



Explanatory Note to Budgetary Authority Transfers in the BEREC Office Budget 2013 in the financial year 2013 beyond the limit allowed under the responsibility of the Administrative Manager

I. Introduction to transfers

Article 23 of the BEREC Office Management Committee Decision MC (10) 44 on the financial regulation applicable to the BEREC Office in conformity with the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) № 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union (hereinafter referred to as “the BEREC Office Financial Regulation”) specifies that:

1. The Administrative Manager may make transfers from one chapter to another and from one article to another without limit and from one title to another up to a maximum of 10 % of the appropriations for the financial year shown on the line from which the transfer is made.
2. Beyond the limit referred in paragraph 1, the Administrative Manager may propose to the Management Committee transfers of appropriations from one title to another. The Management Committee shall have three weeks in which to oppose such transfers. After this time-limit they shall be deemed to be adopted.
3. Proposals for transfers and transfers carried out under paragraphs 1 and 2 shall be accompanied by appropriate and detailed supporting documents showing the implementation of appropriations and estimates of requirements up to the end of the financial year, both for the headings to be credited and for those from which the appropriations are drawn.
4. The Administrative Manager shall inform the Management Committee as soon as possible of all transfers made. He shall inform the budgetary authority of all transfers carried out under paragraph 2.
5. For any transfer of appropriations to and from title 3, a prior written authorisation by the Commission shall be granted on the basis of a justified request by the Office before the transfer is authorised in the budget of the Office.

Only one transfer on 19 July 2013 from title 2. “Buildings, equipment and miscellaneous operating expenditure” to title 3. “Operational expenditure” was made after the adoption by the Management Committee of the proposal made by the Administrative Manager and after the receipt of a written authorisation from the Commission. Appropriations from two budget lines were released and three items under Title 3 were increased.

II. Revenues

No changes on revenue side. All the transfers were made within section 2000, European Community subsidy for titles 1, 2 and 3.

III. Expenditure

1. Transfer between Title 2 and Title 3

Legal base:

1. Art. 23(2) of the BEREC Office Financial Regulation – for the transfers between Titles and beyond the limit of a maximum of 10% of the budget line, the Administrative Manager may propose to the Management Committee transfers from one Title to another. The Management Committee shall have three weeks in which to oppose such transfers. After this time-limit they shall be deemed to be adopted.
2. Art. 23(5) of the BEREC Office Financial Regulation – transfers to and from title 3 with prior written authorisation by the Commission on the bases of justified request from the Office.

Explanation: On 8 May 2013 the Administrative Manager proposed the Management Committee the transfer of budget from Title 1 and 2 to Title 3 as follows:

- all 2011 surplus for Titles 1 and 2 in value of EUR 353,231.48.
- EUR 130,000 from two budget lines under Title 2:
 - o A-2500 – EUR 80 000
 - o A-2009 – EUR 50 000

Total to be transferred: EUR **483,231.48**

In the period 8-29 May 2013 the BEREC Office did not receive any objections from the Management Committee to the proposed total transfer of EUR. The proposed transfers were therefore adopted by the Management Committee.

On 11 June DG CONNECT forwarded the confirmation from DG BUDG that the BEREC Office transfer request has been validated.

On 19 July the BEREC Office transferred the requested EUR 130,000 from two budget lines under Title 2 (EUR 80 000 from A2500 and EUR 50 000 A02009).

The transfers of 19 July 2013 between Title 2 and Title 3 are reflected in column 5 of the Annex.

The surplus for Titles 1 and 2 in value of EUR 353,231.48 was not transferred. The Commission explained in July 2013 that surplus from year 2011, which has not been divided between budget chapters, articles or budget items, cannot be transferred. Surplus from year

2011 was not divided when submitted for the Management Committee's approval in February 2013 (based on Office Budget 2013, which was approved by the Budgetary Authority in December 2012). The reason for not splitting the surplus 2011 between the budget items was the fact, that the BEREC Office was knowledgeable about the additional budget requirements under Title 3, which were already needed in Q2 of year 2013. BEREC Office was expecting an early transfer into Title 3. Transfer of surplus 2011, which was not splitted, was expected to speed up the procedure.

