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# **213/1997 Collection of Laws**

## **LAW**

of July 2<sup>nd</sup>, 1997

### **ON NON-PROFIT ORGANIZATIONS PROVIDING GENERALLY BENEFICIAL SERVICES**

Change: Law No. 35/2002

The National Council of the Slovak Republic enacted the following law:

#### **CHAPTER ONE**

#### **FUNDAMENTAL STIPULATIONS**

##### **Section 1**

##### **Subject of regulation**

This law regulates the foundation, establishment, abolition, termination, capacity (structure and power) of organs (bodies), and economic operations of Non-profit organizations providing generally beneficial services (Hereinafter only: "non-profit organization").

##### **Non-Profit Organization and Generally Beneficial Services.**

##### **Section 2**

- (1) The non-profit organization is a legal person established according to this law, whose primary activity is to provide generally beneficial services under the beforehand determined and to all users equal conditions and whose profit may not be used for the benefit of its founders, members of its bodies nor its employees, but must be fully used to secure the public benefit services.
- (2) The public benefit services are, in particular:
  - a. Health care provision,
  - b. Social care and humanitarian assistance provision,
  - c. Creation, development, protection, restoration and presentation of spiritual and cultural values,
  - d. Protection of human rights and basic freedoms,
  - e. Education, learning and physical fitness training,
  - f. Science, technological development, scientific and technology services and information services,
  - g. Creation and protection of environment and protection of health of population,
  - h. Support of regional development and employment policy,

- i. Provision of dwelling capacities and services related to management, maintenance and restoration of public dwellings.

### Section 3

The non-profit organization may provide services only when it fulfills conditions set for their provision by special regulations<sup>1</sup>

### Section 4

#### **Name of the non-profit organization**

The name of the non-profit organization is the name under which it is filed in the register of non-profit organizations providing generally beneficial services (hereinafter referred to as „Register“). The name of the non-profit organization must include the indication „nezisková organizácia (non-profit organization)“, but it is sufficient to use the abbreviation „n.o.“; the name must differ from the names of other already registered non-profit organizations.

## **CHAPTER TWO**

### **FOUNDATION AND ESTABLISHMENT OF THE NON-PROFIT ORGANIZATION**

#### Section 5

##### **Foundation of the non-profit organization**

- (1) The non-profit organization can be founded by a natural or legal person (hereinafter referred to as „founder“), if not otherwise excluded by the Law<sup>2</sup>.
- (2) The non-profit organization shall be founded by a Founder's Deed, which is signed by all founders. The signatures of all founders must be officially verified. A single founder may also found the non-profit organization; his/her signature must be officially verified.
- (3) The Founder's Deed may be concluded also by an assignee furnished with a full power. The founder shall sign the document on the full power under office and the document shall be attached to the Founder's Deed.

##### **Founder's Deed**

#### Section 6

- (1) The Founder's Deed shall include:
  - a) Name and site of the non-profit organization

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<sup>1</sup> E.g. the Act of the Slovak National Council No. 135/1992, the Act of the Slovak National Council No. 272/1994, on Prevention of Health and People in the text of later amendments, the Act of the Slovak National Council No. 277/1994, on Health Care in the text of later amendments.

<sup>2</sup> The Act of the Slovak National Council No. 303/1995, on Budgetary Regulations, in the text of the Act of the Slovak National Council No. 386/1996.

- b) The period for which the non-profit organization is founded, if it is not founded for an undetermined period
- c) The type of generally beneficial services (Sec. 2, Par. 2),
- d) The name and surname of the natural person or the business name of the legal entity, the birth number of the natural person or the identification number of the legal entity, the place of residence of the natural person or the seat of the legal entity, if these are founders,
- e) Name, surname, birth number and residence address of the first members of the Board of Directors, Supervisory Boards (Inspector), Director and members of other body, if established,
- f) Monetary contributions of individual founders, non-monetary contributions of individual founders and their monetary value documented by official evaluation, if such contributions exist.

### **Section 7**

The Founder's Deed may stipulate, that

- a) a specified number of members of the Board of Directors and/or Supervisory Board be elected based on the nomination by specific physical persons identified in advance, or on the proposal of a specific legal person, [or of] a body of the territorial self-government or the state administrative body,
- b) a specified property deposited as to the date of the foundation shall not be alienated,
- c) the specified range of generally beneficial services to be provided cannot be changed during the specified period of time and/or under defined conditions.

