

*Pursuant to Section 36(2) of Act No. 111/1998 Sb., on Higher Education Institutions and on Amendments to Other Acts (Higher Education Act), the Ministry of Education, Youth and Sports registered the Financial Management Rules of the University of Pardubice on 25 April 2006 under No. 11 274/2006-30.*

*Amendments to the Financial Management Rules of the University of Pardubice were registered by the Ministry of Education, Youth and Sports pursuant to Section 36 (2) and (5) of the Higher Education Act on 12 December 2006 under No. 29 325/2006-30, on 29 April 2008 under No. 8 576/2008-30, on 21 October 2008 under No. 21 292/2008-30, on 27 November 2009 under No. 26 034/2009-30, and on 21 October 2024 under No. MSMT-17213/2024-2.*

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**FULL TEXT OF**  
**THE FINANCIAL MANAGEMENT RULES**  
**OF THE UNIVERSITY OF PARDUBICE**  
**OF 21 OCTOBER 2024**

**Article 1**  
**Introductory Provisions**

- (1) The Financial Management Rules of the University of Pardubice ("Financial Management Rules") are established in accordance with Act No. 111/1998 Sb., on Higher Education Institutions and on Amendments to Other Acts (Higher Education Act), as amended ("Act") and the Statutes of the University of Pardubice ("Statutes"). These Rules shall be adhered to by all faculties, institutes, and other units of the University of Pardubice ("University").
- (2) The University is a legal entity established as a public higher education institution. The responsibilities of the founding authority for the University are exercised by the Ministry of Education, Youth and Sports.

**Article 2**  
**Management of the University of Pardubice**

- (1) The fundamental principles of financial management are outlined in Articles 27 and 28 of the Statutes.
- (2) In managing funds allocated from the state budget, the University is obligated to act economically and efficiently, utilising these funds in compliance with applicable laws and special legal regulations<sup>1</sup>, as well as in accordance with the Ministry's decision regarding state-provided financial contributions and subsidies, and consistent with the actual performance of activities. The University's internal control system is defined in a directive issued by the University (the "University's Directive").
- (3) The primary sources of funding for the University comprise non-investment and investment state-provided financial contributions and subsidies. The amount of funding is determined by the Ministry based on published guidelines, which are specified annually and discussed with representatives of higher education institutions.
- (4) The University is entitled to receive state-provided financial contributions for its educational, scientific, research, development, innovation, artistic, and other creative activities. Additionally, the University is entitled to receive an advance on the financial contribution.
- (5) The University is eligible for a university development subsidy, which may be granted specifically for accommodation and catering services for students. The terms and conditions governing subsidies, their application, and accounting practices are regulated by the general provisions pertaining to the management of state budget funds<sup>1</sup> and the regulations governing support for research and development.<sup>2</sup>

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<sup>1</sup> E.g. Act No. 218/2000 Sb., on Budget Rules and on Amendments to Certain Related Acts (Budget Rules), as amended.

<sup>2</sup> Act No. 130/2002 Sb., on Support for Research, Experimental Development and Innovation from Public Funds and on Amendments to Certain Related Acts (Act on Support for Research, Experimental Development and Innovation), as amended.

- (6) Financial resources from non-investment and investment state-provided financial contributions and subsidies are allocated to the University in accordance with the Ministry's methodology for implementing the Budget Rules Act for the relevant calendar year or for a provisional budget.
- (7) The University manages its funds according to an annual budget, which must not be deficit-based. The rules for budget preparation and structure are established by the Rector following discussions with the Academic Senate of the University.
- (8) The budget may only be utilised by the University to finance and support activities in alignment with Article 3 of the Statutes.
- (9) In connection with the execution of its educational, scientific, research, development, innovation, artistic, and other creative activities ("core activities"), the University also provides services and goods to students that relate to their educational activities, including but not limited to copying and printing services, sale of study literature, accommodation, and catering.
- (10) Fees associated with studies are not subject to general fee regulations. The types of fees and the rules governing their application are specified in Articles 10 to 12 of the Statutes and the University's directives.
- (11) The University possesses movable and immovable property, non-residential premises, rights, and other assets necessary for fulfilling its mission and supporting its activities.
- (12) The University may only acquire securities issued by the State or securities whose repayment is guaranteed by the State, or securities from business corporations in which the University has invested assets.
- (13) The University may invest monetary and non-monetary resources in other legal entities in accordance with the "Rules for Investing Monetary and Non-Monetary Resources into Legal Entities" established by the University of Pardubice.
- (14) The University is required to maintain accurate records of its property and ensure its efficient and economical use. Management decisions regarding the University's property are made by the Rector, with the Bursar acting within the parameters defined by a Rector's measure, and Deans or Directors of University institutes acting as specified in Articles 22 to 23 of the Statutes. In cases referred to in Article 15(1)(a) to (d) of the Act, the Rector shall decide with the prior written consent of the Board of Directors of the University and notification to the Ministry. Further conditions for the registration and inventory of property shall be specified in the University's Directive.
- (15) The University operates within a double-entry bookkeeping system, which requires a clear distinction between costs and revenues generated from ancillary activities conducted in accordance with Section 20(2) of the Act and its core activities. In all other respects, the University shall adhere to general accounting regulations<sup>3</sup>, with more detailed bookkeeping conditions outlined in the University's Directive.

