

Procedure for Drawing Up And Presenting Accounting Policies In Non-State Non Profit Organizations

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Abstract--- In this article gives methodological recommendations on the formation of accounting policy in the non-state non-profit organizations (NSNPO) and disclosed the practical aspects of their implementation.

Keywords: the non-state non-profit organizations (NSNPO); accounting policies; accounting; financial reporting; taxing reporting; statistical reporting; national standards.

I. INTRODUCTION

In the rapidly developing economy of Republic of Uzbekistan, the role of non-state non-profit organizations is important for building democratic civil society, protecting human rights and freedoms, and taking into account the interests of the people. Currently, there are more than 9,000 nongovernmental non-profit organizations in various sectors of the country, with 29 branches and representative offices of international and foreign non-governmental organizations.

The purpose of accounting is to provide users with complete, reliable, timely information and other information needed to make informed financial decisions. However, due to the peculiarities of these organizations, special accounting system has not been developed in the country due to the fact that the activity of NGOs is not widely practiced and is still a young sector. For this reason, these organizations are currently operating in the country using common accounting and regulatory documents in force in the country.

Formation of accounting policy of the economic entity is one of the most important issues in accounting of the organization, including for non-governmental non-profit organizations. A number of factors are influenced by the accounting policy, such as the main purpose of the organization, its organizational structure, the type of activity, the number of employees, the location, and so on. The main purpose of establishing a non-profit organization is not to make a profit like other commercial organizations. For this reason, these organizations demonstrate their specifics in the formulation of accounting policies and accounting.

II. MATERIALS AND METHODS

According to a survey of non-governmental organizations, the number of NGOs operating in Europe was more than 148,000 in 2017, compared to the Russian Federation with more than 221,000.

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Specific aspects of accounting and accounting policies of NGOs have been studied by a number of foreign and domestic economists and researchers. Including: D.Coldwell, H.Anderson, B. Nidles, L.Vusarova, T.V.Yureva, N.A.Pirojkova, L.V.Egorova, V.F.Pali, P.Y.Gamolsky, M.L.Pyatov, Y.V.Sokolov, G.Yu.Kasyanova, local scientists A.Karimov, A.H.Pardaev, B.A.Hasanov, K.B.Urazov, E.F.Gadoev. In the works of A.A.Karimov, A.K.Ibragimov contains information on general accounting.

In the autobiography of M.S.Khojiev, Doctor of Philosophy in Economics at the Tashkent Financial Institute on "Improving Accounting in NGOs", it is desirable to highlight the existing shortcomings and their solutions in accounting.

III. DISCUSSION

The active integration into the global economic community of Uzbekistan has created the need for a national system that is as close to international standards of accounting as possible.

In the process of accounting reform, the Ministry of Finance of the Republic of Uzbekistan developed and approved the National Accounting Standard № 21, which provides for the use of financial and economic activities of business entities.

The revised version of the standards that given above, taking into account changes in the accounting system, was approved by the Order of the Ministry of Finance of the Republic of Uzbekistan №. 103 dated September 9, 2002, registered and came into force on by the Ministry of Justice of the Republic of Uzbekistan on October 23, 2002 №. 1181.

No special accounting system has been developed for NGOs in Uzbekistan, so non-profit organizations should use the regulations common to all legal entities.

This includes the Law of the Republic of Uzbekistan "On Accounting", decrees of the President and decisions of the Cabinet of Ministers, as well as the National Accounting Standard (hereinafter referred to as NAS), as agreed upon with the relevant ministries and agencies. Registered with the Ministry of Justice of the Republic of Uzbekistan.

In accordance with the Article No 7 of the Law of the Republic of Uzbekistan "On Accounting", accounting and reporting should be created by the head of an enterprise, institution or organization.

The manager has the following rights:

- Creation of accounting services under the supervision of the chief accountant or use of contracted accounting services;
- Transfer of contract-based bookkeeping to a specialized accounting firm or centralized accounting unit of a business entity that includes an accounting subject;
- Independent accounting.