### **Section 8**

#### **The Statute**

- (1) The founder issues the Statute, which determines in detail the organizational structure, activities and economy of the non-profit organizations.
- (2) The Statute includes, in particular:
  - a. The name and seat of the non-profit organization,
  - b. The type of generally beneficial services provided (Sec. 2, Par. 2),
  - c. The way, in which the conditions for individual service providing shall be made public,
  - d. The bodies of the non-profit organization and determination of the scope of their competence,
  - e. Number of members of the Board of Directors, Supervisory Board (Inspector) or any other established body, the procedure of electing them and the length of their term of service,
  - f. The period of time for which the proceedings of the meeting of the bodies of the non-profit organization shall be kept archived,
  - g. The manner of publishing the annual report,
  - h. The method of liquidation by termination of the non-profit organization
- (3) Everyone is entitled to inspect the Statute and to make copies or records there from. The non-profit organization is obliged to make the Statute accessible on demand.

## **Establishment of the non-profit organization**

### **Section 9**

(1) The non-profit organization is established as of the day when the decision of the Regional Office (hereinafter referred to as „Registration Office“) on registration enters into force.

(2) The registry is kept by the Founder's Deed as of the seat of the non-profit organization.

(3) The Ministry of Interior of the Slovak Republic (hereinafter referred to as „the Ministry“) maintains the Central Registry of Non-Profit Organizations Providing Generally Beneficial Services (hereinafter referred to as „Central Registry“).

### **Section 10**

(1) A written motion to enter the non-profit organization into the registry must be filed by the founder or person empowered by the founder with in written within 60 days from the founding of the non-profit organization. The signature of the person submitting the motion must be verified under office.

(2) The motion for registration must include the Founder's Deed, the Statute and the proclamations of honor of the founders. All Founders must sign the Statute. In the proclamation of honor the founders must provide data on the non-profit organizations, in which they are or were active as founders or as members of their bodies.

(3) If the non-profit organization will be providing services regulated by special regulations<sup>3</sup>, it is obliged to prove their fulfillment to the Registering Office within 30 days since these conditions were fulfilled.

### **Section 11**

(1) The Registration Office shall issue the registration decision and enter the record into the Registry, if the Founder's Deed and the Statute are in accord with the Law.

(2) The Registry shall include:

- a. The name and seat of the non-profit organization,
- b. The identification number,
- c. The period of time for which the non-profit organization is established, if it is not established for an undetermined period of time,
- d. The type of generally beneficial services,
- e. The name and surname of a natural person or the business name of a legal entity, the birth number of the natural person or the identification number of the legal entity, the place of residence of the natural person or the seat of the legal entity, if these are founders,
- f. Monetary contributions of individual founders, non monetary contributions of individual founders and their monetary value documented by official assessment, if such contributions exist,
- g. The name, surname and permanent residence of the Director of the non-profit organization.

(3) Any change or cessation of registered data shall be entered into the Registry

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<sup>3</sup> E.g. the Act of the Slovak National Council No. 135/1992, the Act of the Slovak National Council No. 272/1994, on Health and People Protection in the text of later amendments, the Act of the Slovak National Council No. 277/1994, on Health Care in the text of later amendments

without delay.

(4) The Registration Office shall assign an identification number to the non-profit organization.

(5) The registration shall be realized as to the date specified in the motion for registration. If the registration decision is issued later or if the motion for registration does not include the date of proposed registration, the registration will be realized as to the date of issuing the decision.

(6) The Registration Office shall submit the data filed in the registry as well as any changes of such data within 10 days of the registration for publishing in the Business Review<sup>4</sup>; these data shall be also sent at the same time to the Ministry for the purposes of the Central Registry, as well as to the Statistics Office of the Slovak Republic.

(7) The proceedings and decision making on the registration is regulated by the general rules on administrative proceedings<sup>5</sup>, unless this law specifies otherwise.

