



PROCEDURE FOR ESTABLISHING COST ESTIMATES IN BUDGET ORGANIZATIONS

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Annotation. This article presents a description of the research conducted on the improvement of the procedure for drawing up and approving estimates in budget organizations. The need to prepare and approve estimates in budget organizations is theoretically based. In it, research was carried out to identify existing problems by analyzing the current state of budget organizations' preparation and approval procedure. Scientific and practical proposals and recommendations on improving the procedure for drawing up estimates in budget organizations are given.

Keywords: budget organization, fiscal year, expenditure, expenditure estimate, expenditure item, income and expenditure estimate.

Introduction

Large-scale reforms are being carried out in Uzbekistan regarding the use of public finances and budget funds. In particular, the introduction of the treasury system of budget execution has served to prevent many abuses and excessive expenses in the sector. However, in some budget organizations, there are cases where utility costs exceed the amount specified in their cost estimates. The reasons for this are not only the fact that the persons responsible for the execution of estimates are not sufficiently familiar with the regulatory documents, but also in some cases they are careless.

In the development strategy of the Republic of Uzbekistan in 2022-2026, which consists of seven priority directions, in order to further strengthen macroeconomic stability and maintain high economic growth rates, while maintaining the social orientation of expenses, ensuring balance at all levels of the State budget, improving inter-budgetary relations aimed at strengthening the revenue part of local budgets, optimizing expenses and a number of measures aimed at ensuring the transparency of information about state funds[1] are being implemented.

Resolution No. 414 of the Cabinet of Ministers of the Republic of Uzbekistan dated September 3, 1999 "On improving the procedure for providing budget organizations with funds" in order to deepen economic reforms in the sectors financed by the state budget, to improve the mechanism of providing budget organizations with funds, and to effectively and precisely use budget funds[3] is accepted. This decision envisages expanding the independence and increasing the responsibility of the heads of budget organizations in order to save budget funds, use them efficiently and precisely, and strengthen budget and budget-status discipline.

It is known that providing budgetary organizations with funds from the budget, their extra-budgetary income and expenses, as well as the use of these funds, is carried out on the basis of a strictly planned cost estimate. This, with the help of control, which is one of the



main functions of accounting, imposes the task of controlling the implementation of this cost estimate to accounting in budgetary organizations. In addition, it assigns to the reports prepared by budget organizations the task of providing information that allows obtaining financial information necessary for planning funds from the budget for the next financial year of the budget organization. [2]

In turn, the fact that the procedure for the preparation, approval and registration of cost estimates and staff tables of budget organizations has not been scientifically fully resolved indicates the extreme urgency of the chosen topic.

Literature review

When determining the main macroeconomic indicators of the state, the purposeful and effective spending of state funds, as well as the adoption of appropriate decisions on the assets and liabilities of the state, it is based on the information of the budget account.

According to M.Ostanakulov, the cost estimate is considered the main plan document, and it is a document that determines the volume of expenses and target direction, distributed by quarters from the budget for the maintenance of the organization.[4]

According to Sakhartseva, the estimate of budget organizations is the main planning document, which confirms the income received and authorizes the implementation of expenses, determines the direction and volume of funds, implements its function and purpose during the year, and implements the budget.[5]

In budget organizations, the estimate is the main document, it determines the target income, size and use of funds, funds can be allocated for the maintenance of the organization during the year. An integral part of the estimate is the allocation plan, which is divided by quarters and shows the annual amount. Unlike the estimate, when allocating money from the budget, expenses are classified according to the following economic classification:

- wages and similar payments (allowances for families with children and financial assistance for the poor, scholarships, etc.);
- deductions from wages;
- capital investments (provided in the state investment program and according to the address list);
- other expenses.

As noted by Ibragimov and Sugirbaev, the Ministry of Finance of the Republic of Uzbekistan approves the forms of the estimate and plan for allocation of funds. According to the literature, estimates are grouped as follows: individual, collective and centralized event estimates. With the help of accounting for the execution of income and expenditure estimates in budget organizations, information on financial and non-financial assets, receivables and payables, current and final financial results is formed and presented during the execution of budget and extra-budgetary funds expenditure estimates.[9]

As explained in the scientific works of S. Mehmanov, the tasks of accounting related to budgeting in budget organizations include:

- Documenting the process of execution of income and expenditure estimates and reflecting them in account registers;
- Formation of the results of execution of income and expenditure estimates in budget organizations;
- Summarization of accounting information and preparation of reports on budget execution;



- Extensive use of modern information technologies in the organization of accounting, etc. [6]

The cost estimate is a document drawn up and approved by organizations for the current financial year, which reflects the funds allocated from the budget (expenditure plan) provided for the organization's expenditure items. Estimates of budget and non-budgetary funds income and expenses are drawn up and approved and executed in accordance with the procedure established by the budget organizations. In this case, financing of organizations in the republican budgets and local budgets of the Republic of Uzbekistan and the Republic of Karakalpakstan is carried out on the basis of approved cost estimates for them.

