

APPROVED
by the Council of the Tallinn Health Care College
Decision No 2.2 of February 21, 2006
REVISED
With Decision No 8.1 of the Council on Jan 17, 2012
With Decision No 5.1 of the Council on April 23, 2019

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 support and direct the development of the College 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 College 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 consists of estimates of the revenues and expenses of operational activities based on the accruals principle.
 - 3.1.1. The budget of the College for one financial year is drawn up in three parts
 - core budget
 - student home budget
 - budget for fee-charging services
 - 3.1.2. Revenues for the different categories for the budget of the College are prepared annually for the current financial year, for previous financial year and for the next four financial years.
- 3.2. The financial year begins on 01 January and ends on 31 December.
- 3.3. The Units of the core budget are: structural units of the College, Student Council, and areas of activity, teams and working groups, which have separate means in the core budget of the College.
- 3.4. In the expenditures of the core budget are aggregated the budgets of the Units, staff costs, co-payments of the entire College-wide projects, etc.
- 3.5. Student home budget reflects revenues from accommodation and costs covered from these for providing the service.
- 3.6. Budget for fee-charging services reflects revenues from educational activities and other revenues related to provision of fee-charging services linked to operational activities, and costs covered from these.

4. The budget revenue

- 4.1. The revenue of the core budget includes:
 - the funds allocated from the state budget (operating grants)
 - the earmarked funds allocated from the state budget, incl. student aid, scholarships etc.
- 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 etc
- 4.3. The fee-charging services budget revenue includes:
 - the revenue from continuing training
 - tuition fees
 - revenue from contractual projects
 - revenue from contracts and services of research and development.
 - revenue from selling goods and services
 - targeted grants of the institutions etc

5. The budget expenditures

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

- 5.1. Staff costs
- 5.2. Management expenses, incl. investments
- 5.3. Student aid, incl. scholarships and other aids.

6. Classification of budget revenue and expenditures

- 6.1. Budget revenue is classified by their sources and by their categories.
- 6.2. Budget expenditures are classified according to their economic substance according to budget units and aids.
- 6.3. Classification of budget revenue and expenditure is determined by the Director of Finance and Administration.

II ESTABLISHING, PROCEEDING 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 Director of Finance and Administration.

8. Principles and a basis for the preparation of the draft budget

- 8.1. The Development Plan of the College
- 8.2. Development priorities and goals of the current financial year
- 8.3. Changes in development trends
- 8.4. Important investments
- 8.5. Financing principles and practices in force in the College
- 8.6. Guidelines of the Rectorate
- 8.7. Previous years' budgets and the information resulting from their execution.
- 8.8. Conditions imposed by the financiers.

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 Units based on the principles and basis for drawing up a draft budget of the College, as well as the Unit development plan, action plan and previous practices.

- 9.2. If necessary, the draft budget of the Units of the core budget is disaggregated by sub-Units.
- 9.2.1. If necessary, the Administrative Manager shall prepare a draft investment plan for buildings.
- 9.3. The manager of the Lifelong-Learning Centre shall prepare an annual draft budget of fee-charging services consisting of revenues and expenditures of continuing training, which is based on the principles and basis for drawing up a draft budget of the College, information and contracts regarding a planned financial year, as well as the Unit development plan, action plan and previous practices on a principle 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, which is based on the principles and basis for drawing up a draft budget of the College, and previous practices on a principle that the planned expenditures do not exceed the planned revenue.
- 9.5. While presenting a draft budget for review to the Rectorate, 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 expenditure lines of the previous financial year in monetary terms;
 - 9.5.3 if the Unit is planning major acquisitions or renovation works, the explanatory memorandum should also include the procurement plan. A procurement in the purposes of this regulation shall be considered a single purchase from the amount of 20,000 euros and above, excluding VAT, or purchase of equipment within one financial year from one contracting authority in the same amount, and renovation works from the amount of 60,000 euros and above it, excluding VAT.

10. Review and coordination of draft budgets in the Rectorate

- 10.1. The units submit the prepared draft budgets to the Rectorate according to the timetable of establishing of a draft budget.
- 10.2. Rectorate reviews the submitted draft budgets.
- 10.3. If necessary, the Rectorate and/or budget units make proposals for negotiations on the Budget.
- 10.4. The draft budget is coordinated by the Rectorate or the Rectorate provides suggestions of amendment of the draft and in this case, the budget Unit shall enter the changes and submit the draft budget to the Rectorate for coordination on an agreed date.

