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Faculty of Economics and Social Development

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ECONOMIC SCIENCE FOR RURAL DEVELOPMENT 2023

**10-12 May 2023, Jelgava,
Latvia**

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Cooperation, Supply Chains

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Time schedule of the conference

Preparation of the proceedings and organization: January 2023 – May 2023

Conference: 10-12 May 2023

Researchers from the following higher education institutions, research institutions, and professional organizations presented their scientific papers at the conference:

Baltic Studies Centre	Latvia
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Celteh Ltd	Latvia
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Nizhyn Agrotechnical Institute <i>(Separated Subdivision of the National University of Life and Environmental Sciences of Ukraine)</i>	Ukraine
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Foreword

The international scientific conference „Economic Science for Rural Development“ is organized annually by the Faculty of Economics and Social Development of Latvia University of Life Sciences and Technologies.

The proceedings of the conference are published since 2000.

The scientific papers presented in the conference held on 10–12 May 2023 are published in one thematic volume:

No 57 Circular Economy: Climate Change, Environmental Aspect, Cooperation, Supply Chains
Efficiency of Production Process and Competitive of Companies
Integrated and Sustainable Regional Development
New Dimensions in the Development of Society
Rural Development and Entrepreneurship
Sustainable Bioeconomy

The proceedings contain scientific papers representing not only the science of economics in the diversity of its sub-branches, but also other social sciences (sociology, political science), thus confirming inter-disciplinary development of the contemporary social science.

This year for the first time the conference includes the section on a new emerging kind of economy—bioeconomy. The aim of bioeconomy is to use renewable biological resources in a more sustainable manner. Bioeconomy can also sustain a wide range of public goods, including biodiversity. It can increase competitiveness, enhance Europe's self-reliance and provide jobs and business opportunities.

The Conference Committee and Editorial Board are open to comments and recommendations concerning the preparation of future conference proceedings and organisation of the conference.

Acknowledgements

The Conference Committee and editorial Board are open to comments and recommendations for the development of future conference proceedings and organisation of international scientific conferences.

We would like to thank all the authors, reviewers, members of the Programme Committee and the Editorial Board as well as supporting staff for their contribution organising the conference.

On behalf of the conference organisers

Anita Auzina

Professor of Faculty of Economics and Social Development
Latvia University of Life Sciences and Technologies

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CHARITABLE ACTIVITIES OF ECONOMIC ENTITIES DURING THE PERIOD OF MARTIAL LAW IN UKRAINE: ESSENCE AND REGULATORY AND ACCOUNTING ASPECTS

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Abstract. The full-scale invasion of Russia on the territory of Ukraine caused a significant need for additional resources, which began to come from foreign countries, international partners, and from the Ukrainians themselves. The purpose of the study is to develop a method of accounting for charity donations to the Armed Forces of Ukraine and to substantiate recommendations regarding their accounting display by business entities. The task of the article is to reveal of the content and research of the normative and legal framework for the regulation of charity activities, characteristics of the current system of accounting for charity expenses, with the aim of identifying problematic issues in the conditions of martial law. The forms of charity (volunteer, humanitarian, philanthropic) are characterized and the types (charitable donation, charitable grants, public collection of charitable donations, charitable servitudes and charitable endowments) and methods of charity activity are substantiated. The characteristic features of charitable assistance are substantiated: voluntariness, selflessness, purposeful activity. The need to regulate certain provisions and clarify the terminological apparatus in the field of charitable activities at the level of current legislation is substantiated. It is proposed to clarify the legislative definition of the content of the category "charitable activity (charity)" and introduce additions to the legislative documents of the terms "charitable assistance", "humanitarian activity", "patron", "patronage assistance". The revenues of the consolidated state budget of Ukraine in the period from 2014, from the beginning of the occupation of certain territories of Ukraine by the Russian Federation, until now have been analysed. Problematic aspects of the accounting of charitable assistance provided by business entities for the needs of the army are identified and the relevance of solving this methodological issue is substantiated. The obligation to document charitable donations for the benefit of the army with standard forms of documents and the Act of acceptance and transfer of humanitarian (charitable) aid is substantiated, which will confirm the fact of providing charitable aid, ensure the legitimacy of the operations carried out and reduce abuses in this area. The main accounting stages of the provision of charitable assistance are highlighted. The practical value of the study lies in the development of proposals regarding the accounting system for charitable donations to the Armed Forces of Ukraine, which will contribute to reducing the risks of erosion of the tax base by business entities, as well as increasing the level of information provision for stakeholders at various levels of management.

