

**NATIONAL ENTITY FOR ACCREDITATION AND QUALITY ASSURANCE IN HIGHER EDUCATION OF SERBIA**

**FINANCIAL PLAN**

**for 2019**

**Belgrade, December 2018**

Pursuant to Article 17, paragraph 1, item 3 and Article 14, paragraph 3 of the Law on Higher Education ("Official Gazette of the Republic of Serbia", Nos. 88/17 and 27/18-another law), as well as to Article 9, paragraph 1, item 4 of the Statute of the National Entity for Accreditation, the National Entity for Accreditation Steering Board has adopted in its session of April 11, 2019,

**THE FINANCIAL PLAN PROPOSAL** **FOR 2019**

**OF THE NATIONAL ENTITY FOR ACCREDITATION AND QUALITY ASSURANCE IN HIGHER EDUCATION OF SERBIA**

The financial plan shall record revenues and incomes and expenditures and costs of the National Entity for Accreditation and Quality Assurance in Higher Education (hereinafter: the National Entity for Accreditation - NEAQA) for 2019. The planned revenues are balanced with planned expenses.

Pursuant to Article 14, paragraph 3 of the Law on Higher Education, the National Entity for Accreditation is financed from the income generated from fees for accreditation and external quality control of higher education institutions and their units, evaluation of study programs and quality control in higher education and other income in accordance with the law.

Unlike the previous Commission for Accreditation and Quality Assurance, whose activity is financed entirely from the budget, NEAQA operates in accordance with the new Law, as a financially self-sustained entity, which independently generates its own revenues, of which the most important source are the fees for accreditation and quality control in higher education institutions .

The new Law on Higher Education stipulates that the accreditation of higher education institutions is carried out every seven, instead of five years as previously proscribed.

The National Entity for Accreditation has fixed monthly expenditures, which, in addition to the current costs and employee salaries, includes the payment of fees for 17 members of the Accreditation Commission and seven members of the Steering Board. The highest expenditures are for the fees of reviewers under contracts. In order to comply with ENQA's requirements as a condition to keep its full membership in this international agency, the number of reviewers for each request has been increased from 2 to 5, one of which should be a foreign expert, which has significantly influenced the increase of expenditures.

The Revenues Plan states the accreditation fees and external quality control fees.

Accreditation fees and external quality control fees:

* The fee for the initial accreditation of a higher education institution and its study programs is RSD 2,000,000.00;
* The fee for the accreditation of higher education institutions is:
1. for universities - RSD 1,080,000.00;
2. for academies of vocational studies - RSD 720,000.00;
3. for art faculties and art academies – RSD 540,000.00;
4. for the high vocational schools - RSD 480,000.00;
5. for high schools - RSD 648,000.00;
* The fee for the accreditation of study programs is:
1. for a study program - RSD 320,000.00;
2. for changing a study program - RSD 100,000.00;
3. for a joint study program - RSD 350,000.00;
4. for a study program in Serbian and in a foreign language - RSD 350,000.00;
5. for each module - 10% of the fee for the corresponding study program;
* The fee for issuing the certificates is:
1. for issuing a certificate for the accreditation of an institution - RSD 48,000.00;
2. for issuing a certificate for the accreditation of a program - RSD 20,000.00
* The fee for an external quality control is:
1. for universities: RSD 640,000.00;
2. for art faculties and art academies - RSD 350,000.00;
3. for academies of vocational studies - RSD 420,000.00;
4. for high vocational schools - RSD 320,000.00;
5. for high schools - RSD 420,000.00;
6. for study programs - RSD 180,000.00;

**Revenues Plan**

The NEAQA accreditation and quality control plan for 2019 is based on the NEAQA work plan for 2019, based on a projection of the number of higher education institutions that will go through the process of accreditation and external quality control in that year, as well as for the study programs. This relates primarily to the planned re-accreditation of faculties and universities during 2019. In addition, it is planned that a certain number of newly established higher education institutions will go through the process of accreditation.

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| **PLANNED REVENUES** |
| Type of revenue | No.  | Fee  | Amount |
| 1. The initial accreditation of an institution and a study program | 6 | 2,000,000 | 12,000,000 |  |
| 2. Re-accreditation of universities | 5 | 1,080,000 | 5,400,000 |  |
| 3. Accreditation of faculties | 19  | 540,000 | 10,260,000 |  |
| 4. Accreditation of academies of vocational studies | 6 | 720,000 | 4,320,000 |  |
| 5. Accreditation of high vocational schools | 5 | 480,000 | 2,400,000 |  |
| 6. Accreditation of high schools | 3 | 648,000 | 1,944,000 |  |
| **Accreditation of institutions** | 36,324,000 |
| 7. Accreditation of study programs | 220 | 320,000 | 70,400,000 |  |
| 8. Accreditation of joint study programs | 4 | 350,000 | 1,400,000 |  |
| 9. Accreditation of programs in Serbian and in English | 99 | 350,000 | 34,650,000 |  |
| **Accreditation of study programs** | 106,450,000 |
| 10. Certification of universities | 44 | 48,000 | 2,112,000 |  |
| 11. Certification of study programs | 323 | 20,000 | 6,460,000 |  |
| **Issuing certificates** |  | 8,572,000 |
| 12. University EQC  | 4 | 640,000 | 2,560,000 |  |
| 13. Faculty EQC  | 8 | 350,000 | 2,800,000 |  |
| 14. Academy of Vocational Studies EQC  | 5 | 420,000 | 2,100,000 |  |
| 15. High vocational schools EQC  | 4 | 320,000 | 1,280,000 |  |
| 16. High schools EQC  | 4 | 420,000 | 1,680,000 |  |
| 17. Study programs EQC  | 25 | 180,000 | 4,500,000 |  |
| **External Quality Control** | 14,920,000 |
| **OWN REVENUE IN 2019** | **166,266,000** |
| **REVENUE FROM THE BUDGET OF THE REPUBLIC OF SERBIA** | **20,000,000** |
| **TOTAL INCOME FOR 2019** | **186,266,000** |

