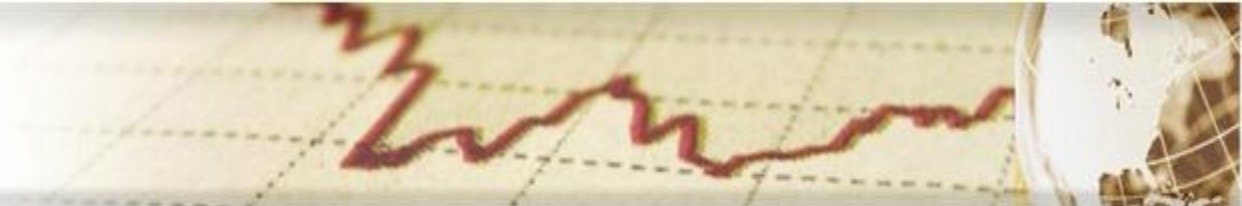


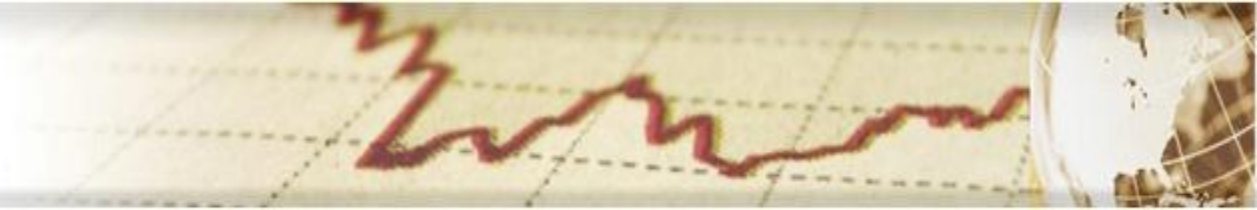


Republic of Macedonia  
MINISTRY OF FINANCE



# TREASURY SYSTEM IN REPUBLIC OF MACEDONIA

**Moscow, June 2012**



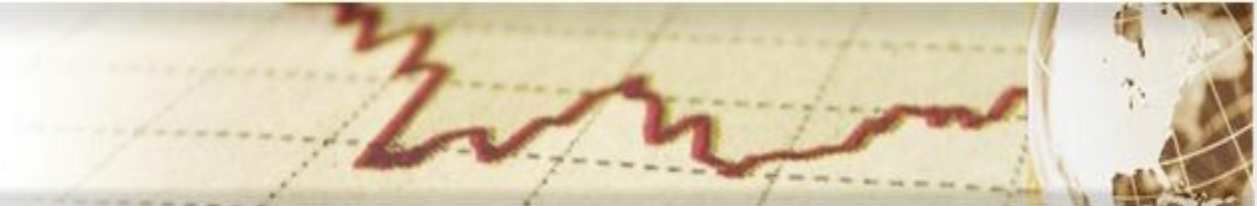
## CONTENT

- Treasury Department functions
- Organisation of the Treasury Department
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- Concept and organization of TSA
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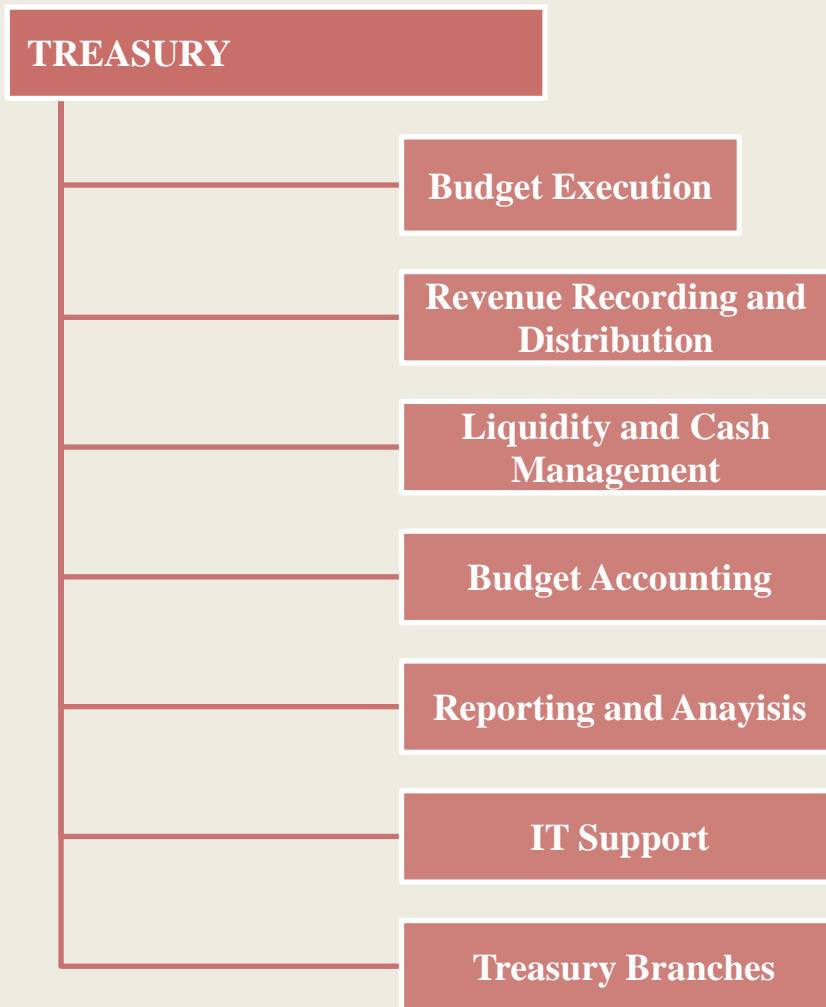