Key words: charitable activity, charitable assistance, documentation, accounting.

JEL code: M41

Introduction

Since the declaration of martial law in Ukraine, the charitable sector has become an important area of activity for business entities and ordinary citizens. The data of the State Statistical Service of Ukraine confirm the growth of charitable activity and new directions of its functioning. In order to replenish additional resources of the Armed Forces of Ukraine, business entities transfer resources to ensure the country's defense capability. This causes the emergence of a number of "unusual" economic transactions in the activities of enterprises and has become the subject of research by many foreign and domestic scientists. Thus, Xin Huang, Koichi Nakagawa and Jie Li (2019), investigating the role of charity of small and medium-sized enterprises (SMEs) in China, note that the companies that belong to high-tech industries

donate less to charity than those from other industries, since these high-tech firms are more willing to invest in product research and development rather than corporate philanthropic activity; the enterprises with high debt ratio inactively engage in charitable giving, as they may only have a small amount of cash; the firms that actively engage in innovation are also likely to participate in charitable activities, because they can gain competitive advantages from both of these activities. Salama A. Mostafa, Aida Mustapha, Palaniappan Shamala, Omar Ibrahim Obaid and Bashar Ahmed Khalaf (2020) suggest using mobile apps for organizing and facilitating charitable and voluntary works in Malaysia. The idea of the project appeared to provide a participatory service. On the one hand, it attracts entrepreneurs and associations by giving them the opportunity to identify themselves, the area of their interest, their latest activities, and announcing their needs. On the other hand, it attracts volunteers and donors by helping them reach and search for associations and volunteer opportunities appropriate to their skills, interests, time and places. All can be done using an application, both running to the link between these agencies. Nina Boberg-Fazlic and Paul Sharp (2013) examine the relationship between public spending and charity. The authors characterize a novel way of testing the 'crowding out hypothesis', making use of the fact that welfare provision under the Old Poor Laws was decided on the parish level, thus giving the heterogeneity we need to test for the impact of different levels of welfare support within a single country. Hudz A. O. (2019) analyses the normative and legal regulation of charitable activities and notes the use of various terms along with the concept of charity (charitable activity): patronage, volunteering, sponsorship, humanitarian aid, etc., which are called differently: forms, types, means of charity; makes proposals to enshrine in the Law of Ukraine "On Charitable Activities and Charitable Organizations" a separate article with a list of forms of charitable activity. Nasibova O.V. (2020) considers charity as a source of financial resources for social protection of the population. The author stipulates that the crisis trends in the socio-economic sphere prompt a rethinking of the role of the functioning of civil society institutions and cause the need to create favourable conditions for the revival and development of forms and methods of charity of various organizations, public associations and individuals, which in their activities complement the state socially protective function, and in some cases, fully compensate for the role of the state in the implementation of social measures. Sivak O. B. (2014) claims that the manager's decision to provide charitable assistance causes difficulties for the accountant when reflecting these transactions in accounting accounts. A significant number of scientific studies by scientists and their own publications (Gutsalenko, Marchuk, Hutsalenko & Tsaruk, 2020; Podolianchuk, Plakhtii & Gudzenko, 2019; Lovinska, Ozeran, Korshykova, 2022) confirm the importance of proper organization of accounting in the activities of business entities and the management system at the micro and macro levels. Paying tribute to the scientific achievements of scientists, it should be noted that most of them relate to the legal regulation of charitable activity and its social orientation, only in some studies the problems of accounting for charity at the level of economic entities are singled out. Therefore, the issue of accounting for charitable donations in wartime conditions is currently relevant. The study is aimed at the development and formation of specific proposals for business entities regarding the accounting of charitable donations for the needs of the army, which will contribute to the efficiency of assessing their condition and controlling movement at the micro and macro levels. A toolkit of scientific research methods was used to reveal general trends and accounting problems related to charitable activities. Methods of theoretical generalization and comparison were used to reveal the essence and content of charitable activity as an economic category. To identify the forms, types and methods of providing the benefit the abstract-logical method served as effective help. An economic-statistical method was used to estimate the revenues of the consolidated state budget of Ukraine for 2014-2022, and a graphic method was used to visualize the results of the study. In order to assess the

