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ESTIMATE-BASED PROBLEMS OF FINANCING BUDGET INSTITUTIONS

Statement of the problem. With the transformation of the economic system of Ukraine important direction of research is to develop theoretical aspects of the financing of budget organizations. One of the characteristics of budgetary institutions is that they all tend to be funded from the budget (state or local). Today, the successful operation of budgetary organizations is extremely important, because they are created by the state to meet the social, cultural and other needs of the population, and for other purposes to achieve public goods. Successful performance of budgetary institutions depends on the level of funding. Funding, in turn, depends on the estimates reflected in the amount of funds that the institution intends to use during the fiscal year. Therefore, an important problem is to determine funding based on estimates.

Analysis of recent research and publications. The issues of budget financing have been a number of authors: P. J. Atamas, V.N. Oparin, M.S. Zyakun, V.N. Fedosov, O.D. Wasylyk, R.T. Dzhoha, V.G. Demyanyshyn, V. Matveeva, S. Svirko, I.D. Fahrion and others. National scientists in the economic literature, government funding is seen in the broad and narrow sense. Broad interpretation of the funding for the definition of its place and role in the regulation of social and economic processes. In a narrow sense, government funding is seen by the state as a form of budgetary mechanism and by legal entities - a form of financial security.

Problem. The aim of the article is to study the problems of financing of budgetary institutions on the basis of estimates. According to the goal were the following objectives: to reveal the main ways of financing the public sector, to make recommendations to improve the financing of budgetary organizations.

The main material of the study. According to the Budget Code of Ukraine [1] public institutions - public authorities, local governments, and organizations established by them in the prescribed manner, fully financed from the state budget or local budgets. Budgetary institutions are non-profit.

Common symptoms of budgetary organizations are legal entities of public law with state or municipal ownership, estimated form of budget financing, non-productive nature of activities, and the economic result of a non - profit.

It should be noted that the main source of funds of budgetary institutions are state and local budgets. The process of allocation of funds for expenditure on the basis of estimates called funding. In this regard, one should note the nature of funding. Researchers in his writings differently interpreted the vision of its contents.

In accordance with Article 2 paragraph 6 of the Budget Code “budgetary appropriations - authority of budget funds provided under the budget appropriations for the capture of the budget commitments and payments, which is quantitative, time and destination constraints” [1].

According to the Procedure for registration and accounting of budget commitments procuring entities and the recipients of budget funds in the State Treasury of Ukraine, approved by the Ministry of Finance of Ukraine of 02.03.2012, № 309 (as amended) “budget financial liabilities – liabilities” Liabilities spending unit (receiver budgetary funds) to pay money for any made pursuant to the budgetary allocations placing your order, contract, purchase of goods, services, or perform other similar operations during the budget period, budget accounts payable and/or advance payment that provided by law” [2].

P. J. Atamas emphasizes that the term “financing” is meant to ensure budgetary institutions in cash for their statutory activities. Recently, the range of sources of financing budgetary institutions has increased significantly, in addition to the state and local budgets, budget institutions receive receipts as payment for services rendered humanitarian assistance, mentoring (sponsor) help others. Sources and targeting (purpose) funding for budgetary institutions are very important because not only determine the direction of further spending, but the funding principles [3, p. 42].

V.G. Demyanyshyn believes that government funding - a combination of monetary relations, related to the distribution and use of centralized monetary fund states that are realized by irrevocable and free of budgetary funds to businesses and individuals to carry for - moves budgeted [4, p. 46].

The main essence of budget financing is that it can build bridges monetary relations that arise between the state, on the one hand, and entities of all types of property - on the other, about channeling funds to improve quality of life, satisfaction of social needs enforcement and other public events. Timeliness and completeness of financing is largely dependent on the level of filling the cash budget.

Budgetary institutions that are funded by the budget, which for them, they were provided the necessary appropriations. Budget allocations - the powers of budget funds provided under the budget appropriations for the capture of the budget commitments and payments, which are quantitative, time and destination constraints [1].

