

LOCAL BUDGETS - THE FINANCIAL BASIS OF SELF-GOVERNMENT*D.A. Tashmukhamedova*Senior lecturer of the department "Budget accounting
and treasury business » TFI

Abstract: *With the development of the institution of local self-government, the content and role of local budgets are changing. The article discusses the organizational structure of local government, which determines the importance of local budgets in the budgetary system of the country, in the potential use of centralized financial resources at various levels to solve socio-economic, socio-cultural, communal, and household problems.*

Key words: *budget, local budget, revenues, expenses, funds, gross domestic product, national wealth.*

Introduction

Local authorities, ensuring the comprehensive socio-economic development of the territory, exercising control over the effective placement of industrial and social facilities, rely on the local budget, through which they purposefully influence the territorial infrastructure, where economic and political processes are most reflected.

The budget is necessary for each local entity to meet its objective needs in monetary form and serves the performance of economic, social, and political functions. The budget of any local entity includes the following categories: taxes, loans, expenses, etc., the content of which changes only in the transition from one socioeconomic formation to another. This circumstance allows us to define the budget as an economic category. Any concept of the budget should characterize its form and content. From this point of view, the following definition seems to be the most complete and accurate. From an economic point of view, the budget of local education is a set of economic relations between legal entities and individuals as participants in the formation of an accumulated centralized fund of financial resources.

The economic essence of local budgets is manifested in their appointment. They perform the following functions:

- the formation of monetary funds, which are financial support for the activities of local government bodies;
- distribution and use of these funds between the branches of the local economy;
- control over the financial and economic activities of local unitary enterprises, organizations, institutions belonging to local ownership, as well as over the use of funds of budget recipients of other forms of ownership.

The concept of the local budget as a component of local finance is characterized comprehensively in the following aspects:

- an objective economic category. Local budgets, being a form of manifestation of redistributive relations, are objective, express a certain part of economic relations. As an economic category, the local budget has a corresponding material embodiment in the form of a fund of funds of local self-government bodies, formed by separating part of the value of the social product and used mainly to meet local communal and social, and cultural needs of the territory. This use is expressed through the movement of value in connection with its redistribution. This process manifests itself through the flows of mobilized and consumed local monetary resources;
- the system of monetary relations. Local budgets are a set of monetary relations arising in connection with the formation and use of funds of local governments in the process of redistribution of national income to ensure expanded reproduction and meet the needs of members of the local community.

Within the framework of budgetary relations with the participation of local self-government bodies, the formation of income receipts and expenditure functions takes place on the principles of economic expediency, macroeconomic regulation, and the sufficiency of income receipts. The sources of income for local budgets are the following objects of monetary relations:

- gross domestic product;
- national wealth, part of which serves as a source of formation of budgetary revenues through the mechanism of privatization of local property objects;
- additional funds attracted by the local administration on a reimbursable basis;
- the main financial plan of local governments.

Main part

The need for a local budget, both in financial terms, is due to the requirements of rational management of the local economy, accounting for sources of income, and the expected directions of use of funds. As the main financial plan, the local budget covers the entire set of revenues and expenditures. When forming the local budget, the budgetary needs and budgetary possibilities of local education are identified. An indispensable condition of the budget, as a financial plan, is the balancing of its revenue and expenditure parts;

- an active component of territorial budgetary policy. The implementation of the principles of financial and economic independence of local entities significantly changes the degree of importance of the budget in financial support of the socio-economic development of a territorial entity;
- the local budget is the main source of financing for the social sphere and infrastructure development of the corresponding territory;
- The revenue side of the budget, a significant part of which is made up of tax revenues, is made dependent on the efficiency of the activities of economic entities located on the territory of a given local entity.

The local budget and the level of socio-economic development of local education are interdependent. However, the system of formation of the revenue base of local budgets does not allow to fully realize the possibilities of the budget, quantitatively and qualitatively influence the local economy; an economic method of territory management. The local budget, as the most important economic instrument, is used by local governments to solve a wide variety of socio-economic problems of the development of the territory. The use of the local budget as a method of territorial management is an opportunity through this fund to influence the processes of public regional production and reproduction, to monitor economic processes in local education, to monitor the completeness and timeliness of the receipt of financial resources at the disposal of local governments.

The specificity of local budgets, as an economic method of management, lies in the redistribution of funds between sectors of the economy, territories of a higher rank, production and non-production spheres, and various strata of the population. This determines the scale and effectiveness of the impact of the budget on the socio-economic development of local education.

