II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION REGULATION

of 30 June 1975

ON MEASURES OF IMPLEMENTATION OF CERTAIN PROVISIONS OF THE FINANCIAL REGULATION OF 25 APRIL 1973

(75/375/Euratom, ECSC, EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 78 (c) and (f) thereof;

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 205 and 209 thereof;

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Articles 179 and 183 thereof;

Having regard to the Council Regulation of 25 April 1973 [1] being the Financial Regulation applicable to the general budget of the European Communities, and in particular Article 118 thereof;

Having consulted the European Parliament and the Council;

Having regard to the Opinion of the Court of Justice and of the Economic and Social Committee;

Whereas certain provisions of Articles 18, 19, 23, 40, 41, 42, 45, 49, 56, 57, 59, 62, 64, 67, 68, 74, 78 and 103 of the Financial Regulation of 25 April 1973 provide explicitly that detailed rules for their implementation be drawn up;

Whereas the drawing-up of such rules will not preclude the drawing-up at a later date of other implementing rules for which no formal provision is made in the Financial Regulation but which might subsequently appear expedient,

[1] OJ No L 116, 1. 5. 1973.

HAS ADOPTED THIS REGULATION:

TITLE I

DELEGATION OF POWERS

(Article 18 of the Financial Regulation)

Article 1

The acts by which powers are delegated pursuant to the provisions of Article 18 of the Financial Regulation shall designate by name those members of staff of the institution authorized to sign for and on behalf of the delegating authority.

In such acts reference shall be made to the provisions of the rules of procedure as referred to in the third paragraph of Article 18 setting out the conditions governing the delegation of powers.

Article 2

The said acts, accompanied by a specimen signature of the official to whom the powers have been delegated, shall be communicated:

— to the delegatee;

— to the accounting officer, who may make no payment which has been authorized by officials not empowered to do so;

— to the financial controller, who shall be responsible *inter alia* for verifying the legality and due and proper form of the items of revenue and expenditure;

— to the authorizing officers, in the case of a delegation of powers by the financial controller or by the accounting officer, or of a sub-delegation of powers by authorizing officers within the limits of the powers delegated to them;

— to the Audit Board.

The acts terminating such delegations of powers shall be likewise so communicated.

Article 3

In every case the act of delegation shall specify the limits within which the delegatees are authorized to draw up revenue orders, proposals for commitment of expenditure and payment orders, the numbers of the Articles and items in respect of which the powers have been delegated and, where appropriate, the length of time for which such powers have been delegated.

Article 4

Acting in accordance with the provisions of the Financial Regulation and of this Regulation, each institution shall adopt the measures for administering the appropriations it deems necessary for the proper implementation of the section of the budget for which it is responsible.

TITLE II

RULES APPLICABLE TO THE FINANCIAL CONTROLLER AND TO THE ASSISTANT FINANCIAL CONTROLLERS

(Article 19 of the Financial Regulation)

Article 5

Each institution shall appoint, by a reasoned decision, a financial controller who shall be the official in charge of the control of commitments and authorization of all expenditure and also the control of all revenue falling within the budget of the Communities for which the institution is the authorizing body.

Article 6

The institution may appoint one or more assistant financial controllers. The latter shall report to the financial controller, who shall decide on the powers to be delegated to them. They shall bear the responsibility for the approvals granted by them in pursuance of the powers delegated to them.

Article 7

The financial controller and the assistant financial controllers shall be chosen by the institution from among nationals of the Member States solely on grounds of their particular qualifications.

Article 8

The institution shall place at the disposal of the financial controller the services necessary for the proper discharge of his control duties.

Article 9

All decisions relating to the delegation and subdelegation of powers by the financial controller or by the assistant financial controllers shall comply with the provisions of Articles 1 to 3 above.

Article 10

In carrying out his control duties, the financial controller shall be completely independent and shall be responsible only to the institution. He may not receive any instructions as regards the execution of the duties assigned to him pursuant to the provisions of the Financial Regulation in virtue of his appointment.

The provisions of the preceding subparagraph shall also apply to the assistant financial controllers, within the limits of the powers delegated to them by their immediate superior, the financial controller.

Article 11

The financial controller may present reports to the institution, at any time and on any subject having financial implications, especially as regards sound financial management.

Article 12

The financial controller and the assistant financial controllers shall have access to all supporting documents and to all other documents relating to the expenditure and revenue operations which require to be checked. They may carry out on-the-spot checks.

