

Full wording of the Decree of Ministry of Finance of Slovak Republic No.41/59/1966 from February 27 1996, which implements certain provisions of Act of the National Council of Slovak Republic No. 303/1995 Z.z. on budgetary rules (Notice of MF SR No. 66/1966 Z.z.) regarding the changes and supplements provided by decree of Ministry of Finance of Slovak Republic No. 28 145/1966/41 from June 24 1997 (Notice of MF SR No.194/1997 Z.z.)

Decree
of Ministry of Finance of Slovak Republic,
implementing certain provisions of the Act of the National Council of Slovak Republic
No.303/1995 Z.z. on budgetary rules

Article I

Ministry of Finance of Slovak Republic, according to Par. 34 Sec. 9 of the Act of National Council of Slovak Republic No. 303/1995 Z.z. on budgetary rules (further „Act“) stipulates:

Par. 1 Contents of the establishing document

The establishing authority 1) of budgetary organisation or contribution organisation issues an establishing document on its establishment, which contains the following

- a) identification of the establishing authority,
- b) name of the budgetary organisation or contribution organisation excluding the possibility of confusion with names of other legal entities, its address and identification number,
- c) form of financial management,
- d) date of establishment of the budgetary organisation or contribution organisation,
- e) definition of the basic activities of public benefit or public functions, for the purpose of which the budgetary organisation or contribution organisation is being established and the corresponding subject of activity,
- f) identification of the statutory authority,
- g) material and financial specification of property, which is managed by the budgetary organisation or contribution organisation,
- h) specification of period, for which the budgetary organisation or contribution organisation is being established.

1) Par. 21 Sec. 4 Letter b) of the Act.

Par. 2
**Financing and procurement of material and immaterial property
and its technical utilisation**

- (1) The budgetary organisation finances the procurement and technical utilisation of material and immaterial property, 2) including the land, material and immaterial mobilisation reserves, 3) including the procurement of the set of objects, categorised as to their type within category 710 of uniform categorisation of revenues and expenses, 3a) which, as a whole, fulfil a common function and are being procured simultaneously 3b) (further „material and immaterial property“), within the binding limit of capital expenditures.
- (2) The provision of Section 1 does not relate to financing of procurement of durable goods, equipment for military purposes and procurement of construction of military character and military buildings, which are being procured from common expenditures. 3c)
- (3) Contribution organisation procures material and immaterial property preferably from own resources by the means of the reproduction fund. In the event, that own resources do not cover the needs of contribution organisation, the establishing authority specifies the amount of contribution and the specific purpose of the procurement. The contribution organisation may draw the resources from an open budgetary limit of capital expenditures, only according to the course of procurement. The contribution organisation may finance from the resources of the reproduction fund only technical improvement of leased property in the event, that the rental period is at least four years from such an investment.
- (4) Capital expenditures from the state budget are provided to budgetary organisations, contribution organisations and other legal entities or physical persons for covering of common investment activity, for specific event and for areas of needs specified in advance.

2) Par. 26 and 33 of the Act No. 286/1992 Zb. on income tax according to subsequent regulations.

3) Act of National Council of Slovak Republic No. 82/1994 Z.z. on state material reserves.

3a) Par.3 Sec. 4 of the Act.

3b) Par.6 Sec.11 of the Act as to the provisions of the Act of the National Council of Slovak Republic No.386/1996 Z.z.

3c) Par.6 Sec.10 of the Act

- (5) Budgetary organisations, contribution organisations, legal entities or physical entities, which were provided by financial resources from the state budget, may, within the corresponding budgetary year, provide deposits for procurement of material and immaterial property, with the exception of land and material and mobilisation reserves. These depository resources may be provided only under the following conditions
- a) providing of deposits is agreed within the contract,
 - b) individual deposit does not exceed 10% from the annual limit of capital expenditures assigned for the individual event,
 - c) works or supplies are delivered within the same budgetary year, in which the deposit had been made available.
- (6) The provision of Section 5 will be applied correspondingly also for the procurement of material and immaterial property financed from common expenses in accordance with Par.6 Sec.10 of the Act.
- (7) The provision of Section 5 does not relate to the procurement of existing buildings and constructions in the form of purchase, where the payment is contractually agreed by instalments.

