



## OCCAR Management Procedure

Title:	<b><u>Financial Rules</u></b>	
Number:	OMP 10	Date: 15/11/11
Computer Ref:	OMP 10 Financial Procedures_issue 5 151111	
Current status:	Issue 5	
Contact address:	Finance Division, OCCAR-EA Bonn Email: <a href="mailto:questions@occar.int">questions@occar.int</a>	

--

OCCAR File Ref: Previous Ref: CO/322/1830/Q/7
---

This document replaces: OMP 10, Issue 4, dated 24/11/10

## Record of changes

Date	Issue	Changes
08/09/06	1	Creation of the document, following final staffing of Issue 1 Draft 9.1 by the 27 <sup>th</sup> Finance Committee, on 06 September 06.
18/03/08	2	Modification of paragraphs 4.3 "Budgetary Transfer", 7.3 "FM Statements" and 13.2 "Write Off Procedure – Administrative Budget", as agreed at 32 <sup>nd</sup> Finance Committee, on 21 November 07. Consequently deletion of reference to OMP 4.5.1.3 in paragraph 1.1.
25/03/09	3	Incorporation of CO-PS concept within paragraphs 3.6.1, 3.8.1, 3.9 and 3.10, as agreed at 35 <sup>th</sup> Finance Committee, on 14 October 08. Additional minor editorial changes in paragraph 3.10, as discussed at 36 <sup>th</sup> FC.
24/11/10	4	New paragraphs 1.6 Programme financial activity, 5.14 Programme decision closure and 5.5 Cash Forecast. New budget preparation calendar (paragraph 3.2). Amendment of the sites and CO/PS screening and endorsement process. Other various changes.
15/11/11	5	Creation of DNE Budget. Creation of new format AFP. Additional rules where AB is not approved in sufficient time. Additional rules concerning Administrative Investments. Move to full cash IPSAS.

# Table of Contents

<b>1.</b>	<b>1. Introduction</b>	<b>7</b>
1.1	Scope and Aim	7
1.2	Authority	7
1.3	Implementation and Administration	7
1.4	Internal Management Documentation	7
1.5	Financial Year	7
1.6	Programme Financial Activity	7
<b>2.</b>	<b>OCCAR Management Organisation</b>	<b>8</b>
2.1	Board of Supervisors (BoS)	8
2.2	Programme Boards (PBs)	8
2.3	Finance Committee (FC)	8
2.4	Programme Committees (PCs)	8
2.5	Future Tasks and Policy Committee (FTPC)	8
2.6	The Director of OCCAR-EA	8
2.7	Finance Division	8
<b>3.</b>	<b>Budget and Financial Plan Preparation and Approval</b>	<b>9</b>
3.1	Budget Requirement	9
3.2	Budget Preparation	9
3.3	Budget Submission	9
3.4	Programme Operational Budget Approval Delegation	9
3.5	Budget Responsibility	10
3.6	Budget Structure and Nomenclatures	10
3.6.1	Administrative Budget	10
3.6.2	Programme Operational Budgets	11
3.7	Financial Plans	11
3.8	Budget Funding Keys	12
3.8.1	Administrative Budget	12
3.8.2	Programme Operational Budgets	13
3.9	External Budget Screening	13
3.10	Budget Approval	13
3.11	Revised Budgets	13
3.12	Provisional Budget Authorisations	14
3.12.1	Administrative Budget	14
3.12.2	Programme Operational Budgets	14
3.12.3	BoS Information	14
3.13	New Programme Divisions	14
<b>4.</b>	<b>Management of Budgets and Commitments</b>	<b>14</b>
4.1	Commitments	14
4.1.1	Administrative Budget	14
4.1.2	Programme Operational Budgets	15
4.2	Application of Carry Forward (AB) and Carry Over (POB)	15
4.3	Budgetary Transfer	16
4.3.1	Inter-Chapter Transfers	16
4.3.2	Intra-Chapter Transfers	16
4.3.3	Reporting	16
4.4	Forecast of Outturn (FOO)	16
4.5	Administrative investments	17
<b>5.</b>	<b>Management of Funds</b>	<b>17</b>
5.1	Issuing Call for Funds	17
5.2	Information Attached to a CFF	18
5.3	Amount of a CFF	18

5.4	Cancelling a CFF .....	19
5.5	Cash Forecast.....	19
5.6	Reimbursement of Funds.....	19
5.7	Payment of Contributions .....	19
5.8	Delayed Contributions .....	19
5.9	Short Term Borrowing.....	20
5.10	Long Term Borrowing.....	20
5.11	Interest 20	
5.12	Foreign Exchange Transactions.....	21
5.13	Placement Policy.....	21
<b>6.</b>	<b><u>Payments and Revenues .....</u></b>	<b>21</b>
6.1	Payment Authorisation .....	21
6.2	Payment Instruction.....	21
6.3	Bank Accounts.....	22
6.4	Deposits .....	22
6.5	Revenues.....	22
<b>7.</b>	<b><u>Financial Management (FM).....</u></b>	<b>22</b>
7.1	FM Requirement .....	22
7.2	FM Responsibility .....	23
7.3	FM Statements .....	23
<b>8.</b>	<b><u>Financial Accounting .....</u></b>	<b>23</b>
8.1	Guiding Principle.....	23
8.2	Accounting Practices .....	23
8.3	FS Requirement .....	23
8.4	FS Responsibility and Submission .....	24
8.5	FS Format .....	24
8.6	FS Closing and Book-Keeping.....	24
8.7	FS Approval.....	24
8.8	Financial Records and Vouchers .....	24
<b>9.</b>	<b><u>Internal Controls.....</u></b>	<b>25</b>
9.1	Internal Control .....	25
9.2	Internal Audit .....	25
<b>10.</b>	<b><u>External Audits.....</u></b>	<b>25</b>
10.1	Board of Auditors (BoA).....	25
10.2	National External Audits .....	25
<b>11.</b>	<b><u>Property Administration.....</u></b>	<b>25</b>
11.1	Inventory.....	25
11.2	Depreciation.....	25
<b>12.</b>	<b><u>Write Off .....</u></b>	<b>26</b>
12.1	General 26	
12.2	Write Off Procedure – Administrative Budget.....	26
12.3	Write Off Procedure – Programme Operational Budgets .....	26
12.4	Obsolete Items .....	26
<b>13.</b>	<b><u>Taxes.....</u></b>	<b>27</b>
13.1	VAT 27	
13.2	Other Taxes .....	27
<b>14.</b>	<b><u>Final Provisions .....</u></b>	<b>27</b>
<b>15.</b>	<b><u>Annexes .....</u></b>	<b>27</b>

## List of acronyms

AMFC	Administrative Maximum Financial Commitment
BLI	Budget Line Item
BoA	Board of Auditors
BoS	Board of Supervisors
CFF	Call for Funds
CO	Central Office
CO-PS	Central Office – Programme Support
DNE	Detached National Expert
FC	Finance Committee
FOO	Forecast of Outturn
FS	Financial Statement
FY	Financial Year
IFAC	International Federation of Accounting Committees
IPSAS	International Public Sector Accounting Standards
OMFC	Operational Maximum Financial Commitment
OMP	OCCAR Management Procedure
PB	Programme Board
PD	Programme Division
PC	Programme Committee
VAT	Value Added Tax
VOP	Variation of Price

## List of definitions

Acronyms & Words	Definition
AB	The AB (Administrative Budget) is the amount of expenditure authorised to cover activities associated with the internal functioning of OCCAR-EA for one year. It corresponds to the “administrative section” used in article 35 of the Convention.
AFP	The AFP (Administrative Financial Plan) makes, for each Programme Decision, the comparison between the Programme Decision AMFC and the total estimated administrative cost of the programme. The first year is the AB.
AMFC	See OMP 2 Annex B section 1 and 9
AOB	The AOB (Aggregated Operational Budget) shows the total amount of each POB. It corresponds to the “operational section” used in article 35 of the convention.
CFF	The CFF (Call For Funds) is the document prepared and issued by OCCAR-EA through which the organisation seeks from the nations the funds which are necessary to make its estimated payments for the following months.

Financial Commitment	The financial commitment is the amount of money OCCAR shall be obliged to pay in order to fulfil its financial obligations. OCCAR financial commitments result the most often, but not only, from contractual commitments, including staff costs.
Contribution	The Contribution is the financial participation granted by a Nation to OCCAR-EA in response to a CFF.
Investment	The purchase of a good or service with an expectation of favourable future returns in the long term.
Liabilities	The liabilities are the present obligations of OCCAR, the settlement of which is expected to result in an outflow of financial resources.
Member States	Those States which are parties to the OCCAR Convention
Non-member Participating States	Those States which participate in an OCCAR managed programme but are not party to the OCCAR Convention
OFP	The OFP (Operational Financial Plan) gives, for each Programme Decision, the yearly estimated payments which will occur for the five years to come in yearly detail together with a summation of the remaining years of the authorised programme, a summation of past costs of the previous years and makes the comparison between the total estimated operational cost of the programme and the OMFC as indicated in the Programme Decision. The first year is the POB.
OMFC	See OMP 2 Annex B section 1 and 9
Outturn	Actual disbursement or payments
POB	The POB (Programme Operational Budget) is the amount of expenditure authorised to cover the operational costs of a programme for one year. It is inclusive of VAT and VOP where this is applicable.
Programme Decision	The Programme Decision is the legal binding decision taken by the Programme Board representatives of the participating states, which defines the scope, high level objectives, organisation and management of the programme. High-level objectives include cost, delivery schedule and performance.
Property	Comprise all equipment, goods and supplies purchased using Administrative Budget funds or given by nations.
Unpaid Invoices	Invoices received by OCCAR that remain unpaid at the end of the FY.
Revenue	The Revenue is the amount of funds received by OCCAR-EA whatever its origin.

## **1. Introduction**

### **1.1 Scope and Aim**

This OMP sets out the governing principles and fundamental rules under which OCCAR shall undertake the management of its financial administration, including the financial relationship between OCCAR-EA Member States and Non-member Participating States. It has to be applied to all financial activities of the organisation and adhered to by all OCCAR-EA staff.

