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Current Issues of Cost Accounting in Non-Governmental Educational Organizations Operating in Uzbekistan

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Abstract: The research investigates essential elements of cost accounting practices in non-governmental educational organizations in Uzbekistan. The research examines NGEO cost structures by analyzing direct versus indirect expenses which affect educational service costs in separate sections. These institutions currently face difficulties when trying to synchronize their financial operations with international accounting rules following governmental sector reforms which aim to improve education sector transparency and efficiency. The research design adopts a qualitative method to understand how non-governmental educational organizations distribute expenses between operational and non-operational activities. Financial management gets assessed through analysis of three main cost elements: material expenses and wages and depreciation share. Reliable data about accounting methods at "Tasdiq A'lo O'quv" and "Istiqbolli Talim" shows the techniques these institutions use to report finances and categorize costs and recognize expenses. The research results demonstrate that financial sustainability depends on having a structured accounting system which follows international reporting principles for effective management of costs. The research presents numeric recommendations to maximize cost management in NGEOs by adopting segmental reporting standards alongside cutting-edge accounting techniques. These findings help the educational sector develop its financial practice standards while providing policy and administrative leaders with useful guidelines for better financial reporting in NGEOs.

Keywords: non-governmental educational organizations, educational services, educational process, direct costs, indirect costs, cost of educational services, accounting, financial reporting.

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1. Introduction

As a result of the reforms carried out in Uzbekistan to develop the social sphere, the education system is opening up wide opportunities and favorable conditions for their activities. Among such reforms, we can cite as a vivid example the Resolution of the President of the Republic of Uzbekistan "On measures to provide state support to non-governmental educational organizations and create additional conditions for young people in the educational process", adopted by the President of the Republic of Uzbekistan, on a radical reform of the activities of non-governmental educational organizations. This regulatory legal document developed measures to "establish an innovative resource center for advanced training in international standards of financial reporting and auditing, as well as a resource center for advanced training in accounting and taxation"[1] in order to train qualified specialists in non-governmental educational organizations, improve the quality of education, and attract young personnel to them. In accordance with these measures, today, like other business entities, non-governmental

educational organizations are faced with the task of aligning their activities with international practices, improving the skills of young personnel in the international arena. We believe that organizing accounting in non-governmental educational organizations in accordance with advanced foreign practices, aligning cost accounting with international standards of financial reporting, and conducting scientific research on these issues are among the most urgent and important tasks today.

Although our republic has already adopted regulatory legal acts on the transition to international financial reporting standards[2], as well as the recognition of international auditing standards[3], to date, scientific research conducted by our country's scientists on improving the accounting of non-governmental educational organizations has only reflected scientific and practical results on the national accounting system.

Literature review

Based on the above-mentioned urgent tasks and existing problems in accounting, in this scientific research work, scientific research was conducted on harmonizing the accounting of non-governmental educational organizations with international standards, in particular, on the recognition of expenses as a result of the provision of educational services, and on calculating the cost of educational services.

International expert E. Vakaryuk believes that income and expenses in enterprises and organizations are recognized only when the following are provided to users of financial information:

* when there is relevant information about income and expenses;

* when income and expenses have a true appearance[4].

Thus, in accordance with best practices, it is necessary to follow these procedures when recognizing income and expenses in accounting as an element of financial reporting in non-governmental educational organizations.

Scientists of our republic K.B. Urazov and M.E. Pulatov classify enterprise costs into two groups: by type of activity and by period. These types of activity include main operating costs and non-main operating costs, and these types of costs are defined as follows: "Main operating costs are understood as costs related to the main activity established by the charter of the enterprise. Non-main operating costs are understood as costs and extraordinary losses related to the financial activities of the enterprise that do not constitute its main activity"[5].

Another economist of our country T. Malikov wrote: "There are specific features of reflecting costs in the cost structure of products manufactured in various sectors of the economy. The composition of costs included in the cost price depends, on the one hand, on the implemented tax policy and, on the other hand, on the state and structural structure of the economy"[6]. The scientist recommends dividing costs into two groups: costs associated with the production and sale of finished products and costs not associated with the sale of finished products.

