



UNIVERSITY OF PRISHTINA

George Bush St., Rectorate Building, 10 000 Pristina, Republic of Kosovo
Tel: +381 38 244 183 • E-mail: rektorati@uni-pr.edu • www.uni-pr.edu

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Regulation on Budget Management of the University of Prishtina

Article 1

Purpose

This regulation aims to establish a sound and rational financial management of the budget by outlining matters related to the budget control of the University of Prishtina (hereinafter: “UP”). The objectives of this regulation are:

1. Ensuring transparency in the management of UP’s budgetary resources.
2. Accurate and transparent annual planning, drafting, and implementation of the budget.
3. Broad involvement of staff in the budget planning process, based on their expertise.
4. Improving the management of financial resources at UP.
5. Establishing a system that enables the fulfillment of obligations of academic units and the elimination of duplicative administrative procedures.
6. Functionalizing, in electronic form, through an electronic system, the processing of cases and requests of academic and organizational units.

Article 2

Definitions and Abbreviations

CAO – Chief Administrative Officer

CFO – Chief Financial Officer

PO – Procurement Officer

ESG – Environmental, Social, and Governance principles

KPI – Key Performance Indicators

Article 3

Scope of the Regulation

All matters related to the budget of University of Prishtina (UP) are regulated by this Regulation. However, other matters not foreseen in this Regulation shall be regulated by the applicable laws or relevant regulations.

University of Prishtina is a budgetary organization under the Budget Law. Article 39 of the Statute of the University provides that, for financing from the central budget, UP carries out procurement activities for all academic units, institutes, and other organizational units.

Furthermore, UP delegates authority in the areas of contracting, financial management, and reporting in connection with donations, grants, research projects, self-financing, and

authorizations for all academic units, central institutes or institutes within the academic units, and organizational units.

Article 4

Steps and Procedures for Budget Planning

Based on the Statute of the University of Prishtina, Article 14, namely Articles 26, 39, 45, 52, 182, 199, 209, as well as on Law No. 03/L-048:

1. Vice-Rector for budgeting and finance, with the authorization of the Rector, in cooperation with the Department of Finance, start the planning of the annual budget, based on the procedures that are stated in Law No. 03/L-048 (Law No. 03/L-048 on Public Financial Management and Accountability).
2. The Dean of the faculty after receiving the budgeted and finance circular, plans the budget for the following year together with all the departments, approves it in the Faculty Council and forwards it to the Vice-Rector for Budget and Finance.
3. The organizational units, after receiving the budget and finance circular, plan the budget for the following year, together with all the departments, approve it in the Faculty Council and forward it to the Vice-Rector for budget and Finance.
4. The committee appointed by the Steering Council, chaired by the Vice-Rector for Finance, participants in budget hearings with the academic units.
5. The Rector and the Vice-Rector for Budget and Finance, after receiving requests from all academic and organizational units, analyze the requests for new projects and operational expenses and harmonize them with budgetary possibilities.
6. The Rector must submit the annual budget and the assessments for the next two years for approval.
7. The Rector manages the budget drafting process and the development plan.
8. The Rector leads the implementation of the annual budget and the execution of the work plan.
9. The Dean of the faculty must ensure the efficient, economical, and effective use of the resources allocated to the faculty in the annual budget, including funds generated from external sources.
10. The General Secretary is the official responsible for the technical preparation of the budgetary process.
11. The Department of Budget and Finance is responsible for the budgetary procedures.
12. The University exercises control through internal auditing over financial performance and ensures that expenditures are made in accordance with the principles of transparency and integrity.
13. The Internal Audit Unit carries out its activities in compliance with applicable laws and sub-legal acts.
14. Regarding the portion of funding from the central budget, the University of Prishtina conducts procurement activities for all academic units, institutes, and other organizational units.
15. The Steering Council approves the university's annual budget plan and supervises its implementation.

Article 5

Financing of Research Institutes and Centers

The institutes and centers have the right to maintain sub-accounts in a financial institution under their own name, for which the managerial authority is held by the director and the board of the respective institute or center. Research units, on the other hand, are teams of academic staff established with the purpose of advancing the research agenda through collegial collaboration in research projects and promoting the interdisciplinary nature of research activities within the academic unit.

Article 80 of the Statute of the University of Prishtina foresees that, as part of the institutes or the academic unit, other courses may also be offered as services to society, the economy, and professionals. The certificates for these courses and services are signed by the Dean.

