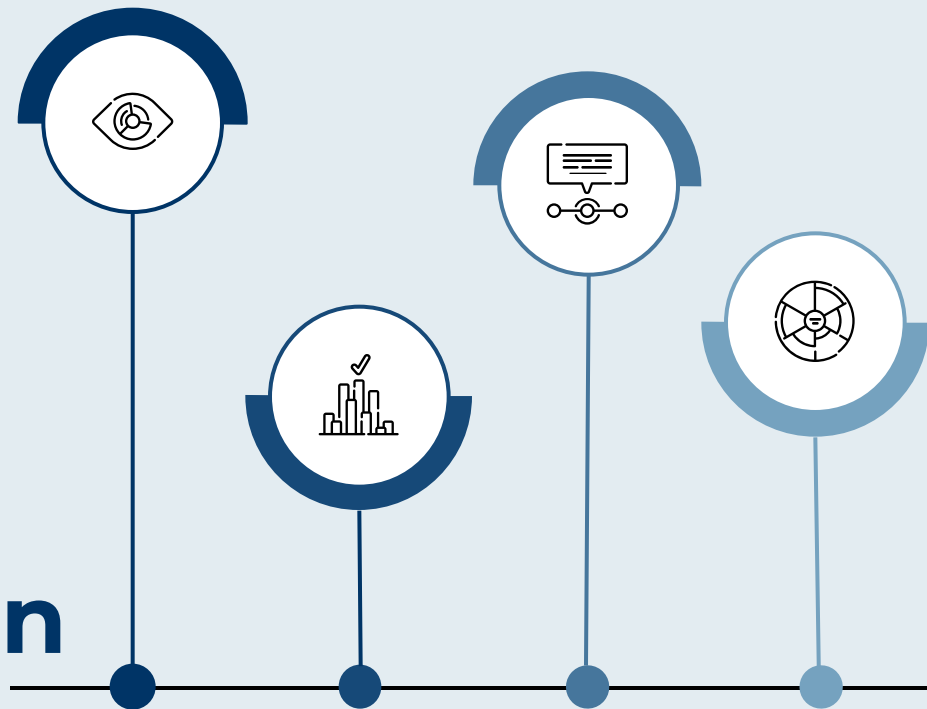


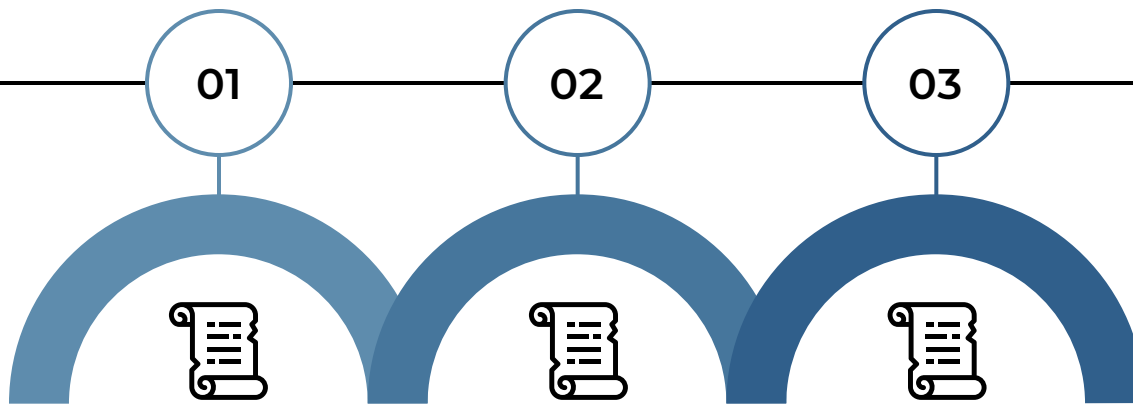


Inclusion of indirect beneficiaries of Ministry of education in Budget execution system





LEGISLATION AND BY-LAWS



Law

on budget system
of Republic of
Serbia

Law

on budget of
Republic of Serbia

Rulebook

on budget
execution system
of Republic of
Serbia

Law on budget system



The Minister, i.e. local government in charge of finances is authorized to open a consolidated account of the treasury of the Republic of Serbia, or local government, kept separately for dinar (RSD) and foreign currency funds.

Law on budget system prescribes that all monetary funds of the budget of the Republic of Serbia, of both direct and indirect beneficiaries of those budget funds, beneficiaries of the funds of mandatory social insurance organizations, as well as other beneficiaries of public funds that are included in the consolidated account of the treasury of the Republic of Serbia, are kept and deposited in the consolidated account of the treasury of the Republic of Serbia.