## **Section 12**

(1) The Registration Office shall refuse the registration if the presented documents indicate that:

- a) It is not a non-profit organization under the terms of this Law,
- b) There are not provided generally beneficial services,
- c) The Deed on Foundation and the Statute are not in accordance with the Law,
- d) The founder of the non-profit organization is simultaneously a founder or a member of the body of another non-profit organization, which fulfills conditions for being terminated as of Sec. 15, Par. 1, Item c)

## **Section 13**

(1) To the date of establishment of non-profit organization act on behalf of the non-profit organization the founders jointly or that one of them who has been given full powers by the others.

(2) The founders are obligated jointly and severally as to all obligations the founders or any of them has undertaken on behalf of the non-profit organization.

(3) The obligations originated according the Par. 2 pass over to the non-profit organization as of the day of its establishment, unless the non-profit organization does not disavow the obligation within three months.

# **CHAPTER THREE**

## **TERMINATION AND CESSATION OF THE NON-PROFIT ORGANIZATION**

### **Termination of the non-profit organization**

## **Section 14**

A non-profit organization shall be terminated:

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<sup>4</sup> The Governmental Regulation No. 100/1993, on Commercial Review.

<sup>5</sup> The Act No. 71/1967, on Administrative Proceedings.

- a) Upon expiration of the period of time for which the non-profit organization was established,
- b) To the date defined in the decision of its Board of Directors on termination of the non-profit organization, otherwise to the date on which such a decision has been made,
- c) By the decision of the Board of Directors on merge, fusion or split of the non-profit organization,
- d) To the date defined in the court resolution on termination of the non-profit organization, otherwise to the date on which this resolution entered into power,
- e) By the proclamation of bankruptcy or refusal of the proposal to proclaim bankruptcy due to the insufficiency of property,
- f) When the obligation according to the Sec. 10, Par. 3 has not been fulfilled,
- g) When the non-profit organization does not submit the Annual Report to the Registering Office as required according to the Sec. 34, Par. 3

### **Section 15**

- (1) The court shall decide on termination and liquidation of the non-profit organization upon a motion brought by a state body or a person declaring legal interest, if:
  - a) The non-profit organization does not provide the public benefit services as stipulated in the Founder's Deed for more than 12 months,
  - b) The non-profit organization does not fulfill the conditions for provision of services as defined by special regulations (Sec. 3),
  - c) The expenditures (costs) of the non-profit organization are not in proportion to the scope of provided public benefit services.
- (2) In the case of termination of the non-profit organization based on the provision of the Par. 1, item c), the persons who were founders or members of the bodies of it may establish another the non-profit organization not earlier than after three years since all liabilities were settled.
  - a) The court may decide on termination and liquidation of the non-profit organization upon a motion brought by a state body or a person declaring legal interest, if: The Board of Directors of the non-profit organization did not met during the elapsed 12 months,
  - b) The new bodies of the non-profit organization were not elected in 12 months since their term has elapsed,
  - c) The non-profit organization uses the incomes from its activities and the property provided to it in violation with this Law,
  - d) The non-profit organization violates the provisions of the Sec. 30
- (3) The court may appoint a time period for the non-profit organization to eliminate a reason for which its termination was proposed, before deciding about the motion.

### **Section 16**

#### **Merger and fusion**

- (1) The Board of Directors may decide on a merger or fusion of the non-profit organization with another non-profit organization or foundation.
- (2) By merger the property of a dissolved non-profit organization passes to the non-profit organization or foundation, with which the non-profit organization was merged.
- (3) By fusion the property of the non-profit organization passes to the non-profit

organization or foundation constituted by the fusion.

(4) The Executive Manager of the newly constituted organization shall report the changes resulting from the merger or fusion, which are subject to registration, to the Registration Office within seven days.

## **Section 17**

### **Cessation and liquidation**

(1) The non-profit organization ceases to exist on the day it is deleted from the registry. Its cessation is preceded by termination with or without liquidation.

(2) Liquidation is not required if the property of the non-profit organization goes over to another non-profit organization or foundation after its merger or fusion. The deletion of a ceased non-profit organization from the registry shall be made on the same day as the registration of the non-profit organization or foundation constituted by the merger. The deletion of the fused non-profit organization from the registry shall be made on the same day as the registration of change in the non-profit organization or foundation with which the ceasing non-profit organization was fused.

