

Measure of the Dean of the Faculty of Medicine of Masaryk University No. 8/2021 to ensure financial control at the Faculty of Medicine of Masaryk University

(dated 1 July 2021, ref. MU-IS/138466/2021/1452882/LF-1)

In accordance with Section 28(1) of Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Supplements to Other Acts (Act on Higher Education Institutions), as amended (hereinafter referred to as the "Act on Higher Education Institutions"), and on the basis of Masaryk University Directive No. 3/2013 "Ensuring Financial Control", I issue the following measure/directive.

Part One Basic Provisions

Article 1 Subject matter

1. Measure of the Dean of the Faculty of Medicine of Masaryk University No. 8/2021 (hereinafter referred to as "the measure") sets out detailed procedures for the financial control of the Masaryk University Faculty of Medicine (hereinafter referred to as "MU Faculty of Medicine"), which are directly related to the circulation of accounting documents. This financial control is implemented by management control processes in accordance with Act No. 320/2001 Coll., on Financial Control in Public Administration and on Amendments to Certain Acts (Act on Financial Control), as amended, and Decree No. 416/2004 Coll., No. 320/2001 Coll., on financial control in public administration and on amendments to certain acts (Financial Control Act), as amended by Act No. 309/2002 Coll., Act No. 320/2002 Coll. and Act No. 123/2003 Coll., as amended (hereinafter referred to as "management control").
2. The measure is a follow-up to Masaryk University Directive No.3/2013 on Ensuring Financial Control, as amended (hereinafter referred to as the "MU Directive on Ensuring Financial Control"), which sets out the scope of powers and responsibilities of Masaryk University employees in the management of public funds, specifies approval procedures for preliminary, interim and subsequent management control and responsibility for the implementation of expenditures from public funds. The procedures set out in this measure should always be applied in the context of the MU Directive on financial control, not just in isolation.

Article 2

Organisational arrangements and credentials

1. For the purposes of this measure, financial control is understood as a set of actions consisting in verifying the correctness, economy¹, efficiency² and effectiveness³ of the funds spent to achieve the objectives in the implementation of the activities of the LF MU departments.
2. Preliminary management control is performed by the operation's authorising officer, the budget manager and the chief accountant in accordance with the defined procedural procedures set out in the MU Guideline on ensuring financial control at the individual stages of preliminary management control. An operation is considered to be a set of all systematically arranged operations involving revenue, expenditure and the disposal of public property.
3. Unless otherwise specified in this measure, the LF MU operations principal is the LF MU Dean, the LF MU operations budget administrator is the LF MU Secretary and the LF MU Chief Accounting Officer is the head of the LF MU Economics Department (hereinafter referred to as the "LF MU EO").
4. Each person entrusted with the role of authorising officer, budget manager or accounting officer shall, with few exceptions, have a designated deputy.
5. In case of absence of the operation principal and his/her deputy, the second in order is the LF MU Dean. In the absence of the budget administrator and his/her representative, the LF MU secretary is the second in order acting budget administrator. In the absence of the chief accountant and his/her deputy, the acting chief accountant is the head of the LF MU EO.
6. Management control for employment law is ensured by employees who are authorised to come into contact with personal and payroll data of employees.
7. The operation's principals, budget managers and chief accountant are responsible for exercising management control functions in relation to individual contracts, subcontracts, activities (funding sources), departments and faculty accounts (hereinafter referred to as 'contract').
8. Persons authorised to perform the function of management control shall be determined by the Dean of the Faculty of Arts. The basic rules for determining the persons entrusted with the financial control function are set out in **Annex 1a** to this measure. A specimen of the dean's delegation of the management control function is attached as **Annex 1b** to this measure. A model for the revocation of the Dean's delegation of the management control function is attached as **Annex 1c** to this Measure.

¹The use of public funds can be considered cost-effective if the quality requirements are met with the lowest possible expenditure of public funds (i.e. minimisation of costs while maintaining the necessary quality). ²The

requirement of efficiency is met if the expenditure of public funds achieves the best possible outputs in comparison with the amount of resources spent on providing these outputs (can also be understood as achieving the output with the minimum resources spent while maintaining the quality of the output).

³ Generally speaking, the requirement of effectiveness is met if the expenditure of public funds achieves the optimum level of achievement of objectives.

