

REVISED with the Council decision No 8.1 on 17.01.2012

Tallinn Health Care College

Rules governing the use of State Budget funds and College funds

I GENERAL PROVISIONS

1. The task of the Rules

The Rules regulating the use of the State budget funds and College funds (hereinafter referred to as the Rules) provide the overall procedure for preparation, adoption, approval, modification and monitoring the performance of the budget of Tallinn Health Care College (hereinafter referred to as the College).

2. The objective of the budget:

- 2.1. To direct the development of the university as a whole and its budget Units.
- 2.2. To enhance the initiative of the budget Units in raising funds and in the adequate use thereof.
- 2.3. To set the revenues and costs of the university and the budget Units.
- 2.4. To ensure a balanced budget of the College.

3. Content of the budget

- 3.1. The content of the budget of the College is for planning the revenues and expenses for one financial year.
- 3.2. The budget of the College is drawn up in three parts
 - core budget
 - student home budget
 - development structure Units budgets
- 3.3. The Units of the core budget are: the Chairs, the Student Council, the Library, the Academic and Vocational Education Department, the area of Language Learning and the Public Relations and Administration Department.
- 3.4. In the expenditures of the core budget are aggregated the budgets of the Units, co-payments of the entire school, projects, etc.
- 3.5. The financial year begins on 01 January and ends on 31 December.

4. The budget revenue

The budget revenue is the revenue of the fiscal year when received into the budget, regardless of the year for which they have been calculated for or when they should have been received. On receipt of these revenues and on making of expenditures thereof, the current procedure of receipt of revenues and making of expenditures thereof is applied.

4.1. The revenue of the core budget includes:

- The funds allocated from the state budget (state-commissioned education).
- The earmarked funds allocated from the state budget (student aid).
- The previous year's budget remainder.

4.2. The Student Home budget revenue includes:

- Accommodation revenue.
- Income from grants for the use of assets.
- The revenue from the rendering of services.
- The previous year's budget remainder.

3.3 The budget revenue of the development structure Units include:

- Revenue from continuous education.
- Tuition fees from paid degree studies.
- Income from contract development projects.
- Donations.
- The previous year's budget remainder.

5. Budget expenditures

Allocation of budget expenditures is based on the classification of the government expenditures by economic substance and application:

5.1. Personnel cost (salaries, social tax, taxes from fringe benefits, etc.)

5.2. Management expenses

- Administration costs
- Travel costs
- Training costs
- Building management costs
- Vehicle maintenance costs
- IT expenditure
- Inventory costs
- Machinery and equipment costs
- Food and catering services
- Medical costs
- Teaching and learning aids and student training costs
- Communication, culture and recreation expenses

5.3. Reserves (student aid)

6. Classification of budget revenue and expenditures

6.1. Budget revenue is classified by their sources and by their nature.

6.2. Budget expenditures are classified according to the budget items and projects.

6.3. Classification of budget revenue and expenditure is established by the financial and administrative director.

II ESTABLISHING AND APPROVAL OF THE BUDGET

7. The timetable of establishing of a draft budget

The timetable for preparation of the draft budget is established by the Rector of the College on the proposal of the Finance and Administration Director.

8. Principles for the preparation of the draft budget

Principles for the preparation of the draft budget are established by the Rector of the College and they are based on:

- 8.1. The current development plan of the College.
- 8.2. Development priorities of the fiscal year.
- 8.3. Changes in development trends.
- 8.4. Important investments.
- 8.5. Financing principles and practices in force in the College.
- 8.6. Previous years' budgets and the information resulting from their execution.

9. Preparation of draft project of Units

- 9.1. The manager of the Unit of the core budget shall prepare an annual draft budget of his or her structural Units based on the principles for drawing up a draft budget of an institution of higher education, utilizing the previous years' budgets and the information related to planning the fiscal year, as well as the Unit development plan and previous practices.
- 9.2. If necessary, the draft budget of the Units of the core budget is broken down by sub-Units.
 - 9.2.1. The Administrative Manager shall prepare a draft budget of the estimated utility costs for buildings and facilities granted for the use of the College, including the estimated maintenance and repair costs of vehicles, equipment and other property in accordance with the classification of the economic substance and where appropriate, prepare a draft investment plan.
- 9.3. The managers of the Units of the development structure shall prepare an annual draft budget of his or her Unit, based on the principles of preparing a draft budget of an institution of higher education, the information related to the planned fiscal year, as well as on the Unit's development plan using previous practices and will ensure that the planned expenditures do not exceed the planned revenue.
- 9.4. The manager of the student home shall prepare an annual draft budget of the student home, based on the principles of preparing a draft budget for an institution of higher education and will ensure that the planned expenditures do not exceed the planned revenue and if necessary, prepares a draft investment plan of the student home.
- 9.5. While presenting a draft budget for review to the Rectors office, an explanatory memorandum is enclosed, which shall include the following:
 - 9.5.1 Provide comprehensive reasoned information about the practicability of the planned costs.
 - 9.5.2 Comparison with the expense line of the previous fiscal year in monetary terms;
 - 9.5.3 If the Unit is planning investments or other major procurements, the explanatory memorandum should also include the procurement plan. A procurement in the purposes of this regulation shall be considered a single purchase above the amount of 10 000 euros, excluding VAT, or purchase of equipment within one fiscal year from one contracting authority in the above amount or above.

