

## **Rules for the Management and Utilization of Funds**

The Economics Institute of CAS, v. v. i. (hereinafter "EI") with its seat at Prague 1, Politických vězňů 7 issues in accordance with § 20 of Act No. 341/2005 Coll., about public research institutions, the following Rules for the Management and Utilization of Funds:

### **Article 1 Introductory Provisions**

1. The Management of EI is given by § 21–30 of Law # 341/2005 Coll., about public research institutions, and by generally valid regulations about the management of accounting units whose main purpose of activity is not business.
2. EI is a legal entity and owns property necessary for undertaking the purpose for which it has been founded. Organs of EI decide on the use of EI property in accordance with the conditions stipulated in Law # 341/2005 Coll. and the Guidelines of the Academic Board of the CAS # 4/2008 for approving the transactions of workplaces of the CAS when utilizing property and property rights.
3. EI uses the Own Capital account which is the actual source of covering the property of the accounting unit. It is possible to record the following in the Own Capital account:
  - long-term assets designated for the activities of the public research institution taken over free of charge,
  - profit/loss transfers,
  - the acquisition price of newly ascertained, thus far unrecorded non-depreciable long-term assets,
  - long-term asset acquisitions,
  - write-offs.

### **Article 2 Funds**

1. Funds contain resources for the public research institution which are purpose specific and do not constitute own capital.
2. EI creates the following funds:
  - a) Reserve Fund,
  - b) Fixed Assets Reproduction Fund,
  - c) Purpose-specific Fund,
  - d) Social Fund.
3. The balance as of 31 December of a current year is transferred to the next budget year.

### **Article 3 Reserve Fund**

1. The resources of the Reserve Fund are the following:

- a) allotment at the level of at least 5% of the profit from an ordinary accounting period after taxation,
  - b) financial gifts, except for those that are assigned for a certain purpose.
2. EI can use the Reserve Fund
- a) for covering losses,
  - b) for covering sanctions,
  - c) for covering temporary shortages of financial resources,
  - d) for covering the expenses of the main activity not covered by yields,
  - e) for the supplementation of the reproduction fund after the approval of the Board of EI,
  - f) for other purposes that are in exceptional cases approved by the founder and the Supervisory Board.
3. The level of the amount given to the Reserve Fund is proposed by the Director of EI and approved by the Board of EI.
4. Using the resources of the Reserve Fund is approved by the Director of EI or a person appointed by him according to the directive on the system of directed documentation.

#### Article 4

#### **Fixed Assets Reproduction Fund**

1. The resources for the Fixed Assets Reproduction Fund are the following:
  - a) financial resources in the amount of depreciation of tangible and intangible fixed assets from own resources,
  - b) allotment from profit,
  - c) financial gifts aimed at the buying and technical upgrading of long-term property,
  - d) yields from selling long-term property,
  - e) financial resources obtained for the buying and technical upgrading of long-term property,
  - f) financial resources obtained for putting together resources for purchasing long-term property,
  - g) financial resources received from the Reserve Fund whose transfer has been approved by the Board of EI.
2. EI can use the resources of the Fixed Assets Reproduction Fund
  - a) for purchasing long-term and short-term property,
  - b) for financing the repair and maintenance of long-term and short-term property,
  - c) for the technical upgrading of long-term property,
  - d) for putting together the resources of EI and other institutions for purchasing long-term property,
  - e) for covering installments of credits and loans for purchasing long-term property, including interest from credits and loans.
3. The amount of the allotment to the Fixed Assets Reproduction Fund is proposed by the Director of EI and approved by the Board of EI in the framework of approving the budget of EI.

The use of the resources of the Fixed Assets Reproduction Fund is approved by the Director of EI or a person appointed by him according to the directive on the system of directed documentation.

#### Article 5 **Purpose-specific Fund**

1. The resources for Purpose-specific Fund are the following:
  - a) financial gifts aimed at a certain purpose except for gifts aimed at the purchasing and technical upgrade of long-term property,
  - b) financial resources assigned for a certain purpose from abroad,
  - c) public financial resources assigned for a certain purpose including the purpose and institutional support of research from public resources that could not be effectively used in the budget year in which they were given.