The director is responsible for:

- Creation of the system of internal accounting and reporting;
- Procedures for control of economic operations;

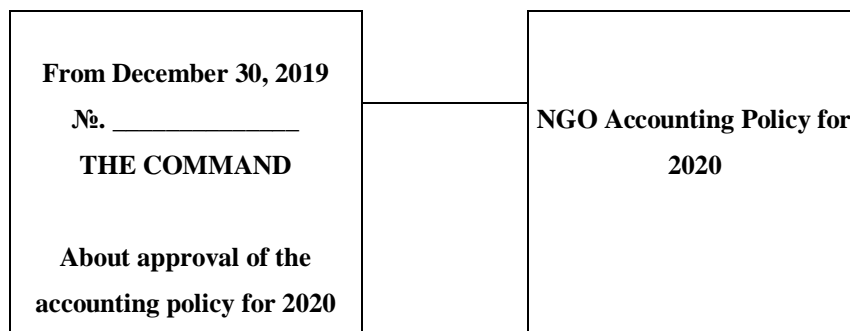
- Full and reliable accounting;
- Maintenance of accounting documentation;
- Preparation of financial statements for external users;
- Preparation of tax reports and other financial documents;
- Accounting on time.

Accounting according to Accounting Policy and Financial Reporting No. 1 of the Law of the Republic of Uzbekistan dated August 14, 1998 No. 474 "Accounting and Financial Statements" the total number of methods adopted by the economic entity manager is understood. Accounting policies are designed to compare the financial performance of the business entity in different years.

Accounting methods include grouping and evaluating evidence of economic activity, depreciation of assets, document management, inventory, accounting and reporting systems, accounting registers, information processing systems and other methods.

The accounting policy of the managing subject should be formalized by the head of the organization with the relevant organizational-administrative document (orders, etc.).

Accounting policies are developed by the chief accountant of an NGO based on the characteristics of its enterprise. It shows the calculation methods used during the year, taking into account the size of each NGO, the scope of its activities, the number of staff, location, and existing grandparents The accounting sheet of NGOs should reflect the information in Figure 1. The drawing lists given the policies of accounting and structure of each NGO.



Graph 1. NGO Accounting Policy Title Page.

The accounting methods used by the entity in formulating the accounting policy will be applied from January 1 of the year following the issuance of the relevant organizational-administrative document, with the exception of newly created entities during the reporting year.

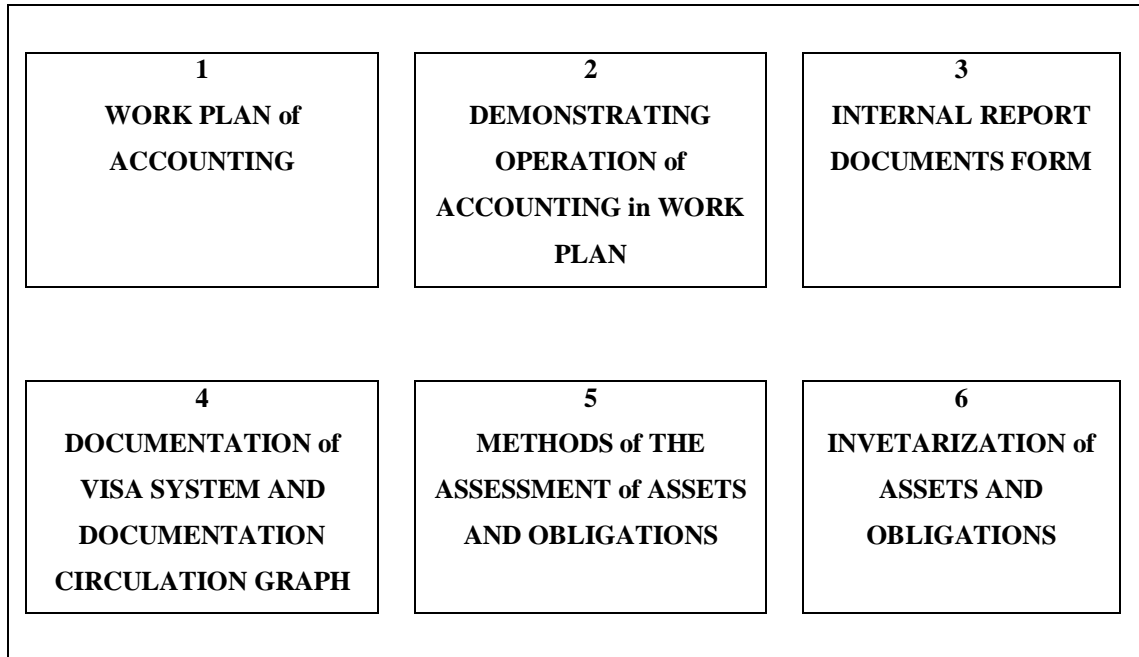
At the same time, they are used by all divisions of the economic entity (including those on a separate balance sheet), regardless of their location.

