

APPROVED
by Resolution No. TPN- of
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of the Council of Vilnius University

THE DESCRIPTION OF THE PROCEDURE FOR THE STRUCTURE AND FORMATION OF VILNIUS UNIVERSITY BUDGET FOR THE YEAR 2023

CHAPTER I GENERAL PROVISIONS

1. The Description of the Procedure for the Structure and Formation of Vilnius University Budget for the Year 2023 (hereinafter the 'Description') defines the general principles of the financial management of Vilnius University (hereinafter the 'University') in drafting the estimate of revenue and expenditure (hereinafter the 'budget') of the University for the current year 2023, as well as the University's centrally managed share of revenue and the financing of the activities of the core units.

2. The procedure for the implementation of the Description and other procedures for the formation and implementation of the budget that are not regulated by the Description shall be established by the Rector of the University (hereinafter the 'Rector') or by their authorised Chancellor of the University.

3. The main terms used in the Description:

3.1. **The own funds** are funds generated from tuition fees, as well as funds from scientific, economic, creative, educational or commercial activities.

3.2. **The revenue of the unit** is the total revenue attributed to the unit in accordance with the procedure set out in the Description, consisting of the following revenue groups: State budget allocations, the own funds and transfer funds. The revenue of the unit does not include the share of project revenue allocated to the partners of the University.

3.3. **A unit** is a core academic, core non-academic, or *sui generis* internal organisational structure of the University. In this Description, Units are classified into groups based on the nature of their activities and the financing conditions.

3.4. **The units of principal activities (studies and research)** are the core academic and *sui generis* academic units (hereinafter collectively the 'CAU') of the University that carry out all types of principal University activities.

3.5. **The units supporting the principal activities** are the core non-academic units of the University, established for the provision of services ensuring the activities of other Units, for the provision of social and cultural services, or for implementing the non-principal activities of the University.

3.6. **Transfer funds** are funds of the State budget of the Republic of Lithuania allocated for the execution of transfers, resources allocated by international and foreign funds and organisations for the execution of research, studies or other projects, funds received as programme competitive research funding, and sponsorship.

3.7. **State budget allocations** are funds of the State budget of the Republic of Lithuania allocated during the annual approval of the State budget, consisting of allocations for studies, research, economy and administration, the State investment programme, other additional allocations (to increase the minimum wage, the salaries of employees in culture and arts, etc.).

3.8. **Internal revenue** is the revenue of the Unit generated from the services provided to other units of the University.

3.9. **Internal costs** are the costs of services that the Unit provides to other units of the University.

4. The activities of the University are financed by income from the State budget allocations, the own funds and transfer funds. When necessary, in accordance with the procedure established by laws and other legal acts, the University may also finance its activities by borrowing.

CHAPTER II

THE GENERAL PRINCIPLES OF THE UNIVERSITY BUDGET FORMATION

5. The main principles of the University budget formation and the financial management model related to this procedure are:

5.1. All the revenue of the University is allocated to the Units following the procedure established in the Description.

5.2. All the costs are attributed to the Units that incur them. The costs that cannot be directly attributed to a particular Unit shall be considered as costs incurred by the Central Administration or another unit supporting the principal activities.

5.3. The maintenance and operation costs of the University's real estate are apportioned in two ways: the electricity costs (except electricity used for space heating according to the project of the building – these costs are attributed to the Property Management and Service Centre (TVPC, the acronym for *Turto valdymo ir paslaugų centras* in Lithuanian) under a separate agreement with the relevant Units) and the costs for water consumption are directly attributed to the Units that incur them, whereas all the other maintenance and operation costs of the University's real estate are attributed to the TVPC (except for those of Kaunas Faculty, Šiauliai Academy and the units supporting the principal activities).

5.4. The University budget shall include only the State budget allocations and the own funds. The transfer funds are planned separately, drawing up estimates for each specific project.

6. The Rector shall be responsible for the implementation of the principles defined in this chapter of the Description by reporting directly to the Council of the University (hereinafter the 'Council').