### **Article 3 Financial Management of the University**

The income of the University encompasses, but is not limited to, the following sources:

- a) state-provided financial contributions for educational and scientific, research, development and innovation, artistic or other creative activities ("financial contributions")
- b) state budget subsidies ("subsidies"),
- c) other income from the state budget, state funds, the National Fund, municipal and regional budgets and the budgets of the European Union,
- d) fees associated with the admissions procedure, studies, and the issuance of documents,
- e) charges related to lifelong learning,
- f) proceeds from property,

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<sup>3</sup> E.g. Act No. 563/1991 Sb., on Accounting, as amended; Decree No. 504/2002 Sb. of the Ministry of Finance, which implements certain provisions of Act No. 563/1991 Sb. for accounting units whose core activities do not involve conducting business, provided they maintain double-entry bookkeeping; and the Czech Accounting Standards applicable to accounting units operating under Decree No. 504/2002 Sb., as amended.

- g) proceeds from ancillary activities,
- h) income from gifts and inheritances,
- i) other income generated from the provision of services related to core activities, particularly accommodation and catering services for students and staff, sale of study literature, and property rentals,
- j) credits from financial institutions,
- k) pooled funds,
- l) public funds designated for supporting research, experimental development, and innovation under applicable legal regulations<sup>4</sup>.

#### **Article 4 Funds**

(1) The University may allocate after-tax profit ("profit") to the funds only after any losses from previous periods have been recovered. Fund balances as of 31 December of the current year shall be carried over to the following financial year. Resources from the funds derived from profits obtained through basic research, applied research, or experimental development, as well as the dissemination of their outcomes through teaching, publishing, or technology transfer supported by public funds, may be retroactively utilised solely for these activities or for related dissemination efforts or teaching.

(2) The University establishes the following funds:

- a) The Reserve Fund is primarily designated to cover losses in subsequent accounting periods and is comprised of:
  - allocations from profit,
  - transfers from the Fixed Asset Reproduction Fund, Remuneration Fund and Working Capital Fund.

The Reserve Fund is intended to:

- cover losses of previous accounting periods,
- facilitate transfers to the Fixed Asset Reproduction Fund, Remuneration Fund, and Working Capital Fund.

b) The Fixed Asset Reproduction Fund is composed of:

- allocations from profit,
- the balance of financial contributions as of 31 December of the current year,
- accounting depreciation of tangible and intangible assets,
- transfers from the Reserve Fund, Remuneration Fund and Working Capital Fund,
- proceeds from the sale and disposal of fixed assets up to their residual value,
- pooled investment funds based on concluded pooling agreements,
- other income of the University.

Resources from the Fixed Asset Reproduction Fund, created through transfers from the Working Capital Fund derived from the balance of the state-provided financial contribution for educational, scientific, research, development, innovation, artistic, or other creative activities as of 31 December of the current year, may only be used to finance activities in which the University does not engage in economic competition on the common market, nor can it influence such competition through these activities.

