

THE CURRENT MECHANISM FOR FINANCING HIGHER EDUCATION INSTITUTIONS

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Abstract

Modernization of the higher education system in our country, ensuring its economic independence, as well as improving the mechanisms of financing from extra-budgetary funds, is of urgent importance. In this regard, the need for accurate and effective accounting of the financial activities of higher education institutions, in particular, their income and expenses, and the use of advanced methods of accounting and financial analysis is increasing.

Higher education institutions receive income from various sources in the implementation of their activities - the state budget, grants, income from paid-contract education, sponsorship, and other services. At the same time, their expenses are also multifaceted and are directed to the organization of the educational process, scientific research, development of the material and technical base, advanced training of personnel, and other areas.

Therefore, it will be possible to ensure the economic stability of educational organizations by in-depth study of the scientific and theoretical foundations of accounting for income and expenses, their classification, development and implementation of modern mechanisms of financial accounting and reporting.

Keywords: Higher education, income, expenditure, budget organization, budget expenditures, budget system, fiscal year, extrabudgetary funds.

Introduction

In all state institutions of the world, great attention is constantly being paid to ensuring the effective use of financial resources. As world experience shows, many countries are paying serious attention to the effective financing of education, including the higher education system. According to the World Bank, in recent years, an average of 12.0-14.0% of public spending in the world has been directed to education. . At the same time, financing of higher education in countries of the world is carried out in two forms, namely from state budget funds and funds from the provision of educational services. In particular, in many European countries, financing of educational (including higher education) institutions is carried out from state budget funds. According to world practice, in economically developed countries, state budget funds are gaining priority in financing of higher education institutions. For example, currently in countries such as Austria, Italy, France, Norway, Denmark and Sweden, budget funds account for more than 90.0% of the sources of financing of higher education institutions. The level of this indicator is about 80.0% in countries such as the United Kingdom, Portugal, Finland, the



Netherlands and Spain, all of which are evidence of the active policies being pursued in the field of higher education in all of the above countries.

To date, many scientific studies have been conducted and are still being conducted worldwide, aimed at ensuring and further improving the rational and effective use of budget funds in higher education institutions. They primarily focus on various forms of revenue generation for higher education institutions around the world, in particular, state budget funds, commercialization of educational services. Priority is given to the issues of funds received, sponsorship funds, funds received in the form of the establishment of an alumni fund, funds received from the commercialization of scientific research and their increase. Also, how the income of higher educational institutions, which is collected in such ways and forms, is spent, is a constant focus of these studies. However, in the current conditions of globalization and, in particular, the innovative and digital development of the world economy, it is known that in higher educational institutions, including ensuring the rational and efficient use of budget funds and strict adherence to the principles of a market economy, insufficient scientific research has been carried out. It is also noticeable that today there is a lack of scientific research on the widespread introduction of budget funds through the method of result-oriented financing in the higher education system and on improving spending on scientific and innovative developments.

Material and Method

The scientific research of economists and financiers from the CIS countries, including ABBabich, OVRublevskaya, TVGuyda, MVRomanovsky, VMRodionova, NLMargolina, PNNikolsky, IAPashkevich, GVPolyak, NVSokolinskaya, analyzed specific aspects of rational and effective spending of state budget funds.

Among the Uzbek economists-scientists, prof. TSMalikov, prof. OOLimjonov, prof. OKIminov, associate professor JAKochkarov, prof. NHKhay-darov, prof. DX Pulatov, prof. DA Rakhmonov, prof. ABS Herov, prof. ZX Srojiddinova, associate professor OG'.G'aybullayev, prof. UYO'rovov, prof. GQOo-simova, associate professor NVYuldasheva, associate professor SY Ismoilova, associate professor MS Hamrayev, associate professor AZ Norkochkarov, prof. SA Turobov, associate professor Sh.A. Yakubov, associate professor NS Sodiqov, associate professor MQ Jonuzakov and others have carried out many scientific researches in this direction.

Analysis and Results

Today, the legal framework for the financial support of higher educational institutions in our country is reflected in the Law of the Republic of Uzbekistan "On Education". The new edition of this law was adopted on September 23, 2020, and the provisions of this law in paragraph 5 of Article 38, entitled Admission to Educational Institutions «Admission to state higher education and professional educational institutions is carried out on the basis of a state grant and (or) a fee-based contract. is shown as.

The law Article 62, entitled "Financing of Educational Organizations", "Financing of state educational institutions is carried out from the republican budget of the Republic of Uzbekistan, the budget of the Republic of Karakalpakstan, local budgets of regions and the city of Tashkent, budgets of districts and cities, at the expense of funds of personnel customers, as well as extra-



budgetary funds and other sources not prohibited by law. Financing of non-state educational organizations is carried out at the expense of monetary and material funds of founders, personnel customers and other sources not prohibited by law." , is marked as .

