



# CASH MANAGEMENT IN TURKEY

**TURKISH TREASURY**  
Cash Management Department



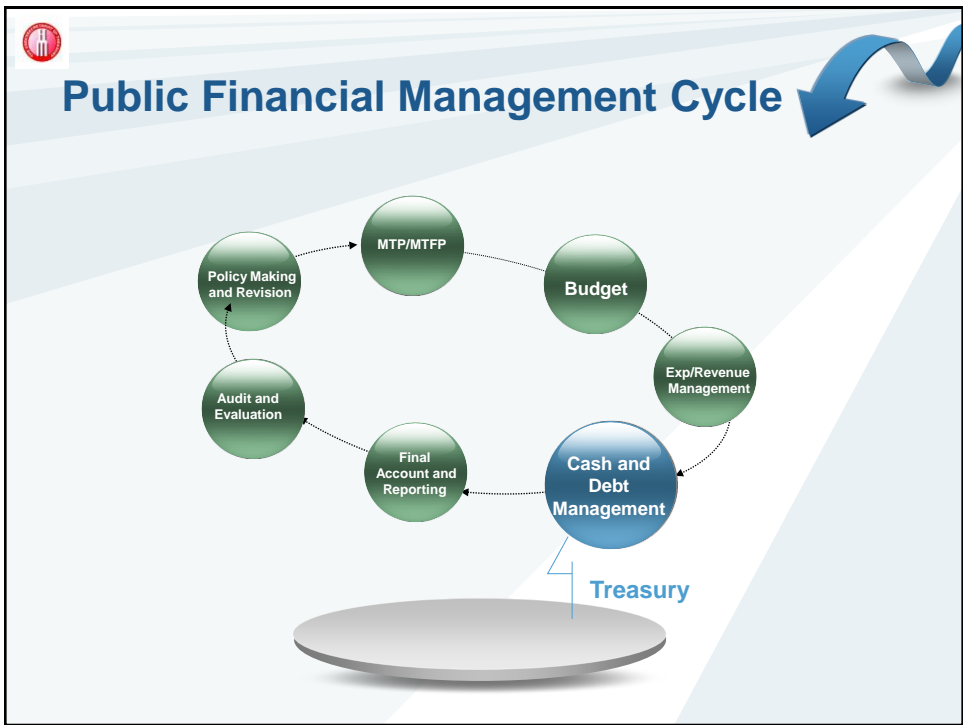
