

Circulation of Accounting Documents

Part I.

Common provisions

1. Introductory provisions

- 1) The purpose of this directive is to ensure the timeliness and punctuality of booking of accounting documents, orders and contracts and to create the conditions for the accounting of the University of Hradec Králové to be correct, complete, evident, timely and punctual. Furthermore, the Directive – following a special Rector's Decree regulating the internal control system (hereinafter referred to as the “*RD ICD*”) – enshrines the principles set out in Act No. 320/2001 Sb., on financial control in public administration and on amendments to certain acts, as amended, and related implementing legislation.
- 2) For the purposes of this Directive, circulation of accounting documents means the continuous process from the production of an accounting document or its receipt through its approval, review and booking in accounting to its archiving. This process involves both accounting staff and non-accounting staff of various units of the University of Hradec Králové, who thus influence directly the timeliness, punctuality and truthfulness of accounting data and their quality and explanatory power.
- 3) In all parts of this Directive, unless a time limit for the performance of a work action is specified clearly, the time limit for the performance is “*without undue delay*”.

2. Accounting documents

- 1) Accounting documents are conclusive accounting records that must contain at least:
 - a) The designation of the accounting document and its number;
 - b) The content of the accounting case and its participants;
 - c) The monetary amount or information on the price per unit of measurement and the quantity;
 - d) The moment (day) of the accounting document execution;
 - e) The time (day) of the accounting event if it is not the same as the time (day) referred to in point (d);
 - f) Signature according to the RD ICD (of the person responsible for the accounting case and of the person responsible for its booking in accounting); signature also means electronic approval within the Magion EIS.
 - g) The accounting regulation.
- 2) Authorised employees of the University of Hradec Králové are obliged to prepare accounting documents without undue delay, or immediately after discovering the facts they record, so that the content of each individual accounting case can be determined. Advance invoices and invoices containing the final settlement of supplies and services provided to customers must be drawn up within the time limits agreed in the relevant order or contract with the customer.
- 3) Each accounting document must be assigned the nearest serial number within the established comprehensive numerical series of the individual subject groups of accounting documents. The serial numbers of the relevant groups of accounting documents are issued or determined by the Finance Office (hereinafter referred to as “FO”) staff.
- 4) All annexes form an integral part of each accounting document and must not be detached from it.
- 5) Every commitment other than those arising from an oral agreement and those paid in cash is covered by a contract or purchase order, including the signature of the **originator of the transaction**, the budget manager (if any) and the chief accounting officer. Also, any change in the pre-agreed contractual relationship must be recorded in the contract, purchase order, or in another documentable form (discussed further in the section on circulation of purchase orders).

3. Review of accounting documents by the Chief Accountant

The general principles of the review of accounting documents at the University of Hradec Králové include the procedure in accordance with the RD ICD and the following duties performed by the Chief Accountant:

- a) To examine formally all accounting documents documenting transactions (i.e., economic and accounting transactions) during the accounting period, usually before they are booked in the accounts, whether they are prepared manually or by means of computer and other technology;
- b) To require written explanations from the responsible staff where these are necessary for the proper entry in the accounts, including for the purposes of subsequent checks by the financial authorities;
- c) To support accounting documents with appropriate documentation before they are booked in the accounts;
- d) To review the admissibility of accounting cases, i.e., whether they are not in breach of binding legal provisions;
- e) To draw attention of the responsible staff to the inadmissibility of the accounting cases being reviewed;
- f) To inform the Bursar of transactions carried out without prior management control.

4. Examination of accounting documents by the originator of the transaction

The correctness of an accounting document is confirmed by the signature of the originator of the transaction in accordance with the RD ICD. He/she is responsible for:

- a) The consistency of entries in the accounting document with reality;
- b) The correctness of the accounted performance or delivery, i.e., of performance, scope, compliance with the order or any changes (according to point 6);
- c) The correctness of the prices charged;
- d) The numerical correctness, i.e., sums, products, differences and other numerical operations;
- e) The correctness of the quantity in units of measurement, etc.

Part II.

