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**COST ACCOUNTING AND COST CALCULATION AT A COMPANY
THAT PROVIDES HOUSING AND COMMUNAL SERVICES***O. LADIS, I. SAPEGO*

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Cost accounting is systematized and calculation of the cost of water supply and sanitation services for organizations that provide housing and communal services is analyzed.

In modern conditions, cost accounting is the most important tool for enterprise management. The need to manage production costs increases as the business environment becomes more complex and the requirements for profitability increase. Businesses that enjoy economic independence should have a clear understanding of the payback of various types of finished products, the effectiveness of each decision and their impact on financial results, as well as on the amount of costs.

Accounting and calculating the cost of services is the most important factor in the development of economically justified tariffs, determining profits and calculating taxes, as well as evaluating the effectiveness of technological, organizational and economic measures to develop and improve the production and economic activities of the branch. Also, accounting of housing and utilities enterprises contributes to the management of the economic side of the production process, provides the necessary information about the course of production and sale of services, its cost, the level of production costs in the places where they occur, and other data.

At Vodokanal, accounting for production costs and calculated actual cost of products (works, services) is carried out by branches in accordance with industry guidelines on planning, accounting and calculating the cost of products (works, services) (resolution of the Ministry of housing and communal services of the Republic of Belarus dated 15.04.2016 No. 13 "on approval of Instructions on the procedure for planning and calculating costs for the provision of individual housing and communal services"). [1]

The cost of water supply services consists of the costs associated with the maintenance of fixed assets, management of technological processes for lifting water, cleaning it and transporting it to the consumer, and water disposal – pumping waste liquid, cleaning it, transporting and recycling, as well as using material, fuel and energy, labor and other types of resources. The cost of reproduction of fixed assets is included in the cost of depreciation as a percentage of the book value of fixed assets, depending on their service life.

The object of calculation is water, the calculation unit of water supply is one cubic meter of water.

According to the accounting policy, the division of direct and indirect current production costs is adopted in accounting. Production costs are written off in the period in which they occurred. Direct production costs include:

- direct material expenses, including raw materials, materials, fuel, electricity, work and services from outside, depreciation of fixed assets and production inventory;
- direct labor expenses with accompanying deductions to extra-budgetary funds, other taxes and fees on labor.

The organization of accounting for direct costs at the water utility is carried out separately for each service in accordance with the technological cycles.

The technological process at the enterprise can be divided into main stages:

- Water intake from surface water bodies;
- Water treatment (softening and disinfection of water);
- Water supply to the consumer;
- Discharge of water after use into sewers and its subsequent supply for cleaning;
- Wastewater treatment and discharge to a water body.

Account 20 "Main production" is intended for summarizing information about the costs of main production.

[2]

The following subaccounts are opened to this account at the enterprise, which, in turn, are opened to subaccounts of the second order (Fig. 1).

These accounts are debited to reflect direct costs (electricity, material costs, depreciation) related to the provision of water supply and sanitation services. Electricity used directly in the production process is purchased from related organizations by entering into a contract for energy supply. It is aimed at lifting water and providing

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the necessary pressure in the network, as well as paying for the connected power of electrical equipment (electric motors, transformers, pumps, etc.). The cost of purchased electricity consists of expenses for payment of invoices issued by suppliers at contractual prices, based on the volume of production of the material carrier and the tariff for 1 Sq.h. This type of service is issued by the appropriate act of acceptance and transfer of the goods to the contract. [3]

