



# Extending Coverage of Treasury to Spending Units



*Ministry of Finance  
of the Republic of Armenia  
2024*



# Laws and regulations

(stipulating the functions of the Treasury and the use of budgetary resources)

- The Law of the Republic of Armenia “On the Treasury System”
- The Law of the Republic of Armenia “On the Budget System of the Republic of Armenia”
- Decision of the Government of the Republic of Armenia N706 of 15.06.2018 “On Approving the Procedure for the Execution of Budgets of the Republic of Armenia” (state and municipal budgets, as well as the budgets of state non-profit organizations and other legal entities served by the Treasury)
- Law of the Republic of Armenia “On the National Budget of the Republic of Armenia for 2024”
- Decision of the Government of the Republic of Armenia N2323 of 28.12.2023 “On Measures to Ensure the Execution of the National Budget of the Republic of Armenia for 2024”



# Treasury Single Account (TSA) and Treasury Sub-Accounts

The Single Treasury Account was opened in 1996 and is maintained in the name of the Ministry of Finance at the Central Bank of the Republic of Armenia, denominated in drams of the Republic of Armenia.

The Treasury Single Account includes the following sub-accounts:

1. Sub-accounts for funds of the state budget of the Republic of Armenia (1996)
2. Sub-accounts for funds of local budgets of municipalities of the Republic of Armenia (2000)
3. Sub-accounts for state and municipal extra-budgetary funds (2001)
4. Sub-accounts for implementation units of the programs financed from targeted loans and grants (provided to the Republic of Armenia by foreign states and international organizations), regardless of their organizational and legal type (2010)
5. **Sub-accounts for state non-profit organizations (2018)**
6. Sub-accounts for foundations established by the state and municipalities, as well as for legal entities established by these foundations (2018, at their own discretion, not all of them have transferred their accounts from banks so far, but a draft government decision has been issued, according to which keeping accounts with the Treasury will become mandatory)
7. Sub-accounts for municipal non-profit organizations (2018, at their own discretion, not all of them have transferred their accounts from banks so far)
8. Sub-accounts for companies more than 50 percent owned by the state or municipality or more than 50 percent owned (in aggregate) owned by the state or municipality, as well as for legal entities established by these companies (they have not transferred their accounts from banks so far, but a draft government decision has been issued, according to which keeping accounts with the Treasury will become mandatory)

☒ With the Treasury only

☐ At their discretion, but will become mandatory

☐ At their discretion

☐ Have not transferred, but will become mandatory



# State non-profit school (2018)

## Sources of revenue

Funds from the state budget



Funds from donors and/or donations



Revenue from own operations



State non-profit school

Manages funds independently





# Treasury Information Systems

Treasury Business Day

Client-Treasury

## Integrated Information Systems

LSBUDGET

Electronic public budgeting system

Ministry of Finance of the RA

ARMEPS

Electronic public procurement system

Ministry of Finance of the RA

Taxpayer-3

Electronic reporting system

Committee for State Revenues of the RA

AP-Enterprise

Electronic payroll calculation system

Company "Armenian Programs"





# Treasury Information Systems

- Treasury Business Day

This information system was developed and implemented in the Treasury system of the RA in 1998

In 2005, the TBD system was upgraded and expanded.

In January 2014, the databases of the Central Treasury and 44 local treasury offices were merged into a single database (and the local treasury offices were dissolved).

- Client-Treasury

The treasury account management information system was developed and implemented in the Treasury system of the RA in 2010.

The system supports the electronic completion and submission to the Treasury of expenditure estimates, contract summaries and payment schedules (dates), budget funding requests, invoices, tax bills, budget and financial commitments, payment orders and other documents, as well as the ability to view accounts, generate statements and certificates in real time.





