

HUNGARIAN STATE TREASURY

PEMPAL TREASURY COP 2024 ANNUAL PLENARY MEETING

SPENDING UNITS AS TREASURY DIGITAL CLIENTS: SMALL GROUPS DISCUSSION, JUNE 4TH



1. Primary and Secondary Schools as Spending Units

- In Hungary Primary and Secondary schools are parts of the **Central Budget**
- Independently operating institutions with their own appropriations
- Their bank accounts are managed by the Hungarian State Treasury as part of Treasury Single Account
- Schools are **financed monthly** (time-based and performance-based financing)
- They also have their own revenues (e.g. rental fees)
- Appropriation, commitment and payment management in their own **bookkeeping system** and in **FMIS** parallel



2. Executing Payments for Spending Units

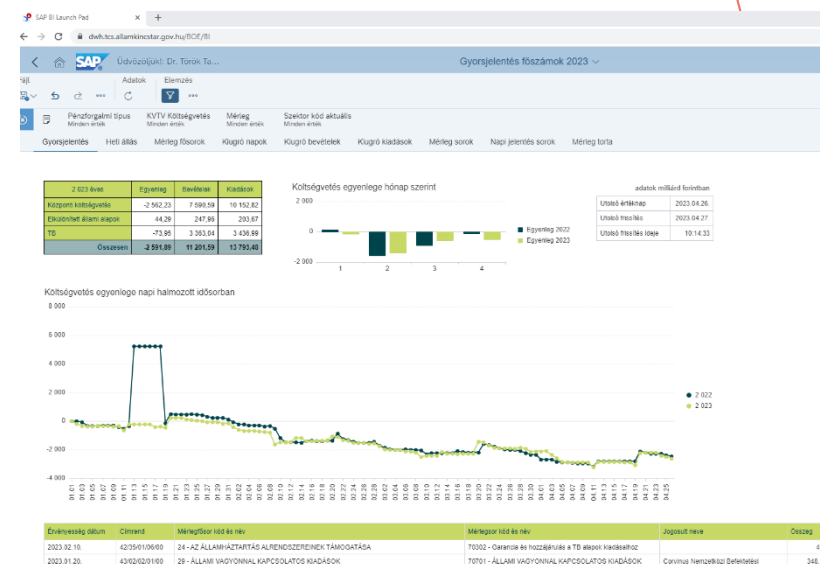
- Payments are directly submitted in the **banking system** of HST (on client frontend)
- **Banking system** and **FMIS** is integrated:
 - Budget control: Appropriations, commitments control
 - Account balance control
- In general electronic payment
- HST has nationwide network of bank branches (e.g. cash withdrawal)
- Payment doesn't depend on the source of funds



PÉNZFORGALMI SZOLGÁLTATÁS

3. Accounting and Reporting by Spending Units

- Every spending unit has its own bookkeeping system
- **Own general ledger**
- Integrated with FMIS of HST
- Reporting of accounting data in KGR-K11 data collection system of HST
- **KGR-K11 system** collects:
 - Budget data – Interim budget report (monthly)
 - Property data - Interim balance sheet report (quarterly)
 - Annual budget report (annually)
- Users of data: MoF, National Bank of Hungary, Central Statistical Office, State Audit Office and Public (Public Finance Portal)



4. Future Plans

- **Benefits:**

- Daliy monitoring of the budget execution (FMIS)
- Paperless, fast payment

- **Spending Units:**

- About 600 spending units (Ministries, Agencies, other institutions)
- Whole Central Government in TSA
- Local Governments are not required to keep treasury accounts

- **Plans:**

- Expand the range of treasury account holders (e.g. public companies)
- Development of banking services (Request for Payment (R2P), secondary account identifiers, mobile application)
- Detailed information on commitments
- Standard accreditation process for bookkeeping systems
- Developing automated reporting tools



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THANK YOU FOR YOUR ATTENTION!

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