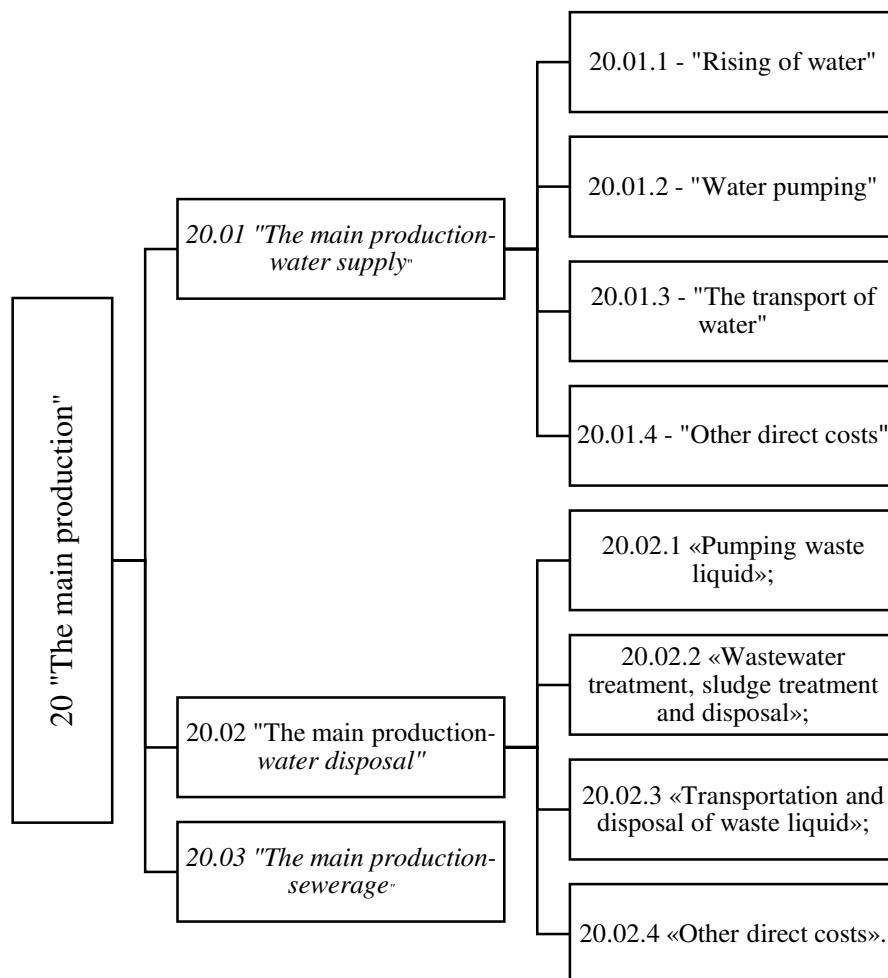


Figure 1. – Scheme of sub-accounts of account 20 «Main production»

The credit of account 20 reflects the amount of the actual cost of services rendered.

Indirect costs added to direct costs in each of the redevelopments can belong to one of two types:

- General production;

- * General economic.

General production expenses are collected at the level of a division that either corresponds to a single division or includes several divisions. In the first case, these costs are fully included in the cost of a prefabricated post-processing, and the second will be distributed between the products created in each of the stages in proportion to the selected company database.

This base can be the salary of the main production staff, direct material costs for the products of conversion, or the total amount of direct costs.

General business expenses are not included in the cost price, but are charged directly to the debit of the 90/5 account, where they can be distributed, for example, in proportion to the total cost of sales of each type of product.

One of the problems in the practice and methodology of accounting is the optimization of current production and circulation costs, the calculation of the cost of services and cost accounting, the order of financial results of the organization of housing and communal services.

Cost management of services in an enterprise is the process of generating costs for the production of services, checking for the implementation of the program to reduce the cost of production, and detecting reserves for reducing it. The most important elements of the cost management system are cost rationing, forecasting and planning, calculation and accounting, cost control and analysis. All of them are interconnected with each other. Due to the fact that the actual cost of housing and communal services is the basis for calculating tariffs for these services, the need for prompt and accurate calculation of costs increases. [4]

Calculating the cost of a service unit is necessary for justifying the level of tariffs, determining profits and calculating taxes, as well as evaluating the effectiveness of technological, organizational and economic measures for the development and improvement of production and economic activities of housing and communal services organizations.

Accounting for cost calculation provides reliable information about costs at the enterprise, which allows for more effective pricing, evaluating the profitability of certain types of products, and identifying hidden reserves. Sources of information for an accountant are all accounting documents, starting from primary and ending with strict accounting registers, analyzing which they must draw certain conclusions.

The calculation of the cost of services is usually understood as the calculation or calculation of costs per unit of services for expenditure items, as well as the organization of accounting for production costs takes into account the requirements for calculating the cost of services. [5]

The calculation of the cost of water supply and sanitation services is as follows (table 1):

Table 1. – Costing of services

Calculating the cost of water supply services:	Calculation of the cost of services in water disposal:
- raised water;	- missed wastewater – total, including: – from the population; – received from other communications;
- expenditure on own needs;	
– received water from the side;	
– water supplied to the network	
- implemented water-total, including: population; released water to other water pipes	– passed through treatment facilities-total, including: for biological treatment;
	- transferred waste water for treatment to other sewers

Note: our own development based on the studied literature [5].

Features of accounting and calculating the cost of services are related to the fact that the cost calculation is carried out by conversion.

Thus, the cost calculation for water supply services separately reflects the cost of raising water, cleaning water, and transporting water to consumers. The calculation of the cost of water disposal services reflects the costs of pumping wastewater, cleaning, and transporting wastewater.

This calculation allows you to monitor the cost of water supply and sanitation services, and also helps in making management decisions. The above table allows you to analyze the impact of a certain type of expense on the cost price.

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