Circulation of selected accounting documents

5. Circulation of issued invoices – customer invoices

The procedure (work steps) for preparing, sending and booking invoices in accounting:

- 1) Preparation of the supporting material for the invoice, approval and signature by the originator of the transaction according to RD ICD and submission to FO.

Performed by: Originator of the transaction.

Deadline: According to the relevant contract.

- 2) Generation of invoice serial number at FO.

Performed by: FO officer in charge.

- 3) Invoice issue in duplicate.

Performed by: FO officer in charge.

Deadline: According to the relevant contract.

- 4) Sending the invoice to the customer (buyer).

Performed by: FO officer in charge or, if applicable, a designated staff member at the unit if the conference fee is involved.

- 5) Booking the invoice in accounting and setting it up in the FO accounting archive.

Performed by: Chief Accountant.

6. Circulation of orders

Principles

Each order must state the estimated price or the manner in which the price is determined. In addition, each purchase order must include the job number, activity and work location in order to identify clearly the sources of payment for the obligation. An order without price and job information will not be accepted. The described procedure is governed by the RD IPC.

Procedure (work steps):

- 1) Preparation of the order in Magion EIS and sending the order for financial control in Magion EIS.

Performed by: Employee responsible for issuing orders at individual UHK units.

- 2) Orders are approved electronically by the relevant originator of the transaction and, where appropriate, the budget manager responsible for the financial management of the unit.

Performed by: Relevant originator of the transaction and budget manager.

- 3) For orders with a performance amount exceeding CZK 50,000, for which no contract has been made, it is necessary to secure the supplier's acceptance and subsequently publish the order in the register of contracts in coordination with the Legal Office.

Performed by: Officer in charge of issuing orders.

- 4) Transmission of the order to the supplier (electronically or in writing); in case a written contract is made, the order is not transmitted to the supplier and an "*internal order*" only is issued, following the procedure described in paragraphs 1) and 2) above.

Performed by: Officer in charge of issuing orders.

- 5) After the supplier has issued a tax document and delivered the goods, services and construction work (if any), the administrator of the given order series at the individual UHK units makes an entry in Magion EIS about the order coverage (partial coverage).

Performed by: Officer in charge of issuing orders.

- 6) He/she indicates the order number on the tax document and sends it together with all prerequisites of a tax document to FO.

Performed by: Officer in charge of issuing orders.

- 7) All possible changes (e.g., change of price, change of ordered quantity, etc.) between the time of issuing the order and the invoice must be recorded directly in the order in the Magion EIS system via the correction button. When the price and source of cover is changed, the financial control is automatically restarted.

Performed by: Officer in charge of issuing orders.

- 8) The originator of the transaction is responsible for the performance of the above actions by the officer in charge of issuing orders.

7. Circulation of contracts

The regime for approving and signing contracts is governed by a special Rector's Decree regulating the circulation and handling of documents.

8. Circulation of supplier invoices received

Procedure (work steps):

- 1) Delivery of the invoice received by post to FO, or electronic receipt of the invoice from prijem.faktur@uhk.cz.

Performed by: Registrar and Registry or FO's authorised officer.

- 2) Handing over the invoice received from the supplier to FO.

Performed by: Competent officer.

- 3) Entering an incoming (received) invoice into the relevant document series in Magion EIS and then issuing an invoice accompanying sheet. At the same time, the purchase order or contract is attached and a check of the publication in the register of contracts is carried out.

Performed by: FO officer in charge.

- 4) Electronic transmission of the incoming (received) invoice to the financial control process within the Magion EIS for substantive verification and approval by the relevant originator of the transaction or, where appropriate, budget manager.

Performed by: FO officer in charge.

- 5) Review of the accounting document and electronic approval by the originator of the transaction or, where appropriate, budget manager. All attachments form an integral part of the invoices. Liability operations over CZK 100 thousand are subject to approval by the Bursar.

