



INSTITUTE OF CHEMICAL PROCESS FUNDAMENTALS of the  
CAS, v. v. i.

## **Internal Directive No. 12 BOOKKEEPING**

### **Creation of funds and withdrawals**

This directive is created in accordance with the relevant provisions:

- Act No. 586/1992 Coll., on income taxes, as amended,
- Czech Accounting Standard No. 413 – Own resources and long-term liabilities,
- Decree No. 504/2002 Coll.,

#### **Article 1 General part**

**Czech Accounting Standard No. 413 - Own resources and long-term liabilities**  
(excerpt of certain provisions of this Directive)

#### 4.2. Funds

4.2.1. Funds contain the resources of the accounting unit that are designated for a specific purpose and that are not a source of equity. However, the possibility of transferring resources from own property to funds is not excluded. The creation and use of funds is governed by relevant legal regulations<sup>1</sup>, statutes, statutes or other articles of incorporation, articles of incorporation, internal regulations of the accounting unit, or the decision of the authorized body of the accounting unit. The funds are formed from the after-tax profit achieved by the accounting entity in previous accounting periods, or transfers of resources from other funds or from own assets and from other designated sources received by the accounting entity.

4.2.2. The method of creation and withdrawal of funds is intended to ensure the temporal and material connection of accounting in accordance with the provisions of Section 3, Paragraph 1 of the Act.

4.2.3. Accounts of account group 91 - Funds cannot show an active balance.

4.2.4. In favor of the funds, the creation of funds (increase in the fund) is charged according to the above, for example:

- creation of a fund from financial resources acquired for the purpose of donating to other persons in accordance with the main activity of the accounting unit, with a corresponding debit entry to the relevant asset accounts or the relevant account of the accounting group 22 - Bank accounts or 21 - Money
- creation of a fund from profit after taxation, with a corresponding debit entry to the relevant account of accounting group 93 - Profit and loss



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4.2.5. The drawing of funds (reduction of the fund) is charged to the debit of the funds according to the above, for example:

- transfer of resources during the acquisition of fixed assets for the accounting unit's own activities in parallel to the benefit of the relevant account of accounting group 90 - Own
- accounting cases according to the provisions of § 38 paragraph 7 of the decree,
- donation of funds and property to other persons in accordance with the main activity of the accounting unit, the relevant account of the accounting group 22 - Bank accounts, or 21 - Money. If property or services are purchased from the donated funds for other persons, the reduction of the fund is credited to the relevant account of account group 64 - Other income.
- 4.2.6. During the accounting period, the creation of funds can be debited to the relevant account of accounting group 90 - Equity or the relevant account of accounting group 93 - Profit and loss in accordance with the regulations applicable to individual types of accounting units.

### **Article 2** **Internal adjustment**

The funds contain VVI resources that are earmarked and that are not own assets.

The public research institution consists of the following funds:

- 1) reserve fund,
- 2) asset reproduction fund,
- 3) fund of earmarked funds,
- 4) social fund.

Fund balances as of December 31 of the current year are carried over to the following year.

The creation and withdrawal of funds is governed by the VVI Act, the articles of incorporation and the internal regulations of the VVI.

#### **Reserve fund**

Reserve Fund Resources

- Allotment of funds in the amount of at least 5% of the profit
- Monetary donations, except for earmarked monetary donations.

Use of reserve fund

- To cover the loss
- To pay penalties
- To cover a temporary lack of funds



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- To cover the costs of the main activities not secured by revenues
- To supplement the FRM after approval by the institution's board
- For other expenses approved by the founder and the supervisory board

### **Property reproduction fund**

#### Asset reproduction fund resources

- Funds in the amount of depreciation
- Share from profit (main, other and other activities)
- Monetary donations intended for the acquisition or technical evaluation of long-term assets
- Proceeds from the sale of fixed assets
- Subsidy for acquisition and technical evaluation of long-term assets
- Reserve fund funds (transfer must be approved by the institution's board)
- Subsidies received for the pooling of funds for the acquisition of fixed assets

#### Use of the asset reproduction fund

- For the acquisition of long-term and short-term assets (investment and non-investment)
- To finance repairs and maintenance of long-term and short-term assets
- For the technical evaluation of long-term assets
- To pay installments of loans and loans for the acquisition of long-term assets (including interest)

### **Fund of earmarked funds**

The earmarked funds fund was created primarily so that funds that could not be effectively used in the year of provision were transferred to the following years.

The fund can be filled in several ways:

- a special-purpose donation (with the exception of donations for the acquisition of long-term assets, which are the source of the asset reproduction fund),
- special-purpose funds from abroad,
- purpose-designated public funds, including means of special-purpose and institutional support for VVal.

As part of the overall allocated subsidies, a subsidy can be transferred:

- up to 5% of the volume of support for research and development projects,
- up to 5% of the volume of institutional support for research projects



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- up to 5% of the volume of targeted support from public funds as part of other activities

### Social fund

#### Resources of the social fund

- basic allotment for the debit of VVI costs in the amount of 2% of the annual volume of VVI costs charged to wages,

#### wage compensation and on-call remuneration

- repayments of loans from the social fund
- compensation for damages and insurance payments from the insurance company relating to property acquired from the social

#### fund

- monetary and other donations intended for the social fund
- from an improved economic result

#### Use of the social fund

- loans for housing purposes, social assistance
- allowances for employees' children - education, culture, physical education, sport
- catering
- contribution for pension insurance
- Endered vouchers
- Multisport cards
- contribution for the purchase of equipment for the educational and training center in Abertamy

### **Article 3 Final Provisions**

- 1) This directive supersedes all previous versions of related internal regulations.
- 2) The Chief Accountant is responsible for updates.
- 3) Compliance with this directive is checked by the head of the technical and economic administration.
- 4) This **directive enters into force on January 1, 2023** .



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