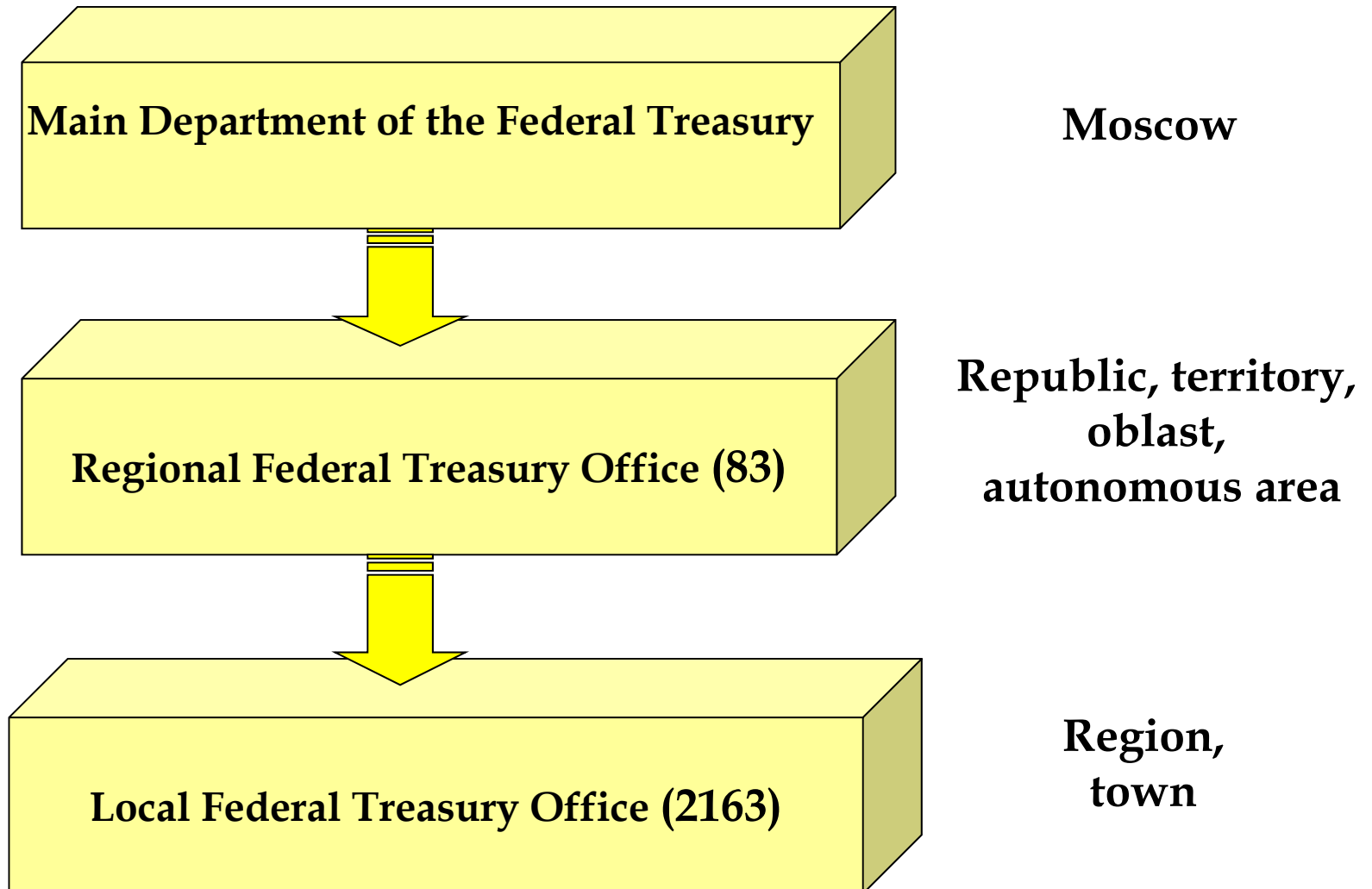




Main Principles of Federal Treasury Functional Activity



Structure of the Federal Treasury



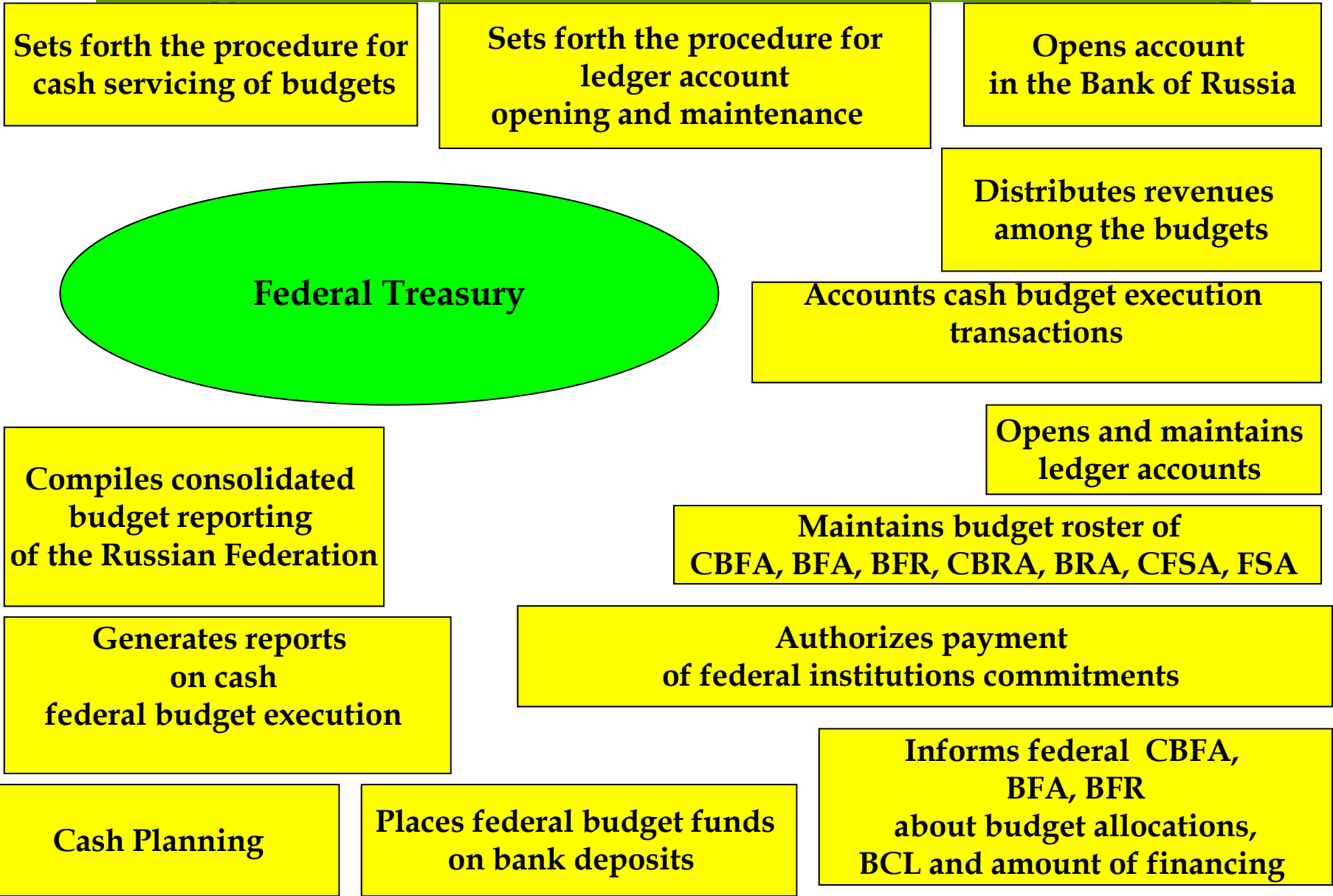


Legislation of the Russian Federation on budget authorities of the Federal Treasury

