

УДК (37.014.54)

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### University budget as tool of economic stability

Budgeting – covers all aspects of economic activity. Budgeting process provides ongoing monitoring of decisions and procedures to ensure the achievement of the planned financial performance. University budget - is financial, quantified expression plan of it economically sustainable development in order to achieve its goals. Creation and implementation of budgeting system allows the university to improve governance and transparency, introduce a strict accounting and control spending and optimize costs.

**Key words:** Budgeting, financial management, university budget, CFR, budgeting period.

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#### Жоғары оқу орнының бюджеттелуі экономикалық тұрақтылықтың элементі ретінде

Бюджетті даярлау шаруашылықтың барлық жақтарын қамтиды. Бюджеттеу үдерісі үстінде жоспарланған қаржылық көрсеткіштер туралы шешімдер мен оған жету жолдары бақыланады. Университеттің бюджеті – оның экономикалық тұрақтылығын және дамуды, өзінің мақсатының табысын жетілдіру үшін арналған қаржылық-сандық жоспар. Университетте бюджеттеу жүйесін құру мен енгізу басқару тиімділігін жоғарылатып, қызметті ашықтандыру, шығынды есептеу, бақылау және оңтайландыруға көмектеседі.

**Түйін сөздер:** бюджеттелу, қаржылық басқару, университет бюджеті, ҚЖО, бюджеттелу кезеңі.

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#### Бюджетирование высших учебных заведений как элемент экономической стабильности

Составление бюджета охватывает все стороны хозяйственной деятельности. В процессе бюджетирования обеспечивается текущий контроль за решениями и процедурами по обеспечению достижения запланированных финансовых показателей. Бюджет Университета – это финансово-количественный план, выражающий его экономическую устойчивость и развитие для достижения своих целей. Создание и внедрение системы бюджетирования в университете позволяет повысить эффективность управления и прозрачность деятельности, ввести строгий учет и контроль расходования средств и оптимизировать затраты.

**Ключевые слова:** бюджетирование, финансовое управление, бюджет университета, ЦФО, период бюджетирования.

Budgeting is one of the most important constituent elements of enterprise financial management in modern conditions.

University budget - is financial, quantified expression plan of it economically sustainable development in order to achieve its goals.

The role and place of budgeting in general economic stability control system adequately characterized the university budget functions. Let's consider these basic economic functions:

Operating planning, achieving the objectives of functioning and development of the university.

The major decisions are normally produced in the preparation of programs, projects, corresponding to the general development strategy adopted by the university. The process of designing the budget is essentially a refinement of these financial plans.

2. Coordination of the various activities at the university in general and departments, coordination of individual interests and the interests of the CFR of the whole university. It can be argued that management's plans will not be implemented until all the performers do not understand the contents of these plans. Budget plan includes specific items as

income, taking into account all the sources, amounts and expenditures. In the expenditure side should be given the maximum amounts that can be spent on wages, repair, and development of logistics, administration expenses and other spending priorities on an exhaustive list. Activities of the university as a whole, depends on the performance of each of its CFR. Each work center should be dependent on the other responsibility centers. In the budgeting process of the university some activities are coordinated in such a way that all units work at a whole, trying to realize common goals.

3. Stimulation of leaders at all levels to achieve the goals of their CFR, monitoring ongoing activities, ensuring planning discipline. Note that the analytic role of the budget is shown in the case when its development team participates. However, every leader should know exactly what to expect from the center of the financial responsibility of the university management. When budgeting developers rely on the results achieved, and take into account the current development of the higher education system. Carefully prepared budget is better to make by the set of standards. With it really compare the results achieved, as it includes an assessment of the effect of all the variables that predicted during its development. Comparison of actual with budget indicates areas that should be addressed to the attention and action. Analysis of deviations between the actual results and planned budget allows:

To identify problem areas that require priority attention ;

To identify new opportunities not provided in the budget development process .

Deviations from the budget determined quarterly, provide monitoring purposes throughout the year. Comparison of actual and planned budget data for the year is a major factor evaluation of each center and the financial responsibility of its head.

4 . Education. Budgeting facilitates detailed study of the activities of their departments and the relationship with other CFR alone, as well as centralized services of the university and its administration [1].

The budget may have an infinite number of types and forms. Its structure is dependent on:

Object -based budgeting;

Organizational structure;

The degree of integration with the CFR budget specific financial structure of all university;

Budgeting period .

Unlike, formalized forms of accounting and tax reporting, the budget is not bound to any strict standards. In connection with this budget presentation can be developed independently by each university department. This budget should be available to provide information and clearness, so that its contents be understandable to the user. Too much information obscures the meaning and accuracy of the data. Lack of information can lead to misunderstanding of basic restrictions adopted in the document.

