

## **Rules for managing the reserve fund, the asset reproduction fund and the fund of earmarked funds**

Number: S/23.5/2018

Entity name: Biological Centre of the Academy of Sciences of the Czech Republic, v. v. i.  
Registration number: 60077344

Contents:

Article 1 Introduction

Article 2 Funds

Article 3 Reserve fund

Article 4 Asset reproduction fund

Article 5 Special purpose fund

Article 6 Final provisions

Effective date: 1. 1. 2019

### **Article 1**

Introductory provisions

1. The Biological Center of the Academy of Sciences of the Czech Republic, v. v. i. (hereinafter referred to as "BC") is a legal entity established for an indefinite period.

2. The management of the B C is governed by Section 2 1–30 of Act No.

341/2005 Coll., on public research institutions,

and generally applicable regulations on the management of accounting units whose main activity is not business.

3. The BC owns the property necessary to ensure the purpose for which it was established. The management of the BC's property is decided by the BC bodies in accordance with the conditions stipulated by Act No.

341/2005 Coll., on public research institutions and Directive of the Academic Council of the ASCR No. 4/2008, on the approval of workplace actions (Annex No. 1) and Directive of the Academic Council of the ASCR No. 2/2017, on the procedure for issuing the founder's prior consent and on further management of property (Annex No. 2).

## **Article 2**

### Funds

1. The BC shall consist of the following funds:

- a) reserve fund,
- b) asset reproduction fund,
- c) earmarked funds fund,
- d) social fund.

2. The rules for managing the BC social fund are regulated by a separate internal regulation.

## **Article 3**

### Reserve fund

1. The source of the reserve fund shall be

- a) an allocation of financial resources in the amount of at least 5 % of the profit of the current accounting period after tax,
- b) monetary donations, with the exception of earmarked donations.

2. The BC may use the resources of the reserve fund

- a) to cover losses,
- b) to cover sanctions,
- c) to cover a temporary lack of financial resources,
- d) to cover the costs of the main activity not covered by revenues,
- e) to supplement the asset reproduction fund after approval by the BC Council,
- f) for other expenses that are approved by the founder and the Supervisory Board in exceptional cases.

3. The amount of the allocation to the reserve fund is proposed by the BC Director and approved by the BC Council as part of the approval of the financial statements for the previous period.

4. The use of the reserve fund is approved by the BC Director or a person authorized by him/her based on a written request from the director of the organizational unit for the

release of resources from the reserve fund. In the application the amount and specific reason for the need to use these funds must be stated.

#### **Article 4**

##### **Asset Reproduction Fund**

1. The sources of the Asset Reproduction Fund are

a) financial resources in the amount of accounting depreciation

of fixed assets,

b) profit allocation,

c) monetary donations intended for the acquisition and technical improvement of fixed assets,

d) proceeds from the sale of fixed assets,

e) financial resources received for the acquisition and technical improvement of fixed assets,

f) financial resources received for the pooling of funds for the acquisition of fixed assets,

g) financial resources of the reserve fund, the

transfer of which was approved by the Council of the institution.

2. The BC may use the assets of the asset reproduction fund a) for the acquisition of long-term and short-term assets, b) for financing the repairs and maintenance of long-term and short-term assets, c) for the technical improvement of long-term assets, d) for pooling funds for the acquisition of long-term assets with another institution, e) for the payment of installments of loans and credits for the acquisition of long-term assets, including interest on these loans and credits.

3. The amount of the allocation to the asset reproduction fund shall be proposed by the BC director and approved by the BC institution board as part of the approval of the BC budget. The proposal for the allocation to the asset reproduction fund, or its breakdown into individual organizational parts of the BC, shall be discussed in advance by the BC director in the BC board of directors.

4. The use of the assets of the asset reproduction fund for the purpose pursuant to paragraph 2 letter a) to c) shall be approved by the directors of the organizational parts of the BC or by persons authorized by them. The use of the assets reproduction fund for the purpose of paragraph 2 letters d) and e) shall be approved by the director of the BC or by a person authorized by him.

## **Article 5**

### Special Purpose Fund

1. The sources of the special purpose fund are
  - a) special purpose monetary donations, with the exception of donations intended for the acquisition and technical improvement of long-term assets,
  - b) earmarked funds from abroad,
  - c) earmarked public funds, including funds for earmarked and institutional support for research and development from public funds, which could not be effectively used in the budget year in which they were provided.
2. Earmarked funds pursuant to paragraph 1 letter c) may be transferred by the BC to the earmarked funds fund up to 5% of the volume of funds provided for individual research and development projects, research plans or individual activities in a given calendar year.
3. The BC may use the funds of the earmarked funds fund only for the purpose for which they were provided and in accordance with the approved budget of the relevant project or research plan.
4. A written instruction for the transfer of unused funds shall be prepared by the investigator (operation authorising officer) with the written consent of the budget administrator and submitted to the Financial Accounting Office. The instruction must state the specific reason for the transfer of funds to subsequent years.
5. The amount of funds provided by BC for individual activities carried out within the framework of other activities transferred to the fund shall be approved by the BC Director.
6. The BC Director shall notify the provider of the amount of funds transferred to the fund in writing.
7. Any balance after the completion of the relevant project, research plan or after the completion of other activities must be returned to the provider in accordance with the applicable contracts or decisions on provision.

## **Article 6**

### Final Provisions

1. The funds shall be used with maximum economy and efficiency.
2. Translations of Czech documents and supplementary information are for informational purposes only. Only the Czech original is legally binding.