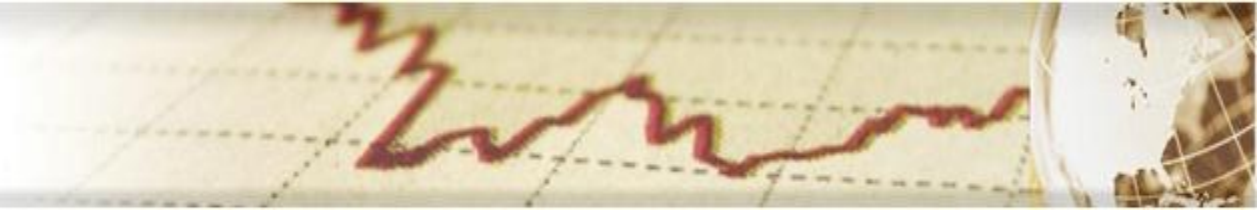
## Treasury Department functions

- part of Ministry of finance, established in 2001
- manages the treasury single account and the other accounts of the state
- keeps **register** of budget users;
- opens **accounts** within the treasury single account;
- prepares **projections on liquidity** of the treasury single account;
- receives, processes and records **requests of the budget users** for denar and foreign currency payments;
- monitors the collection** of public revenues in the Budget of the Republic of Macedonia and their distribution by budget user;
- monitors the collection of revenues for the local government units and their distribution by budget user pursuant to the stipulated criteria;
- budget accounting**;
- records budget revenues and expenditures according to the set **chart of accounts**;
- transfers EU pre-accession funds to the Republic of Macedonia;