The information contained in the budget, must be extremely precise, specific and meaningful to its recipient.

Targets of university budgeting.

Budgeting has the following objectives:

1. Development of the concept of university sustainable development.

Including:

Planning of financial and business activities of the university for a specified period;

Optimization of resource allocation;

To coordinate the activities of various departments and CFR.

2. Communication - bringing the budgetary performance to the heads of different levels.

3. Motivation local leaders to achieve the development goals of the university.

4. Monitoring and evaluation of the leaders in the field by comparing actual with budget regulations.

Identify funding needs, optimizing cash flow [2].

Objectives of budgetary management.

Purpose of the system of financial planning is as follows:

improving financial stability and improving the financial condition - University as a whole;

planning of financial and economic activities in the most effective use of its resources, increase efficiency available to the Company assets ( tangible and intangible resources ), increasing productivity;

coordinating the interaction of the budget process to achieve the goals and objectives;

monitoring the financial performance of individual activities ;

forecasting, analysis and evaluation of the various scenarios of the financial condition of the university, its business units and operational activities for the appropriate managerial decisions

- periodic solutions;

regulation and control of the current financial and economic activities through the establishment of performance targets, providing timely and reliable information on the performance of these indicators and any deviations;

definition of investment objects and volume of funds invested;

definition of targets to ensure balanced growth of the university, taking into account existing and planned resources ;

definition of the priorities of the university;

ensure and strengthen financial discipline in the university;

assessment of the effectiveness of financial and economic activity of individual elements of the organizational and financial structure of the university, an assessment of their contribution to the overall financial performance of the university;

improving the financial soundness of management decisions at all levels of the university;

increasing the responsibility of the heads of various levels of government for the effective use of the provided resources and assets;

involvement in the budgeting process maximum number of participants with a clear allocation of responsibilities and personification;

stronger incentives for managers and employees of the structural units , to increase the profitability of their ongoing activities , increased accountability for related to - income and expense, for the final financial results;

Basic principles of budgeting.

Budgeting process of the university is based on the basic principles of budget management:

The principle of “Uniquely” - Assumes “uniqueness” interpretation of the terms and concepts of budgetary regulations, personal “areas of responsibility” and “performance” of the budget process of the university.

The principle of “integrity and consistency” - This principle implies the unity and consistency of accounting policies used techniques, concepts budget model, information flow, providing data format .

The principle of “Unification and methodological integrity” - All budget forms , calculation algorithms and methods used are standardized and mandatory for all participants in the budget process.

The principle of “Personal responsibility” - Each member of the budget process is personally responsible in its area of competence.

The principle of “Continuity of the budget process “ - The process of planning , accounting, control , analyze and adjust budgets of the university is carried out continuously in accordance with regulation.

The principle of “Inadmissibility of prior period adjustment plans “ - an unacceptable change targets for the intervening period .

The principle of “ Clarity and transparency “ - an openness and accessibility of information on the implementation of the university ‘s activities at all levels of the budget system .

The principle of “ Balanced budgets “ - involves ensuring planned budgetary measures necessary operational and financial resources .

The principle of “ Balanced budget “ - involves the formation of a balanced budget by the principle of positive and negative cash flows . [3]

Required composition budgets CFR:

Core budgets :

Budget revenues and expenditures (BIE). Prepared on an accrual basis. Purpose budget - maintaining breakeven university’s activities and the required level of profitability of its business , to determine the minimum amount of revenue ( profit margin ) or the definition of planned losses.

Budget cash flow ( BCF ). Purpose budget - ensuring solvency, flexible financial management, identifying periods of cash shortages .

Budgeted balance sheet ( BBS) . Purpose - definition of a financial condition of the company at the end of the year, the possibility of influencing the balance sheet structure, asset and liability management, forecast financial analysis, forecast capitalization.

Required support budgets:

Investment budget and capital expenditures ( on payment ) . Designed for monitoring investment projects. Includes expenses provided for the planning period duly approved business plans of specific investment projects.

Budget wages (assessments). Designed for control of one of the major expense items of the budget.

Sales budget (income). Purpose budget - identification of specific transactions and volumes to ensure the planned revenue. Budget is broken down by type of service in order to further determine the most cost-effective of them.

To develop the core budgets as necessary compiled a number of operational, support and

additional (special) budgets. The shape of these budgets is not regulated.

Budget period of 12 months is introduced with quarterly breakdown, from the first of January. Planning for next year begins in the current year ( 60 days before the beginning of the year ) . As the opening balances for the plan year are taken projected balances at the end of this year.

In the 1 semiannual and given admissions and students for postgraduate programs are adjusted data, and developed a preliminary overall outlook for the IV quarter and the final forecast of the current year.