The Fixed Asset Reproduction Fund is designated for:

- ensuring the University's investment activities,
- providing investment resources to other entities based on concluded agreements regarding joint

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<sup>4</sup> *Act No. 130/2002 Sb., on the Support of Research, Experimental Development and Innovation from Public Funds and on Amendments to Certain Related Acts (Act on the Support of Research, Experimental Development and Innovation), as amended.*

investment activities,

- repayment of the University's investment loans and borrowings,
- serving as a supplementary source for funding the repair and maintenance of long-term assets after meeting the University's investment needs,
- facilitating transfers to the Reserve Fund, Remuneration Fund and Working Capital Fund.

c) The Scholarship Fund is composed of:

- tuition fees pursuant to Section 58(6) of the Act, excluding fees assessed to students enrolled in foreign language programmes,
- transfers of tax-deductible expenses (costs) as per special legal regulations (Section 24(2)(zr)(4) of Act No. 586/1992 Sb., on Income Tax, as amended),
- donations earmarked for scholarships.

Funds provided to the University for scholarships for doctoral programme students, social scholarships, and accommodation scholarships from the state-provided financial contribution are excluded from the Scholarship Fund.

The Scholarship Fund is designated for:

- payments of scholarships in accordance with the Scholarship Regulations of the University of Pardubice.

d) The Remuneration Fund is composed of:

- allocations from profit,
- donations earmarked for the remuneration of University employees,
- transfer from the Reserve Fund, Fixed Asset Reproduction Fund, and Working Capital Fund.

The Remuneration Fund is designated for:

- payment of wage components in accordance with the Internal Wage Regulations of the University of Pardubice,
- transfers to the Reserve Fund, Fixed Asset Reproduction Fund, and Working Capital Fund.

e) The Designated Purpose Fund is composed of:

- earmarked donations, excluding those designated for the acquisition and technical improvement of fixed assets,
- earmarked funds from abroad,
- earmarked public funds, including earmarked and institutional support for research, experimental development, and innovation from public funds that could not be utilised by the University in the financial year in which they were granted, up to 5% of the volume of earmarked public funds granted to the University for individual research, experimental development, and innovation projects in a given calendar year; in the case of other public fund support, up to 5% of the volume of such support granted to the University in a given calendar year. The University shall notify the provider in writing regarding the transfer of earmarked funds.

The Designated Purpose Fund is solely intended for the specific purposes for which the resources were provided.

f) The Social Fund is composed of:

- a basic allocation recorded as an expense for the University, up to 1% of the annual amount accounted for wages, wage compensation, and standby duty compensation.

The allocation to the Social Fund is charged monthly in advance according to the percentage set for the relevant year, with an annual reconciliation performed at the end of the year based on actual expenditures compared to the advance allocations.

Resources from the Social Fund are held in a separate University account at a bank. Transfers for advances on the basic allocation to the Social Fund shall occur no later than the end of the month following the establishment of the Social Fund.

The Social Fund is intended for:

- one-off non-repayable social assistance to University employees facing serious, difficult, and unexpected social situations, up to a maximum of CZK 15 000 per individual case,
- allowances for employees' retirement savings products, which are exempt from personal income tax (at least 50 % of the basic allocation).

g) The Working Capital Fund is composed of:

- allocations from profit,
- the balance of state-provided financial contributions as of 31 December of the current year,
- transfers from the Reserve Fund, Fixed Asset Reproduction Fund, and Remuneration Fund.

Resources from the Working Capital Fund, created through the transfer of the balance of the state-provided financial contribution for educational, scientific, research, development, innovation, artistic, or other creative activities as of 31 December of the current year, may only be used to finance activities in which the University does not engage in economic competition on the common market, nor can it influence such competition through these activities.

The Working Capital Fund is intended for:

- covering non-investment costs in the current calendar year,
- co-financing projects requiring such funding as stipulated in contractual terms,
- facilitating transfers to the Reserve Fund, Fixed Asset Reproduction Fund, and Remuneration Fund.

(3) The Rector shall decide on the allocation of resources to individual funds and on transfers between funds, taking into account the requests of deans, directors of University institutes, and heads of other University units, unless otherwise stipulated by law or special legal regulations.

(4) The Rector is responsible for the use of the Reserve Fund, Scholarship Fund, and Social Fund.

(5) The Rector is responsible for the use of the Fixed Asset Reproduction Fund, Remuneration Fund, and Working Capital Fund. Within the budgets of faculties, decisions are made by the deans, and within the budgets of University institutes, decisions are made by the directors, unless otherwise stipulated by law or special legal regulations.