Budget organizations that have the status of a legal entity and have sources of income other than funds allocated from the budget to cover expenses need to prepare estimates of expenses and income from extra-budgetary funds.

The budget system is multi-sectoral, and budget organizations are of particular importance in it. Budget organizations are institutions that are maintained at the expense of budget funds in order to perform a specific function of the state. Budget organizations are provided with funds at the expense of funds allocated from the state budget and extra-budgetary funds and carry out their expenses at the expense of these funds in the prescribed manner.

According to the approach of Tuychiev, Ostonokulov, Ibragimov and Tursunov, information on assets and their sources is formed and presented during the execution of estimates on these funds through the accounting of the execution of income and expenditure estimates on budgetary and extra-budgetary funds in budgetary organizations. [7]

A brief conclusion from my scientific research work is that errors and omissions are rarely observed if the rules and deadlines set by the law are strictly followed in order to prepare the cost estimate correctly.

Research methodology

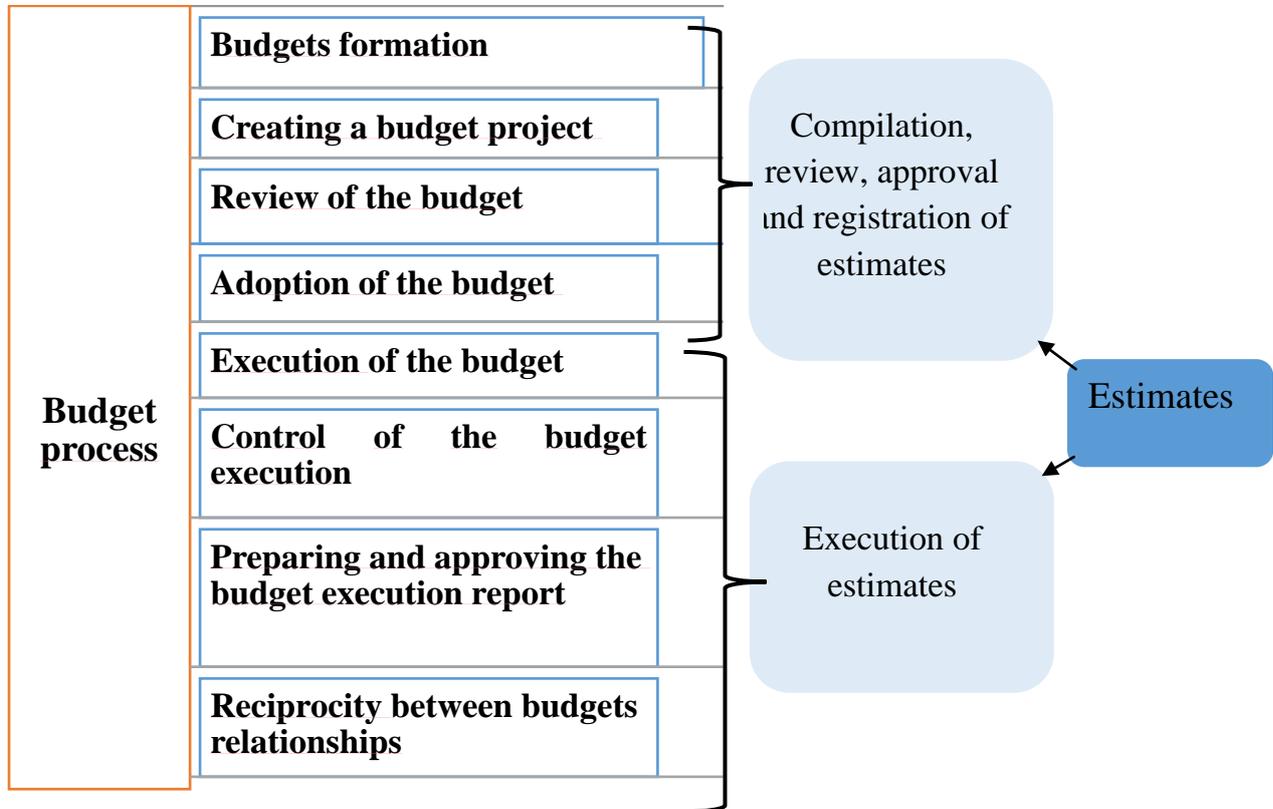
It includes determining the importance of improving the procedure for creating and approving estimates in budget organizations for the budget organization and the users of information in the process of budget execution, as well as determining their direct connection with the state budget and explaining them more broadly. As explained in A. Ostonokulov's scientific monograph, mainly quantitative and qualitative methods were used for data representation in numbers.[8]

In the course of the research, after studying and analyzing the current state, foreign experience, and available data, the accounts and reports of budget organizations financed mainly from the budget will be thoroughly analyzed and recommendations for their improvement will be made.