# Law “On the National Budget of the Republic of Armenia for 2024”

## Transition to program-based budgeting from 2019

The law applies to [main administrators of budget allocations](#). The law approves:

- Budget program 1001
    - *Development of the policy on land resources management, project coordination and monitoring*
      - [Government agency in charge \(main administrator of budget allocations\)](#)  
[Ministry of Territorial Administration and Development of the RA 104001](#)  
*Activity 11001*  
*Development of the policy on territorial administration and service delivery*  
*(annual financial and non-financial indicators)*  
*Activity 31001*  
*Capacity building and technical equipment of the Ministry of Territorial Administration and Development*  
*(annual financial and non-financial indicators)*  
*Activity... (annual financial and non-financial indicators)*
- ...
- Budget program 1146
  - *General education*
    - [Government agency in charge \(main administrator of budget allocations\)](#)  
[Ministry of Education and Science of the RA 104010](#)  
*Activity 11001*  
*Primary general education*  
*(annual financial and non-financial indicators)*  
*Activity 11002*  
*Basic general education*  
*(annual financial and non-financial indicators)*  
*Activity 12001*  
*Secondary vocational education*  
*(annual financial and non-financial indicators)*  
*Activity ...*  
*(annual financial and non-financial indicators)*
- ...
- Budget program 9010



# Decision of the Government of the Republic of Armenia N2323 of 28.12.2023 “On Measures to Ensure the Execution of the National Budget of the Republic of Armenia for 2024”

## Transition to program-based budgeting from 2019

- Budget program 1146

- General education*

- Government agency in charge

- Ministry of Education and Science of the RA 104010*

- Activity 11002*

- Basic general education*

- (quarterly financial and non-financial cumulative indicators)*

- Executing government agency

- (main administrator of budget allocations)*

- Ministry of Territorial Administration and Development of the RA 104001*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Aragatsotn of the RA 106002*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Ararat of the RA 106003*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Armavir of the RA 106004*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Gegharkunik of the RA 106005*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*



- Office of the Governor of Lori of the RA 106006*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Kotayk of the RA 106007*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Shirak of the RA 106008*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Syunik of the RA 106009*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Vayots Dzor of the RA 106010*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*

- Office of the Governor of Tavush of the RA 106011*

- Item of economic classification of budget expenditures:

- 4511 Subsidies to non-financial public entities

- (quarterly cumulative indicators)*





The executing/administrative government agency uses Client-Treasury to submits the following to the Treasury:

- expenditure estimates
- contract summaries and payment schedule (dates)
- budget funding requests
- supporting documentation
- financial commitments

The executing government agency approves annual budgets and quarterly budgets of schools (state non-profit organizations).





State non-profit schools use Client-Treasury to send their balanced annual budgets to the executing government agency for approval.

After approval by the executing government agency, state non-profit schools use Client-Treasury to submit the following to the Treasury:

- expenditure estimates
- contract summaries and payment schedules (dates)
- budget funding requests
- supporting documentation
- payment orders



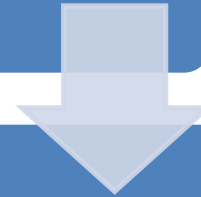
State non-profit schools account for their funds by using the Treasury's information systems, Treasury Business Day and Client-Treasury.



# Financing from the state budget

Public general resources

Government agency in charge (main administrator of budget allocations)



Executing/administrative government agency



State non-profit school



# Reporting

- State non-profit schools do not submit financial reports to the Treasury.
- They submit quarterly financial reports to the executing government agency (Ministry of Education and Science, Offices of Governors, Ministry of Territorial Administration and Development) outside of the Treasury's information systems. These reports cover all their funds.
- The executing government agency submits the quarterly financial reports of schools to the Ministry of Finance (Department for Accounting and Auditing Supervision and Reporting Monitoring, *outside of the Treasury*)
- The Ministry of Finance consolidates the quarterly financial reports of schools and publishes them on the official website of the MoF [/www.minfin.am/](http://www.minfin.am/).



# GFMIS / Government Financial Management Information System

## *Future Plans*



- Terms of reference are in the process of preparation
- In addition to the principles of transparency, accessibility, unity of modules and compatibility of databases, a key principle in the design of the system is the efficiency of the use of funds: i.e. creating an environment that allows inappropriate and ineffective budget programs to be identified.
- Issues related to accounting and reporting also need to be addressed.



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*THANK YOU!*