

# JOSIP JURAJ STROSSMAYER UNIVERSITY OF OSIJEK



## ORDINANCE ON FINANCIAL MANAGEMENT

Osijek, March 2010

Pursuant to Article 208, paragraph 2, subparagraph 14 of the Statute of Josip Juraj Strossmayer University of Osijek, as proposed by the University Rector, the Senate of Josip Juraj Strossmayer University of Osijek, at its 4th session in the academic year 2009/2010 held on March 8<sup>th</sup> 2010, adopted the following

## **ORDINANCE ON FINANCIAL MANAGEMENT**

### **I. GENERAL PROVISIONS**

#### **Article 1**

The Ordinance on Financial Management of Josip Juraj Strossmayer University of Osijek (hereinafter: Ordinance) defines the financial management on the basis of obeying the regulations on finances and the Science and Higher Education Act (hereinafter: Act), the principle of sound financial management and the principle of autonomy of the constituents managing their own funds.

University and constituents are required to take into account the quality of teaching and research, development activities, the standard of students, and material and other worker's rights in accordance with the Labour Law, i.e. collective agreement.

#### **Article 2**

The Ordinance on Financial Management of Josip Juraj Strossmayer University of Osijek specifies:

- the procedure for making a financial plan, i.e. financial plan rebalance of Josip Juraj Strossmayer University of Osijek (hereinafter: University) and its constituents
- the terms and means of acquiring
  - revenue from the budget
  - own revenues
  - specific-purpose revenue and income and
  - other revenues
- the standard teaching load, teaching obligations, as well as other elements that define the financing of the scientific and educational constituents, art teaching constituents and University constituents
- the number of jobs which wages and other payments are funded from the state budget of the Republic of Croatia within the University's budget
- all other issues regarding higher education and student programme funding, and funding of the University's constituents, institutions, institutes, centers and community companies where the University or constituents have founding or managing rights.

## **II. FUNDING OF THE UNIVERSITY**

### **Article 3**

The University, scientific and educational constituents/art teaching constituents and University constituents are funded from:

1. founder's funds
2. state budget of the Republic of Croatia
3. budgets of counties, cities and municipalities
4. National Foundation for Science, Higher Education and Technological Development of the Republic of Croatia
5. own market revenues from tuition fees, research, art and professional projects, expertise, publishing and other activities
6. university and other foundations, company profits and profits of other legal entities
7. direct investments of individual, companies and other legal entities
8. donations and
9. other sources

The University may only be funded from sources that do not affect its independence and dignity. Own revenues may only be realized from the activities which do not jeopardize the fundamental tasks of the University and do not affect the autonomy of the University.

## **III. FINANCIAL PLAN OF THE UNIVERSITY**

### **Article 4**

The University, scientific and educational constituents/art teaching constituents and University constituents are funded from the state budget of the Republic of Croatia.

Funds from the state budget allocated to the University shall be transferred in lump sum.

The total amount of funds from the stated budget allocated to the University will be distributed within the Financial Plan of the University, which will be adopted by the Senate, as proposed by the Rector.

The financial plan of the University combines the financial plan of the University, scientific and educational constituents/art teaching constituents and University constituents.

The financial plan of the University distributes funds for specific purposes, as follows:

- salaries and allowances to teachers, civil servants and employees
- payment of material costs
- international cooperation and cooperation between universities
- publishing activity
- capital investments
- co-financing of collaborative science programs
- development projects and activity improvements
- covering part of the cost of the student standard
- covering of other expenses necessary for the work of the University

The plan of the University allocates up to 10% of the University's revenue for capital investments and the development and improvement of activities, if all of the purposes mentioned above are covered. Scientific and educational constituents/art teaching constituents

of the University allocate funds realized from their own activities to a special Fund for the Development of the University, which is an integral part of the University's budget revenues.

### **III.1. Financial plan of the University and the adoption procedure**

#### **Article 5**

The financial plan is a document, which defines its revenues, incomes, expenditures and expenses in accordance with the budget classifications.

