

# IMPROVING THE ACCOUNT OF GOODS MATERIAL RESERVES IN BUDGET ORGANIZATIONS

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## Abstract

This article describes the theoretical and practical aspects of the composition of commodity material reserves, their recognition, organization and accounting in budget organizations. The practice of documenting the movement of goods and material reserves and reflecting them in the accounts has been researched. A scientific proposal and practical recommendations have been developed in relation to the improvement of the accounting of commodity material reserves in budget organizations.

**Keywords:** budget organization, accounting, supply, commodity material reserves, cost, report.

## Introduction

In recent years, several works have been carried out in the budget system to implement the state budget at the level of international standards of the public sector. In particular, in this process, normative documents related to the implementation of reforms (presidential decrees and decisions, government decisions, statutes, guidelines and regulations) were successively approved and put into practice. Based on the requirements of the international standards of the public sector, the next stage of the implementation of the state budget, that is, the single "Budget Code", which includes all normative documents related to the implementation of the budget, was formed.

At the same time, it is necessary to ensure efficiency in the budget system, to achieve openness and transparency of information on budget execution, as the leader of our country noted, in the budget system, "it is necessary to further strengthen control over the purposeful and rational spending of budget funds."<sup>1</sup>

In the implementation of reforms in the budget system, fundamental changes that have occurred and are taking place based on the requirements of economic liberalization and market relations, their quantitative expression and qualitative description, control and analysis, and obtaining information necessary for making management decisions are mainly referred to the accounting system. will be done. At this point, it should be noted that the main goal of the reforms in the budget system of our country is to revise, develop and improve the accounting system of budget organizations financed from the state budget, the procedure for preparing financial reports, and the control system based on the requirements of market relations.

<sup>1</sup> Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. January 25, 2020. <https://uza.uz/uz>



In order to ensure a more targeted and rational use of budget funds in the implementation of priority tasks set in the reforms implemented in the budget system of our republic, the issue of improving the accounting of goods and material reserves in budget organizations is required to be studied as a whole.

## METHODS

Abstract logical thinking, hypothesis, monographic observation, induction and deduction, analysis and synthesis, comparison, economic analysis and other similar research methods were used in the formation of the article.

## ANALYSIS AND RESULTS

Budget organizations feel the need for material reserves in the performance of the tasks assigned to them. Commodity material reserves are used in the organization in the current period and are written off by bringing them to the cost structure. Depending on the types of activities of the organizations, the types of commodity material reserves also differ.

Assets that belong to the organization and have a service life of no more than one year or are used during one operational cycle, including construction and repair materials, food products, fuel and fuel food and fodder, dishes (dishes), agricultural products and production goods, livestock in cultivation and breeding, materials for educational, scientific and other purposes, as well as laboratory tests, materials used for a long time, special equipment for scientific-research works performed on the basis of the contract, etc. are taken into account.

Commodity material reserves - are kept in the course of normal activity for the purpose of later sale and are available in the production process, as well as used in the process of production of products, performance of work or provision of services, or for the implementation of administrative and socio-cultural tasks. are assets.

Commodity material reserves have a service life of no more than one year or assets that are used during one operational cycle, including construction and repair materials, food products, fuel and fuels, feed and fodder, containers, agricultural products and production items, livestock in breeding and feeding, materials for educational, scientific and other purposes, as well as laboratory tested, long-term used materials, scientific contracts includes special equipment for research work, etc.

The purpose of creating an account of commodity material reserves in budget organizations is to provide users with reliable information about commodity material reserves in the organization, their composition, movement and condition.

In order to achieve this goal, it is necessary to perform several tasks. The following tasks are assigned to the accounting department in the organization of the account of goods and material reserves:

1. Reflecting tangible assets in the composition of inventories in accordance with the procedure established by law;
2. Control over the receipt of material reserves, their withdrawal from the account of the organization, as well as their storage and intended use;
3. Monitoring the established standards of reserves and expenses;



4. Timely determination of unused commodity material reserves, which must be realized in the prescribed manner;
5. Ensuring that the movement of goods and material reserves is properly formalized in documents and timely reflected in account registers;
6. Acknowledgment of the state and movement of goods material reserves in accounting accounts;
7. Forming complete and accurate accounting information on goods and material reserves in a timely manner.