9. The EO of LF MU is responsible for the registration of roles and authorised persons for individual contracts. This registration is carried out in the electronic information system MAGION (hereinafter referred to as "EIS MAGION").
10. Exceptions to the setting of persons authorised to perform the function of management control at the MU Faculty of Medicine according to the records in EIS MAGION for selected types of accounting documents are set out in **Annex 2** to this measure. The rules for determining the persons authorised to perform the function of management control at LF MU and possible exceptions to the setting of persons authorised to perform the function of management control at LF MU according to the records in EIS MAGION for individual types of documents are set out in **Annex 3** to this measure.
11. The EO of LF MU ensures the registration of signature specimens of persons authorised to perform the function of management control. A specimen of the signature pattern is attached as **Annex 4** to this measure.
12. In cases where **one LF MU employee** is assigned as **budget manager and chief accountant** on a contract, the risk resulting from this assignment is determined in the LF MU terms and conditions as insignificant.
13. In the case of **purely accounting transactions that are** triggered by an initial financial transaction and that result from legal, accounting and tax methodological procedures governed by legislation and MU internal regulations and procedures (e.g. accruals, transitional asset and liability accounts, changes in inventories, settlement of advances, creation and use of funds, exchange differences, penny settlements, recharges between accounts, corrections of accounting errors, etc.), the employee who processes the accounting transaction may be the principal of the transaction. The condition is that the original financial operation is demonstrably authorised by the authorising officer in accordance with this measure. This procedure cannot be used in the case of cost transfers between contracts, except to correct a wrongly entered contract number.
- In the case of purely accounting transactions that do not affect costs and revenues, such as the payment of payables and the settlement of receivables in the treasury, the approval of the budget manager is not required as part of the financial control. The condition is that the original financial operation is demonstrably approved by the Budget Manager.
14. The principal of a Bud 13 operation cannot approve the same accounting documents as
Chief Accountant.

Article 3

Methods of approval under management control

1. The approval of an operation must always include the date, name, signature of the person in charge and an indication of his/her function in the management

control process to ensure the traceability of operations over time (audit trail).

2. Approval processes are carried out electronically or in paper form, these are interchangeable.
3. When using the management control system in electronic form, the approval process is supported by the MAGION EIS and the INET MU intranet system. Records of

electronic signatures are stored with the relevant documents in EIS MAGION; these records are also stored in the INET MU system.

4. When using the management control system in paper form, it is possible, due to the dislocation of the individual departments of the MU Faculty of Medicine, to place the signature of the principal of the operation and the budget administrator on the related document, which will be attached to the relevant document with reference to this annex.

Part Two

Preliminary check before commitment

Article 4

Orders

1. An order is a form of contract through which the contractual relationship is concluded (or the contractual relationship becomes valid) by the acceptance of the order by the supplier. At this point, the order is effective⁴. In selected cases⁵, in accordance with Act No. 340/2015 Coll., on Special Conditions for the Effectiveness of Certain Contracts, Publication of Such Contracts and the Register of Contracts (the Register of Contracts Act), as amended (the Register of Contracts Act), a valid order becomes effective only at the moment of its publication in the Register of Contracts.
2. Orders can be non-investment and investment orders and can be worth up to CZK 50 thousand. CZK without VAT and over 50 thousand CZK without VAT. The order may also be intra-company. These types of orders should be distinguished, as each type is subject to a different issuing and approval process.

NON-INVESTMENT ORDERS: Each department of the Faculty of Medicine has designated persons responsible for issuing non-investment orders in the MAGION EIS, the so-called orderers. The requisitioner then sends the request processed as a purchase order in EIS MAGION to the management control for approval. The authorising officer and the budget manager proceed with the approval of the order in accordance with the MU Financial Control Guidelines. In the case of the approval process in paper form, the form Request for the issue of a non-investment order, a model of which is attached as **Annex 5** to this measure, may be used. Once the request has been approved, the relevant responsible person will place the order for the requested service, goods or materials.

3. **ORDER VALUED AT 50k.CZK without VAT** :Orders with a fulfilment value higher than 50 thous. CZK excluding VAT⁶ are always issued

⁴ Effectiveness means the state in which the rights and obligations of the contracting parties (customer and supplier) arise from the order.

⁵ Orders with a performance value exceeding 50 thousand CZK. CZK excluding VAT, which are not covered by

any of the exceptions listed in the Act on the Register of Contracts.

