

Cash Flow Management and Forecasting Tools:

1. Discuss what elements exist in your country

- **TSA structure and coverage. What is in and what is excluded.**

Included

Receivables

- State Budget Receivables
- Autonomous Republic Budget Receivables
- Local Budget Receivables
- LEPL and NCLE Receivables (with certain exception)
- Special Purpose Grants
- Investment Grants and Loans
- Deposits of Organizations Served by Treasury

Payables

- State Budget Payables
- Autonomous Republic Budget Payables
- Local Budget Payables
- LEPL and NCLE Payables
- Special Purpose Grants

Excluded

- Certain LEPL and NCLE Receivables and Payables (e.g. Public schools, Voucher System is introduced since 2008)
- State Enterprises Receivables and Payables

- **Annual plan by month on budget spending – updated each month, quarter?**

Financial Plan is updated monthly

- **Rolling forecast of the TSA balance forward for 1,2 or 3 months**

Monthly Financial Plan of Cash Disbursement within State Budget

2. The sources of data and use:

- **How is information on cash obtained? – e.g. through regular plans from budget entities updated periodically, historical data sets**
- **Explain the primary sources of information and how this is collected and used**
 - o Fixed charges (social payables, wages, diplomatic mission, etc.)
 - o Information from Spending Organizations – Quarterly Disbursement Plan and additional information.

- operational program of State Treasury is integrated with procurement program and while registration of the contract spending organization is obliged to present cash disbursement plan
- Statistical data of previous years is also considered

- **What are some of the strengths and issues with this data?**

Weaknesses are sudden decisions of spending organizations and overdue accomplishment of works by contractors

3. Tools for managing a cash deficit:

- **In your country what mechanisms are in place for reacting to cashflow problems, either short or longer term? For example, a common mechanism is that the Treasury withholds payments. Are there other mechanisms used in your country?**

Such situation for nowadays is not typical, so State Treasury of Georgia has not some short landing tools, emergency landing from banking sector or direct landing from National Bank of Georgia is prohibited. Only thing that has been used is Cash Rationing, which must be corrected in short term period.

4. Tools for efficient cash management:

- **Have you instituted mechanisms for improving borrowing efficiency or investing of cash balances?**

- No direct loans from banking sector or from National Bank
- For the purposes of long term economic stimulation 2 and 5 year deposits are settled in the commercial banks of the country
- Active management of the idle money will be introduced soon

- **If so what are these measures?**

First step will be short term deposits in the commercial banks

- **Does your country target a cash balance, and does it have a cash buffer?**

Not yet. To be defined in the strategy

- **If so how are these calculated?**