

The Importance of Budgetary Organizations in the Implementation of State Socio-Economic Policy and Their Organizational and Legal Foundations

Arabova Sabohat Omonjon qizi

Tashkent Financial Institute, 1st year student of the Master's degree in "Public Finance and International Finance"

Ph.D., Safarova Nodira Ashuraliyevna

"Finance" department of Tashkent Financial Institute

ABSTRACT

This article highlights the role of budgetary organizations in economic and social life, their importance and tasks, services provided by budgetary organizations, as well as the organizational and legal foundations of the activities of budgetary organizations. It also lists the importance of state financial control and the tasks of supervisory authorities in improving the organization's activities.

KEYWORDS: budget organization, material production, non-material production, legal entity, recipient of budget funds, budget system, financial control, state financial control bodies.

Along with other economic instruments of the state in the management and regulation of the national economy, ensuring socio-economic development, successful implementation of priority development tasks of each period, the state budget acquires importance and fulfills certain tasks. Therefore, the effective implementation of these tasks requires the development and effective functioning of an appropriate budgetary mechanism. The budget structure determines the state budget of the country, the forms of organization of interaction between its links, budget classification, the legal basis for the activities of budgets of all levels included in the budget system, the composition and structure of budgets of the budget system, the procedure for the formation and expenditure of budgetary funds. The basis of the budget structure is the form of the state structure of the country, the current legislation defining the place of the state budget in economic and public life.

From the disciplines of Finance and Economics theory, we know that the economic and social spheres of life consist of two main areas:

1. The sphere of material production;
2. Non-material production (or non-production) sphere.

In the field of material production, material values are created, goods are produced, services are provided and work is performed.

Various services are provided in the non-manufacturing sector (household, social, communal, public administration, national defense, national security, Internal Affairs Service).

Some non-industrial institutions and organizations keep commercial records, and a certain part -non-commercial activities. The main purpose of this activity will not be to obtain commercial benefits, but this

also does not negate their desire to generate additional income. Most of these institutions operate in the status of a "budget organization". Article 4 of the Budget Code of the Republic of Uzbekistan defines budgetary organizations as follows: "A budgetary organization is a non-profit organization established by decision of state authorities in accordance with the established procedure for the exercise of state functions, supported by funds from the state budget."¹ These organizations basically have the status of a legal entity, and their activities must meet the aggregate requirements of this status (availability of material and technical base and sufficient conditions for carrying out economic activities within the scope of activity, availability of accounting personnel, availability of a personal account, etc.). However, in recent days, budgetary organizations that do not have the status of legal entities have also been functioning.

Budgetary organizations are institutions of non-productive sectors of the financial system. The non-productive sphere is a set of sectors of the economy that do not produce material goods. These include: management, educational, cultural and other public organizations. They provide personal care and social services.

Table 1. Grouping of services provided by budget organizations by the nature of their provision²

Provision of services		
Free services for the community	Services provided for a fee	Services provided partly for a fee, partly free of charge
<ul style="list-style-type: none"> • Public administration • National defense • National security • Maintaining public order • Environmental services 	<ul style="list-style-type: none"> • Culture • Art • Justice services 	<ul style="list-style-type: none"> • Education • Healthcare • Social Security • Physical education • Sport • Media services

The procedure for financing budget organizations and their budget accounting is established by budget legislation. The recipient of budgetary funds is a legal entity or an individual who receives funds from the state budget and budgets of state trust funds. The recipient of budgetary funds cannot have the status of a budgetary organization.³ The procedure for financing the recipient of budgetary funds at the expense of the state budget and the budgets of state trust funds is determined by budget legislation. The main documents that form the legal basis for the activities of budget organizations are shown in the table below:

Table 2. The main documents that form the legal basis for the activities of budgetary organizations⁴

№	Name of the document
1	The Constitution of the Republic of Uzbekistan
2	"Budget Code" of the Republic of Uzbekistan, 12/26/2013
3	Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. Presidential decree-4947 "On the strategy of actions for the further development of the Republic of Uzbekistan"
4	"On approval of requirements for non-governmental medical organizations providing medical services at the expense of the state budget to persons belonging to the

¹ The Budget Code of the Republic of Uzbekistan. Article 4.

