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The scientific monograph presents theoretical and practical aspects of science development. It covers general issues of technical and chemical sciences, agricultural sciences, economics and business management, investment activities, etc. The publication is directed at researchers, teachers, postgraduates and students, as well as the general readership.

Table of Contents

CHAPTER «ECONOMIC SCIENCES»

Mariia Bahorka, Nataliy Yurchenko

DEVELOPMENT OF ADAPTATION
OF AGRICULTURAL ENTERPRISES TO CHANGES
IN THE COMPETITIVE MARKETING ENVIRONMENT. 1

Tetyana Haiduchok, Svitlana Viter

TRENDS OF DIGITAL TRANSFORMATION
IN TAX ADMINISTRATION AND TAXATION: ANALYSIS
OF THE CURRENT STATE AND DEVELOPMENT PROSPECTS. 21

Luidmila Kvasova

STUDY OF COMPARATIVE CHARACTERISTICS
OF CULTURES IN INTERNATIONAL TOURISM. 52

Natalia Koval

ORGANIZATIONAL AND METHODOLOGICAL ASPECTS OF
ACCOUNTING OF FIXED ASSETS OF BUDGET INSTITUTIONS. 85

Svitlana Mishyna, Oleksandr Mishyn

INTERNATIONAL LABOR MIGRATION:
CURRENT TRENDS AND GLOBAL PRACTICES. 118

Olena Podolianchuk

ACCOUNTING FOR COST MANAGEMENT
OF AGRICULTURAL ENTERPRISES. 179

Vadym Puhalskyi

TAX POLICY OF UKRAINE:
STATE AND LEVEL OF EFFICIENCY. 204

Viktoriia Stratiichuk

INNOVATIVE TOOLS FOR ASSESSING
THE STRATEGIC MANAGEMENT EFFECTIVENESS
OF CURRENT ASSETS OF TRADE ENTERPRISES. 239

Diana Tretiak

IMPROVEMENT OF THE EFFICIENCY OF THE
NON-GOVERNMENTAL PENSION INSURANCE IN UKRAINE. 268

**ORGANIZATIONAL AND METHODOLOGICAL ASPECTS
OF ACCOUNTING OF FIXED ASSETS
OF BUDGET INSTITUTIONS**

Natalia Koval¹

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Abstract. In connection with the maintenance of martial law in Ukraine, the established accounting procedure was violated, and especially in the structure of assets, part of the fixed assets were destroyed or damaged, part remained in the temporarily occupied territory, the rest of the property was destroyed. removed or forcibly alienated from the organization. the aspects of accounting for fixed assets at the enterprise and their legislative and regulatory support in war conditions are relevant. *The purpose* of this study is to assess the current theoretical provisions, methods, organization and practice of accounting for fixed assets, consider ways of their improvement and practical use for making balanced accounting and management decisions in budget institutions. *Methodology* of accounting in multi-level budgetary institutions with separate self-financing structural divisions requires the introduction of consolidated accounting accounts into the accounting system. Methodological components of accounting for fixed assets, calculation of depreciation, liquidation of fixed assets in the public sector and self-supporting structural units are carried out according to different methods, since the legislative grounds for this are different. *Practical implications.* Improving the organization of accounting for fixed assets can be aimed at increasing the level of optimization of accounting by introducing additional indicators into the forms of primary documentation in order to increase the informativeness of documents; application of an economically justified method of calculating depreciation; introduction of disciplinary liability in case of improper accounting of fixed assets; increasing the responsibility of materially responsible persons; formation

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of a plan of accounts with a nomenclature of accounts adapted to the business entity. *Value/originality*. A list of mandatory components of the order on accounting policy in the part of fixed assets has been created. The correspondence of the canceled standard forms of primary accounting of fixed assets of enterprises and current forms of public sector entities was considered.

1. Introduction

In the current conditions of Ukraine's integration into the European Union in order to ensure the normal functioning of economic entities and provide internal and external users with the most reliable information, the problems of accounting reform are of utmost importance, especially when it concerns budgetary institutions. In our time, the issues of achieving the goal of unification and harmonization of accounting of fixed assets of budget institutions as a result of the implementation of the Accounting Modernization Strategy in the public sector are relevant. However, taking into account the specifics of the functioning of most budget institutions, the problems of accounting of fixed assets become particularly relevant and are one of the most difficult in their practical activities.

The ongoing modernization of public sector accounting entails updating the methodological and organizational aspects of the accounting of individual objects. Thus, with the introduction of national accounting standards of the public sector (in particular, National provision (standard) of accounting in the public sector 121 "Fixed Assets"), methodological and methodical approaches to accounting for fixed assets of budget institutions have significantly changed, which causes difficulties with the practical application of the new provisions [6, p. 2].

Fixed assets are material assets without which no institution or body can function. But not all tangible assets are fixed assets. The latter are used by budgetary institutions, organizations, local self-government bodies, and non-state sector enterprises. The difference is that the accounting of fixed assets in budget institutions is regulated by other legislative documents. The quality and reliability of the budget accounting of fixed assets provides the possibility of assessing the efficiency and effectiveness of the use of budget funds; consistency of reporting indicators with international standards; full and reliable

reflection of all financial transactions with fixed assets; revealing the completeness of society's satisfaction in certain types of services in terms of volume, content and quality [2, p. 45].

2. Methodological Bases of Accounting of Fixed Assets in Budgetary Institutions

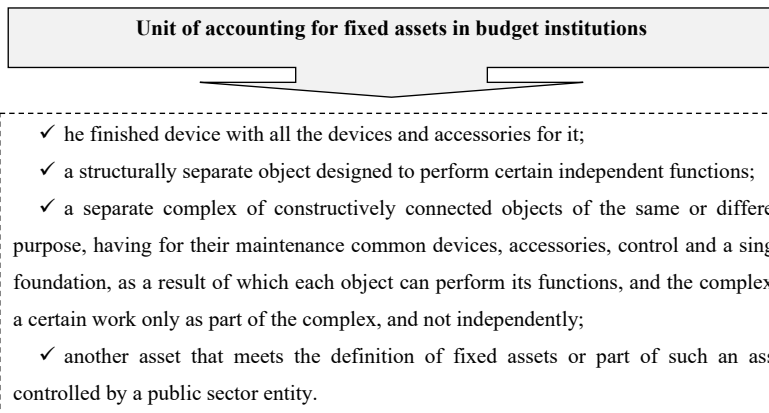
Accounting for fixed assets in budgetary institutions is different from accounting at enterprises of the non-state sector, as it is regulated by other legislative documents. Thus, budgetary institutions account for fixed assets in accordance with National provision (standard) of accounting in the public sector 121 "Fixed Assets" [6] and Methodical recommendations on accounting for public sector entities: order of the Ministry of Finance dated January 23, 2015 № 11 on its application [16]. But even armed with regulations and recommendations, you can make a mistake: not every purchased or received value that can be attributed to fixed assets by all criteria should be shown as fixed assets in accounting.

