# **2021 Questionnaire on Treasury Single Account (TSA) and Cash Management and Forecasting Practices in PEMPAL countries**

## Introduction

### Background

In 2016 the countries represented in the Treasury Community of Practice (TCOP) completed a survey on the main characteristics of the Treasury Single Account (TSA) and some other aspects of cash management in each country.

The survey was organized as one of the practical steps to enrich the knowledge bank of methodological, legal and analytical documentation of professional interest for PEMPAL members.

Results were reported at the Ankara event in March 2016; and made more generally available to PEMPAL members.

In the last four years, several member countries have further developed their TSA and associated payment arrangements, improved their cash flow forecasting, and made progress in developing their wider cash management function. It is a good time to refresh the survey to bring all members up to date with recent reforms, innovations and other progress.

### The Survey

To be effective and thorough, and useful to all members, the survey is necessarily quite long, although it is not very different from that of 2016. Nevertheless, every attempt has been made to make the survey as user friendly as possible.[[1]](#footnote-1) It is likely to take 40-50 minutes to complete.

It is structured as follows:

* **Part I: The Treasury Single Account**: its coverage (in relation to both balances and flows), its structure, its link with payments system and the basis of remuneration of cash balances. There are also some questions on balance remuneration and on the commercial relationship with the banking system which apply not only to the TSA but to bank accounts beyond the TSA.
* **Part II: Cash Management and Cash Forecasting**: the cash buffer, cash flow forecasts, institutional arrangements and cash management instruments.
* **Part III**: **Other Issues**: the extent of reforms, impact of PEMPAL, and responses to Covid-19.

### Definitions

Terminology for cash management concepts or variables sometimes varies across countries. There are brief definitions at the start of each section. But, circulated with this survey, is a note (prepared following requests made at previous meetings of the group) elaborating these definitions, both to clarify some misunderstandings that may have arisen in our discussions in the past and to encourage uniform responses to this survey

In relation to the TSA in particular, there may be uncertainty about its characteristics and coverage that goes beyond a simple definition. Although most countries have a core TSA, in many cases some government funds remain outside the operation of the TSA. To assist the respondents in clarifying terms and definitions used and to ensure uniform responses to the survey additional material has been prepared and shared with you. This reference document also describes desired characteristics and coverage of the TSA, including a chart (an extract from GFSM2014) showing the coverage of the general government sector to which reference can be made when completing the survey. We encourage the respondents to review this reference document before completing the survey.

## Questionnaire

### Please indicate

* Name of country
* Name and position of person completing the questionnaire

## Part I: The Treasury Single Account

The TSA is a unified structure of government bank accounts to give a consolidated view of government cash resources. There may be one account (although usually with sub-accounts), a series of linked accounts that are zero-balanced the balances of which are transferred at least each day (usually electronically) into a head account, or a network of accounts which are treated as a single account for the purposes of calculating the overall cash balance.

1. Is there a Treasury Single Account (TSA) in operation in your country? Yes/No

*If no, please go directly to question 7.*

1. Is the TSA held at the Central Bank? Yes/No

[TEXT BOX – Please comment if needed

### Coverage of the TSA.

These questions are first seeking to determine to what degree the TSA encompasses the central or general government sector as defined in GFSM2014 (see also note on definitions). Later questions then establish the extent of coverage of both cash flows and cash balances, whether at the level of central or (as relevant) subnational government.

To improve comparability between countries please ensure that you also complete the percentage coverage, as this will assist in cross-country comparisons

1. What best describes the situation in your country in relation to subnational government?
2. Subnational government cash balances are included in the general government TSA;
3. Subnational governments operate their own TSAs; or
4. Subnational governments do not have a TSA.
5. Other (please clarify) [TEXT BOX FOR RESPONSE].

#### **Flows into the TSA**

1. Does the TSA encompass revenues from the following sources? Comments/clarifications can be provided in section 4c.

4a Central Government

4b Subnational Government

4c Comments/clarifications

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Types of Funds** | **Central Government** | **As a % of total general govt revenue** | **Subnational Government** | **As a % of total general govt revenue[[2]](#footnote-2)** | **Comments/ Clarification** |
| Taxes | Y/N |  | Y/N |  |  |
| Non-tax receipts | Y/N |  | Y/N |  |  |
| Social Fund | Y/N |  | Y/N |  |  |
| Health Fund | Y/N |  | Y/N |  |  |
| Other Government Funds[[3]](#footnote-3) | Y/N |  | Y/N |  | Please specify in few words the name and the purpose of each fund not included in the TSA |
| Extra Budgetary Receipts/ special means of budget entities[[4]](#footnote-4) | Y/N |  | Y/N |  |  |
| Money held in Trust[[5]](#footnote-5) |  |  |  |  |  |
| Donor specific-purpose grants and loans[[6]](#footnote-6) | Y/N |  | Y/N |  |  |
| Other – please specify any significant flows |  |  |  |  |  |

5a How is money generally collected into the TSA? For each positive answer in question 4a please indicate which response from (a) to (e) below best reflects how money is collected into the TSA. Please select the answer that covers the majority of the central government revenues for that category. Clarifications, if required, can be provided in question 5c.