The proposal of the financial plan of the University, scientific and educational constituents/art teaching constituents and University constituents combines all incomes and expenses for a period of three years.

The proposal of the financial plan includes:

- revenues and incomes presented by type
- expenditures and expenses anticipated for a three-year period, classified according to budget classifications
- explanation of the Financial Plan

The Senate, at the proposal of the Rector, adopts the financial plan of the University, scientific and educational constituents/art teaching constituents and University constituents (consolidated). The dean or head adopts the plans for scientific and educational constituents/art teaching constituents.

The Management Board, at the proposal of the director, adopts the plans of constituents.

#### **Article 6**

The University and its constituents determine the proposal of their financial plans for a three-year period, until June 15<sup>th</sup> of the current year, if the Financial Management Board does not specify another deadline, and submit them to the Committee.

The Committee for the Financial Management and Budget prepares a proposal of the Consolidated Financial Plan for a three-year period and submits it, at the latest, to the Rector of the University by July 1<sup>st</sup> of the current year. The Rector will send it to the Senate for adoption no later than eight day before the session.

The proposal of the Consolidated Financial Plan is to be submitted to the competent Ministry by July 15<sup>th</sup> of the current year.

The proposal of the Consolidated Financial Plan for a three-year period is the basis of negotiations with the national authorities on the financing of the University.

Based on the amount of the planned state budget, the University is required to create a financial plan by months in accordance with the maturity of liabilities by January 15<sup>th</sup> of the current year.

During the year, the monthly financial plans may be changed in accordance with changes in maturity of liabilities, approved reallocations, and amendments to the state budget.

Amendments to the financial plan are carried out by the procedure for making of the financial plan. Amendments can be made if amendments are made to the state budget and in case of rebalancing arisen from the business performance of the constituents and the University.

## **Article 7**

After the adoption of the state budget of the Republic of Croatia, the Senate shall, no longer than December 31<sup>st</sup> of the following year (based on the suggested Consolidated Financial Plan of the University), on the proposal of the Rector of the University and with the opinion of the Committee for the Financial Management and Budget, adopt the consolidated budget and consolidated budget plan of the University for a three-year period.

If the Parliament, or the representative body, fails to pass the state budget before the budget year begins, the Senate decides on temporary financing of activities, functions and programs in the amount necessary for their performance and execution, relative to the revenues earned in the same period last year.

Based on the approved budget of the University, decisions on the complete amount of finances from the state budget will be delivered to the constituents. They are required to adjust their budgets with the budget of the University.

### **III.2. Budget implementation and reporting**

## **Article 8**

Based on the planned sum, the constituents have to make monthly financial plans to use the funds according to the purposes stated in the budget.

The constituents must submit semi-annual and annual financial reports on budget implementation to the Committee for the Financial Management and Budget within seven days after the expiry of the period to which those reports relate to.

No later than April, the Senate will adopt the annual budget of the University after hearing the opinion of the Committee for the Financial Management and Budget.

## **IV. ACTIVITIES OF THE UNIVERSITY**

## **Article 9**

The activities of the University include: higher education, organization and conducting of university undergraduate, integrated undergraduate and graduate, graduate and postgraduate studies, vocational studies, organization and conducting of university interdisciplinary studies, organization and conducting of professional training programs in the context of lifelong learning, research and experimental development in the field of natural sciences, engineering sciences, biomedicine and health, biotechnical sciences, research in the field of social studies, humanities and arts, conducting of scientific and highly professional work under the conditions set by special regulations, publishing, library and information activities for teaching purposes, scientific and professional work, preparation of expert opinions and other expertise.

The University may also perform other activities on a smaller scale without registration in the Company Register, which serve to the improvement of a registered activity and contribute to the better utilization of space, human resources and equipment.

## **IV.1. Teaching Activity**

### **Article 10**

The scientific and educational constituents/art teaching constituents organize and conduct university studies on three levels: undergraduate, graduate and postgraduate studies, and vocational studies, based on the license of the Ministry of Science, Education and Sports and the decision of the University Senate.

