

Spending Units as Treasury Digital Clients

June 5, 2024

Group: Albania, Azerbaijan, Hungary, Romania, Serbia, Türkiye

Overview



- ❑ **Payment/Receipt Process:** Half of the Group members* carry out the payment and receipt processes indirectly, while others maintain directly.
- ❑ **Source of Income:** In two of the group members, the only source of income for schools is the state budget, while in others the sources of income are much more diverse.
- ❑ **System Used:** In two of the group members, the resource management of schools is carried out through a single system, while in the others it is carried out through two systems.
- ❑ **Electronic Transaction:** Half of the Group members conduct their payment transactions entirely electronically, while the other half conduct paper-based transactions as well as electronically.
- ❑ **Reporting:** In all group members, reporting on school expenditure transactions is regularly reported to the Ministry of Finance and the Ministry of National Education.
- ❑ **Future Plans:** Some countries have set targets for the future, particularly in terms of increasing coverage while the others consider that the existing system is sufficient. They prefer to focus on projects for improvement in other areas rather than on improving the current system.

*6 Countries in Group-2: Albania, Azerbaijan, Hungary, Romania, Serbia, Türkiye

1. Schools as Spending Units



- ❑ Payments/receipts hierarchy
- ❑ Funds management by revenue source

Country	Albania	Azerbaijan	Hungary	Romania	Serbia	Türkiye
Schools as Spending Units: - payments/receipts hierarchy - funds management by source	<ul style="list-style-type: none"> • Indirect processing of payments • All > Centr + Loc + Own & Other (dev par + don) • Managed both via AGFIS & themselves 	<ul style="list-style-type: none"> • Indirect processing of payments • Only state budget (central) • Only Treasury System (TIMS / SAP) 	<ul style="list-style-type: none"> • Direct processing of payments • Only state budget (central + own rev + EU) • Managed both via FMIS and oen acct systems 	<ul style="list-style-type: none"> • Direct processing of payments • All > Centr + Loc + Own & Other (dev par+don+EU) • Only TREZOR 	<ul style="list-style-type: none"> • Direct processing of payments (SPIRI) + ePP for others • All > Centr + Loc + Own + Don + PTA • SPIRI and ePP 	<ul style="list-style-type: none"> • Indirect processing via MoE/SU • All > Central + local gov + PTA (man indep). • Managed both via TS & themselves (PTA)

2. Executing payments



- ❑ How are payment requests filed and payments routed? (electronic/paper, directly/indirectly)
- ❑ Does the procedure depend on revenue source?

Country	Albania	Azerbaijan	Hungary	Romania	Serbia	Türkiye
Executing payments - how? (electronic/paper, directly/indirectly) - does it depend on revenue source?	<ul style="list-style-type: none"> • Both electronic and paper to REOs • Via AGFIS web portal for budget funds • Yes 	<ul style="list-style-type: none"> • Only electronic doc • RECs access via web portal • No. One system used for exec 	<ul style="list-style-type: none"> • Only electronic doc • Direct access • No. One system used for exec 	<ul style="list-style-type: none"> • Both electronic and paper • Via paper or Internet • No 	<ul style="list-style-type: none"> • Both electronic and paper • Direct access • Two TA systems used for exec. • No 	<ul style="list-style-type: none"> • Electronic docs submitted • PTA managed independently • Yes

3. Accounting & Reporting



Country	Albania	Azerbaijan	Hungary	Romania	Serbia	Türkiye
Accounting & Reporting - system used - scope - route - frequency	<ul style="list-style-type: none"> MES and REOs use AGFIS for acct and reporting of all schools. All reported to MoF & MoE Monthly 	<ul style="list-style-type: none"> e-Reporting (separate) for accounting and reporting All reported to MoF & MoE Quarterly 	<ul style="list-style-type: none"> Own Acct System linked to FMIS KGR-K11 for data collect & report DWH for rep All reported to MoF & MoE DWH (d/m), KGR (m/q) 	<ul style="list-style-type: none"> Own Acct System All reported to MoF, MoE, & Loc Aut Monthly and quarterly 	<ul style="list-style-type: none"> Schools use own acct programs, those could be modernized to become more compatible with SPIRI ISPF app to upload their annual report All reported to MoE Quarterly and annually 	<ul style="list-style-type: none"> MoE/SUs use TS for acct and reporting of all schools (IFMIS). MoE for PTA accounts. All reported to MoTF & MoE MoTF (daily) & MoE (monthly)

4. Future Plans



- ❑ Challenges/benefits
- ❑ Plans to expand/reduce treasury coverage of schools
- ❑ Plans on other spending units

Country	Albania	Azerbaijan	Hungary	Romania	Serbia	Türkiye
Future Plans - challenges/benefits - plans to expand/reduce treasury coverage of schools - plans on other SUs	<ul style="list-style-type: none"> • Access to HRMIS • Expand access to web portal 		<ul style="list-style-type: none"> • Expand the range of Treasury Acct • Banking services • Info on commit • Std accredit • Automated reporting tools 	<ul style="list-style-type: none"> • Centralize d e-TREZOR • Internet banking • Simplified reporting (rep to MoF) 	<ul style="list-style-type: none"> • Include 1300 schools in 2025 in SPIRI 	

Relevant Options (Integration of Spending Units with FMIS) For Countries in Group-2



- Relevant option for the countries in Group-2 for budget execution

Model	Countries
Option 1 – Direct Integration Using the FMIS	Serbia
Option 2 - Direct Integration Using Web Portals / APIs	Azerbaijan
Option 3A - Direct Integration Using Third Party Software (self Acct SW)	
Option 3B - Indirect Integration for Payments but Direct Integration for Financial Reporting and/or Cash Mgmt without Consolidating Transactions	
Other options	
Hybrid (Option 1 + 2)	Albania, Romania
Hybrid (Option 1 + 3A)	Hungary, Türkiye

THANK YOU!

