits of the appropriations allotted.

The Administrative Board shall delegate its powers under conditions to be laid down by it and within the limits set in the instrument of delegation which shall be communicated to the delegatee, the accounting officer, the Financial Controller and the Audit Board.

Article 19

The Financial Controller of the Commission shall be responsible for checking the commitment and payment of all expenditure and the establishment and recovery of all revenue of the Foundation.

The check shall be carried out by that official by means of inspection of the files relating to expenditure and revenue and, if necessary, on the spot.

The Financial Controller may be assisted in his duties by one or more assistant financial controllers.

The special rules applicable to such officials, which shall be laid down in the measures of implementation provided for under Article 76, shall be so formulated as to guarantee that such officials are independent in the discharge of their duties.

Article 20

The collection of revenue and the payment of expenditure shall be carried out by an accounting officer nominated by the Administrative Board.

Subject to the second subparagraph of Article 42, and to Article 43, the accounting officer alone is empowered to manage funds and assets. He shall be responsible for their safe-keeping.

He may be assisted in his duties by one or more assistant accounting officers, nominated under the same conditions as the accounting officer.

Article 21

1. The appropriations shall be classified by chapter and article.

2. The appropriations entered under a chapter of expenditure may not be used for the purposes of any other chapter of expenditure.

3. However, the Management Board may propose to the Commission that appropriations be transferred from one chapter to another.

The Commission shall act within one month. If it has not so acted, the transfers shall be deemed to be approved.

The Administrative Board or, by delegation, the Director of the Foundation may authorize transfer between articles on behalf of the Foundation.

The Commission shall be informed of such transfers.

4. Every proposal for a transfer within a chapter or between chapters shall be subject to the approval of the Financial Controller who shall attest that the appropriations are available.

5. This Article shall apply to the appropriations for revenue allocated for a specific purpose within the meaning of Article 3 (2) only as long as that revenue is not used for any other purpose.

Article 22

Notwithstanding Article 4:

(a) the following deductions may be made from all bills, invoices or statements, which shall then be passed for payment of the net amount:

- fines imposed on a party to a contract or an accepted tender;
- adjustments of amounts paid in error which can be achieved by means of deduction beforehand against a payment of the same kind of expenditure out of appropriations under the chapter, article and financial year in respect of which the excess payment was made;
- the value of vehicles, apparatus, equipment and installations taken in part exchange in accordance with commercial usage upon purchase of new apparatus, vehicles, equipment and installations of the same kind.

Discounts, refunds and rebates on invoices and bills shall not be recorded as separate revenue;

(b) the following sums may be reused:

- revenue arising from the refund of amounts paid in error against appropriations entered in the statement of revenue and expenditure;
- the proceeds from the supply of goods and services to other institutions or bodies, including the reimbursement of mission allowances paid for the account of those institutions or bodies, and reimbursed by them;
- the amount of insurance indemnities received;

- the revenue from the sale of publications and films;
- the amount of the refund of fiscal charges incorporated in the price of the products or services provided to the Foundation effected by Member States pursuant to the provisions of the Protocol on the privileges and immunities of the European Communities;
- the revenue from the supply of goods and services and from building works against payment;
- the proceeds from the sale of vehicles, equipment and installations and also apparatus and equipment for technical and scientific purposes, when they are replaced.

The reuse of such sums must take place before the end of the financial year which follows the one in which the revenue was collected;

- (c) adjustments may be made in respect of the losses and gains made on the rates of exchange when transferring funds and also on debtor and creditor interest rates relating to cash operations, only the balance being shown as revenue or expenditure.

The accounting plan shall provide for suspense accounts in order to record the reuse of such sums in terms of both revenue and expenditure.

SECTION II

REVENUE AND MANAGEMENT OF AVAILABLE FUNDS

Article 23

1. Every measure which is such as to give rise to a debt due to the Foundation must be preceded by a proposal from the authorizing officer. Such proposals shall be forwarded to the Financial Controller. They shall mention, in particular, the type of revenue, the estimated amount thereof and the item to which it is to be credited and also the name and description of the debtor. They shall be registered after approval by the Financial Controller. The latter's approval shall serve to certify that:

- (a) the revenue is correctly credited;
- (b) the proposal is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure applying to the Foundation and of all acts made in implementation of those Regulations, and to the principles of sound financial management.

The Financial Controller may withhold his approval.