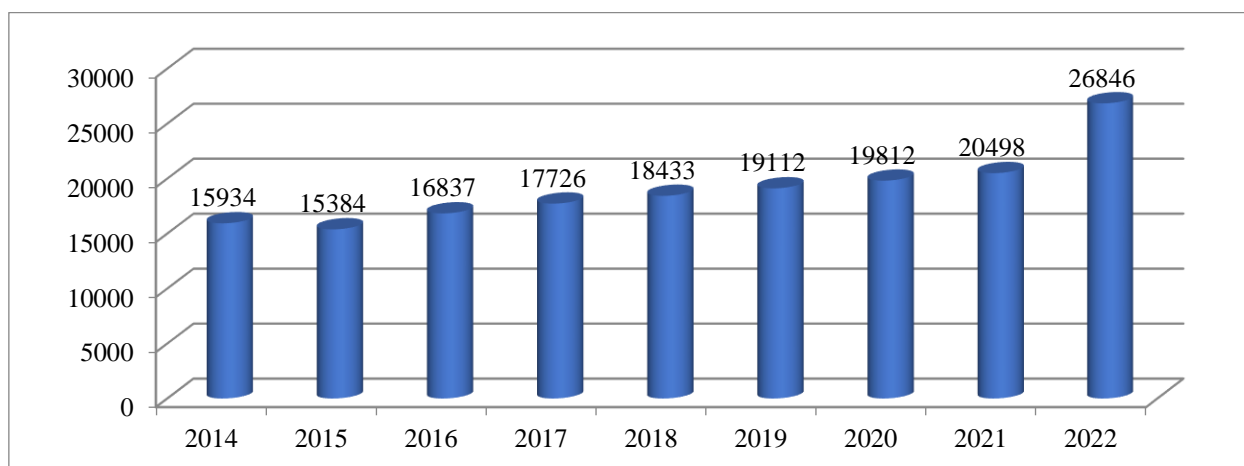
current state of charitable aid accounting by business entities, methods of complex and systematic approaches were used. The abstract-logical method and the concretization method were used to make proposals for improving the accounting system for charitable donations in wartime conditions.

Research results and discussion

In scientific literature and legislation, various terms are used to describe charity. This is due to the characteristic in a wide range of its manifestations: starting from the support of individuals (or their groups), continuing with volunteering, patronage, providing humanitarian aid and many others.

The idea of charity changed along with the evolutionary development of social relations. Under the influence of political, ideological, legal, economic, and social factors, the transformation of organizational forms, principles, mechanisms, directions, technologies, social priorities, and results of charitable activities took place (Nasibova, 2020).

The Russian Federation's aggression against Ukraine continues to have devastating consequences for the entire democratic world. The phenomenal resilience of the Ukrainian people has influenced the growth of the number of charitable organizations (Fig. 1), whose activities are aimed at supporting military personnel and people who have moved from areas of active hostilities and providing for their basic household needs.



Source: compiled by the authors based on "The number of active economic entities" (2022)

Fig. 1. Dynamics of the number of charitable organizations of Ukraine for 2014-2022, number

It is also worth noting that in recent years, Ukraine has taken top positions in the charity rating. Thus, according to research by the British charitable organization CAF (Charities Aid Foundation) in the World Giving Index - World Giving Index 2022, Ukraine rose to 10th place and became the only European country in the top ten (Ukraine is among the top 10 most generous countries in the world, 2022).