11. Preparation of the draft budget of the College

- 11.1. Preparation of the draft budget of the College shall be organised by the Director of Finance and Administration.
- 11.2. Director of Finance and Administration shall prepare the core budget on the basis of the draft projects of the Units coordinated in the Rectorate and will add to that a comparison with the expenditure lines of the previous financial year in monetary terms.
- 11.3. Director of Finance and Administration compares the conformity of the revenue and expenditure of the draft budgets of the student home and fee-charging services with the previous year's actual receipts and revenues and actual expenditures and prepares the budgets.
- 11.4. The Director of Finance and Administration submits the prepared draft budget of the College to the Rectorate.

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 expressing their opinion.
- 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 Council meeting, after their opinion on the draft budget, its accessibility is ensured for the employees of the College on the internal web www.sise.ttk.ee.

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 Rector shall take effect from the beginning of the financial year.

15. Incurring expenses when the budget of the College has not been adopted

- 15.1. Until the budget is approved, core budget expenditures may be made on the commenced financial year up to one-twelfth of the last year's core budget monthly in accordance to the expenditure on condition that the expenditure is intended also in the core budget of the current financial year.
- 15.2. The users of budget for fee-charging services and a student home budget are allowed to make expenditures within the limits of financial resources and revenues received in the financial year.
- 15.3. Regarding earmarked funds and other targeted grants of the previous financial year, it is allowed to make expenditures to the extent of the existing financial resources.

III BUDGET AMENDMENT, EXECUTION OF THE BUDGET AND REPORTING

16. Changing the Budget

- 16.1. The Budget of the College shall be changed if a major deviation occurs or it is forecast from the revenue or expenditure of the approved Budget.
- 16.2. In case the actual amounts of state-commissioned operating grants are lower than planned due to change in financing principles or any other reasons, the Director of Finance and Administration develops a solution for balancing the budget of the College.
- 16.3. In case the actual amounts of state-commissioned operating grants are much higher than planned due to change in financing principles or any other reasons, the Director of Finance and Administration may suggest the Rector a proposal to prepare a supplementary budget or direct the financial resources to the next financial year if necessary and if possible.
- 16.4. Changing the Budget follows same rules as proceeding the budget and its approval.
- 16.5. The manager of a budget unit may make changes in following the budget within the financial year if it results from minor deviations on condition that the total planned expenditure of the unit will not increase, or takes into account the principle that revenue and expenditure should be balanced.

17. Implementation of the Budget

- 17.1. Implementation of the budget of the College shall be monitored by the Director of Finance and Administration.
- 17.2. The manager of the budget Unit monitors implementation of the budget of the unit.
 - 17.2.1. The manager of the budget Unit has a right to use financial resources granted to them for the implementation of the budget of the unit.

- 17.2.2. The manager of the budget Unit is obliged and is responsible for constant monitoring of the implementation of the unit budget by the Unit.
- 17.3. No manager of the budget Unit is allowed to take responsibilities for the future if the responsibilities cannot be covered financially from the revenues or from existing contracts, which should ensure the availability of revenue for the time of performance of the responsibilities.

18. Accounting of the Budget implementation

- 18.1. Accounting of the implementation of the budget is performed by the financial unit, which ensures corresponding exchange of information.
- 18.1.1. The financial specialist periodically monitors the compliance of the receipt of the planned revenue and the expenditure made and ensures that the corresponding information is available to the managers of budget Units and the users.
- 18.1.2. Director of Finance and Administration gives an overview of the Budget implementation to the Council at least twice a year.

19. The budget implementation reports and the approval thereof

- 19.1. After the close of the financial year the financial unit prepares under the coordination of the Director of Finance and Administration the budget implementation report.
- 19.2. Director of Finance and Administration submits the budget implementation report to the Rectorate for expressing their opinion regarding the budget implementation.
- 19.3. The Rector shall submit the budget implementation report to the Council.
- 19.4. The Council shall approve the budget implementation report.