



## **SPECIFIC METHODS AND APPROACHES TO THE EFFICIENT USE OF BUDGET FUNDS IN HIGHER EDUCATION INSTITUTIONS**

***Sh.B. Xayriddinov***

*Karshi State University Independent Researcher*

***Azimov Husanjon Abdumorod o'g'li,***

*2nd-year student of the Department of Economics,  
Finance and Financial Technologies.*

**Abstract:** This article examines the methods of budget financing and their specifics. Their mutual similarities and differences are structured. An independent author's approach to them has been formed, as well as the advantages of result-oriented budgeting have been theoretically and legally assessed.

**Keywords:** budget policy, budgeting sons, results-oriented budgeting, budget expenditures, budget efficiency.

### **Introduction**

Countries use various methods to effectively utilize resources for financing their budget expenditures. The allocation of budget expenditures and their targeted utilization is considered one of the key factors. Research indicates that the state budget has served as a means of ensuring financial resources for the performance of state functions. This means that regardless of the method of financing institutions and organizations from the state budget, it implies that the financial resources for the state's responsibilities are continuously available.

Authors [1, 2] emphasize that "each country has a state budget structure and system, which is formed based on the political and administrative structure of that country. The state budget structure essentially expresses the principles of budget formation, the procedures for preparing, reviewing, adopting, and executing it, and organizing the principles of forming budget revenues and executing expenditures."

In our opinion, the method of financing budgetary institutions should not necessarily change the tasks within the state's responsibilities. The goal of effectively utilizing financial resources from the budget should express the effectiveness of achieving the desired objectives. Therefore, the alignment of budget expenditures with the state's strategic goals is necessary.

### **Analysis of Relevant Literature**

As a result of the development of market relations, there has been a growing trend of transferring certain budget expenditures to the private sector. This reflects the increasing use of market economy principles in budget expenditure implementation. The application of market relations in budget expenditures can be explained through the following elements:

- Decentralization of budget policy;
- Transfer of certain state functions to the private sector;
- Liberalization of state budget resource planning.

Furthermore, the emergence of fundamental changes in budget policy necessitates improvements in budget planning methods.

Decentralization of budget policy refers to transferring the authority to make many financial decisions to local government bodies. For example, A. Li presents numerous scientific conclusions regarding budget planning, highlighting that the role of the state budget is connected to revenues and expenditures, other balances, estimates, financial plans, and cash-flow plans.

A. Li's opinion helps to understand which state functions can be removed from its responsibility. Thus, business representatives, for example, may independently finance sectors that do not require state funding. These may include certain stages of education, some medical services, or economic support expenditures. However, sectors such as defense, social services, and state governance cannot be privatized, or such practices are not observed in global experience.

In our view, the liberalization of financing expenditures in inseparable areas of state responsibility should emerge. This aligns with global practices where the application of market laws in budget policy reflects the liberalization of financing.

Authors Yuldoshev A., Zayniev A., and others emphasize that state expenditures are primarily essential for implementing necessary structural changes in the economy, ensuring production growth, and ensuring targeted social expenditures. These expenditures are currently one of the important elements of financial policy [4].

Thus, we approach the issue from a theoretical perspective, examining methods of using financial resources in the budget and comparing them with foreign methods. Generally, there are many theoretical foundations for budget planning, each with different approaches.

Uzbek economists also focus on several methods of financing from the budget [4], including:

- **Budget-insurance method:** This method involves funding through targeted payments from employers and employees. This method is widely used in Germany, France, Italy, and Sweden.
- **Budget type:** Primarily financed through budget funds, and is common in Western countries.
- **Enterprise method:** Healthcare institutions provide medical services funded by voluntary insurance fund contributions or direct payments. This method is widely used in the United States.

M. Khasainov proposes a method for allocating funds based on the comparison of budgetary areas [5]. According to this, the budget priorities are identified by forming requests hierarchically. Then, based on expert opinions, sectors of budget financing are compared and priority directions are identified.

In our opinion, the approaches above focus on comparing methods of budget financing and foreign methods. These methods may be used in conjunction with one another within a single approach.

### **Research Methodology**

In this article, scientific abstraction, logical thinking, comparative analysis, studying dynamics, grouping information, and comparison methods have been used.

**Analysis:** The introduction of budgetary methods reflects the strict definition of each expenditure direction. Currently, the budget of institutions is planned for each expenditure item, and payments are made based on these plans (after the introduction of a unified treasury account, financing is no longer carried out, but cash expenditures are made from the treasury account). At the same time, expenditure planning is implemented for each item under expenditure groups.

During our research, we will try to examine certain aspects of the methods used for planning budget expenditures. The decision-making process regarding the use of budget funds ensures the stability and consistency of the budget policy by formalizing commitments regarding expenditures. These commitments are made according to the powers and functions assigned to the central government and local self-government bodies.

Indeed, any reform will only show its results within one fiscal year, especially in the budget service sector. Therefore, by dividing expenditures, the obligation placed on budget organizations and recipients of budget funds leads to a shift towards medium-term budget practices (usually 3-5 years).

There are several shortcomings that limit the possibility of efficient use of budgetary funds, including:

1. **Current budget planning:** It is very complex to identify the results of budget-funded services (work, goods). The current system only recognizes actual expenditures and saved funds as results. This approach does not allow the identification of financial efficiency in budget expenditures. It only ensures the targeted expenditure of funds and provides the possibility to compare the planned and actual amounts of funding.

2. **Current budget planning:** It is limited to a one-year period, thus hindering the possibility of achieving long-term priorities and objectives for social and economic development. As a result, national and regional programs aimed at the medium and long-term prospects are often not connected with budget opportunities.
3. **Investment programs (capital investments):** The current budget system limits the connection with long-term investment programs. Projects in the investment program (such as the creation of new capacities or the outfitting of existing objects) require funding for ongoing maintenance after their completion. However, the launch of new objects is not always linked to the budget forecast, and the costs for their ongoing maintenance are sometimes overlooked.
4. **Legal deficiencies:** The legal norms and mechanisms that define the relationship between the budget and various programs are not fully developed. This leads to the substitution of efficiency and targeted use principles with each other.

These shortcomings suggest the necessity of fundamentally improving the methods of budget financing. In our opinion, there will be no single method of financing from the budget in the country. Implementing various methods of budgeting is necessary for the effective realization of state financial policy. In Uzbekistan's practice, this experience can also be observed.

### **Conclusion**

To conclude, the expenditure itself acts as the result in this case, and in such conditions, the possibility of determining the effectiveness of financing budget expenditures is limited. The budgeting system ensures the targeted expenditure of funds and the comparison of planned and actual amounts of funding. However, within the current system, it is not possible to determine the efficiency of budget expenditures. Thus, an annual budget does not allow for effective measurement of the social and economic results to be achieved.

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