- Budget Code of the Russian Federation
- Decree of the RF Government No. 703 as of December 1, 2004 “On Federal Treasury”
- Federal Law on the Federal Budget for the respective year
- Other regulations of the Russian Federation



Budget authorities of the Federal Treasury





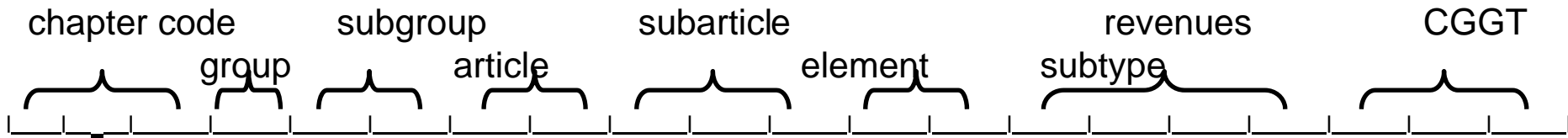
Budget classification of the Russian Federation is adopted by the Budget Code of the Russian Federation

The Decree of the Ministry of Finance of the Russian Federation adopts the Guidelines on the Procedure for RF Budget Classification Application

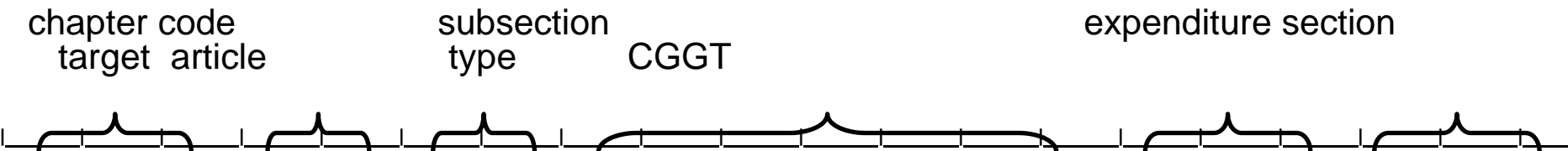


Composition and structure of the RF budget classification

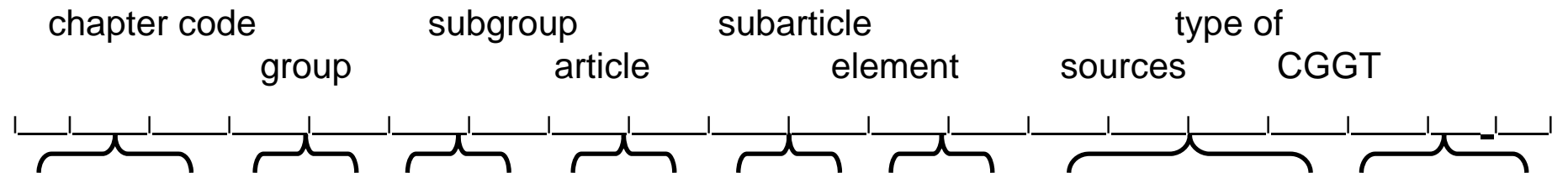
- Classification of the RF budget revenues :



- Classification of the RF budget expenditures:



- Classification of domestic (external) financing sources for budget deficits in the RF budget system :





Bank accounts of Federal Treasury bodies Special accounts

- **№ 40101** Revenues distributed by the federal treasury bodies among different levels of the RF budget system **83 accounts in the RF CB branches;**
- **№ 40116** Funds for cash payments by budget institutions – 8261 accounts in the RF CB branches; 12243 accounts in credit institutions;

Federal budget

- **№ 40105** Federal budget funds - **83 accounts in the RF CB branches;**
- **№ 40302** Funds received for temporary disposal of budget institutions – 83 accounts in the RF CB branches;
- **№ 40503** Funds received by budget institutions from profit-generating activity – 83 accounts in the RF CB branches;

Budget of the Russian Federation constituent

- **№ 40201** Budget funds of the Russian Federation constituents - **83 accounts in the RF CB branches;**
- **№ 40603** Funds received from profit-generating activity– 35 accounts in the RF CB branches;

Local budget

- **№ 40204** Local budget funds – **23193 accounts in the RF CB branches;**
- **№ 40703** Funds received from profit-generating activity– 6636 accounts in the RF CB branches.



Budget process participants interacting with the Federal Treasury and its territorial bodies

- CBFA, CBRA, CFSA – ministries, services, agencies;
- BFA, BFR, BRA, FSA – budget institutions;
- Fiscal bodies – Ministry of Finance of Russia, Ministries of Finance of the RF constituents, Committees of Finance of the RF constituents, fiscal subdivisions of municipalities, state off-budget funds.



Types of ledger accounts opened in the Federal Treasury

Types of ledger accounts:

- 01 - ledger account of the chief administrator (administrator) of budget funds;
- 02 – budget ledger account;
- 03 - ledger account of the budget funds recipient;
- 04 - ledger account of budget revenues administrator;
- 05 - ledger account for accounting the funds received for temporary disposal by federal budget institutions;
- 06 - ledger account of the chief administrator of sources of domestic financing of the budget deficit (administrator of domestic financing sources of the budget deficit with the authorities of the chief administrator);
- 07 - ledger account of the chief administrator of sources of external financing of the budget deficit (administrator of external financing sources of the budget deficit with the authorities of the chief administrator);
- 08 - ledger account of the administrator of sources of domestic financing of the budget deficit;
- 09 - ledger account of the administrator of sources of domestic financing of the budget deficit;
- 10 - ledger account of other recipient of budget funds;
- 14 - ledger account for accounting the transactions on transferred authorities of budget funds recipients.



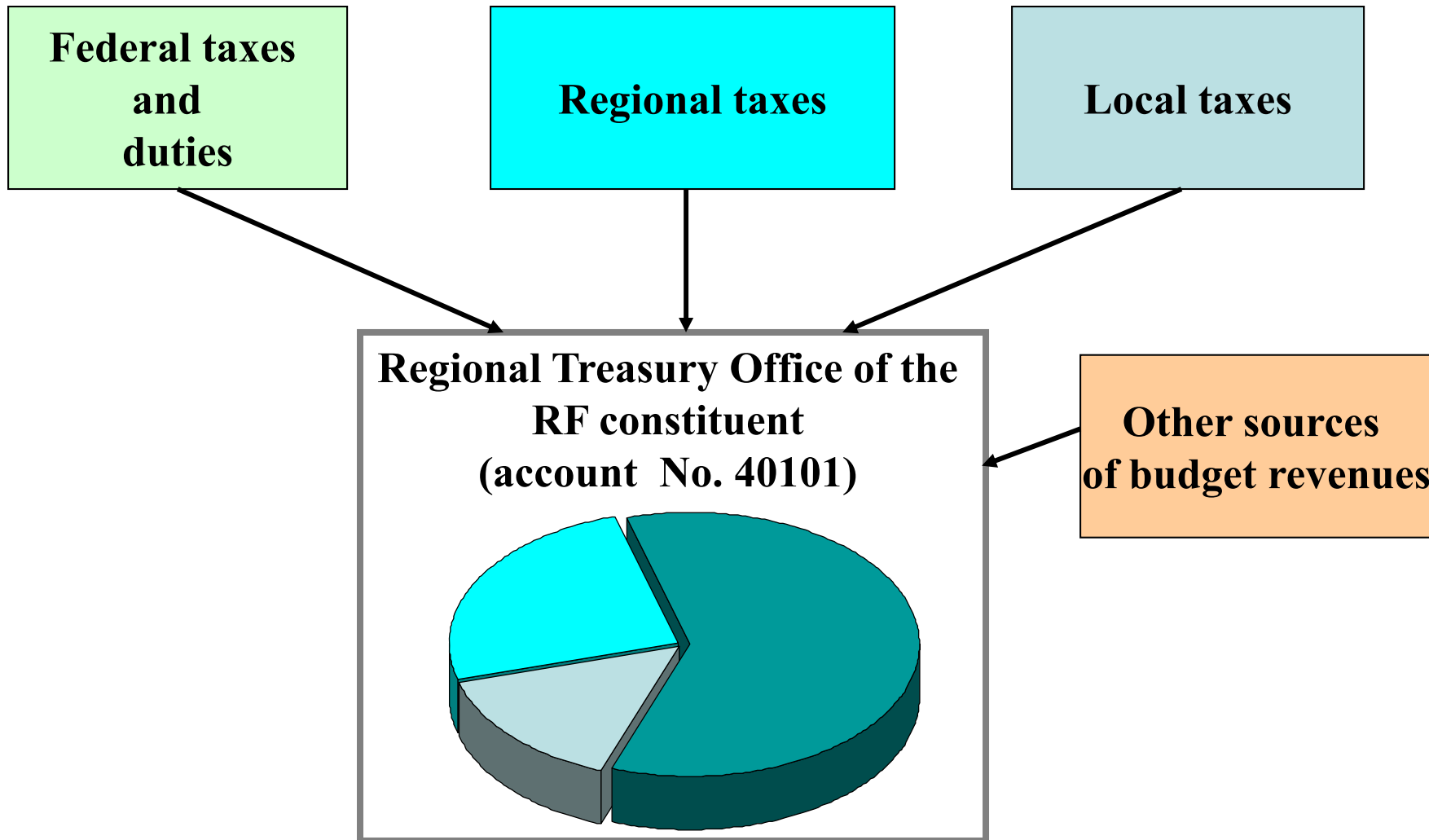
Procedure for accounting by the Federal Treasury of the receipts to the RF budget system and their distribution among various levels of the RF budget system



