



**AER General Assembly**

**Belfort, 26<sup>th</sup>-27<sup>th</sup> November 2009**

Agenda ref.: II-6

original in French

FOR ADOPTION

## **DRAFT BUDGET 2010**

### **- Report from the Vice-President Treasurer -**

In application of my mandate, I hereby present the draft budget of the Assembly of European Regions for 2010.

**This draft budget is balanced and follows on in the same line as budgets for previous periods.**

As a general remark, I would like to point out that unreceived net income (membership fees, less provisions for bad debt) have increased by 5% from the previous year.

Membership fees have, as usual, been increased on the basis of the European Union inflation rate in 2008 (3.7%).

The matter of unpaid membership fees remains a difficult problem, which requires the constant attention of the Presidium and the General Secretariat.

We would also like to highlight the contribution of specific financing and the provision of human resources by three of our member regions. These items are not recognised as income in this budget; however, they make a substantial contribution to the satisfactory operation of our organisation.

The Region of Alsace owns the premises we currently occupy and has considerably reduced our rent and maintenance contracts for the premises.

The Region of Wallonia provides personnel and runs the office in Brussels.

The County of Alba Julia runs our office in Romania.

More detailed consideration of this budget led to the following observations:

#### **1. INCOME:**

- a) In accordance with prior decisions taken by the General Assembly of the AER and current practices, membership fees were increased on the basis of the inflation rate in the European Union in 2008 (+3.7%). (Source Eurostat - <http://europa.eu.int/>)
- b) The updating of membership fees and new members have increased book resources for 2010 by 5% as compared with last year's budget.

- c) As is the case each year, forecast income accounted for 'good debt' and 'bad debt'. Bad debt includes fees for all regions which had not paid their fees for 2008 and 2009 by 31 July 2009.
- d) Membership fees for 2010 are as follows:
- |                         |                 |
|-------------------------|-----------------|
| - book availabilities:  | 2 644 228 euros |
| - of which 'bad debt':  | 372 250 euros   |
| - of which 'good debt': | 2 271 978 euros |

Remarks:

These assumptions were established on the basis of available information (actual or announced withdrawals, membership requests accepted by the Bureau or the Presidium) on 31 July 2009.

- e) Membership fees for 2010:

- fewer than 333,000 inhabitants = 3,885.00 euros (floor)
- between 333,000 and 4,000,000 inhabitants: 0.011669 euro/inhabitant
- more than 4,000,000 inhabitants = 46,676.00 euros (optional cap)

Reminder:

Regions with a gross domestic product (GDP) per inhabitant which is less than 50% of the average GDP for all other AER member regions in the European Union are entitled to a 25% reduction. All regions in central and eastern Europe are also entitled to a 25% reduction.

- f) The AER also receives a subsidy of 30,490 euros from the Region of Alsace towards operating costs.
- g) The AER will be submitting a fresh application in October 2009 for a subsidy from the European Commission – DG EAC. The amount requested will be 178,914 euros.

<b>2. EXPENSES:</b>
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Please find enclosed the draft budget for 2010 with comments for key headings.