(3) The balance of assets upon liquidation can be transferred only to another non-profit organization or a foundation.

(4) The liquidator is obliged to offer the priority property as defined in Sec. 31a to the state or another non-profit organization.

(5) The authority, which appointed the liquidator, shall determine the liquidator's compensation.

(6) The costs of liquidation shall be covered from the property of the non-profit organization.

(7) The dissolution of the non-profit organization with or without liquidation and the cessation of the non-profit organization shall be subject to the regulation of the Commercial Code on the dissolution and cessation of commercial companies<sup>6</sup> as appropriate, if this law does not stipulate otherwise.

## **CHAPTER FOUR**

### **BODIES OF THE NON-PROFIT ORGANIZATION AND THEIR JURISDICTION**

## **Section 18**

### **Bodies of the non-profit organization**

The bodies of the non-profit organization are:

- a) The Board of Directors,
- b) The Executive Manager,
- c) The Supervisory Board (the Inspector),
- d) Other bodies, if specified in the Statute.

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<sup>6</sup> See Sections 68 to 75 of the Commercial Code.



## **Board of Directors**

### **Section 19**

(1) The Board of Directors is the supreme official body of the non-profit organization. The Founder appoints the first members of the Board of Directors, unless otherwise specified in this Law.

(2) The Board of Directors primarily:

- a) Adopts the non-profit organization's budget,
- b) Adopts the annual accounts report and the annual activity and economic management report (hereinafter referred as „the Annual Report“),
- c) Decides on the use of the profit and cover of losses including their settlement not later than before the end of the next accounting period.
- d) Decides on the termination, merger, fusion or division of the non-profit organization (Section 14),
- e) Submits motions for the change of data listed in the registry,
- f) Elects and recalls the Executive Manager and determines his/her salary<sup>7</sup>,
- g) Elects and recalls members of the Board of Directors and the Supervisory Board (the Inspector),
- h) Approves legal acts related to real estate,
- i) Decides on changes in the Statute with the exception of provisions left to the Founder in the Founder's Deed,
- j) Decides on the limitation of the Executive Manager's right to act on behalf of the non-profit organization (Section 25).

(3) The Board of Directors decides on other matters to the extent of and under the terms set in the Statute.

### **Section 20**

(1) The Board of Directors consists of at least three members. A natural person may become a member of the Board of Directors, when being in full legal capacity and of irreproachable character. The Executive Manager and a member of the Supervisory Board may not serve as the member of the Board of Directors.

(2) For the purposes of this Law, a natural person shall be considered as of irreproachable character if he/she has not been convicted of purposefully committing a crime.

### **Section 21**

(1) For the purposes of this Law, a natural person shall be considered as of irreproachable character if he/she has not been convicted of purposefully committing a crime.

(2) The Board of Directors elects a Chair of the Board of Directors from among its members, and may elect also a Vice Chair.

(3) The Chair of the Board of Directors convenes, prepares and chairs the meetings of the Board of Directors.

(4) The Board of Directors meets according to need, but at least twice a year. The

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<sup>7</sup> The Act No. 1/1992, on Wage, Remuneration for Working Alert and on the Average Wage in the text of later amendments.

Board of Directors must be called within ten days since the delivery of a motion from the Supervisory Board (the Inspector) or from at least one third of members of the Board of Directors.

(5) An absolute majority of members of the Board of Directors is required for the decision of the Board of Directors to be valid, unless this Law stipulates otherwise.

(6) Membership on the Board of Directors is a voluntary and unpaid function. Members of the Board of Directors are entitled to reimbursement for their documented expenses connected with the performance of their function, under the special regulation.<sup>8</sup>

## **Section 22**

(1) Membership on the Board of Directors terminates:

- a) Upon expiration of the term of office,
- b) Upon resignation,
- c) Upon recall, if the member of the Board of Directors violates provisions of this Law or if he/she does not participate on at least three subsequent regular meeting of the Board of Directors, or if he/she ceases to fulfill the terms as of Section 20,
- d) Upon death.

