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Logistics Service Centre – legal, financial and organisational issues

Centrum Usług Logistycznych – problematyka prawnofinansowa i organizacyjna

Abstract. The legal, financial, and organizational issues of budget economy institutions are rarely analysed in the doctrine of financial law. So far, there are no studies which would analyse in detail the Logistics Service Centre, functioning as a budget economy institution. The authors have mainly focused on the issues concerning the establishment of the Logistics Service Centre, its statute, tasks, and financial management. The authors criticized the part of the Logistics Service Centre's activity that goes beyond public tasks. The legitimacy of the broad in-

volvement of budgetary economy institutions in commercial activities was also questioned.

Keywords: public finances; budget economy institution; Logistics Service Centre.

Streszczenie. Problematyka prawnofinansowa i organizacyjna instytucji gospodarki budżetowej rzadko jest przedmiotem analizy doktryny prawa finansowego. Do tej pory brak opracowań, w ramach których szczegółowej analizie poddane zostałyby Centrum Usług Logistycznych, funkcjonujące właśnie jako instytucja gospodarki budżetowej. Autorzy przede wszystkim skupili się w opracowaniu na zagadnieniach dotyczących utworzenia Centrum Usług Logistycznych, jego statucie, zadaniach i gospodarce finansowej. Autorzy poddali krytyce tę część działalności Centrum Usług Logistycznych, która wykracza poza zadania o charakterze publicznym. Poddano także w wątpliwość zasadność szerokiego angażowania się instytucji gospodarki budżetowej w działalność o charakterze komercyjnym.

Słowa kluczowe: finanse publiczne; instytucja gospodarki budżetowej; Centrum Usług Logistycznych.

1. Introduction

The Public Finance Act of 27 August 2009¹ created a new public finance sector unit – the budget economy institution. According to Article 23(1) PFA, the budget economy institution is a unit of the public finance sector created in order to perform public tasks, which implements separate tasks against payment and covers the costs of its activity and obligations from the obtained revenues.

A budget economy institution includes the Logistics Service Centre – an entity established by the Minister of Internal Affairs and Administration. This unit of the public finance sector is peculiar in that, having been created to carry out public tasks, it conducts commercial activities on a large scale. This is possible thanks to the assets it holds, mainly in the form of resorts and hotels.

¹ Consolidated text: Dz.U. [Polish Journal of Laws] of 2019, poz. [item] 869 with subsequent amendments (hereinafter also as: PFA).

The article will analyse the regulations that govern the activities of the Logistics Service Centre to determine the legal and financial status of this entity. The aim of the study is also to determine whether the activity of the public finance sector entity beyond the sphere of public tasks is not an excessive and unnecessary interference of a private entity in the functioning of the commercial services market.

2. Budget economy institution – general issues

The Public Finance Act of 27 August 2009 is the basic normative act regulating the issue of budget economy institutions. However, the literature indicates that a more accurate name would be “extra-budget economy institution”².

In the light of Article 23(2) of PFA, the entity may be created by:

1. the minister or Head of the Chancellery of the Prime Minister, with the consent of the Council of Ministers, granted at his or her request,
2. the body or the head of the entity referred to in Article 139(2) of PFA as the body performing the functions of the founding body.

It should be pointed out that in the light of Article 23(5) of PFA, a budget economy institution acquires legal personality upon registration in the National Court Register. This is one of the significant differences between the institution and its predecessors, i.e. budget companies and auxiliary enterprises. However, it is also very similar to budget companies, and the literature on the subject indicates similarities in detail³.

As stated in Article 24(2) of PFA, the basis for the financial management of a budget economy institution is an annual financial plan, which includes, among other things, revenues from its activities, subsidies from the state budget (in the light of Article 24(1) of PFA, a budget economy institution may receive subsidies from the state budget for the per-

² E. Malinowska-Misiąg [in:] W. Misiąg (ed.), *Ustawa o finansach publicznych. Ustawa o odpowiedzialności za naruszenie dyscypliny finansów publicznych. Komentarz*, Warszawa 2019, p. 99.

³ See e.g. C. Kosikowski, *Nowa ustawa o finansach publicznych. Komentarz*, Warszawa 2010, p. 127.

formance of public tasks, if separate acts so provide), a statement of costs, funds for property expenses, the financial result, the state of receivables and liabilities at the beginning and end of the year, and the state of cash at the beginning and end of the year.