In her research on improving the accounting of tourism products, M.Zh. Temirkhanova developed a segmental reporting form for costs in enterprises engaged in the provision of tourism services and developed scientific and practical recommendations on improving the methods of recording general production costs in the cost price of tourism products in tourism enterprises. She also made proposals for grouping, grouping and reflecting their composition in a new chart of accounts in order to optimize the accounting of costs in tourism enterprises[7]. We believe that these recommendations will serve to further improve the practicality of finished product accounting in tourism enterprises and increase profit indicators by reducing the cost of tourism products.

B.F. Boronov, on the other hand, developed scientific and practical recommendations for recognizing and managing the costs of producing oil and fat products, and as a result, optimizing the cost of oil and fat products, dividing costs into direct and indirect cost groups according to the nature of their inclusion in the cost of finished products at oil and fat industry enterprises, and as a result, dividing costs into variable and fixed costs according to their impact on the cost of finished products[8]. In our opinion, these recommendations are of great importance in calculating the cost of products and reducing it.

2. Materials and Methods

The research adopts both qualitative and quantitative methods to understand how cost accounting operates in non-governmental educational organizations throughout Uzbekistan. This research uses scientific abstraction together with economic analysis along with monographic observation and comparison for induction then deduction. The selected research methods enable researchers to study all aspects regarding how NGEOs keep records of expenses through classification systems and financial oversight methods to uphold international financial reporting requirements. The study analyzed cost structures in two specific NGEOs named "Tasdiq A'lo O'quv" and "Istiqbolli Talim" through a case study method. The analysis of data occurred by examining financial reports and expense ledgers and accounting records from the selected institutions. The detailed examination of cost classifications included direct and indirect expenses and fixed and variable elements thanks to this evaluation method. The study evaluated financial management techniques in NGEOs through a review of the Resolution of the President of Uzbekistan on supporting non-governmental educational institutions. The established regulations create essential conditions for analyzing how NGEOs cope with changing reporting requirements alongside taxation conventions. The evaluation of cost allocation models depended on classifying organization expenditures between fundamental operations and supporting functions. Accounting personnel examined the complete financial system to check how well the organization tracked its financial expenses. The collected data received analysis to detect regions for enhancement based on international cost accounting best practices.

A rigorous data-driven analysis framework maintains effective investigation into the optimal strategies for cost optimization in NGEOs while aligning them to international financial standards to increase financial sustainability.

3. Results

During our research, the activities of non-governmental educational organizations engaged in educational services in our country and the current state of accounting in them were studied. In particular, the non-governmental educational organization "Tasdiq A'lo O'quv" operating in our republic is engaged in the activities of preschool education and upbringing, school preparation and the provision of general education services.

During the research, it became clear that the main activity of the non-governmental educational organization "Tasdiq A'lo O'quv" is the provision of general education services, and along with this activity, the non-governmental educational organization was also engaged in activities such as the provision of preschool education and upbringing services and the provision of school preparation services. Based on the income received from the provision of educational services in the period preceding the reporting year, the activities of non-governmental educational organizations were divided into the following groups in accordance with the classification established by the Statistics Department:

* provision of general education services - the main activity (made up 72% of total revenues);

* provision of pre-school education and upbringing services - the second activity (made up 15% of total income);

* provision of school preparation services is the third activity (5% of total income).

During the research, it became clear that in non-governmental educational organizations, including the non-governmental educational organization "Tasdiq A'lo O'quv", food and non-food products constituted the main expenses in the structure of indirect material costs. In the organization, food and non-food products are purchased by employees of the supply department from trade stands, markets, and shops in cash or through corporate cards and are deposited in the main warehouse of the organization. A number of accounting entries are made in the organization's accounting for such operations. In particular:

1. For the purchase of food and non-food products, cash was given to the employee of the supply department through a cash order:

Debit 4230" Allotments for general household expenses"10,000,000 soums

Credit 5010 "Money in national currency"10,000,000 soums

2. Funds were transferred from the bank account to the organization's corporate card for the purchase of food and non-food products. (The organization's corporate card was handed over to the supply department employee through an acceptance and delivery act.)

Debit 5530 "Other special accounts" 20,000,000 sum

Credit 5110 "Cash on account" 20,000,000 sums

3. Food and non-food products purchased by an employee of the supply department were delivered to the organization's canteen warehouse and documents such as receipts and invoices were provided:

Debit 1010 "Raw materials and supplies" 8,600,000 sums

Credit 4230 "Grants for general household expenses" 8,600,000 soums

4. The surplus cash funds are transferred to the organization's cash desk by the supply department employee The payment was made through cashier's order:

Debit 5010 "Cash in national currency" 1,400,000 soums

Credit 4230 "Allotments for general household expenses" 1,400,000 soums

Such operations carried out in a non-governmental educational organization represent supply processes in these organizations, and are of particular importance in accounting for material costs.