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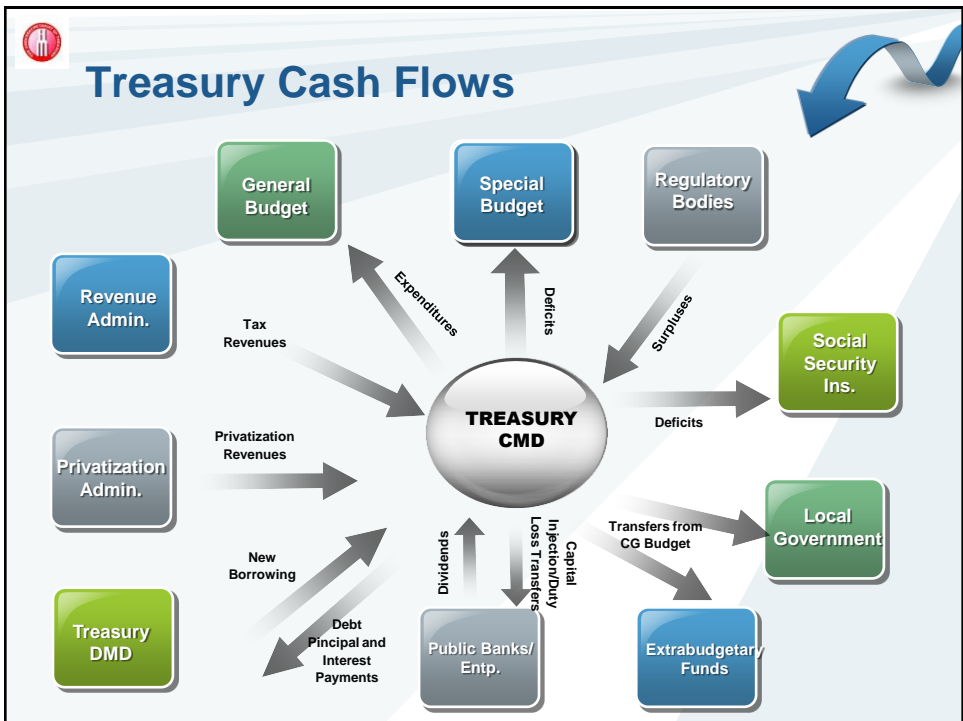
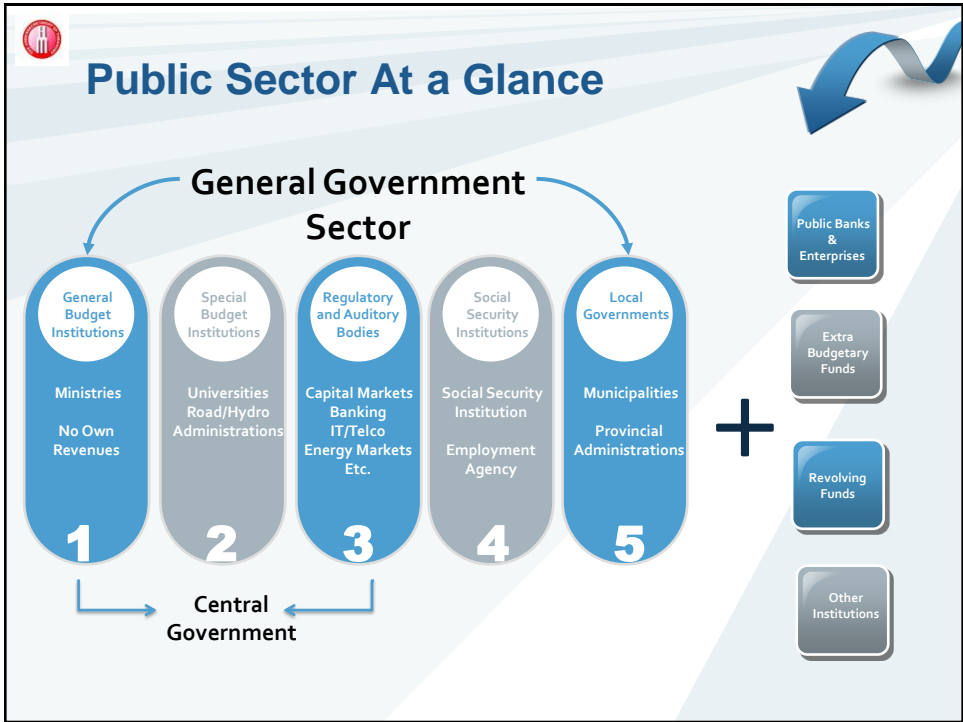