The newly established entity shall formulate its accounting policies pursuant to this paragraph before the first publication of the financial statements, but no later than 90 days after the date of receipt of the legal entity (state

registration). The selected accounting policy is considered to have been enforced since the date of acquisition of the legal entity (state registration).

As a list of methods and methods of accounting, the accounting policies of the organization are used as a legal justification for the correctness of accounting and management bodies (audit, is one of the main documents examined by the tax authorities at the first stage of any audit.

The accounting policies should include the main methods outlined in Graph 2.



Graph 2. The main methods of accounting policies.

The accounting policies may provide other methods, but the above are required for proper accounting and reporting.

The accounting policies of an organization should not include a list of generally accepted rules and regulations for accounting.

It is recommended that the following considerations are taken into account when designing accounting policies:

III.I. Accounting policies only cover the procedures for which the accounting law provides options. The procedures outlined in the regulations are not reflected in the accounting policies;

III.II. It is not permissible to include in the accounting policy a description or reference of normative documents.

On the basis of the accounting plan approved by the Ministry of Finance, an enterprise may develop its own work plan that provides for the accounts and / or accounts required for accounting in the same enterprise.

Creating a work plan of accounts is a very important time in formulating an accounting policy. Transparency of accounting, proper financial and other reporting, the ability to quickly obtain various economic performance

indicators of NGOs depends on how well the work plan is developed. It is recommended that you make a work plan of accounts in the following order:

1. Evaluation of the general structure and activity of NGOs. Are there any B branches and subsidiaries? If so, how are the settlements with them, and are affiliates expected to work in central NGO programs?
2. Carefully study the budget for next year from the point of view of:
 - How many sources of funding do you have?
 - Do you carry out entrepreneurial activities?
 - How many programs are expected to perform?
3. Make a list of economic operations for the next year.
4. Creating a registry of reports that need to be created. At the same time, it is necessary to take into consideration all reports – controlling bodies, donors, statistical bodies, internal reports.
5. Making a register of information necessary for compiling these reports.
6. In the sample accounts plan, select the accounts that are required to account for all assets and liabilities.
7. Include accounts in the work plan that are not used in the sample plan if any of the sample plan accounts do not meet the economic substance of the economic assets and assets held by an NGO.
8. Describe the procedure for reflecting economic impulses in the work plan of accounts.

For example, the final budget envisages six sources of funding, which should include separate accounts (appendices).

The work plan may include the following accounts (application accounts):

8810 - Grant;

8830 - Membership fees;

8850 - Targeted gains from a joint venture partner;

8860 - Income from subsidiaries;

8870 - Profit from entrepreneurial activity aimed at achieving NGO's statutory goals (in our case - paid services, interest income on deposit);

8890 - Other Target Revenues (this account is for non-budget revenue).

Although in the example of budgeting, interest rates on deposits are designated as a separate source of financing, please note that we do not provide a separate account (s) for its account. This is explained by the fact that income from financial activities is presented in the "Financial Results Statement" in Form 2, which reflects the net profit as a summary of all types of economic activities, including financial activities. It is advisable to reflect all sources of funding in the general account.

III. RESULT

Due to the fact that the budget includes four programs simultaneously (including the Resource Development Program), it is advisable to include separate accounts (single account accounts) among those that are not used in the current account plan. gathers them, for example:

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- 2210 - "Program costs 1",
- 2220 - "Program costs 2",
- 2230 - "Program 3 costs",
- 2290 - Costs for Resource Development.

Accounting policies should also include the timing and timing of the inventory.

Inventory of property and liabilities is carried out in accordance with NAS 19 “Organization and Conducting Inventory”; Targeted Financing Inventory – Monthly or quarterly at the discretion of the organization.

The organization should choose the structure and forms of internal accounting, make a schedule of documents, and establish the deadlines for submitting financial statements to the accounting. The accounting filing schedule should be in line with the accounting policy of each entity involved in the process.

In the system of internal control, it is important to determine the procedure for the receipt and transfer of inventory, and to identify the persons authorized to dispose of certain types of property and to sign documents.

IV. CONCLUSION

When designing an accounting policy for NGO, it is also important to keep in mind that it should not be changed for as long as possible, because financial information should be comparable across different reporting periods in order to benefit users.

Changes in accounting policies during the calendar year will be made only in the following cases:
reorganization of the subject;

changes in legislation in the system of law or normative regulation of accounting in the Republic of Uzbekistan.

According to the national accounting standards of Republic of Uzbekistan No 1 consequences of irregular changes in accounting policies should be assessed at the applicable dates by new accounting methods.

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