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### **SOME FEATURES OF THE FINANCIAL MECHANISM OF BUDGET INSTITUTIONS OF UKRAINE**

**Ксенія Косяченко. ДЕЯКІ ОСОБЛИВОСТІ ФІНАНСОВОГО МЕХАНІЗМУ БЮДЖЕТНИХ УСТАНОВ УКРАЇНИ.** Статтю присвячено особливості побудови та реалізації фінансового механізму бюджетних установ, також обґрунтовано можливі шляхи вдосконалення фінансового забезпечення як підсистеми фінансового механізму. В умовах трансформації економічної системи України актуальний напрямок наукових досліджень – це розробка теоретичних аспектів фінансового механізму функціонування бюджетних установ, який є складовою господарського механізму держави.

Нині успішне функціонування бюджетних установ має надзвичайно важливе значення, оскільки вони створюються державою для досягнення соціальних, культурних, освітніх, наукових і управлінських цілей стосовно охорони здоров'я громадян, розвитку фізичної культури і спорту, задоволення духовних та інших нематеріальних потреб громадян, захисту прав, законних інтересів громадян і організацій, розв'язання суперечок і конфліктів, надання юридичної допомоги, а також з іншими цілями, спрямованими на досягнення суспільних благ. Виконання поставлених завдань неможливе без побудови ефективного фінансового механізму.

Також важливою умовою для розвитку та формування бюджету України є процес удосконалення системи державних витрат і підвищення ефективності їх використання. Основними заходами реалізації даних цілей є впровадження програмно-цільового методу формування бюджету, оптимізація чисельності та структури бюджетних установ, розширення сфери державних закупівель та посилення державного фінансового контролю. Як наслідок, зміни, що відбуваються в даних країнах, характеризуються переходом функціонування бюджетних установ і державних інститутів на ринкові інструменти та способи управління, активним використанням механізмів ринкової конкуренції.

Основою даного підходу виступає система контрактних відносин у процесі здійснення державних закупівель, що дозволяє розширити можливості регулювання та стимулювання економічного зростання.

**Ключові слова:** бюджетна установа, фінансовий механізм, бюджет, фінансове забезпечення, фінансове регулювання, форма бюджетного фінансування, бюджетний орган, бюджетна організація.

**Relevance of the study.** The objectives of the article are to characterize the peculiarities of the functioning of the mechanism of financing budget institutions in Ukraine and to develop practical recommendations for its improvement in the context of economic transformation. Theoretical and practical features of financing of budgetary institutions in the countries with the developed and transformational economy are considered. The main tools for implementing the mechanism of budget regulation in the context of globalization described. The necessity of using the program-target method of budgeting in order to strengthen the effectiveness of structural changes in the economy and social sphere substantiated. The main priorities of budget financing in countries with developed and transformational economies for the medium and long term identified.

**Recent publications review.** The works of domestic scientists: T. Bogolib, O. Vasylyk, A. Danylenko, I. Zapatrina, L. Lysyak, I. Lukyanenko, I. Lyutoho, V. Fedosova, I. are devoted to the formation and implementation of budget policy by state authorities. Chugunov, A. Chukhna, S. Yuri and others. At the same time, in modern globalization it is expedient to improve the system of using foreign experience in the functioning of the mechanism of financial support

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of budgetary institutions as a tool of socio-economic development, which necessitates further study of this issue.

The following authors also pay considerable attention to the formation of the financial mechanism of economic entities: O. D. Vasylyk, V. M. Oparin, V. M. Fedosov, V. V. Burkovsky, A. M. Podderogin, M. S. Zyakun, S. Y. Ogorodnik, I. V. Forkun. The above-mentioned scientists studied the elements of the financial mechanism of economic entities in general, without determining its specificity for budgetary institutions. Therefore, consideration of theoretical aspects of the formation of the financial mechanism of functioning of budgetary institutions is timely and relevant.

**The article's objective.** Determination of features of construction and realization of the financial mechanism of budgetary institutions and substantiation of possible directions of improvement of financial maintenance that which is a component of the financial mechanism.

**Discussion.** Among the common features inherent in budgetary institutions are the following: legal personality (legal entities under public law); form of ownership (state or communal); budget form financing (estimated financing); nature of activity (non-productive); economic result activities (non-profit). Specific features of budgetary institutions:

- legal status – a legal entity (budgetary authority, budgetary organization, budgetary institution) or a separate subdivision (structural unit) of the budget organization;
- Legal regime of property – the main administrator of budget funds (budget body), manager of budget funds of the second degree (budget organization), manager of budget funds third degree (budgetary institution);
- Forms of realization of the property right – use (all types of budgetary establishments), orders (budgetary authority, budgetary organization), ownership (budgetary authority) [1].

It should be noted that currently the functioning of budgetary organizations is negatively affected by the following factors: unsatisfactory state of funding, lack of funds to upgrade logistics bases of budgetary institutions, limited sources of formation of financial resources and clear regulation directions of their use. The solution to these problems depends largely on efficiency construction and implementation of the financial mechanism of budgetary institutions.

It should be noted that the financial mechanism of functioning of budgetary institutions has its differences, due to the non-profit nature of the budget sphere, the peculiarities of the sources of mobilization and order distribution of funds.