## **Executive Manager**

### **Section 23**

(1) The Executive Manager is the statutory organ managing the activity of the non-profit organization and acting on its behalf. He/she decides on all matters of the non-profit organization not reserved by this Law, the Deed on Foundation or the Statute to the jurisdiction of another body.

(2) The Board of Directors' decision or the Founder's Deed may limit the right of the Executive Manager to act on behalf of the non-profit organization; however, such an limitation has no effect with respect to third persons, if those persons did not or could not know about this fact.

(3) The Executive Manager is entitled to take part in the sessions of the Board of Directors with an advisory vote.

(4) The Executive Manager must be a natural person with legal capacity and of irreproachable character.

### **Section 24**

- (1) The Executive Manager is elected and recalled by the Board of Directors.
- (2) The Board of Directors shall recall the Executive Manager if
  - a) he/she has been as convicted for a crime committed in connection with the performance of the executive managing function or for an intentional crime
  - b) he/she performs the activity [prohibited] by Section 27,
  - c) he/she demands so on his/her own.
- (3) The Board of Directors may recall the Executive Manager if:
  - a) he/she is not able to perform his/her function for more than six months

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<sup>8</sup> The Act No. 119/1992, on Travel Remunerations, in the text of later amendments.

- because of health reasons according to the medical expertise,
  - b) he/she acts in violation of this Law, the Deed on Foundation or the Statute,
  - c) the Supervisory Board or a member of the Supervisory Board so suggests.
- (4) A two-thirds majority of all members of the Board of Directors is required in order to elect or recall the Executive Manager.

### **Supervisory Board (Inspector)**

#### **Section 25**

- (1) The Supervisory Board (the Inspector) is the supervisory body of the non-profit organization, which checks its activity.
- (2) The Supervisory Board must be established, whenever the value of property of the non-profit organization is higher than SKK 5,000,000 or when its property contains priority property as of Sec. 31a. In all other cases it may be established, if the Statute provides for this.
- (3) When the Supervisory Board was not established, its authority rests with the Inspector.
- (4) The members of the Supervisory Board (the Inspector) are entitled to scrutinize all documents and records related to the activity of the non-profit organization and they check the compatibility of the books keeping of the non-profit organization with the special rule<sup>9</sup> and whether the non-profit organization operates in compliance with the law, Founders' agreement and the Statute.
- (5) The Supervisory Board (the Inspector), in particular:
- a) Examines the Annual Sheet of Balance and the Annual Report and provides its opinion to the Board of Directors,
  - b) Checks the book-keeping and other documents,
  - c) Alerts the Board of Directors on any detected deficiencies and submits suggestions for the elimination of such deficiencies.
- (6) The Supervisory Board (the Inspector) is entitled to:
- a) Suggest convocation of an extraordinary meeting of the Board of Directors if the non-profit organization's interest so demands,
  - b) Submit to the Board of Directors the move for recalling the Executive Manager,
  - c) Suggest to limit the right of the Executive Manager to act on behalf of the non-profit organization,
  - d) Take part in the meetings of the Board of Directors through its members with an advisory vote,
  - e) Call the Board of Directors' attention to detected breaches of the general laws, Founder's Deed or the Statute.

#### **Section 26**

- (1) The Supervisory Board has at least three members. The Inspector or a member of the Supervisory Board may be exclusively a natural person with legal capacity who is of irreproachable character. A member of the Board of Directors or the Executive Manager may not be [simultaneously] a member of the Supervisory Board.
- (2) The members of the Supervisory Board (the Inspector) are elected and recalled by the Board of Directors. (See Section 19.)

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<sup>9</sup> The Act No. 563/1991, on Accounting Procedures, in the text of the Act No. 272/1996.

(3) Membership in the Supervisory Board is a voluntary and unpaid function. The members of the Supervisory Board (the Inspector) are entitled to compensation for the documented expenses, which were spent in connection with their execution of the function, under the special rule<sup>10</sup>.

## **Section 27**

### **Conflict of interests**

The members of the Board of Directors, the Executive Manager and the members of the Supervisory Board (the Inspector) must not:

- a) Make business in his/her own name or on his/her credit if such a business is connected with the activity of the non-profit organization,
- b) Mediate for other persons the businesses of the non-profit organization.