⁶ For the purpose of assessing the value of the order, related orders or orders close in time with the same subject of performance must always be taken into account - more detailed information will be provided by the PO LF, ev. THE LF EO.

through the LF EO in MAGION EIS, which, after approval by management control, ensures written acceptance of the order by the supplier, which shows

the supplier's willingness to fulfil the order. The LF EO shall then ensure that the order and the supplier's acceptance are forwarded to the LF Legal Department (hereinafter referred to as the "LF PO") for publication in the Register of Contracts in accordance with the Act on the Register of Contracts and in accordance with Masaryk University Directive No. 6/2017 Registration and Publication of Contracts.

4. **INTERNAL ORDER:** internal orders are always issued, regardless of the value, through the EO LF V EIS MAGION on the basis of the Request for Issuing an Internal Order. A template of the Inward Order Request form is attached as **Annex 6** to this measure. An integral part of the request is the specification of the funding source (department, contract, activity, faculty account).
5. **INVESTMENT ORDERS:** Investment orders are always issued by the EO LF in EIS MAGION, regardless of value, on the basis of the Investment Order Request, which is **Annex 7** to this measure. An integral part of the request is the specification of the funding source (department, contract, activity, faculty account).

Article 5 of the Treaty

1. A contract with the signatures of the parties is an expression of the will of two or more parties to enter into a binding relationship between them. The content of the contract is the rights and obligations of the two (or more) parties within this relationship.
2. Contracts are concluded at LF MU mainly for operations where greater and more frequent risks can be assumed, as well as for operations where specific delivery or warranty conditions, options for additional services, or detailed intellectual property rights, etc., need to be negotiated. In the conditions of LF MU, contracts are concluded in writing.
3. The contract is valid if it is signed by both (all) parties.
4. The contract shall be effective⁸ on the date of signature of the last of the contracting parties, unless a later date is specified in the contract. In selected cases⁹, in accordance with the Law on the Register of Contracts, the validity of a contract is not effective until its publication in the Register of Contracts.
5. In accordance with the subject matter of the contract, it is necessary to select the ~~appropriate type of contract~~ to conclude the contractual relationship, or an unnamed contract may be concluded. An unnamed contract is a type of contract which is not expressly regulated by law but must be consistent with the content and purpose of the legislation.

⁷ Orders for the acquisition of assets with a purchase price exceeding 40 thousand CZK. CZK in the case of tangible assets and than 60 thousand CZK in the case of intangible assets.

⁸ Effectiveness means the state in which the rights and obligations of the contracting parties (the client and the supplier) arise from the contract.

⁹ Contracts with a value of performance exceeding 50 thousand CZK. CZK excluding VAT, which are not covered by any of the exceptions listed in the Act on the Register of Contracts.

6. The draft contract to be approved shall contain the elements according to the type of contract:
 - a) mandatory:
 1. identification of the contracting parties,
 2. definition of the subject matter of the contract,
 3. payment terms,
 4. the particulars of the invoice received;
 - b) Recommended:
 1. place of performance,
 2. terms of delivery,
 3. Sanctions,
 4. guarantees,
 5. the conditions for termination of the contract,
 6. addressing related intellectual property rights, where relevant,
 7. other rights and obligations of both parties.
7. The employee who identifies the need for the acquisition of goods, services or materials to be implemented through the conclusion of a contract shall prepare a draft contract with the LF PO for approval by management control. The proposal shall include a specification of funding sources (department, contract, activity, faculty account). The pre-commitment approval process always includes a statement from the LF EO, the LF PO or, if relevant to the content of the specific contract, also a statement from the LF Procurement Department, the LF Science, Research and Project Support Department and the LF Development and Project Support Department.
8. If the conclusion of the contract is carried out by means of a public procurement via the E-ZAK electronic tool, the approval procedure takes place before the call for tenders on the basis of the approval of the public contract confirmed by the operation's principal and the budget manager (applicable to both investments and non-investments). The approved forecast commitment shall include the forecast price of the procurement and the forecast commercial terms and conditions without specifying the supplier. If the selected supplier's bid price is higher than the approved commitment price or if there is a substantial change in the commercial terms and conditions during the procurement process, the approval process must be re-run before the contract is concluded.
9. The authorisation procedure of the authorising officer and the budget manager shall be carried out in accordance with with the MU Guidelines.
10. The contract may not be concluded until the management control approval process has been completed. The Contract Cover Sheet form (see **Annex 8** to this measure) or the relevant application for contract approval in the INET MU intranet system may be used to carry out the management check.