- 6) Together with the invoice, it is necessary to ensure and document the execution of the operation; in case of delivery of goods, to provide signed delivery notes or to draw up an official record; in case of delivery of services, to draw up a document on the execution and delivery of services; in case of construction work, to draw up an acceptance record or other record of the execution of construction work. These documents form an integral part of the invoice.
Performed by: Originator of the transaction or, where appropriate, budget manager, relevant staff member.
- 7) Posting the accounting document and storing it in the FO accounting archive.
Performed by: Chief Accountant.
- 8) Preparation of a payment order for payment of an invoice received.
Performed by: Chief Accountant.
- 9) Sending an encrypted payment order to the bank.
Performed by: Chief Accountant.
- 10) In case of supplier invoices for the acquisition of assets registered at the UHK (furniture whose purchase price exceeds CZK 500 and other property whose purchase price exceeds CZK 1,000), the following procedure is followed: after the invoice is booked in accounting and paid, the FO staff enter the property into the property register in Magion which assigns an inventory number to each individual asset based on the document and the invoice accompanying sheet. The Chief Accountant then books the assets in accounting, thus linking the accounting and property records.

9. Circulation of travel orders

A. Circulation of a domestic travel order without provision of advance payment

Procedure (work action):

- 1) Prior to commencement of the business trip: completion of an electronic travel order application, indication of the contract number, activity and worksite that will pay the business trip costs, electronic submission for approval and financial control.

Performed by: Staff member undertaking the business trip.

Deadline: Prior to the business trip.

- 2) Electronic approval of the business trip (including the use of a means of transport).

Performed by: Immediate superior of the seconded staff member, originator of the transaction or, where appropriate, budget manager.

- 3) At the end of the business trip: electronic completion of the travel order, calculation of travel cost reimbursements, electronic transmission of the travel order to the relevant originator of the transaction and the budget manager for approval.

Performed by: Staff member undertaking the business trip.

Deadline: Within 10 working days after the end of the business trip.

- 4) Electronic approval of the travel order settlement by the originator of the transaction and the budget manager.

Performed by: Originator of the transaction and budget manager.

- 5) Printing and handing over the approved travel order with all attachments (tickets, etc.) to the FO authorized staff. If there are no attachments, the travel order is not printed.

Performed by: Staff member undertaking the business trip.

- 6) Registration of the received domestic travel order into the relevant document series in Magion EIS. Carrying out the review including the amount of travel expenses claimed, booking in accounting and storing the travel account in the accounting records of the Finance Office.

Performed by: FO officer in charge.

- 7) Ensuring the payment of the travel account as part of the worker's wage.

Performed by: FO officer in charge.

Deadline: Within the wage payment according to the current communication from the Rectorate.

B. Circulation of a domestic travel order with provision of advance payment

Procedure (work steps):

- 1) Prior to commencement of the business trip: completion of an electronic travel order, including the amount of the advance requested, and its submission for electronic approval to the relevant employee's immediate superior, the originator of the transaction and the budget manager, including an indication of the order number, activity and worksite which is to pay the business trip costs.

Performed by: Staff member undertaking the business trip.

Deadline: Before the business trip.

Electronic approval of the application, including the amount of the advance.

To be carried out by the employee's immediate superior, the originator of the transaction and the budget manager.

- 2) Introduction of an approved travel order including the travel advance into the relevant document series in Magion EIS.

Performed by: FO staff in charge of the main cash desk at the UHK.

- 3) Payment of the advance for the business trip to the employee.

Performed by: FO officer in charge.

- 4) The other steps (procedure) are identical to point 9. A. of this Directive.

C. Circulation of an order for travel abroad

Procedure (work steps):

- 1) Prior to commencement of the business trip: completion of an electronic proposal for an international business trip (hereinafter referred to as the Proposal) which includes the amount of the advance payment for the business trip and the numbers of the contract, activity and worksite that will cover the costs of the business trip, and electronic submission of the Proposal for review and completion by pre-approvers of the international business trip.

Performed by: Staff member undertaking the business trip.

Deadline: At least 10 working days before the start of the business trip.

In the event that the pre-approval check is not required for the specified business trip, the proposal is either sent electronically to the administrator of the international business trip for validation or to the financial control and approval, depending on the current settings of the processing process.