EI can transfer the financial resources assigned for a certain purpose according to paragraph 1 letter c) to the Purpose-specific Fund up to the amount of 5% of the volume of the resources given to a particular project of research, research target or particular activities in a given calendar year. EI informs the provider in writing about the transfer of the financial resources. Resources of the Purpose-specific Fund can be used by EI only for the purpose for which they were allotted and in concord with the approved budget of the particular project, research target or particular activity. The amount of resources given to EI for particular research projects or research target transferred to the Purpose-specific Fund is approved by the one who has ordered the operation and by the administrator of the budget according to the directive on the system of directed documentation, based on a proposal of the responsible researcher/coordinator of the project or research target.

2. The amount of the resources given to EI for particular activities performed in the framework of further activities transferred to the Purpose-specific Fund is approved by the Director of EI.
3. The Director of EI informs the provider of the resources in written form about the amount of resources transferred to the Purpose-specific Fund.
4. A possible remainder of financial resources after the accomplishment of a particular project or a research target or after the accomplishment of further activity is necessary in concord with valid contracts or decisions about granting the donation to be returned to the provider.

#### Article 6 **Social Fund**

1. The resources of the Social Fund are the following:
  - a) a basic allotment for the debit of expenses of EI amounting to 2% of the annual volume of expenses of EI accounted for wages, compensation of wages and for being on work alert,
  - b) monetary and other gifts assigned to the Social Fund.
2. Management of the fund
  - a) The Director of EI creates the budget of the fund, sets the method of its use and submits them for approval to the Board of EI.

- b) From the Social Fund EI can contribute only to activities organized by EI or jointly organized with other institutions or transferred from another organizational unit of the state or a legal or physical entity. Employees currently employed with EI or old-age pensioners or fully disabled pensioners who were employed with EI when they retired for the first time (hereinafter "employees") and their spouses and unemployed children (hereinafter "family members") are provided with compensation according to the first sentence for the price reduced by the contribution of the fund.
- c) There is no legal entitlement for contribution or other compensation from this fund.
- d) If the amount of the contribution from the fund is not stipulated otherwise the contribution can fully cover the expenses.
- e) All contributions from the fund except for social aid, social loans and gifts are granted in a form other than monetary.
- f) Until the new yearly budget is approved, financial resources up to the amount of resources used in the previous year can be used.

Rules for use of the Social Fund are given in enclosure # 1.

Article 7  
**Final Provisions**

- 1. When using resources from a fund, maximum frugality and purposefulness is performed.
- 2. These rules have been approved by the Board of EI on August 25, 2015, and come into effect on September 1, 2015, and replace the Rules for the Management and Utilization of Funds of June 17, 2014.
- 3. Enclosure # 1 is inseparable from these rules.



Doc. Ing. Michal Kejak, M.A., CSc.  
Director of EI

In Prague on August 25, 2015

## **Economics Institute of the CAS, v. v. i. Regulations of Using the Social Fund**

Enclosure no. 1 to the Rules for the Management and Utilization of Funds

### **I.**

#### **Creation of the Social Fund**

- 1) The Economics Institute of ASCR, v. v. i. creates in concord with § 23 of Law # 341/2005 about public research institutions a social fund (hereinafter "fund").
- 2) The resources of the fund are given in article 6, paragraph 1 of the Rules for Management and Utilization of Funds. Unused resources of the fund in one year are transferred to the following year.
- 3) The fund is aimed at ensuring the social development of the work team and for support of educational and cultural-educational activity.

### **II.**

#### **Using the Fund**

##### **1) Meal Subsidy**

The employer will contribute to the cost of meal tickets for all employees who have at least a 4-hour-a-day work contract with this employer and are not entitled to food subsidy in the framework of the joint workplace CERGE-EI. The contribution for one meal ticket is **20 CZK** per person per working day for a meal ticket in nominal value at **60 CZK**. The employee will pay **22 CZK** for the meal ticket, and the difference will be covered from the resources of the organization.

The contribution is not given for periods of illness, vacation and/or business trips.