- **Budget Code of the Russian Federation**
- **Federal Law on the Federal Budget for the respective year and planned period**
- **Laws (decrees) on the budget of the Russian Federation constituents (local authorities of municipal districts)**
- **Tax Code of the Russian Federation and other laws**
- **Decree of the Ministry of Finance of the Russian Federation as of 02.07.2009 № 92n**

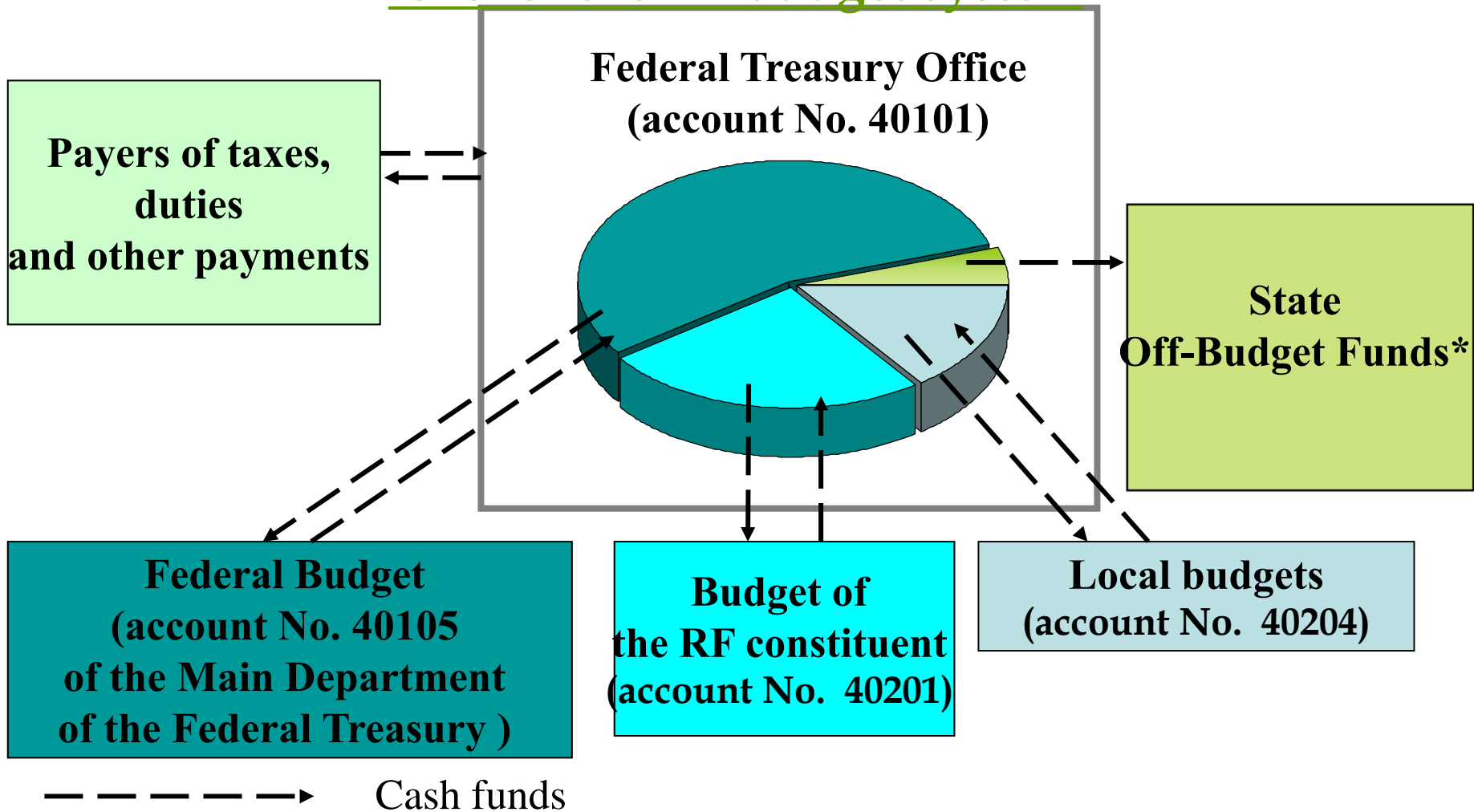


Article 40 of the Budget Code of the Russian Federation





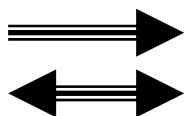
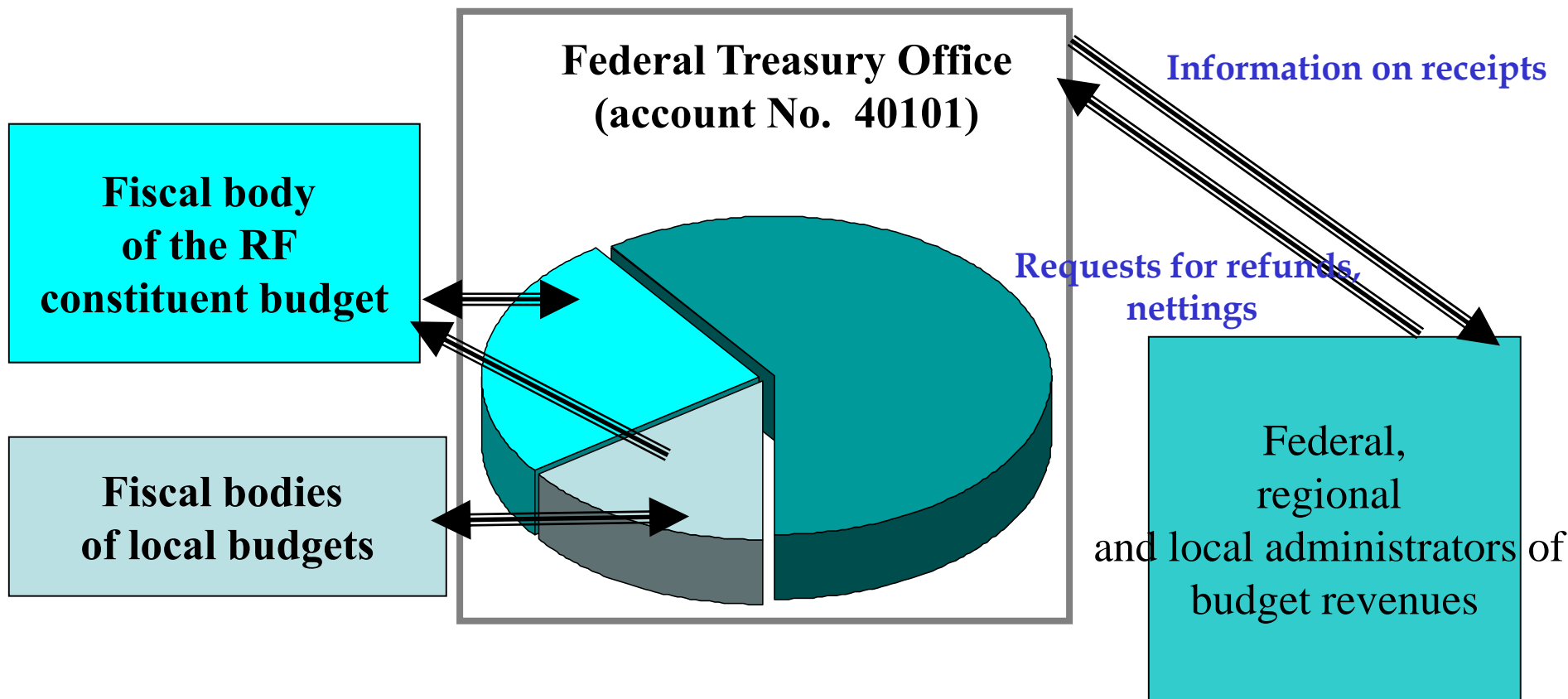
Distribution by the Federal Treasury of revenues among various level of the RF budget system