**Financing of development projects of science and technology
from the state budgetary resources
Par.3**

- (1) The following is being financed from the state budgetary resources:
- a) development projects of science and technology performed by state budgetary organisations within the scope of their major activity, including the tasks of elementary research, participation of state budgetary organisations in resolution of tasks with non-budgetary organisations and scientific and research studies for the purposes of state authorities,
 - b) state orders in the field of science and technology (further „state order“),
 - c) special science and technology development projects.
- (2) The role of development of science and technology for the purposes of its financing means the set of activities, which should be performed within certain time with the goal of

enrichment of knowledge or acquisition of new knowledge and its use for the development of society. Subject of financing of the science and technology development projects or their parts, are the outputs of research and development 4), including the development of a prototype and the development of testing series. If science and technology development projects in the area of state defence and security should be provided, subject of their financing includes also the development of software and related programming services. 4a)

(3) State order is a science and technology development project, which fulfils the goals identified within the development programs approved by the Government of Slovak Republic (further „Government“), it is procured by a central authority of state administration 5), or the Slovak Academy of Sciences (further „procurer“) and is approved by the Government.

(4) If a state order should be financed from the state budgetary resources, the procurer may provide state budgetary resources for its implementation under the conditions of special regulation 6), after the evaluation of state order project. The project includes the terms of supply, especially the following

- a) technical and other parameters of solution and their comparison with the standard achieved domestically and world-wide within a given area,
- b) time and practical procedure of works including the budget, which includes the calculation of work costs included in the project according to a special regulation, 7)
- c) identification of persons, which will participate in solution and financing of the state order,
- d) comparison of expected contribution with the budget.

4) Measure of the Statistic Office of Slovak Republic No.172/1995 Z.z., which notifies classification of production (Classification of production, item No.73 and item No.74.20.36).

4a) Measure of the Statistic Office of Slovak Republic No.172/1995 Z.z., which notifies classification of production (Classification of production, item No.73 and item No.74.20.36), item No.72.20.32, item No.72.20.33).

5) Act of National Council of Slovak Republic No.347/1990 Zb. on organisation of ministries and other central authorities of state administration of Slovak Republic according to subsequent regulations.

6) Act of National Council of Slovak Republic No.263/1993 Z.z. on public procurement of goods, services and public works (Act of public procurement) according to subsequent regulations.

7) Act of National Council of Slovak Republic No.18/1996 Z.z. on prices.
Instruction of Ministry of Finance of SR No.R-1/1996 from March 12, 1996, which specifies the scope of goods with regulated prices (Financial Bulletin No.5/1996).

- (5) The development projects of science and technology specified in Section 1, Letter a) are financed from expenditures for science and technology provided in budget for the activity of budgetary organisations within the establishing authority of the procurer, or from expenditures for science and technology budgeted especially for this purpose within the budget of the establishing authority, who is also the procurer. If the limit of expenses for a specific science and technology development project, specified by Act on state budget or by the Government, the establishing authority specifies the expense limit. In projects for the purposes of state authorities, the procurer proceeds in accordance with the agreement with these authorities on the subject matter, project term, means of assessment and implementation of result. Revenues from the sale of the project result, financed according to Par.3, Sec.1, Letter a) and revenues from the sales of property acquired through the solution within the main activity of the state budgetary organisation represent an income of this organisation on the income account of state budget with the prefix 019.
- (6) The subject of financing is proposed by the establishing authority, authorised for the subject matter, at the latest within the date specified by the Ministry of Finance of Slovak Republic (further „Ministry“), for the preparation of draft proposal of the state budget for the following budgetary year.
- (7) If, in the following budgetary year, science and technology development projects should be financed from the state budgetary resources and the research and development should be exercised for the purposes of the state administration, state supervision for the implementation of certain activities, 5) or if the results of these activities should be made accessible to public, the means for their financing are budgeted by the establishing authority within its chapter only, when the financing of the subject matter is being proposed after an agreement of those state authorities, concerned and authorised in the matter.
- (8) If the research and development is targeted to development and introduction of new products, technological processes or services, or for improvement of already produced and introduced products, technological processes and services, it can be financed only proportionally from the state budgetary resources. The state budgetary funds for the financing of such projects are budgeted within the chapter of the establishing authority only, when the financing of the subject matter is being proposed after an agreement with the state authorities, which are authorised and concerned by the issue and after an agreement with the entity, which will participate in the financing of the science and technology development project subject matter.