Article 13

The liability of the financial controller and of the assistant financial controllers to disciplinary action and, where appropriate, to payment of compensation, within the meaning of Article 77 of the Financial Regulation, can be invoked only by the institution itself, in the following circumstances:

The institution shall take a reasoned decision which gives the grounds therefor to conduct an inquiry. This decision shall be communicated to the person concerned and, if he is an assistant financial controller, to the financial controller. The institution may, on its own responsibility, instruct one or more officials of a grade not lower than that of the member of staff concerned and not carrying out the duties of a financial controller, authorizing officer or accounting officer, to conduct the inquiry. During the inquiry the person concerned and, if he is an assistant financial controller, the financial controller, must of necessity be given a hearing.

The report on the inquiry shall be transmitted to the person concerned and, if he is an assistant financial controller, to the financial controller. The person concerned shall then be given a hearing by the institution with regard to that report.

On the basis of the report and of the hearing, the institution shall take a decision to accord the person concerned a discharge in respect of the matter examined or a decision under Articles 22 and 86 to 89 of the Staff Regulations. In either case the decision must be a reasoned one. Decisions involving disciplinary action and/or pecuniary penalties shall be communicated to the person concerned and, for information purposes, to the other institutions, the Audit Board and, if the person concerned is an assistant financial controller, to the financial controller.

The person concerned may lodge an appeal with the Court of Justice, in accordance with the provisions of the Staff Regulations, in respect of such decisions.

Article 14

Without prejudice to the appeal procedures provided for in the Staff Regulations and in the conditions of employment of other servants, the financial controller and the assistant financial controllers may lodge an appeal with the Court of Justice with regard to any act relating to their control duties. Such appeals must be lodged within three months from the date of notification of the act in question.

The provisions of the preceding subparagraph shall apply also to appeals by the institution against its financial controller or its assistant financial controllers.

Appeals shall be investigated and heard as provided in Article 91 (5) of the Staff Regulations.

TITLE III

REGISTRATION OF REVENUE ORDERS

(Article 23 of the Financial Regulation)

Article 15

A revenue order must be drawn up in respect of every document establishing the amount of a debt due to the institution and must be submitted to the financial controller for approval and to the accounting officer for registration before notification of the debt to the debtor.

Article 16

If a document or decision giving rise to a debt cannot be accompanied by a document as aforesaid because the amount of the debt cannot be determined at the time, that document or decision shall be submitted to the financial controller for prior approval and communicated to the accounting officer.

Article 17

The authorizing officer and the financial controller must be informed as soon as possible of each payment received. If in respect of any payment there exists no revenue order drawn up pursuant to Article 15, the authorizing officer shall draw up such an order forthwith.

Article 18

Registration in the budgetary accounts of the revenue orders and of the sums received in respect thereof shall be carried out by the central accounts department of the institution in such manner as to ensure a proper oversight of all debts due to the institution, with a view in particular to enabling the following to be readily ascertained:

— the measures taken giving rise to a debt in favour of the institution;

— the amounts of such debts;

— the due dates for payment of the debts;

— the debts duly discharged;

— the debts which have fallen due and remain unpaid.

Article 19

The central accounts department must be so organized that the financial controller is able to

check, at any given moment, that the registration of sums in the course of collection and of the revenue orders relating thereto are correct, thus enabling him to establish those matters required of him by Article 23 of the Financial Regulation.

TITLE IV

COMMITMENT OF EXPENDITURE

(Article 40 of the Financial Regulation)

Article 20

Before taking any measure which may involve expenditure, the competent authorizing officer must present the financial controller with a proposal for a commitment of expenditure. Such proposals shall in principle be drawn up in accordance with a standard form to be adopted by unanimous agreement by the authorizing officer, the accounting officer and the financial controller. Such proposals for the commitment of expenditure must give the information referred to in Article 41 of the Financial Regulation.

Article 21

Draft decisions of a general nature (1) issued by the institution and containing an obligation to incur expenditure shall be considered to be measures which may involve expenditure.

Article 22

If a decision of principle issued by the institution must precede a given commitment of expenditure, the draft decision of principle shall be transmitted to the financial controller for prior approval. When the institution has adopted the draft decision, an amount corresponding to the expenditure to be incurred shall be reserved thereto out of the appropriations.

At the time of commitment of the expenditure, after approval by the financial controller, the amount so reserved shall be released to cover the corresponding commitment.

The draft document establishing the commitment, drawn up in accordance with the decision to incur the expenditure, shall be the subject of a proposal for a commitment of expenditure which shall be submitted to the financial controller for prior approval and subsequently registered as appropriations committed and to be deducted from those appropriations previously reserved.

