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**PRACTICES OF FINANCIAL INCOME ACCOUNTING IN BUDGET ORGANIZATIONS****N.Abdullayeva**

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**ABSTRACT**

This article describes the fixed assets recognition in budget organizations and their practical aspects. There are practical recommendations for the recognition and accounting of fixed assets in budget organizations.

**Keywords:** fixed assets, budget organization, accounting, revenues, expenses.

**Introduction**

Budget organizations, which are an integral part of the budget system, carry out activities related to the state and society interests, such as public administration and the implementation of social protection measures, the public services provision.<sup>1</sup> Currently, there are more than 30,540 budget organizations in the country, which are in constant need of fixed assets. In turn, the targeted use of fixed assets requires their accounting in order to form systematic information about them. This determines this research work relevance.

**Main part**

In the economy modernization, it is important to provide all entities, especially budget organizations, with new and modern fixed assets that serve the socio-economic development of the country. After the effective of the accounting organization and fixed assets analysis, it is possible to draw a detailed conclusion on the degree to which the targeted use of funds attracted to them is organized.

Fixed assets - the tasks performance assigned to the organization for a long time (more than a year), tangible assets used in the production of goods, works, services or administrative and socio-cultural functions, as well as leased to other legal entities and individuals property, plant and equipment are recognized as an asset when it is probable that future economic benefits associated with the asset will flow to the entity.

Maintenance equipment and spare parts are usually included in inventories and are expensed at the time of use. Large-scale spare parts and equipment of the same type that are intended to be used by the organization for more than one year are classified as fixed assets. Spare parts and service equipment are recognized only in relation to property, plant and equipment (e.g., library books, computer peripherals, and small details of equipment and acceptance by gross value criteria).

An entity recognizes all costs of property, plant and equipment item on a straight-line basis over its estimated useful lives. These costs include costs incurred in constructing or purchasing property, plant and equipment, adding to them, replacing parts or servicing them.

Basic equipment is purchased to protect the environment or ensure the environment safety. The acquisition of such property, plant and equipment does not increase the economic benefit or profitability of the asset, but such acquisitions by entities are intended to generate future economic benefits or profits from other assets. Such purchases are also recognized as fixed assets. These

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<sup>1</sup> Ostonokulov A.A. Accounting for the implementation of estimates for extra-budgetary funds in budget organizations. Scientific and practical magazine "Service". Issue 1, 2021

fixed assets allow the entity to obtain additional economic benefits or profits from other assets in the future.

Expenses incurred for the use of fixed assets are not reflected in the carrying amount. These costs are reflected in the actual costs incurred and include the costs of materials used.

Fixed assets are credited to the balance sheet of the organization as a result:

- purchase of an object under a sale contract;
- acceptance and delivery of the restored object after the capital investments completion;
- free fall;
- inventory transfer;
- identification of redundant (unaccounted for) fixed assets;
- exchange operations;
- under a finance lease;
- other cases stipulated by the legislation.

The accounting for property, plant and equipment is based on the cost of property, plant and equipment.

Purchased fixed assets, completed buildings and structures, as well as the delivery and installation of fixed assets produced by the organization at the initial cost in the full amount of their purchase price and all costs incurred on them, including those directly related to the commissioning of these fixed assets for use, installation, commissioning and other costs.

Some fixed assets require replacement over a period of time (for example, roads need to be repaved as they wear out and become unusable after a few years). Some fixed assets do not require such regular replacement (for example, the interior walls of a building).

The initial cost of property, plant and equipment acquired for a fee is as follows:

the amount to be paid to the contractor and the seller of the assets performing the construction and installation work under the contract;

registration fees, state duties and other similar payments for the purchase (acquisition) of rights to fixed assets;

- customs duties and taxes;
- amounts of fees for the purchase (construction) of fixed assets (if they are not covered);
- amounts paid for information and consulting services related to the purchase (construction) of fixed assets;
- the cost of insuring the delivery risk (construction) of fixed assets;
- premiums paid to intermediaries who sell property, plant and equipment;
- costs of installation, assembly, adjustment and commissioning of fixed assets;
- other costs directly attributable to bringing the asset to working condition for its intended use.

Costs of property, plant and equipment in use and in place (costs of reinstallation and use) are not included in the cost of property, plant and equipment.

Income and expenses during the property production or construction, plant and equipment are recognized in accordance with the income and expenses classification when they are recognized as income or expense.

The initial cost of property, plant and equipment produced by the entity is the amount of actual costs incurred to restore (construct, complete) the property, plant and equipment. When an entity produces assets for sale in its operations course, those assets value is equal to their selling price.

Accounting for property, plant and equipment is based on the cost of property, plant and equipment.