In the financial plan of a budget economy institution, changes in revenues and costs may be made during the budget year after obtaining the consent of the body performing the functions of the founding body, but they may not result in an increase in subsidies from the state budget and the deterioration of the planned financial result (changes made must be immediately notified to the Minister of Finance).

Article 28 (1) of PFA provides that a budget economy institution shall manage the property by itself, guided by the principle of efficiency in its use. The property of a budget economy institution may consist of:

1. a real estate transferred for an ownership,
2. a property representing equipment provided by the body performing the functions of the founding body in the form of a lending for use,
3. a property acquired from its own funds.

In order to incur a commitment in excess of 30% of its annual revenue, a budget economy institution is required to obtain the approval of the body performing the functions of the founding body (Article 28(3) of PFA), and may also dispose of fixed assets, where the disposal (lease, tenancy, lending) of assets may take place only under the rules laid down by the body performing the functions of the founding body, taking into account the provisions on a real estate management.

A budget economy institution, as provided for in Article 26(1) of PFA, shall act on the basis of statutes provided by the body performing the functions of the founding body, which lays down in particular: the name and the registered office of the institution, the object of the institution's principal activity, the sources of revenue, the procedure and rules for amending the institution's statutes, the current assets and assets transferred to the institution, and the rules for carrying out activities other than its principal activity, if the institution carries out such activities.

The internal organisation of a budget economy institution is defined in the organisational regulations issued by the Director of the budget

economy institution. The Director is appointed and dismissed by the body performing the functions of the founding body. Apart from the issue of rules of procedure, his or her tasks shall include managing the budget economy institution, representing it externally, and preparing the draft annual financial plan or the annual report⁴. In the light of the tasks entrusted, the Director shall be liable for the financial management of the entity and for infringement of public finance discipline.

It should be noted that the regulations concerning the establishment of the budget economy institution were also contained in the Act of 27 August 2009 – Provisions introducing the Public Finance Act⁵. Pursuant to Article 116(1) of this Act, a budget economy institution may be established by means of the transformation of an existing auxiliary enterprise of a state budgetary unit under the rules set out in the provisions issued under Article 116(2), according to which “the Council of Ministers shall determine, by way of regulation, the manner and mode of transformation of auxiliary enterprises of state budgetary units referred to in section 1 into budget economy institutions, taking into account settlements related to the termination of the activities of auxiliary enterprises and ensuring continuity of the performance of tasks and their specificity”. Using this statutory delegation, the Council of Ministers issued a regulation of 21 September 2010 on the manner and mode of transformation of auxiliary enterprises of state budgetary units into budget economy institutions⁶. This regulation shows, among other things, that the transformation of an auxiliary enterprise into a budget economy institution took place once the budget economy institution was entered in the National Court Register. The budget economy institution took over the receivables, rights, obliga-

⁴ See J. Wantoch-Rekowski, W. Morawski, *Podstawy prawa finansów publicznych. Podręcznik akademicki*, Toruń 2019, p. 63; A. Błaszko, *Finanse publiczne. Komentarz do ustawy*, Warszawa 2017, pp. 121–123.

⁵ Dz.U. of 2009, No 157, poz. 1241 with subsequent amendments.

⁶ Dz.U. of 2010, No 181, poz. 1217; this regulation was preceded by the regulation of the Council of Ministers of 23 July 2010 on the manner and mode of transformation of auxiliary enterprises of state budgetary units into budget economy institutions (Dz.U. of 2010, No 139, poz. 938), which expired on the date of entry into force of the Act of 6 August 2010 amending the Act – Public Procurement Law and the Act – Regulations implementing the Public Finance Act (Dz.U. of 2010, No 161, poz. 1078).

tions, cash and tangible assets other than real estate which the auxiliary enterprise was entitled to before its transformation.

It is also necessary to mention the regulation on the liquidation of budget economy institutions. The decision on liquidation in this case is the sole responsibility of the founding body. Both the debts and liabilities of the institution are also assumed by the founding body. However, where an entity is liquidated in order to convert it into another organisational and legal form, the institution's receivables and liabilities shall be transferred to the new entity. The use of the property shall be decided by the founding body in an agreement with the minister responsible for the State Treasury.