5b How is money generally collected into the TSA? For each positive answer in question 4b please indicate which response from (a) to (e) below best reflects how money is collected into the TSA. Please select the answer that covers the majority of the subnational government revenues for that category. Clarifications, if required, can be provided in question 5c.

1. Paid directly into the TSA electronically;
2. Paid to the TSA the same day through Zero Balance[[7]](#footnote-7) Transitory Accounts in commercial banks;
3. Paid to the TSA through transitory accounts with some time delay (due to reconciliation and other issues);
4. Transferred periodically to the TSA on request from the collecting authorities; or
5. Other – please specify.

|  |  |  |  |
| --- | --- | --- | --- |
| **Types of Funds** | **Central Government** | **Subnational Government** | **Comments/Clarification** |
| General government Taxes | a,b,c,d, or e? | a,b,c,d, or e? |  |
| General Government Non-tax receipts | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Social Fund | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Health Fund | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Other Government Funds | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Extra Budgetary Receipts/ special means | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Money held in Trust | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Donor specific purpose grants and loans | a,b,c,d, or e? | a,b,c,d, or e? |  |
| Other – Please Specify | a,b,c,d, or e? | a,b,c,d, or e? |  |

#### **Flows from the TSA**

1. Are payments for all government spending also made directly from the TSA and not from balances first transferred to other accounts outside of the TSA? In responding to this question the focus should be on the majority of spending. It is understood that there may be some government payments that operate differently.
2. Yes - government payments are made directly from the TSA;
3. Yes - Government payments are made from zero balance transitory accounts (which are outside the TSA, e.g. in commercial banks, even if they are swept daily to the TSA);
4. Partial - most government payments are made directly from the TSA – if this option is selected please indicate the category of payments that are not paid directly and the value of those payments as a % of total annual revenue (central, subnational or general government as relevant)…… …(TEXT BOX FOR RESPONSE)
5. No - government payments are made from deposit or other bank accounts maintained by MDAs/spending units and the accounts hold overnight balances (if they are zero balance accounts please answer b.); or
6. Other – (please explain what the arrangements are if not falling into one of a) to d) above.

### Government Payment Systems

These questions relate to your country’s access to electronic payment systems in the banking sector, and the type of system to which it has access. Any country that does not have any access to an electronic system should go to Question 10.

1. The systems that handle government payments include (select all that apply):
2. Real Time Gross Settlement Yes/No
3. Other electronic bank payment systems that operate on a batch basis Yes/No
4. Other - please specify
5. Please indicate which answer best matches your country access to the payment system. (select all that apply).
6. The Treasury is a direct party to or member of the bank payment systems;
7. The Treasury accesses the payment systems through the central bank;
8. The Treasury accesses the payment systems through a commercial bank; or
9. Other – please specify………………………………………………….
10. For each type of payment indicate how payments, for each of central and subnational government, are made to recipients. If required you may choose more than one answer for each payment type. (include any relevant explanations or comments in the last column).

**9а Central Government**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Payment Type** | **Electronic transfer through RTGS** | **Electronic transfer through other payment system** | **Cheques** | **Cash** | **Other[[8]](#footnote-8)** | **Comments** |
| Salaries |  |  |  |  |  |  |
| Goods and Services |  |  |  |  |  |  |
| Grants |  |  |  |  |  |  |
| Subsidies |  |  |  |  |  |  |
| Social Benefits |  |  |  |  |  |  |
| Capital Spending |  |  |  |  |  |  |
| Donor Projects |  |  |  |  |  |  |
| Repayment of Loans |  |  |  |  |  |  |

**9b Subnational Governments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Payment Type** | **Electronic transfer through RTGS** | **Electronic transfer through other payment system** | **Cheques** | **Cash** | **Comments** |
| Salaries |  |  |  |  |  |
| Goods and Services |  |  |  |  |  |
| Grants |  |  |  |  |  |
| Subsidies |  |  |  |  |  |
| Social Benefits |  |  |  |  |  |
| Capital Spending |  |  |  |  |  |
| Donor Projects |  |  |  |  |  |
| Repayment of Loans |  |  |  |  |  |

1. For countries that still have cheques or make payments in cash please indicate, where data are available, the approximate percentage of total annual payments made in either cash or by cheque (by central, subnational or general government as relevant).
2. % Cash………….. (b) % Cheque…………. Total of (a)+(b)………….
3. Subnational government utilizes the same payment systems as central government Yes/No.