**Article 6 Travel
orders**

1. Travel orders that are expected to incur costs, i.e. future expenditure, must also be approved from a management control perspective. A record of the preliminary management check will be made on the travel order using the appropriate application for approving and ordering travel in the INET MU intranet system or, where appropriate, using a paper form of the travel order. The template for the Work Travel Order and the Foreign Work Travel Order in paper form is set out in **Annexes 9a and 10a** to this measure.
2. An employee who is sent on a mission shall complete the required information on the electronic or paper Mission Order form, including estimated expenses, and submit it to his/her immediate supervisor for approval. In completing the details, the employee shall be guided by MU Guideline No. 13/2017 Travel Allowances, as amended from time to time ("Travel Allowances Guideline"). Once approved by the immediate supervisor, the travel order is forwarded to the management review approval process.
3. The use of a private vehicle for business purposes is always approved by the MU LF Secretary via the relevant application for approving and arranging business trips in the INET MU intranet system, or in paper form using the form Application for Use of a Private Motor Vehicle for Business Travel (form attached as **Annex 11 to** this measure) or the form Application for Consent to Use a Private Motor Vehicle for Business Travel (form attached as Annex **12 to** this measure).
4. The authorisation procedure of the authorising officer and the **budget** manager is carried out in accordance with the MU Guidelines.
5. The travel authorisation approval process must be completed before the start of the mission, otherwise the mission cannot start.
6. An approved travel order is a condition for the approval of other expenses related to the business trip (e.g. flight bookings, accommodation, etc.).
7. The staff member is entitled to an advance payment for the business trip in a reasonable amount, up to a maximum of the estimated expenses. The advance shall be paid on the basis of an approved request as set out in the Travel Order. The advance may be paid in cash at the LF Cashier's Office or, in justified cases, to the staff member's account in accordance with the conditions laid down in the Travel Allowances Directive.
8. The accounting of the mission shall follow the procedures described in Article 12 of this measure.

Article 7

Cash expenditure

1. Expenditure representing cash purchases for the acquisition of goods, services or materials by an authorised staff member must be authorised in advance.

2. Requests for approval of a cash purchase may be submitted to in documentary form as:

- A request for a cash purchase, in the case of a one-off purchase where the employee is not required to make a deposit for that purchase (the Cash Purchase Request form is attached as **Appendix 13** to this measure/guideline),
 - A request for an extraordinary advance, in the case of a one-off purchase where an advance is requested by the employee for that purchase (the Extraordinary Advance Request form is attached as **Annex 14** to this measure/guideline),
 - a request for a standing advance, where ongoing purchases are expected throughout the year (the Standing Advance Request form is attached as **Annex 15** to this measure/guideline).
3. The application must include all necessary details, i.e. purpose of purchase/purchase deposit, anticipated cost/expenditure, requested amount of deposit, and any other information required for approval.
 4. The approval procedure of the authorising officer and the budget manager is carried out in accordance with the MU Guidelines.
 5. The advance can only be paid on the basis of an approved application.
 6. Cash expenditure shall be accounted for in accordance with the procedures described in Article 11 of this Measures.

Article 8 Limited Promise

1. Where it is expedient to provide for operational needs arising from normal and regular activities, which must be provided for operationally and which do not entail increased risks, the operation's authorising officer may submit to the budget manager a proposal to provide financial control cover for anticipated operations and related commitments, the creditor and amount of which are not known in advance, in the form of a limited commitment.
2. For this purpose, the Limited Commitment Form, attached as **Annex 16** to this measures/this Directive).
3. The proposal shall include the purpose and amount of the capped commitment, the period for which the capped commitment is approved, and the sources of funding for the costs.
4. The signatures of the operation's authorising officer and the budget manager, indicating the date of signature on such a proposal, shall be evidence of the controlling financial security of the commitments envisaged within the limit and

period specified by him.

5. The budget manager is obliged to forward the confirmed limited commitment to the operation's authorising officer and the accounting officer, who will ensure that the limited commitment is registered in MAGION.