- (9) If the research and development is targeted to the scientific and technical development of armaments and other technology, or if research and development works, which are important for the defence and security of the state, should be performed, the state budgetary resources for full or proportional financing of such tasks are budgeted within the chapter of the establishing authority only, when the financing of the subject matter is proposed after an agreement with the state authorities, authorised and concerned with the subject matter and after an agreement with the authority, which will participate in the financing of the science and technology development project subject matter.
- (10) During the procedure according to Section 8, the procurer examines the goals, technical and other parameters and technical contributions, which should be achieved by the consolidation of the financial resources for the proposed project, especially in the following
- a) in which way should the planned research and development contribute to the increase of the technical and economical standard of production, increase of exports, increase of portion of exports on the total manufacturing sales, to creation of new jobs, increase of labour productivity and environmental improvement,
 - b) the proposed amount of expenditures for the research and development in total, proposed portion of state participation in the financing of research and development, which should be provided by the entity, which will participate in the financing of the science and technology development project subject matter,
 - c) own practicable resources of the entity, which will participate in the financing of the science and technology development project subject matter, according to the closing account as to December 31 of the previous year.

Par.4
Financing of state orders.

- (1) The state order may be executed by
- a) a legal entity, other than budgetary organisation, and financed by the establishing authority fully or by partial consolidation of the result of other legal entities, or physical persons, 8)

- b) by a legal entity - entrepreneur residing on the territory of the Slovak Republic for the use within own business activity and financed by the procurer by the consolidation of resources with this legal entity - entrepreneur (further „appointee“)
- (2) The state order from the state budgetary funds is financed from the common expenses budgeted for the procurement of goods and other services, up to the following amount.
- a) of expenses for the implementation of the complete state order (further „full financing“), or
- b) of the amount specified by the procurer from the expenditures for the implementation of the complete state order, where the remaining part of expenditures is simultaneously reimbursed from the proportional resources from other co-financing entities specified in section 1, Letter a), or b), (further „proportional financing“).
- (3) In the case of full financing of a state order, the current expenditures of the procurer are reimbursed to the appointee in the value of works agreed in accordance with a special regulation 7) and to the appointee, as a legal person - entrepreneur, price of works agreed according to a special regulation, including the profit 9) and the value added tax. 10)
- (4) In the proportional financing of a state order, only such proportion of the price of works according to section 1 may be reimbursed from the common expenditures of the procurer, which will correspond to the participation of the state budget. To the legal entity - entrepreneur, specified in Sec.1, Letter b, only the agreed proportion of economically justified expenses. In the specification of proportion of the state budgetary resources in the financing of a state order, the procurer takes into consideration other property values, which will be provided by the associated participants in the financial resources for the given purpose. If research and development should be the subject matter of a state order, proposed in accordance with Par.3 Sec.8, the proportion of the state budgetary resources in the financing of a state order does not exceed 50% of total expenditures for its implementation. This proportion may represent up to 70% of total expenditures for the implementation of this state order, with the consent of the Ministry.

9) Instruction of Ministry of Finance of SR No.R-1/1996, which specifies the scope of goods with regulated prices (Financial Bulletin No.5/1996).

10) Act of National Council of Slovak Republic No.289/1995 Z.z. on Value Added Tax.

- (5) If the budgetary organisation is co-appointed by the implementation of a state order by an entity other, than a budgetary organisation, it is only reimbursed for the expenditures for the goods and other services directly related to its solution.
- (6) Common results for the implementation of a state order are drawn from an budget of the state budget, which is being open by the procurer from the Slovak National bank, for each individual state order with an extended prefix.
XXX87X-for the business entities
XXX89X- for the contribution organisations within their establishing authority.
- (7) The appointee is entitled to draw the resources from the state budget for his running account from the opened budgetary limit, in the favour of which, in the case of proportional financing, other co-financing entities or co-appointees simultaneously reimburse the agreed proportion of expenses from their own resources (proportional resources).
- (8) The appointee is entitled to draw the state budgetary funds according to the Section 7 only in accordance with contractually agreed specific conditions on the subject, method, time and place of the fulfilment, method of financing and the means demonstrating of the work results.
- (9) The procurer may finance a state order, only under the condition, that he will secure the rights of state related to the results of the implementation of the state order, including the rights following from special regulations 11) and a proportional ownership of the property acquired by its implementation. For these purposes the appointee has to prove the expenditures related to the property obtained by the implementation of this order to the procurer, which will be the settlement subject matter. The financial settlement is executed by the appointee of the state order within 6 months after its completion.