The unused, although authorised transfer request of EUR 353,231.48 was included in the needs calculation and in the relevant amendment requests of the Amending Budget 2013/1. The Amending Budget 2013/1 was approved by the Management Committee on 13 August 2013 and the transactions related to the amending budget were executed in September 2013.

1.1. Releases of resources

Chapter 20 "Rental of buildings and associated costs"/ Article 200 "Buildings and associated costs"/ Item A-2009 "Other expenditure relating to the acquisition, construction or maintenance of a building"

Amount released: EUR - 50 000,- on 19/07/2013

Explanation: Taking into account the fact that the BEREC Office premises were refurbished in 2011, the need for construction or maintenance costs in 2013 will be lower than previously planned.

Chapter 25 "Expenditure on formal and other meetings"/ Item A-2500 "Meetings in general"

Amount released: EUR - 80 000,- on 19/07/2013

Explanation: The activities, which previously were paid from that budget line, such as BEREC plenary meetings, Contact Network meetings, providing assistance and executive support to the BEREC Chair and Vice-chairs, public debriefings, participation of BEREC in international events and others, are directly linked to the operational activity of BEREC and therefore should be financed from the budget dedicated to operational activities, namely Title 3.

Total released: EUR -130 000,-

1.2. Increases on budget lines

Chapter 30 "Support to implementation of BEREC WP 2013"/ Article 300 "Support to implementation of BEREC WP 2013"/ Item B-3001 "Support to the BEREC Expert Working Groups"

Amount increased: EUR 30 000,- on 19/07/2013

Explanation: Travel reimbursements to BEREC experts started only in March 2012 (after approval by the Board of relevant regulation) and there was no data available for realistic forecasts.

Chapter 30 “Support to implementation of BEREC WP 2013”/ Article 300 “Support to implementation of BEREC WP 2013”/ Item B-3002 “Activities under Articles 7 and 7a Framework Directive”

Amount increased: EUR 5 000,- on 19/07/2013

Explanation: Travel reimbursements to BEREC experts started only in March 2012 (after approval by the Board of relevant regulation) and there was no data available for realistic forecasts.

Chapter 31 “Horizontal activities (other support not directly related to BEREC WP”/ Article 310 “Horizontal activities (other support not directly related to BEREC WP”/ Item B-3101 “Other support activities to BEREC”

Amount increased: EUR 95 000,- on 19/07/2013

Explanation: The activities, which previously were paid from another budget line (A-2500), such as BEREC CNs and Plenaries, providing assistance and executive support to the BEREC Chair and Vice-Chairs, public debriefings and participation of BEREC on international events, are directly linked to the operational activity of BEREC. Therefore these expenditures should be financed from the budget dedicated to operational activities under Title 3.

Total increased: EUR 130 000,-

2. Other transfers in 2013

All the other transfers between January and December 2013 were made within titles 1. “Staff”, 2. “Buildings, equipment and miscellaneous operating expenditure” and 3. “Operational expenditure” respectively and were therefore made within the responsibility limits of the Administrative Manager.

Annex: Overview of Transfers in BEREC Office Budget 2013

Expenditure

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-July 2013 within Titles ¹	Transfers July 2013 between Titles ²	Budget with transfers Jan-July 2013	Final budget December 2013 (after AMBU 2013/1 and transfers within titles)
1	2	3	4	5	6	7
	Budget	3,768,696			3,768,696	3,556,000
1	STAFF	2,518,705			2,518,705	2,333,409
1 1	STAFF IN ACTIVE EMPLOYMENT	1,988,705	-147,680		1,841,025	1,486,309
1 1 0	Staff in active employment	1,349,785	-151,000		1,198,785	1,028,009
1 1 0 0	Basic salaries	1,049,785	-151,000		898,785	748,509
1 1 0 1	Family allowances	130,000			130,000	130,000
1 1 0 2	Expatriation and foreign-residence allowances	170,000			170,000	149,500
1 1 1	Contract staff and other staff	556,920			556,920	364,600
1 1 1 0	Contract staff	211,120			211,120	109,300
1 1 1 1	Seconded national experts	345,800			345,800	255,300

¹ Article 23(1) of the Decision MC (10) 44 of the Management Committee on the financial regulation applicable to the BEREC Office - budgetary transfers initiated by BEREC Office Administrative Manager. The Administrative Manager may make transfers from one chapter to another and from one article to another without limit and from one title to another up to a maximum of 10 % of the appropriations for the financial year shown on the line from which the transfer is made.

