

Summary

Subject matter of qualification paper: Financial support of the local government institutions activities (based on materials of Zunkarskiy settlement Council administration, Neftekumsk district of Stavropol region)

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Information about customer organization: Zunkarskiy settlement Council administration, Neftekumsk district of Stavropol region

Topicality of the research. Local self-government is entrusted with paramount and extremely costly powers for population life support system. In this respect each municipal institution should possess necessary financial support, including financial resources allocated for the indicated task. An important role in financial support of the local government institutions activities belongs to local budgets. That is why their formation and management become the paramount priority for the population living on the territory of municipal institutions.

Objective of the research is substantiation of ways for enhancement of financial support of the local government institutions activities by means of local budget based on the analysis of theoretical aspects and contemporary Russian practice.

Tasks of the research are:

- to analyze local budget as an instrument for financial support of local self-government;
 - to characterize the formation of interbudget relations and their role in financial support of local government institutions activities;
 - to study financial support of local government institutions activities in the process of development of budget federalism;
- to analyze the formation of budget income of Zunkarskiy settlement Council administration, Neftekumsk district of Stavropol region;
- to specify the peculiarities of financial support for local budget expenditure;
 - to single out problems and offer the ways for enhancing financial support of local government institutions activities.

Theoretical significance of qualification paper consists in the fact that the conducted analysis of financial provision of local government institutions activities provides the opportunity to identify the problems in the sphere discussed and elaborate on general directions for their enhancement.

Practical significance infers the fact that conclusions and recommendations can be taken into consideration by federal government authorities in specifying

definite regulations of the Budget Code of RF; by governmental authorities of Russian Federation in the process of issuing documentation in the sphere of interbudget relations on the regional level; by local self-governments in the process of forming and executing the budget of a municipal institution.

Results of the research:

Financial provision of local government institutions activities is executed in the framework of a local budget. Local budget is defined as a system of economic relations concerning allocation and redistribution of GDP part to form a municipal institution budget resource fund. The function of such fund is to finance powers delegated by the municipal institution population and by state authorities to local self-governments with the objective to provide life support for the population and social-economic development for the municipal institution.

The subject of interbudget relations is limited by budget relations in the sphere of differentiating incomes and expenditures, formation of income, setting and executing disbursement liabilities, providing interbudget transfers. In federative states interbudget relations should be organized on the fundamental principles of budget federalism.

Recommendations:

To solve the problems in the sphere of financial provision of local government institutions activities the following activities are considered to be appropriate:

- 100% inclusion of physical bodies income tax into village settlement budgets to accumulate sufficient amount of financial resources for settlement level of local self-government;
- altering taxation mechanism in relation to physical bodies income tax: transfer from inventory property value to its market value;
- appointing an authorized person who would be responsible for providing safety of municipal property including temporary vacant premises of exempt assets and the analysis of efficient employment and systematic accountability for village settlement property;
- with the view of optimizing expenditure part of the local budget it is suggested to clearly separate municipal expenditures into current expenses and expenses for perspective development and to set up priorities in providing municipal services.