

# ADJUSTING THE ASSETS OF NON-GOVERNMENT NON-COMMERCIAL ORGANIZATIONS IN UZBEKISTAN TO INTERNATIONAL STANDARDS

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**Abstract:** This article presents the issues of aligning the accounting of assets in non-governmental non-profit organizations (NGOs) to international standards.

**Keywords:** long-term assets, short-term assets, biological assets, long-term and short-term investments, trade and other receivables.

In the transition to international standards, it is very important to first harmonize the general rules on the international conceptual framework.

Today, we believe that it is necessary to improve our national conceptual frameworks based on the definitions given to assets in the new version of the international conceptual frameworks. We formalize the results of comparing the provisions of the international conceptual framework and the national conceptual framework in the following table (Table 1):

**Table 1**

**Table comparing international conceptual frameworks and national conceptual frameworks of financial reporting<sup>1</sup>**

"Conceptual basis of financial reporting" <sup>2</sup> (2018)	in "Conceptual bases of preparation and presentation of financial statements". <sup>3</sup>
<b>Assets</b> are existing economic resources controlled by an organization as a result of past events. An economic resource is a right that has the potential to create economic value	38.1. <b>Assets</b> are economic resources that are controlled by the entity and obtained as a result of previous activities with the purpose of obtaining income from them in the future.

As can be seen from these definitions, assets are defined in international and national standards as economic resources created and controlled as a result of past events. It would be appropriate if the classification in the national standard is not defined as their future use, but as "their use will provide economic value in the future" .<sup>4</sup>In addition, it is appropriate to define the concept of economic resources. Taking into account the above standard requirements, we consider it appropriate to

<sup>1</sup> Author development based on international and national standards

<sup>2</sup> O.B. Fomina. *Izmenenie konceptualnykh osnov MSFO*. <file:///C:/Users/SamISI-ATM/Desktop/34%20-%20Fomina%20Fomin.pdf>

<sup>3</sup> Conceptual framework "for preparation and presentation of financial statements" . //by AV on 09.09.2016. Registered with number 475-1.

<sup>4</sup> Author development based on research.

define assets as the main elements of financial statements in the accounting sense as follows:

Assets are the economic resources that have arisen as a result of the past events of the organization and are controlled, and their use will bring economic prosperity to the enterprise in the future. An economic resource refers to the estimated amount of the right to property that has the potential to generate economic value <sup>5</sup>.

international standards <sup>6</sup>, assets are recognized in the balance sheet if (a) the probability of acquisition or loss of economic value associated with it applies; (b) the item has a value or estimate that can be reliably measured. International standards also provide criteria for recognizing assets as fixed-term. Assets that do not meet the criteria of short-term assets are recognized as long-term assets.

In order to improve the balance sheet in accordance with international standards, it is considered appropriate to first develop a generally recognized classification of assets.

In accordance with the requirements of BHXS No. 1 "Presentation of Financial Statements", it is considered appropriate to use the following classification of entities in enterprises, including non-governmental non-profit organizations (Figure 1):

Based on this classification, it is appropriate to make certain changes in the form of the current accounting balance sheet. There are several reasons for these changes.

First, the main external information users in non-governmental non-profit enterprises can include members of this organization, persons who have provided sponsorship and other financial support, banks, auditing organizations, state tax authorities and other information users. In order for users of this information to make decisions, not only general information about the assets of NGOs is needed, but also information about their components. Information about the condition of buildings and structures, equipment, vehicles, computer equipment, which are part of the main means of NGOs, is also useful. This information describes their financial situation more broadly.

It is indicated that fixed assets should be detailed by types (classes) in accordance with the standard of BHXS No. 16 "Fixed assets". <sup>7</sup>This is a requirement of the international standard. Today, the transition to international standards is being introduced in our country, so we need to improve the structure of accounting.

It is noted that the information on the types (classes) of fixed assets specified in the standard of the BHXS No. 16 "Fixed Assets" must be reflected directly in the financial statement (accounting balance sheet) or in the disclosures provided in the reports.

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<sup>5</sup> Author development based on research.

<sup>6</sup> Priznanie assets soglasno MSFO. <https://www.klerk.ru/buh/articles/97184/>

<sup>7</sup> BHXS No. 16 "Fixed assets" [https://nrm.uz/contentf?doc=468065\\_ias\\_16\\_osnovnye\\_sredstva](https://nrm.uz/contentf?doc=468065_ias_16_osnovnye_sredstva)

Fourthly, some items are not included in the current balance sheet. For example, investment properties, long-term tax assets, etc. We believe that non-current assets classified as held for sale should not be reflected in non-current assets.

### **List of used literature**

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3. Decision of the President of the Republic of Uzbekistan "On additional measures for the transition to international standards of financial reporting". February 24, 2020. No. PQ-4611.

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5. Priznanie assets soglasno MSFO.  
<https://www.klerk.ru/buh/articles/97184/> .

6. BHXS No. 16 "Fixed assets "  
[https://nrm.uz/contentf?doc=468065\\_\(ias\)\\_16\\_osnovnye\\_sredstva](https://nrm.uz/contentf?doc=468065_(ias)_16_osnovnye_sredstva)

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