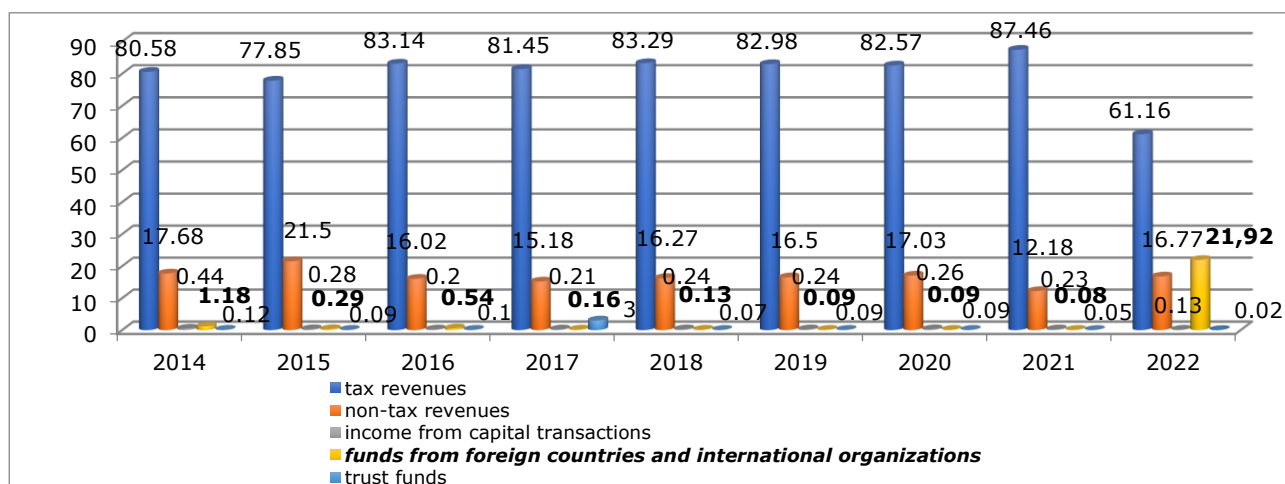
According to the Ukrainian Forum of Benefactors, the sources of financing the activities of charitable organizations are contributions from participants and founders, international and national grants, donations of individuals and legal entities, income from targeted state programs, and others (Ukrainian forum of benefactors. Statistics, 2022). Analysing the revenues of the consolidated state budget of Ukraine for the period 2014-2022 (Fig. 2), it shows the support of Western countries, including the United States of America and the member states of the European Union.

The legislation of Ukraine defines that the promotion of the defense capability and mobilization readiness of the country, the protection of the population in emergency situations of peace and war is one of the spheres of charitable activity (Law of Ukraine "On charitable activities and charitable organizations", 2012).

At the same time, the norms of the Law of Ukraine "On the Armed Forces of Ukraine" (2012) determine the possibility of financing the Armed Forces of Ukraine at the expense of charitable donations of individuals and legal entities in accordance with the procedure determined by the Cabinet of Ministers of Ukraine (Resolution of the Cabinet of Ministers of Ukraine "The procedure for financial provision of the needs of the national defense of the state, mobilization training, mobilization activities and the Armed Forces at the expense of charitable donations of individuals and legal entities", 2015).

It follows from the above that the charitable assistance of the Armed Forces of Ukraine is carried out in the form of charitable donations - the free transfer by the benefactor of funds, other property, property rights to the ownership of the beneficiaries in order to achieve certain, predetermined goals of charitable activity, in accordance with the Law "On Charitable Activities and Charitable Organizations" (Law of Ukraine "On charitable activities and charitable organizations", 2012).

According to the research by the Kiel Institute for the World Economy, the total amount of aid to Ukraine transferred by the governments of various countries as of November 20, 2022 is EUR 108,006.0 million: financial – EUR 53,377.2 million, humanitarian – EUR 16,760.9 million, military – EUR 37,868.0 million (Support of Ukraine in the world, 2022).