3. Establishment of budget economy institutions under the name of “Logistics Service Centre”

Pursuant to Article 23(2), item 1 of the Act of 27 August 2009 on Public Finance in connection with Article 116(1) of the Act of 27 August 2009 – Provisions implementing the Public Finance Act, an Order No 41 of the Minister of Internal Affairs and Administration of 9 November 2010 on the establishment of budget economy institutions under the name of “Logistics Service Centre”⁷ (short name: the LSC) was issued. In the light of the law, the LSC conducts its activity in the territory of the Republic of Poland and abroad, and may create internal organisational units, in particular in the form of branches, plants and departments. The seat of the LSC is the capital city of Warsaw. The functions of the founding body of the LSC are performed by the Chief Commander of the Police.

The Logistics Service Centre, in accordance with Section 4 of the Order, was established by transforming nine auxiliary enterprises of state budgetary units operating until 2010, which were enumerated in this provision. In addition, pursuant to Section 5 of the regulation No 41, the Logistics Service Centre took over the funds, receivables and liabilities remaining after the liquidation of five budget entities of the Ministry of

⁷ Dz.Urz. [Official Journal] of Minister of Internal Affairs and Administration of 2010, No 14, poz. 68.

Internal Affairs and Administration, including the state budget entity of the Ministry of Internal Affairs and Administration “Warsaw-Babice Airport” in Warsaw. On the basis of Section 5(2) of the Order, the LCS also took over a part of resources of organisational units of the Police – numerous training facilities of the Provincial Police Headquarters, and numerous vehicle service stations of the Provincial Police Headquarters.

It should be emphasised that as a result of an Order No 41, assets, cash, receivables, liabilities, and employees, which until now were dispersed in many entities were gathered in one entity. Thus, this resulted in a kind of consolidation.

4. Statutes of the Logistics Service Centre

Pursuant to Article 26(1) of the Act of 27 August 2009 on Public Finance in connection with Section 2 of an Order No 41 of the Minister of Internal Affairs and Administration of 9 November 2010 on the establishment of a budget economy institution under the name of “Logistics Service Centre”, the entity was granted statutes. The statutes constitute an annex to an Order No 1670 of the Chief Commander of the Police of 16 November 2010 on granting the statutes of a budget economy institution under the name of “Logistics Service Centre”⁸.

Section 2 repeats the general regulations concerning the LSC which are contained in the Order No 41. Certainly, the content of Section 2(2), according to which the LSC is an independent and self-financing economic entity, should be regarded as a novelty. The statutes repeat the regulations contained in the Order No 41 also with regard to the list of implementations of public tasks.

The statutes also regulate in detail the subject of the LSC’s activity, authorities, and organisational structure, issues of property and financial management, and supervision over the activity of the Chief Commander of the Police. Moreover, the following annexes have been attached to the

⁸ Dz.Urz. of National Police Headquarters of 2010 No 12, poz. 71 with subsequent amendments.

statutes: No 1 entitled “List of real estate transferred and planned to be transferred to the ownership of the Logistics Service Centre”, and No 2 “List of real estate (parts of real estate) transferred for lending to the Logistics Service Centre”.

5. The subject of the activity of the Logistic Service Centre

The subject of the Logistics Service Centre’s activity has been defined – in a general way – in the Order No 41 of the Minister of Internal Affairs and Administration. The basic activity, as defined in Section 7(1), includes the following public tasks:

1. organization and management of trainings, including those in the field of security,
2. accommodation of persons,
3. a maintenance and repair of transport equipment, including technical inspections of vehicles,
4. a distribution of fuels,
5. securing the functioning of the Warsaw-Babice airport for the needs of public order aviation services, civil aviation, and maintaining the readiness of the airport to perform additional tasks, especially in situations of threats, accidents, and crisis situations,
6. conducting aviation activities supporting public order aviation services,
7. providing air services for the needs of the administration authorities,
8. providing services to the end user (the Police and other units of the Ministry of Internal Affairs) with regard to computer equipment and communication,
9. performing special tasks in the field of accommodation and catering for persons involved in or affected by natural disasters and other hazards.

In the light of section 7(2) of the Order No 41, the LSC may carry out additional tasks, in particular in the area of:

1. maintaining cleanliness in facilities and outdoor areas,
2. leisure, sport and recreation,

3. providing food and catering services,
4. providing air services to other principals,
5. providing computer equipment, management, and communications services to other entities and individuals,
6. organising or cooperating in the organisation of mass events of a cultural, sporting, or economic nature,
7. administration of real estate,
8. providing parking services and vehicle towing,
9. protection of facilities,
10. conducting advertising activities,
11. lease of space and movable property,
12. wholesale and retail of materials, equipment and supplies,
13. printing, graphic and publishing services,
14. repair and maintenance of equipment and devices.