(1) This expression is to be interpreted as follows: 'Every measure which, by its very nature, may involve expenditure, without any further decision being required'.

Article 23

Provisional commitments, within the meaning of Article 40 (1) of the Financial Regulation, shall be strictly limited to current expenditure. Individual commitments covered by such provisional commitments do not require to be submitted separately for approval to the financial controller.

In the case of provisional commitments, the authorizing officer shall check, on his own responsibility, that the individual commitments do not exceed the provisional commitment by which they are covered.

The existence of such provisional commitments does not imply that appropriations can be carried forward automatically as provided in Article 6 of the Financial Regulation, unless they correspond at the end of the financial year to financial commitments actually entered into before the deadlines laid down in the Financial Regulation.

Article 24

If in the case of certain measures which may involve expenditure, no exact figures can be given for the expenditure when the relevant proposal for a commitment is presented to the financial controller and communicated to the accounting officer, the authorizing officer must estimate the expected expenditure, and set out in his proposal for a commitment the grounds on which he has arrived at his estimate.

Article 25

All proposals for the commitment of expenditure must be submitted to the financial controller sufficiently early to enable any comments which he might wish to make to be taken into consideration.

Article 26

Proposals for the Commitment of expenditure must be accompanied by all relevant supporting documents and, where appropriate, by any other documents which are necessary to enable the financial controller to establish the matters required of him, as well as by any other information such as would enable the financial controller to assess the transaction from the point of view of sound financial management.

TITLE V

REGISTRATION OF PROPOSALS FOR COMMITMENT OF EXPENDITURE AFTER APPROVAL BY THE FINANCIAL CONTROLLER

(Article 41 of the Financial Regulation)

Article 27

Proposals for commitments shall be registered by the institution's central accounts department. It must be possible to ascertain at any given moment which budgetary items or headings contain the reserved appropriations, the amounts committed, the payments already made in that connection, the payments still to be made and the available appropriations.

Article 28

The central accounts department must be so organized as to guarantee that the financial controller is able to check that the commitments and payments have been registered accurately, so that he can, at any given moment, ascertain the extent to which the appropriations have been utilized and inform the authorizing officers of his findings.

TITLE VI

APPROVAL OF PROPOSALS FOR COMMITMENT OF EXPENDITURE

(Article 42 of the Financial Regulation)

Article 29

Subject to the provisions of Article 30 below, approval shall be given by the placing on the proposal for a commitment of expenditure of the signature of the financial controller or of an assistant financial controller. In addition the words 'approved by the financial controller' shall be stamped on the proposal, and the date on which approval was given shall be shown.

Article 30

In urgent cases such approval may be given in a note or telex message or by any other means which leaves no doubt as to the fact that the proposal for a commitment of expenditure in question has been approved.

Article 31

The approval given shall be deemed to be proof of all the points listed under (a) to (d) of Article 42 of the Financial Regulation.

Article 32

If, pursuant to Article 43 of the Financial Regulation, the higher authority of the institution overrides the financial controller's refusal to give his approval, the decision shall be transmitted to the authorizing officer, who shall return the proposal for a commitment of expenditure together with the decision to the financial controller. The proposal for commitment, together with the decision to override, shall be registered in accordance with the provisions of Article 41 of the Financial Regulation.

Article 33

If the Financial Controller considers inadequate or incomplete the supporting documents provided for in Articles 45 and 49 of the Financial Regulation and further defined in Articles 34 to 40 below, he shall postpone his approval and return the proposal to the authorizing officer, specifying the supporting evidence required.

TITLE VII

SUPPORTING DOCUMENTS

(Articles 45 and 49 of the Financial Regulation)

Article 34

As regards supplies in general, the following in particular shall be considered to be a valid supporting document:

— the invoice drawn up by the supplier, accompanied as appropriate by one of the copies of the document giving rise to the Community's obligation (e.g. order form or contract).

In every case the document drawn up by the supplier must state:

— the nature and quantity of the supplies or, if appropriate, a description of the services rendered in that connection,

— the unit price and total price,

— any exemption from charges and taxes and the amount of any charges, taxes and customs duties in respect of the supply of the goods included in the price.

In addition, the authorizing officer, or the official to whom he has delegated authority, must on such document:

— declare that the supplies have been duly received, with the date and place of such receipt,

— in cases where the supplies are required to be entered in the inventory, declare that they have been so entered,

— declare that all items in the invoice have been checked,

— in cases where the Opinion of the Advisory Committee on Purchases and Contracts is required, record of such Opinion.

The like items may be given on a goods receipt certificate.