Beneficiaries of budget funds are both direct and indirect beneficiaries of budget funds of the Republic of Serbia or local governments



Direct beneficiaries of budget funds

Authorities and organizations of the Republic of Serbia or authorities and services of local government

E.g.: Ministry of education



Indirect beneficiaries of budget funds

Judicial authorities, local communities; institutions established by the Republic of Serbia, i.e. local authorities, over which the founder, through the direct beneficiaries of budget funds, exercises the rights established by law in terms of management and financing

E.g.: Elementary and high school education institutions



Direct and indirect beneficiaries of public funds

The budget law prescribes the appropriations of direct beneficiaries of budget funds, while the appropriations of indirect beneficiaries are reported collectively by types of indirect beneficiaries and purposes of funds within the section of direct beneficiaries who, in terms of budget, are responsible for those indirect beneficiaries of budget funds.

Within 30 days from the date of entry into force of the Budget Law, direct beneficiaries of budget funds, who are responsible for indirect beneficiaries of budget funds, distribute funds to indirect beneficiaries within their approved appropriations.



History from 2003 to 2021



By order on the opening of a consolidated treasury account and on the opening of sub-accounts and closing of the accounts of direct and indirect beneficiaries of the budget funds of the Republic of Serbia and organizations of mandatory social insurance dated January 1st 2003, Consolidated Treasury Account and Treasury Single Account were opened.

Consolidated treasury account of the Republic of Serbia was organized in such a manner that direct beneficiaries of budget funds made payments using the treasury single account **840-1620-22**, while in the beginning all of the other beneficiaries had their own accounts in Treasury Administration (Administration for Public Payments in that time).



History from 2003 to 2021

January 1, 2016

A total of 247 indirect budget beneficiaries of Ministry of justice (judicial authorities - courts and public prosecutor's offices) were included in the budget execution system (FMIS)

247

January 1, 2019

A total of 209 indirect beneficiaries of Ministry of labor, employment, veteran and social affairs were included in the budget execution system

209

January 1, 2018

A total of 71 indirect budget beneficiaries of Ministry of justice and Ministry of culture were included in the Budget execution system (ISIB), and 2 institutions for exercising the rights of employees from employment

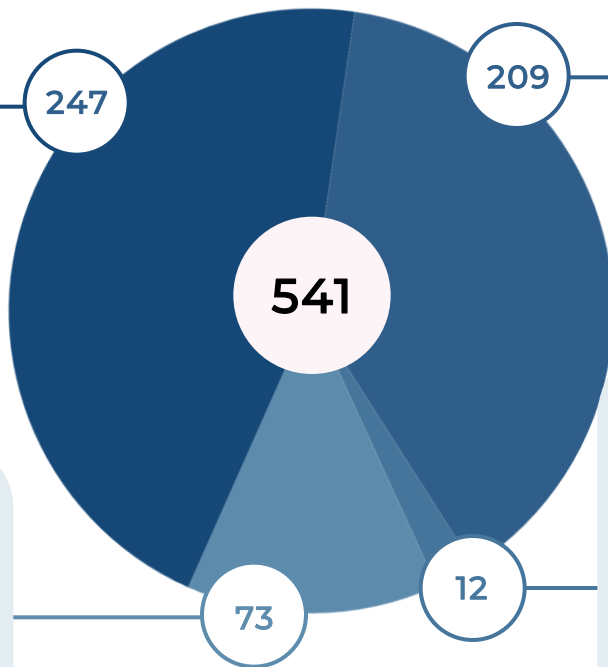
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January 1, 2021

A total of 12 indirect budget beneficiaries were included in the budget execution system (ISIB), as follows:
2 beneficiaries of Ministry of justice, 1 beneficiary of Ministry of interior, 2 beneficiaries of Ministry of youth and sports, and 7 beneficiaries of Ministry of education, science and technological development

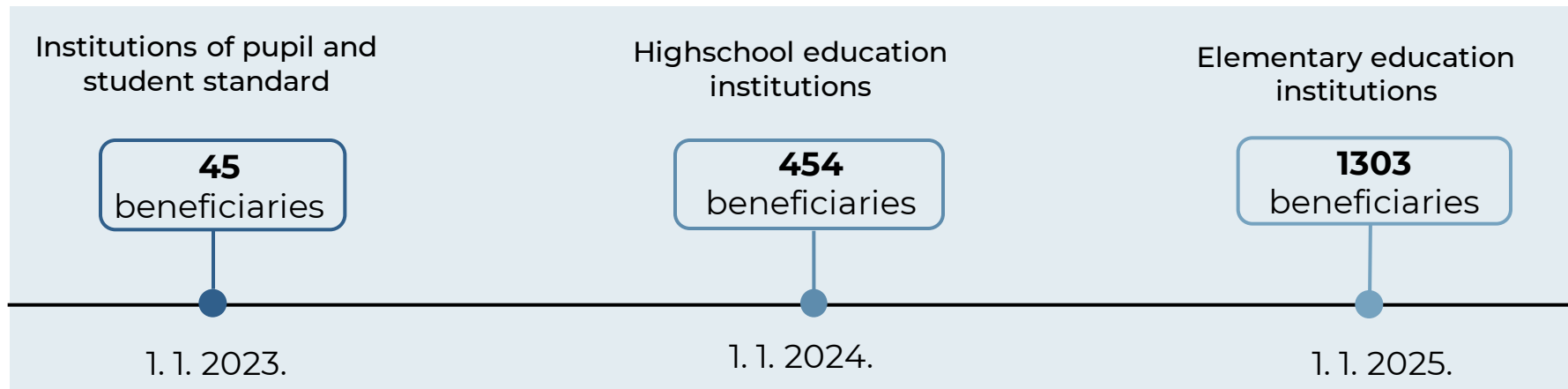
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Legal framework for introduction of indirect beneficiaries of Ministry of education into budget execution system

