

# Spending Units as Treasury Digital Clients

Group 3: Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan

# 1. Schools as spending units



- ❑ Armenia, Kazakhstan, Tajikistan: All in the TSA
- ❑ Kyrgyzstan and Uzbekistan: All budget funds in the TSA at the level of district education departments (a school is not a separate entity), in Kyrgyzstan funds from sponsors can be in a commercial bank at the school level
- ❑ Revenues are distributed through the education system levels – then go to the entity (Uzbekistan – extra-budgetary revenues go to the regional level, not to the school level, through the TSA)
- ❑ Georgia: In the process of integrating all schools directly into the Treasury (within the TSA)

## 2. Executing payments



- ❑ How are payment requests filed and payments routed?
  - ❑ To the Treasury: electronic (Armenia, Kazakhstan, Tajikistan, Georgia from the school level), Kyrgyzstan, Uzbekistan – electronic (from the district education department level)
- ❑ Does the procedure depend on revenue source?
  - ❑ Same for all revenue sources (Tajikistan, Armenia, Uzbekistan)
  - ❑ No restrictions if done through the school Board of Trustees (Kyrgyzstan) or in the same way as budget funds in case of revenues received into the Treasury's account
  - ❑ Less control over the spending of special means (received from sources other than the budget) (Kazakhstan)

# 3. Accounting and reporting



- ❑ System used
  - ❑ Accounting centralization process: Kyrgyzstan – pilot project
  - ❑ Tajikistan: Separate accounting systems in place yet (paper, own system, or in Excel) in each school based on IPSAS standards
  - ❑ Kazakhstan, Armenia: Each school has its own system
  - ❑ Georgia: Transitioning to a centralized accounting system
  
- ❑ Scope
  - ❑ Tajikistan: Reporting expenditures for all sources
  
- ❑ Reporting route
  - ❑ To local, regional governments and then to the Ministry of Finance (Kazakhstan, Armenia)
  - ❑ To the Ministry of Education and from there to the Treasury (Georgia)
  - ❑ To parent education entities (regional / district education department, Ministry of Education, from there to the relevant entities) (Uzbekistan, Kyrgyzstan)
  - ❑ From a school to a parent organization, then to the main administrator of budget funds (Ministry of Education), then to the Main Directorate of the Central Treasury (Tajikistan)
  
- ❑ Frequency
  - ❑ Quarterly, annually

## 4. Future plans



- ❑ Challenges of direct integration into the TSA at the school level:
  - ❑ Staffing (having an accountant in each school is not always justified)
- ❑ Benefits of direct integration
  - ❑ In the TSA system: Transparency, control, safety (compared to commercial banks)
  - ❑ Automatic control and speed of execution of transactions (Armenia)
- ❑ Plans to expand/reduce treasury coverage of schools?
  - ❑ For schools: Direct integration in Georgia
- ❑ Plans for accounting and reporting centralization and automation
- ❑ Plans to integrate other spending units or other clients into the Treasury system
  - ❑ Kazakhstan: 5-6 thousand indirect beneficiaries (public utilities, childcare centers) to be returned to the TSA system
  - ❑ Integration of state unitary enterprises (50 or more percent owned by the state) into the TSA – Uzbekistan, Armenia

**Thank you!**