Methodological recommendations do not apply to fixed assets held for sale, investment real estate, long-term biological assets, non-renewable natural resources and minerals, the accounting features of which are determined by other National provision (standard) of accounting in the public sector, except for standard 121 "Fixed Assets" [6].

The Methodological Recommendations use the terms defined in the national accounting regulations (standards) in the public sector.

The unit of accounting for fixed assets is an object of fixed assets, namely, Figure 1: a finished device with all its fittings and accessories; a structurally separate object designed to perform certain independent functions; a separate complex of constructively connected objects of the same or different purpose, which have common devices, accessories, control and a single foundation for their maintenance, as a result of which each object can perform its functions, and the complex – a certain work only as part of the complex, and not independently; another asset that meets the definition of fixed assets, or a part of such an asset controlled by a public sector entity [23, p. 130].

If one object of fixed assets consists of parts that have different periods of useful use (exploitation), then each of these parts can be recognized in accounting as a separate object of fixed assets.



**Figure 1. Object of accounting of fixed assets
in budgetary institutions**

Source: generated by the author

An object of fixed assets is recognized as an asset when: there is a probability of the public sector entity receiving future economic benefits associated with its use, and/or it has the potential of utility for society; the cost of an object of fixed assets can be determined.

Business operations on the receipt, movement and disposal of fixed assets are formalized by the public sector entity with primary documents, the forms of which are approved in accordance with the procedure established by law.

If there are no standard forms of primary documents for the registration of an economic transaction, then the public sector entity prepares such primary documents that would contain mandatory details provided for by legislation and other regulatory legal acts [6; 8].

The accounting of operations on the receipt, movement and disposal of fixed assets is carried out in accordance with the Standard correspondence of accounting sub-accounts for the display of operations with assets, capital and liabilities, approved in accordance with the procedure established by law [21].

Enrollment in the balance sheet of an object of fixed assets is carried out on the basis of the corresponding primary document.

The object of fixed assets is valued at the original cost, which is: the cost of acquisition in the case of acquisition for a fee; cost of production in case of independent production (creation); fair value if received without payment from individuals and legal entities (except public sector entities); original (revalued) cost of fixed assets in case of receipt without payment from public sector entities; the residual value of the transferred object of fixed assets in case of receipt as a result of exchange for another asset; conditional value in the absence of an active market [24, p. 131].

The initial cost of an object of fixed assets in the case of acquisition for a fee consists of the following costs: amounts paid to asset suppliers and contractors for construction and installation works (without indirect taxes); registration fees, state duty and similar payments made in connection with the acquisition (receipt) of rights to an object of fixed assets; import duty amounts; amounts of indirect taxes in connection with the acquisition (creation) of fixed assets (if they are not reimbursed to the public sector entity); costs of insurance of the risks of delivery of fixed assets; costs for transportation, installation, assembly, adjustment of fixed assets; other costs directly related to bringing fixed assets to a state in which they are suitable for use for the intended purpose.

Financial expenses are not included in the initial cost of fixed assets purchased (created) in whole or in part due to borrowings (with the exception of financial expenses that are included in the cost of qualifying assets in accordance with national accounting regulations (standards) in the public sector).

The initial cost of the object of fixed assets can be formed both at the expense of capital costs and at the expense of current costs (costs for transportation, installation, assembly, adjustment of fixed assets, etc.) in accordance with the economic classification of budget expenditures [16].

The cost of production (creation) of an object of fixed assets consists of costs incurred by a public sector entity for its production (creation), taking into account the costs provided for in clause 3 of this section.

The initial value of fixed assets received free of charge from individuals and legal entities (except public sector entities) is their fair value on the date of receipt, taking into account the costs provided for in clause 3 of this section.

The initial value of fixed assets received free of charge from individuals and legal entities (except public sector entities) may be the value for which

there is reliable information, in particular according to the relevant primary documents, taking into account the costs provided for in paragraph 3 of this section [11].

The receipt by public sector entities of basic assets as humanitarian aid is carried out in accordance with the Law of Ukraine "On Humanitarian Aid", other regulatory legal acts [13, p. 30].

Fixed assets received free of charge in the form of non-refundable aid or gift are accepted by the commission created by the order of the head of the public sector entity, which necessarily includes an employee of the accounting department.

The commission draws up a relevant document, which specifies the name and value of the received fixed assets, on the basis of which operations on free receipt are reflected in accounting.

Since the declaration of martial law in Ukraine, which is due to the full-scale invasion of russia on the territory of our country, the charitable sphere has become an important activity of business entities and ordinary citizens [13, p. 27].

According to the Law of Ukraine "On Charitable Activities and Charitable Organizations", one of the spheres of charitable activity is the promotion of the defense capability and mobilization readiness of the country, the protection of the population in emergency situations of peace and war [15].

At the same time, the norms of the Law of Ukraine "On the Armed Forces of Ukraine" determine the possibility of financing the Armed Forces at the expense of charitable donations of individuals and legal entities in the manner determined by the Cabinet of Ministers of Ukraine [18].

From the above, it can be concluded that the charitable assistance of the Armed Forces of Ukraine is carried out in the form of charitable donations – free transfer by the benefactor of funds, other property, property rights to the ownership of the beneficiaries in order to achieve certain, predetermined goals of charitable activity, in accordance with the Law "On Charitable Activities and Charitable Organizations" [15; 24].

Business entities – legal entities – can directly provide charitable assistance to the Armed Forces (which include formations, military units, military educational institutions, institutions and organizations) and which are entered in the Register of Non-Profit Institutions and Organizations.

If a military organization is not included in the Register, the company cannot provide such assistance directly to it, but only through a charitable organization.

Characterizing the domestic normative regulation of the field of charity, first of all, it is worth paying attention to the effect of legislative documents, which determine the content, form and types of charitable activity, Table 1.

According to Clause 4 of Art. 13 of the Budget Code of Ukraine, charitable contributions, grants and gifts belong to the first subgroup of the second group of own revenues of budgetary institutions. The use of such funds is clearly regulated by the Budget Code of Ukraine to cover expenses related to the organization and provision of services provided by budget institutions in accordance with their main activities [1].

It is worth noting that in March 2022, the Government decided that the requirements established by the law regarding the receipt, use, accounting and reporting of charitable assistance from legal and natural persons – residents and non-residents – do not apply during martial law.

We agree with the opinion of the authors Podolyanchuk O.A., Koval N.I., Ishchenko Y.P. and we consider that this norm cannot be implemented in practice. After all, accounting is conducted continuously and provides all the facts of the economic life of economic entities [13, p. 28].