11) Act No. 527/1990 Zb. on inventions, industrial patterns and improvement proposals according to the subsequent regulations.

Act No.35/1965 Zb. on literary, scientific works and works of art (The Author's Act) according to subsequent regulations.

Act No. 529/1991 Zb. on the protection of topography of semi-conductor product according to the Act of the National Council of the Slovak Republic No. 90/1993 Z.z.

Act No. 132/1989 Zb. on the protection of rights related to new plant species and animal breeds.

If the sum, which should be returned to the state budget by the appointee, does not exceed 1 000 000 Sk., it is paid as a lump sum within 6 months from the completion of the order in favour of the revenue account of the procurer. If the sum, which should be returned into the state budget by the appointee within the settlement, exceeds 1 000 000 Sk., 50% of this amount is transferred to the account of the procurer within 6 months from the completion of the order and the remaining 50% at the latest within 12 months from completion of the order, in instalment amount agreed by the procurer.

- (10) If the appointee is business entity residing outside the territory of Slovak Republic, or other legal entity residing outside of the territory of the Slovak Republic, the provisions of Section 6 is not applied. In these cases, the procurer finances the expenses for the implementation of the state order form his expense account with the prefix 000.
- (11) The method of financing of state orders if the subject matter and financing are proposed according to Par. 3 Sec. 9, are proposed individually by the procurer after an agreement with the Ministry.

Paragraph 5
Specific conditions for proportional financing

- (1) If the appointee or the co-appointee if a foreign entity, the procurer provides by contract, that the results of the implementation of the state order will be preferably used on the territory of the Slovak Republic.
- (2) The proportional resources of other co-financing entities are not extended by other subsidies from the state budgetary resources or a state fund.
- (3) The revenues from the sales of property obtained by the solution of a state order, represent the income of the state budget in the same proportion, in which the state budget participated in its financing.
- (4) The appointee pays revenues into the state budget according to Section 3, at least within 7 days after their receipt, in favour of the procurer revenue account.

Paragraph 6
Financing of special science and technology projects.

- (1) Special science and technology development projects, which can be financed by the procurer from the common expenses allocated for the development of science and technology are the following
 - a) science and technology development projects within the programs of the international scientific and technical co-operation,
 - b) scientific research studies, for example for the programming of the strategy of social development, science and technology, financial, monetary and budgetary policy, which do not exceed usually one year.

- (2) For the financing of projects according to Section 1 Letter a), provisions of Par. 3 and 4 are applied accordingly.

- (3) The tasks corresponding to the Section 1 are financed under the following conditions
 - a) the solution of science and technology development projects is in accordance with the interest of Slovak Republic and its international contractual relations,
 - b) the results of the science and technology development projects implementation may be used on the territory of the Slovak Republic,
 - c) the proportion of the state budgetary resources on the financing of the science and technology development projects will be determined by the procurer according to the expense (cost) budget, which was the basis for the contractual specification of the proportional financial amount provided by the entity residing outside of the territory of the Slovak Republic,
 - d) the state budgetary resources used only for the financing of the proportional part of economically justified expenses of the appointee, which were not reimbursed to him by the co-financing entity residing outside of the territory of Slovak Republic,
 - e) evaluation and final reports of the domestic appointee prior to them being provided to the co-appointee or a co-financing entity, will be expertly assessed on the territory of Slovak Republic, with the participation of the project procurer according to the Section 1,
 - f) property right related to the result of own intellectual activity will be owned by the domestic appointee.