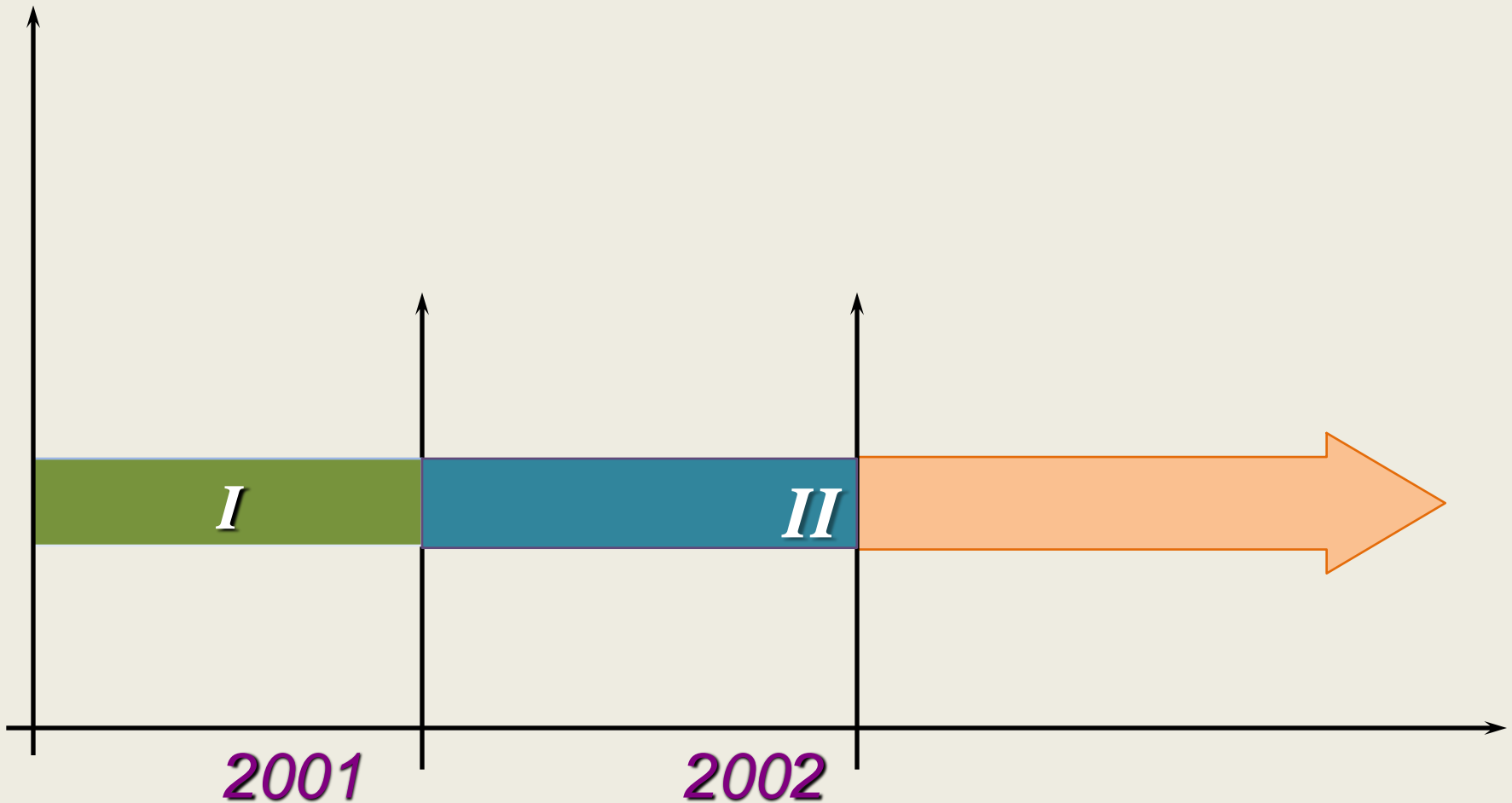


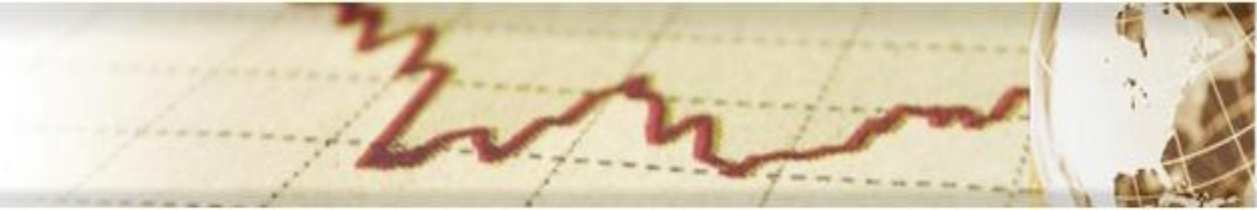
## Organisation of the Treasury Department



