

**Measure of the Director of Central European Institute of Technology of
Masaryk University No. 6/2016**

Internal Budget Rules of CEITEC MU

(as amended, effective as of 1st December 2018)

Pursuant to Article 4 Par. 6 of the Organisational Rules of the Central European Institute of Technology of Masaryk University, I hereby issue the following Measure:

Article 1

Subject Matter

This Measure determines the rules for the preparation and administration of the budget of the university institute CEITEC MU (hereinafter the "Institute") and for the management of internal budgetary relations within the Institute.

Article 2

Budget of the Institute

- (1) The budget represents a binding plan of revenues and costs of the Institute that is prepared on annual basis, in compliance with applicable internal rules of MU and the rules of individual providers applicable with respect to various sources of the budget revenues.
- (2) The main sources of the budget revenues of the Institute are the following:
 - a) resources for the support of long-term conceptual development of the research organisation (institutional support) pursuant to the Act on the Support of Research, Experimental Development and Innovations;
 - b) contribution for education activities pursuant to the Higher Education Act;
 - c) subsidies from the National Sustainability Programme II ("NPU");
 - d) other public contributions of domestic and international providers;
 - e) financial income from donations;
 - f) financial income from foundations and foundation funds;
 - g) income generated from business activities (primary and supplementary).
- (3) The costs of the Institute are reflected in the budget in the following structure:
 - a) common costs of the Institute, including:
 1. the Institute's share on common costs of MU planned in the budget of MU (contribution to the centralised resources of MU);
 2. the Institute's share on common costs of the operation of the university sites dislocated in MU buildings administered by Bohunice University Campus or, as the case may be, administered by other parts of the university and on the costs used for the use of other premises not owned by MU;

3. the Institute's share on the costs of the Central Management Structure of the CEITEC consortium based on the budget approved by the CEITEC Coordination Board;
 4. costs of the Institute's budget programmes (Art. 3);
 5. salary and other personnel costs of the employees of the administrative section and the Director's office;
 6. operating costs of the administrative section and the Director's office, broken down based on subject-matter criteria;
 7. costs of any project co-financing, if included in the budget as a part of the Institute's common costs;
 8. reserves;
- b) costs of the scientific centres, including:
1. costs of implementation of common activities of the research centres, broken down based on subject-matter criteria;
 2. budgets of research groups, broken down based on the resources, including the Institute's contribution (Art. 4 and 5) and the financial assistance refunds, if applicable (Art. 6);
 3. budgets of other sites, broken down based on the resources, including the Institute's contribution, if applicable (Art. 8).

Article 3

Budget Programmes

- (1) A budget programme (Art. 2 Par. 2 a) Point 4) is a support of common activities (priorities) of the Institute, determined in terms of subject matter and time period, in line with the strategic plan of the Institute.
- (2) A budget programme is approved (and, if applicable, amended and cancelled) by the Director, following its discussion in the Director's board, usually as a multi-year programme. A budget programme is determined by the pre-defined total allocation of funds for the term of its existence, including possible breakdown into individual years of the budget programme existence, and represents a binding basis for the preparation of budget during the term of the budget programme existence.
- (3) The funds of the budget programme can be used for financing of individual scientific centres only if this is expressly stipulated in the terms of the given budget programme and if there are criteria determined based on which the budget programme funds are re-allocated among the scientific centres (usually based on an internal tender).

Article 4

Contribution of the Institute into the Budgets of Research Groups

- (1) The Institute's contribution to the budgets of research groups is allocated primarily from the NPU subsidy funds; for the purpose of covering costs non-eligible for the NPU subsidy funds, other suitable resources are utilised to the extent necessary, in particular the institutional support.
- (2) The Institute's contribution to the budgets of research groups consists of the basic contribution (paragraph 3), taking into consideration any deductions, if applicable

(paragraph 4), increased or reduced depending on the performance-related criteria (paragraph 5).

- (3) The basic contribution to the budgets of research groups equals at least CZK 1.4 million per year and if the budget allows, may be increased for any particular year.
- (4) The basic contribution is reduced if the FTE of the relevant research group leader in that particular research group within the Institute is lower than 0.8 FTE. In such a case, the reduction is calculated as the multiple of the annual fixed amount of personnel costs determined as CZK 840,000 and the difference of the 0.8 FTE and the actual FTE of the research group leader as of 31 May of the current calendar year.
- (5) The provisions of the preceding paragraph shall not apply in the case of research groups whose leader has a lower FTE at CEITEC MU due to their engagement at another department of MU as a degree programme guarantor.
- (6) The contribution calculated pursuant to paragraphs 3 and 4 above is further

a) increased by:

- 1. the amount equal to 10 % of the average annual amount spent by the research group in the preceding 3 years and of the amount budgeted in the current and the following year as a part of the ongoing or obtained individual research grants from international resources or from the resources generated from commercial activities, up to the maximum amount of CZK 600,000;
- 2. the amount of the revenue from the bonus remuneration that is determined annually on the basis of the evaluation of excellent publications produced by the research group in the past three years (see the Director's Measure No. 04/2015 "Methodology - Bonus Contributions for Research Groups of CEITEC MU for Scientific Excellence");
- 3. the budget is further adjusted by means of a bonus based on the actual number of FTE positions paid from individual grant resources in the amounts applicable as of 31 May of the current calendar year. If the group employed in average more than 2 FTEs on individual research grants, the budget shall grant a fixed amount as a bonus for the 3rd - 7th FTE, determined as follows:

CZK 200,000 for the 3rd FTE

CZK 150,000 for the 4th FTE

CZK 100,000 for the 5th FTE

CZK 50,000 for the 6th FTE

CZK 50,000 for the 7th FTE

- 4. the amount of up to CZK 2 million in the case of obtaining an ERC grant for the purpose of co-financing the necessary expenses associated with the ERC grant implementation;
- 5. an amount up to CZK 2 million per year, provided that the cutback after the termination of the ERC grant or another major international project is not substituted with another similar resource. This amount may be paid out for a period of no more than two consecutive years after the year of the ERC grant termination.

b) reduced by:

1. 30 % of the value of unused funds of the research group budget if the research group in the preceding year used less than 90 % of the special-purpose resources in its budget;
 2. 5 % of the total research group budget amount if the research group in the past 36 months has not published any excellent publication in Tier 10.
- (7) The Director shall decide on use of resources deducted from the budget of research groups or other worksites according to Article 4.5 b) and Articles 5.5 and 5.6.

Article 5

Special Cases of Adjustments of the Institute's Contributions into the Budgets of Research Groups

- (1) If a research group has newly been established, the Director shall determine, subject to discussion with the research group leader, the amount of the Institute's contribution to the budget of such new research group as a fixed amount replacing all the components of the Institute's contribution listed in Art. 4 above, which shall apply for a period no shorter than 3 years and no longer than 5 years.
- (2) If a decision on termination of a research group has been adopted, the Director shall determine, taking into consideration the needs resulting from the termination of the research group activities, the amount of the Institute's contribution to the budget of such terminated research group as a fixed amount replacing all the components of the Institute's contribution listed in Art. 4 above, which shall apply for the term of the research group termination process, no longer than 1 years.
- (3) If the budget of a research group includes special-purpose resources that are not of the nature of an individual research grant (i.e. a project of institutional nature), the Director may decide, subject to discussion with the research group leader, that such resources shall be fully or partially counted as the Institute's contribution to the research group budget.
- (4) If the research group is a joint site in the sense of Art. 3 Par. 8 of the Director's Measure No. 4/2016 "The Rules of Jobs Systemisation", the Director shall determine the Institute's contribution to the research group budget in line with the agreement concluded with another part of MU or with a research organisation, in proportion corresponding to MU's share on ensuring the operation of such joint site.
- (5) If any damage has been caused by the activities of the research group that has been compensated from the Institute's common costs, the Director may decide on reducing or withdrawing the Institute's contribution to the budget of the relevant research group up to the amount of such damage, which measure may be spread over several consecutive years. This is without prejudice to any labour-law measures relating to the responsible employee.
- (6) In the event of a breach of binding rules implied by the Internal Standards of the Institution, with the exception of cases specified in Art. 5 hereof, the Director can decide on reduction of the allocation of the Institution to the research group budget by up to 10 % of the amount of allocation determined by the general rules; this reducing shall be applied either in the current or in the immediately following year.

Article 6

Refundable Financial Assistance for Research Groups

- (1) Depending on the possibilities of the budget, a research group may be granted a refundable financial assistance in excess of the scope of the Institute's contribution.
- (2) The provision of the financial assistance is approved, upon the research group leader's request, by the Director who shall also determine the conditions and the future repayment schedule.

Article 7

Carrying Forward of Budget Entitlements

- (1) The entitlement of the research group for the funds from the Institute budget pursuant to Art. 4 above can be, depending on the possibilities and prospects of the budget, carried forward to future periods.
- (2) The carrying forward of the entitlement or a part thereof pursuant to paragraph 1 is approved by the Director based on a substantiated request of the research group leader submitted no later than by 31 March of the relevant year.
- (3) The budget entitlements carried forward shall only be exercisable in the periods to which they were carried over after the settlement of any claims duly occurring in such periods pursuant to Art. 4 and 5 above.

Article 8

Financing of Other Sites

- (1) Other sites are financed in particular from special-purpose resources provided for projects of research infrastructures and from the resources obtained by the Institute's own activities. In exceptional cases, in particular in the case of newly established sites, funds can also be provided from the Institute's contribution to the budget of another site.
- (2) In connection with the budget preparation, the head of the other site shall submit an annual plan of the other site's activities, specifying in particular the planned performance indicators of the other site in relation to the services provided.

