

# THE REFLECTION OF THE DUALITY IN THE PUBLIC ACCOUNTING OF THE BUDGETARY INCOMES AND EXPENSES

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*The public institutions accounting remains a budgetary accounting, because the central axe in which she builds the accounting information is the budget. This is the legal document, which establishes also in nature and in measure of the mobilized incomes to the state as well as the way volume of the budgetary allocations, which will be lead by the state for the finance of different activities during a year. The paper „The reflection of the duality in the public accounting of the budgetary incomes and expenses” presents the real accounting way of the budgetary incomes and expenses at the level of the state treasury in it's quality of cash collector of the public sector, and also at the level of the public institutions through which are realized operations which are supposed by the budgetary execution.*

*Key words: Accounting, Treasury, Public Institutions, Incomes, Expenses.*

## **The contextual frame for the public institutions accounting**

The public institution represents that organizatory structure of public nature through which the state and the administrative territorial units produce the social utilities, administrative, for the justice, public order, national defense and others. Accidentally the subunits of the public institutions can realize and produce units and services of economic nature.

The public accounting can perceive that the total amount of the principles that must be followed in order to realize complete evidences on the staff of the operations regarding the patrimony elements from the frame of the public institutions.

It has the evidence of the goods and incomes from the entering to the way out from the public patrimony; the evidence of the works and services taken by the public authorities till the end of those; the control operation regarding the way in which is managed the public finances resources and their way of use.

The public institutions accounting makes a logical subsystem integrated and coherent which reflects in the valor expression the interdependences between the sources of feeding of the public funds and their way of assignment and which presents the necessary competences for the economic operation control exercise generated by the different economic, social and politic phenomena's.

At the level of the public institution we notice (with delay) the opening to international of the accounting, through the approving of some accounting regulations, which promotes the accounting “principle” of engagements and generates the accounting in double part.

The accounting dimension of the budgetary incomes and expenses at the level of the State Treasury

The public treasury has the hole resources that the state have the instrument through which this creates the possibility to establish and apply the incomes and expenses politic, organizing its financial activity both at central level and in the territory.

The financial execution of the public sector is unrolled through he public institutions and the public finances treasuries, of which accounting makes the base of the informational system from the first till the last level of the national economy.

The house execution principle which stays at the base of the organization of the state treasury accounting which assures the registers of en-cashed operations and payments in the accounts of the incomes and expenses open on budgets, credit nominators, and subdivisions of the budgetary classification established by the Ministry of Economy and Finances.

The incomes en-cashed by the treasury are followed and distinct pointed out on budgets: state budget, local budgets, the state social assurances budget and others. In the frame of each budget is assured the evidence of the incomes realization on the incomes resources- chapters and subchapters from the budgetary classification, and also on the payers: economic agents, public institutions, tax payers- physical person.

The way of the forming of the incomes accounts in the treasury accounting is represented in a scheme like this:

***The codification of the incomes accounts in the Treasury accounting***

The codification of the incomes accounts in the Treasury accounting	The code of the synthetic account of the income <sup>313</sup>	
	The code of the income chapter	
	The code of the budget	
	The code of the subchapter of the income	
	The fiscal code of the payer	

The instrumental accounting of the incomes in the frame of the treasury is realized like this:

The Town hall A puts in the cash of the treasury, with paper of the payment – the receipt, of the sum 3.654 lei, representing the tax encash on the building by the juridical persons.

10	=	2107020102	3.654
„House”		„Tax buildings juridical persons”	

The account 2107020101 formed like this:

2.1. – the synthetic account of the incomes from the local budget from the account plan specific to the treasury

07.02 – the budgetary chapter *Taxes and land taxes* (02 represent the budgetary account for the local budget)

07.02.01 – the budgetary subchapter *Taxes on buildings*

07.02.01.02- the article *Taxes on buildings from the juridical persons*

↳ SC. SIM SRL, fiscal code 1656838, pays by the collecting point of the treasury the sum of 297 lei, representing the contribution of the employer to the unique national fund of the social health assurances.

10 =	262005031656838	2.970
„House”	„Contributions of social health assurances	

due by the employers

The account 262005031656838 formed like this:

26 – the synthetic account of incomes to the budget of the unique national fund of the social health assurances from the account plan specific to the treasury

20.05 – the budgetary chapter *The employers contributions* (05 represents the budgetary code fro the unique national fund of the social health assurances)

20.05.03 –the budgetary subchapter *Contributions of social health assurances due by the employers*

1656838- the fiscal code of the payer

The credit authority of the “budgets” is authorized to employ, to liquidate and order the expenses during the budgetary exercise, in the limit of the approved budgetary credits.

The way of forming of the expenses accounts in the treasury accounting is represented in a schematic way like this:

***The expenses accounts forming in the Treasury accounting***

The codification of the The code of the synthetic expense account<sup>314</sup>

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<sup>313</sup> The codes of the synthetic accounts of the budgetary incomes in the accounting of the treasury are the next: 20 - state budget incomes; 21 – local budget incomes; 22 – social state assurances budget incomes; 26 – the incomes of the budget of the Unique national fund of social health assurances 28 – incomes of the budget for the unemployment assurances.

<sup>314</sup> The codes given tot he expenses in the treasury accounting are the next: 23 – expenses of the state budget; 24 – the expenses of the local budgets; 25 - social state assurances budget expenses; 27 - expenses of the budget of the Unique national fund of social health assurances; 29 - expenses of the budget for the unemployment assurances.

expenses accounts in  
the Treasury  
accounting

The code of the expense chapter

The budget code

The code of the expense title

The fiscal code of the public institutions

The accounting transpose of the operations that generates the expenses for the different budgets is realized like this:

with the purpose to discount the expenses on the pupils transport the Town hall of the village C takes based on the cheque the sum of 11.580 lei.