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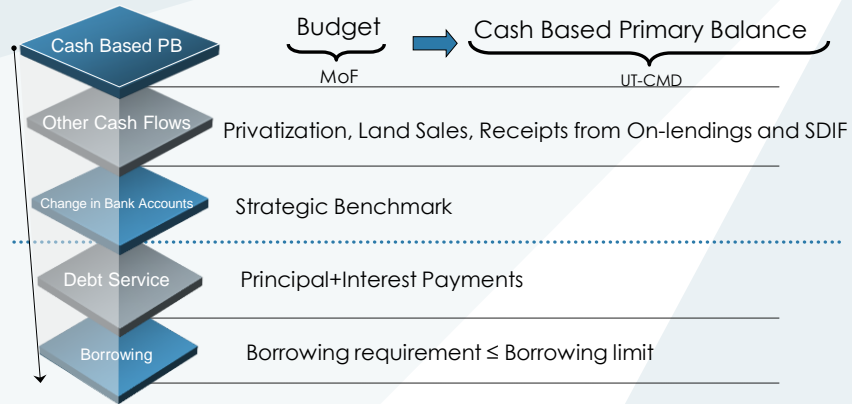
# 1 PUBLIC FINANCIAL MANAGEMENT SYSTEM







## Financing General Budget



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## CASH PLANNING PROCESSES

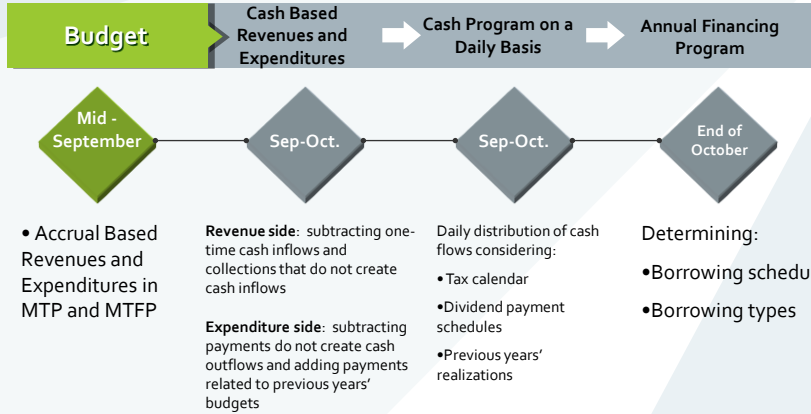




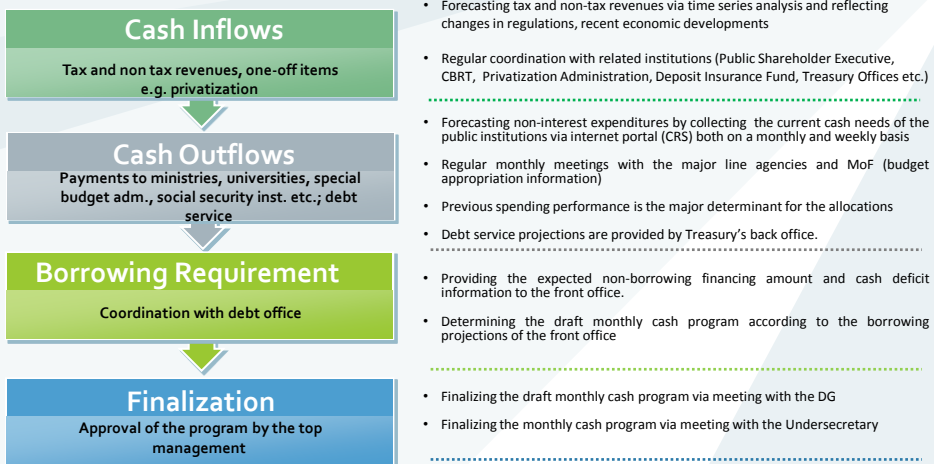
# Annual Cash Planning



Annual cash program is prepared by the end of October based on budget projections

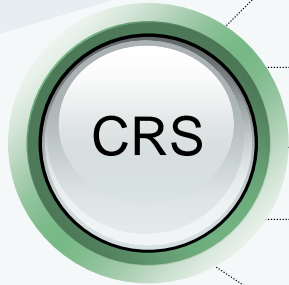


# Monthly Cash Planning-I





## Monthly Cash Planning-II



cash request information of 200 public institutions

regional accounting units, central accounting offices and special budget accounting offices.

feedback for the next month's cash transfers

weekly revision during the month

classification based on main expenditure items



## Daily Cash Planning



- Monthly program figures are translated into daily program figures
  - Specific day of the week is determined for payments depending on the type of the administration, e.g. tuesdays for universities, wednesdays for line ministries.
- Daily cash requests are collected via Public Electronic Payment System (PEPS)
  - Each day institutions submit their cash requests categorized as personnel payments, other obligatory payments (e.g. legal payments) and other payments.
- Budget appropriation figures are gathered from PEPS
  - In order to be able to make a payment all the budgetary processes should be completed.
  - Determines the ceiling for the payments.
- Cash reserves of the institutions are gathered from the Public Treasurship Information System
  - Helps to determine whether the institution is really in need of the cash or not.
- All the information is examined simultaneously and the next day's cash allocation figures are determined