² Article 23(2) of the Decision MC (10) 44 of the Management Committee on the financial regulation applicable to the BEREC Office - the Administrative Manager may propose to the Management Committee transfers from one Title to another. The Management Committee shall have three weeks in which to oppose such transfers. After this time-limit they shall be deemed to be adopted.

Article 23(5) of the Decision MC (10) 44 of the Management Committee on the financial regulation applicable to the BEREC Office - for any transfer of appropriations to and from title 3, a prior written authorisation by the Commission shall be granted on the basis of a justified request by the Office.

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-July 2013 within Titles	Transfers July 2013 between Titles	Budget with transfers Jan-July 2013	Final budget December 2013 (after AMBU 2013/1 and transfers within titles)
1 1 2	Employer's social security contributions	48,000			48,000	56,200
1 1 2 0	Insurance against sickness	30,000			30,000	37,000
1 1 2 1	Insurance against accidents and occupational disease	6,000			6,000	5,600
1 1 2 2	Insurance against unemployment	12,000			12,000	13,600
1 1 2 3	Constitution or maintenance of pension rights					
1 1 3	Miscellaneous allowances and grants	34,000	3,320		37,320	37,500
1 1 3 0	Childbirth and death allowances and grants	1,000			1,000	1,000
1 1 3 1	Travel expenses for annual leave	33,000	3,320		36,320	36,500
1 1 3 9	Other allowances					
1 1 9	Salary weightings	0			0	0
1 1 9 0	Salary weightings					
1 1 9 1	Adjustments to remunerations					
1 2	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	190,000	-3,320		186,680	156,400
1 2 0	Recruitment expenses	33,000			33,000	91,950
1 2 0 0	Travel expenses	30,000	-1,500		28,500	25,038
1 2 0 1	Miscellaneous expenditure on staff recruitment	3,000	1,500		4,500	66,912
1 2 1	Expenses on entering/leaving	157,000	-3,320		153,680	64,450
1 2 1 0	Travel expenses on entering/leaving	47,000			47,000	4,500
1 2 1 1	Installation, resettlement and transfer allowances	30,000			30,000	25,050
1 2 1 2	Removal expenses	30,000	-3,320		26,680	14,000
1 2 1 3	Daily subsistence allowances	50,000			50,000	20,900
1 3	MISSIONS AND DUTY TRAVEL	200,000			200,000	224,700
1 3 0 0	Mission expenses, duty travel expenses and other ancillary expenditure	200,000			200,000	224,700
1 4	SOCIOMEDICAL SERVICES	30,000			30,000	7,000

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-July 2013 within Titles	Transfers July 2013 between Titles	Budget with transfers Jan-July 2013	Final budget December 2013 (after AMBU 2013/1 and transfers within titles)
1 4 0	Medical service	30,000			30,000	7,000
1 4 0 0	Medical service	30,000			30,000	7,000
1 5	TRAININGS	60,000			60,000	80,000
1 5 0	Training	60,000			60,000	80,000
1 5 0 0	Training	60,000			60,000	80,000
1 6	EXTERNAL SERVICES	30,000	151,000		181,000	370,000
1 6 0 0	External services	30,000	151,000		181,000	370,000
1 7	REPRESENTATION AND MISCELLANEOUS STAFF COSTS	20,000			20,000	9,000
1 7 0 0	Representation, receptions and events, and miscellaneous staff expenses	20,000			20,000	9,000
2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	647,000		-130,000	517,000	293,600
2 0	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	115,000	-3,800	-50,000	61,200	68,520
2 0 0	Buildings and associated costs	115,000	-3,800	-50,000	61,200	68,520
2 0 0 0	Rent	20,000			20,000	26,920
2 0 0 1	Insurance	500			500	1,000
2 0 0 2	Water, gas, electricity and heating	16,500			16,500	19,400
2 0 0 3	Cleaning	0			0	0
2 0 0 4	Fitting-out and maintenance of premises	5,000			5,000	0
2 0 0 5	Security and surveillance of buildings	16,000	2,000		18,000	21,200
2 0 0 9	Other expenditure relating to the acquisition, construction or maintenance of a building	57,000	-5,800	-50,000	1,200	0
2 1	INFORMATION TECHNOLOGY PURCHASES	230,000			230,000	126,050
2 1 0	Information technology purchases	230,000			230,000	126,050
2 1 0 0	Computer equipment	25,000			25,000	7,450

