



ISSUES OF CORRECT ORGANIZATION OF THE INVENTORY ACCOUNT

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Abstract: This article focuses on the issues of determining the main tasks of enterprises in organizing inventory accounts based on the characteristics of the industry and maintaining them in accordance with the accounting policy.

Key words: Reserve, account policy, BHMS, consumption rates, special rate, revaluation, contract prices, electronic power of attorney, inventory, supply program, consolidated balance, import duties.

In the conditions of today's free economy, the role of the correct organization of the account of goods and material assets in the enterprise is incomparable. This is because enterprises are fully responsible for the results of their production and business activities to owners and employees.

In particular, inventory accounting has a great position in the business management system of the enterprise. It provides feedback on the actual status of inventory use and indicators that describe quality indicators. All this helps to improve the saving of resources in the enterprise.

In the era of the market economy, the variety of forms of ownership, the expansion of the rights of enterprises in economic management, the network characteristics of production require alternative, and sometimes multifaceted, approaches to solving specific issues in the development of accounting policy for the organization of inventory accounting.

National Accounting Standards No. 4 "Inventories" adopted in the new edition were supplemented with new norms (registered with No. 3259 dated 06.30.2020). Now when inventories are purchased with discounts, their accounting is clarified and a special norm has been introduced to determine their value. Also, it was possible to create a power of attorney in electronic form to be filled in when purchasing inventory. There are situations that, if they are not taken into account, will affect the financial condition of the enterprise.

Regulatory documents provide options for asset recognition value criteria, revaluation, and write-off methods in certain situations. The accounting policy reveals which of these options the enterprise uses. The unified approach to the recognition of the enterprise's assets, liabilities and business operations adopted in the accounting policy is important for accounting entities that have subsidiaries, branches, representative offices and other structural forms in the territory of the republic and beyond. In such situations, the accounting policy of the parent company is mandatory for all its divisions, because their financial statements are included in the balance sheet of the parent company or the consolidated balance sheet. In addition, the accounting policy is necessary for comparing the financial indicators of the accounting entities in the financial statements presented for different years. Regarding the importance of this document legal documents set such a procedure that the accounting policy must be approved by the relevant organizational-order documents of the head of the economic entity - order, order, etc.

In general, the following is confirmed in the accounting policy set:

- work plan of accounting accounts;

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- forms of primary accounting documents used in the formalization of economic transactions for which standard forms are not provided;
- form of documents for internal accounting report;
- the procedure and terms of conducting the inventory;
- assessment of the company's assets and liabilities, methods of reflecting financial and economic operations, criteria of significance for reflecting indicators;
- rules of document circulation and account data processing;
- procedure for control of economic operations;
- other necessary rules and norms for the organization of accounting.

As noted, other BHMS should also be used in the formulation of accounting policies, because, firstly, they define more thorough approaches to the assessment, measurement and accounting of assets and liabilities, and secondly, they recommend the methods of their recognition, amortization, write-off and revaluation.

An important condition for the correct organization of inventory accounting is their purpose and role in the production process, and their classification according to their technical characteristics.

According to the functional role and purpose in the production process, all inventories are divided into main and auxiliary.

The main material is the material included in the manufactured product, which forms its material base.

Auxiliary - these materials are part of the manufactured products, but unlike the main ones, they do not create the material (material) basis of the manufactured products. They are used as components in the main parts to give the product the desired qualities (paint, varnish, glue) or they contribute to the production process.

The division of materials into main and auxiliary parts is arbitrary, because it depends on the amount of use of the same material in different types of products, the nature of technology and other factors. For example, fuel is the main material in a power plant for technological purposes, and it is an auxiliary material used in the boiler room of a manufacturing enterprise to heat production buildings. Isolation of auxiliary materials in accounting is possible in some cases only in a certain enterprise with a certain technological process.

Resources (raw materials, materials, fuel, etc.) are values directed by human labor to obtain a finished product. Unlike the means of labor, which retain their form during the production process and gradually transfer value to the product, objects of labor transfer their value completely and completely to this product and are replaced after each production cycle. Consumption of inventories in industrial production is gradually increasing. This is due to the expansion of production, a significant share of material costs in the cost of products, and an increase in the cost of resources.

The main operations with inventories and the sequence of their reflection in accounting are presented in Table 1.

