

## **Explanatory Note**

# **Transfers by Administrative Manager in BEREC Office Budget 2013 in June-July 2013**

### **I. Introduction to transfers by Administrative Manager**

Article 23 from Decision MC (10) 44 of the Management Committee 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:

- 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
- Transfers carried out shall be accompanied by appropriate and detailed supporting documents showing the implementation of appropriations and estimates of requirements up to the end of the financial year, both for the headings to be credited and for those from which the appropriations are drawn.
- The Administrative Manager shall inform the Management Committee as soon as possible of all transfers made.
- For the transfers from one title to another and beyond the limit of up to a maximum of 10 % of the appropriations for the financial year shown on the line, the Administrative Manager may propose to the Management Committee transfers of appropriations. The Management Committee shall have three weeks in which to oppose such transfers. After this time-limit they shall be deemed to be adopted.
- For any transfers 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.

The transfers made within titles 1. “Staff” and 2. “Buildings, equipment and miscellaneous operating expenditure” have been made within the responsibility limits of the Administrative Manager.

Transfers from title 2. “Buildings, equipment and miscellaneous operating expenditure” to title 3. “Operational expenditure” were 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.

## 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. Transfers within title 1

Legal base: Art. 23(1) of the BEREC Office Financial Regulation – The Administrative Manager may make transfers from one chapter to another and from one article to another without limit.

#### 1.1. Releases of resources

##### **Chapter 11 “Staff in active employment”/ Article 110 “Staff in active employment”/ Item A-1100 “Basic salaries”**

Amount released: EUR - 50 000,- on 04/07/2013

Explanation: Actual expenditure on salaries of BEREC Office staff in 2013 (period January to May) have been below the forecast for the first five months and is expected to remain so. Despite the fact that some increase of basic salary due to advancements to the next step of 7 staff members has to be foreseen, a part of the surplus remaining on the budget line could be released.

##### **Chapter 12 “Miscellaneous expenditure on staff recruitment and transfer”/ Article 121 “Expenses on entering/leaving”/ Item A-1212 “Removal expenses”**

Amount released: EUR - 3 320,- on 27/06/2013

Explanation: Actual expenditure on removal expenses is below the forecast.

**Total released: EUR -53 320,-**

#### 1.2. Increases on budget lines

##### **Chapter 11 “Staff in active employment”/ Article 113 “Miscellaneous allowances and grants”/ Item A-1131 “Travel expenses for annual leave”**

Amount increased: EUR 3 320,- on 27/06/2013

Explanation: Until the end of the year travel expenses will be paid to three staff members (1 payment in October, 2 payments in November).

##### **Chapter 16 “External services”/ Article 160/ Item A-1600 “External services”**

Amount increased: EUR 50 000,- on 04/07/2013

Explanation: 1 contract with Deloitte consultancy for providing support related to HR IT Tool have to be signed.

**Total increased: EUR 53 320,-**

## 2. Transfers within title 2

Legal base: Art. 23(1) of the BEREC Office Financial Regulation – transfers from one chapter to another and from one article to another without limit.

### 2.1. 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 - 2 000,- on 23/07/2013

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.

**Total released: EUR -2 000,-**

### 2.2. Increases on budget lines

**Chapter 20 “Rental of buildings and associated costs”/ Article 200 “Buildings and associated costs”/ Item A-2005 “Security and surveillance of buildings”**

Amount increased: EUR 2 000,- on 23/07/2013

Explanation: It was necessary to launch a new procurement procedure for providing of security services, it is forecasted that the offers will be more expensive than last year.

**Total increased: EUR 2 000,-**

## 3. Transfers 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 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 has currently been included in the needs calculation and in the relevant amendment requests of the Amending Budget 2013/1.