Urs Wüthrich-Pelloli  
Vice-President Treasurer



<b>DRAFT BUDGET 2010</b>	<b>BUDGET 09</b>	<b>BUDGET 10</b>	<b>% variation</b>
<b>I EXPENDITURE</b>	<b>2 711 797</b>	<b>2 853 632</b>	<b>5.23%</b>
<b>60PURCHASES</b>	<b>61 200</b>	<b>62 100</b>	<b>1.47%</b>
606110 Electricity	4 500	5 000	11.11%
606120 Gas	6 000	9 000	50.00%
606130 Water	1 200	600	-50.00%
606300 Equipment	21 000	21 000	0.00%
606400 Office supplies	20 000	18 000	-10.00%
606401 Photocopies	7 000	7 000	0.00%
606800 Other materials and supplies	1 500	1 500	0.00%
<b>61OUTSIDE SERVICES</b>	<b>236 800</b>	<b>242 800</b>	<b>2.53%</b>
611000 Centurio	1 000	1 000	0.00%
611100 Summer School	8 000	8 000	0.00%
611200 Youth Team	3 600	3 600	0.00%
611300 Scholarship	0	0	0.00%
611400 Eurodyssey	21 000	21 000	0.00%
611500 Strategic action for the Regions	38 500	28 500	-25.97%
611600 AER 25 <sup>th</sup> anniversary	0	10 000	100.00%
612200 Leases	21 000	21 000	0.00%
613500 Rent and charges	90 500	96 000	6.08%
615400 Office upkeep	14 500	17 000	17.24%
615600 Maintenance and odd jobs	5 000	5 000	0.00%
615601 Maintenance contracts	15 000	15 000	0.00%
616100 Insurance	5 700	5 700	0.00%
617000 Studies and research	10 000	10 000	0.00%
618100 General documentation	3 000	1 000	-66.67%
<b>62OTHER OUTSIDE SERVICES</b>	<b>571 900</b>	<b>608 400</b>	<b>6.38%</b>
621100 Temporary staff and interns	8 500	28 000	229.41%
622601 External translations	25 000	25 000	0.00%
622607 Interregional organisations	2 000	2 000	0.00%
622608 Interpreters for Presidium meetings	15 000	15 000	0.00%
622609 Interpreters Bureaux	21 000	21 000	0.00%
622611 Interpreters General Assembly	25 000	25 000	0.00%
622610 Committees	120 400	120 400	0.00%
622620 Miscellaneous honoraria	50 000	54 000	8.00%
622800 Intervention fund	2 000	2 000	0.00%
623100 Press and Communications policy	38 000	38 000	0.00%
623800 Miscellaneous management costs	2 000	2 000	0.00%
625100 Travel expenses	120 000	140 000	16.67%
625101 Third-party travel expenses	25 000	25 000	0.00%
625600 Meeting costs	5 000	2 000	-60.00%
625700 Receptions – welcoming delegations	6 500	6 500	0.00%
626000 Postage	30 000	30 000	0.00%
626200 Telephone-Fax-E-mail	40 000	40 000	0.00%

<b>DRAFT BUDGET 2010</b>	<b>BUDGET 09</b>	<b>BUDGET 10</b>	<b>% variation</b>
626300 Internet-Intranet	32 000	28 000	-12.50%
627000 Bank charges	4 500	4 500	0.00%
<b>63 TAXES</b>	<b>99 821</b>	<b>101 460</b>	<b>1.64%</b>
631100 Tax on salaries	83 821	85 460	1.96%
633300 Staff training	16 000	16 000	0.00%
633400 Employers' part. in cons.	0	0	0.00%
<b>64 PERSONNEL COSTS</b>	<b>1 413 186</b>	<b>1 463 122</b>	<b>3.53%</b>
641100 Salaries-paid leave-bonuses	865 400	885 225	2.29%
641130 Salaries-paid leave-bonuses employees in Belgium	128 900	133 751	3.76%
645100 URSSAF	242 389	266 193	9.82%
645130 Employer's charges for employees in Belgium	40 003	38 910	-2.73%
645300 IRIAL	29 357	29 986	2.14%
645330 IPRIAL- GESCOPI	58 713	59 972	2.14%
645400 ASSEDIC	30 824	31 485	2.14%
647300 Luncheon vouchers	16 000	16 000	0.00%
647500 Work medicals	1 600	1 600	0.00%
<b>65 OTHER RUNNING COSTS</b>	<b>4 500</b>	<b>3 500</b>	<b>-22.22%</b>
658600 Brussels office	2 500	1 500	-40.00%
658700 Alba Satellite	2 000	2 000	0.00%
<b>68 ALLOWANCE/NON-COLLECTIONS FEES</b>	<b>324 390</b>	<b>372 250</b>	<b>14.75%</b>
681740 All. Non-payment of subscriptions	324 390	372 250	14.75%
686800 Reserve Funds	0	0	0.00%
687500 All. for risks & exceptional expenditure	0	0	0.00%
<b>II INCOME</b>	<b>2 711 797</b>	<b>2 853 632</b>	<b>5.23%</b>
<b>74 SUBSIDIES</b>	<b>193 404</b>	<b>209 404</b>	<b>8.27%</b>
740001 Alsace	30 490	30 490	0.00%
740002 European Commission-DG EAC subsidy	162 914	178 914	19.28%
<b>75 OTHER CURRENT MANAGEMENT PR.</b>	<b>2 518 393</b>	<b>2 644 228</b>	<b>5.00%</b>
756000 Subscriptions	2 518 393	2 644 228	5.00%
756001 Subscriptions from past years	0	0	0.00%
758000 Miscellaneous income of running management	0	0	0.00%
<b>III RESULT</b>	<b>0</b>	<b>0</b>	

