

## BUDGETING AND FINANCIAL PLANNING OF INTERNATIONAL ACTIVITY

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According to Certified Institute of Management Accountants (CIMA) a budget is a “quantitative expression of a plan for defined period of time. It may include planned sales volumes and revenues, resources quantities, costs and expenses, assets, liabilities and cash flow”. Therefore, to call a plan – budget, it must comprise the quantities of economic resources to be allocated and used, it must be made for certain period, it has to be expressed in monetary terms, the managers need to act in a way that shows an intention to realize the plan. Budgeting is a process of expressing quantified resource requirements (amount of capital, amount of material, number of people) into time-phased goals and milestones [1]. It should be noted that there are two fundamental approaches to defining the concept of budget- macro- (planning of revenues and expenses at the state level) and microeconomic (planning of income and expenses of the enterprise, organization). The main feature of the budget is to determine planned revenues and the necessary costs, that is, it is a kind of forecast of revenues and expenditures of a certain object to achieve the goals.

Approaches to determining the essence of budgeting can be conditionally divided into three groups:

- budgeting as a process, i.e., a sequence of actions related to the development, execution, control and analysis of the budget with further adjustment if necessary;
- budgeting as a method of operational planning, which allows you to determine the need for financial resources and ensure solvency based on the developed plans for production, sale, and purchase of resources. In particular, K. Drury defines budgeting as the process of transforming long-term planning into a plan for the future period. If long-term planning is strategic planning for a long time in the future, then budgeting is the development of short-term plans within the framework of long-term planning.
- budgeting as a management technology aimed at developing and increasing the financial and economic validity of management decisions. The majority of scientists dealing with issues of enterprise management and financial management hold the same opinion. In particular, budgeting is defined as a system of coordinated management of enterprise divisions.

Basically, the last two approaches are applied at the micro level. Thus, the budget is a plan compiled in value indicators, which is developed to achieve a predetermined goal and is mandatory for implementation by the relevant subject (structural unit), and budgeting is a process of planning, coordination, management, analysis and control implementation of the budget.

Activation of international cooperation in various directions requires a balanced approach to planning income, expenses and expected effectiveness. In particular, the goals of macro-level budgeting: forecast of the financial and economic state of the state; identification of material and financial reserves to achieve growth in the welfare of society; determination of the total amount of budget revenues in accordance with forecasts and target programs of socio-economic development; coordination of financial indicators of the state budget with the general program of ensuring sustainable economic development of the state; determination of the total volume of state budget expenditures, taking into account the requirements for the state to fulfill the functions assigned to it; development of a system of control and responsibility.

The goals of meso-level budgeting are as follows: establishment of state budget expenditures according to the target purpose based on the amount of expenditures and their distribution by branches of the national economy and administrative-territorial units; forecast of financial and economic development at the local level; determination of the total amount of local budget revenues for each source of income; determination of local budget expenditures, based on the established order of allocation of budget funds; implementation of budget regulation to ensure the balance of budgets at different levels by means of redistribution of income by branches of the national economy and administrative-territorial units, taking into account the determined priorities of the budget policy; development of a system of control and responsibility.

Both at the macro level and at the meso- and micro-level, the main task of budgeting is to ensure the balance of the income and expenditure part of the relevant object. At the enterprise level, the main goals of budgeting are the following: forming an information base for financial analysis and forecasting of the company's development; determining the amount of income and expenditure of financial resources of the enterprise; increasing the efficiency of using the company's limited resources and substantiating the expediency of attracting additional funding sources if necessary; ensuring the solvency and financial stability of the enterprise;

development of a monitoring and control system based on the results of the decisions made and their compliance with the developed plans.

Budgeting should be considered as a management activity regarding the coordination of activities of all managers of budget funds to achieve the overall organizational goal through the consistent implementation of management functions, namely: planning, i.e., determination of the necessary amount of financial, material, information and other resources to ensure the implementation of the tasks; an organization that provides for the construction of a system of budgets and the formation of a budget structure in order to determine the place of each executor and structural unit in the performance of planned tasks; coordination, i.e. coordination of budgets in time space, ensuring coordination of participants' actions from the point of view of timely receipt of all necessary resources for the performance of assigned tasks and balancing of budgets of the relevant levels; motivation, which allows you to determine and evaluate the contribution of each participant in the process in achieving overall organizational goals; control, which ensures timely identification of problems and adoption of appropriate management decisions and actions to neutralize their negative impact.

A feature of international budgeting is the coordination of interests and resources not only of economic entities of one country, but of all participants from different countries. In this context, we believe that compliance with the principles of balanced development, namely: taking into account the economic, environmental, social and innovative components, should be decisive. It is the combination of these four vectors of development that will make it possible to form investment programs for the balanced development of society on a global scale. This issue is especially relevant for the restoration of the social and economic life of Ukraine in the post-war period [3]. Today, many countries provide assistance and support to our country and its residents. In particular, according to the estimates of the National Bank of Ukraine, the amount of international income in the form of aid and investments in 2022 exceeded 31 billion dollars [4]. Therefore, we consider it necessary to apply a systematic approach to the construction of budgets for international activities, which will take into account expected economic results, social well-being of society, ecological restoration of the country's territories, formation and consolidation of the country's innovative potential [2]. The establishment of four development vectors in the formation of budgets at the macro- and micro-levels will allow to ensure the implementation of a balanced development of the country based on a systemic approach. In addition, the introduction of the given approach at all levels of budgeting and financial planning will allow to ensure the coherence of the interests of all subjects of the economic system at the level of the national economy.

### References

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