**Expense Plan**

The NEAQA expense plan for 2019 was primarily based on the NEAQA Work Plan for 2019. The priority activities planned in this year are: high quality of accreditation of higher education institutions, efficient implementation of external quality control procedure, maintenance of the status of a regular member in the international institution ENQA, insuring EQAR membership, mandatory presence of NEAQA representatives at international symposiums and conferences in the field of higher education, cooperation with regional and global accreditation agencies, etc.

In 2019, expenditures in the total amount of **RSD 186,266,000** dinars were planned for eleven economic classifications, as follows:

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| **PLANNED EXPENSES** |
| 411 | Salaries, allowances and employee benefits (earnings) | 21,466,665 |
| 412 | Social contributions payable by the employer | 3,697,503 |
| 415 | Compensation of employee costs | 542,640 |
| 421 | Fixed costs | 640,000 |
| 422 | Travel expenses | 14,262,340 |
| 423 |  Contracted services  | 137,826,286 |
| 426 | Supplies  | 615,600 |
| 462 | Foreign membership fees | 900,000 |
| 483 | Fines and penalties by court decisions | 400,000 |
| 512 | Equipment | 4,600,000 |
| 515 | Software, original licenses | 1,314,966 |
| **TOTAL EXPENSES FOR 2019** **186,266,000**  |

**411- Salaries, allowances and employee benefits (earnings)**

This economic classification foresees the costs for salaries, allowances and employee benefits in accordance with the expected number of employees and the amount of salaries prescribed by the Rules of Procedure and the NEAQA Rulebook on Internal Organization and Job Descriptions.

**412- Social contributions payable by the employer**

This economic classification foresees the costs for social contributions payable by the employer, in accordance with the expected number of employees and the amount of salaries prescribed by the Rules of Procedure.

**415- Compensation of employee costs**

This economic classification foresees the cost of transporting employees to work and back is envisaged, in accordance with the expected number of employees and the cost of the city transportation prepaid card.

**421 - Fixed costs**

This economic classification foresees the expenses for the use of fixed and mobile telephony, the Internet and employee insurance.

**422- Travel expenses**

This economic classification foresees the expenditures for travel expenses in the country and abroad.

**423- Contracted services**

This economic classification foresees the funds for the fees of CAQA members, based on the Government Decision dated December 20, 2019, on granting consent to the Decision on the amount of the CAQA members fees, adopted by the NEAQA Steering Board in its session on October 25, 2018, funds for the fees of the reviewers in accordance with the decision of the Government of the RS dated February 28, 2019, as well as funds for the fees of the Steering Board members in accordance with the Government Decision dated December 20, 2018. The amount of funds is planned in gross amount based on the assumption that they will be paid based on a service contract. Funds are planned for the purchase of a car, computer equipment, for the development and maintenance of software, catering services and entertainment costs, publishing of tenders, for education and training services for the employees.

**426- Supplies**

This economic classification foresees the funds for the procurement of office and other supplies (toners), necessary for the smooth functioning of NEAQA and for purchasing professional literature.

**462 - Foreign membership fees**

 This economic classification foresees the funds for membership fees in international organizations ENQA and EQAR.

**483 - Fines and penalties by court decisions**

This economic classification foresees the funds that include the amounts of fines according to the court decisions ruled against NEAQA.

**In class 500000 - Expenses for non-financial assets in the amount of RSD 5,914,966.**

**512 - Machinery and equipment**

This economic classification foresees the funds for the purchase of a car and of computer equipment, necessary for smooth functioning of NEAQA. In planning these funds, the necessity of purchasing state-of-the-art computer equipment was taken into account, equipment that meets all the requirements of the entire accreditation process in order to achieve full digitization, in accordance with the Strategy of the Government of the Republic of Serbia.

**515 - Computer software**

This economic classification foresees the funds for the purchase of software and licenses, which guarantee the development of a functional information system necessary for the smooth functioning of NEAQA.