## COMMENTS ON CERTAIN BUDGETARY HEADINGS (EXPENSES)

### 60 PURCHASING

- **GAS AND ELECTRICITY**  
Consumption is stable, although rates have increased.
- **EQUIPMENT**
  - IT,  
Some of the IT hardware (workstations) was replaced, following the development of the contact base with links to the website.
  - Office equipment,  
Purchase of small items of equipment.
- **PHOTOCOPIES**  
Reducing photocopies remains a constant concern for all users.

### 61 EXTERNAL SERVICES

- **CENTURIO**  
No project is under consideration.
- **SUMMER SCHOOL**  
AER subsidy to the organising committee (consisting of member regions).
- **AER SCHOLARSHIP**  
A scholarship of €11,500.00 will be awarded to a student studying towards a masters in regional affairs. The grant will be valid for one academic year and cover registration fees, a monthly allowance and travel or visa costs. The grant will be financed by gains earned from the sale of mutual funds.
- **EURODYSSEE**  
This subsidy is intended to contribute to simultaneous interpreting costs for one meeting lasting one day, to the insurance costs of trainees and to the promotion of the programme should insurance costs fall.
- **ACTION STRATEGY FOR THE REGIONS**  
This heading finances projects or events of general interest for the AER. Topical conferences may also be financed. This heading has been reduced to the benefit of the 'AER 25<sup>th</sup> anniversary'.
- **AER 25<sup>th</sup> ANNIVERSARY**  
One-off heading to mark the event with various actions in the course of 2010.
- **LEASING OF EQUIPMENT**  
Leasing of a colour photocopier and 3 small printers (photocopiers).  
Leasing of a franking machine.  
Alarm system protecting the building.
- **RENT AND SERVICE CHARGES**  
The AER rents offices with a surface area of approximately 800m<sup>2</sup> in a building located at 6 rue Oberlin, Strasbourg. This building is owned by the Region of Alsace and is rented exclusively to the AER. Leasing of an apartment in Brussels to reduce the hotel costs of the Director of Press and Communications whose function demands his ever-increasing presence in Belgium.
- **MAINTENANCE OF PREMISES**  
Cleaning of the inside and outside of our premises.

- **MAINTENANCE AND SMALL JOBS**  
Maintenance of the premises (various installations, sanitary facilities, minor electrical jobs).
- **MAINTENANCE CONTRACTS**  
This heading covers maintenance contracts for telephone installations, the maintenance of servers, the annual inspection of electrical equipment, the maintenance of certain specific software applications, etc.  
Maintenance of networks with external access, electronic mail security, maintenance of the server of the office in Brussels.
- **STUDIES AND RESEARCH**  
This heading is used to enable the contracting of external studies.