Article 35

In the case of services, the invoice (or other note of charges) drawn up by the person providing the services shall be considered to be a valid supporting document.

The document must:

— state the nature of the service, and where appropriate its unit price, together with the total price and any exemption from charges and taxes or, in so far as this is possible, the amount of any charges and taxes in respect of the service included in the price;

— bear the words 'passed for payment' placed on it by the authorizing officer or by the official to whom he has delegated authority, certifying that the service has been rendered properly and that all the items in the invoice (or other note of charges) have been checked.

Article 36

In the case of study and research contracts, the following shall be considered to be valid supporting documents:

(a) a copy of the contract and of any supplementary agreements, to be attached to the first order for payment;

(b) any document which, pursuant to the financial provisions in the contract, establishes entitlement to the corresponding payments (requests from the contractor, invoices, requests from the management committee in the case of contracts by way of joint venture, or any other document substantiating expenditure). The final payment must of necessity be accompanied by a document drawn up by the authorizing officer certifying that the service has been rendered.

Article 37

In the case of expenditure on staff, the following shall be considered to be supporting documents:

(a) *in respect of the monthly salary:*

— the complete list of staff, giving all the components of the remuneration. This list shall be attached to the payment voucher;

— a form (personal information sheet) showing any change occurring in any component of the remuneration. Each form shall be drawn up on the basis of the individual decisions taken in respect of the particular member of the staff concerned;

— in the case of recruitments or appointments, a certified true copy of the decision in respect of recruitment or appointment shall accompany the first salary payment;

(b) *in respect of other remunerations:*
(staff paid on an hourly or daily basis)

— a statement drawn up by the authorizing officer showing the days and hours of attendance;

(c) *in respect of overtime:*

— a statement signed by the official empowered to do so certifying the amount of overtime worked by the member of staff;

(d) *in respect of mission expenses:*

— the travel order duly signed by the competent authority;

— the 'detailed account of mission expenses' showing, in particular, the place of mission, the date and time of departure from and arrival at the place of mission, travel expenses, subsistence expenses, and other expenses duly authorized on the production of supporting documents; this detailed account shall be signed by the official on mission and by the administrative superior to whom the appropriate powers have been delegated;

(e) *in respect of other expenditure on staff:*

— the supporting documents referring to the decision on which the expenditure is based and giving all the components of the expenditure.

Article 38

In the case of all commitments which involve payments in instalments, a certified true copy of the contract shall be attached to the first payment voucher. Reference to that document and to the preceding payment(s) shall be made on the other payment vouchers.

Article 39

If a single supporting document covers several payments, all the payment vouchers shall bear a reference to the original document.

Article 40

Except in the cases referred to above, if an original supporting document cannot be produced, a certified true copy may be substituted for it by the authorizing officer, who must explain why the original could not be produced and must certify that the payment has not been made.

TITLE VIII

BANK OR POST OFFICE GIRO ACCOUNTS

(Article 56 of the Financial Regulation)

Article 41

When carrying out financial transactions the institution may open bank and/or post office giro accounts in the Community countries and where necessary in non-member countries.

Article 42

The institution may also hold accounts with the bank of issue in every Member State or with the approved financial institution.

Article 43

The institution shall communicate to all the financial institutions with which it holds accounts the names and specimen signatures of the staff specifically authorized by it to open and operate such accounts.

Article 44

The operation of such accounts shall require the signatures of two duly authorized members of the staff, one signature of necessity being that of the accounting officer, an assistant accounting officer or an administrator of advance funds.

Article 45

As a general rule, payments:

— of the monthly remuneration of officials and other staff;

— of expenditure relating to supplies or services exceeding 100 units of account;

must be made by cheque or by postal or bank transfer order.

TITLE IX

ADVANCE FUNDS OFFICES

(Article 57 of the Financial Regulation)

Article 46

The setting up of advance funds offices shall be subject to a decision by the authorities set out in Article 18 of the Financial Regulation, on a proposal from the authorizing officer, after a favourable opinion from the accounting officer and from the financial controller.

Article 47

The appointment of an administrator of advance funds shall be subject to a decision by the authorities set out in Article 18 of the Financial Regulation, on a proposal from the authorizing officer, after a favourable opinion from the accounting officer.

Such decision shall indicate the responsibilities of the administrator of advance funds.

Article 48

The decisions referred to in Articles 46 and 47 above shall be communicated to the authorizing officers, the financial controller, the accounting officer and the Audit Board.

