



Article

## Issues of Improving The Accounting of Debtors and Creditors In State Medical Institutions

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**Abstract:** This study explores the challenges and prospects of improving the accounting of receivables and payables in state medical institutions in Uzbekistan. Despite recent reforms in the healthcare sector aimed at enhancing transparency and efficiency, deficiencies persist in how financial transactions—especially receivables and payables—are managed and reported. A noticeable gap in current research is the limited attention paid to the structure and integration of the “Report on Accounts Receivable and Payable,” which affects financial accuracy and decision-making in public health institutions. To address this, the research employs a systematic and comparative analysis methodology, supported by theoretical frameworks and financial assessment tools. The findings indicate that most state medical institutions lack a unified and automated structure for managing receivables and payables, resulting in inconsistent data, reporting delays, and limited accountability. A key result of this study is the proposal to integrate the [invoice.uzasbo.uz](http://invoice.uzasbo.uz) application into the [uzasbo.uz](http://uzasbo.uz) platform, allowing for real-time data exchange and improved reporting accuracy. This integration, alongside enhanced coordination of financial operations and internal audits, is expected to bolster financial discipline and optimize the use of both budgetary and extra-budgetary resources. The implications of this study highlight the need for systemic digital reform in accounting practices within healthcare, ensuring that institutions are better equipped for financial planning, monitoring, and compliance. These improvements can contribute to more transparent governance and resource allocation in Uzbekistan’s healthcare sector.

**Keywords:** social development, medical field, state medical institutions, receivables and payables, reporting

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### 1. Introduction

In Uzbekistan, budget reform prioritizes the efficiency of initiatives grounded in the principles of openness and transparency in public finances. Simultaneously, alterations are occurring in the financial and economic operations of state medical facilities, which possess numerous distinctive characteristics. Currently, state medical institutes are collaboratively developing several other software packages derived from the UzASBO complex.

This necessitates the examination of particular financial and economic activities of medical institutions and the formulation of suitable accounting methodologies. One primary concern is the effective management of accounts receivable and payable in governmental medical facilities. The financial organization within medical institutions, derived from both budgetary and extrabudgetary sources, necessitates the proper

structuring and systematic coordination of accounting practices to ensure the effective utilization of not only budgetary resources but also funds acquired from alternative financing sources.

On May 21, 2024, the President of the Republic of Uzbekistan, Shavkat Mirziyoyev, was briefed on the presentation of the initiatives and suggestions put up by the Center for Healthcare Projects. It was observed that much attention is devoted to this domain in our country, which directly influences the quality of life. In the previous seven years, funding for the healthcare system has risen from 5.9 trillion soums to 33.5 trillion soums, representing a sixfold increase. Hospitals are undergoing modernization and new facilities are being constructed.

At present, inadequate emphasis is placed on the proper organization of accounts receivable and payable in medical institutions, considering existing software resources, the essential harmonization of automated systems, and the appropriate structure of the "Report on Accounts Receivable and Payable," aimed at addressing both theoretical and practical issues related to accounts receivable and payable.

#### **Literature analysis.**

To advance state medical institutions, several legal documents have been enacted throughout the preceding time. Additionally, several scientists focus on the prevention of the COVID-19 pandemic, the enhancement of financial systems in public medical institutions, and the effective management of accounts receivable and payable [3].

In the contemporary era, characterized by rapid transformations, the Government has formulated and enacted several laws that modify existing legislation of the Republic of Uzbekistan. These modifications aim to enhance expenditure efficiency and streamline the state budget, specifically to advance the health and social protection system.

Included among these alterations are:

The Law of the Republic of Uzbekistan "On Amendments to Certain Legislative Acts of the Republic of Uzbekistan Pertaining to the Enhancement of the Medical and Social Services System" dated May 17, 2022, No. UP-770 [4].

The Law of the Republic of Uzbekistan "On Medicines and Pharmaceutical Activities," issued January 4, 2016, No. UP-399 [5].

3. Approve the Presidential Decree of the Republic of Uzbekistan dated February 26, 2003, No. UP-3214, titled "On the List of Preferential Categories of Persons Receiving Medical Care from All Republican Specialized Scientific and Practical Medical Centers at the Expense of the State Budget of the Republic of Uzbekistan" [6].

Resolution of the President of the Republic of Uzbekistan "On Measures to Enhance the System of Specialized Medical Care in Healthcare" dated July 28, 2021, No. PP-5199 [7].

Numerous more requirements have significantly affected the financial management processes of healthcare facilities, hence impacting their financial reporting.

The financing of state medical institutions, as budgetary entities, holds a significant position, encompassing the organization of accounting, management of accounts receivable and payable, internal control operations, and the enhancement of financial reporting. Simultaneously, economists from our republic, including A.K. Ibragimov, B.B. Sugirbayev, M. Ostanakulov, S.U. Mekhmonov, M.Kh. Saidov, Sh.M. Kurbanov, and A.Sh. Kuliboyev, conducted scholarly investigations into the organization of accounting, accounts receivable and payable, and internal audit functions within budgetary institutions.

Guidelines for the organization of accounting in budgetary institutions have been sanctioned, addressing both theoretical and practical aspects of accounting, specifically the management of accounts receivable and payable [9].

The research conducted by Doctor of Economics, Professor S. Mehmonov, examined the enhancement of accounting and internal audit methodologies within budgetary organizations [10].

The research conducted by economist Sh.M. Kurbanov examined the enhancement of accounting and internal auditing of extrabudgetary funds in state medical institutions [11], whereas A.Sh. Kuliboev's study focused on the improvement of accounting and financial oversight in state medical institutions [12].