Research institutes and centers play an important role in research, therefore:

1. The director of the institute prepares the annual revenue plan from scientific research activities.
2. The director of the institute is obliged to present to the institute council a summary report of the activities carried out at the end of the year.

Article 6

Transparency and Annual Reporting

All academic units are obliged, during Faculty Council meetings, to inform the staff about the annual plan of revenues and expenditures, in order to discuss the initial budgetary requests. Accordingly:

1. The academic unit, in the Faculty Council meetings, discusses the proposal for the annual budget within the framework of applicable rules and procedures, reflecting the real needs for teaching, research, and artistic obligations, and based on previous achievements, challenges, and development priorities.
2. The academic unit, specifically the finance officer or the vice dean for finance, is obliged to inform all academic staff via email about the unit's budget on a quarterly basis.
3. The dean of the academic unit is required to present the budget implementation report twice during the academic year at the Faculty Council meetings.
4. The academic units have a legal obligation to document all financial activities.
5. All budgeted funds must be spent by the end of the fiscal year.
6. Any exceeding of the annual budget limits must be carried out in accordance with the legal acts of the Ministry of Finance.
7. The Department of Finance, in cooperation with the Vice-Rector for Finance and Budget, prepares other financial reports and documents related to the budget of the University of Prishtina.

Article 7

Management of Funds for Projects Financed by the University of Prishtina and Ministry of Education, Science, Technology and Innovation (MESTI)

All projects financed through calls from the budget of Kosovo must be implemented by the academic units as follows:

1. Projects financed by the University of Prishtina (UP) and MESTI, with the purpose of preventing conflicts of interest, may not include in the project proposal the Dean, the Vice Dean for Finance, the Vice Dean for Science, the Vice Dean for Teaching, the financial officer of the academic unit, the Rector, the Vice Rectors, the members of the Steering Council, or any other person holding a managerial position within the University.
2. The Office for Research, Projects, and Statistics (ZKPS) is obliged to analyze the budgets of approved projects and to inform the winning team regarding the respective procedures for project implementation, in accordance with the applicable legislation.
3. In the case of submitting a request for financial support, the project proposal may be signed by the Dean, one of the Vice Deans, the Head of Department, or the Faculty Secretary.

Article 8 **Management of Donor-Founded Projects**

Academic units enjoy full autonomy to self-manage the portion of funding they secure through research funds, donors, or other forms of self-financing. Therefore, they are obliged to submit requests for the management of budgets related to such activities as workshops, research, etc.,

1. Projects that receive financial support from national and international donors are managed independently by the project leaders; however, they must have a social and economic impact in line with the interests of the academic unit. Such projects include Horizon 2020, UNDP, GIZ, UN, and others. The University of Prishtina provides the infrastructure necessary for their implementation.
2. In projects where the University of Prishtina is a co-financer, the University provides a percentage of the required budget for project implementation. These projects must be in line with the University's actual financial capacity to cover such contributions.
3. In projects that are fully financed by the University, UP provides the staff, facilities, and necessary budget for the implementation of the scientific-research project.
4. Academic staff involved in the project shall be compensated for their activities based on a service contract. Within the monthly payment, deductions for contributions and income tax shall be made in accordance with the applicable legislation.
5. If an academic unit incurs ineligible expenditures in donor-funded projects, as determined by the auditor, the amount deemed ineligible must be reimbursed from the budget of the respective academic unit.

Article 9 **Right to Transfer Financial Funds Within Academic Units**

1. The expenditures of the budget shall be reported in accordance with the Treasury's financial reporting regulations.

2. In cases where the budget of an academic unit has not been fully spent, the Vice-Rector for Budget and Finance, together with the Finance Office, shall report to the Steering Council. The Steering Council shall decide on the reallocation of the funds.

Article 10

Timeframes for Requests and Preparation of Technical Specifications

Requests for capital investments or other projects must be submitted in a detailed and justified manner, based on the University's Strategic Development Plan. Each academic and organizational unit is required to comply with the deadlines for the preparation of technical specifications according to the planned schedule, as follows:

1. The process of preparing technical specifications for all investments, services, supplies, and works that require the development of procurement procedures must be submitted to the Office for Finance and Budget for approval and commitment of funds, in accordance with the calendar issued by the Procurement Department in cooperation with the Department of Finance. The calendar shall be delivered no later than five days after the approval by the Steering Council.
2. Failure to comply with the timeframes mentioned above shall be the responsibility of each academic unit, the Dean, the Vice Dean for Finance, and the Finance Officer.