- 2) Review and completion of the Proposal, including its forwarding for validation and completion to the Administrator of business trips abroad.

Performed by: Pre-approver of the international business trip.

In the event that the pre-approval check is not required for the specified business trip, the proposal is either sent electronically to the administrator of the international business trip for validation or to the financial control and approval, depending on the current settings of the processing process.

- 3) Validation and completion of the Proposal including electronic submission for financial control and approval.

Performed by: Administrator of the international business trip of the relevant organisational unit.

- 4) Electronic approval of business travel.
Performed by: Originator of the transaction, budget manager, seconded staff member's immediate superior and other persons named on the proposal for the international business trip.
- 5) Recording of the received Proposal into the relevant document series in Magion EIS and provision of insurance. If an advance payment is required, the advance payment will be made in cash or to the account of the seconded employee.
Performed by: Administrator of the international business trip of the relevant organisational unit.
- 6) After the end of the business trip: drawing up a travel order statement, including the business trip report. Relevant documents must be attached to it and the travel order and all attachments must be submitted for examination, including the amount of travel expenses claimed, and for accounting to the administrator of the international business trip.
Performed by: Staff member undertaking the business trip.
Deadline: Within 10 working days after the end of the business trip.
- 7) Review of the travel order, determination of the amount of travel expenses claimed, booking in accounting and providing for approval of the travel order.
Performed by: Administrator of the international business trip of the relevant organisational unit.
- 8) Approval and signing of the travel order by the originator of the transaction and the budget manager and the travel order return to the administrator of the international business trip.
Performed by: Originator of the transaction and budget manager.
- 9) Arrangement of payment of the supplement/reimbursement of overpayment of expenses for the international business trip.
Performed by: Administrator of the international business trip of the relevant organisational unit.
- 10) Travel order archiving.
Performed by: Authorised employee of the unit.

10. Registration of books in UHK's UL

When purchasing books, it is necessary to register them in the UHK's UL (enter the accession numbers).

Procedure (work action):

- 1) The procedure for the circulation of invoices received is governed by Article 8 of this Directive. In addition, at the moment of receipt of the invoice for goods (books), the invoice and the books are handed over to the UHK's UL. The library staff assign increment numbers to each book and, at the same time, indicate these numbers on the invoice. The invoice is then returned to FO for booking in accounting and reimbursement according to Article 8.
- 2) In cases where an invoice is paid before the transaction has taken place, the originator of the transaction indicates on the invoice that the books have not been registered. At the time of the actual delivery of the books, the originator of the transaction is responsible for the physical delivery of the books to the UHK's UL for the purpose of entering them in the library stock register. The library is responsible for the actual entering of the books.
- 3) In case of acquisition of books on the basis of a cash receipt, the receipt and the books are handed over to the UHK's UL. The library staff assign increment numbers to each book and, at the same time, attach these numbers on a list to the cash receipt. The cash receipt is then returned to FO for posting and reimbursement.

11. Transport billing

The process of using transport means at the UHK is governed by the Rector's Decree Transport Regulations of the University of Hradec Králové.

12. Wage calculation

- 1) All documents for payroll processing in both paper and electronic form are collected by an authorized FO employee at the Finance Office – Payroll, who ensures data entry into the Magion accounting system and wage calculation.

Deadline: According to the current communication of the Rectorate on the determination of pay dates and submission of documents for wages

- 2) The FO-Payroll clerk makes a bulk payment to the employees' accounts or otherwise arranges for payment, including all mandatory deductions. The Chief Accountant books the transactions in accounting.

Deadline: According to the current communication of the Rectorate on the determination of pay dates and submission of documents for wages

- 3) The rules for recording staff working time are governed by a special Rector's Decree.

Part III.

Final and transitional provisions

- 1) All employees of the University of Hradec Králové are obliged to provide the necessary assistance to FO staff upon request.
- 2) Bursar's Directive No. 1/2014 is repealed hereby.
- 3) This Directive enters into force on the date of signature and takes effect on 2 January 2025.

In Hradec Králové on 2 January 2025

Ing. Aleš Klicnar
Bursar

Intended for: All UHK employees.