

Issues in Accounting Systems Design to Report Innovation in Organizations

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Abstract – The transition to an innovative way of development leads to all sectors of the economy, particularly in large, medium and small enterprises in their new form and content innovation. Scope of the manifestations of this activity will expand rapidly. The existing literature is not sufficiently disclosed innovation activities of enterprises, and legal documents relating to accounting, does not disclose a conceptual framework and the accounting innovation. Given this article discusses methodological issues related to this activity.

Keywords – Innovation Activity, Innovative Product, Expenses For Innovative Products

I. INTRODUCTION

After gaining independence, Uzbekistan has chosen the path of innovative development. Since then, the country has made great strides in innovation development, in particular:

- ◆ *Completely abandoned the use of the planned economic system;*
- ◆ *Systematically was the transition to an economy based on market relations;*
- ◆ *From a backward agrarian country has turned the state into a developed industrial-agrarian state;*
- ◆ *Was carried out radical reform of the subjects of the real economy;*
- ◆ *In engineering, heavy and light, chemical, pharmaceutical and other industries are having the most modern production;*
- ◆ *Enterprises increases the amount of competitive and export of manufactured products;*
- ◆ *Widely used localization program and implemented investment projects;*
- ◆ *Despite the still ongoing global financial crisis in the country annually observed a steady increase in the runway at 6%.*

Much importance of innovation, expansion of its manifestations poses accounting that collects, records, accumulates and delivers a wealth of information to consumers, problem solving urgent accounting systems design problems. In particular such urgent tasks include:

- ◆ Creating indices expressing quantitatively innovative activities and the system of their assessments;
- ◆ Business processes that make up the innovation, the creation of the methodological foundations of the recognition, measurement, documentation and accounting for innovative products derived from innovation activities;
- ◆ Expense relating to innovation, developing the methodology of their capitalization and debt.

A small amount of research problems related to accounting innovation, insufficient justification for their scientifically demonstrates the need for the creation of modern scientific and methodological developments associated with the measurement, evaluation, documentation and record keeping of this activity.

Lack of innovation in the study of the scientific literature, which is an important object of accounting, not research into practice in the legal documents conceptual accounting principles shows the relevance of methodological problems.

Below we discuss some methodological problems of accounting innovation in enterprises, organizations and institutions.

The first actual problem is to create a system of indicators that reflect the quantitative aspect of innovation and its evaluation system.

Innovative activities carried out in time and space has its priority results. Such priority results can be innovative products.

Innovative Products is the tangible and intangible products resulting from innovation.

Innovative products obtained in the form of tangible property can consider as new technology, new products and new goods.

Intangible property in the form of innovative products can serve a new idea, new technologies, new services, new software, new projects, etc.

Based on the above, as the indices expressing quantitative terms innovation, it is appropriate to recognize the number of each type of innovative products and its costs, expressed in national currency

Innovative products (new equipment and technology, new products, new product samples, new projects, scientific ideas, etc.), which is a priority of innovation in the future when using it will bring economic benefits. In other words, in the future innovative products will provide an opportunity to increase economic resources and use them revenue in their implementation.

Innovation requires certain costs as each activity. For example, to create a new product required material, labor and other direct and indirect costs. Hence, the cost can be considered as a quantitative indication of innovative products.

Inability to implement instant scientific development, the presence of a disability, objective and subjective factors indicates more risk in innovation than in other areas. Therefore, in the absence of tangible and intangible assets, results should be considered as resulting loss.

So, this feature requires the recognition of a loss if innovation is not successful innovation resulting loss as one of the indicators.

The second urgent problem is to improve the methodology of reflection of innovation in accounting and reporting.

In our opinion, the methodology of reflection on the account and the accounts of innovation will enable them to formulate the information based on the content, direction, species, sources of funding, organizational forms, and other indicators.

It must be emphasized that the current practice NAS number 21 "Accounting plan of financial and economic activities of businesses and guidance on its use"¹ does not meet the above requirements imposed on the production of information on innovation, its direction, types, sources of funding, organizational forms and other parties. For example, the accounting system provided it either in composition or in the name does not reflect the process of innovation, its direction, the resulting types of innovative products, and the costs associated with these activities, which is very important for businesses nowadays.

For example, in 0100 the composition of "Fixed Assets", 0400 "Intangible Assets", 0700 "Uninstalled equipment", 0800, "Capital investment" accounts reflecting material goods (1000, "Materials", 2800 "Finished goods", 2900, "Goods") provided for in IAS 21 number does not exist accounts intended for the reporting of assets derived from innovation.

In our opinion, in all of the accounting system it is advisable to open the account, structuring it based on the individual types of innovative products.

The existence of such accounts and reflected in these assets derived from innovation makes it possible to obtain system information about the innovative development of the enterprise directly to the accounting records.

It must be emphasized that the current practice NAS number 21 "Accounting plan of financial and economic activities of businesses and recommendations for its support" for the maintenance of the account expenses related to innovation, it is necessary to provide a special account. Based on the content innovation activities of enterprises, the probabilities of obtaining results as well as the "3120" The costs associated with innovation expenses" which has been mentioned above.

According to this account, taking into account the specific types of Activity of the innovative, analytical account is appropriate to maintain the following analytical accounts:

- ◆ fundamental research;
- ◆ practical research;
- ◆ scientific and technical work;
- ◆ Experimental design and development work.

¹ Registered №1181 by the Ministry of Justice of Republic of Uzbekistan on 23.10.2002

Costs associated with the types of innovation should be accumulated throughout the activities of the debit account 3120 "Costs related to innovation." Costs of innovation that were conducted during the year and did not find its completion in the end of the year should be reflected in the account balance and, accordingly, shall be specified in the balance sheet.