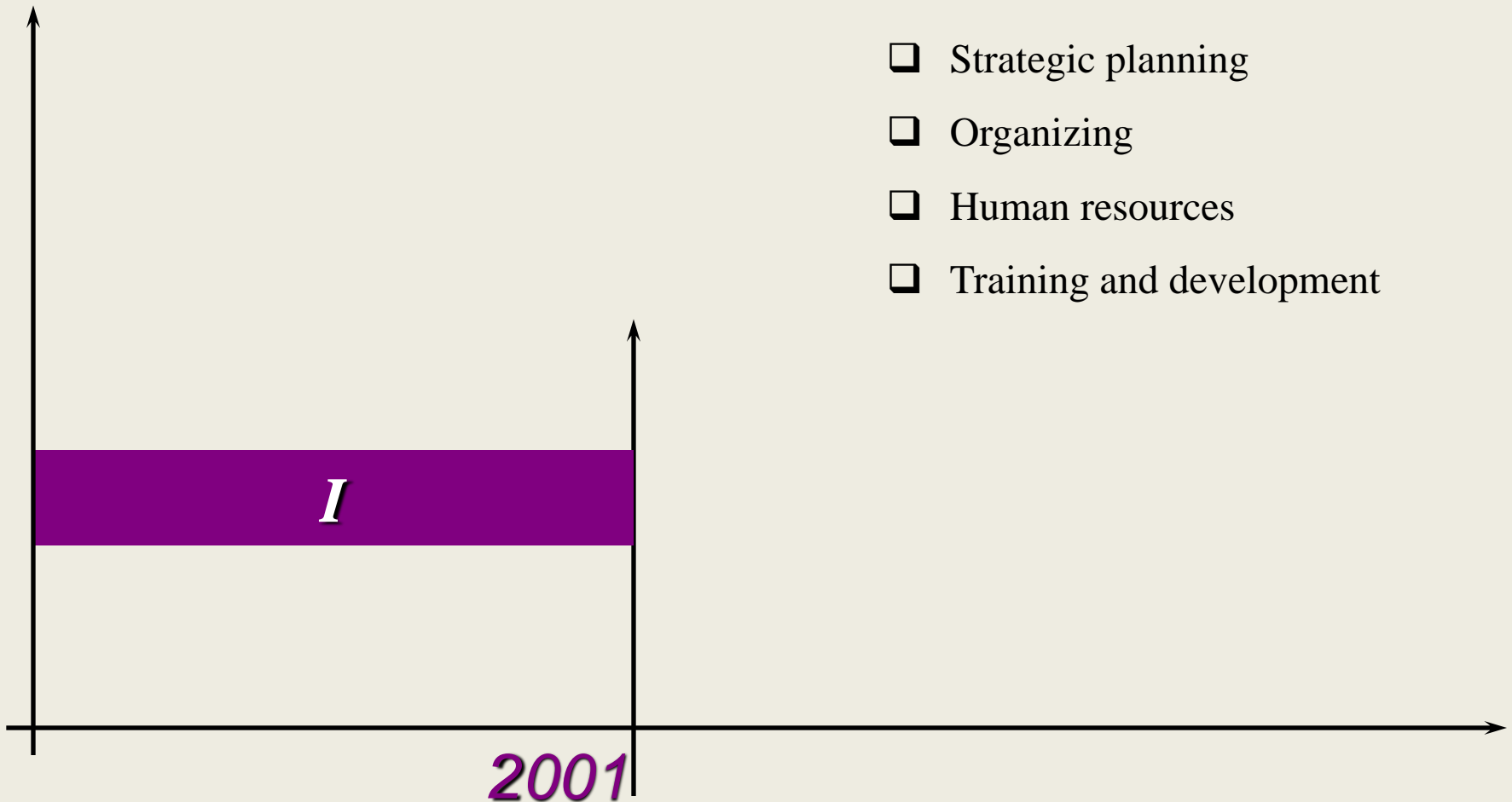


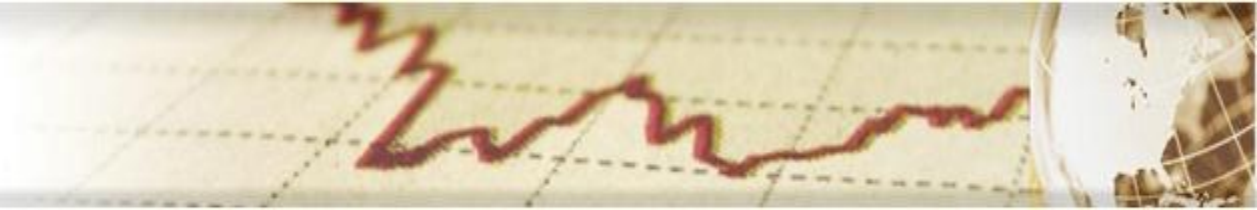
## The basic changes were carried out mainly in two phases






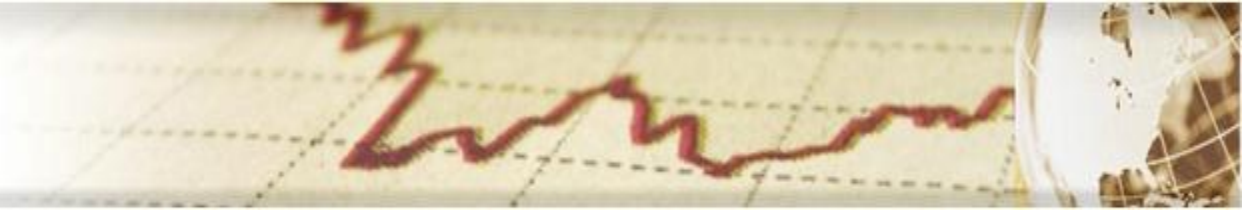
## 1-st phase: Which changes have been made?





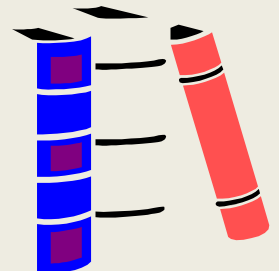
## 1-st phase: Results

- ❑ Changes in the structure of accounts of budget users
  - ❑ Monitoring of the revenues and expenditures on higher analytical level
  - ❑ New payment execution procedures
  - ❑ Zero balance accounts
  - ❑ Providing records for real expenditures of the budget users (previously recorded only as releases)
- 
- ❑ More efficient cash management
  - ❑ Improvement in forecasting of liquidity
  - ❑ Financing of priorities
  - ❑ More transparency in budget funds spending



## 1-st phase: Legal framework

- ▣ National Budget law
- ▣ Budget Execution law for the year 2002-nd
- ▣ Law for the transformation of the Payment Bureau (ZPP)
- ▣ Law on National Payment System
- ▣ Other legislation and regulations covering Treasury activities (for opening of accounts within TSA, classification of revenues and expenditures, payment request forms est.)