Article 49

The decision setting up an advance fund office shall specify, in particular:

(a) the maximum amount of the advance which can be granted;

(b) whether a bank or post office giro account is to be opened in the name of the institution concerned;

(c) the nature and maximum amount of every payment which may be made without prior authorization;

(d) the time within which supporting documents must be produced and the procedure for producing them;

(e) the procedure to be applied in the event that an advance has to be repaid;

(f) the deadline for final adjustment and settlement in respect of operations effected by the advance funds offices.

Article 50

Every administrator of advance funds shall be responsible to the authorizing officer for the collection of sums due to it, and to the accounting officer for the making of payments.

Article 51

He shall keep account of the funds at his disposal and of the expenditure effected, in accordance with the instructions of the accounting officer.

Article 52

The administrator of advance funds shall make all the necessary provisions to safeguard the funds at his disposal.

Article 53

Without prejudice to the control carried out by the financial controller, the accounting officer must himself, or through an assistant accounting officer, carry out checks, which should normally be effected on the spot and without warning, on the funds allocated to the administrators of advance funds and on their accounts.

Article 54

The accounting officer and the financial controller shall inform each other of the results of their checks and shall communicate them to the authorizing officer.

TITLE X

INVITATIONS TO COMPETITIVE TENDER

(Article 59 of the Financial Regulation)

Article 55

Invitations to competitive tender shall, as far as possible, follow a standard form or a standard text.

Article 56

Every invitation to tender shall in particular:

(a) specify the procedure for submitting tenders, including in particular any requirement as to the use of a standard reply form;

(b) state whether the Protocol on privileges and immunities applies and make reference to the general conditions applicable to the contract concerned (supplies, work, services or publications) and to any document containing conditions specifically applicable to the particular contract concerned;

(c) include a clause stating that the submission of a tender implies acceptance of the relevant conditions;

(d) specify the terms under which an inspection may be made, to be set out in detail in the case of on-the-spot inspections;

(e) specify the period during which a tender will remain valid and may not be varied in any respect;

(f) specify the penalties for failure to comply with the provisions of the contract;

(g) specify the details which must be contained in the invoices (or in the supporting documents thereto) in accordance with the provisions of Title VII;

(h) prohibit any contact between the institution and tenderers save, by way of special exception, under the following conditions:

1. before the closing date for the submission of tenders:

— at the instance of tenderers:

additional information solely for the purpose of clarifying the nature of the

invitation to tender may be communicated to tenderers;

— at the instance of the institution:

if the departments of the institution notice an error, a lack of precision, an omission or any other type of material defect in the text of the invitation to tender, they may, in the manner identical to that applicable in respect of the original invitation, inform accordingly the persons concerned;

2. after the tenders have been opened and at the instance of the departments of the institution:

if some clarification is required in connection with a tender, or if obvious material errors contained in the tender must be corrected, then the institution may contact the tenderer.

Article 57

In every case where contact has been made under the conditions provided for above (Article 56 (h)), a 'note for the file' shall be drawn up and such contact shall be mentioned in the report to be submitted subsequently to the Advisory Committee on Purchases and Contracts.

Article 58

The general conditions applicable to the proposed contract shall be joined with the invitation to tender. Any document containing conditions specifically applicable to the particular contract concerned shall also be so joined.

Article 59

The deadline for the submission of tenders shall be fixed according to the nature of the contract, and shall be dependent on the length of time necessary for the preparation of the reply to the invitation to tender.

Article 60

Tenderers may submit tenders:

— either by post:

in such case the invitation to tender must specify that the relevant date shall be that of postage, the post-mark to be conclusive evidence as to such date (tenders submitted by post must be registered);

— or by delivery in person to the institution:

in such case the invitation to tender must state the date and time by which tenders must be submitted and specify the department to which they must be delivered against a signed and dated receipt.

The date must in both cases be the same.

In order to maintain secrecy and to avoid any difficulties, the invitation to tender must include a provision as follows:

'Tenders must be submitted in a sealed envelope itself enclosed within a second sealed envelope. The inner envelope shall bear, in addition to the name of the department to which it is addressed, as indicated in the call for tender, the words "*Call for tender — Not to be opened by the registry*". If self-adhesive envelopes are used they shall be sealed with adhesive tape across which the sender shall place his signature.'

Article 61

Every tender must be opened.

Tenders which do not satisfy the conditions laid down in the invitation to tender shall be eliminated.

Article 62

All tenderers shall be informed of the decision taken with regard to their tenders.