Discussion and result

Budgeting in budget organizations begins with the budget process. The budget process includes the process of forming, compiling, reviewing, accepting, approving and executing the budgets of the budget system, controlling their formation, structure and execution, preparing and approving reports on the execution of budgets of the budget system,

as well as the process of mutual relations between them. In this case, the aspects related to the estimates of budget organizations can be represented by the following picture (Figure 1).



1 . The budget process and its relation to estimates¹

The state budget process includes the above-mentioned processes. This, in turn, is inextricably linked with estimates of budget organizations financed from the state budget and budget recipients. We can divide financial relationships related to estimates into two large groups, namely:

- Compilation, review, approval and registration of estimates;
- Execution of estimates.

Estimates of budget organizations and recipients of funds from the budget are compiled in the process of forming, compiling, reviewing, and approving budgets. Therefore, the preparation, review, approval and registration of estimates is directly related to the process of execution of the state budget.

Budget implementation and control, preparing and approving reports on budget implementation, mutual relations between budgets, etc., include relations between budget organizations and budget recipients. Compilation and execution of estimates of budget organizations and recipients of funds from the budget are inextricably linked with the preparation of the state budget and its execution.

¹Compiled by the author.



Since the budget organization is a separate organization established according to the decision of the state authorities in order to implement state functions, it is convenient to obtain, study and analyze financial information related to their estimates, so our research work was carried out in this framework.

Compilation and approval of temporary cost estimates by budget organizations is carried out month by month in the first quarter of the next financial year. In this case, the funds allocated from the budget provided for in the temporary expenditure estimate should not exceed the funds allocated from the budget in the last quarter of the previous financial year and can be specified in the amount of costs for the implementation of the measures defined by the law [2].

Provisional cost estimates of budgetary organizations for the first quarter of the next fiscal year will be drawn up by December 25 of the current fiscal year.

Provisional cost estimates are valid until the cost estimate is approved. In this case, the funds allocated from the budget for the first quarter in the expenditure estimate submitted for registration should not be less than the funds allocated from the budget provided for in the temporary expenditure estimate.

The chief accountant or economist of the budget organizations prepares the cost estimate based on the budget parameters set by the financial authorities and the relevant instructions. Cost estimate by budget organization, divided by months of the year:

dividing according to items of expenses in the first - third groups of expenses;

the fourth group of expenses is made without allocation according to items of expenses.

The cost estimate is attached to the fourth group of expenses by items of expenses, as well as to the list of groups of goods (works, services) purchased from small business entities for state needs. The following should be followed when calculating costs:

- social and economic development programs approved in the prescribed manner;
- to the regulatory legal documents adopted by the state authorities and management bodies within the framework of their powers in the field of the budget;
- to the norms of expenses of budgetary organizations approved in the prescribed manner;
- to the state-regulated prices and tariffs of goods and services.

Including:

- the funds allocated from the budget for wages are included in the cost estimate in accordance with the statutory salary and basic wage payment rates, their additional payment and bonuses, as well as the current model states and state regulations;

- in determining the funds allocated from the budget for the salary of pedagogic employees, it should be based on the basic labor payment rates established by law, the tariffs drawn up in accordance with the curriculum, taking into account the additional payment for checking notebooks, class leadership, etc.;

- in determining the funds allocated from the budget for the salary of medical workers, it should be based on the tariffs prepared taking into account the rates and conditions of basic labor remuneration in accordance with the legislation;

- scholarship expenses are calculated in accordance with the amounts of scholarships and the procedure for providing scholarships;



- the costs of paying the single social charge are included in the cost estimate based on the established rates and all payment amounts for which the single social charge is paid in accordance with legislation;

- the costs of paying the insurance premium for the employer's compulsory civil liability insurance are included in the cost estimate based on the actual costs of the last year's wages of all the employer's employees;

- telephone and other telecommunication services are calculated based on the number of subscriber numbers and approved tariffs for services;

