GUIDELINE FOR DISTINGUISHING

ECONOMIC AND NON-ECONOMIC ACTIVITIES FOR THEIR REPORTING TO THE PURPOSE-BASED SUBSIDY PROVIDER

Contents:

Entity Name:

Biology Centre CAS, v. v. i.
Company ID: 60077344

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INTRODUCTION

This guideline sets out the distinction between economic and non-economic activities within the Biology Centre of the Czech Academy of Sciences (hereinafter "BC").

I. Applicable Legislation

- Act No. 341/2005 Coll., on public research institutions and amendments to certain related acts, as amended,
- Act No. 130/2002 Coll., on the support of research, experimental development and innovation from public funds and on the amendment of related regulations, as amended,

- Decree No. 504/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on accounting, as amended,
- Act No. 235/2004 Coll., on value added tax, as amended,
- Communication from the Commission — Framework for State Aid for Research, Development and Innovation (2014/C 198/01),
- Commission Regulation (EU) No. 651/2014.

II. Definitions of Selected Terms

Research organisation = an entity regardless of legal status or financing method whose primary goal is to independently conduct basic research, industrial research or experimental development, or publicly disseminate the results of such activities through publications, knowledge transfer or education.

Enterprise = any entity engaged in economic activity regardless of its legal form or method of financing.

Economic activity is defined as any activity consisting of offering goods or services on a given market.

Non-economic activity is defined as an activity that does not constitute the offering of goods or services within the meaning of EU legislation and case law.

III. Record-Keeping of Economic Activities

For the purpose of separate record-keeping of economic and non-economic activities at BC, all costs and revenues are monitored using analytical accounts.

The capacity allocated each year to economic activities must not exceed 20% of the total annual capacity (relevant entity).

For proving compliance with the above condition, each organisational unit with its own budget within BC is considered a relevant entity:

- BC Secretariat
- Technical and Operational Administration
- Institute of Plant Molecular Biology
- Institute of Hydrobiology
- Institute of Soil Biology
- Institute of Parasitology
- Institute of Entomology
- VI SoWa

Compliance with the set capacity limit is demonstrated by BC using financial expressions through financial statements from the accounting system.

BC establishes the following reporting methods:
- cost method

- revenue method
- time method
- other method

IV. Identification of Economic Activities

Economic activities are recorded by BC in analytical accounts of the 60x class. Specifically, the following activities apply:

- food services (partially)
- accommodation services
- commercial orders
- vehicle rental
- services related to the operation of DS Motýl

Economic documentation is prepared upon request by the Finance Department.

V. FINAL PROVISIONS

All BC employees are required to comply with this guideline.

Translations of Czech documents and additional information are for information purposes only. The legally binding version is the Czech original.

This guideline shall enter into force on the date of signature and take effect on 1 January 2020.