(6) The Rector decides on the provision of social assistance from the Social Fund based on a reasoned written request from an employee, recommended by the dean, the director of a University institute, or the head of another University unit.

## **Article 5 Financing of Special-Purpose Facilities**

(1) The University is responsible for financing both capital and non-capital expenditures for its workplaces established to carry out core activities and to provide the information services outlined in Article 24 of the Statutes. This also includes special-purpose facilities that offer accommodation, catering, and operational services at the University, as referenced in Article 25 of the Statutes (collectively referred to as "financially autonomous units of the University").

(2) In instances where the University shares purpose-built workplaces and special-purpose facilities with other entities, it shall allocate costs or revenues according to the usage ratios agreed upon in the contractual agreement. Such agreements may also stipulate the option for payments to be made as a lump sum.

## **Article 6 Partial Budgets of Faculties, Institutes, and Other Units of the University**

(1) The financial resources of the University are redistributed among the faculties, institutes, and financially autonomous units, each of which manages the allocated resources independently. Any financial resources remaining after this redistribution shall be managed by the University.

(2) The primary sources of income for the faculties, institutes, and financially autonomous units are state-provided financial contributions and subsidies. The rules governing the redistribution and allocation of these contributions

and subsidies for a given calendar year shall be established by the Rector, subject to approval by the Academic Senate of the University.

(3) Faculties, institutes, and financially autonomous units are required to prepare partial budgets for the calendar year and manage their funds accordingly. Deans, directors of institutes, and heads of financially autonomous units are accountable to the Rector for the efficient use of state-provided financial contributions and subsidies, their reconciliation with the state budget, and for the proper management of the property entrusted to them.

(4) In addition to state-provided financial contributions and subsidies, non-investment resources may also be sourced from the revenues of local government units, state funds, municipal budgets, and international funds. Faculties, university institutes, and other independently managing units may receive such non-investment resources for their activities, which include:

- a) study-related fees,
- b) income from property (excluding the sale of real estate),
- c) revenue from ancillary activities,
- d) income from donations and inheritances,
- e) foundations and endowment funds, and
- f) pooled funds.

(5) Faculties, institutes, and financially autonomous units also manage investment funds primarily designated for the purchase of machinery and equipment not included in building costs. They may raise additional funds for the acquisition of tangible and intangible fixed assets from:

- a) earmarked donations,
- b) pooled funds based on pooling agreements,
- c) earmarked grants for science and research projects.

(6) Any penalties incurred by faculties, institutes, or financially autonomous units of the University shall be borne by the respective entities.

#### **Article 7**

##### **Provisions on Ancillary Activities**

(1) Faculties, institutes, financially autonomous units of the University, and other organisational units of the Rectorate may engage in ancillary activities for payment. These activities must be related to their core functions or aimed at enhancing the efficient use of human resources and assets. It is imperative that these ancillary activities do not compromise the quality, scope, or availability of the primary activities for which the University was established.

(2) Additional conditions for the execution of ancillary activities shall be specified in the University's Directive.

#### **Article 8**

##### **Catering Services for Staff and Students**

(1) Catering services for staff shall be governed by the University's Directive.

(2) Catering services for students shall be governed by the University's Directive.

#### **Article 9**

##### **Final Provisions**

(1) The Financial Management Rules of the University of Pardubice, registered on 15 March 1999 under No. 16 759/99-30, as amended, are hereby repealed.

(2) These Financial Management Rules were approved by the Academic Senate of the University on 11 April 2006, in accordance with Section 9(1)(b) of the Act.

(3) These Financial Management Rules shall come into force on the date of registration by the Ministry, as stipulated in Section 36(4) of the Act.

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Amendments to the Financial Management Rules of the University of Pardubice were approved by the Academic Senate of the University on the following dates, pursuant to Section 9(1)(b) of Act No. 111/1998 Sb., on Higher Education Institutions and on Amendments to Other Acts (Higher Education Act), as amended: 5 December 2006, 15 April 2008, 14 October 2008, 24 November 2009, and 8 October 2024.

These Amendments come into force on the date of registration by the Ministry of Education, Youth and Sports, in accordance with Section 36(4) of the Higher Education Act.

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Rector