



Ministry of Finance of Georgia State Treasury



PAYMENT OPERATIONS IN TREASURY: REFORM JOURNEY AND RESULTS

PEMPAL Tbilisi

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MAIN FUNCTIONS AND STRUCTURE OF THE TREASURY



Main functions of the Treasury	Structure of the Treasury
Accounting, reporting and settlement of expenditures	<u>Service Department</u>
Accounting, reporting and settlement of revenues	State Loans and Deposit Operations Department
Refund, accounting and reporting of overpaid or erroneously paid amounts of budget	Settlement Department
Management, accounting and reporting funds on TSA	Reporting and Methodology Department
Managing excess liquidity and investing it in financial instruments	Cash Flow Forecasting and Management Department
Preparation and submission of budget execution reports	Administrative Division



STRUCTURE OF SERVICE DEPARTMENT



The department consists of two divisions:

- Division of contracts and obligations – 10 employees;
- Division of payments – 13 employees;
- Department management – 2 people



MAIN FUNCTIONS OF THE SERVICE DEPARTMENT



- Granting user access to the e-Treasury system
- Verifying and processing obligation-related documents
- Reviewing and processing payment requests
- Transferring the register of payment requests to the Settlement Department
- Reviewing, processing, and certifying advance payment documents
- Processing payment orders in foreign currency
- Providing methodological guidance on payment procedures



DOCUMENTATION TO BE SUBMITTED TO THE TREASURY FOR THE PURPOSE OF MAKING PAYMENTS



Registers the commitment document and posts information about the signed agreement

Posts the primary document

Recognizes the transaction (standard/prepayment) using the accrual method

Registers the payment request



PREPARATION OF PAYMENT DOCUMENTS IN THE E-TREASURY SYSTEM



- Information about contract is downloaded from the State Procurement Agency's system
 - ❖ Supplier identification code and name;
 - ❖ Contract amount and currency;
 - ❖ Contract number and date;
 - ❖ Code and name of the procurement object (CPV code);
 - ❖ Contract term (multi-year, one-year, continuous);
- Registration of information about the obligation is carried out:
 - ❖ Within the annual appropriations provided for in the relevant budget programs;
 - ❖ Through indicating detailed budget classification of accounts payable, sources of coverage and contract data;
 - ❖ Within the framework of the quarterly payment schedule (incremental appropriations);



PREPARATION OF PAYMENT DOCUMENTS IN THE E- TREASURY SYSTEM (2)



Payment is made

- As part of quarterly (incremental) appropriations;
- As part of a registered obligation;
- The Treasury also checks the compliance of payments with procurement procedures and budget classification;
- The Treasury receives information about further accounting procedures



THE STATE TREASURY SERVES



- Central Budget, Autonomous and Self-Governing Units
- Legal entities of public law and non-profit (non-commercial) organizations established by these units
- All preschool institutions (since 2024)
- Approximately 90% of public schools
- Up to 40 state-owned enterprises



STATISTICS OF USERS OF THE ELECTRONIC TREASURY SYSTEM



Year	Number of organizations	Electronic passport users
2012	408	-
2015	925	3 567
2023	2 012	6 135
2024	2 959	7 807
2025	3 097	9 082



STATISTICS OF PAYMENT DOCUMENTS



Year	Commitment document	Payment request	Packages
2012	156 350	2 592 276	58 346
2015	582 228	6 207 375	223 194
2023	345 812	7 900 668	303 463
2024	401 732	9 613 349	363 040
2025 (incomplete)	146 592	2 461 156	87 465



STAGES OF REFORM



- The schedule for the transfer of public schools, preschool institutions and state enterprises to the servicing of the State Treasury has been developed;
- The working group consisting the representatives of the Treasury, the Budget Department, the Academy of the Ministry of Finance, the Analytical Service and controlling institutions has been established;
- A training program for electronic Treasury has been created, which includes:
 - ❖ Budgeting process;
 - ❖ Payment procedures;
 - ❖ Revenue accounting procedures;
 - ❖ Accounting
- Training courses for new users were conducted on the use of e-Treasury, video tutorials were provided, the testing program for electronic treasury was provided.



THE DIFFICULTIES OF THE REFORM



- Qualification levels of staff in serviced organizations
- High number of organizations requiring onboarding
- Technical difficulties during system implementation
- Diverse accounting standards used by state-owned enterprises
- Dependence on banking days, unlike commercial banks that operate without such limitations
- Limited awareness of public finance principles among state-owned enterprises
- Human resource constraints within the Treasury
- Increased transaction volume causing load and technical difficulties in the electronic Treasury system



CONCESSIONS MADE – STANDARDS MAINTAINED



- For state-owned enterprises, the requirement for full accounting has been waived.
- Similarly, the submission of CPV (Common Procurement Vocabulary) codes by state-owned enterprises has been waived.
- However, accounting in accordance with the budget classification remains mandatory.



POSITIVE ASPECTS OF THE REFORM



- All financial transactions are now processed electronically
- Improved efficiency, transparency and complexity management in public financial processes
- Integration of public finances into a unified accounting and information system
- Enhanced control over cash flow and more effective utilization of idle or excess funds



POSITIVE ASPECTS OF THE REFORM



- Financial institutions and regulatory bodies now have real-time access to payment data for the organizations under their supervision.
- Budgeting, appropriation management, revenue and expenditure processing, accounting and reporting are all handled within a unified system.
- All transactions related to budget revenues and payables are accurately recorded and reflected in the system.
- Authorized users can access up-to-date financial information in real time, improving oversight and decision-making.



Thank you !

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