- expenses for treatment, children's and other social sector budget organizations are calculated based on the natural norms and average annual number of meals per day approved for each type of budget organizations;

- costs for medicines are determined based on the rate of medicines calculated per patient per day;

- the expenses for the purchase of clothes, shoes, bedding, bedding and other soft goods for some groups of social and cultural organizations are calculated within the funds allocated based on the norms of the existing material supply;

- maintenance costs of water, forestry and other organizations are determined based on the scale and volume of their work;

- the costs related to the payment of security services are determined according to the tariffs of the providers of these services;

- expenses of organizations related to buildings, structures, use of vehicles, buildings and vehicles, as well as other property rent are determined based on the cost norms, limits and natural indicators established by law;

- expenses for business trips are determined based on the tasks set before the organizations, as well as the standards established by law;

- costs related to measures against epizootic diseases and combating agricultural pests (locusts, mulberry moth, etc.) are determined based on the forecast volumes of work and the need for chemical preparations, as well as the types of work performed.

In the preparation of cost estimates, it is studied whether each cost is based on economically based calculations and is prepared in accordance with the requirements of normative legal documents related to budget legislation.

If we study the cost estimates of the Termez Vocational Training School, which is the object of our research, for the years 2021-2022, we can see that the costs related to budget financing have been reduced (Table 1).



Table 1

Termez Vocational Training School Budget Plan for 2021-2022²

Indicators	Years		The difference	
	2021	2022	Amount	Percent
Wages and equivalent payments	2394795	1388261.8	-1006533.2	58.0
<i>from that</i>				
Basic salary	2251344	1330827.7	-920516.3	59.1
Director Fund	86175	33396.1	-52778.9	38.8
Employer deductions	589428	293003	-296425	49.7
<i>from that</i>				
Social tax (single social payment)	588090	292390	-295700	49.7
Other expenses	643621	296526	-347095	46.1
<i>from that</i>				
Expenditure on goods and services	506880	273026	-233854	53.9
Expenditure on fixed assets	76898	0	-76898	0.0
TOTAL	3627844	1977790.8	-1650053.2	54.5

It can be seen from the table that in 2021 and 2022, the expenses of the first, second and fourth groups of the college are planned based on the economic classification of expenses according to the cost estimates. These costs had a tendency to decrease in the year under study for all cost groups and items. In particular, in 2021, the amount of financing of the college from the budget is planned for a total of 3,627.8 million soums, and in 2022, it is planned to finance it in the amount of 1,977.8 million soums. In 2022, compared to 2021, the volume of financing decreased by 1,650 million soums or 54.5%.

If we study this situation by expenditure groups, in 2022, compared to 2021, 100.5 million soums or 58% less expenses are planned for work and wages and similar payments. In 2022, compared to 2021, the expenditure plan for employer's deductions decreased by 296.4 million soums or 49.7%. We can see a similar situation for another group of expenses, in 2022, 296.5 million soums of expenses are planned, and 347.1 million soums or 46.1% less than last year.

This situation can be explained by the fact that the number of students in the Termez Vocational Training School has decreased, and budget funding has been reduced, and training has been established on a fee-contract basis.

Different indicators and methods can be used to determine other expenses according to the economic classification of budgets of the budget system.

Conclusion

As a result of the research on improving the accounting and economic analysis of expenses in budget organizations, the following scientific conclusions were obtained:

In general, since most of the planned expenses in the cost estimates of budget organizations are allocated from the state budget, ensuring their targeted spending, forming

² It was prepared on the basis of the financial reports of the Termez Vocational Training School



information about them is considered one of the important issues. For this purpose, it is necessary to ensure that the accounting of budget organizations' budgets is carried out on the basis of legislation.

Currently, the transparency of the information contained in the report on the execution of the cost estimate and the active participation of the organization's employees is primarily ensured by the impartiality and transparency of the information. It will be possible to get accurate and quick information about how budget funds are formed and spent.

As a result of research related to the improvement of the procedure for drawing up and approving estimates in budget organizations, it is appropriate to cite the following suggestions and recommendations:

to ensure that budget organizations' staff table is formed based on the model staff table, as well as to avoid staff vacancies in the establishment and formation of tariffs in educational institutions, and to take into account aspects related to the change of quotas in educational and medical organizations;

ensuring the reasonableness of the calculations used in the planning of the fourth group of utility service costs of the cost estimate;

simplifying the process of drawing up estimates by further expanding the electronic system of budget organizations' estimates registration, preventing changes to estimates as much as possible;

organization and maintenance of estimates execution accounts, analysis of financial statements related to the execution of estimates, and implementation of scientific research aimed at creating methodological bases for improving control.

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