6. Individual purchases made under a limited commitment shall be made without further pre-approval prior to commitment.

Article 9

Payroll - pre-commitment check

1. The operations in the area of wages and salaries result in particular from Act No. 262/2006 Coll., the Labour Code, as amended, and from other legislation relevant to this area.
2. Pre-commitment management control shall be carried out in particular before the conclusion of an employment contract, a work performance agreement or a work activity agreement, and any amendments thereto. The approval of these commitments also includes the employer's related costs, i.e. the employer's mandatory statutory contributions, the cost of the social fund, the employer's contribution to the pension scheme, meals and other employee entitlements arising from MU's internal standards.
3. Changes to the sources of funding for employment-related costs, requests for recharges of salary costs and proposals for remuneration are also subject to the approval process.
4. The record of the preliminary management check is made using the relevant application for the approval of payroll documents in the INET MU intranet system, or using the relevant form in paper form. The forms are available at the MU Faculty of Medicine Personnel Department.

5.

Part Three

Preliminary check after commitment

Article 10

Invoices received and corrective tax documents

1. The invoice received is a document serving as a call for payment of the agreed price for the provision of the agreed performance.
2. The corrected tax document relates to the approved accounting entry and is approved through the same approval process as the original (corrected) document.
3. The above documents relate to the contract or order bearing the entry approval of the operation under the ex-ante management control before commitment.
4. If the amount invoiced is higher than the approved commitment, an analysis of the reason for the difference must be carried out. If the increase invoiced

the amount justified¹⁰, the approval procedure must be re-run as in the pre-commitment phase for the difference between the amount invoiced and the amount approved in the pre-commitment financial control; the assessment of the reason for the difference and the need for a new management control is carried out in these cases by the authorising officer of the operation. If the increase in the invoiced amount is not found to be justified, the contractor shall be invited to remedy the situation; for it is the responsibility of the operation's principal to arrange a remedy.

5. The Principal of the operation shall review the requirements under the MU Financial Control Assurance Guidelines with emphasis on verification of compliance with all obligations arising from the commitment. The ex-ante management control shall also include an assessment of the risks and impacts related to exchange rate differences and the annual settlement of the value added tax coefficient.
6. The Chief Accountant will review the requirements according to the MU Directive on Ensuring Financial Control and once the transaction has been approved by the Accounting Officer, the invoice can be subsequently paid.
7. The record of the preliminary management control is made using the relevant application for the approval of commitments in the INET MU intranet system, or using the form Accompanying letter to the received invoice in paper form, a model of this form is attached as **Annex 21a and 21b** to this measure.

Article 11

Preliminary post-commitment control for cash expenditure

1. After a cash purchase has been made, the employee responsible for the purchase shall account for the cash purchase. For this purpose, he/she shall use the Small Issue Accounting Form (see **Annex 17 to** this measure) in all cases referred to in Article 7(2) of this measure.
2. The cash purchase invoice must be submitted without undue delay, but must always be delivered, including all details, to the LF MU main cash desk by the deadline set by the LF MU EO for the calendar year (usually by 15 December of the calendar year in question).
3. The original receipts (tax vouchers, simplified tax vouchers or vouchers with at least the formalities of an accounting document) and the approved application pursuant to Article 7(2) of this Measure shall be attached to the invoice. The expenditure must be for the approved purpose. If a purchaser is indicated on the document, the LF MU must be named as the purchaser (i.e. not, for example, an employee). No amount in excess of the documentary evidence (e.g. tips provided) may be charged.
4. The approval procedure of the authorising officer and the accounting officer is carried out in accordance with the MU Guideline on Financial Control Assurance.

Prior approval is a prerequisite for the reimbursement of cash purchases or the settlement of an advance payment.

¹⁰ E.g. in the case where the price approved in the financial control before the commitment was made was determined by estimation or in the case of an increase in the VAT rate, etc.