In budget organizations, commodity material reserves can be provided at the expense of budgetary and extra-budgetary funds. A separate account is kept of goods and material reserves according to the sources of input. It is important to organize the correct use of goods and material reserves in budget organizations. Because, goods and material reserves are assets that are used by the company during its activity.

There is a need to control the proper storage and consumption of commodity stocks. In this case, the materials are controlled based on the requirements of BHMS No. 19 "Organization and transfer of inventory".

The responsibility for receiving, storing and transferring goods material reserves is assigned to materially responsible persons appointed by the order of the head of the organization. The exchange of these persons is carried out by drawing up the inventory of warehouses and acceptance-handover documents approved by the head of the organization. Storage areas for commodity stocks should be equipped with weighing equipment, measuring instruments, measuring containers and other control devices.

The inventory of goods is kept in account 06 "Other goods and materials" in accounting. The debit side of these accounts reflects the receipt of inventory at actual cost, and the credit side shows the write-off.

Inventories are written off at the purchase price (including delivery and other additional costs) or, if they were purchased at different prices, at the average price. Commodity material reserves and food products must be written off in accordance with the above relevant documents approved by the head of the organization (or his deputy) within the norms approved in the prescribed manner.

06 Construction materials, food products, medicines and wound dressings, fuel, fuel-lubricants, scientific inspection works are carried out on the basis of economic contracts in the "Other inventory" account. materials and other inventories purchased at the expense of the funds allocated for the increase, used for a long time in scientific research work, are taken into account.

The "Other inventory" account is reflected in the account divided into the following sub-accounts:

- 060 – "Construction materials";
- 061 – "Food products";
- 062 - "Medicines and wound dressings";
- 063 - "Inventory and household equipment";
- 064 - "Fuel, fuel - lubricants";



065 - "Machine and equipment spare parts";

069 - "Other inventories".<sup>2</sup>

The goods are reflected separately in the income accounting of material reserves. It is known that commodity material reserves are delivered to the organization as a result of:

- 1) purchase under a delivery (sale) contract;
- 2) arbitrary arrival (according to the gift contract);
- 3) transfer from long-term assets;
- 4) identification of excess (unaccounted for) inventory;
- 5) in-house preparation of the organization;
- 6) other points stipulated by the law.

For example, on April 14, 2014, a 15 percent payment was made to the suppliers of goods for the purchase of stationery goods of the budget organization based on the concluded contract, the total amount of the contract is 1350 thousand soums. On April 18, stationery goods were brought, transportation costs related to the delivery are 50,000 soums. The purchase and delivery of office supplies are reflected in accounting as follows:

Advance payment for the purchase of stationery:

Dt 150 "Settlements with suppliers of goods" 202.5 thousand soums

Kt 232 "Funding from the budget" 202.5 thousand soums.

Expenses related to the purchase of office supplies:

Dt 091 "Expenses related to the receipt of material reserves" 1400 thousand soums (1350+50)

Kt 150 "Settlements with suppliers" 1350 thousand soums

Kt 159 "Other liabilities" 50 thousand soums.

Accounting for office supplies

Dt 063 "Inventory and household goods" 1400 soums

Kt 091 "Expenses related to the receipt of goods material reserves" 1400 thousand soums.

Commodity material reserves are included in the accounting balance of the organization at cost, which includes the purchase price (amounts paid to the supplier) and all costs associated with their purchase.

The following are included in the expenses related to the purchase of material stocks and included in their cost:

- customs duties and fees;
- amounts of taxes and other mandatory payments related to the purchase of commodity material reserves (if they are not reimbursed);
- brokerage fee paid to the supplier and intermediary organizations through which goods are purchased;
- costs for certification of commodity stocks and testing in accordance with the technical conditions related to their purchase;
- transport-preparation expenses for the preparation of commodity material reserves and their delivery to the place of actual storage or use. They include the costs of preparation, loading and unloading, payment of tariffs (freight) for transportation of goods and materials by all types

<sup>2</sup> S. Mekhmonov. Budget accounting. Textbook. "Science and Technology" 2012.



of transport to their current location or place of use, including insurance of risks during the transportation of goods and materials. consists of expenses on;

- other costs directly related to the purchase of commodity material reserves.<sup>3</sup>

In accounting, the account of goods material reserves purchased (prepared) from budget funds or extra-budgetary funds, in terms of quantity and amount, the name of goods material reserves, sources of purchase (preparation) and the amount of material assets in form No. 296 it is kept in the book (card) of the value account and in the turnover record of material reserves in the form No. M-44.