This article of the Law "On Education" State educational institutions have the right to provide paid educational and other services, as well as engage in entrepreneurial activities, in accordance with the tasks established by their charter. The procedure for charging fees for the provision of additional educational services in state educational institutions is determined by them independently.

In accordance with this article of the law, additional opportunities have been created for higher education institutions to strengthen their financial support. According to it, additional sources of financing for educational organizations include:

Funds received from training, retraining and advanced training of personnel based on contracts, including contracts concluded with foreign individuals or legal entities;

Funds received from the performance of scientific research, educational and methodological work and other work not prohibited by law based on orders from individuals and legal entities; income from the sale of products developed by educational organizations, work performed, and services provided;

proceeds from the rental of buildings, structures and equipment;

funds (interest) received from placing idle funds of educational organizations on deposits in banking institutions;

funds allocated by state and economic management bodies, as well as local government bodies; bank loans and credits;

charitable funds from individuals and legal entities.

The law "Educational Development Funds" Article 63 states: "Education development funds may be established in accordance with the procedure established by law at the expense of contributions and allocations from state institutions and organizations, legal entities and individuals, including foreign legal entities and individuals, as well as other sources not prohibited by law." recognized by the league.

In addition, it is possible to cite the Decrees, Resolutions of the President of the Republic of Uzbekistan, Resolutions of the Cabinet of Ministers, as well as regulatory documents (Regulations, instructions, procedures, rules, etc.) adopted by specially authorized state bodies that allocate budget funds and have the authority to manage education (including financial activities), which form the basis for the development of financing of higher education institutions.

President of the Republic of Uzbekistan "On measures to improve the system of remuneration for the labor of employees of higher educational institutions of the republic and strengthen their material incentives" In accordance with the Resolution No. PQ-926 of July 24, 2008, the procedure for paying professors and teachers was fundamentally improved, and according to it, the corresponding basic position salaries for the remuneration of professors and teachers and management staff of higher educational institutions were implemented from September 1, 2008. In accordance with this Resolution, the Cabinet of Ministers of the Republic of Uzbekistan "On approval of the improved system of remuneration for employees of higher educational institutions of the republic" Resolution No. 164 of August 1, 2008 was adopted.



With this decision, OPayment of wages to employees of educational institutionsThe Regulation on the procedure for the payment of salaries to professors and teachers has been approved. Currently, the amounts of remuneration for professors and teachers are determined based on this Regulation.

Including,"On measures to strengthen the material and technical base of higher educational institutions and radically improve the quality of training highly qualified specialists" Decree of the President of the Republic of Uzbekistan No. PQ-1533 dated May 20, 2011, "On measures for the further development of the higher education system" In accordance with the resolution, in 2011-2016, funds were allocated from the budget to strengthen the material and technical base of higher educational institutions, and a fund for the development of higher educational institutions was also established, which was later liquidated and merged with the fund for the material stimulation and development of educational and medical institutions.

Over the past five years, comprehensive reforms have been implemented in the higher education system, and ultimately, these changes are also taking place directly in the financing system.

Decree of the President of the Republic of Uzbekistan No. PQ-3231 dated July 21, 2017, "On further improving the mechanism for financing educational and medical institutions and the system of state financial control" In accordance with the resolution of the Ministry of Education, higher education institutions in 2017-2021material and technical basemon machining cost indicatorsapproved and in accordance with this decisionMeasures to further improve the system of remuneration for the teaching staffAlso, in accordance with this resolution, the Cabinet of Ministers of the Republic of Uzbekistan "On approval of the improved system of remuneration for employees of higher educational institutions of the republic" Amendment to Resolution No. 164 of August 1, 2008marked.

In accordance with this resolution, the President of the Republic of Uzbekistan dated April 5, 2018,

PQ-3655-no. "On measures to improve the system of remuneration of employees of higher education and research institutions of the republic" The resolution was adopted. This resolution improved the remuneration of professors and teachers with academic degrees. In accordance with the resolution, the Cabinet of Ministers of the Republic of Uzbekistan"On approval of the improved system of remuneration for employees of higher educational institutions of the republic" Amendment to Resolution No. 164 of August 1, 2008and from September 1, 2018, from January 1, 2019, from July 1, 2019 higher education institutions pedagogyemployeesThe amounts have been determined.