5. Processing of cash purchase accounting, including its allocation to approved deposit, is made by the LF Treasury.

**Article 12
Accounting for the
mission**

1. An employee sent on a mission shall be entitled to reimbursement of the proven costs incurred in connection with that mission in the form of travel allowances in the context of the mission statement.
2. The business trip is settled using the relevant application for settling business trips in the INET MU intranet system, or using the prescribed form Domestic Business Trip Settlement (form attached as **Annex 9b to** this measure) in the case of a domestic business trip, or using the prescribed form Foreign Business Trip Settlement (form attached as **Annex 10b to** this measure) in the case of a foreign business trip.
3. Compliance with the predefined conditions of the business trip (in particular the time and place of commencement, mode of transport, time and place of termination, etc.) shall be verified by the immediate superior who sent the employee on the business trip on the basis of the business trip account and the business trip report submitted by the employee without undue delay. He shall certify the check by his signature on the mission report.
4. The mission statement shall be forwarded to the authorising officer, who shall verify the accuracy of the statement in accordance with the Travel Allowances Guidelines.
5. When the above control procedure is completed, the principal of the operation confirms the settlement with his signature and the date of execution and forwards it to the chief accountant for preliminary control via an authorised employee of the LF MU EO.
6. In the event of deficiencies, ambiguities or inaccuracies, the operation's principal shall return the working trip statement to the passenger for completion. In the event of rejection of the working trip statement, it shall notify the passenger, stating the reason for the rejection. The passenger shall complete the working trip statement as requested by the principal without undue delay. The Principal Accounting Officer shall also have the power to require the passenger to make up any deficiencies, ambiguities or inaccuracies.

**Article 13 Settlement
of a Limited Pledge**

1. The settlement of the limited commitment shall take place no later than immediately after the expiry of the term specified on the approved commitment or in the event of the specified amount being exhausted. Interim clearance shall also

take place more frequently in view of requirements related to VAT reporting, resource utilisation, data collection, etc.

2. The applicant shall indicate on the statement of accounts a reference to the specific limited commitment from which the drawdown was made and shall supplement the statement of accounts with any accounting documents supporting the drawdown. The complete documentation shall be forwarded to the operation's authorising officer for approval.
3. The operation's authorising officer, when approving the settlement (or interim settlement) of a limited commitment, shall verify that the amount of the commitment is consistent with the settlement of the limited commitment, verify consistency with the purpose and resources, and issue a request for payment assurance to the accounting officer by reference to the relevant limited commitment.
4. The Accounting Officer shall verify that the collateral is a payment with a specific limited commitment identified by the originator of the transaction.
5. Until the final settlement of the limited commitment has been approved, the approval process for a proposal to commit to another limited commitment on the same contract cannot be initiated.

Article 14

Payroll - Preliminary check after commitment

1. After the work carried out on the basis of agreements outside the employment relationship (FTE, LTTE) has been carried out, the authorising officer of the operation shall carry out a check against the approved commitment (with particular emphasis on checking the amount approved in the first stage of the claim against the amount to be reimbursed).

The principal of the operation shall confirm the correctness of the operation by signing the timesheets.

2. The record of the preliminary management check is made using the relevant application for the approval of payroll documents in the INET MU intranet system, or using the relevant form in paper form. The forms are available at the MU Faculty of Medicine Personnel Department.

Article 15

Certain specific prior management control procedures

1. The pre-commitment approval process for **bank charges** takes place when the bank account agreement is approved.
2. Preliminary management control in the case of **sanctions and fines** means the adoption of a decision that Masaryk University should provide funds on the basis of an unfulfilled obligation. In the case of penalties and fines, the first and second stages of management control cannot be carried out separately as for normal

operations, i.e. before and after the commitment, and are therefore carried out at the same time.

3. **Some operations are directly linked to the incurrence of other related costs** (typically, e.g. customs duties and VAT on imports of goods from non-EU countries). Where an operation to which these costs are directly related is approved in the approval procedure before the commitment is made, it is considered that these related costs have also been approved.

4. In the event of the need to **recharge a cost/output** from contract to contract, in the event of the need to recharge the source of funding for a cost/output, in the event of the need to recharge a cost/output from a site to another site, the Request for Recharging form attached as **Annex 18** to this measure shall be used. In the case of accounting for such a transaction by means of a so-called manual accounting document, the Request for Recharging form may be replaced by the corresponding liquidation stamps directly on the document.

Part Four

Preliminary check before entitlement

Article 16

Preliminary pre-entitlement checks on contracts

1. A contract with the signatures of the parties is an expression of the will of two or more parties to enter into a binding relationship between them. The content of the contract is the rights and obligations of the two (or more) parties within this relationship.
2. Contracts are concluded at LF MU for operations where greater and more frequent risks can be assumed, as well as for operations where specific delivery or claim conditions, options for additional services, or detailed intellectual property rights, etc., need to be negotiated. In the conditions of LF MU, contracts are concluded in writing.
3. The contract is valid if it is signed by both (all) parties.
4. The contract shall be effective¹¹ on the date of signature of the last of the contracting parties, unless a later date is specified in the contract. In selected cases¹², in accordance with the Law on the Register of Contracts, the validity of a contract is not effective until its publication in the Register of Contracts.
5. In accordance with the subject matter of the contract, it is necessary to select the appropriate type of contract to conclude the contractual relationship, or an unnamed contract may be concluded. An unnamed contract is a type of contract which is not expressly regulated by law but must be consistent with the content and purpose of the legislation.
6. The following types of contracts are the most commonly used:
 - a) lease agreement,
 - b) Purchase contract,
 - c) contract for work,
 - d) donation agreement (the university as the recipient of the donation).

