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MECHANISMS FOR FORMING FINANCIAL RESOURCES OF NON-PROFIT ORGANIZATIONS

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ABSTRACT
In modern conditions of the country's development, the third sector of the economy occupies a significant niche in the comprehensive development of the state as a center of economic and social innovation. The article examines the principles of organizing the finances of non-profit organizations, their development in modern conditions, the relations of non-profit organizations (NPOs) with budgets of different levels, and the features of state support for socially oriented non-profit organizations.
KEYWORDS. *non-profit organizations; finance; financial relations; mechanism; target capital; third sector*

INTRODUCTION

The finances of non-profit organizations are part of the national financial system, including the finances of state, municipal, commercial and non-profit organizations (hereinafter referred to as NPOs) and household finances, as well as the international financial system. NPOs participate in the movement of financial flows and the redistribution of funds between individuals and legal entities. At the same time, institutions regulating the rules for financing the activities of NPOs are formed taking into account the social orientation of their statutory activities [1].

1) These institutions change under the influence of two main groups of factors:
2) the state's relationship with NPOs (taxpayers, employers, charitable structures, independent organizations or those under state control);
3) contradictions in the development of NPOs themselves - between the need to carry out statutory activities and to seek means for its implementation.

In the Republic of Uzbekistan, during the transition to a market economy, a transformation of the system of institutions took place. A number of laws have been adopted that contain the legal basis for state regulation of the financial side of NPO activities. The sources of financing and directions for spending NPO funds have also changed.

1. Most NPOs carry out not only statutory, but also commercial activities, so the income of NPOs can be divided into two groups:
2. income received during the implementation of statutory activities;
3. income from commercial activities [2]. Based on the above, in the author's opinion, NPO finance is a socio-economic relationship of a monetary nature that arises regarding the distribution, formation and use of funds associated with the implementation of public activities of non-profit organizations.

The financial and economic sustainability of an NPO is a system whose uninterrupted operation is ensured by the effective search and use of resources based on strategic planning that defines the organization's goals and ways to achieve them, an assessment of the NPO's current activities and readiness to adapt to changing conditions.

NPOs produce services for the population that have two fundamental qualities: non-competitiveness and non-excludability. Therefore, the finances of NPOs have a number of differences from the finances of enterprises and commercial organizations.

- Features of the organization of finances of NPOs are determined by the target orientation of the statutory activities, the procedure and sources of its financing.
- The property of NPOs can be formed from cash receipts and property contributions (transfer of property in kind). In accordance with the law, the sources of formation of NPO property are:
- receipts from members, participants and founders;
- donations and property contributions;
- revenue;
- income received from the property of NPOs;

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- other income.

Planning of financial activities of NPOs is carried out on the basis of annual or quarterly budgets of income and expenses.

At the same time, the NPO maintains accounting (financial) records and prepares accounting and tax reporting. The size and structure of the income of an NPO, information about the size and composition of its property, expenses, number of employees, wages, and the use of volunteer labor, unlike commercial organizations, cannot be the subject of a trade secret.
The finances of non-profit organizations are based on the following principles:

- External financing (membership fees, donations, grants, charitable assistance, contributions for the formation of endowment capital);
- The targeted nature of spending funds;
- Lack of profit and payback;
- Openness of finances and public control;
- Accountability to the person who is the source of financing;
- Social orientation of activities;
- Social Responsibility of NPOs.
- Financial relations between NPOs arise on the following grounds:
- Between the NPO and its founders, members, participants;
- Between NPOs and grantors, donors, philanthropists;
- Between NPOs and the budget;
- Between the NPO and its employees;
- Between an NPO and a commercial bank;
- Between NPOs and commercial organizations [3].

It should be noted that NPOs can receive funding from a variety of sources: in the form of entrance fees, from authorities, donations, etc., as well as from clients (for example, students) in the form of payment for services provided.

In Finland and Sweden, the main source of income for NPOs is the state, but in Sweden state support is much less.
Swedish NPOs receive funding from non-state funding sources:

- Sales of services (fees for participation in events, courses, seminars);
- Targeted donations from foundations;
- Private Donors;
- Membership fees (for example, the CIF organization, which carries out international exchange between social workers from different countries, exists mainly through membership fees).

The Russian Federation does not yet have the practice of extensive government funding of NPOs. The state provides assistance to NPOs mainly through subsidies and government orders. The history of government financing of the third sector of the economy in Russia dates back to 2005.