Decree of the President of the Republic of Uzbekistan dated May 7, 2018PQ-3698- number «On additional measures to improve mechanisms for introducing innovations into sectors and areas of the economy» In accordance with the resolution, it was determined to strengthen financial support for innovative activities in higher educational institutions, commercialize scientific activities, and establish an innovation fund in educational institutions.

The Cabinet of Ministers of the Republic of UzbekistanDecree No. 414 of September 3, 1999 "On improving the procedure for providing budgetary organizations with funds" According to the resolution of the President of the Republic of Uzbekistan No. 111 of 2011, the funds



allocated from the budget to higher education institutions are allocated according to the following groups according to the economic classification of expenses (Figure 1).

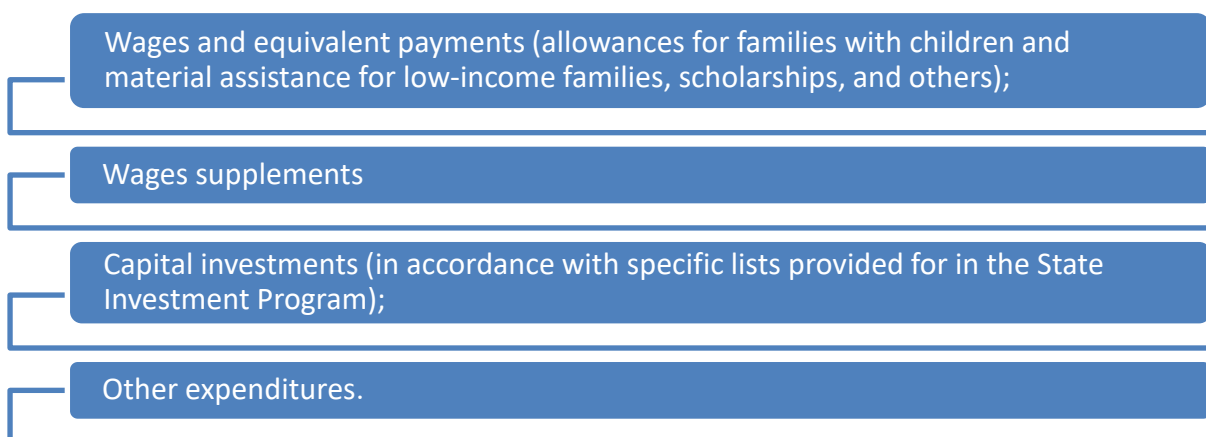


Figure 1. High Budgetary allocations to educational institutions are grouped according to the economic classification of expenditures. .

This resolution also stipulates that the funds for the development fund in educational institutions will be formed from the following sources:

Production and sale of goods (works, services) by type of activity

The amount of funds received from the lease of temporarily unused buildings and other state property to other organizations, established by law

Sponsorship assistance provided by legal entities and individuals to budgetary organizations (gratuitous assistance)

Budget savings

Funds left at the disposal of the educational institution.

It is stipulated that educational institutions that receive additional income from these sources will be exempted from all types of taxes and fees levied on the state budget until January 1, 2023, and the remaining funds will be targeted at strengthening the material, technical and social base, as well as providing financial incentives to their employees.

The Cabinet of Ministers of the Republic of Uzbekistan Decree No. 237 of August 20, 2009 "On measures to further financially strengthen higher educational institutions of the republic" decision According to the law, the Ministry of Finance of the Republic of Uzbekistan, in agreement with the Ministry of Higher and Secondary Specialized Education and other relevant ministries, is tasked with determining the amount of the annual payment contract for training. Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 178 dated August 16, 2010 "On measures to further improve the procedure for financing higher educational institutions of the Republic" According to the decision of Starting from September 1, 2010, a procedure for determining the amount of budget funding for each higher education institution based on the basic standard of education costs per student was introduced. By the decision of the Ministry of Finance of the Republic of Uzbekistan and the Ministry of Higher and Secondary Specialized Education of the Republic of Uzbekistan REGULATION On the procedure for normative planning and financing of expenses of higher educational institutions



from budget funds based on the cost of training one student confirmed (Registered with the Ministry of Justice of the Republic of Uzbekistan on August 26, 2010, registration number 2136).

The Ministry of Higher and Secondary Specialized Education of the Republic of Uzbekistan dated December 28, 2012 "On approval of the Regulation on the payment-contract form of education in educational institutions of the Republic of Uzbekistan and the procedure for distributing funds received" "On the payment-contract form of education in educational institutions of the Republic of Uzbekistan and the procedure for distributing funds received" approved by Order No. 508 of the Government of the Republic of Uzbekistan Regulation of (Registered with the Ministry of Justice of the Republic of Uzbekistan on February 26, 2013, registration number 2431) in accordance with payment-contract form of training income from and the procedure for distributing the proceeds marked.

