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# ARMENIA

Approved by decision #531  
of August 31, 2000  
of the Government of the RA

## **PROCEDURE of Financing Procurements**

### **I. General Provisions**

1. Based on article 5 of the Law of the Republic of Armenia "On Procurement" (hereinafter, the law) this Procedure defines the procedure of financing the procurement of goods, works and services for the state and community needs.

2. The concepts defined by the law are used in the same meaning in this Procedure.

3. The procurements are financed at the expense of the state budget, the community budgets and (or) other financial resources under the disposal of state and local self-government bodies, within the scope of appropriations budgeted for those.

### **II. Financing of Procurements at the Expense of State Budget Resources**

4. Financing of procurements at the expense of the state budget resources is implemented within the scope and at the expense of appropriations budgeted for the implementation of those procurements by the State Budget of the Republic of Armenia and the ratios of the execution of the state budget of the Republic of Armenia defined by the Government of the Republic of Armenia. The appropriations necessary for the implementation of the procurements shall also be projected in the estimate of the budget expenditures (hereinafter, estimate) approved by the defined procedure and effective at the moment of payment. The form of the estimate, procedure of its approval and submission are defined by the Ministry of Finance and Economy of the Republic of Armenia.

5. In case of decentralized procurements, within 10 working days after entering into the contract, the customer provides the local treasury subdivision of the Ministry of Finance and Economy of the Republic of Armenia (hereinafter, LTS) serving the customer with an extract from the contract (hereinafter, extract) in the manner defined by the Ministry of Finance and Economy of the Republic of Armenia, with the exception of the cases of procurement through request for price quotations.

6. In case of centralized procurements, within 5 working days after entering into the contract, copies of the contract are provided by the State Procurement Agency to those state bodies for the needs of which the procurements are carried out and by which the procurements are financed (hereinafter, State Bodies). Within 5 working days the State Bodies submit the extract to the LTSes providing services to them.

7. The obligation of the customer to pay for the procurements provided by the contract is considered due for performance, if the copies of documents justifying the payment (hereinafter justifying documents) are available. Justifying documents are:

a) a positive conclusion, approved according to the defined procedure, as to the compliance of the procurements with the specifications and other requirements provided by the contract;

b) based on the conclusion an acceptance protocol (hereinafter, protocol) signed according to the defined procedure. The forms of the conclusion and the protocol are defined by the Ministry of Finance and Economy of the Republic of Armenia.

8. The copies of the conclusion and the protocol for the purpose of payment for the procurements, as well as the payment order drawn up in compliance with the form defined by the Ministry of Finance and Economy of the Republic of Armenia (hereinafter, Payment Order) is submitted by the customer to the LTS providing services to the customer. In case of centralized procurements the copies of the conclusion and the protocol for the purpose of payment for the procurements, as well as the Payment Order is submitted to the LTS by the State Body to which the LTS provides services.

9. To finance procurements in case of the performance of procurements through request for price quotations, the customer submits to the LTS the Payment Order without the copies of the conclusion and the protocol.

10. Should the contract provide that down payment is to be allocated to the person who entered into the contract, the copy of the document evidencing the availability of the performance security and the Payment Order are submitted in addition to the documents to be submitted to the LTS in accordance with paragraphs 5 and 6 of this Procedure. To allocate the down payment provided by the contract, the copies of the conclusion and the protocol are not submitted to the LTS.

11. On the basis of the documents submitted pursuant to this Procedure the LTS makes the payment by the procedure defined by the laws and other legal acts regulating the process of the execution of the budget of the Republic of Armenia, wherefore:

a) The required allocations are paid from a treasury account of the State Body opened to reflect budgetary revenues and expenditures.

b) The payments are made if the documents required for effecting the payments are in compliance with the requirements of this Procedure. Otherwise the submitted documents are returned.

c) If the submitted documents are consistent with the requirements defined by this Procedure, but the monetary resources available at the treasury account opened in the name of the person submitting those are not sufficient to effect the payment, the LTS accepts the documents and the further procedure of their disposal is defined by the Ministry of Finance and Economy of the Republic of Armenia.

12. In effecting the payment on the basis defined by paragraph 9 of this Procedure the payment can be made within the limits of the allocations budgeted by the same line item of the economic classification of budgetary expenditures, if documents specified by the legislation of the Republic of Armenia substantiating the previous payment are submitted to the LTS. The above documents are submitted no later than within 7 working days after the day of making the first payment on the basis defined by paragraph 9 of this Procedure.

13. In making the payment on the basis defined by paragraph 10 of this Procedure, the payment can be made within the scope of the same contract if the documents substantiating the previous payment, which are the copies of the conclusion and the protocol drawn up for that payment, are submitted to the LTS.

14. After making the payment in accordance with paragraph 11 of this Procedure, the LTS forwards a notification to that effect to the customer by the defined procedure, and in case of centralized procurements – to the State Body, which in its turn, within three business days after receiving the payment confirmation from

the LTS, notifies in writing the State Procurement Agency for the latter to make a final settlement by the procedure defined by the contract.

### **III. Financing of Procurements at the Expense of the Community Budget**

15. Procurements at the expense of the community budget resources are carried out by the procedure defined by paragraphs 4-14 inclusive of this Procedure within the scope and at the expense of appropriations budgeted for that purpose in the community budget. The appropriations necessary for financing of procurements shall be also budgeted in the Estimate approved by the defined procedure and effective at the moment of payment.

### **IV. Financing of Procurements at the Expense of Other Resources**

16. Financing of procurements at the expense of other resources is carried out by the procedure defined by paragraphs 4-14 inclusive of this Procedure within the scope of and at the expense of appropriations budgeted by the defined procedure for that purpose in the expenditure estimates.