*- state off-budget funds: Pension Fund, Social Insurance Fund, Compulsory Health Insurance Fund, territorial compulsory health insurance funds



Information interaction of the Federal Treasury in the course of revenues distribution among the budgets



Information flows

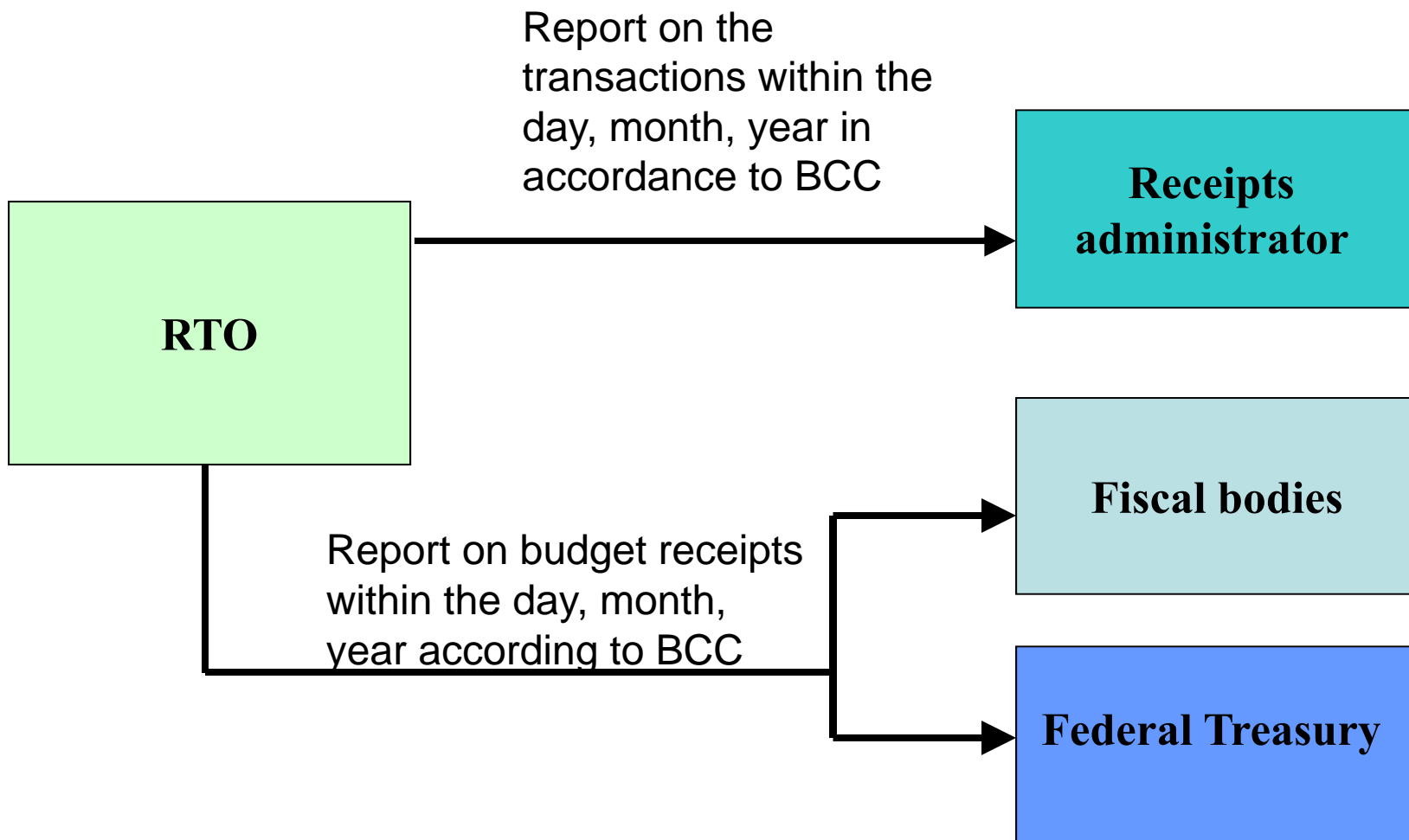


Authorities of receipts administrators with regards to the payments to the budgets administered by them :

- Control of calculation accuracy and payment by the payer;
- Computation of the claim amount to the payer;
- Accounting of the paid amount;
- Control of payment completeness and timeliness;
- Recovery of arrears from the payers;
- Making decision on refund (netting) of amounts paid (recovered) in excess.



