Financing and economic management

Financing sector policies – defense financing

Content:

1. Financing (Financial Management), Ministry of Defense,

2. Financing and management of state organizational units (SOU),

3. Financing and management of contributory organizations (CO),

4. Financing and management of state enterprises (SE),

5. Financing of Foreign Missions.

1. Financing (Financial Management), Ministry of Defense

The activities, which are carried out within the organization (company, public sector) have two basic aspects:

❖ material (property includes machinery, equipment, materials, etc.),

❖ financial (cash, consisting primarily of cash flow).

1. Financing (Financial Management), Ministry of Defense

Financial flows are applied through the following main elements:

- The Ministry of Defense (MoD, General Staff of the Army of the Czech Republic),

- The rank regiment / brigade / base,

- The rank of military unit / device.

1. Financing (Financial Management), Ministry of Defense

Systems in the process of financing and financial management:

- System Planning, Programming and Budgeting (SPPB - 2010),

- System planning by objectives (SPO) and

- Budgeting by objectives (BO).

1. Financing (Financial Management), Ministry of Defense

The state organizational unit, state contributory organization, state company:

1. The state organization units:

➢ Budget Chapter 307 - Ministry of Defense,

➢ Military siding office (cancelled);

1. Financing (Financial Management), Ministry of Defense

The state organizational unit, state contributory organization, state company:

2. Contributory organizations:

- ➢ Managing military housing Praha,
- ➢ Military spa and leisure facilities Praha,
- ➢ Central Military Hospital Praha,
- ➢ Institute of Aviation Medicine, Praha,
- ➢ Military Hospital Brno and Olomouc,
- ➢ Scientific and Service Departments of Physical Education and Sport (CASRI),
- ➢ Association of Defense and Security Industry of the Czech Republic;

1. Financing (Financial Management), Ministry of Defense

The state organizational unit, state contributory organization, state company:

3. State companies:

➢ VOP-026 Šternberk, SC,

➢ LOM Praha, SC,

➢ Military Forests and Farms Czech Republic, SC.

2. Financing and management of organizational state units (OUS)

Organizational unit of the state (OUS):

- manages the budgetary resources to be budgeted in its budget,

- manage the breakdown of the budget composition,

- level of expenditure is influenced by the binding indicators by the State Budget Act,

- founder OUS determines the financial limits of financial resources.

2. Financing and management of organizational state units (OUS)

Organizational unit of the state (OUS):

- account balances office compares the Czech National Bank is always on 31 December of the current year, so that the balances were always zero,

- OUS can manage with extra budgetary resources,

- end of the financial year, the Authority may money transfers to the so-called. area "Claims arising from unused expenses„,

- OUS may accept or grant loans, borrowing provide gifts and so on.

3. Financing and management of contributory organizations (CO)

Financial relationships with Contributory organizations:

❑ contribution to the operation of the state budget,

❑ individual and systemic subsidies to finance programs and events,

❑ repayable financial assistance,

3. Financing and management of contributory organizations (CO)

Financial relationships with Contributory organizations:

❑ removal of depreciation,

❑ subsidies to cover operating expenditure (the European Union)

❑ subsidies to cover operating expenditure under international conventions.

3. Financing and management of contributory organizations (CO)

Contributory organization creates the following funds:

A. reserve fund,

B. reproduction fund of property,

C. bonus fund,

D. fund cultural and social needs.

4. Financing and management of state enterprises (SE)

Management and operation of the state enterprise:

- ✓ regulated by a special law,

- ✓ state enterprise based State

- ✓ state enterprise is not liable for the obligations of the state, on the contrary,

- ✓ state enterprise will provide subsidies,

- ✓ activity of the state enterprise is subject to control.

4. Financing and management of state enterprises (SE)

State enterprises establish two types of funds:

❑ reserve fund,

❑ fund cultural and social needs.

5. Financing of Foreign Missions

Financing of Foreign Missions:

includes a summary of activities and measures aimed at ensuring the funds, the efficient allocation of funding and security tasks performed at the base, using the principles of economy, efficiency and effectiveness of expenditure and ensuring the financial stability of the unit.

5. Financing of Foreign Missions

The financial demands of financing foreign missions:

1) the most demanding - controlled NATO operations,

2) the medium demanding - peacekeeping operations organized and managed by the United Nations,

3) the least demanding - at the request of the host country.

5. Financing of Foreign Missions

Expenditure on foreign missions in the years 2002 - 2011

Keywords:

The state budget, budget process, management by objective, objective, budgetary principles, methods of budgeting, medium term expenditure framework, allocations, budget structure, mandatory expenditures facultative expenditures.

References and further reading:

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- OLEJNÍČEK, Aleš., HOLCNER, Vladan a kol. Základy ekonomiky obrany státu. Brno: Univerzita obrany, 2011. 135 s. ISBN 978-80-7231-817-9.

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List of tasks for students:

1) Explain the budget, budgetary policies and budgetary rules.

2) Explain the provisional budget and budgetary measures.

3) Budget structure in the budgeting process - explain.

4) State budget and the budget structure - describe.

5) Describe the budgetary process.

6) Methods of budgeting - name and description.