The subject matter of activity is defined in detail in Section 6 of the statutes – basic activity in para. 1; additional activity – in paras. 2 and 3. The subject of activity of the LSC was indicated using the codes of the Polish Classification of Activities (PKD).

Section 7(1) of the Statute indicates that the sale of services provided to the Police is settled at the LSC's own costs, increased by a minimum profit margin determined in a separate mode. The principles, mode, and form of commissioning services provided to the Police, as well as the manner of their settlement are defined in an agreement concluded between the Chief Commander of the Police and the director of the LSC (Section 7(2)).

6. Financial management of the Logistics Service Centre

The business activity of the Logistics Service Centre is conducted by the Director of the LSC. Section 13(1) of the statutes indicates that the Director carries out his or her activities in accordance with the principles of rational economy and economic calculation, striving to use the full poten-

tial of the LSC. The principle of efficiency applies first of all to the independent management of the assets.

The activities and functioning of the LSC are financed from:

1. revenues from the sale of services,
2. revenues from the sale of redundant property,
3. revenues from the sale of goods,
4. other financial revenues,
5. various proceeds, including donations, legacies, and credits.

The basis for the budget management of the LSC, like any other public finance sector unit, is the annual financial plan approved by the Chief Commander of the Police, including:

1. revenues from the conducted activity,
2. a statement of costs (functioning of the LSC and the performance of separate tasks – with the specification of remunerations and contributions charged therefrom, interest payments resulting from the liabilities incurred, and the purchase of goods and services),
3. appropriations for property expenditure,
4. financial result,
5. balance of receivables and liabilities at the beginning and end of the year,
6. cash balance at the beginning and end of the year.

The sources of LSC revenue are in particular:

1. proceeds from the sale of the LSC's basic and auxiliary activities,
2. proceeds from the sale of goods and assets transferred to the LSC for ownership,
3. revenues from lease and tenancy agreements of assets transferred to LSC for ownership,
4. financial revenue, including interest on LSC funds accumulated on bank accounts and interest accrued under signed agreements or separate regulations.

Pursuant to Section 16(1) of the statutes, the annual financial statement of the LSC is subject to approval by the Chief Commander of the Police. On the other hand, the quarterly report on the implementation of the LSC's financial plan, prior to its submission to the Ministry of Fi-

nance, requires the approval of the Chief Commander of the Police with respect to data compliance with the financial plan.

The financial plan of the Logistics Service Centre, as in the case of other institutions of the budget economy, is an element of one of the annexes to the Budget Act.

For the first time the LSC's financial plan, like that of other budget economy institutions, appeared in the Budget Act for 2011 (of 20 January 2011⁹) in Appendix No 13. Total revenues were planned at PLN 42.12 million, and costs at PLN 42.16 million. A negative financial result of PLN 40,000 was planned. It is worth adding that the Logistics Service Centre commenced its activity at the end of 2010 and in that year it generated costs of PLN 0.63 million and revenues of PLN 0.39 million. Therefore, also in 2010, the LSC achieved a negative financial result (- PLN 0.24 million).

Appendix No 13 to the Budget Act for 2012 (of 2 March 2012¹⁰) shows that the plan included revenues of PLN 80.58 million, costs of PLN 76.80 million and the net financial result (including, e.g. corporate income tax) of PLN 3.03 million. However, the execution of the financial plan actually differed significantly from the expectations, as revenues (PLN 49.14 million) turned out to be much lower and the result was clearly negative (PLN -10.51 million).

On the other hand, Appendix No 13 to the Budget Act for 2013 (of 25 January 2013¹¹) shows that the planned revenues (PLN 57.08 million) slightly exceeded the planned costs (PLN 56.92 million), similarly as in 2014 – Annex No 12 to the Budget Act for 2014 (of 24 January 2014¹²): revenues – PLN 43.34 million, costs – PLN 41.36 million. This trend continued also in subsequent years: in 2015 (revenues – PLN 44.22 million, costs – PLN 42.41 million), in 2016 (revenues – PLN 45.11 million, costs - PLN 43.63 million) and 2017 (revenues – PLN 46.46 million, costs – PLN 44.73 million).

⁹ Dz.U. of 2011, No 29, poz. 150.

¹⁰ Dz.U. of 2012, poz. 273.