The account of commodity material reserves in warehouses is kept by the materially responsible person in the M-17 form of the warehouse accounting book of materials according to the name, type and quantity. In budget organizations, the write-off of commodity material reserves is carried out according to the established procedure. Determining of liquidation (loading), deficit, loss or damage (breakage, splitting) as a result of physical and emotional wear and tear of known goods and material stocks from the organization's balance sheet, will be written off as a result of other operations and events.

Inventories are written off at the price at which they were purchased (including delivery and other additional costs) or, if they were purchased at different prices, at the average price. Commodity material reserves and food products must be written off in accordance with the above relevant documents approved by the head of the organization (or his deputy) within the norms approved in the prescribed manner.

Funds received from the sale of goods and material reserves, i.e. funds from the sale of material reserves, are collected in personal accounts opened in the Treasury departments of budgetary organizations for extra-budgetary funds and are distributed by budgetary organizations in the following order:

- 50 percent - to the relevant budget income;  
 - 50 percent - will be deposited in personal account numbers of budget organizations opened in Treasury departments for extra-budgetary funds.<sup>4</sup>

Funds received from the sale of goods and material reserves, left at the disposal of budget organizations, are directed by them to the strengthening of the material and technical base in accordance with the field of activity.

Delivery of goods and material reserves from the warehouse is carried out in accordance with the documents approved by the head of the organization (or his deputy). The following basic documents are used to issue materials:

- Form No. 434 consignment note (request) when delivering materials from a warehouse and moving materials from place to place within the organization  
 - is used. The application is written in two copies;  
 - The menu application form 299 for issuing food products is used for issuing food products from the warehouse. The menu is drawn up every day based on the information on the amount of food products and the number of customers. The menu application is submitted to the

<sup>3</sup> S. Mekhmonov. Budget accounting. Textbook. "Science and Technology" 2012.

<sup>4</sup> "Instructions on accounting in budget organizations. (Registered in the Ministry of Justice of the Republic of Uzbekistan on December 22, 2010 with No. 2169)



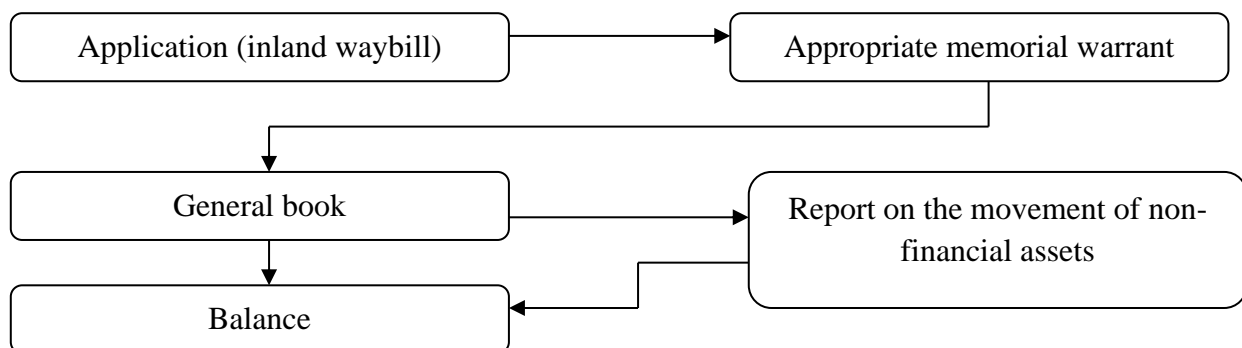
accounting department of the organization in the specified period (but not less than three times a month) together with the receipt of the official about giving and receiving food products.

