

Normative legal regulation of forming and accounting reserves of the enterprise

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Researched essence and levels of the normative legal regulation of forming and accounting reserves of the enterprise.

Key words – reserves, normative legal acts, accounting policies.

I. Introduction

The accounting system is probably the main source of information of enterprises management. In the conditions of manage the accounting, as the formalized source, must provide complete and authentic information of the row of important directions of enterprises activity. To ensure stable functioning of the subjects of manage must reserve part of capital for the future. The greatest difficulty predetermined by information provision of forming processes and using reserves, and also absence of an appropriate level of normative legal regulation.

Many scientists are interested in creating a single normative legal regulation of accounting reserves. Such scholars as Veryga Y.A., Kozlova M.A., Oryshenko M.M., Tereshchenko V.S. and others made an important contribution to problem solving of normative legal regulation of accounting transactions reserves. However, the issues that exist in the normative legal provision and regulation of reservation remains unresolved.

II. Research Materials

After the reform of accounting system in accordance with International Financial Reporting Standards many new terms appeared in accounting practice that scholars interpreted differently. Exactly it took place with the reserves, essence of which doesn't have the unique interpretation, which results in the erroneous choice as sources of provisioning and directions for their using. This is due to the fact that the introduction of principles of accounting reserves established by international practice, wasn't taken into account the current state of the economy, specificity and features of functioning domestic enterprises. A surplus orientation took place on foreign experience and copying and borrowing principles and accounting rules, and it didn't give possibility to consider national peculiarities and own experience.

Integration of national and foreign accounting is complicated by differences between countries in their socio-economic conditions. Exploring the characteristics of national and accounting systems. Tkach V.I and Tkach M.V. set the most important ones are:

- differences in national standards (government accounting decisions, tax law, etc.);
- national plans of accounts;
- organization features of accounting of the within the enterprise [1].

Ostrovsky M.O. noticed that today eliminated possibility of simple borrowing international standards and practices of the countries, it is necessary to find the optimal value of internationally recognized norms with solutions oriented to the specifics of the national economy, national traditions and achievements in the theory and practice of accounting... impossible to detach concepts and terminology of the national soil ...the same term in different countries may denote different things [2].

Veryga Y.A., Oryshenko M.M. accentuated three levels of normative legal regulation of forming and using of capital reserves:

- normative legal acts, regulating business transactions associated with the creation of capital reserve;
- normative legal acts, regulating accounting and order of the provisions of the capital reserves in the financial statements;
- inward company provisions regulating forming and using of capital reserves, and display such transactions in the accounting [3].

Despite the extensive normative legal regulation regulating forming and using of capital reserves, there are a lot of contradictions and inconsistencies. The current legislation which is regulated accounting provisions, defines more terms, forming and reflection on accounts and financial statements only certain reserves.

The unsatisfactory state of reserving on the enterprises of Ukraine s predefined the lacks of current legal framework regulating their forming. According to Kozlova M.O. the main influence factors are:

- 1) legislated opportunity, not an obligation forming reserves for liabilities and charges;
- 2) absence procedure for the calculation of certain reserves;
- 3) differences between tax laws (including disparity in the order of acceptance reserves);
- 4) low degree of regulation and absence of control at all levels of forming, using and recording reserves in the accounting;
- 5) lack of general legal definition of an order of reservation;
- 6) lack of accounting method and control of pay off reserves by real assets;
- 7) lack of state legislation encourage businesses which provide forming reserves in the constituent documents and accounting policies [4].

Veryga Y.A., Oryshenko M.M. propose the following ways to eliminate inconsistencies in the regulatory database: - to reach the uniqueness in the interpretation of the concepts of "provision" and "reserves" and to consider the provision for liabilities and charges as capital reserves formed by costs; - to separate provisions for liabilities and charges and targeted funding; - to supplement the operating expenses in AS 16 "Costs" by cost of provisioning for liabilities and charges; - to rename the account 47 "Provisions for liabilities and charges" in "Reserves for liabilities and charges" [3].

Suggested ways to eliminate inconsistencies include both of positive and negative moments. The positive aspect is that they will lead to an unambiguous interpretation of the organizational aspects of information and improve the regulatory framework reserve accounting of companies.

The negative aspect is that various additions and a significant number of types of reserves can be confusing and to incorrect ways of their formation and reflection in accounting.

Tereshchenko V.S. in his researches also paid attention to the imperfection of regulatory framework in Ukraine's provisions for liabilities and charges which expressed in the presence of differences in the forming of accounting provisions (standards) and instructions on the using of accounts in respect of mandatory provision for liabilities and charges, legislative not elaborated accounting methods concerning their forming and using [5].

The identified points causing refusing many businesses from reserving and complicate its practical implementation.

Thus, the organizational aspects of forming and using reserves of companies still remain for resolving internal documentation at the discretion of a particular company.

Normative regulation of national accounting creates a database of the company for possible self-development companies accounting methods of business transactions through the accounting policies.

While "enterprise accounting policies are closely linked to the process of normative legal regulation of accounting in general and in accounting provisions particular.

It depend on the changes of national legislation, democratization of market reform, expansion activities and legal forms of business and other " companies have

the opportunity to shape policy to establish reserves, given the specificity of their activity[3].

Business entities may independently develop internal documents, regulations, instructions, not inconsistent with current legislation and will regulate and provide functioning reserving in the company.

Kozlova M.A. rightly noticed that Ukrainian legislation didn't provide liability for not creating accounting reserves, so as their forming is caused by contingent facts of economic life caused by neglect of recording accounting conditional facts economic activity administration and owners of the company lose opportunities to effectively manage enterprise [4].

Veryga Y.A., Oryshchenko M.M. noticed that well-formed accounting policy regarding can co-operate various parts to management, although they have different information needs.

To do this each type of capital reserve should be provided full information about his condition and using as reserves directly affect the value of financial results and, accordingly, an object of taxation [3].

Thus the normative legal regulation forming and accounting reserves of enterprises carried out at two levels federal by means of mandatory documents and enterprise level through the development and approval of policy documents - order of the accounting policies, regulations, instructions, etc.

Decision-making in the sphere of detection and using reserves of company based on many types of information.

Due to the fact that the current legislation provides some alternative in the choice of accounting methods, the company has the right to form two types of information: an accounting - to create and deliver financial reporting and accounting and analysis - to manage reserves and other processes that are based on their using. [6].

Conclusion

In the current economic conditions of companies manage remains topical issue of the forming and accounting reserves. Accounting must provide full, accurate and understandable information for its users that would provide true decision-making especially given the needs that arise in the management of company activities.

Development of theoretical and methodological principles of domestic economic accounting in view of the current regulatory framework will enable the company to expand accounting and information management of accounting systems in general and reserve in particular. Every company can create reserves considering the specificity of its activity and its characteristics.

An important element in this case is the accounting policies that the company generates itself, and it in turn must contain certain basic principles, procedures and principles of accounting and in the reporting of reserves of the company. Accounting policy, which the company forms a self, is thus an important element is the and it in turn must place certain basic principles, procedures and principles of accounting and image in the reporting of reserves of the company.

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