State funding is based, and is based on scientific principles. Ukrainian literature provides a different list of these principles both in content and quantity. Given the nature of funding, its internal quality characteristics, it can be argued that the basis for the financing of budgetary institutions on the following basic principles (Table 1):

In theory and practice of budget financing is important and proper selection of appropriate justification of its forms. In the scientific literature there are different approaches to this issue. For example, A. Vasylyk identifies four forms of funding, including budget financing, public financing investment, providing grants of subsidies and grants V. Zagorski, A.

Lupus, I. Blahun, I. Chui - but also four other content (project finance, budgetary loans, budget financing, budgetary transfers), L. Safonov, V.N. Oparin - budget investment, government loans, budget financing, government transfers, A. Romanenko - eight forms: Estimated budget funding programs - schools, institutions and public sector organizations, trans Firth population, budgetary loans to legal entities, subventions and subsidies to individuals and legal entities; budget investments in the share capital existing or newly created entities, budgetary loans of state budget funds, transfers, loans to foreign countries [4, p. 38].

In the economic literature as the main form of budget funding allocated budgeted, since it allows the vast majority of expenditures, provided the functioning of industrial and social infrastructure, defense and management.

Budget - the main financial planning document that defines the scope, target direction and quarterly allocations that are sent from the budget for the maintenance of institutions [7, p. 59];

Considering the concept of "budget financing", most domestic scholars interpret it in terms of expenditure of budgetary institutions financed from the state and local budgets. In our opinion, this approach is not adequately reflect modern practices of these institutions because market principles involve fundamentally different than earlier approaches to the financial support of budgetary institutions, which is characterized by a combination of budget financing of the development of services and execution of work contracts with businesses and organizations for a fee.

At present budgetary institution is an entity which has the right to mobilize funds through paid services and conduct other business activities permitted by applicable law. Own revenues it receives budgetary institutions are included in a special fund and used to estimate the need for the intended purpose.

The main sources of extra-budgetary funds are funds for providing paid (contract) services and sponsors that have recently become widespread usage. One of the forms of social projects and programs targeted budgetary institutions may be fundraising, which is a specially organized process of raising funds for projects of non-profit organizations. Financing of budget institutions through fundraising by using the following instruments: grants, interest-free repayable financial assistance (grant rotary) payment on a contract basis at the seminars, research for non-profit fundraising companies.

Budget financing provides funds from the budget estimate based on the following principles: planned, targeted funding, allocation of funds based on the actual performance of the institution; accountability [6, p. 103].

The essence of the principle of planning is that funding is within the allocation on the basis of the established plan planning document which is an estimate. However, following this principle, we must understand that government funding can't be attributed to the nature of the activities planned, because the principle of allocation based on actual performance of the institution, means that the financing of budget institutions is based on estimates, but does not automatically plan and taking into account the real needs of the institution. This prevents increases the scheduled payment for to get more funding.

The principle of targeting of funding means that the allocated funds (except for some exceptions) can be made only for the purposes for which those funds are registered in the estimates. Also targeted enables an organization which provides funding to control the rationality and effectiveness of the use of funds.

The principle of accountability means that institu-

Principles of financing budgetary institutions

Principles of budget financing	Irreversible - budgetary funds provided by the appropriate administrators and recipients, used to finance the economic, social and cultural institutions, social welfare, administration, defense, etc. do not require direct return and refund
	Free of charge - no fees allocated from the budget funds.
	Planned - State budget funds are allocated according to the law on the state budget for the plan year. Mon expenditures of local budgets financed on the basis of decisions of local councils of the respective budget.
	Targeted budgetary funding budget or expenditures made solely for the intended purpose in accordance with the financial regulations of the state and financial plans of the subjects of intergovernmental relations.
	Effective and full use of the - a characteristic yield maximum results with minimal cash in full their use
	Publicity and transparency - publishing performance reports on the implementation of financial plans to use part of their budget administrators and recipients, and public decision-making
	Fairness and impartiality - government funding is based on a fair and equitable distribution of budget resources among all, without exception, administrators and recipients of funds
	Accountability - the use of all available types, forms and methods of budgetary control for each manager and recipient budget

Source: Developed by the authors according to [4, p. 37-38, 5, p. 192, 6, p. 101].

tions and organizations financed from budget, to provide funding to organizations mandatory reporting of actual exploitation of budgetary allocations.