The authorizing officer may, by a decision stating the full reasons therefor, and on his sole responsibility, overrule this refusal. The decision of the authorizing officer shall be implemented; it shall be communicated for information to the Financial Controller. The Administrative Board of the Foundation shall periodically inform the Audit Board of each one of these decisions.

2. When the Administrative Board of the Foundation waives the right to draw up a document establishing a debt or to recover sums due, it shall inform the Financial Controller thereof.

When the Financial Controller finds that a document establishing a debt has not been drawn up, or that a sum due has not been recovered, he shall inform the Administrative Board thereof.

Article 24

The accounting officer shall assume responsibility for the revenue orders duly drawn up.

He shall see to it that the resources due to the Foundation are recovered at the due dates stipulated in the revenue orders, and that the rights of the Foundation are safeguarded.

The accounting officer shall inform the authorizing officer and the Financial Controller of any revenue not recovered within the time limits laid down.

Article 25

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

Article 26

The subsidy entered in the budget of the Communities shall be paid to the Foundation in quarterly instalments, by the 15th day of each quarter, on the basis of the estimate referred to in the third indent of Article 12 (1) and in accordance with actual requirements.

SECTION III

COMMITMENT, CLEARANCE, AUTHORIZATION
AND PAYMENT OF EXPENDITURE

1. Commitment of expenditure

Article 27

1. All measures which may give rise to expenditure chargeable to the statement of revenue and expenditure must be preceded by a proposal for commitment of expenditure from the authorizing officer. A provisional commitment may be entered into in respect of current expenditure.

2. The procedure for implementing the provisions of paragraph 1 above shall ensure that an exact account is kept of commitments and authorizations in terms of the actual needs.

Article 28

Proposals for commitments shall be referred to the Financial Controller and then to the accounting officer; they shall show in particular the purpose of the expenditure, the estimated amount involved, if possible the currency of payment, the item to which it is to be charged and also the name and description of the creditor; they shall be registered after approval by the Financial Controller.

Article 29

The Financial Controller's approval of proposals for commitments of expenditure shall serve to certify that:

- (a) the expenditure has been correctly charged;
- (b) the appropriations are available;
- (c) the expenditure is in order and conforms to the relevant provisions, in particular, of the statement of revenue and expenditure and the Regulations applying to the Foundation, and of all acts made in implementation of these Regulations;
- (d) the principles of sound financial management have been applied.

The Financial Controller may withhold his approval if it appears from the decision giving discharge that a commitment would not comply with the Regulations.

Article 30

Where the Financial Controller withholds his approval he shall furnish a written statement of his reasons therefor. The authorizing officer shall be notified accordingly.

Where approval is withheld and the authorizing officer maintains his proposal, the matter shall be referred for a decision to the Administrative Board.

Except where the availability of the appropriations is in doubt, the Administrative Board may, by means of a decision stating the full reasons therefor, and on its sole responsibility, overrule such a refusal. This decision shall be implemented; it shall be communicated for information to the Financial Controller. The Administrative Board shall periodically inform the Audit Board of each of these decisions.

2. Clearance of expenditure

Article 31

The purpose of clearance of expenditure by the authorizing officer shall be:

- to verify the creditor's claim;
- to determine or verify the existence and the amount of the debt; and
- to verify the conditions under which payment falls due.

Article 32

Clearance of expenditure shall be subject to the submission of supporting documents attesting the creditor's claim and the service rendered or the existence of a document justifying payment.

The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

3. Authorization of expenditure

Article 33

Authorization shall be the formal step whereby the authorizing officer, by the issue of a payment order, instructs the accounting officer to pay an item of expenditure which he has cleared.

Article 34

The payment order shall state:

- the financial year against which the payment shall be charged,
- the Article in the statement of revenue and expenditure and any other subdivision that may apply,
- the amount to be paid (in figures and words) and the currency of payment,
- the name and address of the payee,
- the purpose of the expenditure,
- and the method of payment, wherever possible.

The payment order shall be dated and signed by the authorizing officer.

Article 35

The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by a statement certifying the correctness of the amounts to be paid, the receipt of the supplies and the performance of the service and, if appropriate, the entry of the goods in the inventory referred to in Article 52.

It shall show the numbers and dates of the relevant approvals of commitments. Copies of supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

Article 36

For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's right to payment of the instalment in question. Subsequent payment orders shall refer to the supporting documents already furnished, and repeat the reference number of the first payment order.

