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Integrated Management Accounting In The Financial Management System.

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ABSTRACT

The management accounting system acts as an important tool for informational support of financial management, which is designed to ensure the coordination, interaction and coherence of individual elements of management to achieve strategic goals. In this article, possible areas for the integration of financial management and management accounting systems, through such tools as planning, budgeting, cost rationing, are considered.

Keywords: financial management, management accounting, budgeting, management decision-making.

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INTRODUCTION

The effectiveness of the functioning of any economic entity at the moment largely depends on the effectiveness of the work of management personnel, which requires a new approach to the organization of an information system that allows this activity. Constant changes occurring in the business environment, as well as market competition, led to the fact that the volume of information processed increased significantly, and the time for making managerial decisions was reduced, which requires promptness. In this regard, the integration of financial management and accounting management accounting, which in turn functions in parallel with the financial accounting system, is reflected in the budgeting of the organization's activities.

The management accounting system is based on financial and non-financial information and is completely subordinated to the purposes and functions of management, that is, management accounting links in practice the management process with the accounting process [8-14].

MATERIALS AND METHODS

In practice, most often the basis of the budget structure of the enterprise are the three main budgets [2]:

1. Budget revenues and expenditures - the projection of the economic activity of the organization in the planning period;
2. Cash flow budget - a projection of the financial performance of the organization during the planning period;
3. Budget on the balance sheet (forecast balance) - the projection of the property status of the organization in the planning period.

Considering that budgeting is a planning procedure, it concerns not only the period to which the plan belongs. Obviously, its development should begin before the beginning of the budget period, and the control procedures should be completed after it. All these components form a budget cycle, which includes the following stages [4]:

- 1) setting goals for the budget period;
- 2) gathering information for the development of the draft budget;
- 3) analysis and synthesis of collected information, the formation of the draft budget;
- 4) evaluation of the draft budget and adjusting it as necessary;
- 5) approval of the budget;
- 6) budget execution and current adjustment of indicators;
- 7) current and final analysis of deviations;
- 8) submission of a report on the implementation of the budget and an analysis of the achievement of the organization's goals for the reporting period;
- 9) development of recommendations for adjusting the budget of the current period and developing future budgets.

All these stages are combined into three main phases, clearly delineated by time. Prior to the start of the budget period, the budget preparation stages are integrated into the planning phase. From the beginning of the budget period, the implementation phase begins, which includes, in addition to budget execution, all current analytical procedures. The preparation of final reports and their analysis form the final phase of the budget cycle [6].

RESULTS AND DISCUSSION

Let us dwell on the issue of budgeting organizations involved in the construction of highways and highways. As a rule, these organizations are major state providers of road construction services. Their activities are based on obtaining state contracts and their implementation. Therefore, the issues of financial management for management should be in the first place.

Technological features of construction, the contract throughout the entire period of implementation of the investment and construction project are reflected in budgetary forms and methods of their compilation.

Of course, the budget structure (the composition of budgetary forms and their interrelation) can be individual for each particular investment and construction company. But it is also true that for any organization a standard set of budgets used for a manufacturing enterprise can be used. The only difference is that instead of the production budget, the construction budget will be drawn up.

The general budget is a work plan of the enterprise coordinated for all subdivisions or functions of the activity, consisting of:

- from the budget of profits and losses;
- budget of cash flow;
- forecast balance.

Based on studies of government orders for repair and construction of roads, competition in the market, and determining the expected level of prices, management decides what and in what quantities to produce, and therefore sell. Based on this decision, a sales budget is being prepared.

Since the process of production in companies engaged in construction and repair of roads is based on demand for services, as well as production orders, the sales budget is compiled on the basis of these factors. At the same time, the unit price of the finished product is determined as the sum of the cost of production and the trade mark-up. VAT is not included in the price, as the organization is not a payer of this tax in accordance with the law.

Table 1: Sales budget of the construction company

Name of works and services	Number, km	Price per km, rub.	Total, rubles.
Road repair	11	935218	10287403
Reconstruction of the entrance to the tourist complex	8	431035	3 448 283
Repair of the bridge	5	431256	2 156 280
Total	24	*	15891966

After the sales volume is established, the construction budget is developed. The construction budget is the basis for calculating the need for materials and other material resources, to determine the required amount of labor costs and the estimated level of general production costs.

The purpose of the production budget is to determine the production program of the business entity for the forthcoming budget period, that is, the amount of work performed. The volume of construction in natural units is determined as follows:

$$\text{Budget construction} = \text{budget stocks} + \text{budget purchases.}$$

The amount of consumables at the beginning and end of the reporting period was approved in the volume presented in Table 2.