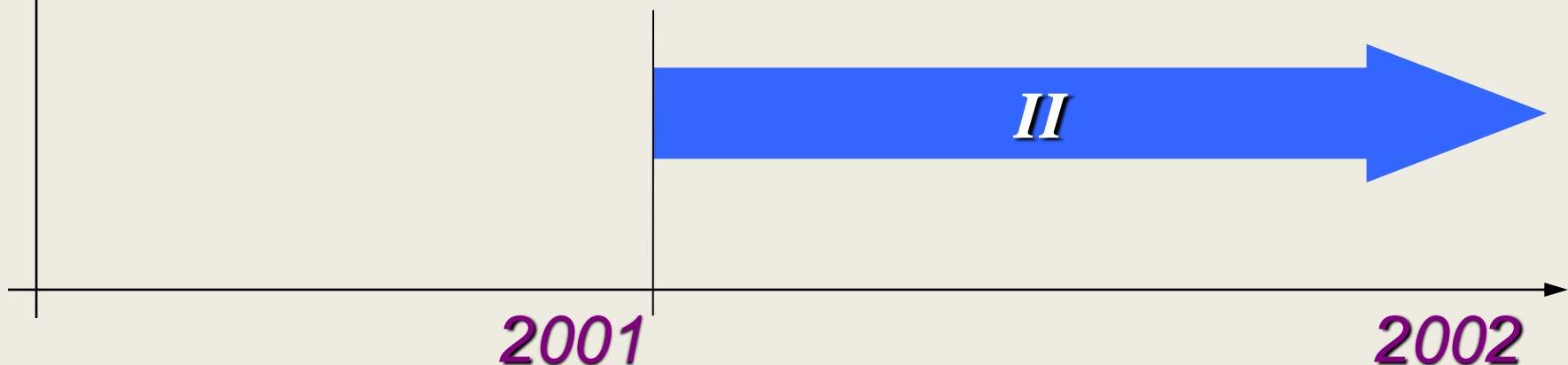


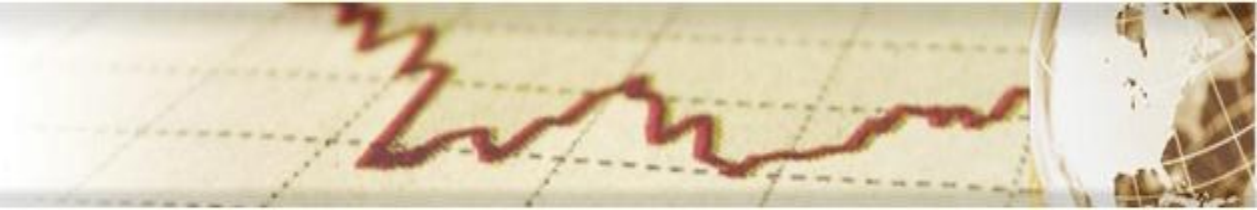




## 2-nd phase: Changes made?

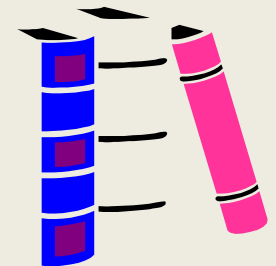
- Closing of the suspense accounts for public revenue collection
- Closing of the accounts of the budget users and other special accounts of the state
- Collection, distribution and recording of revenues of the local-self government
- Creating a TREASURY SINGLE ACCOUNT
- New treasury branches in 16 different cities, for accepting and processing of payment requests and providing reports on the accounts of the budget users

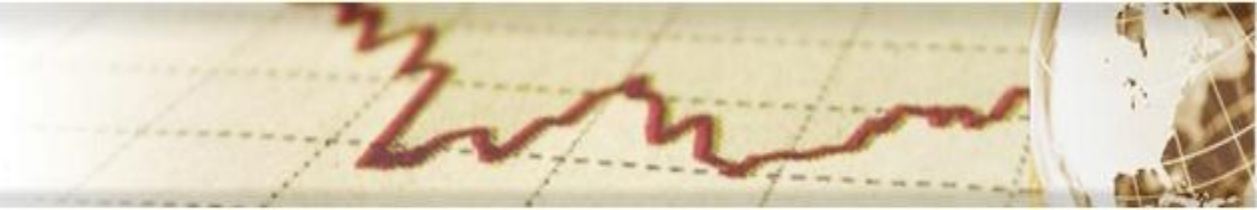




## 2-nd phase: Legal framework

- ▣ Budget Law / Public Finance Law;
- ▣ Budget Execution Law;
- ▣ Treasury Regulation;
- ▣ Chart of accounts;
- ▣ Revenue classification;
- ▣ Expenditure classification;
- ▣ Technical instructions for treasury staff;
- ▣ Instructions for budget users etc.





# Concepts of TSA

## Accounts concept:

- zero balance subsidiary accounts
- treasury ledger sub-accounts

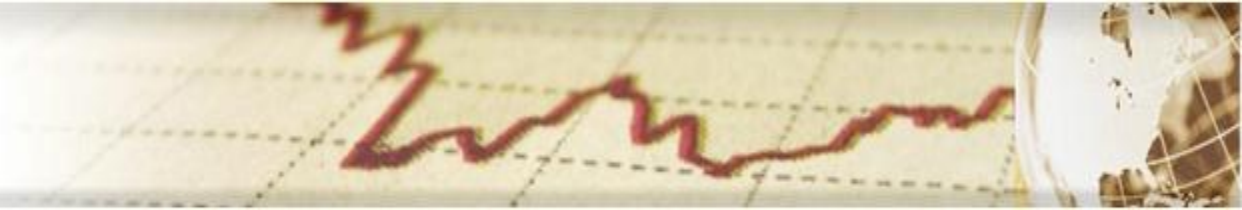
## Revenue collection:

- transactions by KIBS and MIPS (NBRM) in real time
- payments only through banks authorized to carry out payment operations

## Managing liquidity = spending rights

- the rights of spending as a tool for budget allocation
- the rights of spending as a tool for dynamic allocation





## Organization in TSA

### **Budget accounts**

- 630 – acc. for 1<sup>st</sup> line Budget users (75) and 2<sup>nd</sup> line Budget users