The authorizing officer may grant advances to personnel if a provision laid down by regulation specifically provides therefor, or if a member of the staff has to make disbursements on behalf of the Centre which are chargeable to the statement of revenue and expenditure.

Apart from the imprests referred to in Article 43, no advance may be granted unless it has been approved beforehand by the Financial Controller.

Article 37

Payment orders shall be sent to the Financial Controller for prior approval.

Prior approval shall confirm that:

- (a) the payment order was properly issued,
- (b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct,
- (c) the expenditure is charged to the correct item,
- (d) the appropriations are available,
- (e) the supporting documents are in order,
- (f) the payee is correctly described.

Article 38

Should approval be withheld, Article 30 shall apply.

Article 39

After approval the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

4. Payment of expenditure

Article 40

Payment shall be the final action whereby the Foundation is discharged of its obligations towards its creditors.

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

In the event of an error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Regulation, the accounting officer must suspend payment.

Article 41

If payment is suspended, the accounting officer shall give the reasons therefor in a written statement which he shall send forthwith to the authorizing officer and, for information, to the Financial Controller.

Except where the validity of the discharge is contested, the authorizing officer may place the matter before the authority appointed by the Foundation in the manner laid down in the rules of procedure of the Foundation. The said authority may require in writing, and on its own responsibility, that payment be effected.

Article 42

Payments shall be effected as a general rule through a bank account or post office giro account.

The procedure for opening, administering and using such accounts shall, in particular, indicate

expenditure the payment of which must be effected either by cheque or by post office or bank transfer order, and require the signature on cheques and on post office or bank transfer orders of two duly authorized officials, one signature necessarily being that of the accounting officer, an assistant accounting officer, or an imprest-holder.

5. Imprests

Article 43

For the payment of certain categories of expenditure, imprests may be advanced.

The implementation procedure referred to in Article 76 shall contain specific provisions concerning in particular:

- the appointment of imprest-holders;
- the nature and maximum amount of each item of expenditure to be paid;
- the maximum amount of the imprest which may be advanced;
- the time within which supporting documents must be produced;
- the responsibility of the imprest-holders.

TITLE IV

CONCLUSION OF CONTRACTS, INVENTORY, ACCOUNTANCY

SECTION I

CONTRACTS FOR THE SUPPLY OF GOODS AND SERVICES, FOR BUILDING WORKS, AND HIRE CONTRACTS

Article 44

1. Contracts for the purchase or hiring of goods, for the provision of services or for building works shall be in writing. They shall be concluded following the award of contract or invitation to tender.

However, contracts may be entered into by direct agreement in the circumstances referred to in Article 46.

Purchases may be made by way of a bill of costs or invoice in the case provided for in Article 50.

2. Invitations to competitive tender shall, as a general rule, be published in all the Member States, and, where appropriate, in non-member countries, in

so far as this is compatible with the development of the relevant industries in the Communities. However, the distribution of such invitations to tender may be restricted, where the scale or nature of the goods or services is such that they are not appropriate for a general invitation to competitive tender.

Article 45

1. The award of contracts shall be an administrative procedure prior to the letting of a contract following an invitation to competitive tender. Its effect shall be to confer publicly on the tenderer whose tender is the lowest — out of all those which are entered in due and proper form, meet the conditions laid down, and are comparable with each other — the right to the final award of the contract, after approval by the authorizing officer. The award of contract shall be termed public or open, where it is open to all comers to submit a tender; it shall be termed restricted where tenders may be entered only by those whom it has been decided to consult because of their special qualifications.

2. A contract following an invitation to tender is a contract entered into by the contracting parties following an invitation to competitive tender. In this case, the offer considered the most attractive may be freely chosen, taking into account the cost of performance, operating costs involved, technical merit, the time for performance, together with the financial guarantees and the guarantees of professional competence put forward by each of the tenderers.

An invitation to tender shall be termed public or open where a general invitation to competitive tender is involved; it shall be termed restricted where it is addressed only to those whom it has been decided to consult because of their special qualifications.

3. The procedure for issuing an invitation to competitive tender, both as regards the award of contract and invitations to tender, shall be specified in the implementation procedure referred to in Article 76.