Table 2: Inventory budget

Types of consumables	Unit of measure	Initial stocks		Finished residues		Unit price
		Amount	rub.	Amount	rub.	
Cementing materials	tons	20	32883	10	16442	1644
Asphalt mixes, aerodrome	tons	96 654	1882930	103	2007	19
Asphaltic concrete	tons	145	74298	21	10760	512
Crushed stone-sand mixtures	tons	169	536244	50	158652	3173

Sand and gravel mixture	tons	6497	279320	504	21668	43
Crushed gravel	tons	578	135768	98	23019	235
Steel water pipes	km	76	54068	10	7114	711
Pipes, steel, electrowelded, longitudinal	km	98	54068	10	5517	552
Concrete is heavy	tons	64	42733	8	5342	668
Barrier fences	km	109	35588	21	6856	326
Total	*	*	3127900	*	257377	*

The procurement budget shows how much material and technical resources and at what price should be purchased to fulfill the company's plans. Its construction is based on the remnants of materials at last a period from the budget of the reserves.

Table 3: Procurement budget

Types of consumables	Unit of measure	Provider name	Required procurement volume		
			Amount	Price, rub.	Cost, rub.
Cementing materials	tons	Provider 1	20	1647	32940
Asphalt mixes, aerodrome	tons	Provider 2	24902	21	522942
Asphaltic concrete	tons	Provider 3	64	514	32896
Crushed stone-sand mixtures	tons	Provider 4	197	3142	618974
Sand and gravel mixture	tons	Provider 5	5497	41	225377
Crushed gravel	tons	Provider 6	308	227	69916
Steel water pipes	km	Provider 7	24	725	17400
Pipes, steel, electrowelded, longitudinal	km	Provider 8	46	564	25944
Concrete is heavy	tons	Provider 9	95	679	64505
Barrier fences	km	Provider 10	605	112	67760
Total	*	*	*	*	1678654

The construction budget in physical units is presented in Table 4.

Table 4: Construction budget in natural units

Name of works and services	Number, km	Planned costs of materials, t	Labor costs of workers, person-hours.	Expenses for the operation of machines, km
Road repair	11	104127	20476	1326
Reconstruction of the entrance to the tourist complex	8	97 820	102300	836
Repair of the bridge	5	67988	54904	679
Total	24	269935	177680	2841

To determine the cost of construction, it is necessary to calculate the cost of a unit of output, which consists of the costs of materials, labor and overhead. Therefore, the next stage in the development of the general budget is the compilation of private budgets: a budget for materials costs, a labor budget, and an overhead budget for each name of work and services.

Based on the data of private budgets, in table 5 the cost of construction works is calculated.

Table 5: Calculation of construction costs, rub.

Name of product	Material costs	Labor costs	Overheads	Total
Road repair	8017367	1417195	356016	9790578
Reconstruction of the entrance to the tourist complex	2302463	337003	84679	2724145
Repair of the bridge	604074	429196	44870	1078140

Thus, as a result of several stages, the size of the expenses of the organization studied, related to the performance of the analyzed volume of construction work, was determined. Having developed the main part of operational budgets for the organization, you can start compiling financial budgets for its activities: profit and loss budget, cash flow budget, forecast balance.

In addition to the volume of sales and cost of products sold for the development of the budget, it is necessary to forecast other incomes and expenses, the amount of the single tax should not be calculated, since the reporting period for the tax paid in connection with the application of the simplified taxation system is a calendar year. The profit and loss budget is presented in Table 6.

Table 6: Budget of profits and losses

Indicators	Amount, rub.
Revenues	15891966
Cost of sales	13592863
Gross profit	2299103
Revenue from sales	2299103
Other income	260500
other expenses	350450
Net profit	2209153

From the data in Table 6 it can be seen that, provided payment discipline is observed by the buyers, the organization as a result of the performance of this order will receive a profit of 2 209 153 rub., so this order is expedient to be accepted for execution.

To plan the receipt and expenditure of funds, a cash flow budget is drawn up [1, 3, 5].

The cash flow budget characterizes the receipt and payment of cash in cash and non-cash forms during the budget period.

In general, the following dependencies exist between cash receipts, sales and changes in accounts receivable balances:

Cash inflow = Proceeds from sales + Accounts receivable at the beginning of the period - Account receivable balances at the end of the planning period.

The final stage of drawing up the general budget of the organization is the development of the forecast balance. When balancing, it is necessary to forecast balances for the main items of the balance sheet: non-current assets, inventories and costs, accounts receivable, cash, long-term liabilities, accounts payable, etc. Each consolidated balance sheet item is valued according to a standard algorithm for assets and liabilities, respectively [7]:

Estimated value of assets = balance at the beginning + turnover on the debit - turnover on the loan;

Estimated amount of liabilities = balance at the beginning + turnover on the loan - turnover on the debit.

CONCLUSION

To summarize, it should be noted that a properly organized organization's budgeting system, as the basis of the fundamentals of intra-firm financial management technologies, plays a very important role in ensuring dynamic organization development, success and competitiveness in the future. Integration of the management accounting tools into the financial management system of organizations allows to detect errors in the conduct of activities on time, correct them and make an informed decision based on the collected and processed data.

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