Source: compiled by the authors based on "Revenues of the consolidated state budget of Ukraine" (2022)

Fig. 2. Revenues of the consolidated state budget of Ukraine, %

When studying and characterizing the normative regulation of the field of charity, first of all, it is worth paying attention to the effect of the Laws of Ukraine, which determine the content, form and types of charitable activities: About the Red Cross Society of Ukraine (2002), About charitable activities and charitable organizations (2012), About volunteer activities (2011), On Humanitarian Aid (2022).

Analysing the normative regulation of the field of charity in Ukraine, we can come to the conclusion that the terms defined in the legislative base characterize the forms, types and varieties of charity, although no regulatory document contains the definition of "charity" and this wording is equated with charitable activity. There are gaps in the legislation regarding the forms, types and varieties of charitable activities, the legislator does not attach particular importance to the content and expediency of using these terms.

Having carried out the analysis of scientific publications, a conclusion follows regarding the lack of a unified approach to the list of forms and types of charitable activity among scientists. According to scientists, charity, volunteerism, patronage can act in two guises - as a form and type of charity (Serbyn, 2016).

The above-grounded studies confirm the need to regulate certain provisions and define terms in the field of charitable activities (Table 1).

Table 1

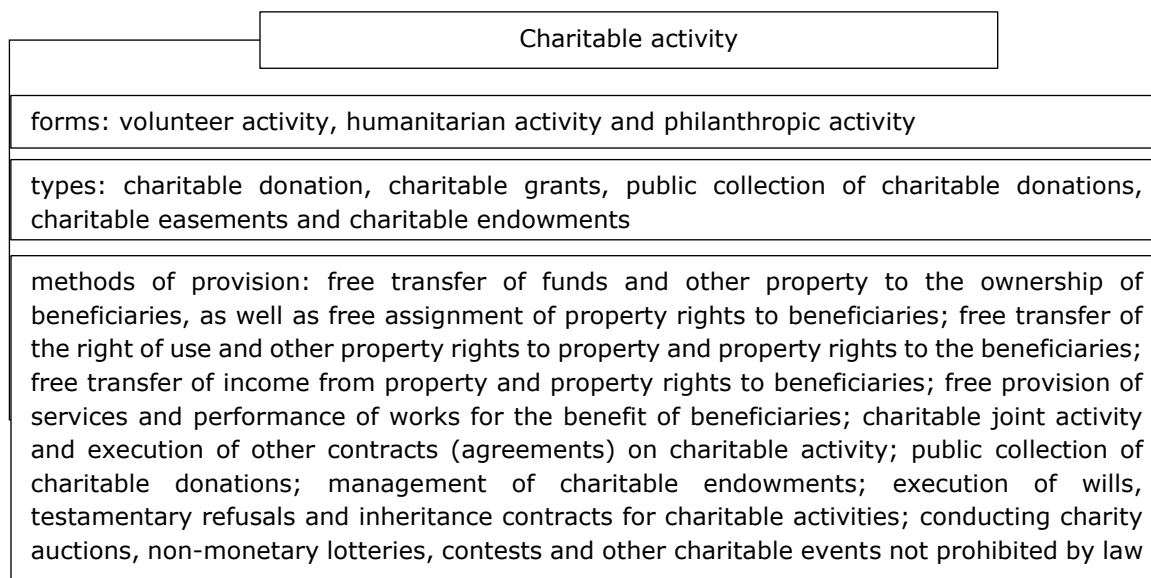
Normative and legal regulation of charitable activities and proposals for making changes in the terminological apparatus

