

MUNI | RECETOX

Director's Directive 2/2019
Rules of Financial Management of the
Centre

Part One
General Provisions

Art. 1
Scope

- 1) This Directive is issued to ensure the transparent and effective use of allocated funds in the RECETOX centre (“Centre”) in accordance with Art. 13(4) of the RECETOX Organisational Rules.
- 2) The Centre manages institutional funding, funding assigned for specific purposes, revenue from complementary activities, receives other income and contributions or, where applicable, has income from gifts and inheritance pursuant to section 18 of Act No. 111/1998 Coll., on higher education institutions.
- 3) Institutional funding includes a contribution from the state budget for educational and creative activities (“CEA” or “Contribution to Educational Activities”), institutional support for the long-term conceptual development of research organisations (“IS” or “Institutional Support”), subsidies for funding assigned for specific purposes of specific research of higher education institutions (“SR”), and funding allocated based on the Institutional Development Plan (“IDP”). These funds are allocated to the Centre by the Faculty of Science (“Faculty”) on the basis of the budgetary rules of the Faculty and the budgetary rules of Masaryk University.
- 4) Funding assigned for specific purposes means projects implemented by the Centre.
- 5) Management of each source of funding is governed, in particular, by Act No. 130/2002 Coll., on the support for research and development from public funding, and the rules of relevant providers.

Art. 2
Contribution to Educational Activities

- 1) This represents a proportion of the institutional funding allocated to the Centre based on its contribution to the teaching activities of the MU and the quality of their outcome. Of this allocated budget, 76% is determined by the scope of the educational activities and 26% is determined by the quality of the educational activities associated with research.
- 2) Parameters determining the quality include:
 - a) The number of students in bachelor’s programmes
 - b) The number of students in master’s programmes
 - c) The number of students in doctoral programmes
 - d) The number of graduates from doctoral programmes
 - e) The Centre’s contribution to the total number of RIV points
 - f) The Centre’s share of the total amount of non-investment science funding not assigned for specific purposes
 - g) The number of outgoing and incoming students in international mobility programmes

- h) The Centre's share of the total number of full-time equivalents of foreigners
- 3) A detailed specification of both parameters is set out in the Dean's Directive for the respective year and is submitted to the Academic Senate and to the Dean's Advisory Board.
- 4) The Centre uses the CEA to cover:
 - a) A proportional part of the wage costs of academic staff who teach courses in the bachelor's, master's and doctoral programmes accredited by the Centre, education of enrolled students, supervision of their theses and, where applicable, leading research projects of secondary-school students including rewards for their activities,
 - b) operational costs of the Centre such as electricity, telephones, postage, office supplies, minor service repairs, hygiene products, cleaning supplies, keys and statutory staff training. These costs have an overhead flag and are entered into the calculation for the parameter of the overhead costs of the faculty,
 - c) supplementation of student state scholarships,
 - d) occupational medical examinations and compulsory vaccination,
 - e) social costs such as subsidies for meal vouchers,
 - f) wage costs of the Support Functions organisational unit unless they are financed from funding assigned for specific purposes, including remuneration for activities. These costs have an overhead flag and are entered into the calculation for the parameter of the overhead costs of the faculty,
 - g) other operational costs of the Centre not reported elsewhere.

Art. 3

Support for specific research

- 1) Funding for the support for specific research consists of institutional funding to support individual student research, presentation and publication of their results and their involvement in international cooperation.
- 2) At the Centre level, part of the SR funding (however, not exceeding 30%) is centralised to:
 - a) wages for academic staff,
 - b) scholarships for creative results achieved as co-authors of research pursuant to Art. 4(3) of the RECETOX Bonus Scheme.
- 3) The remaining SR funding is allocated to research groups based on their contribution to the SR funding according to the following formula

$$P_{SVi} = D_{SV} \frac{U_i}{\sum_{j=1}^N U_j}$$

where

$$U_i = \left(\frac{B_i}{\sum_{j=1}^N B_j} \right)^m \left(k_D \frac{D_i}{\sum_{j=1}^N D_j} + k_M \frac{M_i}{\sum_{j=1}^N M_j} + k_A \frac{A_i}{\sum_{j=1}^N A_j} \right)^{(1-m)}$$