### **3.1. 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,-**

### **3.2. 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,-**

## Annex: Overview of Transfers in BEREC Office Budget 2013 in June-July 2013

### Expenditure

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-May 2013 <sup>1</sup>	Transfers June-July within Titles <sup>2</sup>	Transfers July 2013 btw Titles 2 & 3 <sup>3</sup>	Budget with transfers
	<b>Budget</b>	<b>3,768,696</b>				<b>3,768,696</b>
<b>1</b>	<b>STAFF</b>	<b>2,518,705</b>				<b>2,518,705</b>
<b>1 1</b>	<b>STAFF IN ACTIVE EMPLOYMENT</b>	<b>1,988,705</b>				<b>1,841,025</b>
<b>1 1 0</b>	<b>Staff in active employment</b>	<b>1,349,785</b>				<b>1,198,785</b>
1 1 0 0	Basic salaries	1,049,785	-101,000	-50,000		898,785
1 1 0 1	Family allowances	130,000				130,000
1 1 0 2	Expatriation and foreign-residence allowances	170,000				170,000
<b>1 1 1</b>	<b>Contract staff and other staff</b>	<b>556,920</b>				<b>556,920</b>
1 1 1 0	Contract staff	211,120				211,120
1 1 1 1	Seconded national experts	345,800				345,800
<b>1 1 2</b>	<b>Employer's social security contributions</b>	<b>48,000</b>				<b>48,000</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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-May 2013	Transfers June-July within Titles	Transfers July 2013 btw Titles 2 & 3	Budget with transfers
1 1 2 0	Insurance against sickness	30,000				30,000
1 1 2 1	Insurance against accidents and occupational disease	6,000				6,000
1 1 2 2	Insurance against unemployment	12,000				12,000
1 1 2 3	Constitution or maintenance of pension rights					
<b>1 1 3</b>	<b>Miscellaneous allowances and grants</b>	<b>34,000</b>				<b>37,320</b>
1 1 3 0	Childbirth and death allowances and grants	1,000				1,000
1 1 3 1	Travel expenses for annual leave	33,000		3,320		36,320
1 1 3 9	Other allowances					
<b>1 1 9</b>	<b>Salary weightings</b>	<b>0</b>				<b>0</b>
1 1 9 0	Salary weightings					
1 1 9 1	Adjustments to remunerations					
<b>1 2</b>	<b>MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER</b>	<b>190,000</b>				<b>186,680</b>
<b>1 2 0</b>	<b>Recruitment expenses</b>	<b>33,000</b>				<b>33,000</b>
1 2 0 0	Travel expenses	30,000	-1,500			28,500
1 2 0 1	Miscellaneous expenditure on staff recruitment	3,000	1,500			4,500
<b>1 2 1</b>	<b>Expenses on entering/leaving</b>	<b>157,000</b>				<b>153,680</b>
1 2 1 0	Travel expenses on entering/leaving	47,000				47,000
1 2 1 1	Installation, resettlement and transfer allowances	30,000				30,000
1 2 1 2	Removal expenses	30,000		-3,320		26,680
1 2 1 3	Daily subsistence allowances	50,000				50,000
<b>1 3</b>	<b>MISSIONS AND DUTY TRAVEL</b>	<b>200,000</b>				<b>200,000</b>
1 3 0 0	Mission expenses, duty travel expenses and other ancillary expenditure	200,000				200,000
<b>1 4</b>	<b>SOCIOMEDICAL SERVICES</b>	<b>30,000</b>				<b>30,000</b>
<b>1 4 0</b>	<b>Medical service</b>	<b>30,000</b>				<b>30,000</b>
1 4 0 0	Medical service	30,000				30,000
<b>1 5</b>	<b>TRAININGS</b>	<b>60,000</b>				<b>60,000</b>
<b>1 5 0</b>	<b>Training</b>	<b>60,000</b>				<b>60,000</b>
1 5 0 0	Training	60,000				60,000

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-May 2013	Transfers June-July within Titles	Transfers July 2013 btw Titles 2 & 3	Budget with transfers
<b>1 6</b>	<b>EXTERNAL SERVICES</b>	<b>30,000</b>				<b>181,000</b>
1 6 0 0	External services	30,000	101,000	50,000		181,000
<b>1 7</b>	<b>REPRESENTATION AND MISCELLANEOUS STAFF COSTS</b>	<b>20,000</b>				<b>20,000</b>
1 7 0 0	Representation, receptions and events, and miscellaneous staff expenses	20,000				20,000
<b>2</b>	<b>BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE</b>	<b>647,000</b>				<b>517,000</b>
<b>2 0</b>	<b>RENTAL OF BUILDINGS AND ASSOCIATED COSTS</b>	<b>115,000</b>				<b>61,200</b>
<b>2 0 0</b>	<b>Buildings and associated costs</b>	<b>115,000</b>				<b>61,200</b>
2 0 0 0	Rent	20,000				20,000
2 0 0 1	Insurance	500				500
2 0 0 2	Water, gas, electricity and heating	16,500				16,500
2 0 0 3	Cleaning	0				0
2 0 0 4	Fitting-out and maintenance of premises	5,000				5,000
2 0 0 5	Security and surveillance of buildings	16,000		2,000		18,000
2 0 0 9	Other expenditure relating to the acquisition, construction or maintenance of a building	57,000	-3,800	-2,000	-50,000	1,200
<b>2 1</b>	<b>INFORMATION TECHNOLOGY PURCHASES</b>	<b>230,000</b>				<b>230,000</b>
<b>2 1 0</b>	<b>Information technology purchases</b>	<b>230,000</b>				<b>230,000</b>
2 1 0 0	Computer equipment	25,000				25,000
2 1 0 1	Software	140,000				140,000
2 1 0 2	Other external data processing services	65,000				65,000
<b>2 2</b>	<b>MOVABLE PROPERTY AND ASSOCIATED COSTS</b>	<b>55,000</b>				<b>55,000</b>
<b>2 2 0</b>	<b>Technical installations and electronic office equipment</b>	<b>20,000</b>				<b>20,000</b>
2 2 0 0	Technical installations and electronic office equipment	20,000				20,000
<b>2 2 1</b>	<b>Furniture</b>	<b>30,000</b>				<b>30,000</b>
2 2 1 0	Furniture	30,000				30,000
<b>2 2 9</b>	<b>Other movable property and associated costs</b>	<b>5,000</b>				<b>5,000</b>
2 2 9 0	Books, newspapers and documentation	5,000				5,000
2 2 9 1	Cars, transport vehicles, and maintenance and repairs	0				0



Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-May 2013	Transfers June-July within Titles	Transfers July 2013 btw Titles 2 & 3	Budget with transfers
2 2 9 9	Other movable property, and maintenance and repairs	0				0
<b>2 3</b>	<b>CURRENT ADMINISTRATIVE EXPENDITURE</b>	<b>92,000</b>				<b>92,000</b>
<b>2 3 0</b>	<b>Stationery and office supplies</b>	<b>15,000</b>				<b>15,000</b>
2 3 0 0	Stationery and office supplies	15,000				15,000
<b>2 3 2</b>	<b>Financial charges</b>	<b>200</b>				<b>200</b>
2 3 2 0	Bank charges	200				200
2 3 2 1	Exchange rate losses	0				0
2 3 2 9	Other financial charges	0				0
<b>2 3 3</b>	<b>Legal expenses</b>	<b>76,800</b>				<b>76,800</b>
2 3 3 0	Legal expenses	12,000	8,000			20,000
2 3 3 1	Damages	64,800	-8,000			56,800
<b>2 3 5</b>	<b>Other operating expenses</b>	<b>0</b>				<b>0</b>
2 3 5 0	Miscellaneous insurances	0				0
2 3 5 9	Other operating expenses	0				0
<b>2 4</b>	<b>POSTAGE AND TELECOMM.</b>	<b>55,000</b>				<b>58,800</b>
2 4 0 0	Postage and delivery charges	1,200	3,800			5,000
2 4 1 0	Telecommunication charges	53,800				53,800
<b>2 5</b>	<b>EXPENDITURE ON FORMAL AND OTHER MEETINGS</b>	<b>100,000</b>				<b>20,000</b>
2 5 0 0	Meetings in general	100,000			-80,000	20,000
<b>3</b>	<b>OPERATIONAL EXPENDITURE</b>	<b>602,991</b>				<b>732,991</b>
<b>3 0</b>	<b>Support to implementation of BEREC WP 2013</b>	<b>482,991</b>				<b>417,991</b>
<b>3 0 0</b>	<b>Support to implementation of BEREC WP 2013</b>	<b>482,991</b>				<b>417,991</b>
3 0 0 1	Support to the BEREC Expert Working Groups	397,991	-100,000		30,000	327,991
3 0 0 2	Activities under Articles 7 and 7a Framework Directive	35,000			5,000	40,000
3 0 0 3	Collection exchange and transmission of information	50,000				50,000
<b>3 1</b>	<b>Horizontal activities (other support not directly related to BEREC WP)</b>	<b>120,000</b>				<b>315,000</b>
<b>3 1 0</b>	<b>Horizontal activities (other support not directly related to BEREC WP)</b>	<b>120,000</b>				<b>315,000</b>
3 1 0 1	Other support activities to BEREC	65,000	95,000		95,000	255,000

Budget Line	Budget Item Description	Budget 2013 approved by Budgetary Authority	Transfers Jan-May 2013	Transfers June-July within Titles	Transfers July 2013 btw Titles 2 & 3	Budget with transfers
3 1 0 2	Provision of advice and other ad-hoc services to BEREC and other parties	55,000	5,000			60,000

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9 August 2013