Budgeted funding has advantages disadvantages. The benefits can be noted that using this method complies with the revenue and expenditure of the budget. Also budgeted funding provides hard and steady financial control over the expenditure of funds.

But we should not forget that funding from budget also has significant drawbacks. Estimated method does not have sufficient incentives to efficient and effective management and does not include the relationship between the level of funding for public institutions and the results of its operations. Thus a network of budget - funded institutions rather than their services. In some cases, within budget organization may apply and cost of financing, and commercial activity, and therefore, this institution is the entity. The organization has the right to charge fees for services, and carry out other business activities that are permitted by applicable law. The funds included in the special fund budget and used for the intended purpose.

Note that since the legislation enshrines link sources of the special fund of the areas of use and the institution can not freely dispose of discretion earnings that are actually no financial autonomy of budgetary institutions. In the world there are several models of financial autonomy of entities, namely the minimal autonomy (an entity wholly provided by property and financial resources from public funds, there is no right to own initiative to obtain and use additional financial resources), partial autonomy (subject management is partly financed by public funds, is entitled to their own initiative to obtain and use additional financial resources in its sole discretion) and full autonomy (the entity no organizational subordination property, financial support for activities carried out on its own, borrowed and borrowed funds used at your own discretion) [8].



The second form of budget funding is in the public financing of investment associated with the allocation of budgetary funds for investment and innovation. This funding is subject to budget classification of expenditures on basic objects of economic and social development. Budgetary investments may be in the form of financing of public investments, the financing project specific investment projects, acquisition of shares or rights of participation in the management. In the process of market reforms and the development of this form, according to the authors, should be used primarily for the structural adjustment of the economy, creating a strong material base for socio-cultural sphere, defense and government.

The third form of budgetary resources is of public transfers by government subsidies (government grants, government grants, government grants) and state care. Subsidies - a form of funding, which is used to allocate funds from state and local budget planning and unprofitable businesses and organizations to balance their financial plans. Grants may also be awarded for the top budget below the relevant conditions (in excess of expenditures over revenues) for the performance of their functions without limiting the scope of funds. Subsidy - this funding to local governments from the state. Unlike grants, subsidies aimed at financing specific activities, programs, projects, and if the share of own-source financing of local budgets. It is refundable in case of misuse. Subsidies - it current payment companies, organizations which do not involve compensation in the form of specially due payments or goods and services in exchange for payments made and costs associated with damages government.

The effectiveness of budget financing is largely dependent on the choice of appropriate methods. To make budget funding used two methods: the method of single treasury account and the method of transferring budgets from current accounts to the accounts of local budget spending units. The method uses a single treasury account to finance the state budget of Ukraine. It is a system of budgetary accounts of the State Treasury, opened in banks under the relevant balance sheet accounts, including the State Treasury make payments directly to business activities. The method of transfer of budget funds from current accounts to the accounts of local budget spending units is in accordance with the budget plan financial authorities list the main administrators of budget funds in the manner of funding their accounts according to the estimate.

Findings from the study. In summary, it should be noted that government funding plays an important role in

socio-economic development of society; social and cultural institutions have little or no additional net cash inflows for development. Expenditures from the state budget are necessary for the existence of budgetary institutions, because the effective functioning of such organizations may only clearly established financial mechanism.

In our view, in order to increase the efficiency of public sector institutions should:

- Move from a model of minimal autonomy to partial autonomy. This budget will allow organizations to raise additional own funds and spend it on their own needs, which may serve as a stimulus for development;

- Given the right budget institutions placed temporarily free funds in commercial banks; this will be an additional source of income;

- Set a limit of funds that can use the institution for certain types of expenditure;

- To organize an effective enforcement of the law.

The dynamics of the reform process in the public sector need to enhance scientific research and development of new proposals for the improvement and development of forms and methods of funding. This will be the subject of our future research.

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