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## **SPENDING UNITS AS DIGITAL TREASURY BENEFICIARIES (KINDERGARTENS, PRIMARY AND SECONDARY SCHOOLS)**

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Ministry of Finance  
Montenegro

## LEGAL BASIS

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- Law on Budget and Fiscal Responsibility
- Instructions on the Treasury Operations
- General Law on Education and Care



## **PRESCHOOL, PRIMARY AND SECONDARY EDUCATION (KINDERGARTENS AND SCHOOLS) AS SPENDING UNITS**

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- Kindergartens and schools are indirect budget beneficiaries through the Ministry of Education, Science and Innovation.
- They are mostly financed from public revenues, i.e. the state budget, but they can also be financed from own revenues: fees paid by parents, income from property (leasing, e.g. Renting out gymnasiums, etc.), funds from the sale of services and products, donations and sponsorships, and other sources.
- They are not recognized as separate spending units, but funds for their work are planned in the budget of the Ministry of Education, Science and Innovation, within two programs: the primary and preschool education program and secondary education program.
- Each school and kindergarten has a special account to which funds from the state budget – Ministry of Education, Science and Innovation are transferred. They use this account for payments. The mentioned accounts are also used to collect the other aforementioned revenues, which are not part of the consolidated treasury account.



## EXECUTION OF PAYMENTS FOR KINDERGARTENS AND SCHOOLS

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- Schools and kindergartens do not use the Treasury system for accounting and reporting purposes, but they report to the relevant Ministry of Education, Science and Innovation, which consolidates the reports and submits them to the Ministry of Finance.
- The mentioned public institutions are obliged to submit a report on their own income and expenditure, so that it is unified, that is, included in the report on consolidated public spending.
- Schools and kindergartens are required to submit income reports to the Ministry of Education, Science and Innovation on prescribed forms, on a quarterly and annual basis.



## FUTURE PLANS

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- The biggest problems with this type of financing are the control of real needs, dedicated spending of budget and own revenues.
- Currently, work is being done on developing a model for the complete consolidation of educational institutions into the Treasury system, however, the challenges are significant, starting from the IT infrastructure, staff training, software costs, etc.
- Regarding the coverage of other spending units, please note that:
  - state bodies, such as ministries, administrative bodies, state funds (Pension and Disability Insurance Fund, Health Insurance Fund), judicial bodies, the National Assembly, the President, etc. fully part of the consolidated treasury account,
  - public institutions such as cultural institutions and centers for social welfare are fully part of the consolidated treasury account,
  - public institutions such as educational institutions (university, schools, kindergartens) and health institutions (clinical centers, hospitals and health centers), are partly included in the consolidated treasury account – full consolidation of all public institutions is ongoing,
  - municipalities, independent regulatory bodies and companies and legal entities where the state is a majority owner, are not part of the consolidated treasury account (all established and independent in accordance with special laws).