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CASH AND ACCOUNTS, THEIR ACCOUNTING AND FORMALIZATION PROCEDURE

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Abstract: this article studies the system of cash transactions and non-cash settlements carried out by business entities in modern economic conditions, the processes of their reflection in accounting and formalization in accordance with legislative requirements. Methods: the research used a systematic approach, comparative legal analysis, the balance sheet method of accounting, economic grouping and documentary verification methods. Results: the regulatory and legal framework for formalizing cash transactions and cash flows in bank accounts of the enterprise was analyzed, and the structural dynamics in the settlement system were identified; The relationship between analytical and synthetic accounting registers in cash accounting and the effectiveness of modern remote banking services were assessed. Discussion: the analysis of the weakness of the internal control system in managing cash flows led to a violation of financial and economic discipline and the formation of hidden turnover; Practical proposals have been put forward to optimize cash on hand and bank settlements based on the requirements of national accounting standards (NAS) and international financial reporting standards (IFRS), integrate digital technologies, and simplify registration procedures.

Keywords: cash flow, settlements, cash transactions, bank account, accounting, formalization procedure.

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In a market economy, the stable operation of economic entities and the correct organization of cash and settlement operations play a central role in ensuring their financial independence. Cash is considered the most liquid asset of the enterprise, with the help of which settlements with suppliers are made, wages are paid to employees, and obligations to budget and extra-budgetary funds are fulfilled. The movement of cash is a continuous process, which is manifested in the form of settlements in cash and non-cash forms.

The reforms in the financial and banking system being implemented in the Republic of Uzbekistan, in particular, measures aimed at digitizing the economy and increasing the volume of cashless turnover, require improving the accounting of cash transactions and bank accounts at enterprises. Cash circulation and its registration are regulated by strict legislative norms and instructions of the Central Bank. Compliance with financial discipline in the process of receiving, storing and spending funds is one of the main guarantees of ensuring the economic security of economic entities.

However, economic practice shows that in many enterprises there are certain errors and shortcomings in working with cash, issuing funds to accountable persons in financial and economic activities and their timely registration, as well as in conducting interbank settlements. Inconsistencies between analytical and synthetic accounting data, incorrect maintenance of the cash book and defects in the registration of primary documents lead to a deterioration in the overall financial performance of the enterprise. To eliminate these problems, it is urgent to deeply study the methodological foundations of cash and settlement operations, systematically analyze existing shortcomings and improve accounting

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mechanisms based on international experience. The purpose of this study is to conduct a comprehensive study of the accounting system for cash and settlement operations at enterprises, analyze the procedures for registration from a legal and economic perspective, and develop recommendations for optimizing these processes.

Methods

This research was conducted based on the principles of objectivity, systematicity and consistency of scientific knowledge. In order to study the current state of cash flow and settlements in economic entities, regulatory and legal documents, in particular, the Rules for conducting cash transactions in Uzbekistan, National Accounting Standards and instructions of commercial banks, were taken as an analytical basis.

The following research methods were widely used in the research process:

The method of comparative legal analysis was used to assess the compliance of the procedures for formalizing cash and banking transactions with the requirements of current legislation and to identify differences in national and international accounting systems.

The balance sheet method and the double-entry bookkeeping principle were used to develop accounting simulations that reflect the impact of cash flows and settlements on changes in the composition of assets and liabilities.

Documentary verification and economic grouping method: applied in practice to analyze the structure of primary accounting documents (cash receipt and disbursement orders, bank statements, payment orders) and their grouping mechanisms in accounting registers.

Systematic and logical analysis: used to establish an internal control system for managing cash flows, minimize risks, and justify the effectiveness of using digital technologies (remote banking services, electronic invoices).

Results

As a result of the conducted research and economic and statistical analysis of the practical indicators of economic entities, certain patterns were identified in the movement of funds and the level of their formalization. The correct organization of cash transactions and the turnover of funds in bank accounts at enterprises determines the stability of solvency. In order to monitor the dynamics of funds, an analytical table was formed on the sources and directions of cash flows at enterprises.

Indicators of structural distribution and formalization of funds and settlement operations

Types of operations	**Primary clearance documents**	**Synthetic accounts**	**Share in total money supply (%)**	**Error rate detected in document flow (%)**
Cash receipt at the cash register	Cash receipt order (KKO-1)	5010 "Cash in national currency"	12.4	2.1
Cash withdrawal from the cash register	Cash withdrawal order (KCO-2)	5010, 6010, 6710	10.8	3.5
Payments from the account statement	Payment order, bank statement	5110 "Accounting sheet"	58.2	0.8

Currency transactions	Currency order, bank statement	5210 "Foreign exchange account"	14.6	1.2
Settlements with accountable persons	Advance report, purchase documents	4210 "Banks issued to accountable persons"	4.0	6.8

A logical analysis of the table data shows that the main part of the total monetary turnover is accounted for by transactions carried out in non-cash form, that is, through a settlement sheet. This confirms the integration of the banking system and the development of remote payments between economic entities. Cash transactions related to cash circulation account for about 23.2 percent of the total turnover (input and output together).