## **Section 28**

### **Minutes from meetings of bodies**

Minutes shall be made of the meetings of the bodies of the non-profit organization and these shall be preserved for the time set in the Statute; this period of time must not be shorter than one election period of the Board of Directors.

## **CHAPTER FIVE**

### **ECONOMIC MANAGEMENT OF THE NON-PROFIT ORGANIZATION AND THE ACCOUNTING BOOK KEEPING**

#### **Economic management of the non-profit organization**

## **Section 29**

(1) The non-profit organization provides for its activity and manages its property; it may make use of the property of state or of the regional self-government according to special regulations<sup>11</sup>.

(2) The property of the non-profit organization is composed of:

- a) The founders' contributions,
- b) The income from the organization's own activity,
- c) The income from business activity after taxation,
- d) The inherited property,
- e) The donations from natural and legal persons.

(3) Subsidies from the state budget, budget of the state fund or the community budget may also be provided to the non-profit organization.

(4) A non-profit organization may receive state budget or state fund subsidies for the same services from only one source, usually from that source, which has some relation to

<sup>10</sup> The Act No. 119/1992, on Travel Remunerations in the text of later amendments.

<sup>11</sup> See Section 13, Par. 1 of the Act No. 278/1993, on Management of the State Property in the text of the Act No. 374/1996. The Act No.138/1991, on the Property of Communities, in the text of later amendments.

the predominant activity of the non-profit organization. The subsidy from the state budget, state fund budget or community budget may not be used to cover the expenditure (costs) of the administration of the non-profit organization.

### **Section 30**

(1) A non-profit organization may be engaged in business activities according to special regulation<sup>12</sup> under the condition that such activity allows for more effective use of its property and the quality, extent and availability of services, for which the non-profit organization was established, will not be endangered.

(2) A non-profit organization is not entitled to take part in the business of other persons or to conclude an agreement on silent partnership.

(3) The incomes from activities of the non-profit organization are subjected to income tax according to valid tax laws.

(4) Means of a non-profit organization cannot be used to finance activities of political parties and political movements or for the benefit of a candidate to an elected function.

(5) The non-profit organization must not condition the provision of its public benefit services on acceptance of donations from natural or legal persons

### **Section 31**

(1) The property of a non-profit organization may be used only in accordance with the terms set in the Founder's Deed or in the Statute and to cover the expenses or costs connected with the management of the non-profit organization. The Board of Directors shall determine every year in the budget the amount of expenses (costs) of the non-profit organization in the measure necessary for assurance of the activities of the non-profit organization.

(2) If a natural or legal person donated a gift or contributes to a non-profit organization for a specific purpose, the non-profit organization may use it for a different purpose only with the prior consent of the person, which provided the gift or contribution.

### **Section 31a**

(1) For the purposes of this law, the priority property is such a part of the state property, which the state as a founder or co-founder endows to the non-profit organization according to the special law<sup>13</sup> and which is to be used exclusively for securing the public benefit services.

(2) The priority property must not be used as a security nor otherwise used to secure the obligations of the non-profit organization or a third person, it must not be sold, donated, rented nor lent.

(3) The priority property is not subject to liquidation.

(4) With respect to real estates forming the priority property there is registered the material burden to the benefit of the state, which is entered into the Cadaster (Register of Real Estates).

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<sup>12</sup> E.g. the Civil Code, the Act No.455/1991, on Trading, in the text of later amendments.

<sup>13</sup> The Act No. 13/2002, on Condition of Transformation of Certain Budgetary Organizations and Subsidiary Organizations into Non-Profit Organizations Providing Generally Beneficial Services (the Transformation Act), by which the Act No. 92/1991, on Condition of the Transfer of the State Property to Other Persons, in the text of later amendments, is changed and amended.

## **Section 32**

### **Budget of the non-profit organization**

- (1) A non-profit organization is managed according to the adopted budget.
- (2) The budget of a non-profit organization includes all budgeted assets and expenditures. It is constructed and adopted for the corresponding calendar year.
- (3) The Executive Manager submits the budget proposal for adoption to the Board of Directors at least one month before the beginning of the calendar year for which the budget is designed. The Board of Directors shall adopt the non-profit organization's budget not later than by March 31 of the corresponding calendar year.

