

### **PLANNING OF INCOME AND EXPENDITURES IN HIGHER EDUCATION INSTITUTIONS**

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Financial planning, that is, scientifically determining income and expenditures, plays a crucial role in the effective organization of higher education institutions' activities. In the current market economy conditions, educational institutions must possess financial independence, correctly allocate their funds, and use them efficiently. This, in turn, requires organizing every financial operation based on a clear plan. Effective planning of income and expenditures ensures the sustainable development of higher education institutions, improves the quality of education, and enables the strengthening of the material and technical base. Therefore, this issue holds not only economic but also social significance and is of great importance in modern management systems.

In the current context of globalization and market relations, higher education institutions are compelled to independently manage their financial activities. This demands the correct identification of income sources, targeted allocation of expenditures, and ensuring financial stability. From this perspective, the issue of planning income and expenditures is extremely important in the higher education system.

If income and expenditures are not properly planned, educational institutions will not be able to ensure long-term development, will fail to adequately renew their material and technical base, and will find it difficult to improve the quality of education. Moreover, planning plays a significant role in managing financial risks, budgeting forecasting, and efficient distribution. This study examines the theoretical foundations of income and expenditure planning in higher education institutions, the practical problems encountered, and proposes solutions to address them. Recommendations are also provided for introducing modern financial instruments and forecasting methods into the planning process.

According to the "Regulations on the preparation, review, approval, and registration of budget estimates for expenditures of organizations funded by

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the State Budget of the Republic of Uzbekistan, as well as income and expenditure estimates for extrabudgetary funds, and the preparation and registration of staffing schedules," the following key concepts are used: Expenditure estimate – a document prepared and approved by organizations for the current financial year, reflecting budget-allocated funds (expenditure plan) by expenditure items; Extrabudgetary funds estimate – a document prepared and approved by the organization for the current financial year, indicating the sources of extrabudgetary funds and the legal basis for their use; this estimate also reflects forecasted extrabudgetary income volumes; Expenditure item – within the framework of budget classification, it clearly expresses the economic nature and payment types of state budget expenditures; Temporary expenditure estimate – a document valid until the main estimate of the organization is approved, reflecting monthly funds provided from the budget in accordance with the previous financial year's end (these funds may not exceed one-third of the current year's expenditure plan); Extrabudgetary funds of higher education institutions – funds voluntarily received by institutions from sources defined by law; Staffing schedules and rates, model staffing, and financing standards are developed and approved based on these estimates; Any additional expenditures arising during budget execution are adjusted in the estimates according to legal requirements.

Organizations also receive written production indicators for the coming year based on socio-economic development forecasts. When calculating expenditures, the needs for funds, economic and social development indicators, and savings requirements are taken into account.

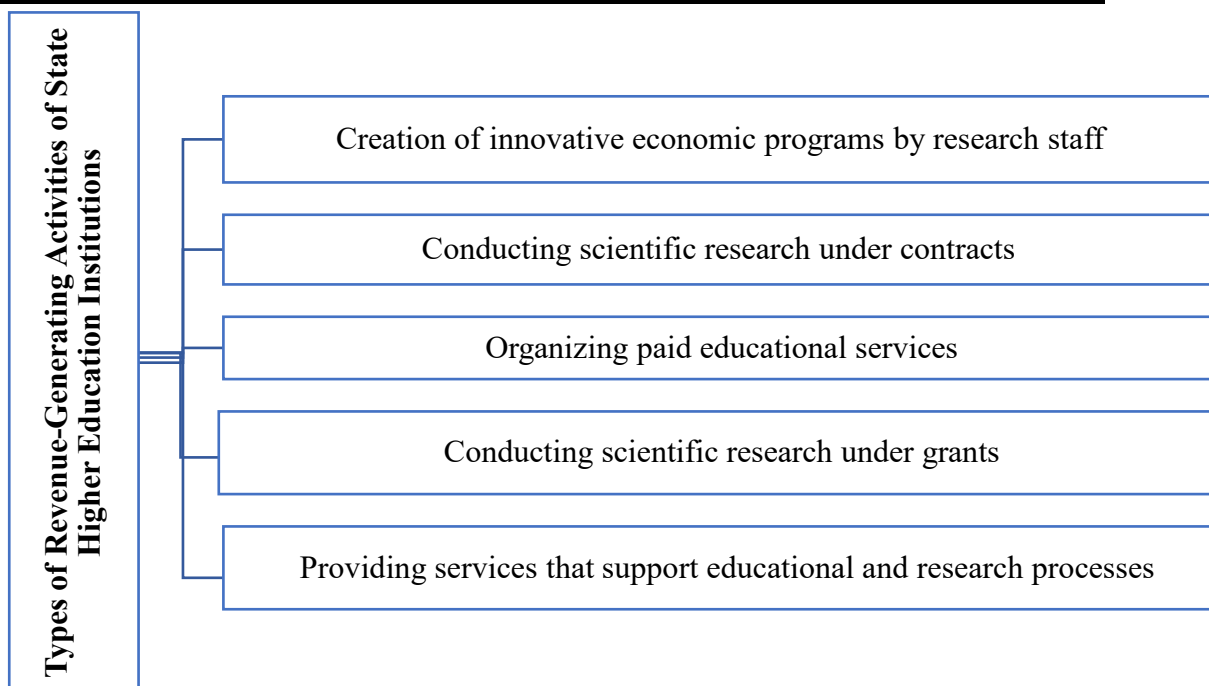
Based on decisions by the President or Government of the Republic of Uzbekistan, ministries and agencies implement allocations to extrabudgetary funds from the State Budget, provide material incentives (bonuses, rewards) and material assistance to employees of higher education institutions, provide one-time material assistance to students within the social protection framework (not exceeding six times the minimum wage per student per year), and cover other necessary expenses to ensure the activities of higher education institutions.