##### **2) Culture and Sports Activities**

Employees who have at least a 5-hour-a-day work contract with the organization or have a full time work contract either with UK CERGE and in the framework of the joint workplace have at least a 4-hour-a-day work contract with the Economics Institute of ASCR, v. v. i., will be given a contribution of up to 50% of the entrance fee for cultural, body-building and sports events, permanent cards for sports centers, ski lifts, or other sports activities, including rehabilitation massages.

Tickets and permanent cards will be paid by EI to the provider against a receipt showing the total sum, after the employee deposits in cash to the cashier's office the sum reduced by the contribution from the fund.

The maximum amount of such a contribution for one employee is 1000 CZK per year.

##### **3) Contribution for Additional Pension Insurance or for Private Life Insurance**

Employees who have additional pension or private life insurance will receive a contribution to their payments. The maximum amount of this contribution is 500 CZK per month per employee.

Employees will be given a contribution to pension insurance, but not more than 90% of the amount the employee pays himself/herself. The employee will be given a part

of the amount he/she pays for private life insurance, but not more than 50% of the amount the employee pays himself/herself.

The contribution is granted monthly when the wage for a calendar month is paid. In this month the employee must fulfill the conditions given below. The contribution from the employer is directly transferred to the employee's pension fund account or private life insurance account.

The contribution for additional pension insurance or private life insurance is granted to an employee who asks for it and fulfills the necessary conditions.

- the employee is employed with the Economics Institute of CAS, v. v. i. for at least 2 years. Any prior employment with the EI CAS, v. v. i. is also taken in account,
- has a contract for pension or life insurance concluded in concord with valid legal regulations,
- will submit for checking the original contract, and will prove the amount he/she has agreed to regularly pay,
- will inform the insurance company about the fact that his/her employer will be covering a part of his/her monthly contribution, and at what level.

The employee is obliged, in written form, to provide all the necessary information required in the decision process regarding granting the contribution and of any changes in circumstances, i.e. change of pension fund, change of insurance company, the address of the fund or the insurance company, the number of the contract, banking details, number of the bank account, etc. The employee is obliged to report any change without delay, no later than within 8 calendar days after he/her has learned about the change. The employee is fully responsible for any damages caused by not keeping to the rules mentioned above.

The employee of EI CAS, v. v. i. who is granted and given the contribution loses the right to it if:

- his/her work contract with the EI CAS, v. v. i. has been terminated or has expired,
- is on leave from work (e.g. is on maternity leave, parent leave, or takes unpaid leave for longer than one calendar month),
- is absent due to illness for more than two calendar months. During this period of time nor the month in which the illness began or the month in which the illness ended is covered. Each absence due to illness is evaluated separately,
- the contract concerning the pension or life insurance has expired,
- the work contract with the employee has been immediately terminated or the EI CAS, v.v.i., as an employer, has fired the employee for reasons for which it is entitled to immediately terminate the work contract or for a serious violation of duty ensuing from legal regulations regarding the work done by the employee or for systematic less serious violations of these duties.

If the reasons for not granting the contribution cease, the employee has a right to the contribution for the last month in which he/she fulfilled the conditions. The employee is eligible for the contribution in the month he/she fulfills the conditions again.

**4) Gifts**

On the occasion of **life** anniversaries, namely **50 years, 55 years, 60 years** and **65 years**, the employer will give the employee a non-cash gift of **1500 CZK**.

On the occasion of **work** anniversaries the employer will give the employee a non-cash gift in the following range:

<b>20 years</b> .....	<b>1000 CZK</b>
<b>30 years</b> .....	<b>1200 CZK</b>
<b>40 years</b> .....	<b>1500 CZK</b>

On the occasion of an employee's first retirement or leaving for a full-disability pension, the employer will give the employee a non-cash gift of **2000 CZK**.

**5) Social Aid and Loans**

With regard to a situation where an employee finds him/herself in financial difficulties the employer can give a returnable loan of 10000 CZK to be paid back within one year. In completely exceptional cases the director of the organization can approve non-returnable social aid, the level of which is assessed individually, and cannot be more than 8000 CZK.

**III.  
Final Provisions**

In case that the legal regulations are changed, and these changes affect the content of the bonds mentioned in these regulations, or which will enable to set further bonds in favor of the employees, or if the limit of expenses has to be changed due to financial reasons, these regulations will be changed and/or amended.