- (4) In the event of financing of the science and technology development programs within the framework of international scientific and technical co-operation on own expenses of the contracting parties, the state budgetary resources are provided to the appointees maximum up to 75% of justifiable expenses for the solution of the projects. If the appointee is a state budgetary organisation, the financing is up to 100% of expenditures for the goods and services directly related to the project implementation.
- (5) The provision of Section 3 also relates to the financing of the science and technology development projects implemented by a budgetary organisation and financed within the framework of binding tasks and binding limits determined by the chapter administrator, in accordance with the Act on the state budget for the corresponding budgetary year.
- (6) The tasks according to Section 1 Letter b) resolved by other, than state budgetary organisations, are being financed by the procurer from his expenditure budgetary account with the 000 prefix.

**Special expenditures of budgetary organisations
and contribution organisations**

Paragraph 7

- (1) Special expenditures of the budgetary organisations and contribution organisations (further „organisations“) are the expenditures for the following
 - a) catering according to a special regulation, 12)
 - b) education of employees in the following areas
 - 1. training, courses, seminars, meetings, conferences, symposia, congresses,
 - 2. periodical and non-periodical press and other tools serving for the education of the employees for the purposes of the organisation,
 - c) the following insurance
 - 1. contracted insurance of the state property within the administration of the organisation
 - 2. contracted insurance of the least property serving for the purposes of the activity of the organisation,

3. insurance of medical treatment costs abroad for the employees of the organisation, which were sent to a business trip abroad by the organisation,
- d) educational facilities, common expenses and the expenses for the reconstruction and modernisation of existing accommodation facilities and recreation facilities,
- e) expenses for the procurement and technical upgrading of catering facilities; these expenditures are not included, within the budgetary organisation, in the expenses for catering according to a special regulation 12) for own employees,
- f) purchasing of wreaths and bouquets for funeral ceremonies, excluding own employees,
- g) following representation and promotion purposes
 1. receptions at the occasion of official visits and other expenses related to the accommodation of official guests,
 2. refreshment of participants of meetings, conferences and other work events,
 3. promotion and advertising, if directly related to the activity of the organisation.

(2) For the purposes of this notice, an official visit is a domestic or foreign delegation, discussing principal or political issues; refreshment represents coffee, tea and other non-alcoholic drinks, eventually an aperitif and food, corresponding to the character and length of the event. The expenses related to the stay of official guests are the expenses for the welcome, accommodation, catering, transportation, interpreting, tickets for a cultural event. The head of central authority may provide for a foreign delegation and exceptionally in justified cases also for a domestic delegation an adequate material gift. An adequate material gift, in the event of a foreign delegation is a present within the value of 1000 Sk per a single person, in the event of a domestic delegation it is a gift within the value up to 500 Sk per single person.

(3) The expenditures for representation purposes may be used only in the event required by political, economical and social purposes.

(4) The organisations reimburse special expenses within the scope approved by the Act on the state budget for the corresponding budgetary year, within the absolutely necessary amount, respecting maximum economy and practical justification.

Paragraph 8
Exemptions

In exceptional and justified cases, the Ministry of Finance of Slovak Republic may grant an exemption from Par. 2 Sec. 5 Letter b) and from Par 7. In Exceptional and justified cases, the municipality may grant an exemption from the Par. 7.

Final provisions
Paragraph 9

- (1) The expenditures of organisations identified in Par. 7 implemented in the year 1996 before this Decree coming into effect, are considered to be the expenditures spent in accordance with this Decree, if they were not used contrary to law and other generally binding legal standards.
- (2) As to the science and technology development projects, fully or partially financed from the state budgetary resources, before this Decree coming into effect, their financing will be completed in accordance with the regulations valid until present and under conditions agreed in contract concluded before this Decree coming into effect.
- (3) The provisions of Par. 1, Par. 2 Sec. 1 and 3. And Par. 7 of this Decree will be also applied correspondingly to the financial management of municipal resources. 13)

Transitory provision
of the Decree No. 28145/1996/41 coming into effect on July 9, 1997

The procedure according to Par.4 Sec. 4, last clause, is followed in financing of state orders and science and technology projects implemented within international scientific and technical co-operation, approved by Government, after this Decree coming into effect.

Article II.

This Decree comes into effect as of the date of its announcement (March 6, 1996).
The Decree of Ministry of Finance of Slovak Republic No. 28 145/1996/41 came into effect as of the date of the announcement (July 9, 1997).