Innovative activity may give or may not give results. Preparation of innovative products enables capitalization related to successful innovation no success their debit on the balance sheet as an asset types.

Not getting these products leads to the recognition of costs as damages and the cancellation of his account reducing the profit from general economic activity of the enterprise.

Write-off costs related to innovation, should be reflected on the credit account 3120 "Costs related to innovation" and, accordingly, on the debit of accounts expressing recognition of the final result.

Summing up, we can emphasize that the modernization of the economy accounts maintenance enterprise innovation, cost, and results obtained from this activity is useful to consider the following methodological consistency (See: Table 1).

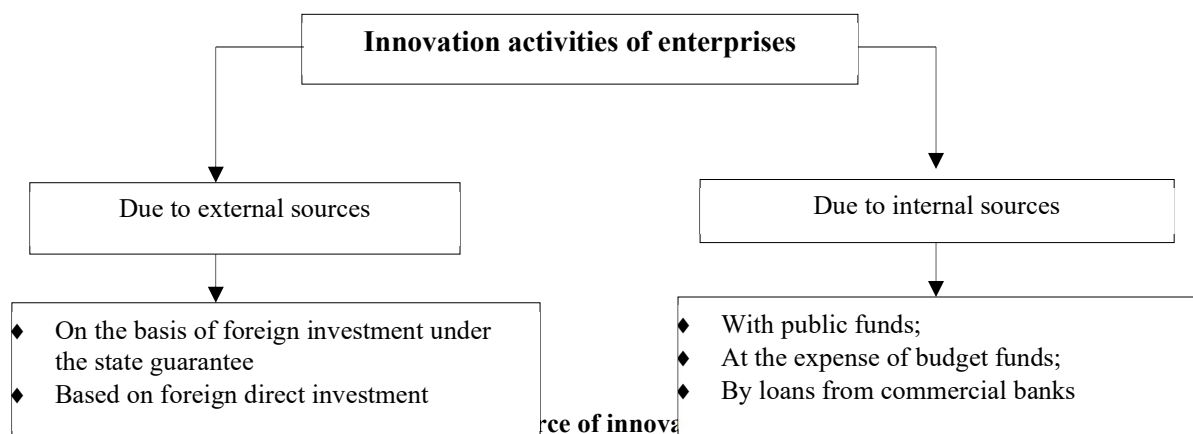
Table 1. Order reflection on the accounts of costs and benefits of innovation enterprises (recommendation)

№	Substance of the transaction	Correspondent account		Base (Showing articles)
		Debit	Credit	
1	Material costs on innovation	3120	1010 - 1090	Minutes, reports, materials
2	Costs for staff salaries, with innovative	3120	6710	Payrolls
3	Costs for common social payments payroll employees involved in innovative activity	3120	6520	Calculation Journal-order number 10
4	Depreciation costs of the means of labor relating to the conduct of innovation	3120	0210 - 0290	Calculation Journal-order number 10 Account-facture
5	Other costs related to innovation	3120	2300 2500 6010 6910	Calculations Invoice Journal-order number 10
6	Adding to the costs associated with innovation in the capital construction	0810	3120	Judgment, order, protocol, account Journal-order number 10
7	Adding to the costs associated with innovation in the capital costs associated with the reconstruction, expansion and modernization	0890	3120	Judgment, order, protocol, account Journal-order number 10
8	Adding the costs of the innovation in the value of fixed assets	0110-0190	0890	Judgment, order, protocol, account Journal-order number 10
9	Recognition of the costs associated with innovation as intangible assets (licenses, patents, invention, design, trademark, trademark, etc.)	0410 - 0490	3120	Judgment, order, protocol, account Journal-order number 10
10	Recognition of the costs associated with unsuccessful innovation as damage	9430	3120	Judgment, order, protocol, account Journal-order number 10

In our opinion, the method of recording and reporting feature of innovation financing should give a chance of generating information about them on the basis of the characteristics and classification of types of sources of funding for this activity. Innovative activities carried out at enterprises, institutions organizations mainly financed from two sources groups (Fig. 1).

II. CONCLUSION

It must be emphasized that the current practice NAS number 21 "accounting plan of financial and economic activity of economic entities" does not meet the requirements for the formation of groups on the basis of information contained in the picture regarding the financing of innovation activities at enterprises organizations and institutions. For example, the accounting system provided it either in composition or in the name does not reflect directly the sources of financing for innovation, which is very important for businesses nowadays. For example, the number provided in the 21 NAS account "Short-term bank loans," 7810 "Long-term bank loans"; 7820 "Long-term loans"; 8800 "account of target revenue" to its name does not directly reflect the sources of financing of innovative activities at the plant.



In our opinion, this accounting system should provide the following special accounts showing the sources of financing for innovation.

- * 6811 "Short-term bank loans obtained for innovation";
- * 6821 "Short-term loans obtained for innovation";
- * 7811 "Long-term bank loans obtained for innovation";
- * 7821 "Long-term loans obtained for innovation";
- * 8811 "Grants received for innovation";
- * 8821 "Subsidies received for innovation";
- * 8841 "Tax breaks left in charge of the enterprise for innovation";
- * 8891 "Other targeted revenue received for innovation."

Using these accounts in practice gives the opportunity to get the book directly from the main sources of information on the financing of innovation activities carried out now.

We offer suggestions and recommendations, in our opinion, will enable further improvement of the methodological foundations of accounting innovation, the scope of which is currently expanding.

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