If the enterprise takes into account material assets at contract prices in analytical accounting, then their actual cost will consist of the cost of materials and transportation and supply costs at these prices:

- they include railway tariff, road transport and air transport tariff and other types of transport, including all types of fees;

- delivery of materials from warehouses of import duties, suppliers, railways and other transport organizations;
- travel expenses related to the purchase and storage of direct materials;
- costs of loading, unloading and packaging in warehouses, except for payment of wages of permanent warehouse employees;
- supplies, commissions paid to intermediary organizations and other costs directly related to the purchase of inventory.

Correct organization of warehouse accounting - timely dispatch to production, careful acceptance of incoming valuables, strict adherence to the order in the storage and placement of materials, strict separation of some materials from others, correct marking of incoming materials, correct calculation and weighing of incoming and outgoing materials, receipts and expenses strict adherence to the prescribed procedure of processing, etc. is a direct condition for the correct organization of accounting.

Basic operations with inventories and the sequence of their reflection in accounting

Table 1

Operations with inventory	The sequence of operations for reflecting inventory in accounting
1 Purchase	The value of inventory purchased for cash or on credit is reflected in the debit of certain types of inventory accounts and the debit of the control account of all inventory (with a continuous inventory accounting system) or the debit of the purchase account. with periodic accounting inventories). In this case, the cash or accounts payable account is credited for the amount of the purchased inventory.
2. Costs for production purposes	As inventories are used in the production process, their value is transferred from raw material inventory to work-in-process inventory. In this case, the accounts of certain types of inventories are credited, and the work in progress account is debited.
3. Use in production	The cost of work in progress includes the cost of labor and overhead, in addition to the cost of raw materials. The value of these expenses is taken into account in the cash account.
4. Complete production of products from TMZ	After the processing of raw materials into finished goods is completed, the cost of work-in-progress is transferred to the cost of finished goods: the amount of the transferred value is reflected in the credit of the work-in-progress account and the debit of finished goods. goods account
5. Sale of finished products	When stocks of finished goods are sold, their value is transferred from the finished goods inventory account to the cost of goods sold (cost of goods sold) account.



Therefore, in order to properly organize the account of material reserves, it is necessary to answer the following questions correctly and in time:

- where, when and how much the materials were obtained;
- how the maintenance program is implemented;
- to whom, when, how many materials were released, why and whether they were spent appropriately;
- how to implement the production consumption program;
- what is the balance for certain types of assets and how are the inventory limits observed;
- when to order tangible assets and how much is expected when they arrive;
- how much of this balance is reserved for certain purposes; whether the established order of their classification and the accounting policy adopted in their evaluation are followed, etc.

Accounting for material assets should ensure control over all operations related to their presence and movement to prevent any possibility of theft and abuse. The problem of protecting the property of the economic entity is solved with the correct and proper organization of the financial account and the necessary conditions are created for the proper management of the management account.

In the period of market economy, the variety of forms of ownership, the expansion of the rights of enterprises in economic management, the characteristics of the production industry require multifaceted approaches to the correct organization of inventory accounting.

So, today it is necessary to determine the following most basic tasks in the organization of inventory accounting in enterprises:

- organization of accounting for purchase and purchase of materials;
- reflecting the cost of materials that remained in transit or were not removed from suppliers' warehouses at the end of the month;
- identification of deviations from the accounting value of the actual cost of inventories and their subsequent distribution between the materials used in production and their balances in warehouses.

But in any case, it is important to have a sufficient number of warehouses equipped with scales and measuring instruments, measuring vessels and other devices in the enterprise in order to ensure the proper receipt, storage, and release of goods.

It is also necessary to introduce effective forms of initial and permanent control over compliance with inventory standards and consumption of material resources, to increase the reliability of operational accounting of the movement of semi-finished products, components, spare parts and aggregates in the enterprise.

Accounting information should contain information to find reserves to reduce production costs in terms of rational use of materials, reduction of consumption, proper storage and safety.

Primary documents on the receipt and consumption of inventories are the basis for their accounting. Initial, current and subsequent control over the movement, safety and rational use of inventories is carried out directly on the basis of the original documents.

Thus, only with the help of rational organization of accounting and on the basis of economic analysis of resource provision of the enterprise, determining the strengths and weaknesses of the resource saving policy of the enterprise, it is possible to determine measures for improving

accounting. Such measures can be a reduction in material consumption due to a decrease in material consumption rates in the enterprise.

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