246502204562028	=	10	11.580
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„The expenses of the local budgets” „House“

The numeric component of the account 246502204562028 is explained like this:

24 – the symbol of the synthetic account *Expenses of the local budget*

6502 – the code for the chapter of expenses *Education*

20 – the expenses title *Goods and services*

The district house of alimonies deposits by cash order the sum of 195.000 lei representing the lab our conscriptions of the alimonies due to the pensioners:

256803574562028	=	61	195.000
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„The expenses of the state social assurances budget” „The correspondent account of the treasury”

The account 256803574562028 formed like this:

25 – the expenses of the state social assurances budget;

6803 – the chapter of the social assistance and assurances budget;

57 – the expenses title– *Social assistance*;

4562028 – the fiscal code of the alimony house

So in the decode of the resorts of the treasury accounting to the public institutions are essential the finance ways the budgetary source of the funds source, the typological knowing of the special funds and others.

### **Some accounting references from the level of the “public institutions”<sup>315</sup>**

The incomes of the state budget, the local budgets, the state social assurances budgets the health social assurances budget, the unemployment assurances budget are made out of the taxes, contributions and other incomes approved from the economic agents and from the tax payers and also from the payment of the public institutions and other incomes approved by budgetary law by the Parliament.

The incomes are registered in the public institutions accounting on the documents which certifies the creation of the claim right (the fiscal declaration or the decision sent by the fiscal authority), expedition notification, bills and other legal papers made or in the effective moment of the encash in the situation in which there does not exist previous documents to the encase in order to register the claim.

The structure of the accounting account of incomes to the public institutions has the next elements: the symbol of the account from the accounts plan; the budget of which the income belongs: the chapter; subchapter and the budgetary article.

#### ***The forming of the incomes account to the public institutions***

The codification of the incomes accounts in the accounting of the public institutions

The symbol of the account from the accounts plan

The income source

The budgetary chapter

The subchapter

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<sup>315</sup> Less the State Treasury

The paragraph

The registration of the District House of Health Assurances of the contributions to the unique national fund of social health assurances due to the physical persons or juridical which employ persons:

**4665.20.05.03.01** = **7453.20.05.03.01** 2.970

The claims of the unique national fund of social health assurances The contributions of the employers for the social health assurances. Contributions from the juridical or physical persons, which employs persons

The signification of the numeric symbol of the incomes account is the next:

7453 - - the symbol of the synthetic account Contributions of the employers for the social health assurances

20.05 – the budgetary chapter entitled *The employers contributions*

20.05.03 – the budgetary subchapter *Contributions of social health assurances due by the employers*

20.05.03.01 – the paragraph Contributions from the juridical or physical persons that employs persons at the Town hall is pointed out in the accounting the budgetary claim represented by the tax on the buildings due by the juridical persons:

**464** = **734.07.02.01.02** 3.654

The claims of the local budget Taxes on property. The tax on the building from the juridical persons

The numeric structure of the account **734.07.02.01.02** has the next signification:

734 - the symbol of the synthetic account Taxes on property

07.02 – the budgetary chapter Taxes on property

07.02.01 – the budgetary subchapter Tax on buildings

07.02.01.02 – the paragraph Tax on buildings from juridical persons

At the public institutions the expenses accounts are developed in analytic on budgetary classification structure.

The symbol of the analytic account is made like this:

***The forming of the analytic account of expenses at the public institutions***

The codification of the expenses accounts in the accounting of the public institutions The symbol of the account from the accounts plan The source of finance of the expenses Subchapter Title

Article

Paragraph

at the district house of alimonies is pointed out the obligation of payment to the pensioners in sum of 195.000 lei.

**676.57.01.03** = **4221** 195.000

Social assurances Civil pensioners- debt alimonies

The codification 676.57.01.03 has the next signification:

676. – the symbol of the synthetic account Social Assurances

57 – the title of the expenses from the economic classification entitled Social Assurance

57.01 - the budgetary article Social assurances

03 – the code of the budget of the state social assurances

the Town hall of the village is taking the evidence of the expenses with the pupils transport in sum of 11.580 lei which it will be paid lately from the financed account:

624.20.01.07	=	401	11.580
Expenses with transport of goods and personnel		Suppliers	

The analytic accounting “of the budgetary incomes and expenses” is imposed by the juridical norms to assure units of content of the budgetary incomes and to facilitate the indicators obtain at the macroeconomic level. In this way the accounting is proving again the capacity tot produce inform nations which to respect the norms with the purpose to assure the qualities such as the relevance, credibility, clearness and comparing.

## Conclusions

The objectives related to the devoted and oportune reflection of the way of realizing the incomes and the expenses and also to supply through the budget the information’s regarding the realization of the incomes, level, structure and the expenses dynamic, justifies the role extremely important of the budgetary information in the frame of all the public institutions.

So as we notice the accounting dualism to which we refer in the tile of the paper regards the double manner, the dual accounting instrumentation of those categories of budgetary incomes and expenses by reporting them to the different public entities: the public institution which notices/encash the income or the expense and the state treasury with its role of cash collector of the public sector. For the reflection of the accounting in the Treasury of the budgetary incomes and expenses is used a plan of accounts different from the one used by the other public institutions. At the level of the public institutions is applied the engagement in order to recognize the budgetary incomes and expenses when in the treasury accounting is used the base accounting on cash in order to recognize the same elements that generates the result.

The budgetary classification assures the link between the two categories of entities reported to the budgetary execution with the meaning that both public entities symbol of the numeric accounts of expenses includes the code title specific in the economic classification. Also the code of the chapter of incomes is found also in the structure of the incomes of the public institutions and of the Treasury.

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