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ACCOUNTING IN BUDGETARY ORGANIZATIONS

Annotation: This article explores the fundamental principles of accounting in budgetary organizations, methods of record-keeping, and the formation of financial reports. Since budgetary organizations are funded by the state, their accounting is based on principles of transparency, compliance with legislation, and targeted expenditure. The article provides a detailed overview of account classifications, types of financial reports, and the internal audit and control system. Proper accounting in budgetary organizations plays a crucial role in ensuring the effective management of state funds.

Introduction

Budgetary organizations are institutions funded by the state budget, primarily providing public services in education, healthcare, culture, sports, and public administration. Their main objective is not to generate profit but to efficiently manage allocated funds. Given that these organizations operate with public funds, their financial activities are subject to strict regulations and oversight.

Accounting in budgetary organizations has unique characteristics, ensuring transparency, compliance with legal requirements, and the proper allocation of funds. This article provides an in-depth analysis of the principles, methods, and specifics of accounting in budgetary organization

1. Fundamental Principles of Accounting in Budgetary Organizations

Accounting in budgetary organizations is based on the following key principles:

1.1. Transparency of Public Finances

Since budgetary funds come from the state, financial transactions must be recorded and reported clearly to ensure accountability and prevent misuse.

1.2. Principle of Targeted Expenditure

Allocated funds must be used strictly for their intended purpose as specified in the approved budget. Any deviation from this purpose is considered a violation of financial discipline.

1.3. Compliance with Legislation

Accounting is conducted in strict accordance with the Law on Accounting, the Budget Code of Uzbekistan, and other regulatory documents issued by the Ministry of Finance.

1.4. Financial Control and Audit

Regular audits by state financial control bodies and internal audit services ensure compliance with accounting standards and prevent financial irregularities.

2. Specific Features of Accounting in Budgetary Organizations

2.1. Sources of Budgetary Funds

The primary sources of funding for budgetary organizations include:

State budget allocations – the main financial source.

Grants and sponsorships – additional funds from international and local donors.

Service fees – some budgetary organizations provide paid services.

2.2. Expenditure Accounting

The main categories of expenditures in budgetary organizations include:

Salaries and related payments (pensions, insurance contributions, etc.).

Utility services (electricity, water, heating, etc.).

Office supplies and operational expenses.

Procurement and maintenance of fixed assets.

Scientific research and project funding.

2.3. Accounting Methods

Two primary methods of accounting are used in budgetary organizations:

1. Cash Method – transactions are recorded when cash is received or spent.
2. Accrual Method – income and expenses are recorded when they are incurred, regardless of payment.

3. Classification of Accounts in Budgetary Organizations

Budgetary organizations maintain accounts classified into specific categories to ensure proper financial management. Key accounts include:

5010 – Budget fund accounts

5020 – Cash and bank accounts

5030 – Grant and sponsorship funds

5040 – Fixed assets and intangible assets

5050 – Salaries and payroll-related payments

4. Financial Reporting in Budgetary Organizations

Budgetary organizations are required to prepare and submit financial reports, including:

1. Budget execution report – detailing how state funds were utilized.
2. Income and expenditure reports – summarizing financial activities.
3. Balance sheet reports – reflecting assets and liabilities.
4. Payment orders and bank statements – documenting financial transactions.

5. Internal Control and Audit in Budgetary Organizations

To ensure financial discipline, budgetary organizations implement internal control and audit systems. The internal audit department is responsible for:

Verifying the accuracy of financial records.

Identifying and preventing financial mismanagement.

Analyzing financial reports and detecting discrepancies.

Ensuring compliance with legal and regulatory requirements.

Conclusion

Accounting in budgetary organizations plays a vital role in ensuring the efficient and transparent use of public funds. The strict regulatory framework governing these organizations ensures that state resources are allocated appropriately and used effectively for public services.

By maintaining accurate financial records and adhering to legal standards, budgetary organizations contribute to the stability and effectiveness of public finance management. Therefore, the implementation of proper accounting practices not only enhances internal financial control but also strengthens public trust in government institutions.

References:

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