¹¹ Dz.U. of 2013, poz. 169 with subsequent amendments.

¹² Dz.U. of 2014, poz. 162.

In the 2018 Budget Act of 11 January 2018¹³ and in the 2019 Budget Act of 16 January 2019¹⁴ the financial plan of the LSC was included in Table No 5 of Appendix No 12. For 2018 the revenues of the LSC were planned at PLN 47.01 million, of which PLN 46.19 million were net revenues from sales of goods and services. On the other hand, the costs were planned at PLN 45.81 million – this amount consisted in 100% of operating costs of the LSC, of which first of all expenses on materials and energy (PLN 15.57 million), remunerations (PLN 14.65 million), and taxes and fees (PLN 2.62 million) must be indicated. Thus, the financial plan of the LSC for 2018 includes a surplus of PLN 1.2 million. In turn, the revenues of the LSC for 2019 were planned at the amount of PLN 49.63 million, of which PLN 49.10 million were net revenues from sales of goods and services. On the other hand, costs were planned at PLN 49.24 million – this amount consisted in 100% of the LSC operating costs, of which first of all expenses on materials and energy (PLN 15.92 million), remunerations (PLN 17.00 million), and taxes and fees (PLN 2.45 million) must be indicated. Thus, the financial plan of the LSC for 2019 includes a surplus of PLN 0.39 million.

It is worth noting that after the initial problems, the financial result of the Logistics Service Centre stabilised at the level of a slight surplus.

7. Controversy over the subject and the scope of an activity of the Logistics Service Centre

The Logistics Service Centre is the owner of many training and recreation centres, hotels and bars, usually located in places attractive to tourists, e.g. Jurata, Szklarska Poręba, Świnoujście, Dziwnów, Szczecin, Poznań, Zakopane. There is no doubt that the implementation of public tasks by this entity is beneficial for entities subordinate to the Chief Commander of the Police. Organisation and management of training courses or accommodation of people is understandable when it comes to activities related

¹³ Dz.U. of 2018, poz. 291.

¹⁴ Dz.U. of 2019, poz. 198.

to the management of public tasks by entities belonging to the public finance sector.

The activity undertaken on a commercial basis for the benefit of entities from outside the public finance sector remains a disputable issue. The literature rightly points out that human needs can be satisfied through individual efforts or through the activity of the state or local government, while the separation of the way in which needs are satisfied is not rigid and varies over time. There are needs that can only be met by the state or local government (e.g. defence of the country, prevention of floods, disasters, and epidemics), and there are needs that can be met both in the public and private system. “The concept of the role of the state, local governments, the market, the individual, and the importance of relevant goods in social life, prevailing in a given period, depends on how they will be met: through the activities of the private sector (through market mechanisms) or through the activities of public institutions and parliamentary or local government mechanisms, or both”¹⁵.

The analysis of legal acts concerning the Logistics Service Centre indicates that this entity can perform tasks important for the public finance sector. However, a different perspective appears after the analysis of the LSC website resources¹⁶. Already on the “start page” the reader sees the “holiday” background and slogans such as an “accommodation offer”, the “best locations in Poland”. At first glance, the LSC website does not differ from the websites of commercial entities – hotels and guesthouses. In the bookmark “About us”, in principle only half a sentence (“The Logistics Service Centre belongs to the public finance sector...”) indicates the public law character of the LSC. The rest of the description emphasizes the quality of services, care, and satisfaction of guests, etc.

The Logistics Service Centre competes in terms of commercial activities with private sector entities. The question arises: should a public finance unit be involved in such a broad aspect of this type of activity?

On the other hand, however, as noted earlier, in recent years the LSC’s financial plans have indicated a positive financial balance with

¹⁵ A. Borodo, *Polskie prawo finansowe. Zarys ogólny*, Toruń 2010, p. 13.

