

(“Official gazette of The Republic of Macedonia” No. 147/10 and 34/11)

Pursuant to article 20, paragraph 3 from the Law on Public Internal Financial Control (“Official Gazette of the Republic of Macedonia” no.90/09) the Minister of Finance approved the following

**RULEBOOK
FOR THE WAY OF IMPLEMENTATION OF THE GENERAL FINANCIAL
PROCESSES**

Article 1

This Rulebook regulates the way of implementation of the general financial processes within the budget users from the area of legislative, executive and judicial authority, fund, municipalities and the City of Skopje (hereinafter: the entity).

Article 2

General financial processes in the meaning of this Rulebook are: the process of internal distribution of the total approved budget, the process of undertaking financial commitments and the payment process.

Article 3

The internal distribution of the total approved budget covers:

- unallocated part of budget,
- budget that is intended for the common expenditures of the entity (salaries, electric energy, heating, water, current and investment maintenance, common goods and services and other) and
- budget that is intended for realization of the policies and projects.

Article 4

(1) The process of internal distribution of the total approved budget is conducting according to a decision from the head of the entity with which is ascertaining: the total approved budget of the entity, unallocated part of the budget for which spending is responsible the head of the entity, the budget intended for common expenditures of the entity for which spending is responsible the State Secretary or

the person authorized by the head of the entity and the budget which is intended for realization of the policies and projects for which spending are responsible all heads (the official who manages the body within the composition of the entity that is not direct budget user and is not legal entity, the heads of the departments and the heads of the project units, meaning the temporary units for realization of certain objectives/projects) as well as the maximum amounts by programs and accounts.

- (2) The decision from paragraph 1 of this article shall be prepared by the head of the Financial Affairs Unit, approved by the State Secretary or a person authorized by the head of the entity and signed by the head of the entity latest by 10th January in the current year.
- (3) In case of changes and amendments of the Budget of the Republic of Macedonia, meaning to the budgets of the municipalities and the City of Skopje, new decision shall be adopted in which besides the previously ascertained amounts shall be entered also the changed amounts by programs and accounts in a new column.
- (4) The decisions from paragraph (1) and (3) of this article within eight days of the day of adoption shall be submitted to the Ministry of Finance.
- (5) The form of the decision for internal distribution of the total approved budget shall be published on the website of the Ministry of Finance.

Article 5

- (1) The process of undertaking financial commitments includes undertaking of:
 - financial commitments for purchasing, leasing and renting that can be committed only based on a written contract;
 - financial commitments for giving subventions, subsidies, financial aid, loans or guarantees on third party and capital participation that can be committed only based on act of the authorised body adopted in accordance with a law by which is regulated this right; and
 - financial commitments for small purchases of goods and services that can be committed with written order and written order confirmation by the supplier.
- (2) Financial commitments from paragraph 1 of this Article can not be committed orally neither by an electronic mail.

Article 6

- (1) Financial commitments shall be committed only based upon a written procedure prepared by the head of the Financial Affairs Unit, approved by the State Secretary, meaning the person authorized by the head of the entity and shall be adopted by the head of the entity.

(2) Financial commitments with significant time difference between the day of occurring of the commitment and the day of payment shall be documented and recorded in the financial accounting system in such way that will able the payment ordonnator to be aware of the day of payment and the credit ordonnator for the not spent part of the budget managed by him/her.

Article 7

- (1) The credit ordonnator is responsible for regular, effective, efficient and economical spending of his/her budget.
- (2) Credit ordonnator for the unallocated budget is the head of the entity or a person authorized by him/her.
- (3) Credit ordonnator for the budget intended for the common expenditures of the entity is the State Secretary, meaning a person authorized by the head of the entity.
- (4) Credit ordonnator for the budget intended for realization of the policies and projects are the heads from article 4, paragraph 1 of this Rulebook.
- (5) Financial commitments may be undertaken by a credit ordonnator on behalf of the head of the entity.
- (6) The credit ordonnator shall not undertake financial commitments if there are no planned resources in the budget or they are insufficient.

Article 8

The credit ordonnator can not maintain accounting record of the financial commitments.

Article 9

- (1) The payment process means issuing payment order by signing payment order by authorized person for payments upon prior received payment request from the credit ordonnator.
- (2) Payment ordonnator is the head of the Financial Affairs Unit.
- (3) The payment order from paragraph 1 of this article shall be submitted to the Treasury in the Ministry of Finance for payment execution.

Article 10

- (1) The payment request from article 9 paragraph 1 of this Rulebook contains:
 - contract for purchase, invoice/situation and a document for confirmation of the receiving regarding the undertaken financial commitments from article 5, paragraph 1, line 1 of this rulebook, or
 - act for undertaken financial commitments from article 5, paragraph 1, line 2 of this Rulebook; and
 - check lists for undertaking financial commitments prepared according to the directives published on the web site of the Ministry of Finance.
- (2) The payment ordonnator may reject the payment request if he has an objection on the content of the request.

Article 11

- (1) In case of an advance payment, the head of the Financial Affairs Unit shall be responsible to check whether the conditions for payment are fulfilled.
- (2) In case of purchase, the head of the Financial Affairs Unit shall respect the deadline ascertained in the contract signed by the credit ordonnator.
- (3) In cases when the deadline for payment is not stated in the contract from paragraph 2 of this article, the head of the Financial Affairs Unit shall respect the deadline for payment stated in the invoice from the supplier if it is not shorter than the payment period ascertained by law.
- (4) In case of a payment of subventions, subsidies, financial aid, loans or guarantees on third party and capital participation, the head of the Financial Affairs Unit shall respect the payment period stated by the credit ordonnator.
- (5) It is forbidden the entity to give advance payments on third party with sole goal to spend the budget of the current year, instead the next year budget.

Article 12

The recording of payments in the financial accounting system should be timely, accurately and completely.

Article 13

(1) The head of the Financial Affairs Unit can not undertake financial commitments, to maintain accounting records of the financial commitments and to perform financial audit of the commitments and the payment process.

(2) The credit ordonnator can not sign the payment order from article 9, paragraph 1 of this Rulebook.

(3) The cashier can not undertake financial commitments, to approve payment of financial commitments, to maintain accounting records of the financial commitments and to perform financial audit of the commitments and the payment process.

Article 14

With the entry into force of this Rulebook, shall cease the Rulebook on the basic elements of the financial management and control and internal control standards in the public sector ("Official Gazette of the Republic of Macedonia " no.130/07)

Article 15

This Rulebook enters into force the day after it is published in "Official Gazette of the Republic of Macedonia" and shall start implementing as of 1st September 2011

No. 15 – 35394/4
5th November 2010
Skopje

MINISTER OF FINANCE
MSc. Zoran Stavreski