Classes at the university and professional studies are performed in accordance with the study programs of and the curriculum.

Classes referred to in paragraph 1 of this article are done in study groups, whose hourly rate is determined in the curriculum.

### **Article 11**

Study groups are formed in accordance with the Collective Agreement for Science and Institutions of Higher Education as follows:

- a) lectures for up to 150 students
- b) seminars for up to 30 students
- c) exercises:
  - auditory exercises/foreign language exercises for up to 30 students
  - physical education/recreation for up to 40 students
  - methodical exercises, applied kinesiology exercises for up to 15 students
  - practicum, laboratory, experimental, field, voice and editing, sectional and design exercises for up to 10 students
  - construction and clinical practice for up to 6 students
  - special clinical practices (gynecological, surgical, etc.) for up to 4 students

The scientific and educational constituents can, exceptionally, adjust the study groups to the possibilities of a certain constituent, if it is in accordance with the study program and the curriculum.

In the arts studies, the study groups are organized according to the study programs and curriculum of teaching art studies as follows:

- for music studies for a major subject in music and obligatory classes where the nature of teaching requires individual approach the class is individual, and for other study programs the study group can consist from 4 to 12 students
- for fine arts studies, the study group can consist from 4 to 6 students
- for dramatic arts studies for a major subject the classes are individual, and for other subjects the study group can consist from 4 to 12 students

New study groups can be formed when the number of students in study groups increases by at least 20% in relation to the number provided in paragraphs 1 and 2 of this article.

## **IV.2. Scientific and artistic research activity**

### **Article 12**

Scientific and artistic research activities is an integral part of the obligations of University's employees in scientific teaching, artistic teaching, scientific and associate professions, funded from the state budget partly from the employees' gross salaries and partly relating to costs associated with the scientific and artistic work, through scientific projects announced via

tenders by the competent ministry, financing of research assistants, as well as financing for acquisition of capital and other scientific equipment via tender of the relevant ministry, and via other sources provided for in Article 107 of the Act.

### **IV.3. Development activity of the University**

#### **Article 13**

Development activities of the University are related to the security of the quality system, international cooperation, student mobility, integrated university development and others. Development programs are financed from the state budget and the Fund for the Development of the University.

### **IV.4. Continuous employee training**

#### **Article 14**

Continuous training as a part of lifelong professional development refers to the teaching and training of employees, which is financed from the state budget and its own resources.

### **IV.5. Student organizations and programs**

#### **Article 15**

Activities of student programs for development of cultural, sports, technical and scientific student activities and student organizations for representing students in the bodies of the University and solving important issues for students are financed from the state budget of the Republic of Croatia, own funds and earmarked revenues.

## **V. COSTS OF STUDY**

#### **Article 16**

The costs of study for students with full subsidy from the state budget, who also have the status of a full-time student, shall be paid entirely from the state budget of the Republic of Croatia. The costs of study for students with a partial subsidy from the state budget, who also have the status of a full-time student, are paid partly from the state budget of the Republic of Croatia or the University's budget; other costs shall be covered by tuition.

The Senate, at the proposal of the scientific and educational constituent/art teaching constituent determines tuition fees for each academic year for a particular study.

Part-time students based on the Decision of the Senate on tuition fees for each academic year for part-time students pay the costs of part-time studies.

The scientific and educational constituent/art teaching constituent that organizes and conducts the postgraduate study, with the Senate's consent, determines tuition fees for postgraduate doctoral studies.

Postgraduate doctoral study for which the University and the Ministry of Science, Education and Sports determine a strong social need can partially or entirely be financed from the state budget of the Republic of Croatia.

Tuition fees for postgraduate specialist studies is determined by the scientific and educational constituent/art teaching constituent that organizes and conducts the postgraduate specialist study, with the Senate's consent.

The costs of implementation of academic recognition are determined by the Senate's decision. Assistants and junior researchers employed on the basis of an employment contract at the scientific and educational constituents/art teaching constituents of the University, who are enrolled in postgraduate doctoral and doctoral study outside of the field conducted on the home organization, will have their tuition fees paid by the Fund for the Development of the University, according to the Decision of the Senate.