**Table: Overview of NEAQA expenses**

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| --- | --- | --- | --- | --- |
| **No.**  | **Economic classification** | **Expenses in 2019** | **Coverage of expenses from the budget of the Republic of Serbia** | **Coverage of expenses from the expected revenues** |
| **1** | **2** | **3** | **4** | **5** |
| 1. | **TOTAL: 411 - Salaries, allowances and employee benefits (earnings)** | **21,466,665** |  | **21,466,665** |
| 4111 - Employee salaries  | 21,466,665 |   | 21,466,665 |
| 2. | **TOTAL: 412 - Social contributions payable by the employer** | **3,697,503** |  | **3,697,503** |
| 412 - Social contributions payable by the employer | 3,697,503 |   | 3,697,503 |
| 3. | **TOTAL: 415 - Reimbursement of employee expenses** | **542,640** |  | **542,640** |
| 4151 - Reimbursement of transportation costs | 542,640 |   | 542,640 |
| 4. | **TOTAL: 421 - Fixed costs** | **640,000** |  | **640,000** |
| 4211- Payment transaction costs | 120,000 |   | 120,000 |
| 4214 - Communication services | 280,000 |   | 280,000 |
|   | 4215 - Employee insurance | 240,000 |   | 240,000 |
| 5. | **TOTAL: 422 - Travel expenses** | **14,262,340** |  | **14,262,340** |
| 4221 - Travel expenses in the country | 10,675,360 |   | 10,675,360 |
| 4222 - Travel expenses abroad | 3,500,000 |   | 3,500,000 |
|   | 4223 - Taxi transport in working hours | 86,980 |   | 86,980 |
| 6. | **TOTAL: 423 - Contracted services** | **137,826,286** | **16,085,034** | **121,741,252** |
| 4231 - Administrative services (translations) | 1,200,000 |   | 1,200,000 |
| 4232 - Computer services (hosting) | 391,050 |   | 391,050 |
| 4233 - Employee education and training services for and registration fees | 1,500,000 |   | 1,500,000 |
| 4234 - Information services (publication of tenders and advertisements) | 100,000 |   | 100,000 |
| 4235 - Remuneration for the work of CAQA members | 26,855,173 |  | 26,855,173 |
|   | 4235 - Remuneration for the members of the Steering Committee | 11,241,699 |   | 11,241,699 |
|   | 4235 – Reviewers’ fees | 85,297,434 | 16,085,034 | 69,212,400 |
|   | 4235 - Other professional services that are not systematized | 10,940,930 |   | 10,940,930 |
|   | 4236 - Catering services | 120,000 |   | 120,000 |
|   | 4237 - Entertainment expenses | 180,000 |   | 180,000 |
| 7. | **TOTAL: 426 - Supplies** | **615,600** | **0** | **615,600** |
| 4261 - Office supplies | 415,600 |   | 415,600 |
|   | 4263-Professional literature | 200,000 |   | 200,000 |
| 8. | **TOTAL 462 - International membership fees** | **900,000** | **0** | **900,000** |
|   | 4621 - International membership fees | 900,000 |  | 900,000 |
| 9. | **TOTAL 483 - Fines and penalties by court decisions** | **400,000** | **0** | **400,000** |
|   | 4831 - Fines and penalties | 400,000 |  | 400,000 |
| 10. | **TOTAL: 512 - Equipment** | **4,600,000** | **2,600,000** | **2,000,000** |
| 5121 - Car | 2,000,000 |  | 2,000,000 |
| 5122 - Computer equipment | 2,600,000 | 2,600,000 |   |
| 11 | **TOTAL 515 - Software, original licenses** | **1,314,966** | **1,314,966** | **0** |
|   | 5151 - Computer software | 1,314,966 | 1,314,966 |   |
|   | **TOTAL:** | **186,266,000** | **20,000,000** | **166,266,000** |

In the proposed Financial Plan, NEAQA expenditure planning was carried out taking into account the data on the number of higher education institutions and the number of study programs that were accredited in 2013 and that should reapply in 2019. In addition to that, a newly established higher education institutions and new study programs, whose number was calculated based on data from the previous three-year period, will go through the accreditation process. However, the effect of the expected decrease in the number of accreditation requests could not affect the decrease in expenditures due to the significantly increased costs for the reviewers. This was influenced by the requirements and conditionality of ENQA and EQAR regarding the independence of reviewers and the requirement that reviewers' commissions, in addition to 3 experts, must include both a practice expert and a student. According to the new Law, the participation of foreign experts, whose engagement involves high costs (travel, accommodation, per diems, etc.), is mandatory for the accreditation of PhD studies. All this is a condition for the long-term maintenance of full membership of NEAQA in ENQA and EQAR. The planned expenditures are also affected by the fees of the 17 Accreditation Commission members and of the 7 Steering Board members. The planned cost for the reviewers (85,297,434), planned travel costs and accommodation of domestic and foreign reviewers when visiting the institutions (14,262,340), planned fees of the Accreditation Commission members (26,855,173) and the Management Board members (11,241,699) is a total of RSD 137,826,286, which makes up 74% of total expenses. The plan for all other operating costs of NEAQA (employee salaries, computer equipment, computer software, car purchase and other administrative costs) was restrictive. The plan illustrates that the planned revenues from fees and the planned budget funds can cover the planned expenditures.

                                                                               Chairman of the NEAQA Steering Board

                                                                           Prof. Sima Avramović, PhD