The principal aim of this OMP is to provide OCCAR with the financial organisation and tools that it needs to manage its programmes in the most effective way in order to successfully fulfil OCCAR's obligations to the member States and Non-member Participating States for those programmes. Through approval of this OMP, the BoS delegates financial powers to the OCCAR-EA Director (hereinafter referred to as "the Director"), Committees and Boards as set out below.

### **1.2 Authority**

This OMP is established in accordance with Chapter IX (Article 34) of the Convention.

### **1.3 Implementation and Administration**

The Director has overall responsibility for the implementation of this OMP and to ensure that it is reviewed and updated as required.

By delegation of the Director, the day-to-day implementation and administration of this OMP shall be the task of the Head of Finance Division who is the Senior Finance Officer<sup>1</sup>. Proposals for amendments to this OMP shall be examined and assessed by the Finance Committee prior to submission to the BoS for approval.

### **1.4 Internal Management Documentation**

Appropriate internal OCCAR-EA Procedures (IPs), Office Instructions (OFIs) and Internal Guidelines (IGs), which shall strictly comply with the provisions contained in this OMP, shall detail and precise this OMP. These IPs, OFIs and IGs shall be made available to the national representatives to the Finance Committee.

### **1.5 Financial Year**

OCCAR's financial year (FY) shall be the calendar year from 1 January to 31 December.

### **1.6 Programme Financial Activity**

Any financial activity undertaken by OCCAR and relating to a programme, whether it is administrative or operational, such as, taking a financial commitment, setting up a budget, issuing a Call for Funds or making a payment must be covered by a Programme Decision in force, except in specific cases of paragraphs 3.6.1 (DNE budget area) and 5.1. As a consequence, when the term of a Programme Decision gets closer, OCCAR-EA must ensure that all financial activities relating to that

---

<sup>1</sup> The most senior (by grade) officer within OCCAR-EA with a professional finance background. This is normally the Head of Finance Division. He is the Director's prime source of financial advice to the Finance Officers in the PDs.

Programme Decision can be performed before its term. If not, an extension of the Programme Decision or any other solution must be put in place.

## **2. OCCAR Management Organisation**

OMP 3 defines OCCAR Corporate organisation; the main points relevant to this OMP are:

### **2.1 Board of Supervisors (BoS)**

The BoS directs and supervises OCCAR-EA and all committees and decides all matters concerning the implementation of the OCCAR Convention including financial matters.

### **2.2 Programme Boards (PBs)**

PBs perform the high level management of the programmes and make major decisions relating to them in accordance with its terms of reference defined in OMP 3 including financial matters.

### **2.3 Finance Committee (FC)**

The FC shall be responsible for the direction of all financial matters in accordance with the delegated authority given by the BoS through the FC Terms of Reference defined in OMP 3. The FC shall monitor, on behalf of the BoS, the operation and effectiveness of OCCAR-EA's financial management and shall propose to the BoS the general policies on OCCAR financial matters.

### **2.4 Programme Committees (PCs)**

The PCs shall oversee the management of the programmes, including the financial aspects, in accordance with the authority delegated to them.

### **2.5 Future Tasks and Policy Committee (FTPC)**

The FTPC, in accordance with its terms of reference defined in OMP 3 or its delegated authority given by the BoS, may draw up specific policy that might affect indirectly financial and administrative matters within OCCAR-EA. The FTPC is authorised, by delegation from the BoS, to release funds on a case-by-case basis from the Unspecified Investment Budget Line of the AB.

### **2.6 The Director of OCCAR-EA**

The Director exercises his authority to manage all financial operations as have been delegated to him by the BoS, under Chapter V Article 21 of the Convention and the Director's ToR defined in OMP 3. In particular, the Director holds overall responsibility for financial planning, budgeting, in year management and accounting. In fulfilling his responsibilities to the BoS, the Director is entitled to formally sub-delegate, to the fullest extent possible, authority further within OCCAR-EA.

### **2.7 Finance Division**

The Finance Division shall operate and co-ordinate all budgetary, financial planning and accounting functions within OCCAR-EA and shall support Programme Divisions (PDs) in financial matters. The Head of the Division shall maintain the accuracy, reliability and relevancy of the financial information produced and ensures the

identification of OCCAR's financial risks. Head of FD is responsible to the Director and is his primary source of advice on OCCAR's financial issues.

### **3. Budget and Financial Plan Preparation and Approval**

#### **3.1 Budget Requirement**

OCCAR-EA is required, to prepare annually, under Article 35, an Administrative Budget containing funding required to cover all activities associated with the internal functioning of OCCAR-EA and an Aggregated Operational Budget (AOB). Both shall be in accordance with the relevant Programme Decisions.

#### **3.2 Budget Preparation**

The budget preparation process shall consist of three phases. The process is structured as follows:

- a. Internal Phase to identify and quantify in draft the budgetary requirements. Undertaken March to June (Year 0).
- b. External Phase to screen the draft budgets with the Nations. Undertaken July to September (Year 0).
- c. Approval Phase. The period during which the Administrative and Programme Operational Budgets approval is formally sought and obtained. Target completion 31 October (Year 0).

#### **3.3 Budget Submission**

The Director shall formally submit the first draft of the Administrative and Programme Operational Budgets (POBs) to the National delegated authorities (FC, relevant PB/PC) by 1 July (Year 0). The Director shall submit the final version of the AB and POBs to the BoS or PB/PC as appropriate for the Approval Phase by 30 September (Year 0).

The draft Administrative Budget must, as a minimum, be supported by the following information:

- a. Expenditure Year -1 (including any carry forward)
- b. Latest Approved Budget Year 0
- c. Forecasted expenditure Year 0 (last FOO)
- d. Budget Requested Year 1
- e. Increase/Decrease between c) and d) in absolute terms
- f. Increase/Decrease between c) and d) in percentage terms

#### **3.4 Programme Operational Budget Approval Delegation**

The BoS delegates to the existing and future PBs the authority to approve their respective POB. This delegation is given by the BoS through the approval of the present OMP. Nevertheless, the BoS can decide on a case-by-case basis to withdraw this delegation. The delegation can be further delegated by the PB to the PC if all PB members agree.

### 3.5 Budget Responsibility

The Finance Division co-ordinates the preparation and issue of Administrative and Programme Operational Budgets documentation to the relevant Nations for screening or approval and ensures that all budgets have been established in a taut and realistic manner.

### 3.6 Budget Structure and Nomenclatures

#### 3.6.1 Administrative Budget

The Administrative Budget structure is composed of areas, which are the individual Budgets for Central Office and Programme Divisions. But further budget areas also exist:

- CO/PS to cover those CO costs designated as being related to direct Programme activities for reallocation amongst the Programme Divisions. The CO/PS costs shall be shown separately, by Chapter and BLI, for information and screening.
- DNEs (Detached National Experts) to cover the cost of staff seconded to OCCAR-EA to prepare the integration of a new programme, or of a new phase of an existing programme, into OCCAR.

So, the Central Office budget area costs are the costs which are not allocated to a Programme Division, directly or indirectly, or to the DNE budget area(s).

The cost of the Sites shall be presented both as stand-alone budget areas and as an integral element of the relevant CO/PD budget areas. Additional budget areas may be created through the specific approval of the FC.

Each area of the Administrative Budget is divided into Chapters, Headings and Budget Line Items (BLIs), the nomenclature, shall reflect the internal functioning of OCCAR, taking into consideration:

Expenses, which are:

- Chapter 1 Personnel Costs
- Chapter 2 Recurring Expenditures
- Chapter 3 Capital Expenditures

Revenues, which are:

- Contributions from the States
- Those generated by authorised OCCAR activities
- Other funds available to OCCAR or those administered by it on behalf of the Member States

The Administrative Budget nomenclature detailed by chapters, headings and BLIs is in annex B. By delegation from the BoS, amendments to Annex

B are decided by the FC. The Administrative Budget submitted to national authorities for approval shall respect that nomenclature.

The Administrative Budget shall be prepared in Euro and supported by explanatory comments. New requirements and significant changes to the previous authorised budget shall be specifically highlighted.

### 3.6.2 Programme Operational Budgets

The structure of the POB must, as a minimum, provide for:

- A distinction between contractually committed payments and not yet contractually committed payments. The applicable date for this distinction shall be the 31st May (Year 0).
- Identification of the relevant Programme Decisions.
- The distinction between expenses, which are common to all the participants of a programme, and those, which are specific to one participant or a few participants.
- Details of variation of price (VOP) and any VAT paid by OCCAR-EA.

The nomenclature is composed of expenditures and revenues.

The detailed structure and nomenclature of each POB are approved by the relevant PC.

The POB shall be prepared for each Programme in Euro. Each POB shall be prepared in such a way that it identifies each national contribution. It shall also show an indicative quarterly forecast and be supported by explanatory comments.

### 3.7 Financial Plans

The past expenses and the forecasted expenses for the years to come are shown on an Administrative Financial Plan for the administrative expenses and on Operational Financial Plans for the operational expenses. Those plans are intended to complement the commitment figures (Operational Maximum Financial Commitment (OMFC), Administrative Maximum Financial Commitment (AMFC)) and schedules, which are in the Programme Decisions. If applicable, they include VAT and VOP, which are shown separately from the other expenses.

The Administrative and Operational Financial Plans shall comprise a budget by Participating State for the next financial year (Year 1) that is to be formally approved, plus indicative budgets for information only for the following years:

- For the Administrative Plan three years (Years 2 to 4),
- For the Operational Plans four years (Years 2 to 5).

The Administrative plans shall also comprise, as a minimum:

- a. By participating state, expenses incurred before the current FY (Years before Year 0), forecasted expenses of the current year (Year 0), and forecasted expenses from Year 5 until the end of the Programme Decision.

- b. The total commitments of the Nations towards OCCAR as indicated in the relevant Programme Decisions (AMFC) and, if necessary, updated to the appropriate economic conditions.

