

# Spending Units as Treasury Digital Clients

## Potrošačke jedinice kao digitalni korisnici Trezora

Group/Grupa 1: Serbia, Bosnia and Herzegovina, Croatia, North Macedonia, Montenegro, Indonesia

# What type of integration do you have for spending units in your country



- ❑ **Croatia** – is a distributed system for state budget entities (distributed - option 1). Local govt is autonomous and therefore entities are not integrated
- ❑ **North Macedonia** – portal for commitments (portal) and e-forms for payments so a variation on option 2
- ❑ **Montenegro** - distributed for direct budget entities but not for indirect entities like schools
- ❑ **Bosnia and Herzegovina:**
  - ❑ Republic of Srpska - distributed to direct budget entities
  - ❑ Federation – distributed at Canton level, but not across Cantons
- ❑ **Indonesia** – distributed to state budget entities but not to local budget entities

# 1. Schools as Spending Units / Osnovne i srednje škole, kao potrošačke jedinice



- ❑ Croatia – 577 subnational units, four decentralized functions including education, 1,300 schools, and 60,000 staff. Clear separation between state and local budgets- local government is quite separate and has its own TSA. Execution is direct. The national level finances salaries and allowances for schools, part of capital expenditures, and any missing funds (equalization funds); the remaining is financed by the local level.
- ❑ Montenegro – schools are indirect budget entities within the Ministry of Education and Science (the direct budget entity). Budget law defines the allocation. Primary and Secondary education is allocated in the Ministry’s budget. Schools have their own additional sources such as fund raising, parents ,and donations. They report quarterly and annually on payments. Ministry pays the schools directly to their commercial bank accounts periodically and these funds are then reported back to the Ministry. Funds are disbursed monthly (1/12) from the controlling ministry using the Treasury system.
- ❑ Bosnia and Herzegovina
  - ❑ Republika Srpska (RS) - Oracle system. Primary and secondary schools under the Ministry of Education. Primary fully financed from Republic central budget. Secondary schools salaries paid centrally whereas the remainder of spending is funded from local government own sources. All sources for primary schools managed by Ministry of Finance including grants. The schools also use the Oracle system for reporting. Reporting done monthly, and there are also quarterly and annual reports.
  - ❑ Federation of Bosnia and Herzegovina (FBiH) - Education is with regional canton jurisdiction and the financing is done through Treasuries at the canton level. Schools are indirect budget users (each individual school is included in the adopted budget too).
- ❑ North Macedonia- education including preschool, primary and secondary are defined in the Law on Financing unit of Local government. Local government are part of the TSA and Treasury system, so schools initiate their payment orders through the Treasury. They open accounts for budget execution in the Treasury. 1300 budget users, 81 local governments operating through the Treasury.
- ❑ Indonesia – schools are a local government responsibility. They request payment through the local government and they make their own payments. FMIS centrally has 19,000 budget entities and 200,000 users with 24/7 support. 200,000+ schools.

## 2. Executing payments/ Izvršenje plaćanja potrošačkih jedinica



- ❑ Croatia - centralized payroll system and process. Each school enters its own salaries, and the Ministry of Science reviews and provides the funding, through accounts specifically for salary payments in the CB of Croatia. Other payments are executed directly by schools on local commercial bank accounts. Clear separation between state and local budgets- local government is quite separate and has its own TSA.
- ❑ Montenegro – directly through commercial bank accounts
- ❑ Bosnia and Herzegovina– FBiH: at the Cantonal level, each school included fully as an indirect user in the adopted budget and execution within the Cantonal budgets, through Cantonal treasuries; RS - For primary and secondary schools we have regional offices and payment vouchers are physically brought to regional offices who exercise control and approve the payment orders, these are entered directly into Treasury system and are approved by Treasury and paid.
- ❑ North Macedonia - via payment voucher “semi-electronically” into system – executed through regional treasury offices (control). No variation to processing by sources.
- ❑ Indonesia –state budget entities they enter transactions directly into the system

### 3. Accounting & Reporting / Računovodstvo i izveštavanje



- ❑ Croatia –all done by local government and submitted electronically
- ❑ Montenegro - schools submit reports to the Ministry which consolidates these quarterly and annually - done physically
- ❑ Bosnia and Herzegovina
  - ❑ RS – SUFI Oracle system – at central and local level- schools physically prepare forms and submits to regional offices and these are entered into a system for reporting
  - ❑ FBiH – no unified policy of secondary reporting; schools send reports to the Cantonal Ministries of Education, which consolidates data
- ❑ North Macedonia - uses treasury system for reporting and accounting – they have access to this and can report expenditures by all sources. Reporting is quarterly and annual to the Ministry and also to central register as the law requires.

## 4. Future Plans/ Planovi za budućnost



- ❑ Croatia - plans to expand the Treasury to include cultural institutions first and eventually universities and hospitals. 318 of the local self-government entities are part of the Treasury but this gives close to 98% coverage, so the remaining institutions reflect a small amount of total spending. No plans to integrate schools.
- ❑ Montenegro – want to integrate all indirect users into the Treasury but have infrastructure challenges, some institutions are very small and there are licensing costs to consider too; so currently considering different options. Most health institutions are part of the TSA whereas the lower-level education spending units are only partially covered. Local governments have their own laws but are outside the treasury.
- ❑ Bosnia and Herzegovina – RS looking to integrate additional budget units, including Pension and Insurance Fund. Primary health care centers are already indirect budget users through local budgets. FBiH no plans to integrate schools, due to decentralization and local governance autonomy considerations.
- ❑ North Macedonia - new Treasury system plans to better integrate all spending units, not just schools. The biggest challenge is the overall digitalization of all processes. Hospitals are currently outside the treasury and the Health Insurance Fund there will be challenges but this could be the next steps.

**THANK YOU!**  
**HVALA!**