Budget projections for the new fiscal year budget period drawn up and submitted to the 30th of October this year.

Organization of the budgeting process.

Budgeting process is organized and managed by the Budget Commission, which has the authority to reallocate funds between appropriation budget, develop measures to eliminate budget deficits, prioritize payments. Budget Committee reviews and approves the budget in a certain time of regulations , it makes corrections and analyzes performance .

Budget for the period formed the basis of the tasks faced by the university, on the basis of existing treaties and forecast possible transactions , taking into account the results of market research.

CFR budgets and reports on their performance compiled CFR staff responsible for the execution of the budget and staff of the department budgeting.

Consolidated financial planning and analysis has been specially selected group of employees of budgeting , accounting, in conjunction with other services , which should provide the information necessary for the composition budgets. Department budgeting and analysis of budgets and corrects them in the budget period. Capital budgets ( initial ) cost , cash flow budget in general agreed with the other services of the university. The accounting department is responsible for providing the necessary data.

Control over the correctness of filling budget forms and reliability of information included in them is centralized financial service. They also prepares the consolidated budget and analysis of financial information provided.

Finalized and agreed upon budgets submitted for approval by the Board of Directors of the University

Procedures described in the formation of “fiscal policy”.

Formation and use of budget.

Finance institution represent a set of monetary relations , the implementation of which formed centralized and decentralized funds of funds to implement the administration tasks of successful development of the university. Basic functions of Finance: providing, distribution and control.

Providing function is to ensure the basic activities of the university ( the educational process ) in cash through the formation of the respective funds.

Distribution function involves the formation of funds in strict accordance with applicable university regulations. Control function provides analysis match the actual use of the money they planned and approved purpose.

Based prediction progress in the development of cash collateral of the educational process is realized in the form of a financial plan or budget of the university.

University budget in cash reflects revenues, expenses, financial results the main activities of the university implemented through the budget process management of financial resources of the university.

Profitable part of the planned budget of the university realized the next fiscal year in strict accordance with the principle of budgetary balance, namely:

prevailing on sustainable sources of income;

based on the level of income of the previous fiscal year;

increase by projecting a profitable part of which is based on the analysis of stable positive dynamics on specific sources of income for a few years prior .

The expenditure budget is based on the following principles:

The principle of budgetary balance assumes balanced budget . Planned expenditures do not exceed the planned income.

2. For the unconditional implementation of this principle is the formation of mandatory reserve fund in the amount of not less than 1 % of the volume integral of the university budget.

3. The principle of financial stability involves liquidity expenditure commitments assumed by the administration of the university and heads its subdivisions. This means that the total planned expenditure commitments should not exceed the emerging income.

4. The principle of reasonableness and collegiality means that professionally formed the

university's budget is submitted for approval to the Academic Council. Performance report of the Academic Council are reported or the general meeting of the personnel of the university. Interim reports on the financial performance of the university quarterly published in the media institution.

The legal basis for the formation and implementation of revenue and expenditure side of the budget of the university are ultrahigh regulations.

The main sections of the budget.

According to the level of decision-making and responsibility for income generation and direction in the budget allocated:

Central section (income and expenditure).

This section of the budget income is generated in accordance with the normative acts centrally in the financial departments of the university. Expenditure budget section is initiated by the university administration.

Implementation of the approved budget section implements centralized planning and finance department of the university.

2. Decentralized section (income and expenditure).

Is a set of budgets structural units, faculties and departments. Each of these has a budget revenue and expenditure for every kind of budget revenues generated in the respective division.

Expenditure under each such budget initiated structural unit head, dean, head of the department. Technical execution of expenditures and control the

availability of the relevant income shall rely on the Planning and Finance Department of the University.

Association of local budgets units' deans, chairs on revenues and expenditures in the formation of integrated university budget performs Planning and Finance Department of the University.

All local units budgets, deans, chairs formed the same for university sustainability principles, fiscal balance, validity and collegiality. Detailing the expenditure side of the budget of each local performed in accordance with a single classifier costs taken BIE. Structure of revenues of each local budget revenues corresponds to the list of university. As part of the local budget revenues include only those sources that are relevant (i.e., active) for this unit, the dean's office, the department [3].

Procedure for approval of the budget

Budget considered the rector and submitted for approval by the Academic Council.

Current budget monitoring exercises rector, the technical implementation of the movement of funds - accounting of property, plant and equipment, analysis of performance limits of the budget and earmarked spending performs planning and finance department of the university.

Current fiscal adjustment under regulation and other provisions on wages, funds, etc. provided the rector .

For all the complexity of a large university budgeting process can be regarded as a prerequisite for sustainable economic development of the institution.

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