Upon receipt of fixed assets in the organization (warehouse), a permanent commission formed by the head of the organization draws up in duplicate the acceptance act and fixed assets transfer in budget organizations of the form

AV-1. This act is approved by the head of the organization and is accompanied by all the technical documents (passport, drawings, etc.) related to this fixed asset.

The debit side of the "01 Property, plant and equipment" account reflects the income (increase in the initial value) of fixed assets, and the credit side reflects the write-off (decrease in the initial value) of fixed assets.

The value of property, plant and equipment purchased (purchase price, as well as delivery and other additional costs) account is debited to the sub-account 072 "Other expenses on fixed assets" and 15 "Accounts with various debtors and creditors" and credited to the relevant sub-accounts of other accounts. Receipts at the cost of property, plant and equipment are credited to the debit of the relevant sub-accounts of the account 01 "Fixed assets" and to the credit of the sub-account 072 "Other expenses on fixed assets".

According to the contract with the supplier, the computer was purchased by the budget organization at the expense of the budget at a cost of 1500.0 thousand dollars. The additional transportation costs associated with the purchase of this computer cost 10.0 thousand dollars.

These operations are reflected in the account as follows:

a) Transfer of 15% advance (225.0 thousand sums) in advance in accordance with the mutual agreement:

Debit 150 sub-account 225.0 thousand soums;  
Credit 232 sub-account 225.0 thousand soums.

b) The computer was brought to the organization from a supplier:

Debit 072 sub-account 1500.0 thousand soums;  
Credit 150 sub-account 1500.0 thousand soums.

c) The remaining funds under the contract (1275.0 thousand dollars) were transferred:

Debit 150 sub-account 1275.0 thousand soums;  
Credit 232 sub-account 1275.0 thousand soums.

d) In the amount of additional costs associated with the computer delivery (invoice for 10.0 thousand dollars was accepted):

Debit 072 sub-account 10.0 thousand soums;  
Credit 159 sub-account 10.0 thousand soums.

e) These funds will be transferred to transport companies:

Debit 159 sub-account 10.0 thousand soums;  
Credit 232 sub-account 10.0 thousand soums.

f) The fixed assets were transferred to the organization at full initial cost (1510.0 thousand dollars) in the prescribed manner:

Debit 013 sub-account 1510.0 thousand soums;  
Credit 072 sub-account 1510.0 thousand soums.

Property, plant and equipment acquired free of charge from other legal entities and individuals in the manner prescribed at the entry time into the accounting account at the current market value determined to the debit of sub-account 072 "Other expenses on fixed assets" and to the credit of sub-account 262 "Revenues from the development fund of the budgetary organization". If there are other costs associated with the delivery and commissioning of this property, plant and equipment, in which case these costs increase the initial cost of that fixed asset and in the account 072 "Other expenses on fixed assets" to the debit of the sub-account and depending on the content of the transaction 15 "Accounts with various debtors and creditors" or to the credit of sub-accounts of other relevant accounts. Receipts at the cost of property, plant and equipment are debited to the relevant sub-accounts of the account 01 "Fixed assets" and credited to the sub-account 072 "Other expenses on fixed assets".

The budget organization received furniture from another legal entity. The market price of this furniture was set at 2000.0 thousand soums and was included in the organization balance.

These transactions are reflected in the following accounting entries.

Debit 013 sub-account 2000.0 thousand soums;

Credit 262 sub-account 2000.0 thousand soums.

Unrecognized property, plant and equipment identified during the inventory process are measured at market value of similar property, plant and equipment at the date of the excess (the reasons for the exit and the culprits will be determined later), accepted at the expense of the organization in the prescribed manner and in the accounting account is reflected in the debit of the relevant sub-accounts of the account 01 "Fixed assets" and in the credit of the sub-account 273 "Excess assets as a result of inventory".

When purchasing fixed assets in foreign currency, the value of purchased fixed assets (the relevant documents confirming the completion or delivery of the customs cargo declaration) is determined by converting foreign currency into soums at the rate of the Central Bank of the Republic of Uzbekistan on the transaction date. Based on the above documents, inventory cards AV-6, AV-8, AV-9 are opened and accounting records are issued and reflected in the 6th memorial order. From the Memorial Order № 308 is drawn down into the general ledger book and report forms.

### **Conclusions and suggestions**

I believe that the following work should be done to improve the accounting of fixed assets in budgetary organizations:

In budgetary organizations, the fixed assets valuation should be carried out fairly and should focus on the aggregate information formation aimed at expressing the movement and condition of the accounting objects related to their compatibility and coincidence.

We believe that it is necessary to ensure the correct composition and accounting of the types of fixed assets in budget organizations.

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