TITLE XI

RULES OF PROCEDURE FOR THE ADVISORY COMMITTEE ON PURCHASES AND CONTRACTS (ACPC)

(Articles 62 and 103 of the Financial Regulation)

Article 63

The ACPC shall be required to give its opinion in an advisory capacity, in accordance with the provisions of Articles 62, 63 and 103 of the Financial Regulation, on:

(a) all proposed contracts for work, supplies or services involving amounts exceeding those given

in Articles 62 and 103 of the Financial Regulation and on proposed purchases of immovable property, irrespective of the amount involved;

(b) any proposed agreement supplementary to any contract as referred to in (a) whenever the effect of such supplementary agreement would be to alter the amount involved in the original contract;

(c) any proposed supplementary agreement the effect which would be to raise the total amount involved in a contract already concluded above the limits referred to in (a);

(d) the standard forms and texts for invitations to competitive tender and on any proposed texts involving an appreciable deviation from such standard texts;

(e) proposed invitations to tender which are particularly important or are of a special nature;

(f) questions arising at the time of conclusion or in the course of performance of contracts (e.g. cancellation of orders, requests for waiver of penalties for delay, departures from the specification and waiver of general conditions of contract), should the matter be sufficiently serious to justify a request for an opinion;

(g) at the request of the competent authorizing officer or of a member of the Advisory Committee on Purchases and Contracts, proposed contracts involving an amount below the limits referred to in (a), where he considers that such contracts involve questions of principle or are of a special nature.

Article 64

The Advisory Committee on Purchases and Contracts shall make:

(a) recommendations with regard to the general supply policy both within and outside the Community and shall carry out, or have carried out, such investigations and studies as may be necessary in that respect;

(b) recommendations with regard to general conditions for purchases and contracts.

Article 65

The files submitted to the Advisory Committee on Purchases and Contracts for an opinion shall be accompanied by a report drawn up and presented by the competent official or by an alternate appointed by the authorizing officer.

Article 66

In every case the committee shall give an opinion, which shall be signed by the Chairman. Such opinions shall be communicated to the departments concerned.

Article 67

Every Advisory Committee on Purchases and Contracts shall draw up its own rules of procedure, which shall be communicated to the Advisory Committees on Purchases and Contracts in the other institutions.

TITLE XII

PRELIMINARY DEPOSIT BY WAY OF GUARANTEE OF PERFORMANCE OF CONTRACTS

(Article 64 of the Financial Regulation)

Article 68

When, by way of guarantee of performance of the contract, the supplier or contractor is required to provide a preliminary deposit, such deposit must in principle consist of a payment made to the institution in the same currency as that prescribed for the payment to be made for the supplies or work.

Article 69

Such preliminary deposit may be replaced by a joint and several personal guarantee given by a third party approved by the institution.

Article 70

The usual supporting documents accompanying the first payment order drawn up pursuant to a contract requiring the provision of a preliminary deposit shall be supplemented by a copy, certified true by the accounting officer, of the receipt issued when the preliminary deposit was paid, or by a copy, certified true by the accounting officer, of a declaration from the establishment or third party providing the guarantee.

Article 71

Preliminary deposits shall be repaid, or the guarantees given in place thereof discharged, in

accordance with the provisions relating to the conclusion of contracts, except in cases of non-performance or late performance as referred to in the final paragraph of Article 64 of the Financial Regulation.

TITLE XIII

MINIMUM VALUE FOR MOVABLE PROPERTY TO BE ENTERED IN THE INVENTORY

(Article 67 of the Financial Regulation)

Article 72

Entries must be made in the inventory for all movable property:

— with an original value of not less than 30 units of account (100 units of account in the case of movable property of a scientific or technical nature (1)), and

— of which the normal useful life exceeds one year (two years in the case of movable property of a scientific or technical nature (1)), and

— which is not an item of consumer goods.

TITLE XIV

ADVERTISEMENT OF SALES OF MOVABLE PROPERTY

(Article 68 of the Financial Regulation)

Article 73

The sale of movable property shall be:

(a) suitably advertised locally if the original unit price exceeds 2 000 units of account;

no advertisement shall be necessary if that price was less than 2 000 units of account;

(b) advertised by a notice of sale published in the *Official Journal of the European Communities* if the original unit price was equal to or greater than 100 000 units of account. Such sales may also be suitably advertised in the press of the Member States.

Advertisements in the press shall not be necessary if the cost involved would outweigh the benefit to be gained therefrom.

TITLE XV

METHOD FOR DRAWING-UP AND OPERATING THE ACCOUNTING SYSTEM

(Article 74 of the Financial Regulation)

Article 74

Drawing-up of the accounting system

The accounting system shall be divided into two separate parts:

— budgetary accounts,

— general accounts.