### **Accounting Procedures and the Annual Report.**

## **Section 33**

- (1) A non-profit organization keeps accounting books according to a separate rule<sup>14</sup>.
- (2) A non-profit organization must keep separately incomes and expenditures related to the beneficial services from incomes and expenditures related to [unrelated] business activity.
- (3) The Annual Accounts Report must be authorized by an Auditor,
  - a) if the subsidies from the state budget, budget of the state fund or the community fund are more than one million Slovak crowns in the year, which is reported in the Annual Accounts Report,
  - b) the total income of the non-profit organization exceeds five million Slovak crowns.
- (4) One copy of the Annual Accounts Report authorized by the Auditor according to the Section 3 shall be submitted for publication in the Business Review<sup>15</sup> not later than by April 15<sup>th</sup>.

## **Section 34**

- (1) The non-profit organization shall prepare the Annual Report on the date determined by the Board of Directors or by the Founder's Deed after the end of the calendar year, but not later than by March 31.
- (2) The Annual Report includes:
  - a) A review of activities performed in that calendar year specified according to their relationship to the purpose of establishment of the non-profit organization,
  - b) The Annual Accounts Report and evaluation of the basic data included therein,
  - c) The Auditor Statement to the Annual Accounts Report if authorized by an Auditor,
  - d) A review of monetary incomes and expenditures,

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<sup>14</sup> The Act No. 563/1991, on Accounting Procedures, in the text of the Act No. 272/1996.

<sup>15</sup> The Government Regulation No. 100/1993, on Commercial Review.

- e) A review of the extent of income specified according to its source,
- f) The status and overview of handling the property and duties of the non-profit organization,
- g) Changes in and new composition of the bodies of the non-profit organization which happened during the year,
- h) Other data determined by the Board of Directors.

(3) The Annual Report must be published in the manner set forth in the Statute. One copy of the Annual Report shall be sent to the Registration Office by April 15<sup>th</sup>.

(4) The Annual Report must be accessible to the public at the seat of the non-profit organization.

## **CHAPTER SIX**

### **COMMON, TRANSITIONAL AND CONCLUDING PROVISIONS**

#### **Section 35**

##### **State Supervision**

(1) The Registration Office oversees, whether the non-profit organization fulfills its purpose and provides the generally beneficial services for which it has been established. In order to do so, the Registration Office evaluates the content of the Annual Reports and in the case of detecting deficiencies the Registration Office notifies the bodies of the non-profit organization, demands correction, as well as fulfillment of the obligations set by the Law. If such a correction is not made, the Registration Office is entitled to file a motion to terminate the non-profit organization.

(2) The Ministry controls the registration and supervision of non-profit organizations as proceeded by registration offices.

(3) This Law does not affect the supervisory jurisdiction of bodies dealing according to special regulations, if the non-profit organization provides services according to special rules (Section 3).

#### **Section 36**

##### **Provision of information**

Everybody has the right of access to information on the use of property of a non-profit organization.

#### **Section 37**

##### **Foreign non-profit organizations**

A legal person with a seat outside of the territory of the Slovak Republic, which is a non-profit organization according to the Law of the state in which territory the non-profit organization or its organizational part resides, is entitled to operate on the territory of the Slovak Republic under same conditions and to the same extent as a non-profit organization constituted according to this Law, if it fulfills the terms for registration as defined by this Law.

## **Section 37a**

### **Transitional Propositions**

(1) The founder of the non-profit organization established according to previous regulations or a person empowered by the founder is obliged to submit before June 30<sup>th</sup> 2002 the proposal for registration of data, which are entered to the Register according to the provisions of this Law.

(2) In the case, when the proposal according to the Par. 1 is not submitted or the registering body rejects the proposal, the Ministry shall submit a motion to the court for termination of the non-profit organization.

## **Section 38**

### **Effectiveness**

This law becomes effective on the day of its declaration.

The Act No. 35/2002 becomes effective by March 1<sup>st</sup>, 2002.

[Signed in person by]

Mr. Michal Kováč, [President of Slovak Republic]

Mr. Ivan Gašparovič, [Chairman of the Slovak National Council]

Mr. Vladimír Mečiar [Premier Minister of the Slovak Government]