¹¹ Effectiveness means the state in which the rights and obligations of the contracting parties (the client and the

supplier) arise from the contract.

¹² Contracts with a value of performance exceeding 50 thousand. CZK excluding VAT, which are not covered by any of the exceptions listed in the Act on the Register of Contracts.

7. The draft contract to be approved shall contain the elements according to the type of contract:
 - a) mandatory:
 1. identification of the contracting parties,
 2. definition of the subject matter of the contract,
 3. payment terms,
 4. the particulars of the invoice received;
 - a) Recommended:
 1. place of performance,
 2. terms of delivery,
 3. Sanctions,
 4. guarantees,
 5. the conditions for termination of the contract,
 6. addressing related intellectual property rights, where relevant,
 7. the rights and obligations of both parties.

8. The employee who identifies the need for the activity to be implemented on the basis of the concluded contract prepares a draft contract together with the LF PO for approval by the management control. At the same time, he/she shall prepare, in cooperation with the LF EEO, a costing covering all costs related to the intended activity to be carried out under the contract. The LF MU Costing Form is attached as **Annex 19** to this measure.

9. The approval process within the framework of the preliminary management control before the claim is made always includes a statement from the LF EO, the LF PO or, if relevant, also a statement from the LF Department for Science, Research and Project Support and the LF Department for Development and Project Support.

10. The Principal's approval procedure is carried out in accordance with the MU Guidelines.

11. The contract may not be concluded until the management control approval process has been completed. The Contract Cover Sheet form (see **Annex 8** to this measure) or the relevant application for contract approval in the INET MU intranet system may be used to carry out the management check.

Article 17

Preliminary pre-entitlement check for orders

12. In cases where the risks involved are minimal, a purchase order may be used instead of a contract to conclude a business relationship between LF MU and the customer. In the conditions of LF MU, orders are concluded in writing.

13. As regards approval procedures, the provisions of Article 16 on pre-entitlement checks shall apply mutatis mutandis to contracts. The MU LF Price Calculation

forms (see **Annex 19 to** this measure) and the Contract Cover Sheet (see **Annex 8 to** this measure) shall also be used mutatis mutandis.

**Article 18 Price
lists, unit pricing**

1. Price lists and unit costing as a record of the preliminary management control shall be used in particular in cases where there is a recurrent sale of the same items at a predetermined and approved price where the customer is not known in advance (course fees, conference fees, sale of publications, sale of promotional items, etc.). In these cases, it is not practical to carry out a management control before the claim is made on a case-by-case basis.
2. The price lists and contract costing, as a record of the preliminary management review prior to entitlement, shall include all costs of products, performances and services. The price lists and quotations are normally updated annually.
3. The price list defines the items that have a price or sales margin assigned to them for a given period. Pricing may be regulated by special legislation or by Masaryk University regulations.
4. The basis for the approval of price lists are price calculations of individual products, performances and services. Calculations are usually updated once a year.
5. The price list (products, performances, services) and costing of the contract is subject to the approval of the operation's principal and budget manager.

**Part Five
Preliminary post-claim check**

**Article 19
Invoices
issued**

1. The invoice issued is a document serving as an invitation to accept payment of the agreed price for the provision of the agreed performance to the customer.
2. The invoice issued must contain in particular the particulars pursuant to Section 11 of Act No. 563/1991 Coll., on Accounting, as amended (hereinafter referred to as the "Accounting Act"), or Act No. 235/2004 Coll., on Value Added Tax, as amended (hereinafter referred to as the "VAT Act"), and a reference to the claim (order or contract).
3. The request for an invoice shall be submitted by the relevant department to the EO of the Faculty of Medicine without undue delay by means of an Invoice Request Form (the Invoice Request Form is attached as **Annex 20** to this measure). At the same time as the invoice request, the relevant department shall submit related documents (typically a handover report, or other documents

documenting the operation). The invoice request shall always include a specification of the resources (contract, activity).