If no, please briefly describe the subnational government arrangements.

### Structure of the TSA

1. Please indicate which response best describes the structure of the TSA
2. The TSA is a single bank account;
3. The TSA is a consolidation bank account with a number of subsidiary accounts;
4. The TSA is a network of bank accounts that is treated as one by the central bank (or by the MoF/Treasury if governed by fiscal legislation); or
5. Other – please specify…(TEXT BOX FOR RESPONSE)…………….

#### **Additional Bank Accounts (outside of the TSA)**

1. Please complete the following table for all accounts in addition to the TSA. This should be completed for central government only (the figures may be rounded).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **13a Operating Accounts** | | **13b Investment or Term deposit Accounts** | | **13c Overdraft**  **Accounts** | | **13d Other Purposes**  **Accounts** | |
| **Type of Institution** | **Number** | **% share of end (of most recent) year cash balances** | **Number** | **% share of end of (most recent) year cash balances** | **Number** | **% share of (most recent) end of year cash balances** | **Number** | **% share of (most recent) end of year cash balances** |
| Central Bank |  |  |  |  |  |  |  |  |
| Commercial Banks |  |  |  |  |  |  |  |  |
| Other Financial Institutions |  |  |  |  |  |  |  |  |

### Remuneration of Cash Balances

1. Does the government receive interest on cash balances at the Central Bank?
   1. For its current/operating accounts **and** its term deposit accounts
   2. For its current/operating accounts **only**
   3. For its term deposit accounts only
   4. Neither for its current/operating accounts nor for its term deposit accounts

If (d) go to question 18.

1. Is the interest calculated for each account held at the Central Bank or on a net basis across all accounts? (TEXT BOX FOR RESPONSE)
2. How is the interest rate methodologically determined (i.e. is it linked to an existing administered rate, such as the Сentral Bank’s policy rate, is it linked to a market rate, or is it directly negotiated)? (TEXT BOX FOR RESPONSE)
3. What is the current interest rate and how does it compare with the Central Bank’s policy rate? (TEXT BOX FOR RESPONSE)
4. Is there a revenue sharing or allocation mechanism for the institutions that hold their balances in the TSA (i.e. between central government, extra budgetary funds, subnational governments, etc) for the interest earned on the balances? YES/NO
5. Does the government receive interest on cash balances held at commercial banks?
   1. For its current/operating accounts **and** its term deposit accounts
   2. For its current/operating accounts **only**
   3. For its term deposit accounts **only**
   4. Neither for its current/operating accounts nor for its term deposit accounts

If (d) go to question 23.

1. Is the interest calculated for each account at the commercial banks or on a net basis across all accounts held at each bank? (TEXT BOX FOR RESPONSE)
2. How are the interest rates methodologically determined? (TEXT BOX FOR RESPONSE)
3. What is the current interest rate? (Show a range if there are a number of different rates applicable) (TEXT BOX FOR RESPONSE)

### Service Level Agreements with Banks

1. Is there Memorandum of Understanding (MoU), protocol, contract or similar written agreement (whether one consolidated agreement or several) with the Central Bank? YES/NO
2. Does the government pay the Central Bank fees or any charges for services? YES/NO
3. If YES, please provide details of the fees or service charges, both the structure of the charges and approximate amounts (TEXT BOX FOR RESPONSE)
4. Is there a contract or MoU with commercial banks, whether collectively or for each bank? YES/NO
5. Does the government pay the commercial bank(s) any fees or charges? YES/NO

27а If YES please provide details of the fees or service charges, both the structure of the charges and approximate amounts (TEXT BOX FOR RESPONSE).

27а If NO , are the commercial banks authorized to “hold onto” funds for a period of time? YES/NO

27b If you answered YES to previous question what is the number of days the commercial banks retain the funds?