CHAPTER III

THE CLASSIFICATION OF THE INCOME AND COSTS OF THE UNIVERSITY

7. The revenue of the University is classified into four groups:

7.1. Study revenue:

7.1.1. revenue from the students of the state-funded first, second and third cycle studies, integrated studies and non-degree studies;

7.1.2. revenue from the students and unclassified students who pay for tuition in the first, second and third cycle, integrated and non-degree study programmes;

7.1.3. other revenue directly related to studies.

7.2. Research revenue:

7.2.1. research funding from the State budget;

7.2.2. external revenue for research services.

7.3. Project and sponsorship revenue:

7.3.1. revenue from study projects;

7.3.2. revenue from research projects;

7.3.3. revenue from other projects that are not classified as research or studies;

7.3.4. sponsorship for a unit.

7.4. Revenue of other types:

7.4.1. other miscellaneous revenue (external revenue from other services, including lifelong learning);

7.4.2. State budget allocations for economy and administration;

7.4.3. other targeted State budget allocations.

8. The costs of the Unit are classified according to the Classification of University Expenditure and, if necessary and in order to achieve more effective management of the University budget, other conditional articles or groups thereof.

9. The revenue provided for in Items 7(1) and 7(2) of the Description shall be attributed to the units of principal activities, the revenue provided for in Item 7(4)(2) shall be attributed to the Central Administration, and all the other revenue shall be attributed to the Units which earn them.

10. Specific conditions for the division of project and sponsorship revenue:

10.1. The amounts of the overhead/indirect expenditure set out in the financing rules for projects or programmes and provided for project servicing shall be coordinated with the head(s) of the Unit(s) carrying out the project and the Department for Development of the Central Administration. The amount of these funds shall be separated to compensate the costs of the units supporting the principal activities, but two-thirds of this amount is returned to the Unit as internal revenue.

10.2. All incoming sponsorship from international and other funds, organisations, and natural persons shall be attributed to the relevant Unit in accordance with the provisions set out in the Republic of Lithuania Law on Charity and Sponsorship.

11. The revenue of the University generated by the units of principal activities when carrying out the principal activities of all kinds of the University shall be apportioned as follows:

11.1. the study revenue (except for studies in foreign languages) – 78 per cent is allocated to the Unit, 22 per cent – to cover the general expenditures of the University; the revenue of studies in foreign languages – 90 per cent is allocated to the Unit, 10 per cent – to cover the general expenditures of the University;

11.2. the research revenue – 91 per cent is allocated to the Unit, 9 per cent – to cover the general expenditures of the University;

11.3. the revenue from the State budget allocations for increasing the remuneration of lecturers, researcher staff and other researchers, whose initial appointment occurred earlier than 2022 – 83 per cent is allocated to the Unit, 17 per cent – to finance the remuneration increase of employees of the units supporting the principal activities. the share of the revenue from the State budget allocations for increasing the remuneration of employees whose initial appointment occurred in 2022 and beyond is allocated to the Unit in full scope;

11.4. other revenue – 90 per cent is allocated to the Unit, 10 per cent – to cover the general expenditures of the University.

12. The provisions set out in Item 11 shall not apply to Kaunas Faculty and Šiauliai Academy. The revenue of the University generated by Kaunas Faculty when carrying out the principal activities of all kinds of the University shall be apportioned as follows: 95 per cent is allocated to Kaunas Faculty, 5 per cent – to cover the general expenditures of the University. All revenue of Šiauliai Academy is attributed to Šiauliai Academy in full scope. All the actual infrastructure maintenance expenditures of Kaunas Faculty and Šiauliai Academy are covered by the funds of Kaunas Faculty and Šiauliai Academy respectively.

CHAPTER IV FINAL PROVISIONS

13. Depending on the generated revenue and immediate expenditures that were not provided for in the budget for the current year, the approved University budget may be adjusted by redistributing funds between budget headings and/or Units, reducing (or increasing) the amounts of funds approved under specific headings. The adjusted budget shall be approved by the Council.

14. The estimates of revenue and expenditure of the core units shall be approved in accordance with the University budget for the current year approved by the Council. The estimates of revenue and expenditure of the CAU shall be approved by the CAU councils upon the submission of the heads of the CAU, in agreement with the Rector. The estimates of revenue and expenditure of the core non-academic units shall be approved by the Rector or their authorised person.