For a sufficiently complete disclosure of the essence of local budgets, it is necessary to pay attention to the principles of their functioning and organization, which are the same for all budgets of the country. Allocate:

- the principle of unity, which means the unity of budget legislation, principles of organization and functioning of the budget system, a unified procedure for establishing and fulfilling expenditure obligations, generating income and expenditure of budgets, including local ones;
- the principle of differentiating income and expenditure between budgets of different levels, which, concerning local budgets, means securing, by legislation, revenues, expenditures, and sources of

financing deficits for the budgets of local entities, as well as determining the powers of local governments to establish and fulfill expenditure obligations under public formations;

The principle of independence of budgets means:

- the right and obligation of local self-government bodies to independently carry out the budgetary process, establish local taxes and fees, ensure the balance of the respective budgets and the efficiency of the use of budgetary funds;
- inadmissibility of withdrawal during the financial year of additional revenues, savings on budget expenditures received as a result of effective budget execution;
- a set of restrictions related to the inadmissibility of establishing expenditure obligations to be fulfilled simultaneously at the expense of budgets of two or more levels of the budget system or the expense of consolidated budgets, or without defining a budget at the expense of which the corresponding expenditure obligations should be fulfilled;
- the principle of equality of budgetary rights of local entities means the determination of the budgetary powers of local self-government bodies, the establishment and implementation of expenditure obligations, the formation of tax and non-tax revenues of local budgets, the determination of the volume, forms, and procedure for the provision of interbudgetary transfers;
- the principle of completeness of reflection of budget revenues and expenditures means that all revenues and expenditures must be reflected in the budgets of local entities without fail and in full. All local expenditures are to be financed from budgetary funds accumulated in the budgets of local entities;
- the principle of budget balance means that the number of budgetary expenditures must correspond to the total amount of budget revenues and receipts from sources of financing its deficit, reduced by the number of payments from the budget related to sources of financing the budget deficit and changes in account balances for accounting for budgetary funds;
- the principle of efficiency and effectiveness in the use of budgetary funds means that when drawing up and executing budgets, the participants in the budgetary process within the framework of the budgetary powers established by them must proceed from the need to achieve the specified results using the least amount of funds or achieve the best result using the number of funds specified by the budget;
- the principle of general (aggregate) coverage of expenses means that budget expenditures cannot be linked to certain budget revenues and sources of financing the budget deficit;
- the principle of transparency (openness) means the obligatory publication in the open press of approved budgets and reports on their implementation, completeness of presentation of information on the progress of budget execution;
- the principle of budget reliability means the reliability of the indicators of the forecast of the socio-economic development of the corresponding territory and the realistic calculation of budget revenues and expenditures;
- the principle of targeting and targeted nature of budgetary funds means that budgetary allocations and limits of budgetary obligations are communicated to specific recipients of budgetary funds with an indication of the purpose of their use;
- the principle of the jurisdiction of budget expenditures means that the recipients of budgetary funds have the right to receive budgetary allocations and limits of budgetary obligations only from the main manager (manager) of budgetary funds, in whose jurisdiction they are;
- the principle of the unity of the cash desk means the enrollment of all cash receipts and the implementation of all cash payments from a single budget account.

Note that the general principles for the formation of revenues and expenditures of local budgets are based on the principles of building the budget system as a whole and the role that state and local authorities are called upon to play in the economic system. At the same time, the choice of principles for the formation of revenues and expenditures of local budgets is the most difficult aspect of the organization. This is because they are intended to implement the goals and objectives of budgetary policy, to ensure the functional interaction of budgets of all levels, they must take into account the specifics of local budgets associated with the peculiarities of such a form of public authority as local self-government. The principles of formation play the role of a kind of filter limiting the sphere of budgetary relations of local authorities, preventing the tightening of budgetary relations downward or upward. The entire set of restrictions taken into account when dividing expenditure functions and revenue receipts between local governments and higher levels of government should be determined based on the principles of economic expediency, macroeconomic regulation, and the sufficiency of revenue receipts.

Conclusion

Of course, with the development of the institution of local self-government, the content and role of local budgets are changing. However, given that a huge part of the social and economic expenditures of the state is financed from local budgets, the budgets of local formations should act as an economic regulator that contributes to the establishment of optimal proportions of social production on a territorial scale, an incentive for the development and restructuring of the economy, and an increase in the investment activity of economic entities. subjects, revitalizing local entrepreneurship. In this regard, it is necessary to improve and strengthen the financial base of self-government bodies, which are based on local budgets.

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