D_{SV} – subsidies for specific research for the relevant year,

B_i – points obtained for the Centre’s results in research, experimental development and innovation according to the most recently published evaluation of the results of research organisations,

D_i – the number of students in doctoral study programmes at the Centre in the standard period of studies plus one year calculated as at 31 October of the relevant year,

M_i – the number of students in master’s study programmes at the Centre in the last year calculated as at 31 October of the relevant year,

A_i – the number of students in bachelor’s study programmes at the Centre in the last year calculated as at 31 October of the relevant year,

k_D – the weight of the share of the number of students in doctoral study programmes; $k_D = 0.65$,

k_M – the weight of the share of the number of students in master’s study programmes; $k_M = 0.22$,

k_A – the weight of the share of the number of students in bachelor’s study programmes; $k_A = 0.13$,

m – a coefficient expressing the weight of performance in research, experimental development and innovation; $m = 0.64$.

If the sum of the number of students in doctoral study programmes, the number of graduates from master’s study programmes and the number of graduates from doctoral study programmes is zero, the number of students in doctoral study programmes is artificially increased to 0.1

- 4) SR is used to specifically cover:
 - a) scholarships and wages of students enrolled in study programmes accredited by the Centre or students whose supervisors are the academic staff of the Centre,
 - b) the costs of consumables necessary for the implementation of student projects,
 - c) student exchanges or participation of students in conferences and workshops,
 - d) a maximum of 30% of the total funds may be used for the wage costs of the academic staff of the Centre who ensure the delivery of masters and doctoral programmes accredited by the Centre and supervision of student theses.
- 5) Specific research projects are coordinated by the Centre’s Project Department.

Art. 4 Institutional support

- 1) Institutional support is a proportion of the institutional support funding allocated by the Faculty to the Centre for the long-term conceptual development of a research organisation. It aims to support research activities and related support activities. IS funding is distributed among research organisations based on the evaluation of the quality of their previous research (currently based on the 17+ Methodology) and, subsequently, based on the internal rules of each research organisation.
- 2) At the Centre level, part of the IS funds is centralised, and the remaining IS funds are distributed to research groups according to the rules (see Annex 1). Together with the research programme heads, the Director of the Centre details this procedure every year in order to fulfil

the Centre's research strategy. In doing so, the Director takes into account the current rules for allocation of IS at MU and the Faculty of Science, the amount of institutional funding and the availability of other resources.

- 3) IS is specifically used to cover:
 - a) Research activities and related costs for which funding assigned for specific purposes has not been obtained, i.e., consumables, business trips, services, publication fees, conference fees, IT equipment,
 - b) Wage costs of research group research infrastructure employees,
 - c) Centralised costs for the lease of premises for research and support activities, servicing and repairs of equipment and related costs, licenses for electronic information resources and standard IT equipment for newly recruited staff unless project-related funding is planned for such purposes,
 - d) Bonuses for managers of research groups, programmes and research infrastructures; Director's Fund bonuses; publication bonuses; research infrastructures employee bonuses,
 - e) Costs of the Director's Office such as wage costs including bonuses, travel costs and the costs for promotion of the Centre's research.

Art. 5

Institutional Development Plan

- 1) Funds distributed based on the MU's Institutional Development Plan aim to support the strategic development and investment of the Centre and are managed by the Director of the Centre. The Director of the Centre decides on the use of the funds after agreement with the Advisory Board of the Centre based on the fulfilment of the Centre's long-term strategy and annual plans.

Art. 6

Funding assigned for specific purposes

- 1) Funding assigned for specific purposes includes national and international projects that may be implemented by one or more research groups, research programmes or core facilities. Funding for such projects is always managed by the principal investigator.
- 2) Where several research groups are involved in a project, the principal investigator decides on the distribution of funding among the relevant facilities. The heads of such facilities are then responsible for the investigation of the respective parts of the project and for the economical use of the entrusted funds.
- 3) In strategic projects involving the entire Centre or requiring co-financing from central resources, the investigator is usually the Director of the Centre.