Regulatory document	Definition	Offers
About the Red Cross Society of Ukraine: Law of Ukraine dated November 28, 2002 No. 330-IV	Charitable, charitable activity is an activity related to providing help and support to those who need it, based on universal principles of humanity and mutual assistance, which is carried out exclusively selflessly (without the goal of obtaining profit or other benefit).	<p>to clarify the legal definition:</p> <p>Charitable activity (charity) is a one-time or systematic participation of a benefactor in the provision of property (financial) assistance or the provision of services, the performance of other works to achieve the goals of charity defined by law, which does not involve the benefactor receiving a profit, as well as the payment of any remuneration or compensation to the benefactor on behalf of or on behalf of the beneficiary.</p>
On charitable activities and charitable organizations: Law of Ukraine dated 07/05/2012 No. 5073-VI	Charitable activity is voluntary personal or property assistance for the achievement of defined charitable goals, which does not involve the benefactor receiving a profit, as well as the payment of any reward or compensation to the benefactor on behalf of or on behalf of the beneficiary; philanthropic activity - charitable activity in the fields of education, physical culture and sports, culture and art, protection of cultural heritage, science and scientific research, which is carried out in the manner determined by this Law and other laws of Ukraine.	<p>to clarify the legal definition:</p> <p>Charitable activity (charity) is a one-time or systematic participation of a benefactor in the provision of property (financial) assistance or the provision of services, the performance of other works to achieve the goals of charity defined by law, which does not involve the benefactor receiving a profit, as well as the payment of any remuneration or compensation to the benefactor on behalf of or on behalf of the beneficiary.</p> <p>to make an addition:</p> <p>Charitable assistance - free property (financial) assistance, performance of works and services in the field of charity for the benefit of its recipients; patron - an able-bodied natural person or legal entity under private law (including charitable organization) that carries out philanthropic activities; philanthropic assistance - resource support for the development of culture, art, education, protection of cultural heritage, sports.</p>
On volunteering: Law of Ukraine dated April 19, 2011 No. 3236-VI	Volunteer activity - voluntary, socially oriented, non-profit activity carried out by volunteers through the provision of volunteer assistance; volunteer assistance - work and services performed and provided by volunteers free of charge.	
On humanitarian aid: Law of Ukraine dated October 22, 1999 No 1192-XIV	Humanitarian aid - targeted free aid in monetary or in-kind form, in the form of irrevocable financial aid or voluntary donations, or aid in the form of work, provision of services provided by foreign and domestic donors for humanitarian reasons to recipients of humanitarian aid in Ukraine or abroad, who need it in connection with social insecurity, material insecurity, a difficult financial situation, the emergence of a state of emergency, in particular as a result of a natural disaster, accidents, epidemics and epizootics, environmental, man-made and other disasters that pose a threat to the life and health of the population, or serious illness of specific individuals, as well as for preparation for armed defense of the state and its defense in the event of armed aggression or armed conflict.	<p>to make an addition:</p> <p>Humanitarian activity is a non-profit activity of legal entities registered in the Unified Register of Humanitarian Aid Recipients in accordance with the procedure established by the Cabinet of Ministers of Ukraine, related to the receipt of humanitarian aid and redistribution among its recipients to achieve the goals defined by the law.</p>

Source: summarized by the authors

Taking into account the results of the conducted research, it is possible to single out the main characteristic features of charitable assistance: voluntariness, selflessness, targeted purpose.

Taking into account the norms of the current legislation and the opinions of scientists, we believe that the forms, types and methods of providing charitable assistance are gaining new importance (Fig. 3).



Source: author's interpretation

Fig. 3. Forms, types and methods of providing charitable assistance

The main goal of charitable activities is to provide assistance to promote the legitimate interests of beneficiaries in the areas of charitable activities, as well as the development and support of these areas in the public interest (Law of Ukraine "On charitable activities and charitable organizations", 2012).

Thus, business entities - legal entities can directly provide charitable assistance to the Armed Forces, which include units, military units, military educational institutions, institutions and organizations, and which are entered in the Register of Non-Profit Institutions and Organizations. If a military organization is not included in the Register, the company cannot provide such assistance to it directly, but only through a charitable organization.

Charitable donations of the Armed Forces can be made both in cash and in kind, in particular from charitable organizations, legal entities and individuals, territorial communities. These donations in the form of charitable contributions, grants and gifts belong to the first subgroup of the second group of own revenues of budget institutions. The use of such funds is clearly regulated by the Budget Code of Ukraine to cover expenses related to the organization and provision of services provided by budget institutions in accordance with their main activity (Law of Ukraine "Budget Code of Ukraine", 2010).