10. Review and coordination of draft budgets in the Rector's office

- 10.1. The Unit/structural Unit defends the drawn up draft budget in the Rector's office meeting.
- 10.2. Upon defending of the draft budget the Rector's office shall ensure that the income and the expenditures are justified, the cost is feasible and compatible with the budgeting principles of an institution of higher education.

10.3. In the meeting of defense of the draft budget the draft budget is coordinated or the Rector's office provides suggestions of amendment of the draft and in this case, the structural Unit shall enter the changes and submit the draft budget to the Rector's office for coordination.

11. Preparation of the draft budget of an institution of higher education

11.1. Preparing the draft budget of the College shall be organized by the Financial and Administrative Director.

11.2. The Financial and Administrative Director shall prepare the core budget on the basis of the draft projects of the Units coordinated in the Rector's office and will add to that the budget of the previous fiscal year in comparable sizes.

11.3. The Financial and Administrative Director compares the conformity of the revenue and expenditure of the draft budgets of the student home and the Units of the development structure with the previous year's actual receipts and actual costs and prepares the budgets.

11.4. The Financial and Administrative Director submits the draft budget to the rector of the College.

12. Submission of the budget to the Council of the College

12.1. The Rector shall submit the draft budget of the College to the Council for taking a position.

12.2. The budget review in the council takes place in accordance with the Rules of Procedure of the Council.

13. Disclosure of the draft budget

On the same day as the submission of the draft budget to the Council, its accessibility is ensured for the College staff via the school server on the public network drive X and on the internal web www.ttk.ee/Editor.

14. Approval of Budget

14.1. The budget of the College is approved by the Rector with his or her Directive.

14.2. The budget of the College approved by the College shall take effect from the beginning of the financial year.

16. Incurring expenses when the budget of the College has been adopted

16.1. Until the budget is approved, expenditures may be made on the commenced fiscal year up to one-twelfth of the last year's budget expenditure.

16.2. The Units of development structure and the student homes are authorized to incur expenditures within the funds received in the previous fiscal year following the principle that costs in one month should not exceed one twelfth of the amount of the previous year's budget costs.

16.3. Regarding earmarked funds and projects of the previous fiscal year, it is allowed to make expenditures to the extent of the outstanding amount of funds.

III BUDGET AMENDMENT, EXECUTION OF THE BUDGET AND REPORTING

17. Changing of the purpose of the expenditures in the budget

17.1. The Rector has the right to change, with his or her order the purpose of the expenditures determined in the budget of the College.

- 17.2. Changes of the purpose of the expenses made by the order of the Rector enter into force on the day of making the order.
- 17.3. Changing of the budget takes place on the justified proposal of the structural Unit in writing, while respecting the requirement that the scheduled costs of the structural Unit may not be higher than the planned revenues.
- 17.4. The Financial and Administrative Director makes changes to the budget.

18. Execution of the revenue scheduled in the budget and liability for the performance thereof

- 18.1. The Units of the core budget are guaranteed receipt of the amounts of the commissioned education schedules in the revenue budget. If the real amounts of the state-commissioned education prove to be less than expected, the Financial and Administrative Director shall propose a solution to balance the budget of the College and submit it to the Rector for approval.
- 18.2. The head of the structural Units are responsible for receipt of the revenues of the student home and the development structure.

19. Execution of the budgeted cost

- 19.1. In the meaning of the budget, the calculation of the expenditures is generally performed on the basis of cash flow, i.e., on a cash basis.
- 19.1. Separate accounting records are kept regarding the use of each budget Unit.
- 19.2. Limits of the funds, which the heads of budget Units have the right to use within the approved budget, are determined by the Council of the College on an annual basis in the course of approval of the budget.
- 19.3. The heads of the Units are responsible for ensuring that upon the implementation of the current budget no cost overruns shall occur.
- 19.4. If cost overruns occur, the Financial and Administrative Director has the right to suspend the current accounting until the receipt of revenue or receipt of permission for incurring cost overruns from the Rector.
- 19.5. The funds reflected as projects may be used only for specific purposes.

20. Spending of the revenues exceeding the budget

- 20.1. When the actual revenues received by the structural Units during the financial year are higher than the approved budget, the structural Units are entitled to use them for financing the principal activity and the development of the College, by prior agreement with the Financial and Administrative Director. No changes in the budget have to be made.
- 20.2. If the source of surplus revenue is the state budget, the budget Unit shall make a corresponding proposal of a budget amendment to the Rector and to the Financial and Administration Director.

21. A budget revenue shortfall

- 21.1. If the revenue of the development structure and the student home in the fiscal year are lower than planned, the head of the Unit, in accordance with the Financial and Administrative Director, is equally committed to reducing costs.

22. Accounting of the budget implementation

- 22.1. Accounting of the implementation of the budget is performed by the employees of the accounts department on an ongoing basis.
- 22.2. The employees of the accounts department periodically monitors the compliance of the receipt of the planned revenue and the expenditure made and ensures (generally

quarterly) that the corresponding information is available to the Rector, the Vice-Rectors, the heads of structural Units and the authorizing officers of budgets.

23. The budget implementation reports and the approval thereof

- 23.1. After the close of the fiscal year, the accounts department prepares under the coordination of the Financial and Administration Director the budget implementation report on the date determined by the Rector.
- 23.2. The Financial and Administrative Director submits the budget implementation report to the Rector's Office for taking a position regarding the implementation of the budget.
- 23.3. The Rector shall submit the budget implementation report to the Council for approval.
- 23.4 The Council will review the submitted report and approves it with a resolution.