Article 12

Framework Public Contracts

Based on Article 38 of Law No. 04/L-042 on Public Procurement in the Republic of Kosovo, this is a written agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing the contracts to be awarded during a specified period, especially regarding price and, where appropriate, the envisaged quantity. The relevant offices at the University of Prishtina (UP), in cases where such contracts are applied, must comply with the following points:

1. The University of Prishtina may use an open, restricted, or negotiated procedure to award a framework public contract. A framework public contract cannot be awarded using any other procedure.
2. No framework public contract may have a duration longer than 36 months. Such contracts cannot be extended or renewed, and their terms cannot be changed.
3. A framework public contract allows the contracting authority, throughout its duration, to place orders or conclude subcontracts based on mini-tenders.
4. Framework public contracts may be awarded:
 - 4.1 To a single economic operator, in which case all necessary conditions must be included to allow orders to be made solely based on the contract; or
 - 4.2 To more than one economic operator, but at least three, and in this case, they must include the award criteria that will be used for the mini-tenders. Such framework contracts may clearly leave certain specific conditions to be determined in the subsidiary contracts.

5. The Budget and Finance Office and the Procurement Office at UP, before initiating the procurement activity, must assess whether the public framework contract is the best approach for the specific procurement. This assessment should include considerations of value for money, the nature of the procurement, and the ability to specify it with sufficient accuracy from the outset.
6. The Budget and Finance Office and the Procurement Office are obliged, before initiating procurement procedures for major contracts, to notify the Rector.
7. The Rector has a period of seven working days to respond; otherwise, the request is considered approved.
8. Based on the *Rules and Operational Guidelines for Public Procurement*, point 56.10, the quantity specified in the tender documents is only indicative. Whenever an indicative quantity is specified, the contracting authority must indicate in the tender dossier the contract's total value or quantity as a threshold or ceiling and allow deviations from it, also declaring the percentage of the permitted variance.
8. The allowed variance cannot exceed plus/minus thirty percent (30%).
If purchase orders exceed the total indicative quantity or total indicative value of the framework public contract (including the +30%), regardless of the original expiry date of the framework contract, the contract shall be automatically terminated.
The allowed variance of plus/minus thirty percent (30%) also applies to lots and positions/items, and upon reaching the permitted limit, the contracting authority cannot make further orders for that lot or item.

Article 12

Submission of Requests for Various Funding by Academic Units

Within the framework of the Law on Public Finance Management and Responsibilities, the duties and responsibilities of the Chief Financial Officer (CFO) and the Procurement Officer (Articles 12 and 13) are defined within the budgetary organization. The CFO of the budgetary organization shall record all transactions and maintain accounting records in accordance with the Public Financial Management (PFM) rules, as well as ensure that copies of the accounting records are provided to the Ministry of Finance and Economy.

1. When academic units have financial officers or Vice Deans for Finance, to avoid duplication of procedures, the following regulation applies:
2. Requests submitted by academic staff shall be sent electronically to the Vice Dean for Finance at the faculty, with a copy to the Dean of the academic unit.
3. The Finance Officer forwards the respective request physically to the CFO, with a copy to the Vice-Rector for Finance.
4. Requests must be addressed within a period of seven (7) days from the moment of receipt.

Article 13

Article and Social Politics (ESG)

By implementing the principles of ESG (Environmental, Social, and Governance issues), the University of Prishtina (UP) can gain significant benefits on its campus. Some of the most

important benefits include: enhancing UP's reputation as a leader in sustainability and social responsibility, improving the University's financial performance through investments aligned with ESG principles, and building stronger relationships with the local community and other stakeholders. Therefore, academic units shall:

1. Ensure that the University of Prishtina considers ESG in its strategic plan and budget lines.
2. Develop appropriate budget incentives and KPIs to facilitate the implementation of circular economy practices by academic and organizational units
3. Develop partnerships with companies and organizations committed to ESG principles.

Article 14
Entry into Force

This regulation shall enter into force on the day following its approval by the Steering Council.

The Steering Council of University of Prishtina

Altin Sahiti, Chairperson