The Operational plans shall also comprise, as a minimum:

- a. By participating state, expenses incurred before the current FY (Years before Year 0), forecasted expenses of the current year (Year 0), and forecasted expenses from Year 6 until the end of the Programme Decision.
- b. By participating state, a distinction between contractually committed payments and not yet contractually committed payments. The applicable date for this distinction shall be the 31<sup>th</sup> May (Year 0).
- c. The total commitments of the Nations towards OCCAR as indicated in the relevant Programme Decisions (OMFC) and, if necessary, updated to the appropriate economic conditions.

Each Administrative and Operational Financial Plan shall be prepared by OCCAR-EA and sent to the relevant FC and PC members at least once a year at the same time as the draft budgets. Any difficulty, for instance the risk not to keep the CFFs within the limits of the OMFC or not to conclude financial activities within the term of the Programme Decision, must be highlighted through explanatory comments. The Financial Plans are noted by the FC (Administrative Financial Plan) and by the PCs (Operational Financial Plans) at the same time as the Budgets are approved.

A Financial plan shall be established at the appropriate economic conditions.

### 3.8 Budget Funding Keys

#### 3.8.1 Administrative Budget

The CO budget area costs after deduction of Non Member contributions are shared amongst Member States according to voting rights at the BoS (the latter being defined in Annex IV of the Convention). Non OCCAR Member States participating in a programme shall also contribute to the CO costs. This contribution shall be calculated according to the formula set out in Annex A. Observer States may also contribute to the CO budget area costs (see Annex A).

The Programme Division costs shall be shared amongst participating states according to the relevant Programme Decisions. The calculation of the share of the Site costs allocated to each budget area shall be based on the number of staff working in each area according to the formula in Annex A.

The DNE budget(s) costs shall be shared amongst future Participating States according to the sharing key agreed by the national representatives leading the integration of the new programme(s) (or the new phase of the existing programme(s)).

Some IT (Information and Technology) support costs may be allocated to sites and so, afterwards, reallocated on the relevant budget areas (see Annex A). Those IT support costs shall be shown separately, by Chapter and BLI, for information and screening. Endorsement is done through the endorsement of the relevant budget areas.

The contribution of a new member to the CO Budget shall commence on the first day of the month following the date on which that State becomes an official member.

The contribution of a new non-member participating state to the CO and the other relevant AB areas shall commence with effect from the date of signature of the relevant Programme Decisions.

### 3.8.2 Programme Operational Budgets

The costs of Programme Operational Budgets are shared in accordance with the relevant Programme Decisions.

### 3.9 External Budget Screening

OCCAR-EA shall scrutinise the draft budgets with the finance and programme experts of the Nations in formal screening meetings. The Administrative Budget for Programme Divisions should be screened by PCs at the same time as the Programme Operational Budgets. CO-PS costs shall be screened by the FC only and PCs/PWGs shall be informed, during the programme administrative budget screening process, of the amount of the CO-PS share allocated to their programme. The DNE budget(s) shall be screened by the national representatives leading the integration of the new programme(s) (or of the new phase of the existing programme(s)). Site costs shall be screened by FC members whose Nation participate to at least one entity (programme or CO) supported by the site. PCs are informed, during the programme administrative budget screening process, of the amount of the site share allocated to their programme.

### 3.10 Budget Approval

The BoS shall approve the OCCAR-EA Administrative Budget once the PD Administrative Budgets have been endorsed by the PCs, the DNE budget(s) has (have) been endorsed by the national representatives leading the integration, the CO and CO-PS Budgets have been endorsed by the FC and the site budgets have been endorsed by FC members whose Nation participate to at least one entity supported by the site. The PCs note the site and CO-PS shares allocated to their programme. The PB or PC as appropriate (see paragraph 3.4) shall approve their Programme Operational Budgets. In order to allow OCCAR-EA to call for funds on time, the Budget approval process should be concluded by the end of October. To provide the BoS with a high level overview, the BoS shall receive the AOB to note. The FC members shall receive for information a copy of the OCCAR-EA approval request of the Programme Operational Budgets to which they contribute and of the Administrative Budget.

### 3.11 Revised Budgets

Budgets shall, in normal circumstances, include the supplementary costs, if any, of future commitments, including those resulting from expected contracts or Programme Decisions. In other terms, the budget must normally present the case with the maximum national expected contributions.

However, if due to new circumstances (for example, the signature of a Programme Decision not already taken into account in the approved Budgets) a revised budget is required in-year, this shall be submitted by the Director to the BoS through the FC (Administrative Budget) or to the appropriate PB or PC (Programme

Operational Budget) for approval in accordance with procedures set out in paragraph 3.10. The nation(s) who is(are) required to approve a revised budget is(are) only the one(s) whose share of the budget (Programme Operational Budget) or budget area (Administrative Budget) is revised. If appropriate, the PB shall receive operational revised Budgets for noting, in recognition of the potential programme significance, and the BoS shall receive an updated AOB.

### 3.12 Provisional Budget Authorisations

#### 3.12.1 Administrative Budget

If the annual Administrative Budget (Year 1) cannot be approved by 1st January of Year 1 it is replaced, until approval is obtained, by a Provisional Budget equal to 25% of the draft next year's budget as endorsed by the relevant committees or, in the absence of an endorsed budget, to 25% of the previous year's budget. This process may continue every three months to cover the OCCAR-EA obligations as required.

#### 3.12.2 Programme Operational Budgets

If an annual Programme Operational Budget (Year 1) cannot be approved before 1st January of Year 1 it is replaced, until approval is obtained, by a Provisional Budget equal to the expected payments due in the first quarter of Year 1 in respect of contracts already signed at the 31st of December (Year 0). The relevant PC can decide beforehand on an alternate rule for the calculation of the Provisional Budget. This process shall continue every three months as required.

#### 3.12.3 BoS Information

Where a Provisional Budget is created under paragraph 3.12.1 or 3.12.2 above, the OCCAR-EA Director shall immediately inform the BoS and relevant PB and provide a copy to the FC and the relevant PC. The BoS or PB may give instructions with regard to the establishment of the Provisional Budget.

### 3.13 New Programme Divisions

The signature of a new Programme Decision allows the establishment of the related PD and indicates the financial commitments for both the AB and POB and the ceilings of the yearly expenditure for the relevant Programme Participating States (see OMP 2).

In order to cover the immediate costs linked to the Programme, the Finance Division will coordinate the preparation of the budgets (for the current year, and the following one if the budget external phase is already completed) to be presented and approved at the same time as the Programme Decision.

## **4. Management of Budgets and Commitments**

### 4.1 Commitments

#### 4.1.1 Administrative Budget

Financial commitments can be made only for the purposes provided for in the latest approved budget or in the Provisional Budget created (see 3.12).

An internal commitment procedure shall be established to ensure that commitments are only made with appropriate prior financial authorisation. The duties of the authorising officer for expenditure shall be performed in accordance with the principles of sound financial management, in particular those of efficiency, effectiveness and economy.

When a legal commitment<sup>2</sup> is undertaken (i.e. when a contract or an order is signed), the resulting financial commitment must be recorded, the full amount of which being split between the relevant Financial Years, in order that OCCAR-EA is able:

- To know the total of all commitments made.
- To control the expected commitments to ensure that the total administrative commitments of OCCAR-EA for each year shall not exceed the latest approved or provisional in year budget and, eventually, approved or drafted future years budget.

All commitments, including staff related costs, are to be recorded

#### 4.1.2 Programme Operational Budgets

Financial commitments can be made only for the purposes provided for in the latest approved Programme Decisions.

An internal commitment procedure shall be established to ensure that commitments are only made with appropriate prior financial authorisation. The duties of the authorising officer for expenditure shall be performed in accordance with the principles of sound financial management, in particular those of efficiency, effectiveness and economy.

When a legal commitment is undertaken (i.e. when a contract or an order is signed), the resulting financial commitment must be recorded in the relevant Financial Year for its total value in order that OCCAR-EA is able:

- To know the total commitments for each Programme Decision until the end of the contracts,
- To control the expected commitments to ensure that the total operational commitments of OCCAR-EA on each Programme shall not exceed the financial ceilings of the relevant Programme Decisions,
- To control if payments induced by those commitments are compatible with the latest approved or provisional in year budget and eventually, approved or drafted future years budget.

All commitments are to be recorded.

#### 4.2 Application of Carry Forward (AB) and Carry Over (POB)

For the Administrative Budget. At the close of the financial year, the unpaid part of the yearly committed funds, for which exists a legal obligation to make a payment, shall be carried forward and a separate carry forward budget created and the

---

<sup>2</sup> Legal commitment represents a liability associated to contracts or legal obligations

uncommitted part of the budget shall be cancelled. Carry forward budgets can only be used during the following financial year to cover the original commitment.

For the Programme Operational Budgets. Any unspent part of the budgeted funds may be carried over into a separate carry over budget. This carry over budget shall be decided on a case by case basis by the relevant participating states, in time to make a last call for funds if necessary, and can be used from the beginning of the following financial year under the relevant Programme Manager's authority. Carry over budgets can only be used during the following financial year to cover the original commitment, unless otherwise decided by the relevant participating states.

Both the carry forward and the carry over budgets can only be established against funds remaining on OCCAR's bank accounts at the end of the year (or against funds received by the 31st of January of the following year) and not linked to following years, upon decision by the relevant Nation.

#### 4.3 Budgetary Transfer

##### 4.3.1 Inter-Chapter Transfers

The Director is authorised to transfer approved funds between chapters inside each area of the Administrative Budget, with two exceptions:

- no possibility to make inter-chapter transfers from the three BLIs contingencies,
- if an intra chapter transfer is done from a BLI contingency, any subsequent possible surplus in that chapter can only be transferred to another chapter if the BLI contingency is first reconstituted at its original level.

Inter-chapter-transfers which are not under the Director's authority are to be submitted to the FC for approval.