<b>62 OTHER SERVICES</b>
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- **INTERIM PERSONNEL AND INTERNS**  
Use of interim personnel to replace staff in case of extended periods of absence (illness) (office jobs):  
Internships (students are awarded an amount of 150 euros per month for work placements lasting 3 months or less or 444 euros per month for work placements lasting more than 3 months (pursuant to the legislation in force in France). To support the young people, each AER unit gives interns the opportunity to gain professional experience.
- **EXTERNAL TRANSLATIONS**  
Outsourced translations.
- **INTERPRETING – PRESIDIU**  
2 meetings each lasting one day with simultaneous interpreting in 3 languages.
- **INTERPRETING – BUREAU**  
3 meetings each lasting one day with simultaneous interpreting in 3 languages.  
The Bureau must meet at the same time as a Committee meeting to reduce overheads whenever possible.
- **INTERPRETING – GENERAL ASSEMBLY**  
5 languages, two days + cost of interpreting booths for certain languages (Hungarian, Romanian, etc) for which the interpreters are paid for by the Regions in the countries in question.
- **COMMITTEES**  
An amount of 29 000 euros is proposed for each Committee in 2010, to cover their meeting costs and the use of external experts. Credit of 8 000 euros is also assigned to the annual conference of the 'Equal opportunities' working group. The Standing Committee on Institutional Affairs and the Standing Committee on Monitoring and Evaluation are assigned a joint budget of 25 400 euros.
- **MISCELLANEOUS HONORARIA**  
This heading finances the amounts required for the payment of the honoraria of the chartered accountant (establishment of financial statements and wage slips), the statutory auditor (auditing and certification of financial statements) and lawyers.
- **INTERVENTION FUND**  
Reminder: this fund is intended to enable the Bureau to finance operations which were not planned at the date of the draft budget.
- **PRESS AND COMMUNICATION**
  - Topical files/ARE publications
  - Media relations/ events

- Public relations/AER gifts

- **PROFESSIONAL TRAVEL EXPENSES**

The increase under this heading is the result of more intensive activity and greater staff numbers.

- **THIRD-PARTY TRAVEL EXPENSES**

This heading finances the travel costs of non-members of the General Secretariat.

This heading covers the travel costs of individuals mandated to represent the AER at external events or of certain experts speaking at AER meetings, subject to certain conditions (travel in economy class, hotel with breakfast included).

- **INTERNET-INTRANET**

This budget covers the cost of hosting the website, assistance for the development of the site and an annual fee for the software used to synchronise the website and the database (4D).

<b>63 TAXES</b>
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- **TAXES ON WAGES**

11.40% of salaries

- **TRAINING OF PERSONNEL**

This heading finances the training of the members of the General Secretariat.

<b>64 PERSONNEL COSTS</b>
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- **SALARIES – PAID LEAVE – BONUSES**

**22 positions (including 3 at 80%)**

- 1 Secretary General
- 3 Committee Secretaries
- 1 Funding Coordinator
- 1 Director of Press & Communications
- 1 IT coordinator
- 11 Assistants (9 assistants, 1 press and communications assistant and 1 assistant to the Secretary General)
- 1 Accountant
- 2 Technical secretaries
- 1 Press & communications assistant (3-year fixed-term contract (CIFRE), terminating on 31/08/2011)

- **URSSAF CONTRIBUTIONS**

National health insurance and similar  
30.22% of salaries

- **EMPLOYER PERSONNEL CHARGES IN BELGIUM**

All of the different employer personnel charges are paid to an intermediary representing the AER in Belgium.

- **IRIAL CONTRIBUTIONS**

State pension fund  
4% of salaries

- **IPRIAL-GESCOPI CONTRIBUTIONS**  
Complementary pension and health insurance fund  
8% of salaries
- **ASSEDIC CONTRIBUTIONS**  
Unemployment insurance  
4.20% of salaries

<b>65 OTHER MANAGEMENT COSTS</b>
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- **OFFICE IN BRUSSELS**  
Credit assigned to this heading is intended to enable the office in Brussels to finance certain costs: registration fees for seminars, symposia, training; organisation of meetings, particularly with the representations of the regions in Brussels (meals, drinks); purchase of software, one-off shipping costs.
- **ALBA OFFICE**  
Support for the operating costs of the office in Alba.

<b>68 DEPRECIATION AND PROVISIONS</b>
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- **PROVISION FOR MEMBERSHIP FEES**  
'Bad debt' as per explanation above.