Article 46

Contracts may be made by direct agreement:

- (a) where the contract for the purchase or hiring of goods, for the provision of services or for building works involves an amount not exceeding 5 000 units of account, the Foundation being bound, however, as far as possible and by all appropriate means, to enable suppliers who are likely to be able to supply the goods and services in question to compete;
- (b) where the purchase or hiring of goods, the provision of services or the building works are so urgently needed that it is not possible to wait for one of the tendering procedures specified in Article 45 to be carried out;
- (c) where the award of contract procedure or invitations to tender do not give any result or where the prices quoted are not acceptable;
- (d) where for technical, practical or legal reasons, the supply of goods and services can be carried out only by a particular contractor or supplier;
- (e) for contracts for the supply of additional goods and services or for additional building works which technically cannot be separated from the main contract.

Article 47

There shall be no discrimination between nationals of Member States on grounds of nationality in respect of contracts entered into by the Foundation.

Article 48

Contracts involving amounts exceeding 12 000 units of account shall be subject to the authorization of the Administrative Board.

Article 49

By way of guarantee of the performance of the contracts, it may be required of the suppliers or contractors by a clause included among the warranty clauses, that they make a preliminary deposit.

The amount of the deposit shall be fixed:

- according to the usual trade terms of supply contracts;
- according to the special conditions governing building contracts.

For building works involving an amount exceeding 100 000 units of account, a deposit shall be obligatory. A security may be retained until final acceptance of delivery.

Where a contract has not been performed or completion has been late, the Foundation shall ensure that it is adequately compensated in respect of all damages, interest and costs by the deduction of the amount from the deposit, whether this has been lodged directly by the supplier or contractor, or by a third party.

Article 50

Contracts may be made against invoice or bill of costs only where the expected value of the goods and services supplied or of the building works does not exceed 200 units of account. This limit shall be increased to 500 units of account for expenditure to be entered into outside the seat of the Foundation.

Article 51

When concluding contracts referred to in this Regulation, the Foundation shall comply with the measures laid down in respect of public works by the Council in implementation of the Treaty.

SECTION II

INVENTORY OF MOVABLE AND IMMOVABLE
PROPERTY*Article 52*

A permanent quantitative inventory of all movable and immovable property belonging to the Foundation shall be kept in accordance with a model drawn up by the Commission. Only movable property exceeding a specific value provided for in the measures of implementation taken under Article 76 shall be entered in the inventory.

The Foundation shall instruct its departments to check that the entries in the inventory correspond to the facts.

Article 53

The sale of movable property shall be suitably advertised as laid down in the measures of implementation taken under Article 76.

Apart from through sales by public auction, staff of the Foundation may not acquire any movable property sold by the Foundation.

Article 54

A statement or record shall be drawn up by the authorizing officer and endorsed by the Financial Controller whenever any property in the inventory is disposed of, scrapped, hired out, or is missing on account of loss, theft or any other reason.

The statement or record shall indicate in particular any obligation that may devolve on a member of the staff of the Foundation or any other person to replace the item in question.

If immovable property or large installations are made available free of charge, they must be covered by contracts approved by the Financial Controller, and shall be the subject of an annual communication to the Commission when the estimate of revenue and expenditure is presented.

Article 55

Every purchase of movable or immovable property as defined in Article 52 shall, before payment is made, be entered in the permanent inventory.

That entry shall be recorded in the corresponding invoice or annexed document prepared with a view to paying the expenditure in question.

SECTION III

ACCOUNTS

Article 56

The accounts shall be kept by the method of double entry, on the basis of the calendar year. They shall show all revenue and expenditure for the financial year; they shall be authenticated by supporting documents. They may be kept in the currency of the country where the Foundation has its seat.

The revenue and expenditure account and the balance sheet shall be drawn up in units of account.

Any amount expressed in units of account shall be entered in the accounts in terms of the parity in force on the date of actual payment or transfer.

Article 57

Entries relating to the accounts of the statement of revenue and expenditure and to commitments and established entitlements accounts shall be made on the basis of an accounting plan comprising a nomenclature of items which makes a clear distinction between the balance sheet accounts and the expenditure and revenue accounts in the statement of revenue and expenditure.

These entries shall be recorded in books or on cards. These shall make it possible to draw up a general monthly statement of accounts, and a statement by chapter and article, of revenue and expenditure, which shall be forwarded to the Financial Controller.

Article 58

All advances shall be entered in a suspense account and settled at the latest during the financial year which follows the payment of this advance.