##### 4.3.2 Intra-Chapter Transfers

The Director is authorised to make all intra-chapter transfers within each area of the Administrative Budget, including from the BLIs contingencies. By exception, if an inter-chapter transfer is done, any subsequent intra chapter transfer envisaged from the BLI contingency of the chapter originally in excess must be submitted to FC for approval.

##### 4.3.3 Reporting

The Director shall, at least once year, provide an incremental report to the FC on any transfers falling under paragraph 4.3.1 or 4.3.2. above.

#### 4.4 Forecast of Outturn (FOO)

OCCAR-EA shall produce a minimum of three FOOs each financial year for the Administrative Budget, Programme Operational Budgets and carry forward/carry over budgets. The FOOs, which are established at the same conditions as the budgets in the area of VAT and VoP, shall be produced for each Programme Decision, as a minimum, at the following closing dates:

- 31 January
- 31 May
- 30 September

By delegation from the BoS, amendments to these dates are decided by the FC.

FOO shall include, but not be limited to:

- a. Actual expenditure of the previous FY (including any carry forward or carry over)
- b. Payments since the beginning of the current FY
- c. Forecasted expenditure for the whole current FY
- d. Approved budgets

Administrative FOOs, by Nation, area and BLI shall be issued to all Nations contributing to the Administrative Budget. For the Programme Operational Budgets each Nation shall receive FOO by Nation for each Programme in which it participates. All FOOs shall be distributed by the end of the month following FOO closing date and supported by explanatory comments.

#### 4.5 Administrative investments

By delegation from the BoS, administrative investments are normally screened by the FC and authorised by the FTPC through the approval of a business case including a financial projection year by year. The financial projection covers the total cost of the investment and makes the distinction between recurring and non recurring costs. When an ICT investment is below K€ 50 (non recurring costs), its authorisation can be given through the approval by Nations of the ICT plan. By exception, investments below K€ 20 (non recurring costs) can be authorized through the approval of the supporting AB only.

In the case of an investment spread over several financial years, the cumulated corresponding values in yearly ABs should not exceed the investment amount authorised through the approval of the business case.

### 5. Management of Funds

#### 5.1 Issuing Call for Funds

The general financial obligation taken by Nations through the budgets approval is normally covered through the Call for Funds process. But it may also be covered using existing national funds (e.g. bank interests, transfers, funds remaining from previous years).

Call for Funds can only be made against the existence of an approved budget, or as provided for in the exceptional circumstances below:

- In the event that an operational budget has not been approved before the 31st October, OCCAR-EA is authorised to issue a CFF on the basis of the provisions in paragraph 3.12. Nevertheless, the funds paid by the nations in response to the above CFF shall not be spent by OCCAR-EA until the budget is approved or

the provisional budget is established. In either event, OCCAR-EA shall issue the first Call for Funds for a FY no later than 15th November of the previous FY.

- In the event that the administrative budget has not been approved before the 31st October, OCCAR-EA is authorised to issue a CFF on the basis of 25% of the draft next year's budget. Nevertheless, the funds paid by the nations in response to the above CFF shall not be spent by OCCAR-EA until the budget is approved or the provisional budget is established. In either event, OCCAR-EA shall issue the first Call for Funds for a FY no later than 15th November of the previous FY.
- In the event that the budget has not been approved yet, a CFF may be made for a specific Nation following a formal request from it.
- In the case where a Programme Decision is expected to be signed, OCCAR-EA is authorised to issue an administrative and or an operational CFF in advance of its signature, subject to a formal request from the relevant national representative(s) leading the integration.

CFF are issued in Euros for the Administrative Budget. CFF are issued in the currency specified in the Programme Decisions for the Programme Operational Budgets or as otherwise agreed between OCCAR-EA and a Nation in respect of its own CFF. The Finance Division shall call the contributions from Nations and deposit the funds received in interest bearing bank accounts.

Calls For Funds for the Administrative Budget shall be made at least twice and normally no more than four times a year. For the Programme Operational Budgets, they shall cover OCCAR operational cash need for the following months.

A CFF related to the budget for a current specific FY shall be issued no later than 15th November in the same year (or another date agreed by the relevant Nation(s)). Any part of the budget not called by that time is lost for OCCAR.

A CFF shall be issued at least 60 days before its payment due date unless otherwise specified in the Programme Decision or decided by the Nation.

## 5.2 Information Attached to a CFF

Each Call for Funds shall state the amount required in € (or the currency specified by the Programme Decision), details of the bank account to which the funds are to be credited, the date by which the funds should be credited to the account and the reference of the associated approved budget or provisional budget.

An estimate for each of the remaining CFF for that year shall be provided according to a common format, except for the last CFF of the year. The last bank account balance available is also to be attached to the CFF.

## 5.3 Amount of a CFF

The amount of a CFF related to a Nation shall be calculated in accordance with the agreed cost sharing formulas (see paragraph 3.8). The CFF shall take into account the actual cash requirement and should be calculated on the basis of:

- The last FOO projection available or the budget,
- The other revenues expected,

- The amount of cash available in bank.

The total amount of the CFFs related to a budget cannot exceed the amount of this budget and, for the Administrative Budget, should (together with, if appropriate, existing national funds) be sufficient to cover all commitments made for that year.

#### 5.4 Cancelling a CFF

If OCCAR and the Nation involved agree subsequently that a CFF already issued does not need to be paid – in totality or partially – OCCAR-EA shall formally cancel it or will cancel and replace it.

#### 5.5 Cash Forecast

OCCAR-EA shall produce a minimum of three Cash Forecasts each financial year for the Administrative Budget, Programme Operational Budgets and carry forward/carry over budgets. The Cash Forecasts shall be produced for each Programme Decision, as a minimum, at the following closing dates:

- 31 January
- 31 May
- 30 September

By delegation from the BoS, amendments to these dates are decided by the FC.

Cash Forecasts shall include, but not be limited to:

- a. CFF issued and funds received from the Nations against the ongoing budgets
- b. Actual cash balance at the closing date
- c. Forecasted payments for each of the four following months
- d. Forecasted cash balance at the end of each of the four following months

#### 5.6 Reimbursement of Funds

In the case that OCCAR-EA and the relevant Nations agree that funds available in bank are surplus to known requirements, OCCAR shall reimburse the nation(s) concerned if they request it. The reimbursement may be done by means of a deduction on a future CFF or through a cash transfer.

#### 5.7 Payment of Contributions

Nations are required to ensure that their contributions are transferred to the relevant OCCAR-EA bank account(s) by the specified date. The Finance Division shall advise the Nations as soon as possible if the funds available to OCCAR-EA are insufficient to meet its financial commitments.

#### 5.8 Delayed Contributions

As soon as OCCAR-EA foresees that a delayed contribution, or any other reason, is likely to cause a failure to meet financial obligations, OCCAR-EA shall consult with

the Nation concerned to determine the appropriate course of action to be taken to resolve the problem.

In the event that the procedure above has not succeeded and that by 15 working days after the required payment date OCCAR-EA has not received from the relevant Nation the required funds, it is empowered to effect the Credit Facility Agreement with the bank in order to meet such financial commitments; costs of this shall fall alone to the Nation concerned. The relevant PC representative and the FC shall be informed in advance by the Director of the conditions that apply to this Credit Facility Agreement.

#### 5.9 Short Term Borrowing

Following a formal request expressed by a nation, OCCAR-EA may use the relevant Nation's funds originally provided for another OCCAR Programme to which that Nation contributes, provided that, in the view of the relevant Programme Manager, there is no adverse impact in terms of cost, time or performance to the Programme providing the money.

Following a formal request expressed by a nation, OCCAR-EA may obtain the necessary funds to meet its full payment obligations under the terms of the OCCAR Credit Facility Agreement with the bank. Interest charges that arise from this short-term borrowing shall fall to the Nation responsible for the payment delay. In this context short term is considered to be a period of no more than one year.

Following a formal request expressed by a nation, OCCAR-EA may obtain from the supplier an additional payment delay and/or a borrowing. Financial interest charges that may arise from the borrowing shall fall to the Nation responsible for the payment delay.

The provisions of this paragraph shall apply only on an opt in basis by Nations which will be indicated when approving OMP 10.

#### 5.10 Long Term Borrowing

Following a formal request expressed by a nation, OCCAR-EA is allowed to negotiate with the banks the establishment of long term borrowing terms and conditions in order to finance this national share of its operational activities. Before being signed by the OCCAR-EA Director, a borrowing contract is submitted by the Director to the BoS, through the FC, for approval. The principal amount, interest charges and relevant bank fees that arise from borrowing shall fall to the Nation who wants to finance its contributions through a long term borrowing. In this context long term is to be considered to be a period of more than one year.

The provisions of this paragraph shall apply only on an opt in basis by Nations which will be indicated when approving OMP10.

#### 5.11 Interest

FC and PC representatives shall be advised at the end of the financial year of the total value of interest that has been credited to their respective bank account(s). Nations shall inform OCCAR-EA Head of Finance Division of their requirements for the treatment of interest.

#### 5.12 Foreign Exchange Transactions

OCCAR is authorised to make foreign exchange transactions strictly in relation to payment of invoices; any associated charges or fees shall fall to the relevant budget and/or nation.

#### 5.13 Placement Policy

In accordance with Article 10 Annex 1 of the OCCAR Convention, OCCAR-EA is permitted to hold government securities. The rules governing this activity shall be agreed beforehand by the FC.

#### 5.14 Programme Decision closure

The closure of a Programme Decision requires that OCCAR-EA establishes a forecasting closing accounting situation of the programme and provides it to the Participating States a few months before the Programme Decision term. A distinction is made between administrative and operational activities.

On the basis of this forecast, each Participating State informs OCCAR-EA on the treatment to be applied to his share of the surplus of funds at the closing date.

A final closing accounting situation is established when all financial activities linked to the Programme Decision have been made.

### **6. Payments and Revenues**

#### 6.1 Payment Authorisation

It is the Director's responsibility, through the Central Office Heads of Division and Programme Managers or their delegated representative, to authorise payment of all invoices or claims for payment.

