

Annotation

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Accounting aspects of the evaluation of budgetary institution property

An article deals with new types of property assessments which in its economic essence more correspond to the real state of affairs with changes in legislation on accounting in the public sector in the practice of public institutions. However, there are no methodical works on property evaluation for state-financed institutions and organizations. Monographic and comparative methods, abstract and logical approaches to budget accounting formation were used for studying the problem of recording information about the real value of existing property of state-financed organizations.

Determining value measurement of accounting objects is an important step in the accounting technology. Valuation of property is the fundamental basis of principles of accounting and reporting. It was proved that evaluation in budget accounting has much more economic comprehension than the usual reflection of accounting objects in single currency because decisions at macro level are made on the basis of the summary information of public sector entities.

It is found that with the development of market relations the necessity for a method of property valuation has arisen based on the current value and actually meets modern conditions. Evaluation of accounting objects is regulated by national standards of bookkeeping in the public sector for state-financed organizations where conditions for property evaluation are definitely determined at its primary recognition as well as after the initial recognition and revaluation.

It is proved both fair and initial costs have some advantages and disadvantages of their use in accounting practice. Historical approach still remains the main price (cost) formation of accounting objects for state-financed organizations. If we do not take into consideration the time factor it will lead to misunderstanding done evaluations through inflationary processes in certain period of time. Mechanism of using such evaluation by public sector entities has not been determined yet because of the absence of active markets for particular kinds of assets and availability of tender procurement.

It was found that property evaluation of state-financed organizations must ensure real, adequate and accurate reflection of facts and economic events. For this purpose it was proposed for budget institutions to create a special committee from among its competent employees. This committee of property evaluation will have the following functions: monitoring of market contracts, studying market opportunities according to objects of logistics and analysis of actual accounting documentation on issues of forming value of assets. This will save the financial resources to pay third-party professional expert examinations for assessment. While there is no perfect developed mechanism of applying fair value in the public sector at the legislative level the initial assessment of the property should be predominant.

Key words: *cost, estimation, initial cost, fair value, public sector entity.*