BIOLOGICKÉ
CENTRUM
AV ČR, v. v. i.

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Inventory Directive

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Section I.

Introductory Provisions

The purpose of this Directive is to ensure the proper implementation of the inventory of assets and liabilities of the BC AS ČR, v. v. i. in accordance with the provisions of Sections 6, 29 and 30 of Act No. 563/1991 Coll. on Accounting, and Decree No. 504/ 2002 Coll., as amended, and Czech Accounting Standards.

The purpose of the inventory is to determine the actual status of all assets and liabilities and to verify whether the determined actual status corresponds to the status of assets and liabilities in the accounting.

The subject of the inventory is all own assets and liabilities, specified in more detail in other provisions and the appendix, kept on balance sheet and off-balance sheet accounts, or in operational records. Foreign assets located at the workplace at the time of the inventory, which are not monitored even on off-balance sheet accounts, are also subject to inventory.

In the process of inventorying assets and liabilities, the following applies:
a) the persons responsible for determining the actual status by physical or documentary inventory are designated members of the inventory commissions, the person responsible for carrying out the

inventory is the chairman of the inventory commission established at the relevant level of management.

b) the employee responsible for entrusted assets and other values that he is obliged to account for is the employee who has a valid material liability agreement concluded for this asset. This employee (employees) must submit a declaration of the materially responsible employee (employees) to the inventory committee before starting the inventory,

c) the employee responsible for the correctness and completeness of the asset records is the employee authorized to keep the records,

d) the employee generally responsible for the entrusted asset is the employee to whom the asset was entrusted to perform his/her function,

e) the employee generally responsible for the correct and timely execution of the inventory for individual organizational units is the director of the institute or the head of the Service Center (hereinafter referred to as "SoS").

II. Definition of inventory

1. Inventory includes:

a) determining the actual state of assets and liabilities by physical or documentary inventory, or both inventories. With regard to the specifics of some types of property, it is necessary to combine physical inventory and documentary inventory (e.g. fixed assets, including unclassified assets, fixed assets under repair at the time of inventory, etc.),

b) recording the actual status in inventory lists according to organizational units, respectively. according to the location of the property,

c) comparison of the actual levels determined with the record levels of individual components of assets and liabilities and with the levels reported in accounting on the relevant analytical accounts,

d) quantification of inventory differences, i.e. shortages, deficits and surpluses,

e) settlement of inventory differences including making the relevant accounting entries in the accounting books,

f) determination of the technical condition of the property, the state of its protection and identification of unnecessary property,

g) preparation of a record of the progress and results of the inventory and preparation of a recapitulation of the results
of the inventory broken down by individual analytical accounts of the chart of accounts with subtotals
for synthetic accounts,

h) verification of whether there are any reasons for accounting within the meaning of Section 25(3), i.e. whether the valuation in accounting complies with the valuation principles according to the law.

2. The inventory shall be carried out as a regular inventory as of the balance sheet date, i.e. as of December 31, in connection with the regular financial statements. In other cases where it is necessary to verify the status of assets and liabilities, an extraordinary inventory shall be carried out.

III. Inventory bodies

1. The central inventory commission (hereinafter referred to as the "CIK") shall be responsible for the organization, management and implementation of the inventory of assets and liabilities, including compliance with the above-mentioned regulations and the provisions of this Directive.

2. The main inventory commissions (hereinafter referred to as the "HIK") of institutes and SoS shall be responsible for the inventory of assets at workplaces, the composition of which is specified in the appendix to the instructions for institute directors and SoS heads. HIK members must familiarize themselves with the regulations on the implementation of inventories. The HIK must familiarize itself with the regulations on inventory taking. The HIK can specify the dates for inventory taking, conducts training and, if a Sub-Inventory Commission (hereinafter referred to as the "DIK") is established in the instructions of the director of the institute (head of the SoS), coordinates its activities. The HIK also controls the actual implementation of inventories, receives inventory documents from the DIK and prepares a record of the progress and results of the inventory.

3. The inventory of tangible and intangible assets, cash and valuables is carried out by the DIK, the composition of which is specified in the appendix to the instructions of the directors of institutes and the head of the SoS. The composition of the DIK is: chairman and at least 2 members. The results of the inventory are submitted by the HIK by January 25 of the following calendar year to the central inventory commission, which summarizes the results of the inventories of individual institutes and SoS and submits the summarized record for the BC for approval to the director of the BC.

4. The inventory of accounts (receivables, payables, etc.) is carried out by accounting staff using a documentary inventory. The inventory of accounts is carried out using a documentary inventory by the DIK composed of accounting department employees (instruction of the head of the SoS). The results of the inventory are submitted by the DIK to the chairman of the HIK, within the deadline according to the appendix to the instruction of the head of the SoS.

IV. Inventories

1. The actual levels of tangible and intangible assets, cash on hand and valuables are determined by physical inventory, i.e. by conversion, measurement, inspection, etc., based on the units of quantity used in accounting. Computer reports (e.g. from the Assets module) can only be used as supporting material for physical and documentary inventories. Maintenance, promotional and office supplies issued for consumption, as well as other consumables, are not subject to physical inventory.