Payments can only be made after verification of the prior commitment, confirmation of the service provided or goods delivered and that the service or goods are in accordance with the contract or order. A suitable process shall be employed to cross check the appropriateness of each payment. Finance staff in PDs and in CO shall account for invoices to ensure authorisation takes place in time to meet the following requirements. The Finance Division shall make all payments under the Administrative and Programme Operational Budgets for all OCCAR-EA Contracts. So the AB and the POBs are a payment ceiling for the relating Financial Year. Payments shall be made within 30 days from the receipt of the invoice or as otherwise set out in the Contract.

#### 6.2 Payment Instruction

The Finance Division shall issue payment instructions to the Bank after checking the regularity of all relevant documentation. Payment Instructions shall be authorised by two signatories, including at least one A grade, taken from a list of OCCAR personnel approved by the Director and empowered to act as authorised representatives with the Bank. Any personnel authorised to give payment instructions to the bank shall not give payment authorisation for the same invoices and vice versa.

### 6.3 Bank Accounts

Funds shall be kept in banks of good financial standing, which shall be designated by the Director. The selection of the OCCAR-EA bank(s) shall be determined by competitive tender action applying best practice of OCCAR's procurement strategy for administrative service contracts.

### 6.4 Deposits

Funds not immediately required may be placed on term deposit or any such similar interest bearing non-risk financial deposit with the aim to maximise the interest return.

### 6.5 Revenues

Beside Contributions, which represents the main source of OCCAR revenues, the organisation is permitted to have several other revenues, which shall include, but not be restricted to, bank interest, sales of assets and OCCAR internal tax on personal salaries. FC and PC representatives shall be advised by the Director of the total value of each other revenues attached to the previous year. Nations shall inform the OCCAR-EA Director of their requirements for the allocation of those other revenues as necessary.

All forms of revenue must be credited to appropriate Nations' accounts as soon as possible. If this is not possible, or if a Nation desires otherwise, the funds must be held on the OCCAR-EA Administration Account accordingly and accounted for in a suspense account, which shall be cleared as soon as possible.

According to article 32 of the Convention, the allocation of any revenues derived from the sale of assets acquired by OCCAR under the Administrative Budget shall be decided by the BoS on the basis of a recommendation from the FC.

## **7. Financial Management (FM)**

### 7.1 FM Requirement

Financial Management requires OCCAR to update, monitor and control its financial commitments and the total cost of its programmes with the aim to react as soon as possible if a cost overrun of its programmes, by comparison with a Programme Decision, should appear.

In particular OCCAR-EA shall:

- Estimate the financial impact of the work, which remains to be done on the programmes in order to fulfil the High Level Objectives of the Programme Decisions,
- Estimate the amount of the financial provision intended to cover any possible future risks on the programmes
- Update, monitor and control its administrative commitments and expenditure by comparison with approved administrative budget.

Financial Management is based on commitments already made and on forecasts:

- On a annual basis for administrative expenses,

- And on the duration on the programme for operational expenses.

## 7.2 FM Responsibility

FM is the responsibility of the Director through the Head of Finance Division. It is the Programme Divisions, which implement it through their finance officers, except for Central Office whose FM, is implemented by the Head of Finance Division.

## 7.3 FM Statements

The Statements required and the way they are produced are detailed in the Internal Procedures. Among these Statements are the Administrative Financial Plan and the Operational Financial Plans. If required, periodic statements of expenditure shall be provided to all relevant member and programme participating states.

# 8. **Financial Accounting**

## 8.1 Guiding Principle

All financial transactions of OCCAR-EA shall be fully accounted for in order that OCCAR-EA may undertake its responsibilities in terms of verification, propriety and control. The Director shall ensure that a comprehensive and reliable accounting system is established and maintained in accordance with appropriate FC recommendation on the matter.

## 8.2 Accounting Practices

OCCAR-EA accounting practices shall comply with the IFAC "International Public Sector Accounting Standard: Financial Reporting under the cash basis of accounting" Parts 1 and 2.

## 8.3 FS Requirement

The FS provide the BoS, the FC and the Programme Committee members (for their Programme element) with a structured representation of the financial position of OCCAR at the end of the FY and of the transactions undertaken by OCCAR during the same FY. The objectives of FS are to provide information about the financial position, financial performance and cash flows of OCCAR element. Specifically, the financial statements are to be consistent with the IPSAS guidance for financial reporting under the cash basis of accounting and should provide information on:

- financial performance through budget execution;
- the sources of revenue, allocation and uses of financial resources;
- how OCCAR financed its activities and met its cash requirements;
- evaluating OCCAR's ability to finance its activities and to meet its liabilities and commitments;

## 8.4 Additional information

In addition and in conjunction to the financial statements, OCCAR-EA will produce the following information:

- Information required by Nations including the value of unpaid invoices, retained payments and pending contributions.
- A consolidated operational financial plan (broken down by Programme Decision and by Nation) showing the total value of outstanding contractual commitments and planned commitments as compared with total payments and the Programme Decision financial ceiling.;
- The total value of outstanding programme decisions commitments given by Nations.
- A list of inventory.

#### 8.5 FS Responsibility and Submission

The Director is responsible for producing the FS through the Finance Division. He shall submit the Annual Financial Statements (including the additional information provided for under paragraph 8.4) to the Board of Auditors appointed by the BoS in accordance with Chapter IX Article 36 of the Convention no later than 31st March following the close of the financial year.

#### 8.6 FS Format

OCCAR FS are to be consistent with the presentation laid down in the IPSAS guidance for financial reporting under the cash basis of accounting. The financial statements are to include:

- an analysis of financial information related to both operational and administrative expenditure, payments, revenues and contributions a copy of the tables is included at Annex C,

By delegation from the BoS, amendments to the format of the FS are decided by the FC.

#### 8.7 FS Closing and Book-Keeping

The period on which the FS are established is the FY (see paragraph 1.5). The rules, policies and individual responsibilities about bookkeeping and closing the annual FS are detailed in an Internal Procedure.

#### 8.8 FS Approval

The audited financial statements (supported by the supplementary documents from the BoA) shall be submitted by the Director to the BoS for approval, copy to the FC, at the latest six months after the end of the financial year. The documents from the BoA, including their recommendations, shall be subject to examination by the FC and acted upon as it sees fit. The approval of the FS is the final act for that given FY.

#### 8.9 Financial Records and Vouchers

Books and records, which record revenue and expenditure as well as assets, property and liabilities of OCCAR-EA, shall be kept for 10 years and then archived for an indefinite period. Vouchers and invoices related to contracts shall be kept for at least 6 years from the period of the closure of the contract.

## **9. Internal Controls**

### **9.1 Internal Control**

The Director, or his delegated representative, shall establish such internal controls as may be necessary to enable proper checks and authorisations of all financial transactions in order to ensure correct and effective use of OCCAR-EA's funds, assets and property, and consequently minimise the risk of error or fraud.

To this end the Director shall ensure that financial responsibilities and functions are attributed following a clear policy of segregation of duties.

### **9.2 Internal Audit**

The Director shall appoint an Internal Auditor outside the Finance Division to provide independent opinion of the operation of OCCAR's processes and procedures. The Internal Audit programme, approved by the Director, shall include regular audits of financial processes and activities. The OCCAR-EA Internal Auditor shall have access to any personnel or information required to fulfil the audit and the outcome of such internal audits shall be reported to the Director and, where appropriate, the Nations.

## **10. External Audits**

### **10.1 Board of Auditors (BoA)**

The BoA has been established by the BoS to undertake external audits of the OCCAR accounts and they may make observations on financial matters as set out in their Terms of Reference as approved by the BoS. The BoA is the "audit authorities" referred to in Article 36 of the OCCAR Convention.

### **10.2 National External Audits**

The conduct of external audits' is governed by Chapter XIII of the OCCAR Convention, Articles 44, 45 and 46.

## **11. Property Administration**

### **11.1 Inventory**

OCCAR is empowered to only acquire property for the internal functioning of OCCAR using funds from the Administrative Budget. An inventory shall be maintained for all such property and the accuracy of the inventory shall be verified annually through a physical check. Only items with a purchase value above EURO 100, inclusive of VAT if applicable, shall be recorded in the inventory.

### **11.2 Depreciation**

All individual items acquired under the Administrative Budget having a purchase value less than EURO 500,000 shall be considered as a sunk cost to OCCAR-EA and not subject to depreciation.



### **13. Taxes**

#### 13.1 VAT

Administrative Costs: VAT will be treated in accordance with Annex 1 of the OCCAR Convention.

Operational Costs: Each Programme Division shall quantify the appropriate funds for VAT to be incorporated into the Operational Financial Plan for each programme participating state. The Programme Division shall take into account the applicable national VAT regime derived from the relevant EU Directives and regulations, the MoUs and the Programme Decisions.

#### 13.2 Other Taxes

Other taxes levied on OCCAR shall be treated in a similar way to the VAT provisions above.

### **14. Final Provisions**

For financial matters, OMP 10 shall prevail over other OMPs approved before OMP 10.

Wherever the BoS takes decisions, which have financial consequences, those decisions shall, if relevant, be incorporated into OMP 10.