Art. 7**Operational Resources Fund**

- 1) The Operational Resources Fund (“ORF”) helps balance short-term fluctuations in the Centre’s budget and funds the Centre’s strategic development. This may involve co-funding of projects or development funds for activities that are not yet covered by projects.
- 2) The sources of ORF include:
 - a) Profit from complementary activities after tax,
 - b) Balance of the CEA as at 31 December.
- 3) The ORF can be specifically used:
 - a) As a complementary source of funding for the Centre’s needs,
 - b) For transfer to another fund (Reserve Fund, Bonus Fund, Investment Asset Reproduction Fund).
- 4) The Director of the Centre decides on the use of the Centre’s ORF.
- 5) An ORF can also be created by scientific programmes, i.e., units in the middle level of management (318010, 318020, 318030, 318040 and 318050), and from profits from complementary activities exceeding the Centre’s costs in extra-budgetary income. This profit must be greater than 50,000 CZK. Half of this profit is allocated to the Centre’s ORF 318000, and the other half to the ORF of the respective scientific programme.

Art. 8**Complementary activities**

- 1) Complementary activities of the Centre include complementary business activities and contractual research.
- 2) Before the commencement of any complementary activity, a cost calculation according to the MU rules is conducted, which contains all the necessary costs of the implementation of the activity including profit.
- 3) The Centre uses complementary activities to create profit that the Centre subsequently uses to cover costs not eligible for reimbursement from funding assigned for specific purposes. The Director of the Centre may use such resources for the representation of the Centre and to provide refreshments in the workplace and at social events. Other employees of the Centre may use these resources only after express approval by the Director of the Centre.
- 4) Membership fees as an employee personal benefit must only be paid from the proceeds of complementary activities.
- 5) The Centre also uses the proceeds of complementary activities for any fines and damage caused by Centre employees in the performance of their work unless decided otherwise by the Damage Committee.

Art. 9**Share of the Centre's costs in the costs of the Faculty of Science and the MU**

- 1) The Centre contributes to the operation of the University through a levy on revenue as a contribution to cover centralised costs and to centrally-managed investment projects and major repairs to shared utility areas used by the Centre. This figure represents approximately 40% of the revenue from IS and CEA.
- 2) As a contribution to cover centralised costs, the levy is calculated from revenue generated by the Centre and is reduced by:
 - a) Subsidy depreciation,
 - b) Creation of funds, except the ORF,
 - c) Transfers of subsidies to co-beneficiaries,
 - d) Fees for study beyond the standard length of study (section 58(3) of the Higher Education Act),
 - e) Fees for study in another programme (section 58(4) of the Higher Education Act),
 - f) Subcontracting in activities not subject to the primary mission of the profit centre,
 - g) Revenue from conferences,
 - h) Revenue from projects that have a university-wide impact or finance activities where multiple profit centres cooperate,
 - i) Moreover, in the case of centralised subdivisions, normative resources (CEA and IS) for the provision of the respective centralised service will not be included in the total revenue relevant to the calculation of the levy.
- 3) The Centre is involved in the operation of the Faculty by contributions to the central budget of the Faculty in the form of a tax as a percentage of the CEA and IS specified every year according to the needs of the Faculty. The tax is approximately 17% and 20%, respectively.
- 4) These overhead costs are reduced by overheads generated by projects from the previous year.

Part Two**Non-investment budgets of organisational units****Art. 10****Research groups and programmes**

- 1) The budget for a research group mainly consists of funding assigned for specific purposes (projects) implemented by that particular group.
- 2) In addition to project resources, the group is also entrusted with a budget from SR and IS in accordance with the rules for such resources stipulated in Articles 3 and 4 of this Directive. When the group implements projects that require co-funding, part of the budget provided from IS is ring-fenced for them for priority coverage of the costs of co-funding.

