



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

Internal Directive No. 1 BOOKKEEPING

Accounting processing system

This directive is created in accordance with the relevant provisions:

- Act No. 563/1991 Coll., on accounting, as amended,
- in Decree No. 504/2002 Coll.,
- Act No. 341/2005 Coll.,
- Czech accounting standards. 401 to 414 ,
- Act No. 586/1992 Coll., on income taxes, as amended.

Article 1 General part

- 1) An accounting unit that is a legal entity keeps accounts from the date of its creation until the day of its termination.
- 2) In accounting, the state and movement of property and other assets, liabilities and other liabilities, as well as costs and revenues and the economic result are accounted for.
- 3) Accounts for the facts that are the subject of accounting for the period with which these facts are temporally and materially related. If it is not possible to comply with this principle, it can charge even in the accounting period in which it discovered the mentioned facts.
- 4) The accounting period is a continuous 12 consecutive months. The accounting period coincides with the calendar year.
- 5) When keeping accounts, it is required to comply with the standard chart of accounts and accounting methods, the organization and labeling of financial statement items and the content definition of statement items.
- 6) Computing and other technical means and technical data carriers or micrographic records can be used for accounting. Such accounting must be in accordance with the project and program documentation.
- 7) Accounting is conducted in monetary units of the Czech currency and, in the cases specified in § 4, paragraph 12 of the Act on Accounting, as amended, also in foreign currencies.
- 8) The accounting unit may also entrust another legal entity or natural person with accounting. However, this does not relieve him of the responsibility for keeping the accounts.
- 9) Facts that are the subject of accounting are documented by accounting documents.
- 10) Accounting entries are recorded in the accounting books and proven by accounting documents.
- 11) The accounting unit is obliged to take stock of assets and liabilities in accordance with the Accounting Act, as amended, and prepare financial statements, or consolidated financial statements according to the Accounting Act, as amended .
- 12) The accounting entity is obliged to keep accounts in such a way that the financial statements drawn up on its basis give a true and fair picture of the subject of accounting and the financial situation of the accounting



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entity.

- 13) Accounting is complete if all accounting cases relating to the accounting period are accounted for.
- 14) Accounting is conducted in an evidentiary manner, if the accounting unit has substantiated or proved the accounting cases and accounting entries about them in the prescribed manner and has inventoried assets and liabilities.
- 15) Accounting is correct if the accounting entity, taking into account all the circumstances of the accounting case, has not violated the obligations imposed on it by this law.
- 16) The accounting entity is obliged to use accounting methods in a way that is based on the assumption that it will continue its activity continuously and that no fact occurs that would limit or prevent it from continuing this activity in the foreseeable future. In the event that the accounting entity has information that such a fact occurs, it is obliged to use accounting methods in a way that corresponds to it, while it is obliged to provide information about the method used in an appendix to the financial statements.
- 17) The accounting entity shall mark the accounting documents, accounting books and other accounting documents with its name and arrange them in such a way that it is clear that they are complete and, further, which accounting period they relate to.
- 18) Corrections in accounting documents, accounting books and other accounting documents must not lead to incompleteness, inconclusiveness or incorrect accounting. When correcting accounting entries, the accounting unit proceeds in accordance with the provisions of the Accounting Act, as amended.

Article 2 Internal adjustment

1) ÚCHP is a public research institution, therefore it is classified within accounting units according to special legal of the regulation among other legal entities whose main activity is not business.

2) The ÚCHP keeps separate records of the eligible costs of research, development and innovation projects and within this records track costs paid from institutional or special-purpose support for research, development and innovation from public resources according to special legal regulations.

Separate records are kept in particular:

- main, other and other activities (Act on VVI)
- individual research projects (Act on VVI, Act on Research Support)
- institutional and special-purpose funds (Act on Research Support),
- economic, non-economic activity (public support)
- tax-effective and ineffective costs and revenues (Act on Income Taxes)
- investment and non-investment funds (Act on Income Taxes)



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3) Accounting for each order, including all research projects, is kept separately, i.e. for each order, pro- the project is assigned a contract number, workplace, complex item, contract type, if it is not a provider determined otherwise.

When creating contract numbers, the ÚCHP is guided by the founder's stipulation, i.e. the binding breakdown of sources of financial pro- funds for VVI activities – articles (determine primarily the type of provider) and sources (determine the origin of funds from the point of view of the state budget (Chapter 361- AV CR).

4) ÚCHP accounts in the MAGION information system, in individual modules. The accountant closes every month and tax period.

5) Chart of accounts is processed in accordance with Decree No. 504/2002 Coll., as amended, and further ac- cording to Czech accounting standards. ÚCHP is a public research institution established by the Academy of Sciences of the Czech Republic and therefore monitors to the recommended chart of accounts. It contains both synthetic and analytical accounts and is created with management needs in mind and controls and also with regard to the relevant provisions of the Act on Income Taxes, as amended i.e. analytical breakdown of items of costs and revenues into tax-deductible and non-deductible, and taking into account the means VAT obligation in accordance with Act No. 235/2004 Coll., on value added tax, as amended regulations, or with the obligation to keep records established by the locally competent tax authority.

6) ÚCHP, when keeping accounts, follows the accounting principles established by Decree No. 504/2002 Coll., as amended current regulations. These principles are further elaborated in individual relevant internal guidelines.

7) ÚCHP is subject to mandatory audit by law. The ÚCHP is also obliged to publish in the register of the Ministry of Education and Culture every year annual report incl. final financial statements (Balance Sheet, Profit and Loss Statement, Appendix in the financial statements).



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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**.

In Prague, June 1, 2023
Item no. UCHP-101/POD-2023

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