Information on receipts transferred by the Regional Federal Treasury Office

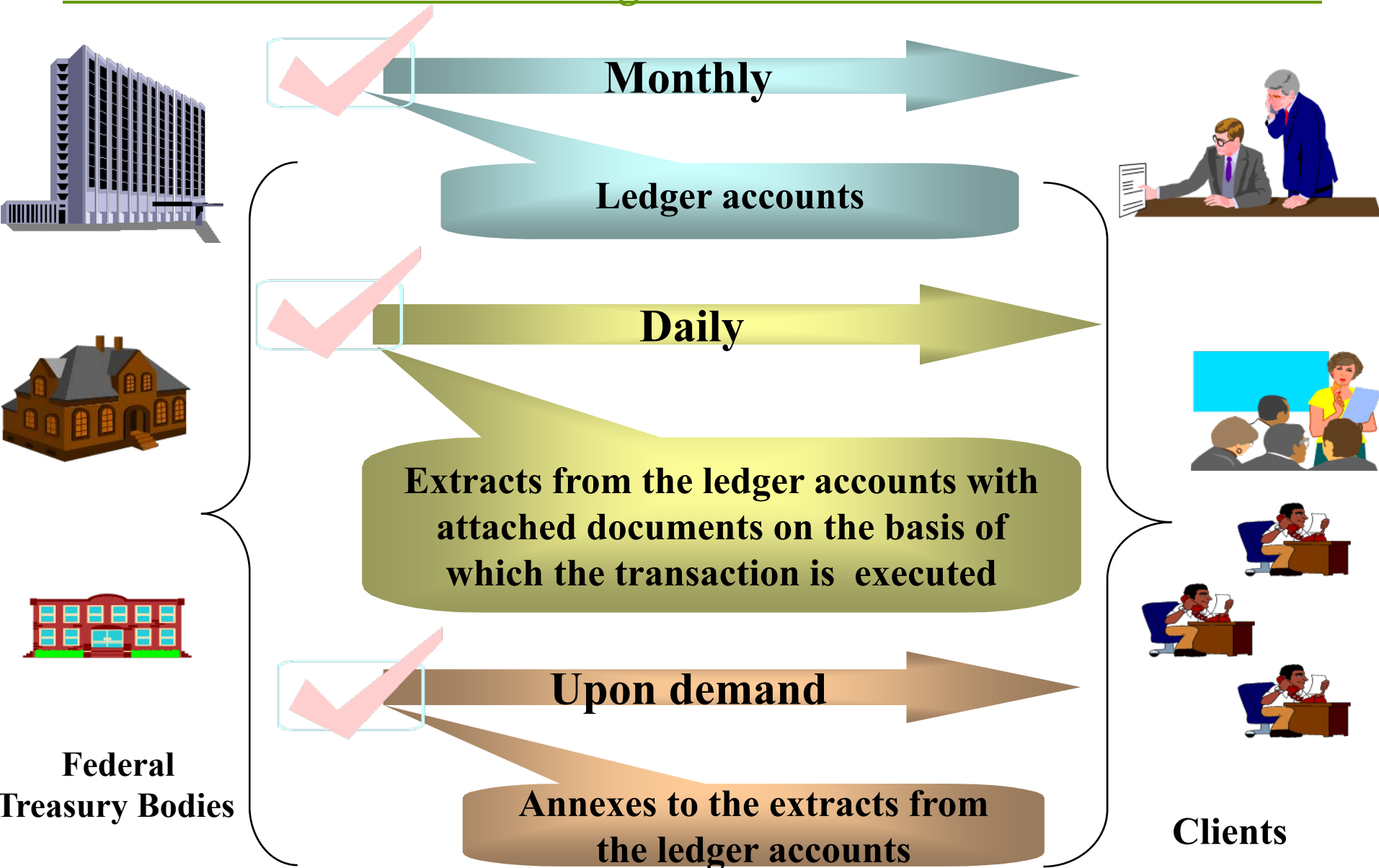




Procedure for accounting by the Federal Treasury of the federal budget expenditure execution transactions



Information on the status of ledger accounts and transactions with them





Fiscal control of the federal budget
by the Federal Treasury

**Federal Treasury
Bodies control**

that BCL distributed by CBFA
do not exceed the BCL adopted for them

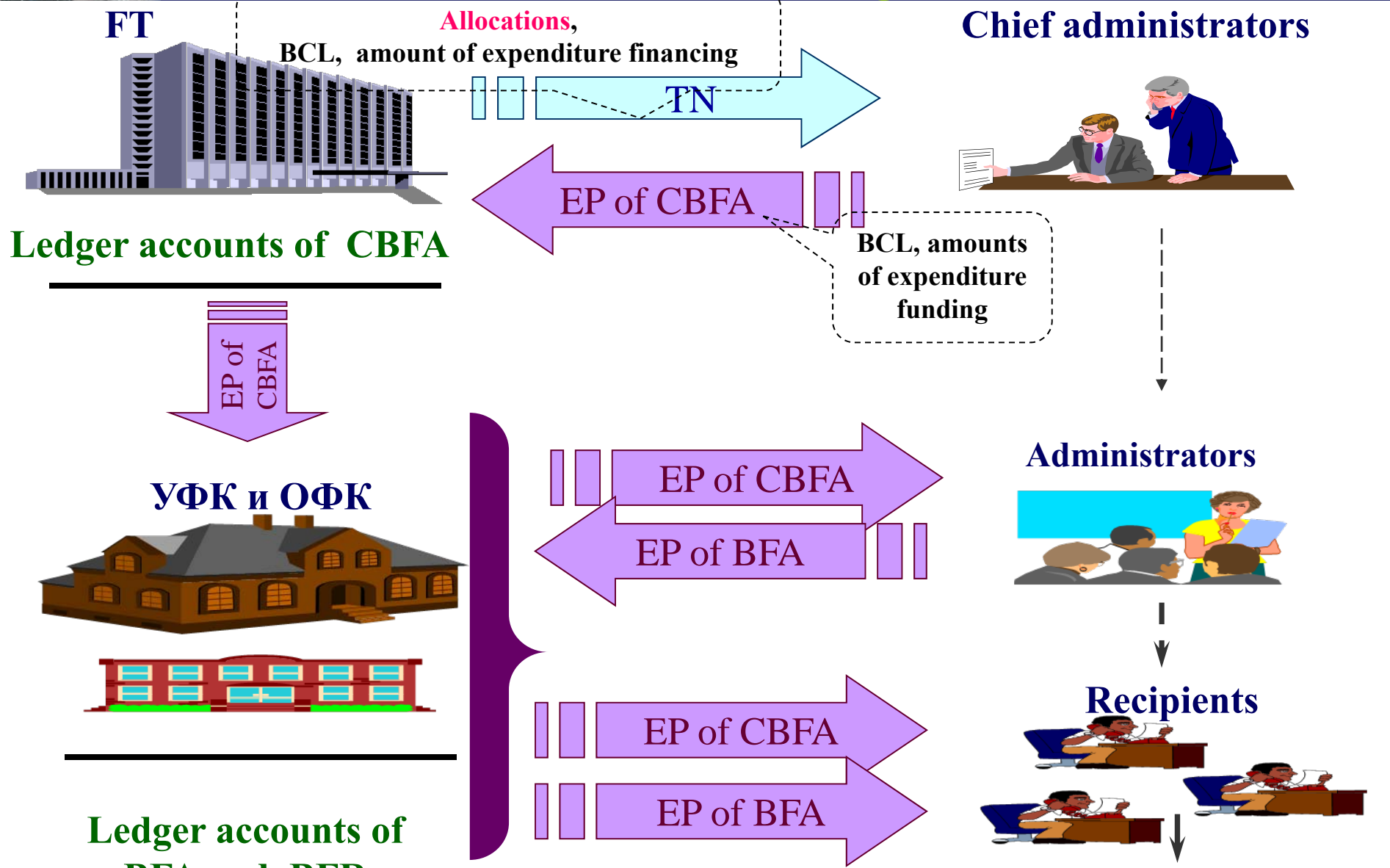
that cash expenditures of BFR
do not exceed BCL set forth for them