² Begimqulov E.B. Directions for expanding the formation of extra-budgetary funds of budgetary organizations: Master's thesis – T.:2017, p 25.

³ The Budget Code of the Republic of Uzbekistan. Article 5

⁴ www.lex.uz according to the website

	preferential category" (Order of the Minister of Health of the Republic of Uzbekistan dated 11/18/2021, Registration number 3332)
5	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated August 12, 2014 No.227 "On measures to ensure transparency and efficiency of the use by budgetary organizations of funds of business entities in the form of charitable donations"
6	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 03/24/2022 No.129 "On the organization of the activities of the State Financial Control Inspectorate under the Ministry of Finance and measures to improve financial control in budgetary organizations"
7	"On further improving the efficiency of expenditures of the state budget of the Republic of Uzbekistan and improving the activities of state financial control bodies" Resolution of the President of the Republic of Uzbekistan dated 02/14/2022. The President's decision -128
8	On making additions and amendments to the instructions on accounting in budgetary organizations (Order of the Minister of Finance of the Republic of Uzbekistan dated 12/22/2022, Registration number 2169-7)
9	Law of the Republic of Uzbekistan "On the State Budget of the Republic of Uzbekistan for 2023" dated 12/30/2022 No. The Law of the Republic of Uzbekistan-813
10	Resolution of the President of the Republic of Uzbekistan On measures to ensure the implementation of the Law of the Republic of Uzbekistan "On the State Budget of the Republic of Uzbekistan for 2023" dated 12/30/2022. The President's decision-471

The adoption of The Budget Code in Uzbekistan has become an important step towards the implementation of the budget system in the country. In particular, this Code regulates relations in the field of formation, compilation, consideration, adoption, approval, execution of budgets of the budgetary system of the Republic of Uzbekistan, attraction of public funds and control over the implementation of budget legislation. Also, on the basis of the requirements of regulatory legal acts listed in table 2, budgetary organizations carry out their activities.

The main purpose of creating budget organizations is not commercial interest, the effect of the introduction of an internal control system can be aimed at improving the organization's activities in terms of fulfilling the state task and the effectiveness of budget management.

As you know, today the state financial control is based on budget legislation. Financial control of budgetary organizations is part of the financial and economic control carried out by the state in order to verify the appropriateness of using and distributing funds by subjects and local governments of the Republic of Uzbekistan, as well as finding reserves to increase revenue receipts. Despite the fact that budgetary organizations, unlike autonomous ones, do not have the right to independently distribute income from activities, the importance of internal financial control is great.

The Accounts Chamber of the Republic of Uzbekistan, the Ministry of Finance of the Republic of Uzbekistan and the authorized bodies subordinate to it are bodies of state financial control. State financial control over the revenue side of the state budget and the budgets of state trust funds is carried out by the bodies of the state tax service within the limits of the powers granted.⁵

In conclusion, changes in budgetary practice in subsequent years, adoption of the Budget Code of the Republic of Uzbekistan, introduction of a number of amendments to the Resolution of the Cabinet of Ministers No.129 "On the organization of the activities of the State Financial Control Inspectorate under the

⁵ The Budget Code of the Republic of Uzbekistan. Article 171

Ministry of Finance and measures to improve financial control in budgetary organizations”, The resolutions of the President of the Republic of Uzbekistan ”On forecasts of the main macroeconomic indicators and parameters of the State budget of the Republic of Uzbekistan for each financial year" improve the legal framework for the organization of the state budget and budgetary relations with changes in the norms and procedures for the formation and execution of the state budget. These circumstances have raised the effect of the state budget to a new qualitative level and impose new requirements on the effective use of the state budget in the socio-economic development of the whole country and its individual territories in conditions of limited budgetary resources, ensuring income stability and rational execution of budget expenditures at all levels. It is important to process the current regulatory documents, eliminate contradictions in the legal regulation of the control system.

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