Article 59

Details of the method for drawing up and operating the accounting plan shall be laid down by the implementation procedure referred to in Article 76.

Article 60

The accounts shall be closed at the end of the financial year to enable the balance sheet and the revenue and expenditure account referred to in Title VI to be drawn up. The revenue and expenditure account shall be submitted to the Financial Controller.

TITLE V

RESPONSIBILITIES OF AUTHORIZING OFFICERS, FINANCIAL CONTROLLERS,
ACCOUNTING OFFICERS AND IMPREST-HOLDERS*Article 61*

Authorizing officers who, when establishing entitlements to be recovered or issuing receivable orders, entering into commitments of expenditure or signing payment orders do so without complying with this Regulation and the rules for its implementation shall be liable to disciplinary action and, where appropriate, to pay compensation. The same shall apply if they omit to draw up a document establishing a debt due or if they neglect to issue receivable orders or are, without justification, late in issuing them.

Article 62

1. Accounting officers and assistant accounting officers shall be liable to disciplinary action and, where appropriate, to payment of compensation in respect of payments made by them in disregard of the third subparagraph of Article 40.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from a deliberate error or serious negligence on their part.

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and the administration of bank accounts and post office giro accounts, and in particular:

- (a) where the payments or recoveries made by them do not agree with the amounts on the payment orders or receivable orders;
- (b) where they effect payment to a party other than the entitled payee.

2. Imprest-holders shall render themselves liable to disciplinary action and, where appropriate, to payment of compensation in the following cases:

- (a) where they cannot give satisfactory proof, with documents in due and proper form, of payments made by them;
- (b) where they effect payment to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of a deliberate error or serious negligence on their part.

3. The accounting officers, assistant accounting officers and imprest-holders shall insure themselves against the risks arising under this Article.

The Foundation shall cover the insurance costs relating thereto.

Article 63

Authorizing officers, accounting officers, assistant accounting officers and imprest-holders shall be liable to disciplinary action and, where appropriate, to the payment of compensation in respect of actions relating to their duties.

Article 64

The Foundation shall be allowed a period of two years from the date when the revenue and expenditure account is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

TITLE VI

PRESENTING AND AUDITING THE ACCOUNTS

SECTION I

PRESENTING THE ACCOUNTS

Article 65

The Administrative Board shall draw up each year a revenue and expenditure account for the Foundation.

This account shall be preceded by an analysis of the financial management in respect of the year in question. It shall cover all revenue and expenditure transactions relating to the preceding financial year. It shall be submitted in the same form and following the same subdivisions as the statement of revenue and expenditure.

Article 66

The revenue and expenditure account shall include the following tables subdivided in accordance with the budget nomenclature of the Communities:

1. A table of revenue including:

- estimated revenue for the financial year;
- amendments to the revenue estimates as a result of supplementary or amending statements;
- amounts collected;
- amounts still to be collected at the end of the financial year.

A statement shall be annexed, where appropriate, to this table, showing the balances and gross amounts of the transactions referred to in Article 22.

2. A table showing the trend in appropriations in respect of the financial year, indicating:

- the initial appropriations;
- any amendments to appropriations introduced by means of transfers;
- any amendments introduced by means of supplementary or amending statements;
- the final appropriations for the financial year.

3. A table of expenditure showing the trend in appropriations in respect of the financial year, indicating:

- the total appropriations;
- the commitments entered into and chargeable to the financial year;
- the payments made at the end of the period of implementation of the statement of revenue and expenditure;
- the amounts still to be paid at the close of the financial year;
- the appropriations carried forward automatically under Article 6 (1) (c);
- the available appropriations carried forward under Article 6 (1) (b);
- the available appropriations to be cancelled.

A statement shall be annexed to this table, where appropriate, showing the balances and gross amounts of the transactions referred to in Article 22.

4. A table showing the trend in appropriations carried forward from preceding financial years, indicating:

- the amount of appropriations carried forward;
- the payments shown in the accounts at the end of the period of implementation of the statement of revenue and expenditure;
- the unused appropriations to be cancelled;
- the unused appropriations to be carried forward again the next financial year.

Article 67

The Administrative Board shall also draw up a balance sheet of the assets and liabilities of the Foundation as at 31 December of the preceding financial year. A statement of accounts, showing cash movements and balances, drawn up as at the same date, shall be attached thereto.