### **SRA-special revenue account**

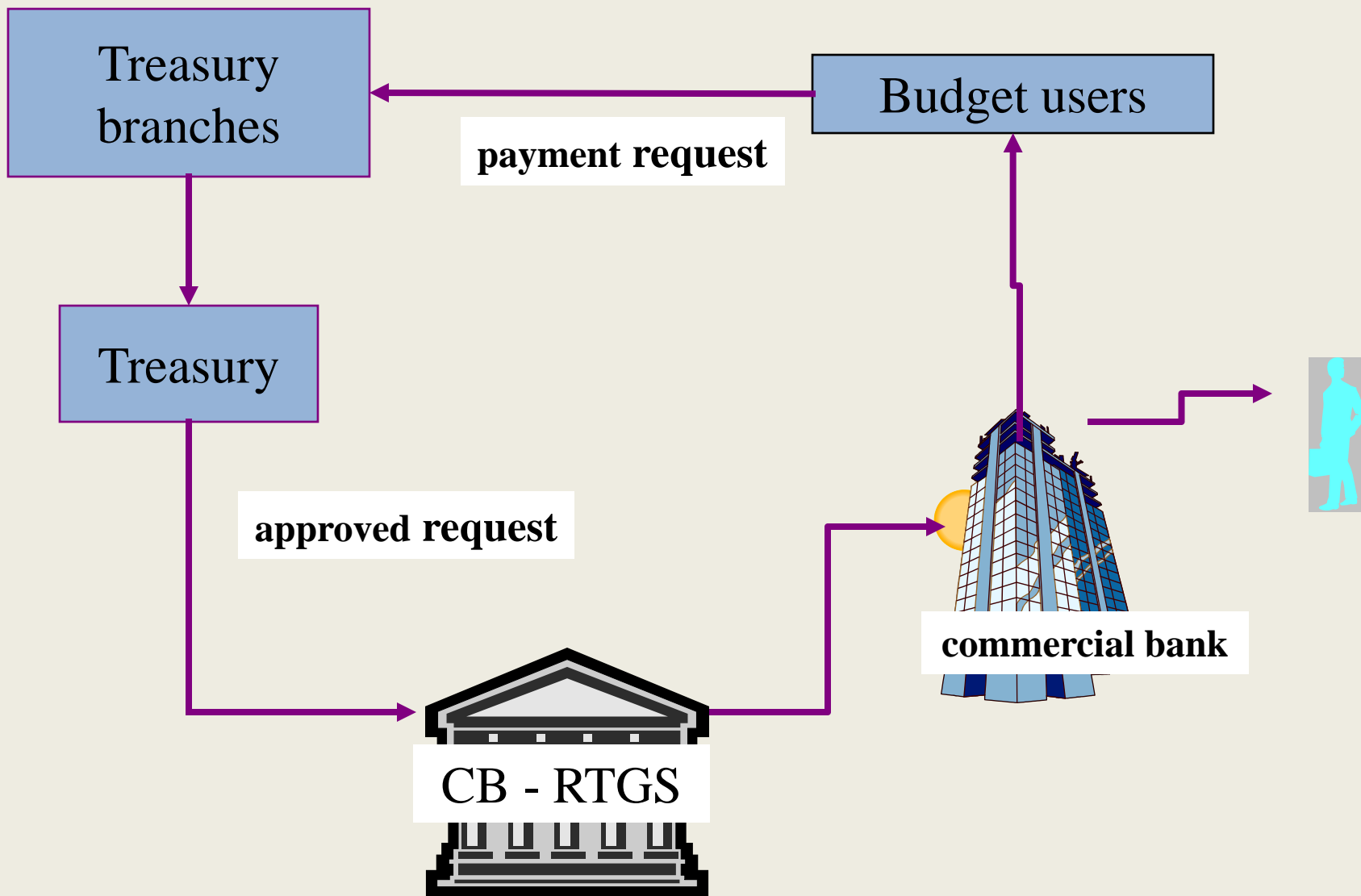
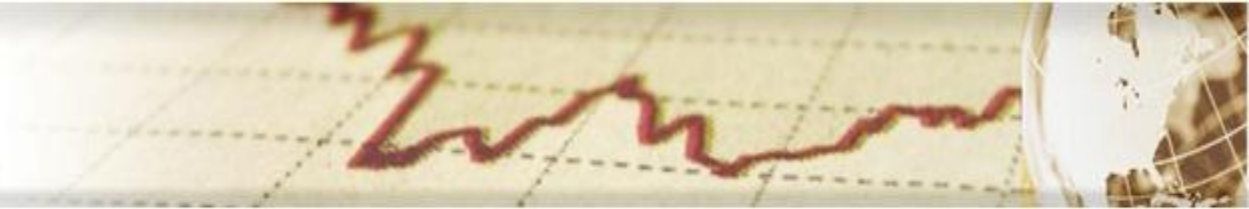
- 631 - acc. for collected revenues
- 785 - acc. for Donations
- 786 - acc. for Loans
- 787 - acc. for self-financing activities
- 788 - acc. for revenues of high education

### **Founds accounts**

- 660 - acc. for extra budgetary Road Fund and Social Security Funds (Pension Fund, Health Fund and Employment Fund).