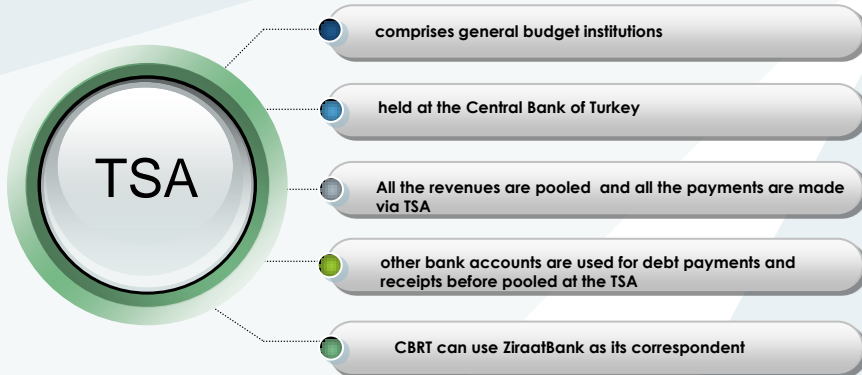


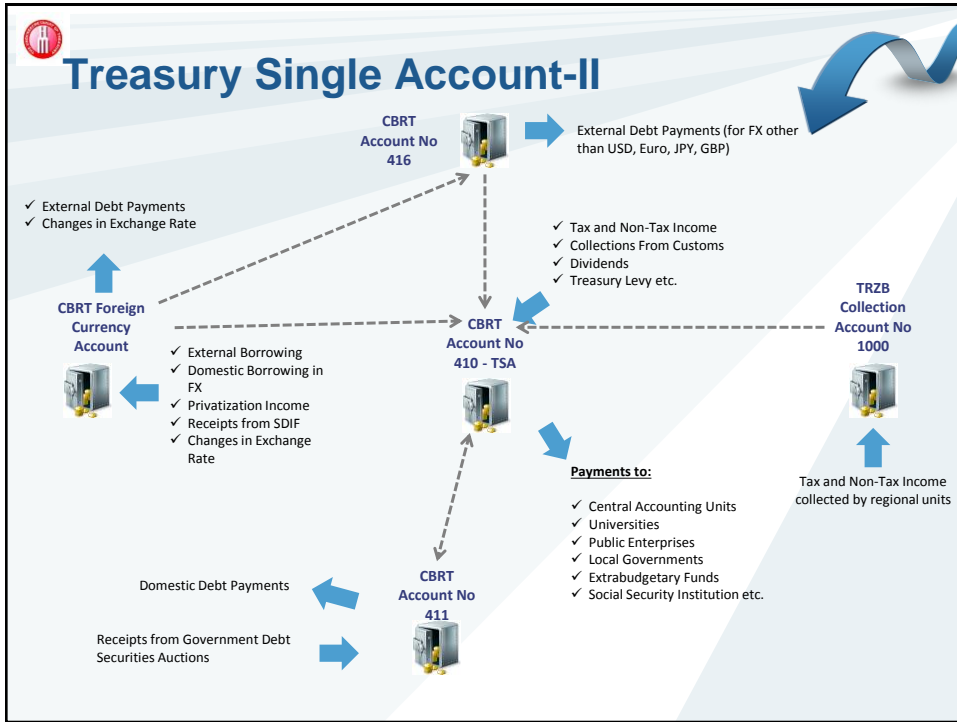
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## TREASURY SINGLE ACCOUNT AND MONITORING



### Treasury Single Account-I





- ## Monitoring
- Deviations from daily cash program are reported daily to the top management
  - Deviations from monthly program are examined at the meeting with DG and Undersecretary
  - Monthly cash realizations are shared with public through Treasury's website on a monthly basis
  - CMD's KPIs are defined as the average monthly deviation in the total revenues and expenditures and CMD is subject to Turkish Court of Accounts's audits and accountable for these KPIs
  - Spending units are evaluated and ranked according to their spending performance on a monthly basis and they are regularly informed about their performance





# 4

## MANAGING CASH RESERVES



## Remuneration of Treasury Cash Reserves

- The objective is to reduce the idle or low-yielding cash amount held at the central bank.
- TL accounts are remunerated weekly and FX accounts are remunerated monthly with market rates.
- Also, remaining TL and FX accounts are remunerated daily under market rates.
- Treasury pays transaction fee to CBRT and ZiraatBank for banking operations.