### **15. Annexes**

Annex OMP10-A	Cost Sharing Formulas on the Administrative Budget
Annex OMP10-B	Administrative Budget Nomenclature
Annex OMP10-C	Financial Statement Format

## Cost Sharing Formulas on the Administrative Budget

### Table of Contents

<b>1.</b>	<b><u>Contribution to Central Office costs .....</u></b>	<b><u>29</u></b>
1.1	Calculation of the non-Member Participating State's annual contribution to OCCAR-EA Central Office costs: .....	29
1.2	Calculation of the Observer's annual contribution to OCCAR-EA Central Office costs:.....	29
<b>2.</b>	<b><u>Allocation of CO-PS budget to Programme Division budget areas .....</u></b>	<b><u>30</u></b>
<b>3.</b>	<b><u>Contributions to Programme Division costs: .....</u></b>	<b><u>30</u></b>
<b>4.</b>	<b><u>Allocation of Site costs:.....</u></b>	<b><u>30</u></b>
4.1	The formula for the sharing of the Site costs between areas of the AB is: .....	30
4.2	The formula for the sharing of the Site costs part allocated to one area between nations is:.....	31
<b>5.</b>	<b><u>Allocation of IT support costs to the relevant budget areas .....</u></b>	<b><u>31</u></b>

## 1. Contribution to Central Office costs

### 1.1 Calculation of the non-Member Participating State's annual contribution to OCCAR-EA Central Office costs:

The contributions to OCCAR-EA Central Office costs, by non-Member Participating States, will be estimated annually following the screening of the OCCAR-EA Central Office Administrative Budget by the Member States. Contributions will be requested quarterly during OCCAR Calls For Funds (CFF).

There may be occasions when the OCCAR-EA Central Office Administrative Budget alters during the year (for example a supplementary budget) or the funding key changes (for example when a new Participating State joins the OCCAR programme). Any changes to non-Member State contributions as a consequence of these changes will be accommodated through CFF during the year. Where non-Member Participating States start to participate in a programme part way through the financial year, their OCCAR-EA Central Office contribution will be calculated proportionately.

To enable non-Member Participating States to calculate their overall contribution towards OCCAR-EA administrative costs, information regarding OCCAR-EA Central Office contributions will be provided to the PB representatives of the non-Member Participating States or their delegated authority. The formula to be used to calculate the non-Member Participating State's annual contribution towards OCCAR-EA Central Office costs referred to in OMP 2 Annex D paragraph 13, is:

$$\frac{S1 \times C \times M}{S2}$$

where:

S1 = The number of posts in the relevant OCCAR-EA PD

S2 = The total number of posts in OCCAR-EA except OCCAR-EA Central Office. The value is the one of the relevant AB: as at FY2009 for programmes existing at 01/01/2009, or at the FY of the Programme Decision signature for other programmes

C = The administrative budget cost of OCCAR-EA Central Office budget area plus the OCCAR-EA Central Office share of the Bonn Site budget

M = The national percentage share of administrative costs of the programme as defined in the Programme Decision.

### 1.2 Calculation of the Observer's annual contribution to OCCAR-EA Central Office costs:

The Observers may be required to pay an annual contribution to OCCAR-EA Central Office costs. This contribution is defined in the Service Agreement signed with OCCAR.

## 2. Allocation of CO-PS budget to Programme Division budget areas

The sharing key (SK) used to allocate CO-PS budget to Programme Division budget areas is as follows:

$$SK = \frac{B_{PD}}{B_{TOT}}$$

where:

$B_{PD}$  = The administrative budget cost of the relevant OCCAR-EA PD, without the CO-PS reallocation, including the PD share of the Site costs.

$B_{TOT}$  = The total administrative budget cost of all OCCAR-EA PDs, without the CO-PS reallocation, including the PD share of the Site costs.

## 3. Contributions to Programme Division costs:

The Participating States (Members, non-Members or Observers) will contribute to the OCCAR-EA Programme Division costs in accordance with an agreed sharing key M. The formula is as follows:

$$PD * M$$

where:

PD = The administrative budget cost (or FOO, or actual expenditure) of OCCAR-EA Programme Division

M = National percentage share of administrative costs of the programme as defined in the Programme Decision

## 4. Allocation of Site costs:

4.1 The formula for the sharing of the Site costs between areas of the AB is:

$$SBa = (S1/S2) * SB$$

where:

S1 = number of posts in the relevant OCCAR-EA PD or CO

S2 = total number of posts supported by the Site

SB = Site costs

SBa = part of the Site Budget costs allocated to one area

4.2 The formula for the sharing of the Site costs part allocated to one area between nations is:

$$SBa * M$$

where:

M = national percentage share of administrative costs of the programme as defined in the Programme Decision or national percentage share of the CO costs

## 5. Allocation of IT support costs to the relevant budget areas

The sharing key (SKey) used to allocate IT support costs is as follows:

$$SKey = \frac{St1}{St2}$$

where:

St1 = number of posts in the entity(ies) (programme or CO) supported by the Site, including the number of posts of the Site itself (case where a site budget area exists) or number of posts in the entity budget area (case where no site budget area exists)

St2 = number of posts in OCCAR-EA

Administrative Budget Nomenclature

Table of Contents

<b>1. <u>TITLE I - ADMINISTRATIVE EXPENDITURES .....</u></b>	<b><u>33</u></b>
<b>2. <u>TITLE II - ADMINISTRATIVE REVENUES .....</u></b>	<b><u>36</u></b>

## 1. TITLE I - ADMINISTRATIVE EXPENDITURES

N°	Description	Definition For BLI
	<b>TITLE I - ADMINISTRATIVE EXPENDITURES</b>	
<b>1000</b>	<b>CHAPTER 1 - PERSONNEL COSTS</b>	
<b>1100</b>	<b>Basic Salary</b>	
1110	Basic Salary	Gross Basic Salary only
<b>1200</b>	<b>Allowances</b>	
1210	Installation Allowance	Allowance as defined in OMP8 - Installation and de-installation allowance
1220	Expatriation Allowance	Allowance as defined in OMP8
1230	Household Allowance	Allowance as defined in OMP8
1240	Dependants Allowance	Allowance as defined in OMP8
1250	Education Allowance	Allowance as defined in OMP8
1255	Ed. All. -Concessionary travel	Allowance as defined in OMP8
1260	Rent Allowance	Allowance as defined in OMP8
1270	Extra Duty Allowance	Allowance as defined in OMP8
<b>1300</b>	<b>Overtime, Untaken Leave and Home Leave</b>	
1310	Overtime, Untaken Leave and Home Leave	Overtime and payment for untaken leave and home leave only
<b>1400</b>	<b>Recruitment and Repatriation</b>	
1410	Recruitment and Repatriation	Costs of interviews to recruit new staff, the costs of up to two interviews for staff seeking posts on leaving OCCAR, taking up duty with OCCAR, and repatriation. This includes the costs of removals
<b>1500</b>	<b>Social Security &amp; Provident Fund Benefits</b>	
1510	Health Insurance	All costs associated with health insurance except medical examinations (1520). Paid by OCCAR.
1520	Medical Examination	Initial and annual medical examination fees associated with health insurance. Paid by OCCAR.
1530	Provident Fund	Provident Fund contributions except administration fees (1540). Paid by OCCAR.
1540	Provident Fund - Administration Fees	Provident Fund administration fees. Paid by OCCAR.
<b>1600</b>	<b>Temporary Staff</b>	
1610	Temporary Staff	Only for temporary staff employed on OCCAR terms and conditions
<b>1800</b>	<b>Training and Development</b>	
1810	Language training	Language training fees approved by Nations
1820	General and IT training	All types of training fees except language training (1810)
<b>1900</b>	<b>Others</b>	
1910	Contingencies	To cover unforeseen expenses for the above Chapter

<b>2000</b>	<b>CHAPTER 2 - RECURRING EXPENDITURE - Premises and General Supplies and Services</b>	
<b>2100</b>	<b>Facilities Management</b>	
2110	Facilities Management	All facilities management costs such as management contract fees, rent, maintenance of the building and its content, and utilities. This excludes IT expenditures (2610), telecommunications (2310), and also capital expenditure (3110) paid for directly by OCCAR.
<b>2200</b>	<b>Office Supplies and Services</b>	
2210	Office Supplies and Services	General office supplies, rental of office and security equipment, information sources such as magazines and low value publications in hard copy or electronic version, IT consumables such as toner cartridges and CD-ROMs, and reprographics services for OCCAR personnel
<b>2300</b>	<b>Communications</b>	
2310	Communications	Rental and maintenance of telephone equipment and lines, telephone call charges including mobile phones, internet connection and subscription fees, and postage. IT consumables are to be booked to 2210
<b>2400</b>	<b>Hospitality and Public relations</b>	
2410	Hospitality and Public relations	Food and drinks for meetings, entertaining visitors (eg purchase of meals), costs of OCCAR hosted functions. Cost of producing publicity material such as the OCCAR Business Plan, OCCAR-EA (CO and PDs) Brochures, Videos and exhibition fees
<b>2500</b>	<b>Linguistic Services</b>	
2510	Linguistic Services	Costs of translation services including the rental of specialist equipment
<b>2600</b>	<b>Information Technology</b>	
2610	Information Technology	Network assistance, software and hardware support, maintenance costs, software license and upgrades fees such as annual renewal. This line does not include IT consumables such as toner cartridges that are booked to 2210
<b>2700</b>	<b>Services &amp; Support</b>	
2710	Services & Support by Board of Auditors	Travel and subsistence costs of the Board of Auditors
2715	Services & Support by Other Governmental Organisations	Costs of personnel seconded to OCCAR on national terms and conditions including duty travel. Also fees and subscriptions for such organisations e.g. OECD
2720	Services & Support by Commercial Organisations including Consultancy	Consultancy fees. Also official transport paid for directly by OCCAR
<b>2800</b>	<b>Duty Travel</b>	
2810	Duty Travel	For OCCAR employees - air, train/metro, and sea travel tickets, taxi fares, hire car charges, daily and kilometric allowances

<b>2900</b>	<b>Others</b>	
2910	Contingencies	To cover unforeseen expenses for the above Chapter
<b>3000</b>	<b>CHAPTER 3 - CAPITAL EXPENDITURE</b>	
<b>3100</b>	<b>Premises and Furniture</b>	
3110	Premises and Furniture	Expenditure on improving building infrastructure and also items that are integral part of infrastructure not covered by facilities management contracts. This excludes IT related items, which are 3220. This BLI also includes purchase of furniture and other fittings
<b>3200</b>	<b>Office Equipment and Stores, IT</b>	
3210	Office Equipment and Stores	Purchase of Office Equipment such as telephones, faxes, and photocopiers and stand alone security equipment.
3220	Information Technology	Purchase of IT hardware (such as PCs, notebooks, palmtops, beamers, printers, modems) and software with initial licenses, installation of IT equipment, and purchase of IT network items including installation of the network
<b>3300</b>	<b>Other Capital Expenditure</b>	
3310	Norms and Standards (Central Office only)	For Central Office only to purchase standards used throughout OCCAR such as ISO, Din Norms and AECMA
3330	Unspecified Investments (Central Office only)	Only to be used for initiatives approved by the FTPC
<b>3900</b>	<b>Contingencies</b>	
3910	Contingencies	To cover unforeseen expenses for the above Chapter

