

IMPLEMENTATION AND FINANCING OF CONSTRUCTION AND REPAIR COSTS IN THE ACTIVITIES OF PUBLIC SECTORS

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ABSTRACT: This article examines the current state of implementation and financing of construction and repair costs in the activities of budget organizations, analyzes the existing regulations and makes recommendations for improving the financing system.

KEYWORDS: Budget organization, construction and repair costs, financing system, starting price, contractual current price.

INTRODUCTION

In order to fully and systematically organize its functions in the system of public administration, it consolidates all its resources through taxes and levies and finances its expenses in the manner prescribed by law. All processes are systematized and carried out in the prescribed manner. A budget organization is a non-profit organization established in accordance with the established procedure by the decision of public authorities for the implementation of state functions, maintained at the expense of the state budget. (Collection of Laws No. 52 (I) No. 2013). Financing of expenses of budget organizations is carried out in the order of financing (payment) of expenses of budget organizations, approved by the Budget code of the Republic of Uzbekistan and the resolution of the Cabinet of Ministers of the Republic of Uzbekistan from September 3, 1999 of No. 414. The procedure for financing (payment) of expenses of budget organizations is carried out in the following sequence.

- I. Wages and equivalent payments (benefits for families with children and financial assistance to low-income families, scholarships, etc.);
- II. Salary supplements;
- III. Capital investments (according to specific lists provided for in the Public Investment Program);

IV. Other expenses.

These expenses are made through single treasury accounts on the basis of duly approved cost estimates. In addition, budget organizations have the right to form a budget organization development fund, which:

at the end of the last working day of the reporting quarter, the funds saved on the cost estimate, except for the funds provided for the financing of capital investments;

income from the sale of goods (works, services) in the field of activity;

part of the proceeds from the lease of property on the balance sheet of the budget organization;

funds left at the disposal of budget organizations in the prescribed manner;

is formed at the expense of funds received from sponsorship.

Construction and repair costs are mainly carried out in the third and fourth groups of costs, but can also be carried out at the expense of the Development Fund of budgetary organizations.

Financing of construction and repair costs is carried out through a contract based on the design and estimate documentation developed by the design companies and the requirements of the law on public procurement on the basis of the relevant expert opinion. Typically, the contract provides for a 15 or 30 percent prepayment and the remaining debt for the work performed is made in proportion to the monthly advance payments. If we take a closer look at the construction estimate, it consists of the following directions.

- 1) Wages and deductions;
- 2) construction materials, machinery, equipment;
- 3) other costs of the contractor (usually determined as a percentage based on the data of the Statistics Committee for 2005);

When the construction project is financed from the budget under the terms of the contract, the contractor carries out the costs independently, regardless of how much is planned for the routes in the design estimates. Once the budget funds are transferred to the contractor's account, the contractor will not be able to control the enterprise. Rules for determining the construction price at contractual current prices are divided into initial and contractual current prices of the construction object in accordance with SHNQ 4.01.16-09 (2009). The starting price is the price of the subject of competitive bidding, determined by the customer or his order, the

project or a specialized organization. The contractual current price is the price of the subject of competitive bidding, determined by the results of competitive bidding.

In market relations, the determination of the contract price at current prices for facilities being built at the expense of centralized or equivalent sources should be based on the results of tenders, which are usually conducted on a competitive basis.

In practice, when selecting construction projects on a competitive basis, the total amount of the object is calculated based on the initial cost. However, in this case, the other costs of the contractor for all participants shall be indicated as the same percentage. To become the winner of the competition, participants will be deducted from the amount of salary or the price of construction materials. As a result, the wages of workers at the construction site are reduced or poor quality construction materials are purchased. This in itself affects the quality of the construction object.

CONCLUSION

At present, one of the most pressing issues is the optimization of costs at the facilities under construction at the expense of the budget, the introduction of market mechanisms, the creation of an equal competitive environment without affecting the quality of the construction project. In this regard, great work is being done in our country to radically reform the construction industry.

Taking into account all the above information and problems encountered as a result of scientific research, in order to achieve high results through the system of financing the cost of construction and repair of the country, it is necessary to carry out the following work:

Determination of salary and social tax in the project estimate documents not less than the average salary;

Procurement of construction materials and equipment required for the construction project in accordance with the law on public procurement and recognition at actual cost;

Conducting tenders and selections only at other costs of the contractor.

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