- 3) In accordance with Art. 4(4) and (4a), the academic staff of each scientific group have a 0.2 FTE funded from the central IS and CEA in order to provide tuition. Where these employees are involved in projects in excess of 0.8 FTE, they primarily utilise project resources.
- 4) Moreover, every research programme obtains funding amounting to 1.0 FTE from the Large Research Infrastructure to ensure open access to distributed parts of the infrastructure in scientific groups.
- 5) In addition, research groups may carry out complementary activities.
- 6) If any part of the budget of a research group does not have the required amount of funds, it is possible to reallocate the allocated funds in the research programme upon agreement between the research group head, the respective programme head and the Operations Director.
- 7) The budget of a research group must always be balanced. If this is not the case, it is the responsibility of the group head to resolve the situation at the level of the programme head of the Director of the Centre with the knowledge of the Operations Director.

Art. 11
Research infrastructure

- 1) Research infrastructure (“RI”) consists of the core facilities and distributed components within scientific programmes.
- 2) The main source of funding of RI activities is the RECETOX Research Infrastructure project of the Ministry of Education, Youth, and Sports.
- 3) Each RI core facility is entrusted with a budget from IS, which covers the remuneration of technical staff pursuant to the RECETOX Bonus Scheme, and extraordinary costs of IS that were not planned in projects.
- 4) Where research infrastructure is involved in a project, it uses the thus obtained funds to cover its costs.
- 5) In addition, the core facilities of a research infrastructure may carry out complementary activities.
- 6) The budget of a core facility must always be balanced. If this is not the case, it is the responsibility of the core facility head to resolve the situation with the Research Infrastructure Director or the Director of the Centre with the knowledge of the Operations Director.
- 7) Distributed parts of the infrastructure are addressed in Art. 11(4).

Art. 12
National Centre

- 1) The activities of the National Centre are mainly funded from the resources of the Ministry of Environment as one of the founders.
- 2) The National Centre obtains further resources for its activities from projects the National Centre implements or is involved in.

Art. 13
Director's Office

- 1) The activities of the Director's Office are funded from the centralised part of IS or the project resources the Director's Office is involved in.
- 2) Study-related activities of the Director's Office are funded from the CEA.

Art. 14
Support Functions

- 1) The activities of Support Functions as a support component of the Centre are primarily funded from overhead revenues budgeted in the CEA, from the centralised part of IS or the project resources each department is involved in.

Part Three

Other binding rules

Art. 15
Investment costs

- 1) The Centre has not been allocated an investment budget to manage and, therefore, primarily uses projects to fund investment costs.
- 2) In addition to project resources, it is possible to apply, at the University level, for an exchange of:
 - a) CEA for a contribution by the Ministry of Education, Youth, and Sports for capital expenditure,
 - b) IDP for an IDP contribution for capital expenditure, or
 - c) IS for IS for capital expenditure.
 - d) These funds are linked to the specific year when the exchange took place and must be fully used.

Art. 16
Centralised costs

- 1) For ease of reference, this article summarises the Centre's costs covered by various centralised types of resources.
- 2) At the central level, there is a 0.2 FTE for academic staff and 1.0 FTE for research infrastructure distributed at the level of scientific programmes.
- 3) Moreover, bonuses under the Centre's Bonus Scheme are paid from the central level.

- 4) Other centrally paid costs include:
 - a) Renting of premises,
 - b) Promotion of the Centre,
 - c) Fees for electronic information resources,
 - d) Supply of technical gases,
 - e) Statutory expenditure on OHS and workplace benefits,
 - f) Servicing and repairs to instrumentation,
 - g) Essential IT equipment for Centre employees necessary for their work,
 - h) The costs of Support Functions,
 - i) The costs of the Director's Office.

Art. 17

Preparation and approval of projects

- 1) Preparation of projects involving one or more research groups for the same programme is approved/rejected in the capacity of the unit head by the programme head in whose unit the project is implemented.
- 2) Where research groups from several research programmes are involved in a programme, the heads of all the programmes concerned must be informed of the project preparation. The project is then approved/rejected by the Director of the Centre after they have obtained the opinions of all the programme heads.
- 3) Strategic projects, especially those concerning an entire unit or requiring co-funding from central resources, are approved/rejected by the Director.