At the same time, according to the norms of the Tax Code of Ukraine – legal entities – recipients of charitable assistance in their annual financial statements reflect: in the accounting balance – separately funds (goods, works, services) received as charitable assistance; in the profit and loss statement – separately the value of the received charitable assistance [4, p. 78].

When transferring objects of fixed assets or material assets to the army, it is necessary to consider whether it is a voluntary transfer (when the initiator is the enterprise itself), or whether it is alienation or seizure (by decision of the military command, taking into account the norms of the Law of Ukraine "On Transfer, Forced Alienation or Seizure property in the conditions of the legal regime of martial law or a state of emergency" dated May 17, 2012 № 4765-VI) [19].

Table 2 provides summarized information on the documentation of the transfer of charitable assistance for the Armed Forces.

Along with this, it is necessary to form the Act of acceptance and transfer of humanitarian (charitable) aid, which is used by charitable

Normative and legal regulation of charitable activities

Regulatory document	Definition
About the Red Cross Society of Ukraine: Law of Ukraine dated November 28, 2002 № 330-IV	Charitable, charitable activity is an activity related to providing help and support to those who need it, based on universal principles of humanity and mutual assistance, which is carried out exclusively selflessly (without the goal of obtaining profit or other benefit).
On charitable activities and charitable organizations: Law of Ukraine dated 07/05/2012 № 5073-VI	Charitable activity is voluntary personal or property assistance for the achievement of defined charitable goals, which does not involve the benefactor receiving a profit, as well as the payment of any reward or compensation to the benefactor on behalf of or on behalf of the beneficiary; philanthropic activity – charitable activity in the fields of education, physical culture and sports, culture and art, protection of cultural heritage, science and scientific research, which is carried out in the manner determined by this Law and other laws of Ukraine.
On volunteering: Law of Ukraine dated April 19, 2011 № 3236-VI	Volunteer activity – voluntary, socially oriented, non-profit activity carried out by volunteers through the provision of volunteer assistance; volunteer assistance – work and services performed and provided by volunteers free of charge.
On humanitarian aid: Law of Ukraine dated October 22, 1999 № 1192-XIV	Humanitarian aid – targeted free aid in monetary or in-kind form, in the form of irrevocable financial aid or voluntary donations, or aid in the form of work, provision of services provided by foreign and domestic donors for humanitarian reasons to recipients of humanitarian aid in Ukraine or abroad, who need it in connection with social insecurity, material insecurity, a difficult financial situation, the emergence of a state of emergency, in particular as a result of a natural disaster, accidents, epidemics and epizootics, environmental, man-made and other disasters that pose a threat to the life and health of the population, or serious illness of specific individuals, as well as for preparation for armed defense of the state and its defense in the event of armed aggression or armed conflict.

Source: [13, p. 42]

**Documentation of charitable donations
of the Armed Forces of Ukraine**

Primary document	Its purpose
The manager's order	Approval of the manager on the provision of charitable assistance
Payment order, bank statement	Transfer of funds to a special account
Bill of lading, goods and transport bill of lading	Voluntary transfer of goods and material values
Act on write-off of fixed assets, Act on write-off of motor vehicles and technical documentation	Act on write-off of fixed assets, Act on write-off of motor vehicles and technical documentation
Act of acceptance and transfer (internal movement) of fixed assets and technical documentation	Forced alienation or removal
Act on forced alienation or seizure of property and technical documentation	
Appraisal certificate of the property (if available), Appraisal commission certificate of the enterprise, Accounting certificate	
Request letter	Request for the type and amount of charitable assistance
Agreement on cooperation	Consent of the charitable organization to accept funds, goods, works, etc
Extract from the register of non-profit organization	Confirmation of the status of the recipient (beneficiaries) of charitable assistance

Source: created by the author for [13]

organizations today, we will consider a sample of the document. This document must be signed by both parties: on the one hand, by the head of the enterprise; a representative of a military unit, military formation, relevant unit, institution or organization for the needs of ensuring the defense of Ukraine, to whom this object of fixed assets is transferred – on the other hand. The formation and written certification by both parties of this document is necessary to confirm the fact of transfer and receipt of assistance, and will also provide an opportunity to prove to the tax authorities the targeted direction of expenses related to the transfer of property or commodity values.

The accounting service and materially responsible persons record the receipt, transfer and disposal of humanitarian aid in the accounting registers, but separately from the material values acquired at the expense of funds from other sources of income.

The initial value of fixed assets received free of charge from public sector entities is equal to the initial (revalued) value of fixed assets at which the fixed assets were accounted for by the public sector entity that transferred them, taking into account the costs provided for in clause 3 of this section, with indicating the accrued amount of wear and tear for the full number of calendar months of their stay in operation [16].

Fixed assets are transferred together with primary documents (or their copies), or accounting registers (or their copies), or other documents that indicate the cost of acquisition (creation) of fixed assets.

If there is no reliable information about the original cost of fixed assets, the original cost is determined at the level of fair value on the date of receipt, the assessment of which is carried out in accordance with the legislation.

In the case of a change in the utility potential of assets, in particular the use of a historic building as an office space, its recognition and evaluation are carried out similarly to the general evaluation of fixed assets. The size of the conditional value may be determined by legislative and other regulatory acts or may consist of sums of insurance against fire, theft, loss, damage or other possible damage.

An object of fixed assets can be obtained as a result of exchange for another asset. The initial value of the received object of fixed assets is the residual value of the transferred object of fixed assets. If the residual value of the transferred object of fixed assets is zero, then the original value of the received object of fixed assets is its fair value on the date of posting [14; 16]. After the initial recognition of an object of fixed assets as an asset, its accounting is carried out at the original cost.

If the object of fixed assets consists of different components that have different terms of useful use (exploitation), or provide economic benefits to the public sector entity in different ways, or have different utility potential, which necessitates the application of different depreciation rates, it is advisable to distribute the aggregate costs for the acquisition (creation) of this object by its components with separate accounting for each component.

For other non-current tangible assets, a simplified, group or other specific accounting procedure is used.

3. Peculiarities of Documentation of Fixed Asset Accounting in Budget Institutions

Obtaining timely, complete and reliable information about business processes taking place at the enterprise is of great importance for production management. The main source of such information is the documentation of business transactions. A rational and correct organization of primary accounting, which should ensure full registration of all economic facts and guarantee legal proof of the authenticity of the displayed data, is the main prerequisite for effective enterprise management [4, p. 64].

Primary documents are the first according to the generally accepted order of compilation in accounting; primary source of accounting information and primary evidence at all enterprises. They can be made during the implementation of an economic transaction or immediately after its completion; contain information about business operations, confirm their implementation and are the basis for further accounting; allow control over the preservation of the company's property. They are used to analyze the financial and economic activity of enterprises, when conducting internal and external audits and state financial control.

