

УДК 658.56

**IMPROVEMENT OF ACCOUNTING FOR PAYMENT OF SERVICE PAY
OF THE SERVICEMEN IN THE ARMED FORCES OF UKRAINE**

Myron Hodovanskiy, 3 course

Academic supervisor – I.M. Vagner

Lviv Institute SHEI “Banking Business University”

Today the tendency is observed in Ukraine towards the increase of service pay of the servicemen. «There shall be an increase of service pay of the Ukrainian warrior! » – declared the President of Ukraine

Petro Poroshenko. Starting from 2019 service pay of the Ukrainian servicemen will be increased at least by 30%. According to the UNIAN (Ukrainian Independent News Information Agency) reports, the Cabinet of Ministers of Ukraine plans to increase expenditures for the defense in the state budget of 2019 by 31.5 billion UAH, or by 18% – with subsequent growth up to 209.5 billion UAH [1].

Such essential structural and financial changes will require the new ways of improvement of the accounting process in the military unit. With the objective of identifying such ways a brief interview was recorded with the assistant commander for financial and economic activities – chief of the financial and economic service of military unit A2562 (stationed in the town of Zolochiv, Lviv region) Major Syvak Liliya Volodymyrivna [1]. This interview was conducted on the basis of questions prepared in advance.

In response to the question as to expediency of the use in the AFU of the generally used software “1C Accounting”, Major Syvak L. V. explained, that the software package “Parus” was used for accounting in the military organizations before 2017. However, the use of this package was prohibited because of the foreign origin and administration namely, its development in the Russian Federation. Instead, the AFU is intensively developing a domestic software application that has to satisfy the needs of the military financial establishments. The use of “1C Accounting” is not expedient in the Armed Forces because of the different materials accounting system.

In our opinion, it would be advisable to consider the issue of the overload of service pay accounting with documentation. Thus, chief of the financial and economic service of the military unit said: “Accounting is not overloaded but, at the same time, there is a lot of additional paperwork and document turnover. This is explained by the absence of software application for the unified accounting. Financial establishments of the AFU use the software applications that are used in all state–financed institutions of Ukraine – these are the “E–reporting”, “Treasury Client”. These software applications reduce the volume of document turnover and simplify the system of submitting documents to the managing establishments”.

Is it expedient to apply other criteria when computing service pay of servicemen (determined depending on the post, military rank, qualification, academic degree and academic title, length and conditions of service, etc.)? Proceeding from the practical experience Major Syvak L. V. finds that the system of computing service pay of servicemen should be simplified as follows: it would be worthwhile to refuse from the monthly additional computation of allowances for the academic degree, qualification, allowances for combat standby duty, marine, flight, navy diver pay, allowances for the special conditions of service, etc. It is expedient to include these types of pay in the principal types of service pay, namely, in the pay for the military rank, position and length of service pay. Such system of service pay will reduce the load on the financial service of the military unit, decrease document turnover, simplify and make more transparent the system of control over service pay of the servicemen.

At the same time, in the opinion of Major Syvak L. V. the additional types of service pay of the servicemen specified as of today are quite sufficient. There is no need to extend this list. Instead, considering the growth of the one–time payments as the “attractiveness enhancement” of military service, creation of competitiveness in further selection of volunteers for the enlistment in the AFU by contract, it would be worthwhile to start with the increase of the volume of principal types of service pay. Such action would automatically lead to the increase of the one–time additional incentive payments.

Changes in the principles of computation of service pay of the servicemen because of the unification of the NATO standards already gain momentum in the Armed Forces of Ukraine.

First of all, these changes entered the financial system, and the year of 2018 became the innovative watershed in this process. It was that year that the longstanding system of computation of service pay of the servicemen has been changed and the NATO standards introduced. In the first place, there were introduced the pay grades and re–computation of pay for the military rank. Generally, these innovations had practically no effect on the amount of servicemen’s pay, but they are of essential importance for providing social guarantees for both, servicemen in the service and the retired servicemen. For example, total amount of service pay before the innovation was increased owing to the growth of monthly bonuses, sometimes amounts of these bonuses could be increased by 700%. This had a positive effect on the quantitative volume of payments but had absolutely no effect when the serviceman retired. The amount of pension of retired servicemen has more than doubled after these structural innovations. Changes in the computation of service pay of the serviceman required a long preparatory process, for the new system of computation envisages the obligatory re–computation of the military pensions. Starting from 2018 additional funds have been included in the budget of our country for the accomplishment and complete implementation of these system measures [2].

List of references

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2. Інтерв'ю записане Годованським М.О. 6 листопада 2018 р. з майором Сивак Л.В. помічником командира з фінансово–економічної роботи – начальником фінансово–економічної служби військової частини А2562.