### **Local governments accounts**

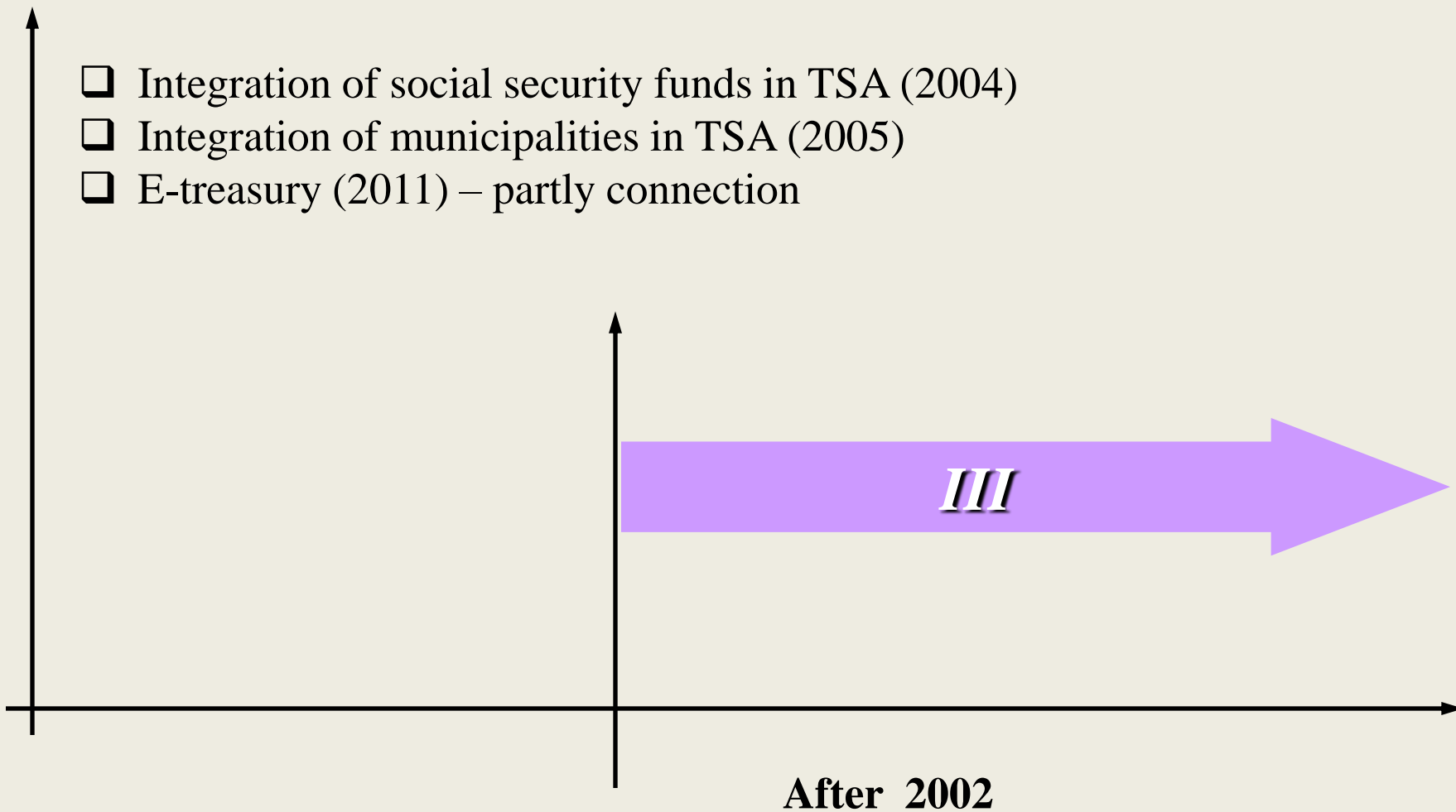
- 930 - acc. for local governments (85 municipalities).

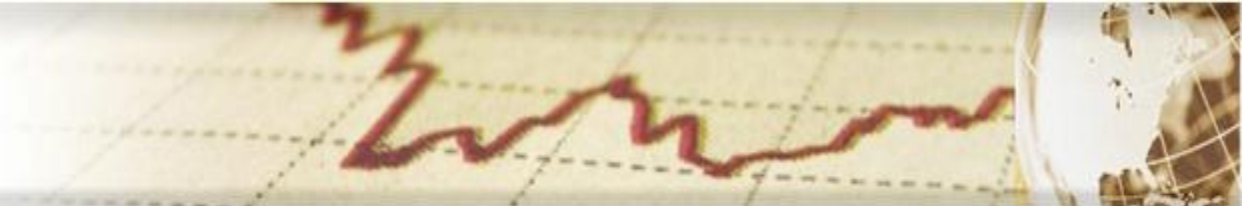




## 3-th phase

- Integration of social security funds in TSA (2004)
- Integration of municipalities in TSA (2005)
- E-treasury (2011) – partly connection

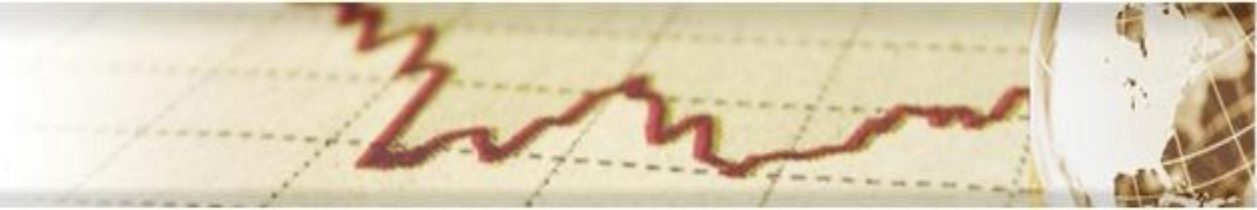




## Government statistic

- ❑ The planning and the execution of the Budget of the Republic of Macedonia is according the **IMF methodology** (Government finance statistic 1986)
- ❑ **General government** includes the core budget account, SRA (special revenues accounts), extra budgetary Road Fund, Social Security Funds (Pension Fund, Health Fund and Employment Fund) and local governments (85 municipalities)
- ❑ **Central government** includes the core budget account, SRA (special revenues accounts), extra budgetary Road Fund and Social Security Funds (Pension Fund, Health Fund and Employment Fund). Core budget includes the revenue and expenditure from all budgetary users (first and second line), SRA (self revenue accounts) include revenue and expenditure of self-financing activities, donations and loans.
- ❑ Tables for execution of the budget are **published** on the MF web site within 30 days in the current month for the previous month data.