compliance of the transaction
the RF budget classification code

that BFR has confirming documents



Федеральное казначейство Communication of federal budget indicators



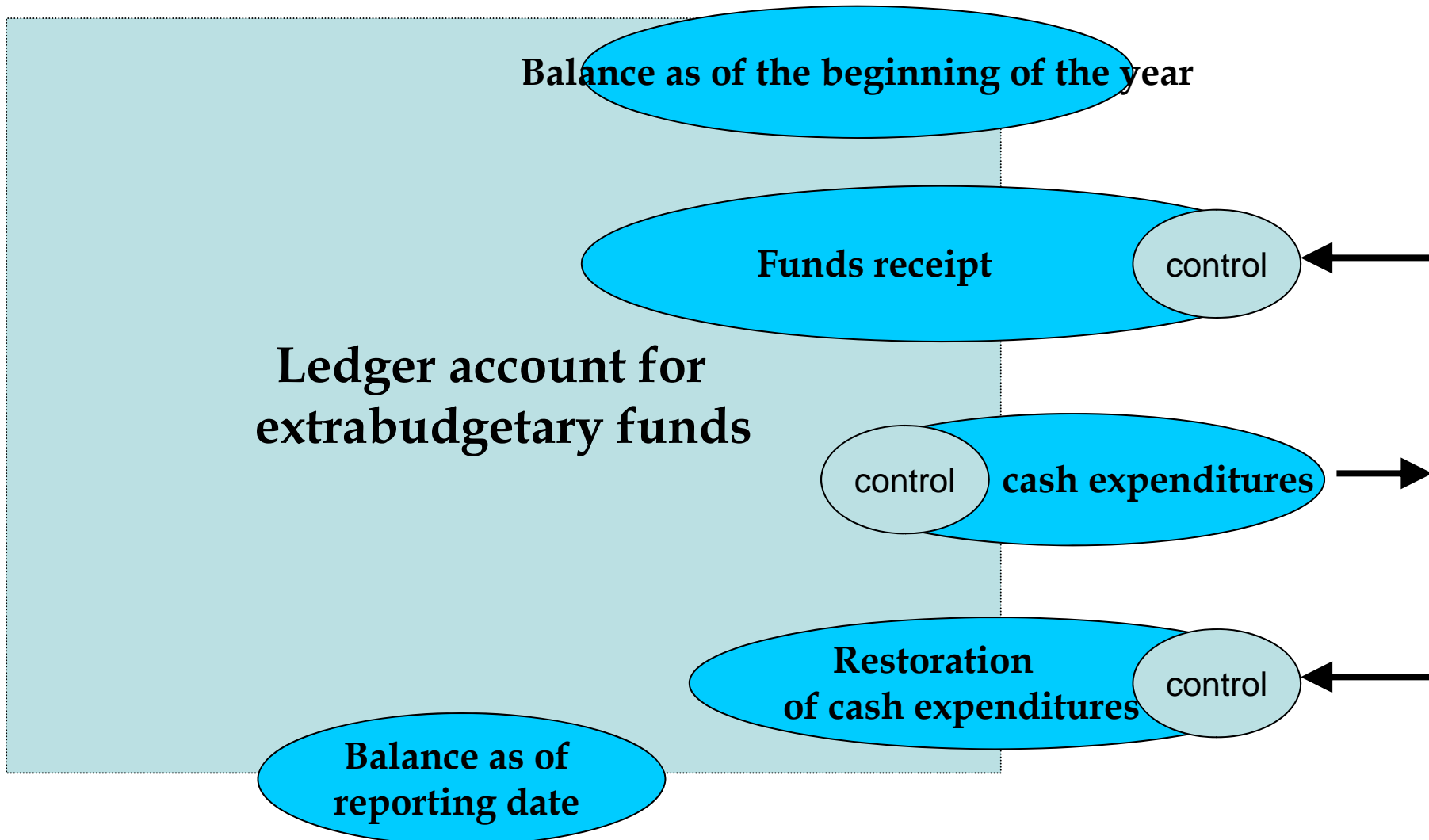
TN – treasury notification

EP – expenditure plan

Transactions with budget funds

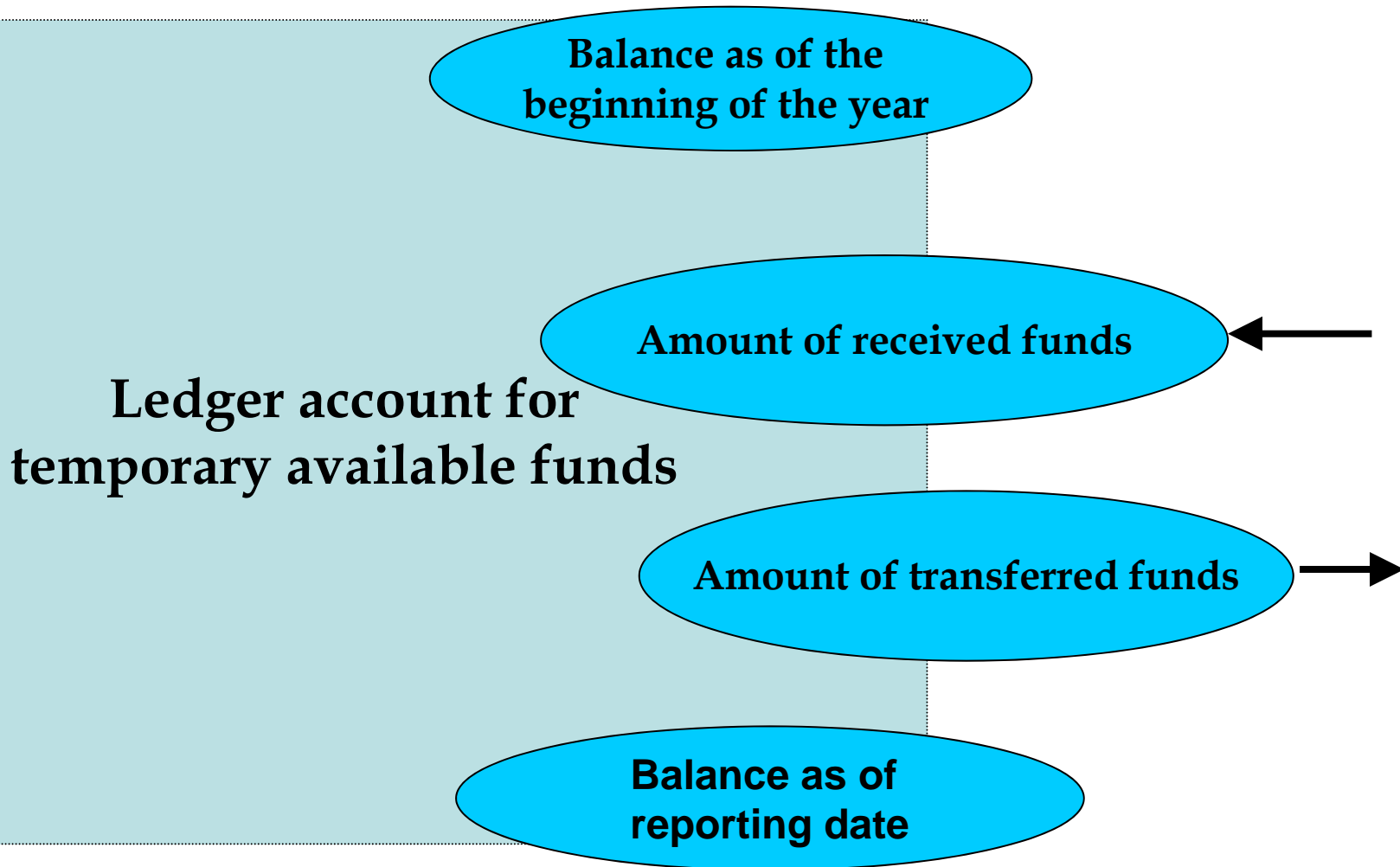


The following is reflected on the ledger account to account for extrabudgetary funds of budget institutions :





The following is reflected on the ledger account for the funds at temporary disposal of budget institutions :

