

CASH MANAGEMENT AND CASH FLOW FORECASTS

- Cash management and cash flow forecasts – the Law on Financing of BiH institutions.
- The Treasury Single Account constitutes a system which comprises all bank accounts maintained in the name of the BiH Ministry of Finance and Treasury with one or more commercial banks, through which all the transactions related to budget resources are carried out, and recorded in the Treasury General Ledger system.

- The Treasury Single Account :
 - deposit account (collection of BiH institutions' revenue)
 - one or more transaction accounts (payment of budget users' expenditures)
 - special accounts necessary for managing debt and international agreements.
- Cash flow plans constitute forecasts of all payments into, and disbursements from, the Treasury Single Account (TSA) and the basis for budget execution.
- Cash flow forecasts – prepared on a quarterly basis

- Sources of data for developing cash flow plans:
 - Data from the approved budget
 - an overview of total budget allocations by economic category and monthly spending schedule
 - tables of internal subledger records of the TSA (they refer to daily records and monitoring of TSA incoming and outgoing payments)
 - historical data (reports of the of General Ledger Unit on the developments with regard to specific revenue and/or expenditure, budget execution reports, ...)
 - projections of all revenues and all expenditures on the TSA
 - movements of key macroeconomic factors

- Annual expenditure plan:
 - Current expenses (gross salaries and benefits for employees, material costs and services, insurance costs, banking services and contractual services),
 - current grants,
 - capital expenditure,
 - debt servicing,
 - grants and donations.

- Annual expenditure plan – quarterly updated
- The problem with short-term or long-term cash flows - balancing the budget by reducing planned expenditures or finding new revenues.
- The Ministry of Finance and Treasury - the placement of funds (BiH Central Bank, commercial banks)