Decree of the Minister of Finance of the Republic of Uzbekistan dated November 14, 2014 "On approval of the Regulation on the procedure for drawing up, approving and registering cost estimates and staffing tables of budgetary organizations and recipients of budgetary funds" yes Order No. 74 (registered with the Ministry of Justice of the Republic of Uzbekistan on December 15, 2014, registration number 2634) The procedure for compiling estimates and staffing tables for budgetary and extra-budgetary funds of higher education institutions, as well as the deadlines for approval and registration, are established.

The Ministry of Higher and Secondary Specialized Education of the Republic of Uzbekistan and the Ministry of Finance of March 10, 2004 "On approval of the Instruction on the procedure for assigning and paying scholarships to students of higher educational institutions" Order No. 2-P, No. 43 (Registered with the Ministry of Justice of the Republic of Uzbekistan on April 16, 2004. Registration number 1339) The procedure for making scholarship payments is established in accordance with.

Resolution of the Minister of Higher and Secondary Specialized Education of the Republic of Uzbekistan dated October 16, 2017 "On approval of the norms of the ratio of the number of students per teacher in higher education institutions by blocks and forms of education" yes Order No. 18-2017 (registered with the Ministry of Justice of the Republic of Uzbekistan on November 7, 2017, registration number 2945) in accordance with Standards for the ratio of the number of students per teachers specified.

Ministry of Higher and Secondary Specialized Education of the Republic of Uzbekistan, Ministry of Labor of the Republic of Uzbekistan, Ministry of Finance of the Republic of Uzbekistan On approval of model staffing levels of administrative, technical, service and teaching assistant staff of higher educational institutions decision (Registered by the Ministry of Justice of the Republic of Uzbekistan on February 21, 2017) gan, registration number 2859 (The amendment was registered by the Ministry of Justice of the Republic of Uzbekistan on October 11, 2018, registration number 2859-1)) according to The staffing levels of administrative, technical, service and teaching assistant staff of higher education institutions are determined

Decree of the President of the Republic of Uzbekistan No. PQ-4359 dated June 17, 2019 "On the parameters of the state order for admission to higher educational institutions of the Republic of Uzbekistan in the 2019/2020 academic year" In accordance with the resolution of the State



Council of the Republic of Uzbekistan, students of all levels of education on a fee-based contract basis were given the right to pay the fee-based contract amount with or without a scholarship, at their discretion. Within the parameters of the state order, the fee-based contract amount for part-time and evening education in higher educational institutions was set at an amount not exceeding the fee-based contract amount established for full-time education in the relevant undergraduate field of study.

Starting from the 2019/2020 academic year, the amount of the differentiated payment-contract has been independently determined by higher educational institutions in an amount not less than the minimum amount of the differentiated payment-contract value established by the State Commission, taking into account the capacity and territorial location of the higher educational institution, as well as the needs of applicants for higher education.

Rectors (directors of branches) of higher educational institutions, in agreement with the ministries and departments subordinate to the educational institution, are given the right to set the cost of training foreign citizens on a fee-based contract basis in an amount not less than the basic fee-based contract amount established for citizens of the Republic of Uzbekistan in the relevant undergraduate and graduate specialties.

Today, the main part of the financial support of higher education institutions is provided by extrabudgetary funds, especially in the areas of business and management, where 95-98% of financial support comes from the funds of the payment contract form of education.

Conclusion

The need for financing from extra-budgetary funds in the implementation of the activities of higher education institutions, based on the requirements of a market economy, has become an undeniable fact, and the share of extra-budgetary funds in the financing of organizations is increasing. This, in turn, requires the development of regulatory procedures for the formation and spending of extra-budgetary income in higher education institutions.

Currently, the composition of sources of financing for higher education institutions consists of budgetary financing, development fund funds, funds received from the payment-contract form of education, and other extrabudgetary funds.

Since all sources of financing of higher education institutions are included in the budgets of the budget system according to the legislation, the organization and maintenance of income and expenditure accounts related to them, the preparation of reports on the movement of funds are determined to be carried out directly in accordance with the accounting system of the budget treasury execution. However, the generation of income, receipt of funds, the occurrence of expenses and the expenditure of funds related to the financing of higher education institutions are fundamentally different from the treasury execution.

Based on the characteristics of the activities of higher education institutions, the emergence of income for each source of financing, the recognition of related income and expenses, ensuring the consistency of income and expenses, the implementation and grouping of expenses by source of financing, indicate that there are specific aspects in the study of the theoretical foundations of financial accounting.



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