In 2022, 725 users operated in the SPIRI system. The amendments to the Law on the Budget System in December 2022 defined the dynamics of the introduction of indirect beneficiaries as follows :



After the introduction of the mentioned users in SPIRI, the total number will increase to 2,527 users.



Activities undertaken

- The Government of the Republic of Serbia adopted a Conclusion ordering the Ministry of Education to undertake all the necessary activities for the implementation of system testing and training of employees in schools.
- The first step when introducing new beneficiaries to the system was the establishment of a test system. The test system was implemented containing all the functionalities as the production application SPIRI
- The conclusion of the Government of the Republic of Serbia defined that secondary education institutions register for access to the test environment in the period from April 1st, 2023 to June 1st, 2023, and elementary education institutions in the period from May 1st, 2023 to July 1st, 2023.
- Testing of the system by the mentioned institutions is carried out throughout the year, that is, until they are included in the system





Activities undertaken

- In order for beneficiaries to be able to test the system in a timely manner, the Treasury Administration organized training for its use in the period from March 13th to 17th, 2023
- On the Treasury Administration's website, detailed instructions for work in the system, and a video recording of the held trainings were published
- By the Government's conclusion, the Ministry of Education was ordered to submit a report to the Treasury Administration once a month on the activities undertaken to test the system of indirect budget beneficiaries.
- In addition, the Ministry of Education delegated regional advisors to schools, who were in charge of assisting employees “on the ground, regarding working in the system





Activities undertaken

- The last step involved the submission of a time schedule for the transfer of funds from the sub-account and the cancellation of the sub-account, which was submitted by the Treasury Administration in December 2023.
- The time schedule contained detailed instructions on transfer of unused funds, manner of sub-account cancellation, information on cash payment/payout, notification on the manner of return of funds, etc.



Working in the budget execution system- SPIRI

From January 1st 2024, secondary education institutions in SPIRI system have been successfully performing the following:

Recording and changes in appropriations during the year



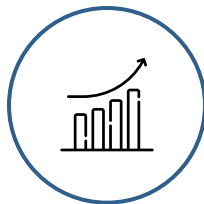
Financial planning of expenditures



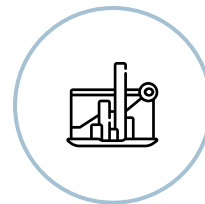
Determining quotas over appropriations financed from own revenues



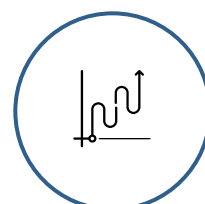
Change of quotas during the year



Execution of payment transactions for assumed liabilities



Monitoring the dynamics of expenditure execution




Working in the budget execution system- SPIRI



- Secondary education institutions in the SPIRI system perform all activities related to the preparation, execution of the budget and reporting.
- Own revenues generated by secondary schools are recorded in the system as a source of financing 04 - Own revenues. As each school has its own unique number of user of public funds (JBKJS), when paying the income to the payment account opened with the Treasury Administration, a special code is assigned to the number containing the source of funding, the JBKJS of the school to which the income refers and the economic classification to which it will be registered.
- Payment accounts are emptied every day to the Treasury's Single Account. Based on the specific code, the system itself distributes the income to the associated school.



Challenges of introducing the beneficiaries into SPIRI

- Development of the IT system to provide unobstructed work of great number of beneficiaries
 - Training of school employees who, by entering the system, received certain work processes that were previously performed by the Ministry of Education on their behalf
 - Technical equipment and personnel of the beneficiary
 - Increased workload in Treasury Administration in Q1 of 2024 due to technical support provision and work errors corrections (e.g. payments with wrong reference numbers)
 - Changes in the system in order to adapt to the specifics of school business processes (e.g. “parental dinar” insurance)
 - School employees being accustomed in new systems
- 

Advantages of comprehensive coverage of the State Sector

- Easier data consolidation
- Increased control over the execution of expenditures within the allowed appropriations
- Increased efficiency of settling undertaken liabilities
- Comprehensiveness of income and expenditure reports at each moment during the budget year
- Decreased number of sub-accounts in payment operations





THANK YOU FOR YOUR ATTENTION!