Full wording of the Decree of Ministry of Finance of Slovak Republic No. 41/928/1995 from December 21, 1995 on the procedure and method of opening of budgetary expense limits and on the creation and use of reproduction fund and the reserve fund (Notice of MF SR No. 305/1995 Z.z.), according to the changes and amendments provided by the Decree of Ministry of Finance of Slovak Republic No. 41/59/1996 from February 27, 1996 (Notice of MF SR No. 66/1996 Z.z.) and the Decree of Ministry of Finance of SR No.28 145/1996/41 form June 24, 1997 (Notice of MF SR No. 194/1997 Z.z..)

Decree
of Ministry of Finance of Slovak Republic
on the procedure and method of opening of budgetary expense limits and on the creation and
use of the reproduction fund and the use of the reserve fund.

The Ministry of Finance of Slovak Republic, according to Par. 2 Sec. 2, Par. 10 Sec. 2 and Par. 41 Sec. 5 of the Act of National Council of Slovak Republic No. 303/1995 Z.z. on budgetary rules (further „Act“) stipulates the following:

Opening of budgetary expense limits
Paragraph 1

- (1) The central authority 1) opens the budgetary expense limits for own financial management and budgetary expense limits for the budgetary organisations, falling within its establishing authority 2), through a limit notice. If a central authority 1), is not, according to a special regulation 2), not the establishing authority of budgetary organisations, the budgetary expense limits of these budgetary organisations are opened by a limit notice by their establishing organisation.
- (2) The budgetary expense limit of the budgetary chapters, according to Par. 2 Sec. 1 Letter a) Item 7 and 8 of the Act, are opened by the Ministry of Finance of Slovak Republic (further „Ministry“) through a limit notice.
- (3) The budgetary organisations established by law have their budgetary expense limits opened by the authority, to whose budget they are financially related to.

1) Par. 2 Sec. 1 Letter b) of the Act

2) Par. 21 Sec 4 Letter b) of the Act

- (4) The budgetary expense limits of municipalities for subsidies for the performance of self-governing functions of the municipality, according to the number of citizens and for the municipal public transportation, are opened by the Ministry through a limit notice.
- (5) The budgetary expense limits are opened separately for capital expenditures and separately for common expenses.
- (6) The budgetary expense limit is opened also for the permitted exceeding of the expense limit. In the event of use of resources according to Par. 13 Sec 1 Letter a) to c), e) and f) of the Act, the budgetary organisation transfers these resources to a special state budget revenue account for complementary resources and the establishing authority 3) increases the budgetary expense limit by the value of these resources. The unused remaining amount of such transferred resources is returned by the establishing authority back to the account, from which they were drawn.
- (7) According to the results of the fulfilment of the state budget, the Ministry may open budgetary limits for the individual budgetary chapters contrary to Par. 2 and 3, if this will be required due to the treasury balance of the state budget, or if financial legal regulations will be violated within the authority of a central institution 1)
- (8) The establishing authority 3) will adapt the opened budgetary expense limit for the budgetary organisation, if it was determined incorrectly, or if financial and legal regulations were violated in its determination.
- (9) The budgetary organisations will notify the National Bank of Slovakia about the expense limits via form requested by the National Bank of Slovakia, at the latest within 2 work days before the commencement of the period, within which they should be used.
- (10) The state budgetary resources allocated for contributions according to special regulations, 4) subsidies, with the exception of subsidies for municipalities, for which the Ministry opens the budgetary expense limits by a limit notice according to Sec. 4 and repayable financial assistance to legal entities and physical persons are provided by a payment order.

3) Par. 21 Sec. 4 to 6 of the Act.

4) For example the Act of National Council of Slovak Republic No. 310/1992 Zb on building savings.

Paragraph 2
Opening of the budgetary limit of capital expenditures

- (1) The budgetary limit of capital expenditures of a budgetary organisation is being opened for the whole budgetary year by a limit notice.
- (2) On behalf of a budgetary expense limit opened by the establishing authority 3) in the National Bank of Slovakia, the contribution organisation draws a contribution for the procurement of material property and its technical upgrading and of immaterial property by a transfer of resources in favour of the resource investment account.
- (3) The budgetary limit of capital expenditures also includes the expenditure budgeted for participation on property (from category 810 of budgetary classification).
- (4) According to the budgetary expense limit opened in the National Bank of Slovakia, the municipality draws the subsidy specified in Par. 1 Sec. 4 for the procurement of material property and immaterial property and their technical upgrading by a transfer of resources in favour of its independent bank account according to Par. 6 Sec. 3 of the Act.