Article 68

The Administrative Board shall, by 31 March at the latest, send the revenue and expenditure account and the balance sheet of the Foundation for the preceding financial year to the Commission and to the Audit Board.

SECTION II

CHECKING THE ACCOUNTS

Article 69

The Audit Board shall exercise its powers in respect of the Foundation in accordance with the Financial Regulation applicable to the general budget of the European Communities.

Article 70

The Foundation shall forward to the Audit Board, on a quarterly basis and at the latest within the month which follows the end of the quarter, the documents supporting the accounts, in particular the documents and certificates in respect of the correct application of the provisions which govern the implementation of the statement of revenue and expenditure and relating to the commitment and payment of expenditure and the establishment and collection of revenue.

The Audit Board may question the Foundation on the subject of the said supporting documents.

Article 71

The Foundation shall afford the Audit Board all the facilities and give it all the information which the Audit Board may consider necessary for the performance of its task.

In particular, the Foundation shall place at the disposal of the Audit Board all documents concerning the conclusion of contracts and all accounts of cash or materials, all accounting records or supporting documents, and also administrative documents pertaining thereto, all documents relating to revenue and expenditure, all inventories, all lists of posts in the departments, which the Audit Board may consider necessary for auditing the revenue and expenditure account on the basis of records or on the spot.

To this end, the officials whose operations are inspected by the Audit Board shall in particular:

- (a) make available their cash in hand, and present any other cash, securities and all types of assets, and the supporting documents in respect of their stewardship, with which they are entrusted, and also any books, registers and other documents relating thereto;
- (b) present the correspondence and any other document required for the full implementation of the audit.

The information supplied under (b) may be requested **only by the Audit Board** or by one of its members, and such requests shall be in writing.

The Audit Board shall be empowered to audit the documents in respect of the revenue and expenditure which are held in the departments of the Foundation and, in particular, in the department responsible for decisions in respect of such revenue and expenditure.

The task of establishing that the revenue has been received and the expenditure incurred in a lawful and proper manner, and that the financial management has been sound, shall extend to the utilization, by bodies outside the Foundations, of Community funds received by way of aid.

The granting of aid to bodies outside the Foundation shall be subject to the acceptance by the recipients of the audit being carried out by the Audit Board on the utilization of the amounts granted as aid.

Article 72

Any comments which the Audit Board considers should appear in its report shall be communicated to the Commission and to the Foundation.

The Foundation shall send its reply to the Audit Board and, at the same time, to the Commission. The Audit Board shall attach to its report an assessment of the soundness of the financial management.

Article 73

The Audit Board shall conclude its report on the accounts for the preceding financial year not later than 15 July, and shall send it to the Foundation and to Commission. The Audit Board shall, not later than that date, make known its observations on the balance sheet.

The Commission shall submit the revenue and expenditure account, the balance sheet and the report of the Audit Board, together with the replies to the comments, to the European Parliament and the Council by 31 October at the latest.

Article 74

The Council and the European Parliament shall, before 30 April of the next year, give a discharge to the Administrative Board in respect of the implementation of the statement of revenue and expenditure. If that date cannot be met, the Council or the European Parliament shall inform the Administrative Board of the reasons for postponing the decision.

The Administrative Board shall take all appropriate steps to comply with the comments appearing in the decisions giving discharge. At the request of the European Parliament, the Council or the Commission, the Administrative Board shall report on the measures taken in the light of these comments. This report shall also be forwarded to the Audit Board.

Subject to the provisions of the second sentence of the second subparagraph, the Foundation must give an account, in an Annex to the revenue and expenditure account for the next financial year, of the measures taken in the light of the comments appearing in the decision giving discharge.

TITLE VII FINAL PROVISIONS

Article 75

The Administrative Board shall inform the Audit Board, as soon as possible, of all decisions and measures taken in implementation of Articles 3, 6 (6), 14 and 21.

The Audit Board and the Financial Controller shall be informed of the appointment of the accounting officer, assistant accounting officers and imprest-holders made in accordance with Articles 20 and 43.

Article 76

On a proposal by the Director and with the assent of the Financial Controller the Administrative Board shall establish the procedures required for implementing this Regulation.

Article 77

This Regulation shall enter into force on the fifth day following its publication in the *Official Journal of the European Communities*.

Done at Brussels, 1 June 1976.

For the Council

The President

G. THORN