Also, enterprises, institutions, organizations are obliged to provide buildings, structures, transport and other material and technical means during mobilization to the Armed Forces of Ukraine, other military formations, the Operational Rescue Service of Civil Defense in accordance with mobilization plans, with subsequent reimbursement of their cost in order, established by legislation (Law of Ukraine "On mobilization training and mobilization", 1993).

It is worth noting that in March 2022, the Government established that the requirements established by law regarding the receipt, use, accounting and reporting of charitable assistance from legal and natural persons - residents and non-residents do not apply in the conditions of martial law (Decree of the Cabinet of Ministers of Ukraine " Some issues of receipt, use, accounting and reporting of charitable assistance", 2022). We believe that this norm cannot be implemented in practice. After all, the norms of the current tax legislation determine the obligation to display the receivers of charitable assistance in separate forms of financial reporting (Balance sheet – separate funds (goods, works, services) received as

charitable assistance, Profit and loss statements – separately the value of the received charitable assistance). In the appendix to the annual report, the necessary explanations are made regarding the specified indicators of activities related to charitable assistance (Law of Ukraine "Tax Code of Ukraine", 2010).

A. Voloshenko rightly points out that "in the case of a charitable donation of funds, the flow of funds from the benefactor to the beneficiary is carried out through financial institutions, which simplifies state financial and public control, at the same time, the ability to control the receipt and expenditure of charitable donations in kind depends from the effective organization of accounting, in particular accounting..." (Voloshenko, 2022).

Therefore, properly organized accounting will affect the possibility of applying tax benefits in terms of taxation with value added tax, excise tax and income tax, and will also ensure control of the intended use of the provided property and reduce abuses in this area. The accounting aspect of charity by business entities is that it is a one-time or systematic action to provide charitable assistance to those who need it, in our study of AFU.

The primary actions of the enterprise are the adoption of a decision on the charitable donation of the Armed Forces as a type of charitable assistance, and its normative confirmation in the management document (order) of the manager. The content of this document will depend on whether it is an independent voluntary decision, or whether it is assistance at the request of an individual or a non-profit organization that has beneficiary rights. It is appropriate to provide in the order what kind of assistance will be provided and in what form (in money or property).

All the facts of the transfer of money or property to the army must be recorded in primary documents, which will confirm the legitimacy of the operations being carried out.

If the company transfers funds to a special account, then, of course, the documents confirming such charitable assistance are a payment order and a bank statement. If it will be a transfer of funds to a charitable organization, then a cooperation agreement and letters of request certifying the transfer of targeted assistance are also necessary documents.

When transferring objects of fixed assets or material assets to the army, it is necessary to take into account: whether it is a voluntary transfer - when the enterprise itself is the initiator; whether it is alienation or removal - according to the decision of the military command, taking into account the norms of the Law of Ukraine "On Transfer, Forced in alienation or seizure of property under the legal regime of martial law or state of emergency" dated 17.05.2012 No. 4765-VI (Law of Ukraine "On the transfer, forced alienation or seizure of property under the legal regime of martial law or state of emergency", 2012). The difference between expropriation and expropriation is that during expropriation private or communal property is expropriated, and during expropriation - state property without compensation of value. The difference between expropriation and voluntary transfer is that as a result of the former, the possibility of returning the seized property or the possibility of compensation for its value is assumed. Thus, alienation or removal with compensation for the value of the property or subsequent return cannot be considered as charitable assistance.

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Along with the formation of standard forms of primary documents, the transfer of charitable aid should be accompanied by the formation of the Act of acceptance and transfer of humanitarian (charitable) aid, which is currently used by charitable organizations. This document must be signed by both parties: the head of the enterprise on the one hand; a representative of a military unit, military formation, relevant unit, institution or organization for the needs of ensuring the defense of Ukraine, to whom charitable assistance is transferred from another party. The formation and written certification by both parties of this document is necessary to confirm the fact of transfer and receipt of assistance, and will also provide an opportunity to prove to the tax authorities the targeted direction of expenses related to the transfer of property or commodity values.