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-July 2013 within Titles	Transfers July 2013 between Titles	Budget with transfers Jan-July 2013	Final budget December 2013 (after AMBU 2013/1 and transfers within titles)
2 1 0 1	Software	140,000			140,000	73,000
2 1 0 2	Other external data processing services	65,000			65,000	45,600
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	55,000			55,000	19,500
2 2 0	Technical installations and electronic office equipment	20,000			20,000	1,000
2 2 0 0	Technical installations and electronic office equipment	20,000			20,000	1,000
2 2 1	Furniture	30,000			30,000	18,500
2 2 1 0	Furniture	30,000			30,000	18,500
2 2 9	Other movable property and associated costs	5,000			5,000	0
2 2 9 0	Books, newspapers and documentation	5,000			5,000	0
2 2 9 1	Cars, transport vehicles, and maintenance and repairs	0			0	0
2 2 9 9	Other movable property, and maintenance and repairs	0			0	0
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	92,000			92,000	42,880
2 3 0	Stationery and office supplies	15,000			15,000	8,400
2 3 0 0	Stationery and office supplies	15,000			15,000	8,400
2 3 2	Financial charges	200			200	300
2 3 2 0	Bank charges	200			200	300
2 3 2 1	Exchange rate losses	0			0	0
2 3 2 9	Other financial charges	0			0	0
2 3 3	Legal expenses	76,800			76,800	31,180
2 3 3 0	Legal expenses	12,000	8,000		20,000	20,000
2 3 3 1	Damages	64,800	-8,000		56,800	11,180
2 3 5	Other operating expenses	0			0	3,000
2 3 5 0	Miscellaneous insurances	0			0	3,000
2 3 5 9	Other operating expenses	0			0	0

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-July 2013 within Titles	Transfers July 2013 between Titles	Budget with transfers Jan-July 2013	Final budget December 2013 (after AMBU 2013/1 and transfers within titles)
2 4	POSTAGE AND TELECOMM.	55,000	3,800		58,800	35,650
2 4 0 0	Postage and delivery charges	1,200	3,800		5,000	1,800
2 4 1 0	Telecommunication charges	53,800			53,800	33,850
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	100,000		-80,000	20,000	1,000
2 5 0 0	Meetings in general	100,000		-80,000	20,000	1,000
3	OPERATIONAL EXPENDITURE	602,991		130,000	732,991	928,991
3 0	Support to implementation of BEREC WP 2013	482,991	-100,000	35,000	417,991	463,576
3 0 0	Support to implementation of BEREC WP 2013	482,991	-100,000	35,000	417,991	463,576
3 0 0 1	Support to the BEREC Expert Working Groups	397,991	-100,000	30,000	327,991	340,476
3 0 0 2	Activities under Articles 7 and 7a Framework Directive	35,000		5,000	40,000	50,100
3 0 0 3	Collection exchange and transmission of information	50,000			50,000	73,000
3 1	Horizontal activities (other support not directly related to BEREC WP)	120,000	100,000	95,000	315,000	465,415
3 1 0	Horizontal activities (other support not directly related to BEREC WP)	120,000	100,000	95,000	315,000	465,415
3 1 0 1	Other support activities to BEREC	65,000	95,000	95,000	255,000	376,415
3 1 0 2	Provision of advice and other ad-hoc services to BEREC and other parties	55,000	5,000		60,000	89,000

Riga, 20 December 2013

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