The effective functioning of the financial mechanism of the budget sphere should be based on the following requirements for the interaction of its elements:

- purposefulness of each element of the financial mechanism to fulfill its inherent task;
- directing the action of all elements of the financial mechanism on the process of obtaining the envisaged amount of financial resources to cover the costs of relevant activities;
- Feedback of elements of the financial mechanism of vertical and horizontal levels;
- Timeliness of response of the components of the financial mechanism to changes in the macro- and micro-environment.

One of the main issues related to the financing of budgetary institutions is provision of the most effective achievement of goals, assigned to each of them, with the optimal amount of resources spent on it. The importance of the studied issues of using budget funds to finance these institutions also lies in their ability to influence to implement the priorities set by the state policy, while fulfilling all previously established obligations to the population, which is typical for a socially oriented state.

Problems of financing of budgetary institutions in the world are quite relevant, and therefore the management of budget expenditures through managers of budget funds requires constant improvement of control methods and tools. At the same time, each country determines its own approaches to efficient financing of budgetary institutions, taking into account previous experience and features of the economic model.

For Ukraine, foreign experience in financing budget institutions can be quite useful, especially in aspect of ensuring control over public expenditures carried out through budgetary institutions – managers of budget funds, which necessitates and the feasibility of studying this issue.

Reforming the budget system as the basis of a modern democratic country and its adaptation to today's conditions is an urgent and necessary task in ensuring the implementation of the strategy of socio-economic development of the country. In this case, the transformation processes have to be carried out not in isolation, but comprehensively, taking into account global trends in financial systems.

The effectiveness of the implemented measures depends on the adequacy of funding, and the dominant factor funds from the state and local budgets remain, because it is the state that owns the formation and implementation and modernization of budget policy in accordance with the requirements economic development [2, p. 37]. Significant value at this play by extra-budgetary sources of funding, development of competition between institutions of different types and socially oriented non-profit organizations.

The main condition for the financial activities of such institutions is the management of the quality of services provided by the state bodies, through the formation of uniform requirements for content and basic parameters of such services, optimization of their standards, ensuring equal access for consumers and the creation of units for measuring the efficiency of budget resources.

The issue of providing central is relevant and local authorities with sufficient financial resources to perform their functions and powers. Depending on the quantitative and qualitative state financial resources, financial potential formed, the level of which is constantly changing and requires evaluation. Ensuring the development of the national economy possible by activating the management of the mechanism financial support of budgetary institutions. Achieving performance and efficiency indicators management of financial resources is possible as a result, study of their essential characteristics, features and relationships, identifying components, factors that affect their formation, and determine the specifics their management [3, p. 33–34].

Although the activities of budgetary organizations are objective in nature and develops according to certain laws, it needs management by the state. That fact that funding of budgetary organizations carried out at the expense of budgetary funds puts efficiency activities of the state to perform its functions in direct dependence on how rationally organized the planning, distribution and use of centralized funds of monetary resources. In order to achieve the set goals, implementation is necessary the latest mechanisms for planning and use budget funds as the main managers and lower level managers [4, p. 182].

Foreign experience shows a general trend towards transition from traditional mechanisms of financing of budgetary institutions to result-oriented budgeting. This approach is the basis financing of budgetary institutions of most developed countries. The main task that all developed countries seek to solve is a combination of budget expenditures for financing budgetary institutions with the final results of their activities, in the process of implementation functions, within their own powers. Simultaneously especially noteworthy is such a form of regulation as program-targeted planning, which as a form of systemic redistribution of resources involves the implementation of individual programs to address specific tasks, which ensures the creation and implementation of a departmental system and interagency planning and project management on the purposes and results of activity. Another method of implementing the mechanism of financing budget institutions is indicative planning.

The analysis indicated that in countries with developed and transformational economy there is a restructuring of direct taxation by increasing the tax burden on property and personal incomes of citizens with a simultaneous decrease tax rates for corporate income taxation management. At the same time, there is a pan-European tendency to increase indirect rates taxes. Thus, we can state the departure from the methods of stimulating economic development by increasing aggregate demand and returning to neoconservative ideas of promoting economic growth by exempting investment resources from taxation [5, p. 198].

**Conclusion.** Modernization of the mechanism of financial support of budgetary institutions consists in its adaptation to modern conditions by means of modification of financial methods and financial levers, instruments and forms of financing institutions, as well as synchronization of financial flows at ensuring their activities, in order to implement modern economic, financial and social policy.

Analysis mechanism of financial support of budgetary institutions in countries with developed and transformational economies shows that the expansion of revenues of such bodies allows them to actively implement in their activities financial methods such as lending, investing, self-financing, leasing, factoring, insurance, introduction of new payment systems and payment systems, audit independent control, as well as relevant financial leverage, such as loans, borrowings, securities, profits, depreciation, dividends.

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#### **Abstract**

The article is devoted to the peculiarities of construction and implementation of the financial mechanism of budgetary institutions, also substantiates the possible ways to improve financial security as a subsystem of the financial mechanism. In the conditions of transformation of the economic system of Ukraine, the actual direction of scientific researches is development of theoretical aspects of the financial mechanism of functioning of budgetary institutions, which is a component of the economic mechanism of the state.

Today, the successful functioning of budgetary institutions is extremely important because they are created by the state to achieve social, cultural, educational, scientific and managerial goals for public health, development of physical culture and sports, spiritual and other intangible needs of citizens, protection of rights.

Fulfillment of the set tasks is impossible without building an effective financial mechanism.

**Keywords:** *budget institution, financial mechanism, budget, financial support, financial regulation, form of budget financing, budget body, budget organization.*