Article 75

Budgetary accounts

1. The budgetary accounts shall show, for every subdivision of the budget:

— the amounts to which entitlement is established in the course of the financial year and the amounts received during that year,

— the commitments entered into and payments made in the course of the financial year.

2. Separate accounts shall be opened so that the use of appropriations carried over and the collection of outstanding debts can be recorded separately.

3. The accounts may be itemized in order to provide a basis for an analysis of the results.

4. The accounts shall be kept in books, or on sheets, or may be stored in a computer.

Article 76

General accounts

1. The purpose of the general accounts shall be to enable the institution's situation in respect of assets and liabilities to be ascertained.

(1) Defined in connection with the Joint Research Centre in the 'recueil des instructions relatives aux inventaires' (Doc. 13.131/XV/1968-F) and the 'nomenclature des matériels — canevas général' (Doc. EUR/C/5115/65-F and updatings).

2. The accounting system to be used for the general accounts shall be drawn up on the basis of a decimal system of classification.

3. The following types of account, at least, shall be kept:

Type 1: capital account,
Type 2: fixed asset accounts,
Type 3: stock accounts,
Type 4: sundry personal accounts,
Type 5: accounts for cash in hand and at bank,
Type 6: expenditure accounts,
Type 7: income accounts,
Type 8: outturn accounts.

4. Each of these types of account shall comprise groups (with a two-digit code) which, in their turn, shall be subdivided into sub-groups (with a three-digit code), and the latter shall be divided into accounts (with a five-digit code).

5. Type 4 'personal accounts' shall record all operations with third parties, including their adjustment accounts.

Type 4 shall comprise the following principal groups:

— advances to staff,
— accounts with the other institutions,
— sundry debtors and creditors,
— funds to be transferred,
— revenue and expenditure to be charged to accounts,
— memorandum accounts for the re-utilization of income,
— balancing accounts,
— departments with separate accounts (sickness fund),
— adjustment accounts for transfers of scientific and technical equipment between various research and investment objectives.

6. Type 5 'accounts for cash in hand and at bank' shall indicate the transactions in securities, transactions by the cash offices, bank and postal cheque transactions, and transactions carried out by the assistant accounting officers and the administrators of advance funds.

Type 5 shall comprise the following principal groups:

— shares and securities on deposit,
— accounts of the cash offices,
— bank accounts,
— postal cheque accounts,
— accounts of the assistant accounting officers,
— accounts of the administrators of advance funds.

7. Type 6 'expenditure accounts' shall record the gross amounts of items of expenditure entered in the budgetary accounts.

Separate accounts shall be opened for expenditure relating to:

— appropriations for the current financial year,
— appropriations carried over pursuant to Article 6(1)(b) of the Financial Regulation,
— appropriations carried over pursuant to Article 6(1)(c) of the Financial Regulation.

8. Type 7 'income accounts' shall indicate the gross amounts to which entitlement is established, as entered in the budgetary accounts.

Separate accounts shall be opened for the entitlements established:

— in the course of the current financial year,
— still outstanding from previous financial years.

9. Type 8 'outturn accounts' shall show the outturn of the financial year:

— sums outstanding and sums received in excess,
— debtor and creditor Member States,
— surplus for the financial year.

10. Each institution shall draw up an accounting system along the lines set out above. It shall create groups, subgroups and individual accounts depending on its particular needs.

Article 77

Operation of the accounting system

1. The general accounts shall be kept for each calendar year using the double entry method.

2. The accounts shall be kept in books, or on sheets, or may be stored in a computer.

3. The accounting system shall enable the overall balance of the accounts to be drawn up, i.e., the statement of all the institution's assets and liabilities accounts, including the balanced accounts with, in each case:

— the account number,
— the heading,
— total debits,
— total credits,
— balance.

4. The accounting system shall be so kept as to enable a detailed analysis of the balances of personal accounts to be made.

5. The current accounts with the other institutions shall be settled periodically.

6. The suspense accounts shall be kept under constant review and shall be settled as soon as possible, and at any event within period specified in Article 73 of the Financial Regulation.

7. The purpose of the memorandum accounts for re-utilization shall be to make it possible to monitor the re-utilization of the types of income specified in Article 22 (b) of the Financial Regulation and to enable the statement provided for in the last subparagraph of Article 82 (1) and (2) to be drawn up.

8. The cash (bank and postal cheque) accounts shall be kept in national currency and also in the currency in which the accounts as a whole are kept.