Article 9

Common Provisions Pertaining to Budgets of Scientific Centres

- (1) The budgets of scientific centres are further broken down into the items of personnel costs and other operating costs, possibly in a more detailed segmentation according to the rules applicable to each category of resources. The use and transfers of various cost items in terms of their subject-matter designation and time period is subject to the rules applicable to each category of resources of the scientific centre budget.
- (2) The budget relationships when transferring resources among scientific worksites shall be governed by Measure of the Director No. 6/2015 on fees for use of devices and equipment at CEITEC MU central laboratories and by Measure of the Director No. 4/2017 Determination of responsibility for operation, maintenance and repairing of the device equipment of CEITEC MU or outside of the scope of validity of the specified Measures by agreements among the individual worksites approved by the Director.

- (3) If there are several scientific centres participating in the implementation of a certain project, the distribution of special-purpose resources of the project among the involved sites is governed by an agreement concluded among the relevant sites and approved by the Director. The approval of the agreement pursuant to the first sentence above shall be preceded by the appointment of the project investigator pursuant to applicable internal rules of MU. The details, as well as the procedures relating to the projects of institutional significance for the Institute can be regulated by a separate measure of the Director.
- (4) Income from donations, foundations and foundation funds and from economic activities represent, after the deduction of overheads, the revenue of the relevant site.
- (5) A positive business result of the economic activity of the relevant site can be carried over to the next year and shall be used for the centralised creation of funds. The spending of the own resources created in this manner shall take place within the given site from the relevant funds. If the business result does not allow for the creation of a fund corresponding to the positive business result generated from the relevant activities, the site shall be compensated for the positive business result from other institutional resources.

Article 10

Budgetary Measures

- (1) A budgetary measure is a change of individual items and indicators of the budget, based on the structure specified in Art. 2 Par. 2, provided that this results in an increase or a change of the items and indicators of the common costs of the Institute or of the costs of research groups, as well as decisions of the use of the budgetary reserve.
- (2) A budgetary measure that determines an increase of the overall amount of the Institute's common costs or that determines the use of the budgetary reserve in an amount exceeding 10 % of the reserve in any individual case shall be approved by the Director following its discussion in the Director's board.
- (3) A budgetary measure implementing changes of the items and indicators within the budget of a research group without changing the Institute's contribution to the research group budget, without carrying forward the group's entitlement to contributions from the Institute's budget or without the provision of refundable financial assistance shall be approved by the secretary of the Institute.
- (4) In the cases not specified in paragraphs 2 and 3 above, the Director shall decide on any budgetary measures.
- (5) The Finance Committee shall be informed on an ongoing basis of the budgetary measures pursuant to paragraphs 2 to 4 and presents its statements with respect to the information on the status of the budget spending submitted for discussion to the Director's board.

Article 11

Temporary Provisions

- (1) In relation to the budget for 2017, this Measure shall apply for all research groups included in the Institute's organisational structure as of 1 January 2017, irrespective of the differences of the former financing regimes according to the hitherto rules and budgets of the past periods. Research groups newly established in the period of three years prior to the issuance of this Measure shall notify the Director within 60 days after

the validity date hereof whether they wish to operate in the regime described in Art. 4 hereof or in the regime described in Art. 5 Par. 1 hereof; after the expiry of this deadline, the financing regime can no longer be altered.

- (2) In the case of projects commenced prior to the effectiveness date of this Measure, the agreements pursuant to Art. 9 Par. 3 hereof shall be submitted for approval within 60 days after the effectiveness date hereof; otherwise, they shall be replaced with the Director's decision.
- (3) If, in the course of the preparation of the budget for 2017, the total budget of a research group drops by more than 20 % as a result of the procedure described in Art. 4 above, the budget amount shall be evened up if permitted by the budget possibilities.
- (4) If there are preconditions for the conclusion of an agreement on joint worksite pursuant to Art. 3 Par. 8 of the Director's Measure No. 4/2016 "The Rules of Jobs Systemisation" or, in the case of a research group operating under any co-operation agreements or arrangements concluded earlier with another research organisation outside MU, the Director may, even without prior conclusion or amendments of such agreements or arrangements for 2017, decide on awarding the position of a joint site with the effects specified in Art. 5 Par. 4 hereof.
- (5) The provisions of Art. 4 Par. 5 b) above shall apply no sooner than for the preparation of the budget for 2018.

Article 12

Final Provisions

- (1) Until the approval of the MU's budget, the Institute's economic management shall be governed by the draft budget prepared on the basis of the estimated financial resources and discussed by the Director's board. Details may be determined by the Director's Measure.
- (2) This Measure cancels the Measure of the Director of CEITEC MU No. 1/2016 "Rules of Budget Preparation of the University Institute CEITEC MU", effective since 10 February 2016.
- (3) The secretary of the Institute shall be responsible for the interpretation of this Measure.
- (4) The deputy director for administrative matters is appointed to supervise the observance of this Measure.
- (5) This Measure shall become valid as of the date of signature hereof.
- (6) This Measure shall become effective as of 1 January 2017.
- (7) This Measure shall apply adequately also to the preparation of the budget for 2017 taking place prior to the effectiveness date hereof.

In Brno, on 3 November 2016

Jiří Nantl
Director