## 2. TITLE II - ADMINISTRATIVE REVENUES

	<b>TITLE II - ADMINISTRATIVE REVENUES</b>	
<b>4000</b>	<b>CHAPTER 4 – ADMINISTRATIVE REVENUES</b>	
<b>4100</b>	<b>National Contributions – Members</b>	Funds credited to OCCAR bank accounts - Members
4110	FRANCE	Funds credited to FRANCE bank account
4120	GERMANY	Funds credited to GERMANY bank account
4130	ITALY	Funds credited to ITALY bank account
4140	UK	Funds credited to UK bank account
4150	BELGIUM	Funds credited to BELGIUM bank account
4160	SPAIN	Funds credited to SPAIN bank account
4170	Other Member State	Funds credited to other Member State bank account
...	...	...
...	Other Member State	Funds credited to other Member State bank account
<b>4200</b>	<b>National Contributions and Repayments – Non-Members</b>	Funds credited to OCCAR bank accounts – Non-Members
4210	NETHERLANDS	Funds credited to NETHERLANDS bank account
4220	TURKEY	Funds credited to TURKEY bank account
4240	Other Participating State	Funds credited to other Participating State bank account
...	...	...
...	Other Participating State	Funds credited to other Participating State bank account
<b>4300</b>	<b>Bank Interest</b>	
4310	OCCAR Admin Bank Account Interest	Bank interests matured and credited to OCCAR Admin Bank Account
<b>4400</b>	<b>Sales</b>	
4410	Sales of Written-Off Equipment	Proceeds from authorised sales of written-off equipment
4420	Miscellaneous Sales	Proceeds from authorised miscellaneous sales of written-off equipment
<b>4500</b>	<b>Other Revenues</b>	
4510	Miscellaneous Revenue	Miscellaneous Revenue

**Financial Statement Format=-**

**OCCAR-EA**

**Financial Statements**

**for**

**the year ended**

**31<sup>st</sup> December XXXX**

# Table of Contents

<b>1. Foreword</b> .....	<b>39</b>
<b>2. Financial Summary</b> .....	<b>39</b>
<b>3. Financial Statements</b> .....	<b>40</b>
3.1 Accounting Policies .....	40
3.2 Consolidated OCCAR-EA Financial Statements .....	41
3.3 SUMMARY by Programme Division .....	41
3.3.1 A400M	
3.3.1 BOXER.....	41
3.3.3 COBRA	
3.3.4 ESSOR	
3.3.5 FREMM	
3.3.6 FSAF	
3.3.7 TIGER	
<b>3.4 Notes to the Accounts</b> .....	<b>41</b>

## 1. **Foreword**

By the OCCAR-EA Director

*[A short report will follow starting with general background and then focusing on some of the key highlights from the financial year.*

*There should also be an emphasis on any key areas of change that have either happened during the year or are expected in the near future. Examples could include programmes that have recently been integrated or are expected to join OCCAR-EA in the near future or old programmes that are due to finish. Other key points could be new participating states or other changes such as a change in programme phase (Production to ISS) that will be of interest to the reader and could have a bearing on the expenditure patterns.*

*Key aspects that might be expected to draw comment at the moment could be issues with the A400M or the fact that the financial statements and their accounting basis has changed.*

*The forward would be signed by the OCCAR-EA Director]*

## 2. **Financial Summary**

*[This is a second short note this time focusing on changes in financial policies or procedures, providing details of where changes have been implemented and their impact on the financial statements.*

*A key aspect of this report will be to draw the readers' attention to how the changes have impacted the financial statements and where this may make basic comparisons with previous years difficult to make.*

*The aggregated key performance indicators could also be included and some small charts such as pie chart showing a summary of the budgets either by PD or by Nation the idea being to provide some high level overviews and an indication of performance, accomplishments, etc.]*

### **3. Financial Statements**

#### **3.1 Accounting Policies**

*[A short statement on OCCAR-EA accounting policies providing the reader with a description of the broad foundation of the accounts and some detailed definitions relating to the various titles such as invoices received, payments, budgets and carry over etc.....*

*By providing a more user friendly statement on the accounting policies it is anticipated that some of the difficulties encountered with the interpretation of the figures or the criticisms relating to clarity of the statements will be overcome.]*

#### **3.2 Consolidated OCCAR-EA Financial Statements for the year ended 31 December XXXX**

**Table 1 - Consolidated Statement of Cash receipts and Payments**

<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX (All amounts in k€)

Group	Description	Note	Totals	
			Current year	current year - 1
<b>Operational</b>				
Cash Receipts	Contributions			
	Interests			
	Miscellaneous			
	Total			
Cash Payments	Basic			
	VOP			
	VAT			
	Total			
Increase/ (Decrease) in cash				
<b>Administrative</b>				
Cash Receipts	Contributions			
	Interests			
	Miscellaneous			
	Total			
Cash Payments	Chapter 1			
	Chapter 2			
	Chapter 3			
	Total			
Increase/ (Decrease) in cash				
<b>Grand Totals</b>				
	Receipts			
	Payments			

Group	Note	Totals	
		Current Year	Current Year - 1
Opening Bank Balance			
Foreign Gains/Losses			
Total Cash Receipts			
Total Cash Payments			
Closing Bank Balance			

**Table 2 - Analysis of Total Cash receipts and payments**

<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX

Nation	Note	Opening Bank Balance	Cash Receipts					Cash Payments				Foreign Gains/Losses		Closing Bank Balance
		Opening Balance	Contributions	Interests	Miscellaneous	Total	Basic	VOP	VAT	Total	Foreign exchange gains/losses	Total		
		Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€		
<i>Operational</i>														
BE														
DE														
ES														
FI														
FR														
IT														
NL														
PL														
SE														
TR														
UK														
Total														

Nation	Note	Opening Bank Balance	Cash Receipts					Cash Payments				Foreign Gains/Losses		Closing Bank Balance
		Opening Balance	Contributions	Interests	Miscellaneous	Total	Chapter 1	Chapter 2	Chapter 3	Total	Foreign exchange gains/losses	Total		
		Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€	Amount in K€		
<i>Administrative</i>														
BE														
DE														
ES														
FI														
FR														
IT														
NL														
PL														
SE														
TR														
UK														
Total														

**Table 3 - Analysis of Operational and Administrative Budget & Payments by Nation**

<i>Budget year</i>	
<i>Version of COV</i>	
<i>Version of CFW</i>	
<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX (Amounts in K€)

Nation	Note	In year			Carried Over from previous year		
		Final Budget	Payments	Difference between Final Budget and Payments	Final Budget	Payments	Difference between Final Budget and Payments
<i>Operational</i>							
BE							
DE							
ES							
FI							
FR							
IT							
NL							
PL							
SE							
TR							
UK							
Total							

Nation	Note	In year			Carried Forward from previous year		
		Final Budget	Payments	Difference between Final Budget and Payments	Final Budget	Payments	Difference between Final Budget and Payments
<i>Administrative</i>							
BE							
DE							
ES							
FI							
FR							
IT							
NL							
PL							
SE							
TR							
UK							
Total							

Nation	Note	In year			Carried Over or Forward from previous year		
		Final Budget	Payments	Difference between Final Budget and Payments	Final Budget	Payments	Difference between Final Budget and Payments
<i>Administrative and Operational</i>							
BE							
DE							
ES							
FI							
FR							
IT							
NL							
PL							
SE							
TR							
UK							
Total							

**Table 4 a - Analysis of Operational Budget & Payments by Programme**

<i>Budget year</i>	
<i>Version of COV budget</i>	
<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX (Amounts in K€)

Programme	ProgD	Note	In year			Carried Over from previous year		
			Final Budget	Payments	Difference between Final Budget and Payments	Final Budget	Payments	Difference between Final Budget and Payments
<i>Operational Budgets</i>								
A400M	A400M_DPP							
	Total							
BOXER	BOXER_DEV							
	BOXER_SP							
	Total							
COBRA	COBRA_IP							
	COBRA_IS							
	Total							
ESSOR	ESSOR_EPrD							
	Total							
FREMM	FREMM_Ph2							
	Total							
FSAF	FSAF_Ph3							
	PAAMS_Muni							
	Total							
TIGER	TIGER_ISS							
	TIGER_TPrD							
	Total							
Total								

**Table 4 b - Analysis of Administrative Budget & Payments by Programme**

<i>Budget year</i>	
<i>Version of CFW budget</i>	
<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX (Amounts in K€)

Programme	ProgD	Note	In year			Carried Forward from previous year		
			Final Budget	Payments	Difference between Final Budget and Payments	Final Budget	Payments	Difference between Final Budget and Payments
<i>Administrative Budgets</i>								
A400M	A400M_DPP							
	Total							
BOXER	BOXER_DEV							
	BOXER_SP							
	Total							
COBRA	COBRA_IP							
	COBRA_IS							
	Total							
ESSOR	ESSOR_EPrD							
	Total							
FREMM	FREMM_Ph2							
	Total							
FSAF	FSAF_Ph3							
	PAAMS_Muni							
	Total							
TIGER	TIGER_ISS							
	TIGER_TPrD							
	Total							
Total								

**Table 4 - Analysis of Administrative and Operational Budget & Payments by Programme**

<i>Budget year</i>	
<i>Version of COV budget</i>	
<i>Version of CFW budget</i>	
<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX (Amounts in K€)

Programme	ProgD	Note	In year			Carried Over or Forward from previous year		
			Final Budget	Payments	Difference between Final Budget and Payments	Final Budget	Payments	Difference between Final Budget and Payments
<i>Administrative &amp; Operational Budgets</i>								
A400M	A400M_DPP							
	Total							
BOXER	BOXER_DEV							
	BOXER_SP							
	Total							
COBRA	COBRA_IP							
	COBRA_IS							
	Total							
ESSOR	ESSOR_EPrD							
	Total							
FREMM	FREMM_Ph2							
	Total							
FSAF	FSAF_Ph3							
	PAAMS_Muni							
	Total							
TIGER	TIGER_ISS							
	TIGER_TPrD							
	Total							
Total								

## c. OCCAR-EA Financial Statements by Programme Division for the year ended 31 December XXXX

### **A400M Programme Division**

The A400M is a new, all terrain, large transport aircraft. The programme was integrated into OCCAR in May 2003 and the first flight took place on 11<sup>th</sup> December 2009. The programme is a cooperation between seven nations including the five member nations: Belgium, France, Germany, Spain and the United Kingdom and two non member nations: Luxembourg (acting through Belgium) and Turkey.