1. One day
2. Two days
3. Three days
4. Five days
5. More than five days (please provide additional comments on the period and reason for the arrangements; also whether it varies between different funds) (TEXT BOX FOR COMMENTS)
6. Are funds held back from the TSA by collecting agencies until reconciliation is complete or for other reasons? YES/NO

28а If YES,

1. One day
2. Two days
3. Three days
4. Five days
5. More than five days (please provide additional comments on the period and reason for the arrangements) (TEXT BOX FOR COMMENTS)

## Part II. Cash Management and Forecasting

### Objective

1. Is there a high-level cash management objective specified in the legislation or other regulatory document of the MoF/Treasury; if yes, please record the objective in the text box provided and indicate the source regulatory document. [Example: “To facilitate the execution of the budget, ensuring that there is always sufficient liquidity available to meet budget commitments, and, subject to that, using any surplus cash to best advantage within established market, credit and operational risk limits.”]

[TEXT BOX].

### Cash Buffer

The target liquidity or cash buffer is defined as “the minimum level of cash balances necessary to be sure of meeting day-to-day cash requirements, at all times, under all circumstances, taking into account the availability of other liquid resources”. In most cases, the cash buffer will be the cash balance in the TSA in the Central Bank; and the target for the cash buffer will be the same as the target for the TSA balance.

1. Is there an agreed target for the cash buffer – either as a matter of policy, set administratively or formally regulated?

|  |  |
| --- | --- |
| Yes |  |
| No |  |

[Add detail as required in regard to the institutional nature of the target]…TEXT BOX………

If yes

1. When was it first established? TEXT BOX ..............
2. How is it formally defined? [e.g. in nominal terms, or in terms of expenditure, total cash outflows or debt servicing over a period.] TEXT BOX………………
3. What is its level in the current financial year? TEXT BOX……………………………..
4. What is the buffer as a percentage of annual central government revenue in the current financial year? TEXT BOX………………….
5. Does the buffer vary across the year – e.g. depending on forthcoming debt redemptions or other periods of uncertain cash flows? TEXT BOX………………….
6. Is the level published? Y/N
7. Is the target cash buffer the same as the target balance in the TSA? Y/N
8. If NO, in what other assets is the buffer held and where are they held? TEXT BOX
9. Does the target allow for or include the domestic currency equivalent of any foreign currency balances? Y/N………………
10. Is there a separate target buffer in respect of foreign currency balances? Y/N………………
11. What are the main determinants of the size of the cash buffer?

1. In relation to transactions (tick all that apply)

|  |  |  |
| --- | --- | --- |
|  | Revenue flows | Expenditure flows |
| Volatility of cash flows |  |  |
| Forecasting error |  |  |

1. In relation to other variables (tick all that apply)

|  |  |
| --- | --- |
| Auction failure |  |
| Wider financial market disruption |  |
| The risk of contingent liabilities becoming actual liabilities |  |
| Size of obligatory payments |  |
| Other (specify) |  |
| ……. |  |
| ……. |  |

1. What safety nets are available over and above the buffer (i.e. cash that is available in the very short term, ideally same day)? Tick all that apply

|  |  |
| --- | --- |
| Borrowing from the Central Bank |  |
| Credit lines from commercial banks |  |
| The ability to break term deposits without penalty |  |
| Other Statutory Funds, e.g. Oil Fund |  |
| Foreign currency balances |  |
| Other (please specify) |  |
| …….. |  |
| …….. |  |

### Cash Forecasts

Cash forecasts may be defined as an estimate of future government cash inflows and outflows, made with a view to taking the action necessary to ensure that a sufficient cash balance is always available to facilitate the smooth execution of the budget and also to support other cash management objectives. The emphasis here is on the cash flow forecasts not cash plans, i.e. projections of what will happen, not what should happen. Cash plans are designed to show the planned pattern (usually monthly) or all government cash flows across the year. They provide a check on the consistency of the budget and its planned financing, and are important for monitoring the execution of the budget; and they will normally be updated during the year, in the light of changed circumstances. But the plans will usually be constrained at any time to the currently- approved budget targets. Forecasts are not constrained to the budget, and are often prepared independently of the cash plan, with a focus on the months and days immediately ahead, not necessarily the whole budget year.

1. How far ahead does the cash flow forecast extend?

1-week…… 1-month…………. 3-months……….. Longer……….

1. How frequently is the cash flow forecast rolled forward[[9]](#footnote-9)?

1-week……….. 1-month ………. 3-months or quarterly…………

[Add detail as required]…TEXT BOX……….

1. What is the time granularity of the forecast?

Daily……… Weekly………. Monthly………

[Please add detail as required – e.g. if forecast is daily for month ahead then weekly, please state this]…TEXT BOX……….