4. The authorized EO LF employee will issue the invoice in EIS MAGION and send it to
request for approval by the operation's principal.
5. The Principal of the operation will check the requirements according to the MU Directive on ensuring financial control, with emphasis on checking the fulfilment of all obligations arising from the claim (e.g. price, date of fulfilment, guarantees, customer identification, etc.).
6. In cases where revenue is unrelated to already approved price lists, contractual relations and other operations taken into account in the establishment of the budget, and at the same time differs significantly from the revenue originally expected, the budget manager is involved in the approval process; the budget manager may be involved in the approval process on an optional basis in other cases.
7. The Chief Accountant will review the requirements under the MU Financial Control Assurance Guidelines with an emphasis on the funding and accounting for the invoice in question. Subsequently, the invoice is sent to the customer.

**Article 20
Cash earnings**

1. Cash receipts are made for services provided by the organisation in the main or complementary activities of Masaryk University.
2. The cash document must contain, in particular, the particulars pursuant to Section 11 of the Accounting Act (or the VAT Act) and a reference to the claim (e.g. a contract or order).
3. The operation principal shall verify the requirements in accordance with the MU Directive.
4. In cases where it is not possible to operationally secure approval of a specific receipt by the operation's principal and chief accounting officer prior to the actual receipt of cash, post-entitlement management control is performed afterwards.

**Part Six Final
Provisions**

**Article 21
Final provisions**

1. This measure is an internal standard of the Faculty of Medicine of Masaryk University.
2. This measure cancels the Measure of the Dean of the Faculty of Medicine No. 1/2017 on ensuring financial control at the MU Faculty of Medicine dated 2 January 2017, No. MU-I/28-2017/464436/LF-1.

3. Authorisation of persons to perform the function of management control on the basis of the Measure of the Dean of the Faculty of Medicine No.1/2017 on ensuring financial control at the Faculty of Medicine of MU dated 2 January 2017, No.
 - j. MU-I/28-2017/464436/LF-1 and subsequent amendments valid up to and including 30 June 2021 remain unchanged. A list of these persons and the functions to which they have been delegated is attached as **Annex 22** to this Measure.

4. In justified cases and on the basis of an evaluation of the anticipated risks of financial operations, the Dean of the Faculty of Arts may designate a principal and budget manager for a given contract in a manner deviating from the general principles set out in the Annex to this measure.
5. If this measure specifies that a particular form is to be used for a given operation, then this may be suitably replaced by another form of record, but the content must be retained.
6. The interpretation of the individual provisions of this measure is entrusted to the Secretary of the Faculty of Arts.
7. Compliance with this measure is monitored by the Head of the LF MU EO and the Head of the LF MU Personnel Department.
8. The individual forms annexed to this measure are published in editable form on the LF MU website.
9. This measure shall enter into force on the date of signature.
10. This measure shall enter into force on 1 July 2021.

prof. MUDr. Martin Repko, Ph.D.
Dean of the Faculty of
Medicine MU

List of attachments:

attach ment numbe r	Content of the Annex
1a	Basic rules for determining the persons responsible for exercising the management control function at LF MU
1b	Specimen of the Dean's delegation of the management control function
1c	Template for the revocation of the Dean's delegation of management control
2	Overview of exceptions to the setup of persons delegated to perform the management control function on LF MU according to records in EIS Magion: financial control of selected types of accounting documents
3	List of document types in the financial control process at LF MU and rules for determining the persons responsible for performing the management control function at LF MU for individual document types
4	Signature specimen
5	Request for a non-investment order
6	Request for the issue of an internal order
7	Application for an investment order
8	Cover sheet to the contract
9a	Domestic travel order
9b	Accounting for a domestic business trip
10a	Foreign travel order
10b	Accounting for a business trip abroad
11	Request to use a private road motor vehicle for a business trip
12	Employee's request for consent to use a private road motor vehicle for work travel
13	Request for cash purchase
14	Request for exceptional advance
15	Application for permanent advance
16	Limited promise
17	Settlement of petty cash issue
18	Request for recharging
19	Price calculation at LF MU
20	Request for invoice
21a	Invoice cover sheet - non-investment
21b	Invoice Receipt Cover Sheet - Investment
22	List of persons entrusted with the management control function as of 30 June 2021