Assistants and junior researchers enrolled in postgraduate doctoral and doctoral study outside of the field not conducted at the home organization, exercise their rights to cover tuition fees according to the Collective Agreement.

## **VI. OWN REVENUES**

### **Article 17**

Own revenues are revenues made by the University and its constituents in the market and in accordance with market conditions from basic and other activities that are not funded from the budget. They include:

- income generated from tuitions of students enrolled in undergraduate, graduate, postgraduate, professional and specialist studies, workshops, seminars, summer schools and such, which are not financed from the state budget of the Republic of Croatia
- professional training programs, keeping in mind the lifelong learning and training concept, in accordance with the Statute of the University and the statutes of the scientific and educational constituents/art teaching constituents
- domestic and international projects, technology projects financed from the state budget, but not from the relevant ministry, research projects resulting from cooperation with the industry, scientific meetings
- projects, professional conferences, admission procedures and other activities with a predominant professional component
- and publishing, sales of products resulting from scientific, artistic and professional activities.

Students of professional training programs pay fees determined by the scientific and educational constituent/art teaching constituent.

The costs of its own activities are to be financed in full with the income from these activities.

## **VI. OTHER REVENUES**

### **Article 18**

The University and its constituents may rent out a part of premises and equipment, which are not essential for smooth conduct of activities.



Income generated from the rental of premises and equipment of a constituent shall be distributed to the Fund for the Development of the University and for the covering of the constituent's operating costs.

#### **Article 19**

The University and all of its constituents may also generate other income from financial assets, revenues generated by special regulations, help from abroad and from entities within the general government, and other miscellaneous income.

### **VII. EARMARKED REVENUES**

#### **Article 20**

Earmarked revenues and incomes are aids, donations, special purpose revenues, income sale or income earned from exchange of property, fees to title insurance and special purpose income from borrowing and the sale of stocks and shares.

If the donor or other natural or legal person does not determine the intended use of donations and other assistance, the University and the scientific and educational constituent/art teaching constituent allocates 3% to the Fund for the Development of the University, and the rest is directly used for improving activities of the University and its constituents.

Donations in equipment, literature, etc., will be used by the scientific and educational constituent/art teaching constituent or its structural unit for which it is intended.

#### **Article 21**

The Department of Finance, Accounting, Investment and Business Relations of the University, as well as the accounting departments of constituents will supervise earmarked and other income, as well as their own revenues generated from the activities listed in this Ordinance. They are obliged to keep their individual bookkeeping data by types of revenue, income, expenditures and expenses as well as the state of assets, liabilities and own resources.

### **VIII. FUND FOR THE DEVELOPMENT OF THE UNIVERSITY**

#### **Article 22**

Revenues made on the market by the University and the scientific and educational constituents/art teaching constituents by performing their own business are allocated to a specially established Fund for the Development of the University as follows:

1. from undergraduate, graduate and postgraduate studies 5%
2. from scientific and research activities, continuous improvement and training programs. including the lifelong learning concept and integrated professional studies, publishing, etc. 1%

(This also includes workshops, seminars, summers schools, admission procedures, technology projects and programs, scientific and artistic projects and events, projects and conferences, and other arts and professional activities)

3. from rents 6%
4. from other own revenues 2%

Resources allocated to the Fund for the Development shall be paid in two semi-annual installments

- in October, for the first six months of the current year
- in March, as the final account according to the gross account for the previous year

The assets of the Fund for the Development of the University will be used primarily for improving the basic activities of the University and constituents based on a special Decision of the Senate.