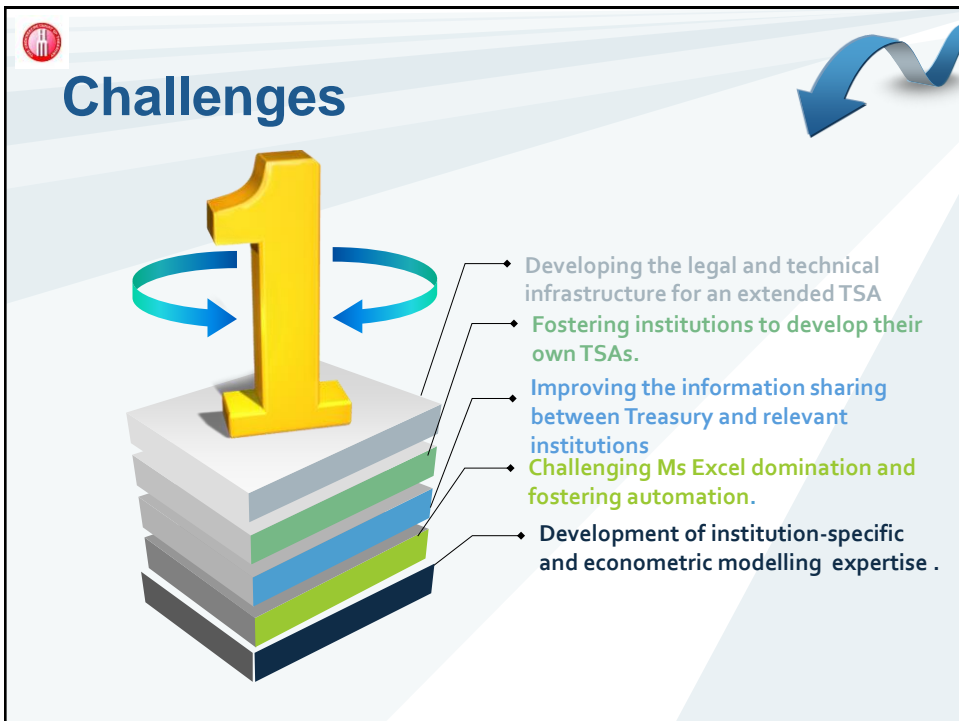
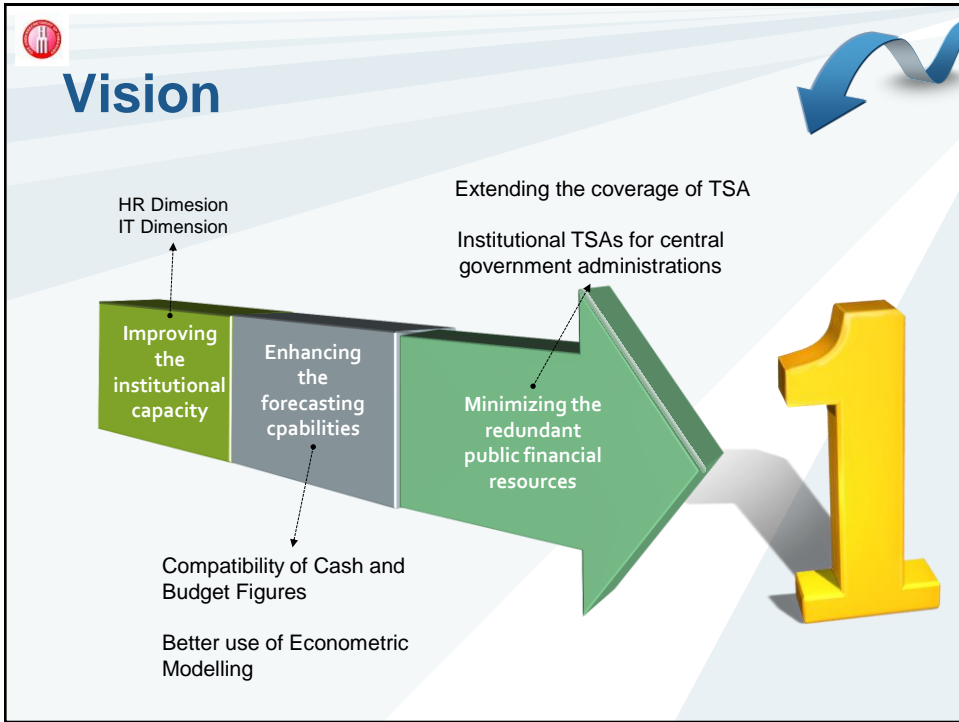


## Short-Term Money Market Operations

- Regulation on Financing Through Money Market Cash Operations; November 8th 2008.
- The objective is to minimize government borrowing costs by using short term cash instruments for managing cash flows.
- 3 types of instruments to balance timing differences of cash inflows and cash outflows within a month.
  - Cash Transaction Note (CTN)
  - Reopen with the Commitment or Repurchase (RCR)
  - Deposit Auction
- Instruments have at most 30 days of maturity
- Not utilized so far due to strategic benchmark on holding strong cash reserves



## 5 VISION & CHALLENGES





**Thank You!**

**TURKISH TREASURY**  
**Cash Management Department**



## **ANNEX-Abbreviations**



- MTP: Medium Term Program
- MTFP: Medium Term Financial Plan
- CMD: Cash Management Department
- DMD: Debt Management Department
- CG: Central Government
- MoF: Ministry of Finance
- UT: Undersecretariat of Treasury
- PB: Primary Balance
- SDIF: Savings Deposit Insurance Fund
- TSA: Treasury Single Account
- CBRT: Central Bank of Republic of Turkey
- TRZB: Turkish Republic Ziraat Bank
- CRS: Cash Request System
- KPI: Key Performance Indicator
- IT: Information Technologies
- HR: Human Resources