The aforementioned research studies emphasize certain challenges related to the organization of accounting in budgetary institutions. Nevertheless, these works inadequately address the proper compilation of the "Report on Accounts Receivable and Payable," focusing on the resolution of theoretical and practical issues related to accounting for accounts receivable and payable in state medical institutions, thereby necessitating the examination of this topic as a research subject.

## **2. Materials and Methods**

In the process of this research, such methods as a systematic approach, logical study, comparative analysis, grouping, and comparison were used to illuminate the theoretical and methodological foundations of the scientific work.

## **3. Results**

As is known, in state medical institutions, the accounting of payments by suppliers and contractors, partner organizations for medicines, raw materials, commodity and material assets, various types of work performed and services rendered, social insurance contributions, settlements with accountable persons and other accounts receivable and payable is carried out on the basis of accounts receivable and payable of budget organizations.

In accordance with current legislation, the term for fulfilling obligations for the accounting of accounts receivable and payable is set at 90 days. For outstanding accounts receivable and payable within this period, measures will be taken against the responsible persons of the state medical institution in accordance with the legislation.

The conducted research showed that in state medical institutions, operations related to receivables on the software website [invoice.uzasbo.uz](http://invoice.uzasbo.uz) involve connecting to the automated system [uzasbo.uz](http://uzasbo.uz). Because on this basis, it will be possible to correctly organize accounts receivable and payable based on the prompt comparison of indicators related to receivables and payables. Therefore, based on the further harmonization of these software packages, it will be possible to correctly organize the accounting of accounts receivable and payable in state medical institutions, and to correctly improve the "Report on Accounts Receivable and Payable" based on timely information exchange.

Because today, as a result of the dissemination of information in these software packages, shortcomings have occurred in most state medical institutions of the Fergana region in these areas, and these shortcomings are indicated in the results of the external audit and assessment of the Accounts Chamber of the Republic of Uzbekistan.

Therefore, by integrating the [invoice.uzasbo.uz](http://invoice.uzasbo.uz) application used in state medical institutions into the [uzasbo.uz](http://uzasbo.uz) program, opportunities will be created to improve the "Report on Accounts Receivable and Payable." The most important factor ensuring the unity of this system is carried out in accordance with the goals, requirements, and methodology of the correct organization of accounts receivable and payable.

Taking into account the effectiveness of the use of available funds in state medical institutions, improving the accounting of accounts receivable and payable will lead to the completeness of information on the execution of budget and extra-budgetary funds of the institution, the correct compilation of the "Report on Accounts Receivable and Payable" and the correct adoption of relevant financial decisions.

## **4. Discussion**

The analysis of accounts receivable and payables helps to understand whether the financial condition of the company is stable and what factors negatively affect it. A detailed

debt analysis will identify weaknesses, the elimination of which will help the company to increase profitability and sustainability [13].

The study of both accounts receivable and accounts payable requires in-depth and detailed study. Therefore, financial experts are developing a strategy for conducting such an analysis. This strategy is universal and allows for a deep understanding of how the current debt situation of the company and its counterparties affects financial stability.

To conduct a debt analysis, you must follow a carefully thought-out plan. It includes the following key elements:

1. The examination of accounts receivable, encompassing the investigation of the quantity of customers' outstanding payments, their constituents, and their evolution. It would be advantageous to present the findings in a tabular or graphical format, thereby facilitating a clear understanding of the alterations that occurred within the reporting period [14].
2. At this stage, a detailed study of the structure and dynamics of debtors' long-term obligations is carried out. An increase in this indicator may negatively affect the financial stability of the company, as funds will be withdrawn from circulation for a longer period of time.
3. The analysis of accounts payable includes the study of its volume, changes in dynamics and structure. Special attention is paid to assessing short-term liabilities to creditors both in monetary terms and as a percentage of the total amount owed. An increase in the share of short-term debts in the total amount owed to creditors may increase the company's financial risks, as such obligations require more prompt repayment.
4. Assessing the ratio of accounts receivable and accounts payable is a key stage of the analysis. Accounts payable serve as a source of financing for deferred payment for buyers, and their balance makes it possible to assess the effectiveness of such a strategy.
5. Analysis of average account maturities for accounts payable and receivable. To analyze accounts payable and accounts receivable in terms of determining repayment dates, the data collected within the company is compared with industry-wide data [15].

The lack of timely payment of accounts receivable indicates the company's liberal credit policy. Theoretically, this should help increase sales, but there is a risk that some of the debts may become uncollectible.

An increase in the average repayment period for creditors may indicate a deterioration in the company's solvency. However, this may also be a consequence of an increase in the efficiency of the enterprise, since funds that should have been used to pay off debts remain in circulation longer.

## 5. Conclusion

Based on the conducted research on improving the accounting of accounts receivable and payable in state medical institutions, the following conclusions were made:

1. The organization of financing in medical institutions at the expense of budgetary and extra-budgetary funds, in turn, on the basis of the proper organization and systematic coordination of accounting work, implies the effective use of not only budgetary funds, but also funds received by these institutions from other sources of financing.
2. A proposal has been substantiated to improve the "Report on Accounts Receivable and Payable" by quickly comparing the indicators received (or not received) by linking the website of the invoice.uzasbo.uz software package used in state medical institutions to the uzasbo.uz automated system.
3. In today's competitive environment, special attention should be paid to the further improvement of the material and technical base of state medical institutions. This implies the systematic use of budgetary and extra-budgetary funds to meet the population's needs for medical services and the acquisition of new technologies.

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