## **IX. SPECIAL FEES**

### **Article 23**

The Senate will decide on special fees for each academic year as follows:

- fees for the implementation of a joint competition for student enrollment in the first year of university and professional studies;
- student fees (classification procedure costs, payment of graduation without student rights, application form, student documentation for enrollment in the next year, etc.);
- fees of the scientific and educational constituents/art teaching constituents for the costs of part of the procedure on election in the professional titles;
- fees of the scientific and educational constituents/art teaching constituents for the costs of academic recognition;
- fees for the implementation of the process of acquisition of doctorate degrees outside of the field;
- compensation for the costs of making graduation degrees and awarding of doctoral degrees
- compensation to members of university boards and commissions and
- other

## **X. EXPENSES**

### **Article 24**

The main activity of the University and the scientific and educational constituents/art teaching constituents is higher education based on conducting of undergraduate, graduate, postgraduate studies, and vocational studies.

Cost of studies in a whole or partly is funded from the state budget of the Republic of Croatia, taking into consideration the capacities of a certain scientific and educational constituent/art teaching constituent, price of individual studies, and assessment of their quality.

Inseparable part of the core business consists of scientific and artistic activities of teachers and associates and typically accounts for 50% of their working time.

## **Article 25**

In addition to main activities referred to in Article 9 of this Ordinance, the University and the scientific and educational constituents/art teaching constituents may perform other activities (additional activities) associated with primary teaching activity, and include scientific, artistic, professional and other activities whose costs can be covered from the state budget, as well as from other sources of income other than budget. Supporting activities include activities related to student standard, sports, cultural and other extracurricular activities.

## **Article 26**

The funds for the realization of the basic activities in the budget of the University shall be allocated for:

1. salaries of the full-time employees of the University and the scientific and educational constituents/art teaching constituents in the gross amount (including all taxes, contributions, fees, etc.)
2. costs of foreign associates teaching at the University and the scientific and educational constituents/art teaching constituents
3. material costs of the University and the scientific and educational constituents/art teaching constituents in the gross amount (for overhead costs, utilities, office supplies, phone, mail, intellectual and personal services, representation, compensations for working in the bodies of the University and the scientific and educational constituents/art teaching constituents, common campus maintenance cost, etc.)
4. capital investments and investment management
5. financial services (interests, commissions, fees, etc.)
6. Student Council and university student associations that improve the studies and position of students
7. development and improvement of the University's main activities

## **Article 27**

The Senate, considering the following, determines criteria for allocation of the funds in the University's budget for the realization of basic activities:

1. gross salaries of employees of the University and the scientific and educational constituents/art teaching constituents
  - a) organization of workplaces of the University and the scientific and educational /art teaching constituents, employment contracts, decisions on salary in accordance with the Regulation on Job Titles and Job Complexity Coefficients in Science and Higher Education
  - b) study program and curriculum
  - c) the burden of teachers and associates in accordance with the Collective Agreement for Science and Higher Education
  - d) new jobs
  - e) substitutions
  - f) replacements
  - g) advancing in the profession
2. foreign cooperation
  - a) curriculum
  - b) report from the scientific and educational/art teaching constituent of the realization of foreign cooperation during the winter and summer semesters

- c) material costs of the University and the scientific and educational constituents/art teaching constituents in the gross amount (for overhead costs, utilities, office supplies, phone, mail, intellectual and personal services, representation, compensations for working in the bodies of the University and the scientific and educational constituents/art teaching constituents, common campus maintenance cost, etc.)
3. capital investments and investment management
  4. financial services (interests, commissions, fees, etc.)
  5. Student Council and university student associations
  6. development and improvement of the University's main activities
    - based on the Senate's Decision, the priorities are determined essential for the development and improvement of the activities of the University and the scientific and educational/art teaching constituents with the goal of raising the level of quality.

### **Article 28**

If the funds from the state budget of the Republic of Croatia are insufficient to cover the actual costs of study, the remaining funds can be provided from student fees if the number of students cannot be greater than the capacity of each study.

### **Article 29**

Other sources of funding such as donations, sponsorships, shares in institutions, institutes or companies, as well as proceeds from sale of products and services, etc., are an integral part of the component's budget, and the consolidated budget of the University.

### **Article 30**

Funds for capital investments are provided from the state budget, market revenues, as well as other relevant sources and form an integral part of the University budget and budget of the scientific and educational constituents/art teaching constituents and constituents of the University.