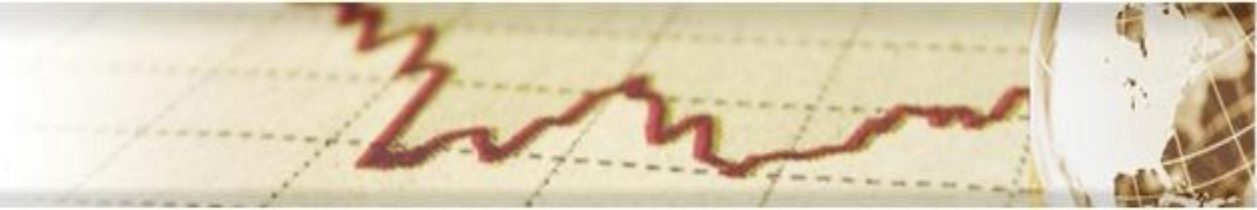




## Budget accounting

- Cash based budget accounting
- Budget users own accounting systems
- Reconciled data for the revenues and expenditures (budget users accounting records and Treasury Ledger data)
- Consolidated final budget account is submitted to the Parliament latest at ....and published in the Official gazette.

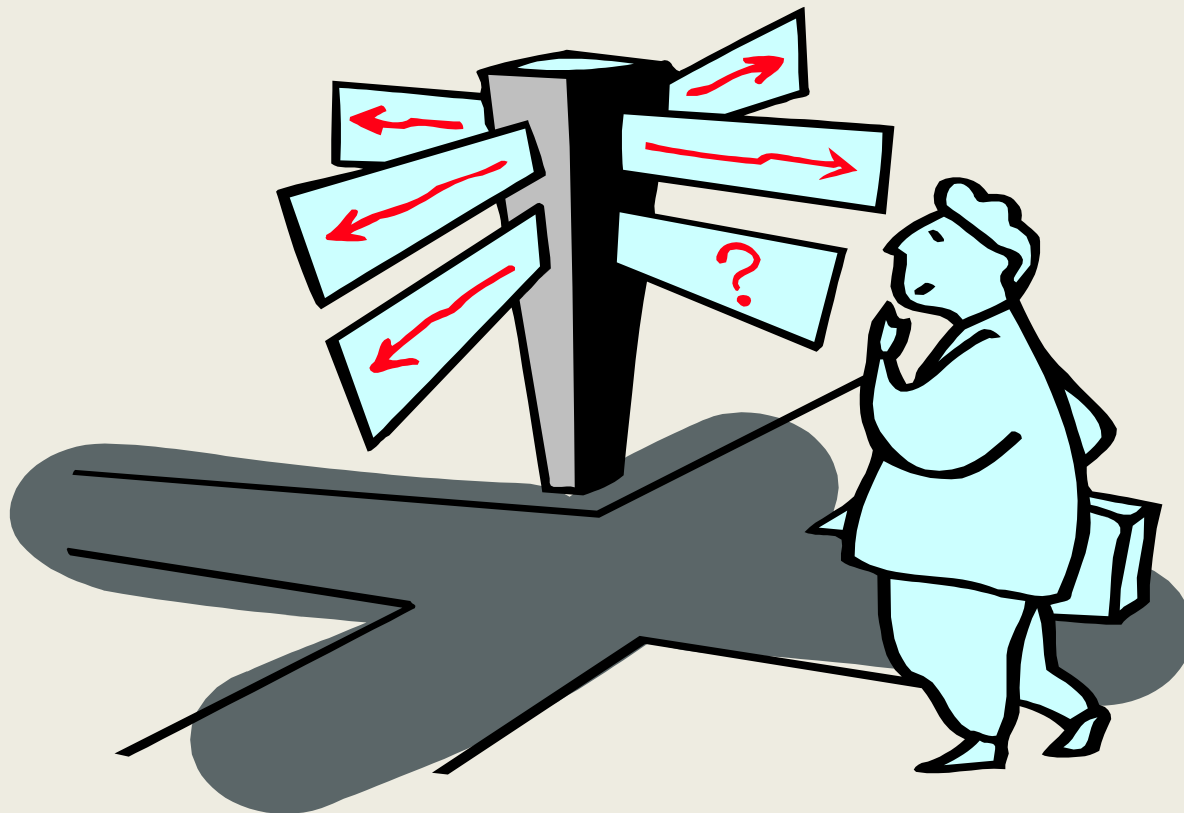




## Future perspectives

- Upgrade of the treasury system in order to include multi annual commitment ledger
- On-line connection with every budget users
- Improvement of budget accounting and reporting system
- Improvement of the financial control mechanisms;





*Design: Biljana Chiplakoska*