An object of fixed assets is a finished device with all its accessories and accessories, or a separate structurally isolated object designed to perform certain independent functions, or a separate complex of structurally connected objects of the same or different purpose, which have common devices, accessories for their service, leadership and a single foundation, as a result of which each item can perform its functions, and the complex – a specified work only as part of the complex, and not independently [16].

Determining the object of fixed assets for accounting purposes is also important because primary documents are drawn up separately for each such object.

he process of forming the necessary accounting information in general, and fixed assets in particular, goes through several stages, namely: initial observation, generalization (i.e. data processing) and presentation of reporting data. These stages of formation of information about fixed assets can be divided into separate operations that take place during the entire life

cycle of a separate object, Figure 2: posting of fixed assets and preparation of relevant primary documents; assignment of inventory numbers to objects of fixed assets; compilation of inventory cards; collection and processing of data on the participation of the means of labor in the production process and calculation of depreciation; moving in the middle of a large enterprise by transferring objects from one materially responsible person to another; carrying out repair works of fixed assets in the form of current and capital repairs; placing objects for conservation or leasing; documentation of disposal of fixed assets, liquidation, transfer or sale to a third-party organization; inventory of fixed assets.

Accounting of fixed assets must ensure:

- timely display on accounting accounts of complete information on valuation, revaluation and receipt of fixed assets, their internal movement (from warehouse to shop (department, district), from shop to shop, etc.), disposal (sale, liquidation, free transfer, shortage, spoilage, etc.);

- display of data on depreciation of fixed assets for the reporting period and their depreciation from the beginning of useful use;

- determination of costs related to maintenance of fixed assets in working condition (technical inspections, routine maintenance), their repair and improvement;

- determination of financial results from the sale and other disposal of fixed assets;

- information for reporting on fixed assets and capital investments [5].

In order to control storage, inventory cards are compiled in one copy according to classification groups.

Fixed assets in budget institutions are recorded in the accounting on the basis of the act of writing off the non-current asset, the act of putting it into operation and establishing an inventory card for it. If the non-current asset is identified as a surplus by the inventory, it is recorded in the accounting on the basis of the protocol of the inventory commission, the act of evaluation, the act of commissioning and the establishment of an inventory card on it [10].

A certificate of receipt in kind must be submitted to the Treasury. On the basis of such a certificate, not only the amount of income, but also cash and actual expenses will be displayed.

According to the Order of the State Statistics Service of Ukraine dated 22.10.2021 № 266 "On the cancellation and recognition as invalid of some

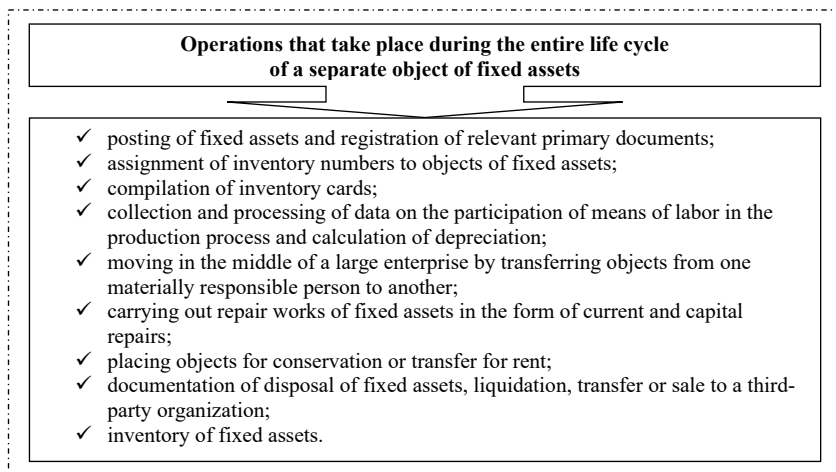


Figure 2. Operations that take place during the entire life cycle of a separate object of fixed assets

Source: generated by the author

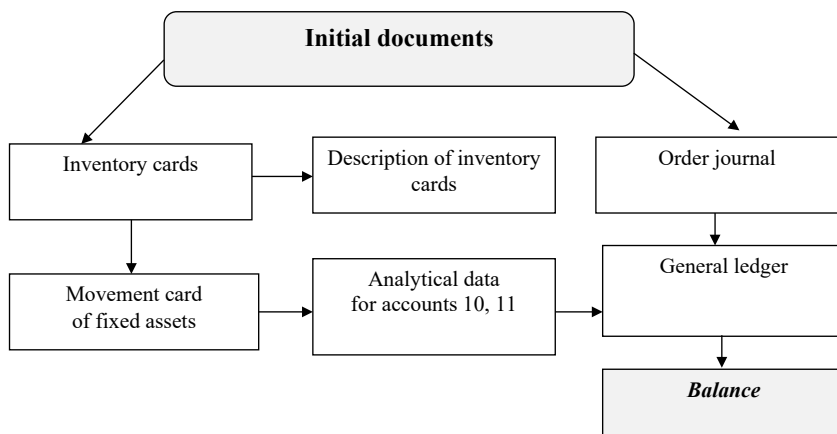


Figure 3. Scheme of recording in registers for accounting of fixed assets in budgetary institutions

Source: generated by the author

orders of the State Statistics Service of Ukraine, the Ministry of Statistics of Ukraine and the State Statistics Committee of Ukraine" the order of the Ministry of Statistics of Ukraine dated December 29 became invalid 1995 № 352 "On approval of standard forms of primary accounting".

As you can see, the vast majority of primary documents from October 22, 2021 can have an arbitrary form, but with a mandatory indication of the necessary details.

The scheme of recording in the registers for the accounting of fixed assets is shown in Figure 3.

It is worth noting that these documents can exist in both paper and electronic forms. If the electronic document was drawn up in accordance with all requirements and contains an electronic signature, its legal force is equal to the legal force of a paper document.

4. Accounting of Fixed Assets of a Budgetary Institution

Accounting for fixed assets in budgetary institutions is different from accounting at enterprises of the non-state sector, as it is regulated by other legislative documents.

Budgetary institutions account for fixed assets according to National provision (standard) of accounting in the public sector 121 "Fixed Assets" and Methodical recommendations for its application [6; 16]. But even armed with regulations and recommendations, you can make a mistake: not every purchased or received value that can be attributed to fixed assets by all criteria should be shown as fixed assets in accounting.

The fact is that fixed assets are recognized as assets after they are put into operation. Until now, the cost of the institution's expenses for the acquisition or creation of non-current assets are reflected as capital investments on the sub-account:

1311 – if fixed assets are purchased;

1312 – if other non-current material assets [21].

The accounting of fixed assets in the part of the accumulation of costs for their acquisition (creation) reflects the memorial orders:

– 4 "Cumulative statement of settlements with debtors" – if the institution first paid for goods and services, and will receive them later;

– 6 "Cumulative statement of settlements with creditors" – if the institution first received goods and services, and will make their payment later [11].