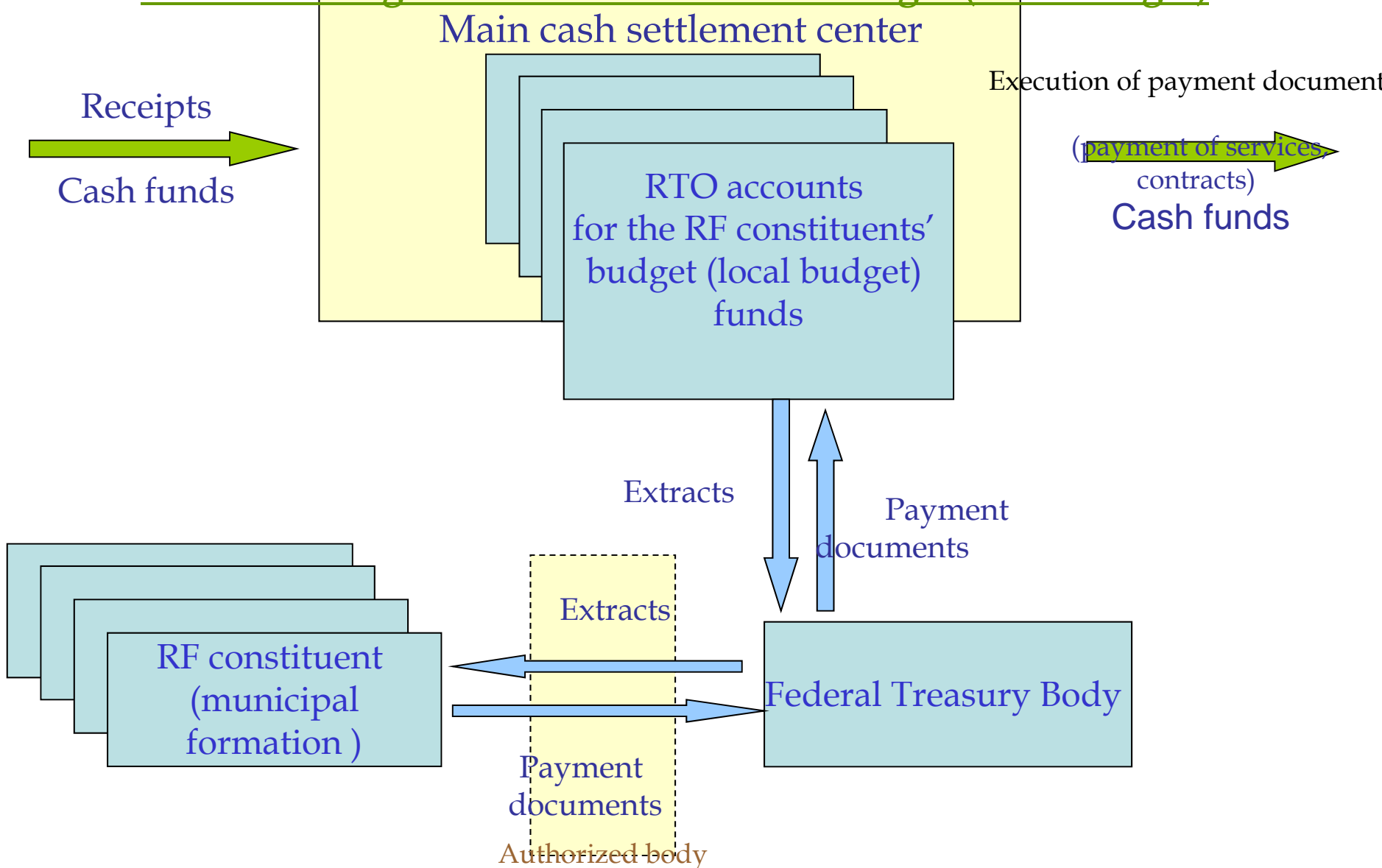




Procedure for cash servicing by the Federal Treasury of the RF constituents' budgets and local budgets execution

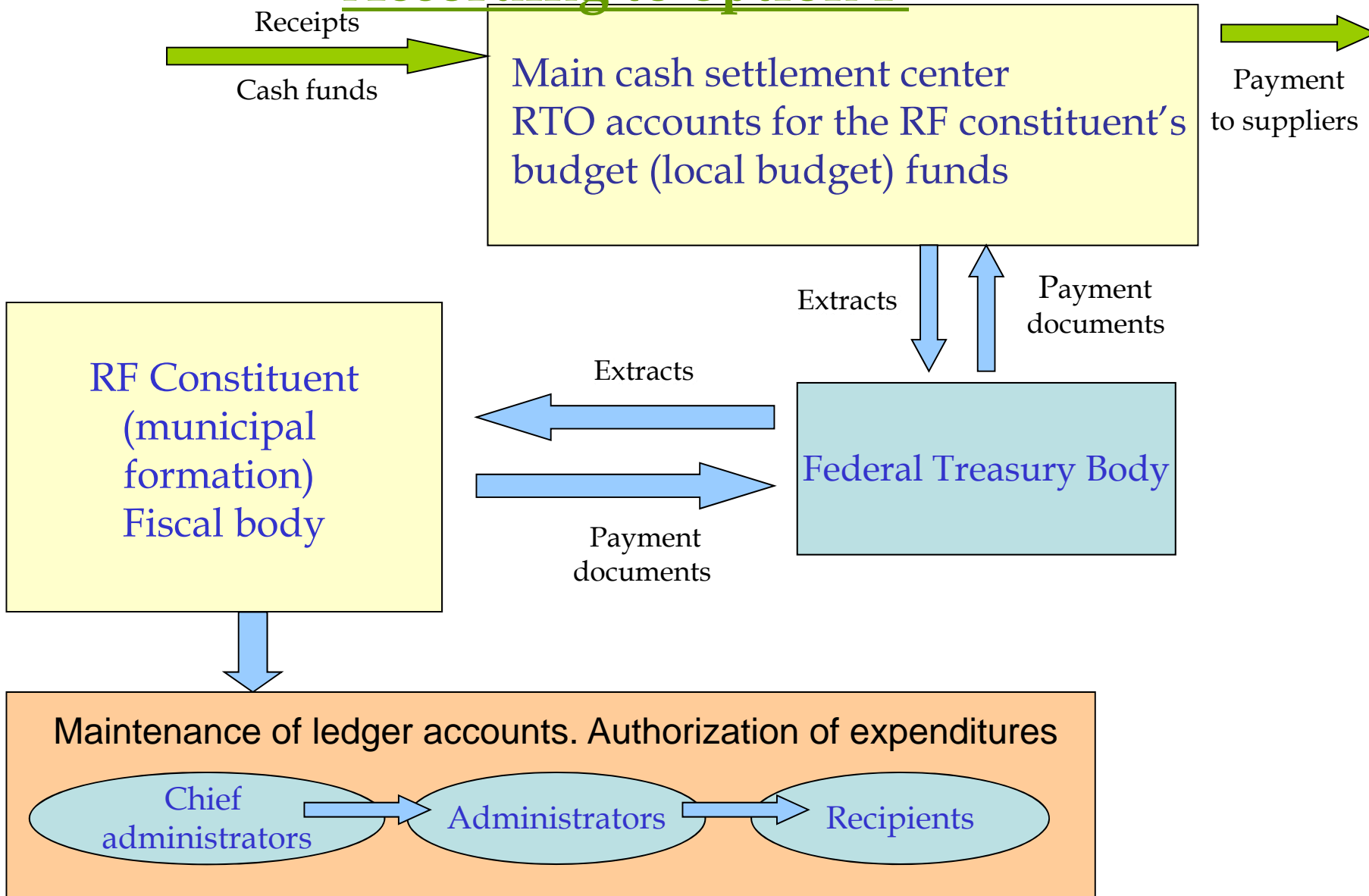


Cash servicing of the RF constituent's budget (local budget)