In the course of our research, we will consider the accounting records on the reflection of the expenses incurred in the accounts of the main and additional types of activities in the non-state educational organization "Istiqbolli Talim":

Table 1

The state of accounting reflection of the expenses incurred on the main and additional types of activities in the non-governmental educational organization "Istiqbolli Talim" In September 2024, in thousand som

S/n	Accounting operations	Accounting records		Amount of expenses
		Debit	Credit	
Realized material costs				
1	Food products were handed over to the kitchen department	2510	1010	275 331
2	Non-food products were handed over to the kitchen department	2510	1010	45 200
3	Medicines were handed over to the medical department	2510	1090	13 622
4	Educational tools were handed over to the educational processes through the acceptance-handover certificate	2010	1010	6 482
5	Medical supplies used in the medical department were expensed at the end of the month	2510	1090	1 051
6	Educational materials were transferred to educational processes	2010	1090	4 960
7	Fuels used in the supply department were expensed	2510	1030	6 334
8	Other direct consumables were expensed	2010	1090	1 360
9	Other indirect consumables were expensed	2510	1090	840
Total realized material costs				314 480

Expenditure on wages incurred			
Salary for teaching staff	2010	6710	418 720
Social tax on wages calculated for pedagogic employees	2010	6510	50 246
Wages calculated for employees of the kitchen department	2510	6710	69 180
Social tax on wages calculated for employees of the kitchen department	2510	6510	8 302
Wages charged to employees of the supply department	2510	6710	12 300
Social tax on wages charged to employees of the supply department	2510	6510	1 476
Salary for employees of the medical department	2510	6710	9 600
Social tax on wages calculated for employees of the medical department	2510	6510	1 152
Wages calculated for employees of the control department	2510	6710	7 000
Social tax on wages charged to employees of the control department	2510	6510	840
Total realized labor costs			578 816

Other expenses incurred				
1	Expenses for depreciation of a building used for the provision of educational services.	2010	0220	125 000
2	Expenses for depreciation of furniture used in the provision of educational services	2010	0240	10 390
3	Depreciation costs of computers used in the provision of educational services	2010	0250	6 490
4	Equipment depreciation expense	2510	0230	4 920
5	Depreciation costs of vehicles used by supply department employees	2510	0250	3 680
6	Depreciation expenses for medical department furniture	2510	0240	860
7	Depreciation expenses for computers used in the control department	2510	0250	6 750
8	Expenses on amortization of licenses obtained for the implementation of educational services	2010	0510	1 500

9	Electricity bills	2510	6990	28 420
10	Water and sewage charges	2510	6990	8 930
11	Natural gas charges	2510	6990	7 990
12	Waste disposal fees	2510	6990	2 500
Total other expenses incurred				207 430
Total expenses incurred on main, additional and non-main activities				1 100 726

Accounting information expressed in the form of this table has several features in the accounting of expenses in a non-governmental educational organization. In particular, material costs, labor costs, and depreciation costs make up the main contribution to the expenses incurred in non-state educational organizations today. These expenses arise as a result of the implementation of basic and additional activities in a non-governmental educational organization.

4. Conclusion

In non-state educational organizations, material costs include food and non-food products used in the kitchen department for food preparation, educational materials given to students, fuel used in the supply department, drugs and medical supplies for students used in the medical department, and education spent in classrooms. includes expenses for educational materials considered important in the process of providing services.

Also, in a non-state educational organization, labor costs are calculated in a general way for all types of main and additional activities. In this case, the direct labor costs are reflected in the 2010-"Main production" account, and the indirect labor costs are reflected in the accounting according to the 2510-"General production costs" account.

Other types of expenses incurred in non-governmental educational organizations include fixed assets, including depreciation of buildings, furniture, computers, motor vehicles, and intangible assets in the form of licenses for providing educational services, as well as various types of utility services.

We believe that systematic accounting of the expenses incurred by non-governmental educational organizations studied above, in particular, reflecting these expenses in separate accounting accounts for each of their educational activities through separate indicators, will serve to properly manage the costs of providing educational services in these sector organizations, accurately calculate the cost of educational services for each type of activity, and transparently reflect this information in financial and management reports.

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