Chapter «Economic sciences»

Accounting for fixed assets and other non-current tangible assets is impossible without the use of subaccounts 1311, 1312, since we first accumulate expenses, thereby forming capital investments in assets. As a rule, the primary documents for displaying these operations are the invoice, the report of the completed works, the report of the services provided (for example, from transportation, installation, etc.).

So subaccount 2113 or 6211 will be involved, see table 3.

After the initial recognition of an object of fixed assets as an asset, it is recorded at its original cost. According to the chart of accounts, fixed assets are recorded on account 10 "Fixed assets", sub-accounts 101 Fixed assets and investment real estate of managers of budget funds and 102 Fixed assets and investment real estate of state trust funds.

In particular, the main procedures for accounting for the commissioning of fixed assets are as follows:

- 1) a non-current asset whose initial value is equal to the amount of capital investment is put into operation – Debit 10, 11 Credit 1311, 1312;
- 2) reduction of the amount of targeted financing and increase of equity capital by the amount of the original value of the non-current asset that has been put into operation – Debit 54 Credit 51.

Table 3

The procedure for displaying capital investments in accounting

The content of the business transaction	Debit	Credit
We receive targeted financing for the purchase of fixed assets	2313	54
We buy the equipment necessary for the installation of capital equipment	1513	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	
We hand over the equipment for installation	1311, 1312	1513
We buy a non-current asset and reflect the costs of its acquisition, including the cost of the fixed asset	1311, 1312	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	
We accumulate costs for design, construction and installation work, if it is related to the creation of fixed assets	1311, 1312	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	
We accumulate the amount of costs for transportation, installation, assembly, adjustment of fixed assets for putting them into operation	1311, 1312	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	

Source: [10]

The basis for this is the act of putting capital assets into operation. After its approval, a corresponding inventory card is formed.

It should be noted that fixed assets are recognized as assets after they are put into operation. Until now, the cost of the institution's expenses for the acquisition or creation of non-current assets are reflected as capital investments on subaccounts:

1311 – if fixed assets are purchased;

1312 – if other non-current material assets.

Subaccounts 2113 or 6211 will also be involved, since the accounting of fixed assets in 2023 in terms of the accumulation of costs for their acquisition or creation is reflected in memorial orders:

4 "Cumulative statement of settlements with debtors" – if the institution first paid for goods and services, and will receive them later;

6 "Cumulative statement of settlements with creditors" – if the institution first received goods and services, and will make their payment later.

But the Ministry of Finance has not developed the form intended for this purpose. Therefore, it is necessary to develop and supplement the accounting organization of the institution with a map of analytical accounting of unfinished capital investments. Accounting for fixed assets: capital investments are considered in Table 4.

In addition, the Methodological Recommendations on Accounting of Fixed Assets of Public Sector Subjects, approved by Order of the Ministry of Finance No. 11 of 23.01.2015 (hereinafter – Methodological Recommendations № 11), contain instructions on the grouping of construction, manufacturing, creation and improvement costs for each fixed asset as follows areas: design and research works; Construction works; equipment installation works; purchase of equipment that requires installation; purchase of equipment that does not require installation, tools and inventory; other capital works and expenses (item 2 of Chapter IX of Method Recommendations № 11) [11; 12].

Accounting for fixed assets and other non-current tangible assets is impossible without the use of subaccounts 1311, 1312, since we first accumulate expenses, thereby forming capital investments in assets. As a rule, the primary documents for displaying these operations are the invoice, the report of the completed works, the report of the services provided (for example, from transportation, installation, etc.).

Accounting of fixed assets: capital investments

The content of the business transaction	Correspondence of accounts (sub-accounts)	
	Debit	Credit
We receive targeted financing for the purchase of fixed assets	2313	54
We buy the equipment necessary for the installation of capital equipment	1513	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	
We hand over the equipment for installation	1311, 1312	1513
We buy a non-current asset and reflect the costs of its acquisition, including the cost of the fixed asset	1311, 1312	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	
We accumulate costs for design, construction and installation work, if it is related to the creation of fixed assets	1311, 1312	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	
We accumulate the amount of costs for transportation, installation, assembly, adjustment of fixed assets for putting them into operation	1311, 1312	2113, 6211
We display Value Added Tax if it is classified as a tax credit	6311	

Source: generated by the author based on [11; 12]

Fixed assets in accounting are shown on account 10, and other non-current tangible assets – on account 11 after putting them into operation. The basis for this will be the act of putting capital assets into operation. After its approval, a corresponding inventory card is formed:

- inventory card of fixed assets;
- group accounting of fixed assets;
- accounting of animals and perennial crops.

The forms of these documents and the order of their preparation are approved by the order of the Ministry of Finance No. 818 dated 13.09.2016 [17].

Accounting for fixed assets in budget institutions differs depending on whether they were purchased or received free of charge. We have already considered how to account for purchased fixed assets. Accounting for free receipt depends on the identity of the recipient. Let's consider the procedure for recording the free receipt of fixed assets from an institution within one property management body and from other institutions in the accounting:

1) received free of charge from an institution within one property management body, we display the following amounts:

- the value of a non-current asset – Debit 10, 11 Credit 51;
- its wear and tear – Debit 8014, 8114, 5511, 5512 Credit 1411, 1412;

2) received free of charge from another institution, enterprise, we display the amount:

– the value of a non-current asset (if the primary documents do not contain its value, we perform the accounting of fixed assets at fair value) – Debit 10, 11 Credit 2117, 6211, 6415;

– income from the acquisition of an asset – Debit 2311, 2313 Credit 7511, 7523;

– equity, which we increase as a result of obtaining an asset – Debit 7511, 7523 Credit 51 [10; 12].

In the case of free receipt, these transactions are reflected on the basis of the act of acceptance of the transfer of fixed assets. The procedure for accounting for fixed assets requires recognizing as income not only the value of non-current assets received free of charge from other institutions, but also those received from the write-off of non-current assets or identified by the inventory as surplus.

If we use subaccount 7511 when receiving free of charge, then in other cases – 7112 "Income from the posting of assets not previously included in the balance sheet".

Fixed assets in budget institutions are recorded in the accounting on the basis of the act of writing off the non-current asset, the act of putting it into operation and establishing an inventory card for it. If the non-current asset is identified as a surplus by the inventory, it is recorded in the accounting on the basis of the protocol of the inventory commission, the act of evaluation, the act of commissioning and the establishment of an inventory card on it [10].

It is worth noting that at the end of the year, the Ministry of Finance prepared a small batch of updates related to the accounting of fixed assets. Next, we will consider the basis of them in more detail:

1. The first change concerns subaccount 1013. The category "infrastructure assets" was added to the group of fixed assets "Buildings, structures and transmission devices", p. 3.1.3 of Chapter II of National provision (standard) of accounting in the public sector 121 "Fixed Assets" [6; 20].