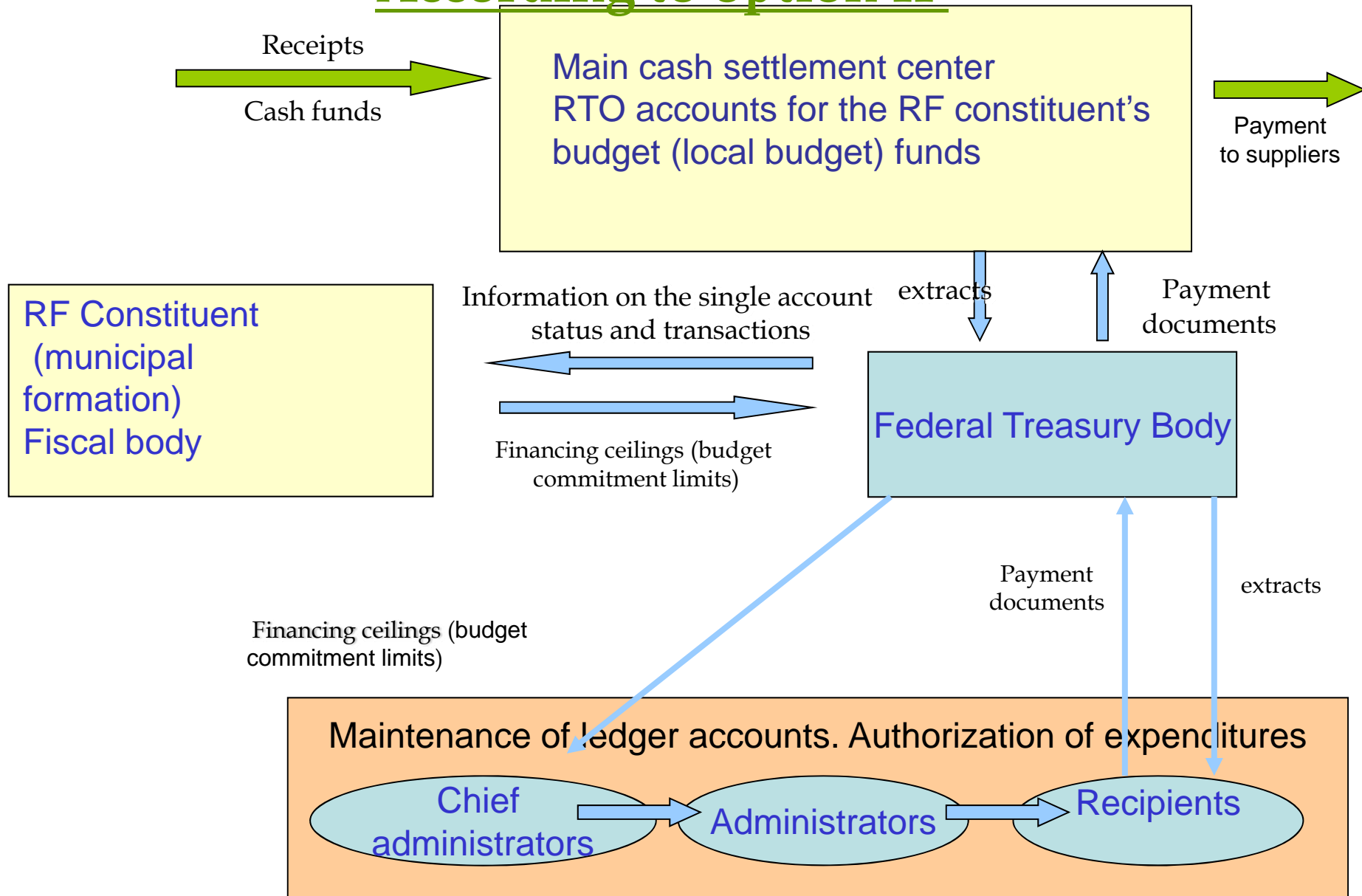


According to option I





According to option II





Legislation of the Russian Federation
on execution of judgments on recovery of budget funds
of the RF budget system

- **Budget Code of the Russian Federation (Chapter 24.1)**

- **Federal Treasury Decree as of 22.02.2006 No 3n**

“On procedure of recording and storage of judgment execution documents that envision recovery of budget funds from the RF budgetary system for cash commitments of budget funds recipients”.

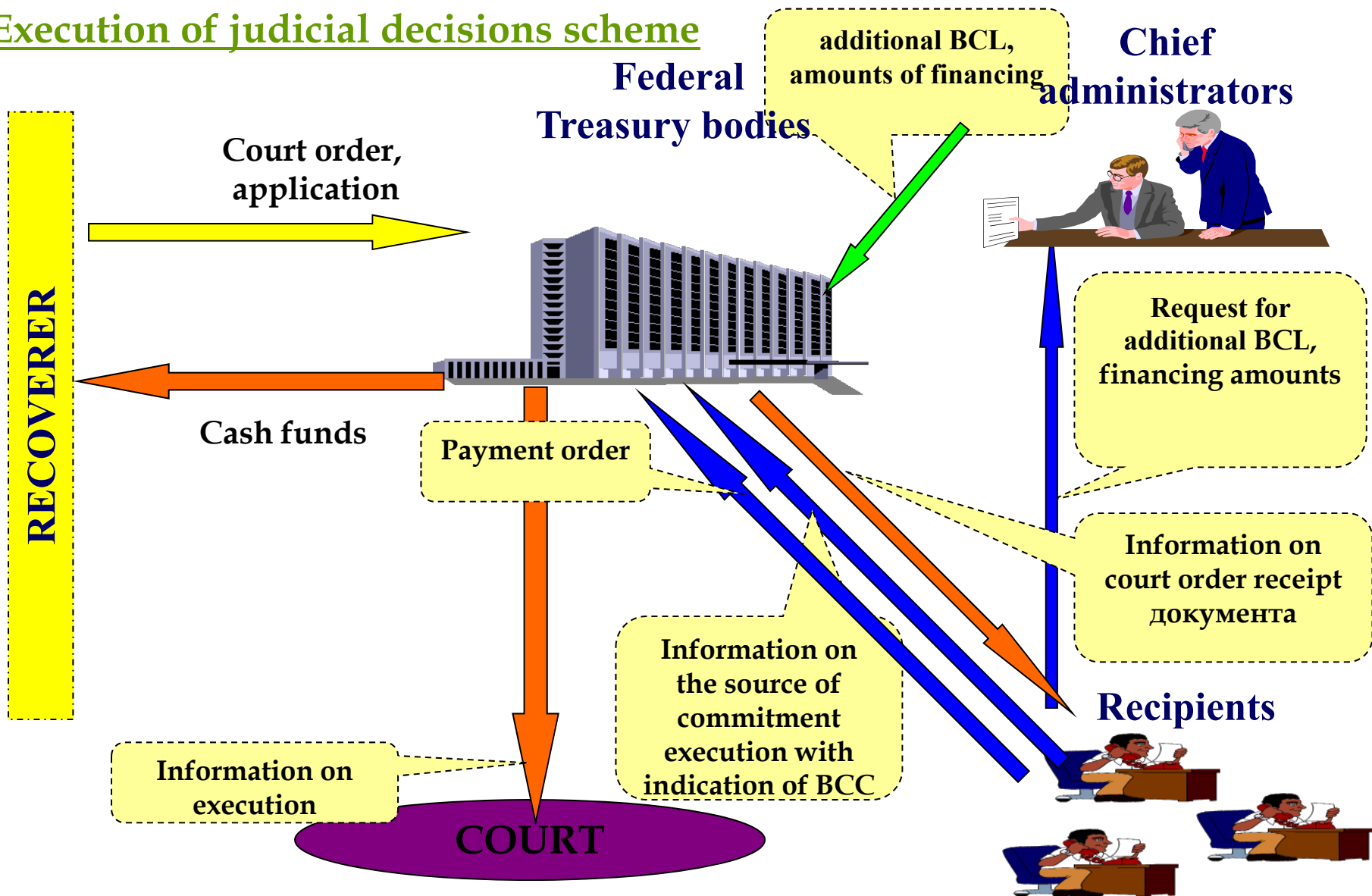


Main provisions on judgment execution by the budget funds recipients

- Common requirements to all documents (irrespective of the claim) attached to the writs of execution
- 3-month period is established for court order execution, upon expiration of each all transactions on the ledger account of the debtor are suspended
- The bodies that maintain ledger accounts of the budget funds recipients are eligible to suspend transactions on the ledger accounts in case the established order is violated



Execution of judicial decisions scheme



In case the court order is not executed within 3-month period, the Federal Treasury body shall block cash transactions on its ledger accounts