In developed countries, government funding of NPOs accounts for 48% of their income (in developing countries - 22%), income from activities, including membership fees - 35% (in developing countries - 61%), donations from businesses, citizens and foreign foundations - 17% (in developing countries - 17%).

State share in NPO financing:

- Germany, France, Belgium, Switzerland, Israel - about 50%;
- Czech Republic, Poland - about 40%;
- England, Australia, New Zealand - about 35%;
- Scandinavian countries - 30–35%;
- Asian countries with developed economies - 30–35%;
- Latin America - about 20%.

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In international practice, state support for the third sector can be provided in the following forms:

1. by allocating subsidies for operating activities;
2. in the form of grants for specific programs;
3. through payment for services provided by public organizations to government bodies (on a contract basis);
4. by financing the execution of functionality delegated from the state to NPOs (under agreements concluded between government authorities and NPOs);
5. by providing tax benefits to NPOs.

The leading positions in terms of the volume of assistance provided to NPOs are occupied by economically developed countries. At the same time, the share of private support for NPOs, as well as the organizations' own resources in them, is noticeably inferior to the contribution from states. According to the aggregate estimate in developed countries (key positions among which are occupied by the subjects of the Euro-Atlantic region), government funding of NPOs amounts to 48% of their income. In developing countries this figure is lower - 22%. Income from activities, including membership fees, in developed countries is 35%, in developing countries - 61%. Donations from commercial entities, citizens and foreign sources in developed and developing countries account for 17% of NPO income [5].

Government support is perceived by NPOs in a number of Western countries as an integral source of their financing. Any attempts to limit it are subject to sharp criticism.

In some cases, financial support from government agencies makes up a large share of the NPO budget. For example, in the revenue side of the budget of Transparency International (Germany) for 2023, out of a total amount of 28.17 million euros, funds received from government departments of various countries account for 25.56 million euros. Among the organization's government donors are the US Agency for International Development, the UK Department for International Development, the Canadian International Development Agency, the German Foreign Ministry, the French Foreign Ministry, etc.

Financial assistance from the state is provided abroad both to completely independent NPOs and to organizations that are to one degree or another connected with the executive branch and/or acting in its interests. The affiliation of such NPOs is either informal or officially recognized. It is to these NPOs that the state most often tries to delegate part of its domestic and foreign policy powers.

In foreign countries, one of the popular instruments for financing the activities of NPOs is the formation of an endowment (resource or target capital).

In the United States, endowment funds have existed for more than 350 years. The largest foundations in the world are the endowments of Harvard ($30 billion), Stanford ($19 billion), Yale ($19 billion), Texas ($17 billion), and Princeton ($17 billion).

The endowment of an NPO is formed as a result of the transfer by the founder/other person into the ownership of the NPO of funds or property, which must subsequently be used to achieve the goals of creating the organization.

The endowment capital of an NPO is a part of its property, formed through donations made by donors in the form of funds to a separate bank account specially opened for this purpose, owned by a non-profit organization, which is subsequently transferred to the trust management of a management company to generate income.

Areas of application of endowment capital:

- Education;
- The Science;
- Healthcare;
- Culture;
- Physical culture and sports (except for professional sports);
- Art;
- Archival Work;
- Social Assistance And Support;

- Environmental Protection;
- Providing citizens with free legal assistance and providing them with legal education.

The legislation of many countries around the world encourages the creation of endowment capital, which is a source of income used to finance the activities of the third sector, since an NPO that has formed endowment capital receives a stable and long-term source of financing for its activities. The capital itself is not used, but is managed by third parties.

Currently, in developed countries, where the state implements social programs on a limited scale, targeted investment capital is created to finance museums, universities, libraries, and sports organizations.

In international practice, an example of this method of financing NPOs is the establishment of the Nobel Prize. Alfred Nobel bequeathed most of his savings to a specially created non-profit organization - the Nobel Foundation. The bequeathed funds were invested by the foundation, using income from these investments, and cash prizes were paid to Nobel laureates.

Conclusion. Summarizing the above, it should be noted that NPO financing institutions are gradually acquiring functions that correspond to the characteristics of these organizations:

• Guiding NPOs towards the targeted use of funds;
• Increasing the efficiency of interaction between NPOs and government and municipal authorities;
• Stimulating the development of NPOs in the direction of expanding their statutory activities.

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