There is no clear regulatory definition of this category either in national legislation or in IAS 2. But according to paragraph 21 of IAS 17 "Fixed Assets", these assets usually have the following characteristics [14]: they are part of a system or network; they are specialized in nature and have no alternative use; they are immobile; they may have disposal requirements.

As examples of infrastructure assets, IAS 17 "Fixed Assets" includes roads, sewage systems, water and electricity supply systems, communication networks [12].

According to paragraph 1.1 of methodological recommendations on the accounting of fixed assets in subgroup 4 of the group "Buildings, structures and transmission devices" previously accounted for power lines, transmissions and pipelines with all intermediate devices necessary for the transformation (transformation) and transmission of energy and for the movement of liquid and gaseous substances through pipelines to consumer, cable and overhead communication lines, etc [16].

The group of basic assets "animals and perennial plantations" was supplemented with fruit-bearing plants: fruit and berry plants, regardless of their age; fruit plantations on streets, squares, in parks, gardens, squares, on the territory of institutions, in the yards of residential buildings [3].

Perennial plantations include trees in afforestation. These objects should be accounted for as part of subgroup 5 of subaccount 1017. As in National provision (standard) of accounting in the public sector 121 "Fixed Assets", the Methodological Recommendations on Accounting for Fixed Assets prescribe that in the case of receiving an object of fixed assets as a result of exchange for another asset in accordance with the law, its original value is the fair value on the date posting. If the fair value of the received or transferred object of fixed assets cannot be determined, then the initial value of the received object of fixed assets is the initial (revalued) value of the transferred asset, taking into account the amount of depreciation.

It was prescribed that the liquidation value can increase to the book value of the object or exceed it. In this case, the depreciation charge is equal to zero until its liquidation value is reduced to an amount lower than the book value of the object.

The duties of the institutions included the revision of the period of useful use (exploitation) and the liquidation value of the object of fixed assets

at the end of the reporting year in the event of a change in the expected economic benefits from its use.

At the same time, the depreciation of the fixed assets in this case is calculated taking into account the new period of useful use and liquidation value, starting from the month following the month of the change of the period of useful use and/or liquidation value [3].

2. A change in the period of useful use and a change in the liquidation value of an object of fixed assets are reflected as changes in accounting estimates in accordance with in National provision (standard) of accounting in the public sector 125 "Changes in accounting estimates and correction of errors".

3. The second change concerns the exchange of assets. The procedure for accounting for fixed assets received as a result of exchange for another asset has changed. In particular, the new item of property, plant and equipment obtained as a result of the exchange should now be capitalized at fair value. It will be recalled that previously this norm provided for recognition of such assets at the residual value of the transferred object [12].

But it is worth remembering that according to Part 6 of Art. 45 of the Budget Code of Ukraine [1], it is prohibited to carry out calculations with the budget in non-monetary form, including by netting, using promissory notes, barter transactions and crediting counter-payment claims in financial institutions, with the exception of transactions related to the state debt and cases, provided for by the Law on the State Budget of Ukraine.

Thus, now it is difficult to give an example when a budget institution can receive an object of fixed assets as a result of an exchange for another asset. But if you have an exceptional situation that involves the possibility of obtaining a new object of fixed assets in exchange for another, know that starting from January 1, 2023, the initial value of such objects is determined at the level of their fair value at the time of posting. And only if it is impossible to establish the fair value of such assets, then it is possible to sell them at the residual value (that is, a value equal to: the original (revalued) value of the transferred asset minus depreciation) [1].

4. Revaluation of fixed assets in budgetary institutions is always carried out using the index method. Yes, in accordance with clause 5 of ch. III National Standard 121, in order to bring the residual value of the object of fixed assets to the level of its fair value, the original value and the amount

of depreciation of the object are multiplied by the revaluation index. The revaluation index is determined by dividing the fair value of the object being revalued by its residual value.

At the same time, in para. 2, item 5 of Chapter III of National provision (standard) of accounting in the public sector 121 "Fixed Assets" provided for an exception regarding revaluation for objects in which the residual value is zero. This was necessary because zero is not divisible, so it is impossible to determine the index for such objects [6; 7].

It is best to avoid situations where the residual value is zero. For this it is worth:

– first, to regularly test the need for revaluation, while the object is not fully amortized. If the residual value deviates significantly from the fair value, the object should be reassessed immediately and its residual value should be brought up to the fair value (paragraph 2, clause 3 of Chapter III of the National provision (standard) of accounting in the public sector 121 "Fixed Assets");

– secondly, determine the liquidation value. It is not subject to depreciation, that is, it is a kind of buffer that does not allow the residual to drop to zero.

Unfortunately, it is difficult to answer how to carry out a revaluation according to National provision (standard) of accounting in the public sector 121 "Fixed assets", if the object is already valued at zero hryvnias. And IFRS 17 "Fixed Assets" contains another method of depreciation, in addition to the index method. This method involves writing off accrued depreciation and bringing the residual value to the fair value. In the context of the issue of zeros, this is somewhat similar to what was in para. 2 clause 5 ch. III National provision (standard) of accounting in the public sector 121 "Fixed means" earlier, but not the same. Well, maybe the next update package of National provision (standard) of accounting in the public sector 121 "Main facilities" will implement this method into the domestic standard [12; 16].

4. The following changes concern depreciation.

A norm has been introduced, which provides that depreciation should not be charged on objects that are located in the areas of military (combat) operations during the period of martial law (paragraph 1, clause 3 of Chapter IV National provision (standard) of accounting in the public

sector 121 "Fixed Assets"). That is, we are not talking about the occupied territories, but about those that are not captured at the moment, but belong to the "gray" zone, are under constant fire, on the demarcation line – where the battles are fought. Although in fact this territory is considered under control, it is impossible to operate the objects located there normally. It is usually not even dangerous to be in such areas. So, just like occupied fixed assets, these objects are not subject to depreciation.

Paragraph 2, clause 3, ch. IV National provision (standard) of accounting in the public sector 121 "Fixed assets". It stated that after the recognition of losses from the decrease in the utility of an object of fixed assets, depreciation is calculated based on the revised term of its useful use (exploitation) [6].

The procedure for displaying depreciation on accounting accounts has been clarified (Clause 9, Chapter IV of National provision (standard) of accounting in the public sector 121 "Fixed Assets"). However, in most cases, everything remains the same. Accumulated depreciation is reflected by an increase in the amount of depreciation of fixed assets and expenses. But one exception was provided: when the object of fixed assets is used to create a new asset, then expenses do not need to be reflected. Instead, the amount of accrued depreciation is included in the cost/book value of such new asset. This approach is fully consistent with the rules for the formation of the initial value of an asset created by oneself, which are provided for by National provision (standard) of accounting in the public sector 121 [6] "Fixed assets", National provision (standard) of accounting in the public sector 122 "Intangible assets" [7], National provision (standard) of accounting in the public sector 123 "Stocks" [8].