**Table 1 Distribution of Expenditure Groups of Tuition-Contract Funds of State Higher Education Institutions under the Ministry of Higher and Secondary Specialized Education, Science and Innovations (million soums)**

Expenditure groups	2019 year		2020 year.		2021 year		2022 year		2023 year	
	amount	Total expenditures Total expenditures	amount	Total expenditures	amount	Total expenditures	amount	Total expenditures	amount	Total expenditures
1-group	1232621,4	82,3	1532567,9	77,0	1515386,0	67,8	2162920,8	62,4	3258646,9	67,8
2-group	131063,4	8,7	225967,2	11,4	285816,1	12,8	443259,2	12,8	504348,8	10,5
3-group	6080,5	0,4	1209,0	0,1	17497,0	0,8	132300,0	3,8	314129,6	6,5
4-group	128526,8	8,6	230510,0	11,5	416495,7	18,6	727517,2	21,0	726619,4	15,2
Total	1498292	100	1990254,1	100	2235194,8	100	3465997,2	100	4803744,7	100

Funds received from tuition contracts can be allocated across all four groups of expenditures. Revenues from tuition contracts represent a significant amount for state educational institutions, which is why analyzing expenditures financed by these funds separately allows identifying the institutions' problems and finding solutions. Involving students as research assistants accelerates work related to grant projects. For example, within the income of state higher education institutions, subsidies received from the budget and investments contribute to activities generating income for additional development funds, which can take various forms.





**Figure 1. Types of Revenue-Generating Activities of State Higher Education Institutions**

Separate procedures are applied for the expenditure of development fund resources of budgetary organizations (excluding medical institutions). If the organization has no temporary disability pensions or creditor debts, or if these debts have been paid, after covering the share of total expenditures related to production and sale of goods (works, services), the development fund resources (excluding sponsorship aid and gratuitous assistance) are allocated as follows: at least 75% of all received funds are spent on strengthening the material and technical base; up to 25% are allocated for social protection and material incentives for employees of budgetary organizations. When examining the allocation of expenditures related to the development fund of state higher education institutions under the Ministry of Higher Education, Science and Innovation, it is observed that the amount of development fund expenditures differs significantly from the amounts of expenditures financed by the budget and tuition-contract funds. This is because, in budgetary organizations, expenditures are carried out sequentially first from budget funds, then from tuition-contract funds. In some cases, budget funds are sufficient to fully cover certain types of expenditures indicated in the estimate, and only if expenditures are not fully covered, off-budget funds are utilized.

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The research found that many educational institutions lack a sufficiently systematized planning process and analytical approach. Moreover, due to the absence of clearly defined priority areas in the expenditure structure, inefficient use of funds is observed. Therefore, it is necessary to organize planning based on modern financial and economic tools, use automated systems, and implement forecasting methods. This will contribute to increasing the economic efficiency of higher education institutions.

The sustainable and efficient operation of higher education institutions primarily depends on the rational and targeted use of their financial resources. The research results indicate that income and expenditure planning in educational institutions should be viewed not only as an accounting function but also as an essential element of strategic management. Through financial planning, an educational institution identifies its needs and priority areas, allocates budget funds purposefully, and improves the efficiency of their use.

In the income and expenditure planning process, main attention should be paid to forecasting methods, real economic indicators, and analysis of past years. Diversification of income sources, government orders, tuition-contract revenues, grants, and project funding opportunities should be fully reflected in the plans. When planning expenditures, priority areas such as education quality, scientific activity, salaries of professors and teachers, and infrastructure development should be taken into account.

Additionally, using automated information systems, digitizing reports, and analyzing internal audit results during the planning process can improve the effectiveness of decision-making. Based on the recommendations provided in the study, educational institutions can improve their financial management, optimize expenditures, and enhance education quality.