According to national regulations (standards) of accounting, charity expenses are expenses of the enterprise and two sub-accounts are provided in the system of accounts: 949 "Other expenses of operational activity" and 977 "Other expenses of activity". However, today there are no clear recommendations on the methodology of accounting for expenses related to charity (including charitable donations, as a type of charitable assistance, in various ways of providing (in cash or material assets)). The question remains open and the accounting system does not ensure the objectivity of information in the reporting of enterprises. In particular, in Form 2 "Report on financial results (Report on total income)" in article 2180 "Other operating expenses" other expenses arising in the course of the company's operational activities are reflected (except for expenses that are included in the cost of products, goods, works, services), and in Article 2270 "Other expenses" - other expenses arising in the course of economic activity (except financial expenses), but not related to the operational activities of enterprises. Thus, charity expenses can be attributed to each of the specified items.

We believe that in order to solve the problem of the researched issue, it is necessary to develop recommendations regarding the method of accounting and generalization of information about charity in reporting. After all, the reporting of a business entity is the main source of information support for management decisions at different levels of management.

In the conditions of martial law, it is extremely important to look at the information support of management decisions at the state level. In addition, the role of information about the government's activities, which reflects the use of state resources, the problem of filling the budget, the dynamics of the state debt, and is the basis of policy formation, primarily aimed at the economic stabilization of the state (Lovinska, Ozeran & Korshykova, 2022), is growing.

The proposed methodical approaches to accounting for charity expenses (Table 2) will influence the increase in objectivity and reliability of information on the implementation of such transactions.

Table 2

Methods of accounting for charity expenses

No	Operations	Correspondence of accounts	
		debit	credit
1.	The money was transferred as a charitable donation	377	311
	Expenses have been recognized as part of the transferred funds	949	377
2.	Goods and material values were transferred as a charitable donation	377	20,26, 28
	Expenses are recognized as part of the value of the transferred goods and material values	949	377
3.	An object of fixed assets was transferred as a charitable donation:		
	the residual (balance sheet) value is written off	377	10
	depreciation is written off	13	10
	expenses are recognized as part of the residual value	976	377
4.	Charitable expenses are included in the financial result of the activity	79	949, 976

Source: substantiated by the authors

The proposed correspondence of accounts does not contradict the requirements of accounting regulations. We believe that in the system of accounts, operations related to charitable assistance should be reflected using expense accounts in the correspondence of accounts for settlements with recipients of charitable assistance (subaccount 377 "Settlements with other debtors"). Also, the separation of charity expenses into two sub-accounts will increase the informativeness of accounting in terms of transferred objects (current or non-current assets). We believe that under the conditions of martial law, the transfer of the object of fixed assets to the composition of non-current assets held for sale (subaccount 286) is inappropriate, because the company does not plan the sale of objects of fixed assets. It is mandatory to detail the accounts of the analytical accounting of the operations carried out in terms of expenses, transferred objects and recipients of charitable assistance. The submitted proposals allow to expand the indicators of financial reporting in the part of the enterprise's provision of charitable assistance, will provide an opportunity to summarize at the level of statistical data information about the transferred objects for the army.

Conclusions

Therefore, the accounting of the provision of charitable assistance to the Armed Forces, regardless of those who provides it, must include the following mandatory stages: the 1st stage – formation of an internal normative document on the provision of a charitable donation; the 2nd stage – documenting the facts of the free transfer of a charitable donation; the 3rd stage – display of the content of economic transactions on accounting accounts; the 4th stage – taking into account the norms of tax legislation for taxation purposes; the 5th stage – summarization of information in the forms of financial and tax reporting.

According to the results of the conducted research, it can be concluded that charitable activities are gradually developing. However, a number of issues remain unresolved: the absence of a unified approach to the interpretation of the concept of "charitable activity (charity)" in regulatory and legislative documents; presence of gaps in the terminological apparatus of the sphere of charitable activity; ambiguity in defining the forms, types and methods of providing charitable assistance; lack of methodology for accounting operations of charitable assistance to the army.

The proposed method of accounting for charitable assistance of the Armed Forces of Ukraine will strengthen the informativeness of accounting and allow to expand the indicators of financial reporting in order to make reasonable management decisions at the level of the economic entity and the state.

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