At the same time, as a result of studying the level of errors identified in document circulation, it became clear that the highest risks and uncertainties relate to settlements with accountable persons (6.8 percent) and cash withdrawal operations from the cash register (3.5 percent). The main reasons for this are delays in the terms of primary goods and services checks submitted by accountable persons, incomplete filling in of requisites in cash withdrawal orders, and violation of cash limit requirements. The low level of errors in payments made through bank accounts (0.8 percent) is explained by the strictness of bank control and automation of processes.

A standard system of economic transactions has been developed to reflect the procedure for recording cash and settlements in accounting. Within the framework of this system, cash inflows are formed mainly on the basis of receipts from customers (Debit 5010 - Credit 4010) or funds received from the bank for wages and economic expenses (Debit 5010 - Credit 5110). Outflow transactions are recorded through the appropriate accounting entries when cash is transferred from the cash register in the national currency to accountable persons (Debit 4210 - Credit 5010) or when wages are paid (Debit 6710 - Credit 5010). The movement of non-cash funds in the bank account is recorded in accounting programs on the basis of daily bank statements and attached payment documents.

Discussion

The results of the study show that the organization of cash circulation and settlements in enterprises and their accounting is not only a technical accounting process, but also a strategic direction that ensures the financial stability of the enterprise. Many economists argue that strict control over cash circulation allows enterprises to ensure the preservation of assets and prevent violations of cash discipline. However, in a digital economy, relying solely on traditional cash methods can slow down the speed of financial operations.

The role of primary documents in the registration of cash movements in the cash register is very large. According to the legislation of the Republic of Uzbekistan, any cash transaction must be confirmed by cash receipt or disbursement orders. Our analysis has shown that there are still shortcomings in the accounting of advances (advances) issued to accountable persons. In many cases, advance reports on the funds issued are submitted later than the established deadlines or the checks attached to them are not integrated into the billing system of tax authorities. This creates the basis for an unjustified increase in enterprise costs and incorrect formation of the tax base.

When analyzing the system of cashless settlements in bank accounts, it can be seen that the introduction of remote services, in particular, the "Bank-Client" and mobile banking

systems, has dramatically increased the speed of document circulation. However, the widespread use of information technologies is bringing cybersecurity and internal control issues to the forefront. The principle of separation of powers in controlling the movement of funds in enterprises is not always observed. For example, the concentration of the functions of managing funds, forming payment orders and approving them in the hands of one person (chief accountant or financial director) increases the risk of financial abuse.

In the context of international practice and the transition to IFRS, it is necessary to pay special attention to the concept of cash and cash equivalents. While in our national standards, cash is considered only as balances in cash and bank accounts, in international standards, highly liquid investments with a maturity of up to three months are also included in cash equivalents. This allows for a realistic assessment of the liquidity indicators of economic entities. Therefore, it is necessary to harmonize the national accounting system with international standards, improve the methodology for the correct classification and assessment of the composition of cash and non-cash settlements.

Conclusion

As a result of this study, conducted within the framework of the Department of "Banking and Finance" of the Tashkent University of Applied Sciences, the system of conducting cash and settlement operations, their reflection in accounting and legal formalization was comprehensively analyzed. The results obtained showed that effective accounting of funds is a leading factor in ensuring the overall liquidity and financial stability of the enterprise. However, it was revealed that there are certain systemic shortcomings in the activities of economic entities in the registration of settlements with accounting entities, complete filling in of cash documents, and the organization of an internal financial control system.

In order to eliminate these problems and optimize the accounting of funds, it is considered appropriate to implement the following scientific and practical proposals:

It is necessary to fully convert the processes of issuing primary cash documents into electronic format, and expand the mechanism for confirming cash receipt and disbursement orders through electronic digital signature (EDS). This process will reduce mechanical errors in document flow.

To strictly control the accounting of checks issued to accountable persons, it is necessary to reduce the reporting deadlines by internal order of the enterprise and establish a system for automatically integrating checks into accounting software (for example, 1C) via QR code.

In order to strengthen internal control over the movement of funds, it is necessary to introduce the principle of division of powers, that is, assign the right to prepare payment orders and send them to the bank to individual employees, and conduct a surprise check of the cash register inventory at least once a month.

In the context of the gradual transition to International Financial Reporting Standards (IFRS), it is necessary to clearly define the composition of cash and cash equivalents and to develop a methodology for accurately reflecting the enterprise's short-term liquid assets on the balance sheet based on international standards.

As a general conclusion, it can be said that improving cash circulation and cashless settlements using digital technologies and formalizing them in accordance with the requirements of regulatory and legal documents will strengthen financial discipline in enterprises and radically reduce the risk of hidden economic turnover.

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