Art. 18

Financial control

- 1) Where a proportion of centralised resources (CEA, IS, IDP, ORF) is allocated to an organisational unit, the head of that particular organisational unit becomes the cost manager. The deputy of the cost manager is their immediate superior in the line management structure.
- 2) In the case of all centralised resources (CEA, IS, IDP, ORF) for the National Centre, the Director's Office and Support Functions, the role of budget administrator is held by the Operations Director, whose deputy is the Project Department Head. The budget administrator for RI and research programmes is the Project Department Head, whose deputy is the Operations Director of the Centre.
- 3) In the case of funding assigned for specific purposes and SR, the cost manager is the principal investigator and their deputy is a superior in the line management structure. If the material part of the budget (i.e., other than wage costs) of such a project is entrusted to a different organisational unit by the principal investigator, the cost manager for that material part is the head of that unit. The deputy of the cost manager is always the principal investigator.

- 4) The budget manager is always the respective project manager. The deputy of a project manager is another project manager designated by the Project Department Head. As regards Structural Funds, the budget manager is the Operations Director and their deputy is an economist from the Structural Funds Department.
- 5) The deputy of the Director of the Centre in financial control is the Director's deputy as set out in Art. 3(7) of the Centre's Organisational Rules.
- 6) If there is a concurrence of roles under these rules, the financial control is organised so that managers are in the higher roles of cost managers or administrators.

Part Four

Schedule

Art. 19

Preparation and final form of the budget

- 1) For the investment proportion of the budget, it is necessary to submit, by 10 March, 10 June and 30 September, an application for an exchange of institutional resources, which will be sent for approval to the Ministry of Education, Youth, and Sports after consideration by the Faculty and MU.
- 2) A non-investment budget is created in the form of a budgetary outlook after consultation with programme heads, the Research Infrastructure Director and the Director of the Centre by 30 November for the following year.
- 3) The budgetary outlook, except for newly obtained projects, is binding for the utilisation of funds in the first part of the following year until the budgets of MU and the Faculty are approved, which is usually until 30 April.
- 4) Adjustments to the budgetary outlook are made until 31 May, after which the budgetary outlook becomes a binding budget for that calendar year; it is binding for all the Centre's organisational units. This budget is always available in the INET application for the head of the respective organisational unit.
- 5) The budget must not have any deficit.

Art. 20

Time limits for the utilisation of entrusted funds

- 1) The heads of the organisational units entrusted with central funds are responsible for the utilisation of funds according to the utilisation schedule set out in par. 2 of this Article.
- 2) Schedule of utilisation:
 - a) A minimum of 20% of funds from the allocated annual budget must be utilised from the respective source by 31 May.

- b) A minimum of 70% of funds from the allocated annual budget must be utilised from the respective source by 31 August.
- c) A minimum of 90 % of funds from the allocated annual budget must be utilised from the respective source by 31 October.
- 3) If funds are not utilised according to the schedule, the entrusted funds may be removed from the head in order to achieve the set limits. If the limit is not met by 31 October, all the entrusted funds that have not been utilised may be removed from the head.
- 4) The Director of the Centre will decide on the use of the thus removed funds.

Art. 21

Time limits for posting and co-funding corrections

- 1) The funding assigned for a specific purpose from the previous year must be utilised by 30 April of the following year, except for wage costs.
- 2) Corrections to posting in all sources of funding are made quarterly, always by the 15th day of the month following the end of the quarter.

Part Five

Joint and final provisions

Art. 22

Final provisions

- 1) The person authorized to interpret the provisions of this Directive is the Operations Director.
- 2) Checking of compliance is the responsibility of the administrators of the budgets of financial sources.
- 3) Suggested updates are subject to approval by the Director of the Centre, who presents them to the Council.
- 4) This Directive becomes effective on

Brno, 6 June 2019

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