- Record of given feed and fodder in form No. 397. Food and fodder are given from the warehouse within the set standard;

- The record of materials issued for the organization's use in the form No. 410 is used during the month to issue household materials, materials for educational and other purposes. In this case, the entries in the account are filled not in chronological order, but with certain rows added to record the amount of each material, which allows to draw a general conclusion for each type of material at the end of the month.

- The zabor card in the form No. 431 is used for the daily delivery of materials and fuel, as well as for delivery during certain periods during the month. A Zabor card is written in the name of a recipient for the purpose of spending several types of materials. This card is written in two copies, one of which is kept in the warehouse together with the recipient's receipt, and the other is kept with the recipient.

If the stock of goods is issued daily, the zabor card is written for a period of 15 days, if it is issued from time to time, for a period of one month. Materials and fuel will be given within the specified limit after the recipient shows the Uzzabor card. Materials in excess of the limit are given on the consignment note (request) form No. 434. In cases where it is not possible to give fuel from the warehouse according to the request or the card, the amount of spent fuel will be deducted from the account according to the measurement documents. The use of goods and material reserves is reflected in accounting documents as follows: application, domestic consignment note, memorial order, form 308 general ledger (Fig. 1).



**Figure 1. A schematic representation of the consumption of material reserves in accounting documents<sup>5</sup>**

In budget organizations, commodity material reserves are taken into account through memorial orders. There are the following memorial warrants related to commodity material reserves:

11-memorial order - summary record of the import of food products, form No. 398;

12th memorial order - summary record of food consumption, form No. 411;

13th memorial order - summary record of material consumption, form No. 396.

Commodity material reserves can be used from the warehouse of the organization with the instructions of the manager and the approval of the chief accountant. When the goods are

<sup>5</sup> Compiled by the author.

delivered from the warehouse, an application and an internal waybill are issued in the name of the manager. On the basis of an internal consignment note or application, a note is entered that the materials issued from the warehouse have been shipped in the memorial warrant No. 13. The cost of goods material reserves is reflected in the actual costs of those sources when spending them.

For example. According to the request of the head of the personnel department, stationery goods received from the warehouse in the amount of 287,000 soums were delivered from the warehouse. This transaction is reflected in accounting as follows.

Dt 231 "Actual expenses on budget funds" 287 thousand soums

Kt 063 "Inventory and household goods" 287 thousand soums.

In the accounting of budgetary organizations, the accounting of materials purchased (prepared) at the expense of budget funds or extra-budgetary funds, in terms of amount and payment, name of materials, sources of purchase (preparation) and materially responsible persons, material values in form No. 296 in the book of quantity-value accounting, the turnover account for material reserves is kept.

## CONCLUSION

Commodity material reserves are used in the organization in the current period and are written off by bringing them to the cost structure. Depending on the types of activities of the organizations, the types of commodity material reserves also differ. In budget organizations, commodity material reserves can be provided at the expense of budgetary and extra-budgetary funds. A separate account is kept of goods and material reserves according to the sources of input. It is important to organize the correct use of goods and material reserves in budget organizations. Because, goods and material reserves are assets that are used by the company during its activity.

Inventories are written off at the purchase price (including delivery and other additional costs) or, if they were purchased at different prices, at the average price. Commodity material reserves and food products must be written off in accordance with the above relevant documents approved by the head of the organization (or his deputy) within the norms approved in the prescribed manner.

We present the following suggestions for improving the accounting of commodity material reserves in budget organizations from an organizational, methodological and technical point of view:

- control over compliance with the requirements of normative legal documents specified in the planning of funds for commodity material reserves in the process of drawing up cost estimates;
- analysis of the basis for spending the material reserves of goods received from the budget and extra-budgetary funds within the budget, reflecting them in the reports in accordance with the budget classification;
- to control the organization of the account of commodity material reserves in budget organizations in accordance with regulatory and legal documents, budget accounting standards;
- control of the normative-legal basis of the accounting of goods and material reserves in budget organizations, timely detection and elimination of errors;



- control of the storage of goods and material reserves in budget organizations and compliance with the data of accounting documents.

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