9. The accounts of the Joint Research Centre shall be included in the Commission's general accounts.

TITLE XVI

INSURANCE OF ACCOUNTING OFFICERS, ASSISTANT ACCOUNTING OFFICERS AND ADMINISTRATORS OF ADVANCE FUNDS — SPECIAL ALLOWANCE; CATEGORIES OF OFFICIALS OR OTHER STAFF QUALIFIED TO BE APPOINTED ACCOUNTING OFFICERS OR ADMINISTRATORS OF ADVANCE FUNDS

(Article 78 of the Financial Regulation)

Article 78

The accounting officer shall be appointed by each institution from among officials of categories A and B who are nationals of the Member States.

Assistant accounting officers shall be appointed by each institution from officials of categories A and B who are nationals of the Member States.

Category C officials may be appointed assistant accounting officers if they are regularly called upon to handle funds. However, these officials shall have no power to sign in their capacity as assistant accounting officers for purposes of Article 56 of the Financial Regulation.

The administrators of advance funds shall be chosen from officials of categories A, B or C, or, should the need arise, from other staff having a status equivalent to those categories.

Article 79

The accounting officer, assistant accounting officers and administrators of advance funds shall insure themselves, through the institution, against the financial risks inherent in their duties.

Article 80

The premiums for this insurance shall be paid directly to the insurer by the institution.

Article 81

Without prejudice to:

— Articles 86 to 89 of the Staff Regulations of the European Communities and conditions of employment of other servants of the Communities,

— Article 78 of the Financial Regulation applicable to the general budget of the European Communities,

— the institution's right of recovery *vis-à-vis* third parties,

the institution shall itself bear all risks and losses not covered by the insurers, in so far as the amounts credited to the guarantee account opened in the name of the official whose liability is involved are not sufficient for this purpose.

Article 82

The monthly amount of the special allowance referred to in Article 78 of the Financial Regulation shall be:

— 60 units of account for the accounting officer,

— 40 units of account for assistant accounting officers,

— 20 units of account for administrators of advance funds, where the amount that they administer is equal to or greater than 1 000 units of account and where the period of administration is equal to or greater than 30 consecutive days.

The date on which the allocation of this allowance shall take effect shall be the date of entry into force of the new Financial Regulation, namely 1 May 1973.

Article 83

A guarantee account in the name of each person entitled to the allowance as aforesaid shall be opened by the institution with a bank in the place where the accounting officer performs his duties. This account shall be credited each month with that allowance and debited by the amount of the deficit for which the person concerned is declared liable by the institution which appointed him, in so far as such deficit is not covered by sums recoverable from the insurers.

Article 84

When an accounting officer, assistant accounting officer or administrator of advance funds terminates his duties, any balance standing to his credit in the guarantee account shall be paid to him or to those lawfully claiming through him, after a decision has been taken by the authorities referred to in Article 18 of the Financial Regulation and the final discharge referred to in Article 80 of the Financial Regulation has been granted, and after the approval of the accounting officer, save where he himself is concerned, and that of the financial controller have been given.

The requisite measures shall be taken to ensure that a guarantee account can be debited only if two signatures are given, one of which must be that of the accounting officer.

In no case may the signature of the person in whose name the account stands be used for the purpose of debiting the account.

TITLE XVII

GENERAL AND FINAL PROVISIONS

Article 85

The amounts specified in Articles 45, 72, 73 and 82 shall be adjusted in accordance with variations in the Belgian consumer price index, the index for reference being that of 1971 (100), every time that the size of the variation reaches:

— 50 % in the case of the amounts specified in Articles 45, 72 and 73,

— 10 % in the case of the amounts specified in Article 82.

The Commission shall determine the new amounts, rounded off to the nearest unit of account above or below, and shall communicate them to the other institutions.

Article 86

The provisions of this Regulation shall not be without prejudice to the operation of the special provisions of the Financial Regulation which are applicable to the European Social Fund (Title VIII of the Financial Regulation), the European Agricultural Guidance and Guarantee Fund (Title IX of the Financial Regulation), the European Regional Development Fund (Title Xa of the Financial Regulation [1]) and the Office for Official Publications of the European Communities (Annex I to the Financial Regulation).

Article 87

Within six months of the date of entry into force of this Regulation, the institutions shall inform the Audit Board of the provisions that they have adopted in order to apply it.

Article 88

The present measures in implementation of the Financial Regulation shall take effect on 1 July 1975.

Done at Brussels, 30 June 1975.

For the Commission

The President

François-Xavier ORTOLI

[1] OJ No L 73, 21. 3. 1975, p. 46.