1. If a physical inventory of assets is carried out on a date other than the balance sheet date (December 31 of the relevant calendar year), then the inventory levels must be corrected for additions and deletions of these assets as of the balance sheet date.

2. During documentary inventory, the accuracy of the account balance is checked as of the balance sheet date.
The essence of the documentary inventory is that the actual status is verified only with the help of various documents, e.g. accounting documents, deeds, contracts, etc.

3. The inventory is carried out simultaneously by at least 2 members of the DIK.

V. Inventory lists

1. The actual status of assets and liabilities, determined during the physical and documentary inventory, is recorded in the relevant inventory lists, which are prepared in duplicate. Their forms are submitted to the HIK chairmen by the accounting department.

2. Individual pages of the lists must be marked with page numbers after completion.

3. Inventory lists are conclusive accounting records that must contain:

a) facts according to which the identified asset or liability can be clearly determined,
b) the method of determining the actual status (physically, by document),
c) the valuation of assets and liabilities as of the decisive date,
d) the moment of commencement and the moment of completion of the inventory,
e) the signatures of the DIK members and the signature of the person responsible for the inventory (chairman of the DIK),
f) the signature of the employee to whom the asset was entrusted for use with an attached declaration that he or she has taken over the asset listed in the inventory and is aware of his or her responsibility for proper care and protection against damage or loss,
g) the moment of preparation of the financial statements,
h) the decisive date, if one has been determined.

VI. Inventory differences

1. The status determined by the inventory is compared with the accounting status and inventory differences are determined. They are understood as deviations in the accounting balance, namely a surplus or deficit (in the case of cash and valuables it is called a deficit).

2. It is necessary to distinguish from inventory differences those differences that arose due to incorrect accounting and which need to be corrected before the deficits and surpluses are quantified. In documentary inventories, the differences found between the actual and accounting balance are viewed only as accounting errors that need to be eliminated by additional accounting before the inventory list is drawn up.

3. Inventory differences are accounted for after their proper investigation, up to the accounting period for which the balance is verified.

4. The correction of inventory differences and other errors must be properly documented and the overview of inventory differences must be additionally supplemented with the document numbers with which they were recorded.

5. For all deficits and surpluses, the employees responsible for the assets must express their opinion on their occurrence. In settlement proposals, it is necessary to state whether the identified deficiencies are culpable or not (e.g., a culpable deficiency represents the values of natural evaporation, drying, and spraying).

VII. Record of inventory performance

1. Each partial inventory committee shall prepare a record (form no. 1) of the inventory performed, which it shall submit to the main inventory committee, including all annexes. The HIK shall prepare a summarized Inventory Record (form no. 2) and submit it to the central inventory committee, including annexes, by January 25 of the following calendar year. The record shall be prepared in duplicate (1x for the HIK and 1x for the CIK - the record, including annexes and lists, will serve to summarize the results and the need for archiving. The records, including inventory documents, shall be archived by the Financial Accounting Office).

2. The minutes shall contain:
a) a reference to the internal management act,
b) the names of the members of the commission (chairman, members),
c) the designation of the accounting category of assets and liabilities,
d) the date of commencement and date of completion of the physical or documentary inventory,
e) information on the verification of liability agreements,
f) the number of pages of the attached inventory lists, the total value of the inventoried assets,
g) in the event that a physical inventory was carried out
h) a recapitulation of the identified statuses compared to the accounting statuses,
i) identified inventory differences including justification for their occurrence,
j) a proposal for resolving inventory differences (recommendations),
k) a statement by the responsible employee(s),
l) other facts affecting the inventory results and proposals for measures,
m) the date of writing the minutes and the signatures of the chairman of the HIK and members of the DIK,

3. The HIK is responsible for carrying out a recapitulation of all the results of inventory work for the institute or SoS, writing the minutes and submitting a report to the director of the institute or the head of the SoS, including a proposal for settling inventory differences and submitting the minutes including documents to the central inventory commission.

VIII. Supplementary provisions

1. Employees responsible for entrusted property shall submit to the chairmen of the HIK all documents relating to the status or movement of property that have not yet been accounted for, before the inventory begins. They shall also submit a signed written statement that the inventory was carried out in their presence, that all documents were submitted for accounting before the inventory began, and that no documents or information about the property was withheld. This statement shall be attached to the Inventory Record.

2. During the inventory of tangible assets, assets that are not in use, are damaged, or are not properly secured are also identified and listed. The findings shall be stated in the record.

3. In the event that the person responsible for the entrusted property cannot participate in the physical inventory, he or she may be represented by a person designated in writing. If he or she does not designate anyone, the chairman of the HIK shall designate him or her.

IX. Archiving of documents

1. Documents on the inventory are stored for 5 years after it is carried out in the Financial Accounting Office.

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X. Final Provisions

1. All employees of the BC are obliged to facilitate the work of the inventory authorities and to follow their instructions during the inventory work. Any movement of tangible assets is prohibited during the inventory work.

2. Translations of Czech documents and additional information are for informational purposes only. Only the Czech original is legally binding.