It is worth remembering that the initial value of an asset created by oneself is the sum of all incurred costs that were directly related to its creation. For example, if an institution prepares meals for the provision of catering services or for sale in its own kitchen and uses certain equipment for this (stove, refrigerator, food processor, etc.), then the depreciation of this equipment and the kitchen premises are expenses that were necessary to obtain the corresponding products. Therefore, such costs should be taken into account when estimating the cost of finished products.

The following changes concern the period of useful use. The need to review the following accounting estimates at the end of the reporting year in

the event of a change in the expected economic benefits from the use of the fixed assets object is determined: period of useful use; liquidation value [7].

Depreciation of fixed assets is calculated taking into account the new period of useful use and liquidation value, starting from the month following the month of change in the period of useful use and/or liquidation value.

A change in the period of useful use and a change in the liquidation value of an object of fixed assets are reflected as changes in accounting estimates in accordance with National provision (standard) of accounting in the public sector 125 "Changes in accounting estimates and correction of errors" [9; 24].

In accordance with clause 1, section II of National provision (standard) of accounting in the public sector 125 "Changes in accounting estimates and correction of errors", the rule has been in effect for a long time: an accounting estimate can be revised if the circumstances on which this estimate was based change, or additional information is received, or a certain event has occurred [9; 12].

Since the accounting policy of budgetary institutions involves the selection of accounting principles, methods and procedures, then, first of all, the accounting policy is subject to constant changes due to changes in the legislative framework. Therefore, employees of the accounting service constantly need to be informed about changes in this or that legal framework in order to further avoid any violations of the law.

The accounting policy determines the methods of assessment, accounting, procedures used for accounting, preparation and submission of financial and budget statements, which are not defined by National provision (standard) of accounting in the public sector or for which more than one variant is provided for, as well as the terms of useful use of groups of fixed assets and intangible assets.

Certain corrections were made to the methodological recommendations regarding the accounting policy, where the typical periods of useful use of fixed assets are defined. In particular, lines 5 and 6 were laid out in the new edition, Table 5.

The accounting of fixed assets is the accounting of operations on the receipt of fixed assets (acquisition, creation, production or capital construction, free receipt), accounting of costs incurred in connection with such acquisition (costs of delivery, installation, costs of construction

The main changes in the typical periods of useful use of fixed assets in budgetary institutions

№	Subaccount name	The name of the subgroup	Useful life, years
5.	Working animals	Animals of zoos and similar institutions, service dogs (subgroups 2, 3)	5
		Working and other livestock (subgroup 1)	7
6.	Perennial plantings and fruit-bearing plants	Berry crops (strawberry)	3
		Berry crops (except strawberries), fruit, vegetables	10
		Essential oil cultures, medicinal	10
		Planting of artificial botanical gardens and other research institutions and educational institutions for research purposes	20
		Landscaping and decorative plantings	25
		Protective and other forest plantations	50
		Other perennial plantings, not classified	20

Source: [12]

materials and equipment, costs for design and construction and assembly work), accounting for costs of modernization and repair of fixed assets, accounting for the results of revaluation of fixed assets, accounting for disposal of fixed assets (write-off, free transfer in internal transfer operations).

We display the accounting of fixed assets in budgetary institutions on the basis of the act of write-off of a non-current asset, the act of putting it into operation and the establishment of an inventory card for it. If the non-current asset was identified as a surplus by the inventory, it is reflected in the accounting on the basis of the protocol of the inventory commission, the act of assessment, the act of putting it into operation, and the establishment of an inventory card for it.

A certificate of receipt in kind should be submitted to the Treasury. On the basis of such a certificate, not only the amount of income, but also cash and actual expenses will be displayed [4; 12].

Non-current assets that are in the system of one main manager of funds and have the same functional purpose and the same value are recorded in the same accounting sub-accounts.

In accounting, the value at which non-current assets are recorded is divided into: original; balance sheet (residual); restorative.

The initial cost of non-current assets is the historical cost, i.e. the cost price based on the actual costs of their acquisition, construction and production.

The balance (residual) value of non-current assets is the initial value minus the amount of accumulated depreciation.

The replacement cost of non-current assets is the original cost changed after revaluation.

The change in the initial (restorative) value of non-current assets is carried out in the case of their revaluation, indexation, as well as during the completion, retrofitting, reconstruction, modernization and partial liquidation of the relevant objects.

The decision on the revaluation of fixed assets can be taken by the subject of accounting in the public sector in the event that the residual value of this object differs significantly from its fair value on the annual balance sheet date. In the case of revaluation of an object of fixed assets, simultaneous revaluation of all objects of the group of fixed assets to which this object belongs is carried out. The revaluation of the fixed assets of the group whose objects have already undergone revaluation should be carried out with such regularity that their residual value on the balance sheet date does not differ significantly from the fair value. The materiality threshold for revaluation of fixed assets is taken as a value equal to a 10 percent deviation of the residual value of fixed assets from their fair value [4; 23].

Low-value non-current tangible assets and library funds are not subject to revaluation, if depreciation of their value is calculated in the first month of transfer of the object of non-current assets to use in the amount of 50 percent of its initial value and the remaining 50 percent of the initial value – in the month of their removal from assets (write-off from balance).

Let's consider an example of revaluation of an object of fixed assets. The original cost of the computer as of the end of the year was UAH 10,000, the accumulated depreciation was UAH 2,500. The fair value of the computer exceeds the residual value by 12.3%.

The revaluation factor will be 1.123.

The overestimated initial cost will be equal to: $10000 * 1.123 = 11230$ UAH.
The overestimated depreciation will be equal to: $2500 * 1.123 = 2808$ UAH.

So, the initial cost of the computer needs to be revalued in the amount of $11,230 - 10,000 = 1,230$ UAH, and wear and tear – in the amount of $2,808 - 2,500 = 308$ UAH.

Accounting entries for the example are given in table 2.5, and the calculation of revaluation amounts is in table 6, [12; 20].

Table 6

Accounting entries related to revaluation of fixed assets

Economic operation	Debit	Credit	Sum
Additional assessment of the initial cost of the computer due to indexation	1014	5311	1230
Additional assessment of computer wear and tear	5311	1411	308

If the property of fixed assets was revalued before the revaluation, the amount of its revaluation is recognized as income of the public sector entity in an amount that does not exceed the amount of the specified revaluation, with the amount of the excess credited to the capital in the revaluations of the reporting year.