The programme is in the Development/Production phase



Phases	Programme Cost	Equipment Delivery
Development, Production and Initial Support	€ 20.330m	Development, production and Initial Support: 2003-2021

#### Highlights for 2010

2010 was dominated by an extensive review and subsequent renegotiation of the main programme contract. On 5 November 2010, a contract amendment was initialled, which then entered into staffing. The contract amendment is expected to be signed in 2011.

Since the first flight took place in December 2009 the flight test programme has run smoothly. The flight envelope opening was achieved in October 2010 and MSN001 to MSN004 are in Flights and between them have accumulated 1038 flying hours.

Preparations for the In Service Phase have continued and a MOU for the provision of common ISS has entered national staffing.

**Table 5a - Analysis of Operational Budget & Payments by Programme Decision**

<b>Programme</b>	A400M
<b>Budget year</b>	
<b>Version of COV budget</b>	
<b>From Date</b>	
<b>To Date</b>	

for the year ended 31/12/XXXX (Amounts in K€)

Programme Decision	Nation	Cost Type	Note	In year					Carried Over from previous year						
				Initial Budget	Budget transfers	Final Budget	Payments	Difference between Final Budget and Payments	Initial Budget	Budget transfers	Final Budget	Payments	Difference between Final Budget and Payments		
A400M_DPP	BE	BASIC													
		VOP													
		Total													
	DE	BASIC													
		VOP													
		VAT													
	ES	BASIC													
		VOP													
		Total													
	FR	BASIC													
		VOP													
		VAT													
	TR	BASIC													
		VOP													
		Total													
	UK	BASIC													
		VOP													
		VAT													
	Total														

**A400M Programme - Grand Total**

Programme	Nation	Cost Type		In year					Carried Over from previous year						
				Initial Budget	Budget Transfers	Final Budget	Payments	Difference between Final Budget and Payments	Initial Budget	Transfers	Final Budget	Paid	Difference between Final Budget and Payments		
A400M	BE	BASIC													
		VOP													
		Total													
	DE	BASIC													
		VOP													
		VAT													
	ES	BASIC													
		VOP													
		Total													
	FR	BASIC													
		VOP													
		VAT													
	TR	BASIC													
		VOP													
		Total													
	UK	BASIC													
		VOP													
		VAT													
	Total														

**Table 5 b - Analysis of Administrative Budget & Payments by Programme Decision**

<b>Programme</b>	A400M
<b>Budget year</b>	
<b>Version of CFW budget</b>	
<b>From Date</b>	
<b>To Date</b>	

for the year ended 31/12/XXXX (Amounts in K€)

Programme Decision	Nation	Cost Type	Note	In year					Carried Forward from previous year						
				Initial Budget	Budget transfers	Final Budget	Payments	Difference between Final Budget and Payments	Initial Budget	Budget transfers	Final Budget	Payments	Difference between Final Budget and Payments		
A400M_DPP	BE	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	DE	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	ES	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	FR	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	TR	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	UK	Chapter 1													
Chapter 2															
Chapter 3															
Total															
Total															

**A400M Programme - Grand Total**

Programme	Nation	Cost Type	Note	In year					Carried Forward from previous year						
				Initial Budget	Budget Transfers	Final Budget	Payments	Difference between Final Budget and Payments	Initial Budget	Transfers	Final Budget	Paid	Difference between Final Budget and Payments		
A400M	BE	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	DE	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	ES	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	FR	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	TR	Chapter 1													
		Chapter 2													
		Chapter 3													
		Total													
	UK	Chapter 1													
Chapter 2															
Chapter 3															
Total															
Total															

**Table 6a - Analysis of Operational Cash Flow by Programme Decision**

<b>Programme</b>	A400M
<b>Budget year</b>	
<b>Version of COV budget</b>	
<b>From Date</b>	
<b>To Date</b>	

for the year ended 31/12/XXXX

Programme Decision	Nation	Opening Bank Balance	Contributions				Interests	Miscellaneous*	Payments	Foreign exchange gains/losses	Closing Bank Balance	
			Total	1.For previous FYs	2.For current Year	3.Advanced (For next Year)						Total
			Amount in K€	Amount in K€	Amount in K€	Amount in K€						Amount in K€
A400M_DPP												
	BE											
	DE											
	ES											
	FR											
	TR											
	UK											
Total												

**A400M Programme Division - Grand Total**

Programme	Nation	Opening Bank Balance	Contributions				Interests	Miscellaneous*	Payments	Foreign exchange gains/losses	Closing Bank Balance	
			Total	1.For previous FYs	2.For current Year	3.Advanced (For next Year)						Total
			Amount in K€	Amount in K€	Amount in K€	Amount in K€						Amount in K€
A400M												
	BE											
	FR											
	DE											
	ES											
	UK											
	TR											
Total												

**Table 6b - Analysis of Administrative Cash Flow by Programme Decision**

<b>Programme</b>	A400M
<b>Budget year</b>	
<b>Version of CFW budget</b>	
<b>From Date</b>	
<b>To Date</b>	

for the year ended 31/12/XXXX

Programme Decision	Nation	Opening Bank Balance	Contributions				Interests	Miscellaneous*	Payments	Foreign exchange gains/losses	Closing Bank Balance	
			Total	1.For previous FYs	2.For current Year	3.Advanced (For next Year)						Total
			Amount in K€	Amount in K€	Amount in K€	Amount in K€						Amount in K€
A400M_DPP	BE											
	DE											
	ES											
	FR											
	TR											
	UK											
Total												

**A400M Programme Division - Grand Total**

Programme	Nation	Opening Bank Balance	Contributions				Interests	Miscellaneous*	Payments	Foreign exchange gains/losses	Closing Bank Balance	
			Total	1.For previous FYs	2.For current Year	3.Advanced (For next Year)						Total
			Amount in K€	Amount in K€	Amount in K€	Amount in K€						Amount in K€
A400M	BE											
	FR											
	DE											
	ES											
	UK											
	TR											
Total												

**Table 6 - Analysis of Administrative and Operational Cash Flow by Programme Decision**

<i>Programme</i>	A400M
<i>Budget year</i>	
<i>Version of COV budget</i>	
<i>Version of CFW budget</i>	
<i>From Date</i>	
<i>To Date</i>	

for the year ended 31/12/XXXX

**A400M Programme Division - Grand Total**

Programme	Nation	Opening Bank Balance	Contributions				Interests	Miscellaneous*	Payments	Foreign exchange gains/losses	Closing Bank Balance	
			Total	1.For previous FYs	2.For current Year	3.Advanced (For next Year)						Total
			Amount in K€	Amount in K€	Amount in K€	Amount in K€						Amount in K€
A400M												
	BE											
	FR											
	DE											
	ES											
	UK											
	TR											
Total												

**Table 7a - Statement of Assets and Liabilities (Operational Budget)**

<i>Programme</i>	A400M
<i>Budget Year</i>	
<i>Version of COV budget</i>	
<i>From</i>	
<i>To</i>	

for the year ended 31/12/XXXX (All figures in K€)

Nation	Cost Type	Note	In year						Carried Over from previous year				
			Final Budget	Contributions received	Contributions pending	Payments	Invoices pending payments	Invoices retained payments	Final Budget	Payments	Invoices pending payments	Invoices retained payments	
BE	BASIC												
	VOP												
	VAT												
	Total												
DE	BASIC												
	VOP												
	VAT												
	Total												
ES	BASIC												
	VOP												
	VAT												
	Total												
FR	BASIC												
	VOP												
	VAT												
	Total												
TR	BASIC												
	VOP												
	VAT												
	Total												
UK	BASIC												
	VOP												
	VAT												
	Total												
Total													

**Table 7b - Statement of Assets and Liabilities (Administrative Budget)**

<i>Programme</i>	A400M
<i>Budget Year</i>	
<i>Version of CFW budget</i>	
<i>From</i>	
<i>To</i>	

for the year ended 31/12/XXXX (All figures in K€)

Nation	Cost Type	Note	In year					Carried Forward from previous year				
			Final Budget	Contributions received	Contributions pending	Payments	Invoices pending payments	Invoices retained payments	Final Budget	Payments	Invoices pending payments	Invoices retained payments
BE	Chapter 1											
	Chapter 2											
	Chapter 3											
	Total											
DE	Chapter 1											
	Chapter 2											
	Chapter 3											
	Total											
ES	Chapter 1											
	Chapter 2											
	Chapter 3											
	Total											
FR	Chapter 1											
	Chapter 2											
	Chapter 3											
	Total											
TR	Chapter 1											
	Chapter 2											
	Chapter 3											
	Total											
UK	Chapter 1											
	Chapter 2											
	Chapter 3											
	Total											
Total												

### **3.3 Notes to the Accounts**

*[The notes to the accounts will be similar to those in the existing financial statements except to say the intention would be, once of the format of the financial statements is agreed, to simplify the wording and make the notes more informative.]*