Pursuant to Article 206 of the Statute, up to 10% of the University budget is envisaged for capital investments if, in accordance with Article 4 of the Ordinance, all purposes are covered for, including the development and improvement of the University's activities. The Senate passes a Decision on establishing priorities and allocation of funds for the development of an individual scientific and educational/art teaching constituent, and, in particular, for the improvement of educational activities that improve the quality of studies.

## **XI. EMPLOYEES OF THE UNIVERSITY**

### **Article 31**

Teachers in a teaching and research position or artistic and teaching position, teaching position or a teaching fellow, perform teaching.

Activities at the University and the scientific and educational /art teaching constituents and University constituents are also performed by employees in professional, administrative, general vocations, and technical and support staff.

The employees referred to in paragraph 1 and 2 of this Article are employed at the University and the scientific and educational /art teaching constituents based on job classification of the

University and the scientific and educational /art teaching constituents, employment contract, and the salary is determined by the Decision on salary in accordance with the Regulation on Job Titles and Job Complexity Coefficients in Science and Higher Education.

The salary is obtained by multiplying the complexity coefficient of the employee's job and the base for calculating salaries increased by 0.5% for each year of service.

### **Article 32**

The obligations of the University or scientific and educational /art teaching constituent employee during regular working hours shall be determined in the context of 40 working hours per week (full-time).

Fulfillment of obligations of teachers and associates at the University and scientific and educational /art teaching constituents is determined in accordance with the workload in direct teaching based on an hourly rate, study program and curriculum.

Teachers in a teaching and research position, teaching position and associates may sign an employment contract as a cumulative employment (with more than one scientific and educational /art teaching constituent).

Obligations of employees working part-time are reduced proportionally.

### **Article 33**

Teachers and associates teach at the university and professional studies in accordance with the study program and curriculum. Provisions of the Collective Agreement for Science and Higher Education determine the standardization of work in the classroom, the number of study groups, teaching load, calculation of work in the classroom, virtual division of work labor, calculation of foreign associates and working conditions.

### **Article 34**

At the University and scientific and educational /art teaching constituents that profits in the market from its own activities, employees are entitled to an appropriate salary increase in accordance with the Ordinance on salaries adopted by the Rector, Dean of a scientific and educational /art teaching constituent or the Head of a university department with the consent of the union.

### **Article 35**

Total assets for gross salaries and other benefits of the employees of Josip Juraj Strossmayer University of Osijek may not exceed 80% of total annual revenue.

### **Article 36**

Scientific and educational/art teaching constituents and constituents have to ask the Rector's consent before hiring new employees.

The Senate will decide on the allocation of new jobs based on the component's proposals and according to criteria and priorities established by the Senate for each academic year.

### **Article 37**

Scientific and educational/art teaching constituents and University constituents must notify the University about every change regarding its employees no less than eight (8) days after the change.

## **XII. SUPERVISION**

### **Article 38**

The Senate supervises the implementation of this Ordinance via the Committee for Financial Operations and Budget.

When the Committee for Financial Operations and Budget determines a violation of this Ordinance, it shall submit a report to the Rector within three days.

The Rector of the University must submit, within seven (7) days from the date of the report of the Committee for Financial Operations and Budget, a written warning about the violation to the Dean or Head of the scientific and educational/art teaching constituent or the director of the constituent with a time limit for its solving.

If the violations are not eliminated within the given deadline, the Rector will take measures within his jurisdiction in accordance with the Law and the Statute of the University.

## **XIII. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 39**

The Senate of the University, at the Rector's proposal, adopts this Ordinance.

Amendments to this Ordinance are adopted the same way the Ordinance was adopted.

### **Article 40**

This Ordinance shall enter into force eight days after its announcement on the University notice board.

**RECTOR**

**Prof.dr.dr.h.c. Gordana Kralik**

This Ordinance was announced on the University notice board on March 9<sup>th</sup>, 2010 and entered into force on March 17<sup>th</sup>, 2010.

**ACADEMIC SECRETARY**

**Zdenka Barišić, LLM**

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