### Institutional Arrangements

1. In which administrative unit (e.g. in the Treasury, Budget Office, or Debt Management Office, and in which division within that unit) is the cash flow forecasting function located (indicate if forecasting function is shared across more than one administrative unit)…TEXT BOX……………….
2. For what other functions does that unit also have responsibility - tick all that apply

|  |  |
| --- | --- |
| Budget execution |  |
| Treasury payments and accounts |  |
| Debt management |  |
| Other (specify) |  |
| ……………….. |  |

1. Which administrative unit has responsibility for:

|  |  |
| --- | --- |
| Short-term Debt issuance (Tbills) |  |
| Longer-term Debt issuance (Tbonds) |  |
| Investment of temporary surplus cash |  |

1. Is there a high-level committee that brings together the relevant departments or directorates to consider the cash forecasts and decide or advise on policy responses?

|  |  |
| --- | --- |
| Yes |  |
| No |  |

If Yes,

* 1. Who chairs the committee?…TEXT BOX………..
  2. How frequently does it meet?…TEXT BOX……

1. What are the main policy responses in the event of an expected cash flow shortage? Tick all that apply

|  |  |
| --- | --- |
| Increasing issuance of Treasury bills |  |
| Increasing issuance of Treasury bonds |  |
| Short term borrowing within general government (please specify) TEXT BOX |  |
| Delaying release of expenditure allocations |  |
| Delaying payments |  |
| Selling financial assets |  |
| Other (specify) |  |

### Cash Management Instruments

1. Which instruments are used in support of the cash management objective? Tick all that apply, adding other relevant details (in particular maturities normally used)

|  |  |  |
| --- | --- | --- |
|  | Y/N | Details/maturities/other comments |
| **Borrowing** | | |
| Tbills |  |  |
| Other short-term securities (e.g. commercial paper) |  |  |
| Commercial bank overdraft or other bank loans |  |  |
| Central bank overdraft |  |  |
| Repo |  |  |
| **Lending** | | |
| Repo (i.e. reverse repo) |  |  |
| Term deposits with commercial bank |  |  |
| Term deposits with Сentral Bank |  |  |
|  |  |  |

## Part III. Other Issues

### Recent Reforms and PEMPAL

1. Have there been reforms or improvements to the TSA/cash management arrangements in the last five years? Y/N

If Yes please briefly describe the improvements/changes. (TEXT BOX For RESPONSE)

1. Did participation in PEMPAL influence the reforms in these areas? Yes/No

If Yes please briefly highlight how PEMPAL contributed. (TEXT BOX For RESPONSE)

### The Impact of Covid-19

1. Has the response to Covid-19 led to any changes in cash management policies and procedures that are likely to be maintained after the pandemic has subsided? Yes/No

If Yes please briefly describe the changes. (TEXT BOX For RESPONSE)

1. Are you considering future changes as a result of the pandemic (e.g. a wider coverage of the TSA, or a larger cash buffer)? Yes/No

If Yes please briefly indicate the possible changes. (TEXT BOX For RESPONSE)

1. A few questions (e.g. 4 & 13) require data that should normally be readily available. If it is not, we are not expecting any special data collection exercise. Partial or approximate responses would still be valuable. Please note this in the response to the questions [↑](#footnote-ref-1)
2. Approximate values are expected in calculating the percentage -calculations need not be exact [↑](#footnote-ref-2)
3. Include other funds beyond the social and health fund which may operate in your country. Common examples include Agricultural, Road, Loan and Resource Funds. Please specify the purpose of each fund in a few words. [↑](#footnote-ref-3)
4. These revenues are generally collections by budget entities (including MDAs and spending units) where the law allows the entity to retain the revenues separately from other budgetary funds. [↑](#footnote-ref-4)
5. Money held by government on behalf of other legal and physical persons. The government does not own the money. [↑](#footnote-ref-5)
6. Loans and grants which are identified for a specific purpose or project in consultation with the development partner making the loan or grant. [↑](#footnote-ref-6)
7. Zero balance accounts are used to transfer all balances to the TSA each day and do not maintain overnight balances, hence the name zero balance or transitory accounts (transitory accounts that maintain overnight balances are not zero balance). [↑](#footnote-ref-7)
8. If you chose option "Other" please indicate in comments any other primary method of payment [↑](#footnote-ref-8)
9. Rolling forward refers to the action of periodically extending the forecast forward into the year, usually to ensure a consistent period of coverage, e.g. always 13 weeks or 90 days ahead, irrespective of the stage within the month. Thus, during the month (or week) the forecast would extend into the following months (or weeks) to maintain the same period of coverage. If the forecast is always fully maintained (as a forecast, not just as a cash plan) to the end of the budget year, answer in terms of how frequently it is updated. [↑](#footnote-ref-9)