Paragraph 3
Opening of the budgetary limit of common expenses

- (1) The budgetary limit of common expenses of a budgetary organisation is opened every quarter of a year by a limit notice.
- (2) The establishing authority 3) provides from an opened budgetary expense limit in the National Bank of Slovakia, in favour of a budgetary organisation, a contribution within the limit of common expenses to its common account by a payment order.
- (3) The budgetary limit of common expenses also includes the expenditure budgeted for loan payment (category 820 of budgetary classification) and for the providing of repayable financial assistance from category 810 of budgetary classification).

- (4) According to the budgetary expense limit opened in the National Bank of Slovakia, the municipality draws a subsidy for common accounts, specified in Par. 1 Sec. 4 by a transfer of resources in favour of its independent bank account according to Par. 6 Sec. 3 of the Act.

**Establishment and use of the reproduction fund
of a budgetary organisation
Paragraph 4**

- (1) The reproduction fund of a contribution organisation has the following resources
- a) depreciation from material and immaterial property, including its residual value during disposal,
 - b) revenues from sales or liquidation of material and immaterial property,
 - c) resources from other entities according to contracts on consolidation of resources from the procurement of material and immaterial property,
 - d) resources from the reserve fund for the procurement of material and immaterial property,
 - e) resources from state funds for the procurement of material and immaterial property,
 - f) loan for procurement of material and immaterial property,
 - g) gifts for the procurement of material and immaterial property,
 - h) revenues from permitted public collections,
 - i) resources from the state budget provided through the budget of the establishing authority for the procurement of property.
- (2) The reproduction fund may be used for the following
- a) financing of the procurement of material and immaterial property including its technical upgrading,
 - b) providing of resources according to contracts on consolidation of resources for the procurement of material and immaterial property,
 - c) payments of loans received for the financing of procurement of material and immaterial property,
 - d) financing of repairs and maintenance of material property as a supplementary source.
- (3) Purposes stated in the Sec.2 Letter a) and d) are financed from the reproduction fund without regard of the fact, whether they are implemented by outsourcing or internally.

**Use of reserve fund
of a contribution organisation
Paragraph 5**

Reserve fund of a contribution organisation may be used for the following

- a) payment of common needs, not provided for in the budget, including wages, where the expenditures for wages may not exceed 20% of the annual contribution into the fund from the economical result after the payment of contributions according to Par. 39 Sec. 1 and 4 of the Act and from business profit after taxation,
- b) filling up the resources for the procurement of material and immaterial property (Par. 4 Sec 1 Letter d),
- c) payment of sanctions for the violation of generally binding legal regulations
- d) payments of loans and related interest,
- e) reimbursement of deteriorated economical result,
- f) covering of time discrepancy between revenues and expenditures in the course of the budgetary year,
- g) procurement of securities,
- h) consolidation of resources,
- i) covering of loss from the business activity.

**Final provisions
Paragraph 6**

- (1) the state budgetary resources from the reproduction of the material property will be transferred by the budgetary organisations into the reproduction fund as of this Decree coming into effect.
- (2) The fund contributions for the year 1995 will be paid by the contribution organisations in the year 1996 according to the regulations valid till present.

Paragraph 7

The provisions of this decree will be used adequately also for the financial management of the municipality resources.⁵⁾

5) Par. 29 Sec. 5 of the Act

Paragraph 8

The Ministry can grant an exemption from Par 1 Sec.1 and 3

Paragraph 9

This Decree comes into effect on 1st January 1996.

The Decree of Ministry of Finance No. 41/59/1996 became effective on the date of announcement (March 6, 1996).

The Decree of the Ministry of Finance of Slovak Republic No. 28245/1996/41 became effective on the date of the announcement (July 9, 1997)

Transitional provision
of the Decree No. 28145/1996/41 with date of effectiveness of July 9, 1997

The revenues from sales of the state property performed by a contribution organisation in the year 1997 represents an income of the reproduction fund according to Par. 4 Sec. 1 Letter b) if it was not transferred into the state budget before this Decree coming into effect.