Revaluation of non-current assets of budgetary institutions is carried out by a permanent commission, which is appointed by order of the head of the institution annually and operates during the year in the composition of: the head or deputy (head of the commission); the chief accountant or his deputy (in institutions that do not have an accounting service, a specialist entrusted with the performance of the duties of the accounting service), an employee of a centralized accounting department (in institutions served by centralized accounting departments); the person entrusted with the responsibility for preserving non-current assets; other officials (at the discretion of the head of the institution).

Fixed assets are an integral part of the property of almost every business entity. When the entity uses the economic benefits embodied in these fixed assets, their residual value decreases. Depreciation and depreciation of fixed assets allows you to correctly reflect their value. Let's find out all the methods of calculating the depreciation of fixed assets.

The following main requirements for depreciation of fixed assets can be distinguished:

- 1) the value of the depreciable object must be written off systematically during the period of useful service;

Table 7

Calculation of indexation (revaluation) amounts of fixed assets

№	Inventory number	The name of the object of fixed assets	Initial value, UAH	Residual value, UAH	Estimated wear and tear, UAH	The coefficient of indexation (revaluation) – 1,123			Indexation amount, UAH	
1	10480001	Computer	5000	3750	1250	5615	4211	1404	615	154

2) the depreciation method used must reflect the process of consumption by the enterprise of the economic benefits received from the object;

3) depreciation deductions for each period of time should be recognized as income, except when they are included in the book value of another asset.

Depreciation of fixed assets (in addition to other non-current assets) can be calculated by the following method: straight-line; decrease in residual value; accelerated reduction of residual value; cumulative; production.

Depending on the type of object that is recorded on subaccount 1010 "Investment real estate", the method of depreciation differs. Depreciation of fixed assets, which are recorded in other sub-accounts, is calculated according to the straight-line method.

Annual amount of depreciation = cost to be depreciated ÷ period during which the fixed asset will be usefully used.

We will record the obtained result in accounting, provided that the institution has chosen the method according to which the depreciation of fixed assets is calculated on the annual balance sheet date.

If the amortization method is quarterly, the result obtained should be divided into 4 (quarters), and only then should it be reflected in the accounting.

If the main asset is disposed of, depreciation in the month of disposal is calculated by dividing the obtained result by 12 (calendar months).

Depreciation on fixed assets is charged by the accountant after calculating depreciation. That is, he increases the amount of depreciation of the corresponding asset by the amount of depreciation calculated by him [24].

Budgetary institutions prepare a balance sheet every quarter and depreciation must be calculated four times a year. However, National

provision (standard) of accounting in the public sector 121 gives the right to heads of institutions to make a decision to calculate depreciation only on the annual balance sheet date. Enshrine such a decision in the accounting policy order [6].

Note that the institution's accounting policy must be approved by the principal administrator or higher-level institution. Therefore, also agree on the decision to calculate depreciation once a year with the higher-level institution or with the chief administrator. Of course, they may not agree with such a decision. In this case, the quarterly calculation of depreciation cannot be avoided.

However, this rule cannot always be followed. After all, institutions have to calculate depreciation when the accounting object is removed, and this date does not always coincide with the balance sheet date. Therefore, for such an accounting object, calculate depreciation in the month when it is eliminated.

In addition, National provision (standard) of accounting in the public sector 121 provides for cases when it is necessary to suspend the calculation of depreciation.

Do not calculate depreciation for the time when the accounting object was transferred to: reconstruction, modernization, completion, retrofitting, conservation.

The value of non-current and intangible assets is subject to depreciation in accordance with National provision (standard) of accounting in the public sector 121 "Fixed assets" and National provision (standard) of accounting in the public sector 122 "Intangible assets" [6; 7]. However, these superstandards contain a list of assets that do not need to be depreciated: land plots; museum funds and other objects with an indefinite useful life; experimental animals; perennial plantations that have not reached the operational age; natural resources; unfinished capital investments; an intangible asset with an indefinite useful life/exploitation period [6].

In accounting, the cost of business operations is reflected in the corresponding subaccounts using the double entry method. If fixed assets, including investment real estate, are used in the course of the institution's main activity, depreciation of fixed assets in budgetary institutions will be reflected in the correspondence of subaccounts.

**Depreciation of fixed assets in budget institutions
will be reflected in the correspondence of subaccounts**

We calculate depreciation (depreciation) on:	Debit	Credit
investment real estate	8014 "Amortization"	1414 "Depreciation of investment real estate"
fixed assets		1411 "Depreciation of fixed assets"
When they are used during the provision of services, performance of work or production of products, accounting for depreciation of fixed assets is reflected by correspondence of sub-accounts:		
investment real estate	8014 "Amortization"	1414 "Depreciation of investment real estate"
fixed assets		1411 "Depreciation of fixed assets"

5. Conclusions

It is worth noting that the list of standard forms of primary accounting documentation for accounting of fixed assets of public sector entities is wider and more detailed than the canceled standard forms for enterprises. For example, while the form "Act of acceptance-transfer (internal movement)" was used by enterprises to record the introduction of fixed assets into operation, registration of the transfer of fixed assets from storage (from stock) to operation, as well as to exclude objects from storage fixed assets when transferred to another enterprise (organization), then the public sector entity applies three separate forms for these operations: "Act of commissioning of fixed assets", "Act of acceptance-transfer of fixed assets" and "Act of internal movement of fixed assets". However, we note that enterprises had more detailed typical primary documents in the part of inventory cards for accounting for fixed assets, namely the forms "Description of inventory cards for accounting for fixed assets", "Card for accounting for the movement of fixed assets" and "Inventory list of fixed assets".

The movement to improve the material and technical base requires the improvement of theoretical and methodical approaches to its management, in particular accounting and tax accounting, which should provide users of financial statements with timely and reliable information for making management decisions. Therefore, the improvement of the material and

technical base should occur simultaneously with the reform of the system of accounting and tax accounting and property control [20]. To improve the organization of accounting for fixed assets, a clearer definition and comparison in regulatory documents of the value of fixed assets, the methodology of their accounting and distribution into groups, taking into account their useful life for calculating depreciation and wear and tear, is necessary.

Important for the proper organization of accounting of fixed assets is the complete automation of their accounting, which is caused by the need to promptly receive information about the movement of fixed assets, timely and correct calculation of depreciation amounts, and determination of wear and tear according to the chosen method. Improving the organization of accounting for fixed assets can be aimed at increasing the level of optimization of accounting by introducing additional indicators into the forms of primary documentation in order to increase the informativeness of documents; application of an economically justified method of calculating depreciation; introduction of disciplinary liability in case of improper accounting of fixed assets; increasing the responsibility of materially responsible persons; formation of a plan of accounts with a nomenclature of accounts adapted to the business entity.

The proposed measures to improve the organization of accounting for fixed assets will contribute to increasing the level of internal control and ensuring the quality of their accounting by business entities.

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