¹⁶ <https://cul.com.pl>.

regard to its activity. Thus, there has been a clear improvement in comparison with previous years. As indicated by the Supreme Chamber of Control in 2014, based on the results of the audit, “The Chief Commander of the Police, acting as the founding body, supervised the process of organisation of the Logistics Service Centre in an insufficient way, often based on unreliable analyses, which resulted in the impossibility of identifying opportunities and threats for the newly established institution. The supervision of the Chief Commander of the Police, related to the enforcement of instructions given by him in relation to the submitting of the strategy and information on the activities of the LSC, was assessed negatively. The activities of the Chief Commander of the Police aiming at enforcing corrective programmes from the Director of the LSC were carried out in a delayed manner, which resulted in the financial loss of the LSC increasing dynamically from month to month. In addition, as at 31 March 2013, LSC’s liabilities amounted to PLN 14.2 million, which in relation to the balance sheet value of assets confirms the difficult situation of LSC. It was emphasised that in the event of a possible liquidation of the LSC, pursuant to Article 25(2) of PFA, the liabilities of the liquidated budget economy institution would be taken over by the body performing the function of the founding body, which is the Chief Commander of the Police. Supervision over the conclusion of the agreement defining the principles, procedure and form of commissioning services provided to the Police and the manner of their settlement was also assessed negatively. As a result of the audit it was found that supervision exercised by the Chief Commander of the Police was not effective, and the delayed actions contributed indirectly to the low effectiveness of the LSC and its results”¹⁷.

The improvement of the LSC’s financial performance is undoubtedly a positive aspect; however, there is no doubt that this is the result of its commercial activities. It is clear that the Director of the LSC should strive to achieve the best possible financial result for the entity he or she directs, making full use of its potential. However, the basic sphere of the activity of this budget economy institution should be the implementation of public

¹⁷ *The operation of budget economy institutions. Information concerning the results of the inspection*, Supreme Chamber of Control, Warszawa 2014, pp. 36–37.

tasks and not commercial activities which are supposed to complement at most the activities in the sphere of public tasks. It is obvious that in case of having such a rich base of resorts and hotels, it will not always be used for the needs of entities subordinate to the Chief Commander of the Police. In such a situation, complementary use of the resources held to commercially sell services is necessary for the LSC to achieve a positive financial result from its activity.

The case law correctly indicates that a budget economy institution may be considered as an entity conducting economic activity, although it performs public tasks. In the opinion of the Voivodeship Administrative Court in Cracow, it cannot be considered that such an institution is generally established to carry out the economic activity. Nevertheless, by performing certain activities, it conducts *de facto* the same economic activity as another entity which is an entrepreneur¹⁸. The Supreme Administrative Court ruled in a similar way, stating that the budget economy institution performing tasks which may also be performed by another entity within the framework of conducting business activity must be recognized as an entity conducting such business activity. Adopting a different assumption would lead to a distortion of competition, which would be unacceptable¹⁹.

It is also indicated in the literature that “a budget economy institution can be considered as an entrepreneur. When performing tasks that can also be performed by another entity within the framework of conducting business activity, the budget economy institution should be recognized as an entity conducting business activity”²⁰.

However, there is no doubt that a budget economy institution performing commercial services is in a more favourable situation than entities from the non-public sector, because (according to Article 24(1) of PFA) it may receive subsidies from the state budget for the implementation of public tasks, if separate acts so provide. Owing to the fact that it is

¹⁸ Judgment of the Voivodeship Administrative Court in Cracow of 15 November 2011, I SA/Kr 1377/11, LEX No 1150183.

¹⁹ The judgment of the Supreme Administrative Court of 19 February 2019, II FSK 622/17, LEX No 2641677.

²⁰ K. Kopyściańska [in:] *Ustawa o finansach publicznych. Komentarz*, Z. Ofiarski (ed.), Warszawa 2019, p. 202.

not possible to strictly separate the expenses incurred by a budget economy institution for the implementation of public tasks and provision of commercial services, it may conduct its activities according to different rules from those of entrepreneurs, as it is always possible to transfer subsidies from the state budget.

8. Conclusion

There is no doubt that the purpose of creating a budget economy institution was that this entity should take over the public tasks previously carried out by auxiliary enterprises of state budget entities, as well as a part of public tasks carried out by liquidated state budget entities²¹. This was also the case with the Logistics Service Centre.

While the implementation of public tasks by the budget economy institution does not raise any doubts, the provision of services by this entity on commercial terms for entities from outside the public finance sector should be considered controversial. The Logistics Service Centre is the unit of the public finance sector that has a rich base of holiday resorts and hotels located in the most attractive places in Poland. A budget economy institution should achieve a positive financial result from its activity, but its aim is to perform separate tasks and not commercial activity in order to achieve profit. The functioning of this entity, which performs public tasks, may be connected with commercial sale of services, but it should be complementary to the basic activity, i.e. implementation of public tasks.

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²¹ See also: K. Kopyściańska..., pp. 201–202.

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