

Peculiarities of accounting of money equivalents in the conditions of military camp in Ukraine

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Cash equivalents are:

"Short-term highly liquid financial investments that are freely convertible into certain amounts of money and that are characterized by low risk of changes in value."

- NP (S) BU 1 "General requirements for financial reporting"



Cash and cash equivalents refer to the balance sheet line, which reports the value of the company's assets that are cash or can be immediately converted into cash. In addition, cash equivalents include bank accounts and marketable securities that are debt securities with a maturity of less than 90 days.

However, cash equivalents often do not include stocks because their value may fluctuate.



Cash equivalents must meet the following criteria (requirements):

- be carried out for profit;
- short maturity (3 months or less);
- meet the requirements of a highly liquid asset (quickly turn into money);
- have a small (minimal) risk of changes in value.



To qualify as cash equivalents, a financial investment must be easily convertible to a specified amount of cash and be subject to a small risk of changes in value. Therefore, such an investment can be considered as cash equivalent only when it has a short maturity.



Examples of cash equivalents are commercial paper, treasury bills and short-term government bonds with a maturity of three months or less. Marketable securities in the money market are considered cash equivalents because they are liquid and not subject to significant fluctuations in value.



Cash equivalents are also one of the most important indicators of the health of a company's financial system. Analysts can also assess whether it is profitable to invest in a particular company because of its ability to generate cash and cash equivalents, as this reflects how the company can pay its bills in a short period of time.



Short-term government bonds

Short-term government bonds are provided by governments to finance government projects. They are issued in the national currency of the country. When investing in government bonds, investors pay attention to political risks, interest rate risks and inflation.

This case may be reflected by the following posting Dt 35 "Current financial investments" Kt 311 "Current accounts in national currency"



In addition, the equivalent of money in the company can be:

Free food, not related to labor protection

The scheme of organization of food for employees may be different. example:

- 1) the company leases part of the office to a specialized catering establishment and accepts rent for products;
- 2) the company independently equips the canteen and invites contractors to service it;
- 3) enters into an agreement with the restaurant, which takes over the organization of food for employees of the customer. The company can participate in the organization of food for employees as follows: the employer pre-purchases food stamps, which are distributed to employees if necessary.

Number of the order	The content of the operation	Accounting	
		Dt	Kt
1	Accrued in-kind remuneration in the form of nutrition	92	661
2	Withheld PIT	661	641
3	Withheld military duty	661	651
4	Accrued single social contribution	92	651
5	The cost of food is deducted from the salary if the food is made by the enterprise	661	701(702)
6	Accrued tax liabilities for VAT	701(702)	641

Payment of tickets to sports clubs, in way to encourage and improve the health of employees. "In a healthy body - a healthy spirit" - foretells a winged expression. A truly caring employer is certainly ready to maintain the physical health of its employees, one of the indicators of which is good physical shape. The most popular ways to support it are to visit so-called sports clubs, in particular, a gym or swimming pool.

The individual subscription should be recorded on Dt sub-account 949 as non-economic expenses, Kt 311 "Current accounts in national currency" ("Settlements with other creditors")



In workplaces where personal contact with other people is minimized, the list of work contacts to use is accumulating very quickly. If a personal phone number is assigned for this purpose, family and work contacts are mixed. It is better to avoid this by dividing work and personal life.

At this stage, the employee begins to use an additional SIM card and transfers all work contacts to it. Large companies have long taken care of this. When hiring a newcomer receives a phone number to work. In this way, the organization solves the problem of the employee and makes him available to solve the company's problems.

Such a case may be reflected by posting Dt 371 "Settlements on issued advances", Kt 311 "Current accounts in national currency"



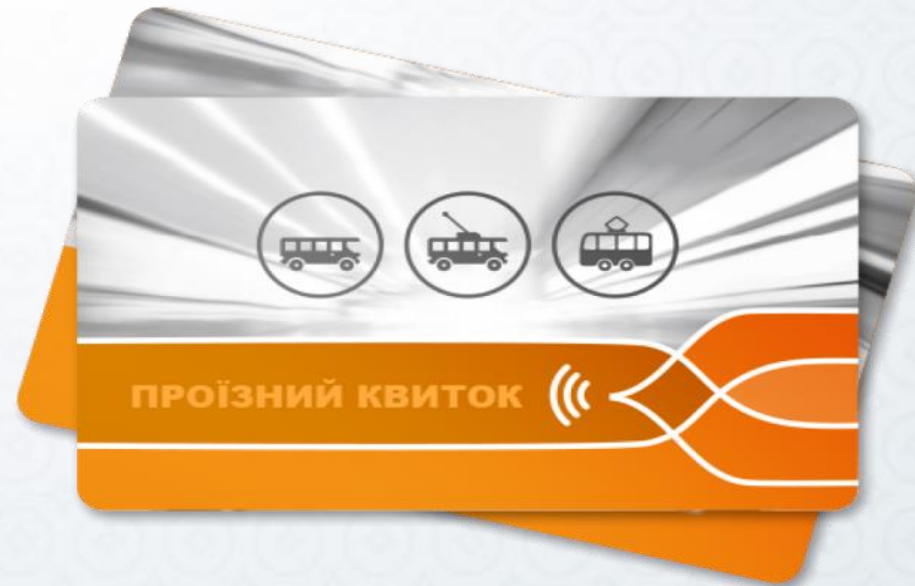
It is good when a company cares about the health of employees not in words but in deeds. For example, it provides free (or discounted) medical vouchers.

Article 145 of the Labor Code stipulates that employees who successfully and conscientiously perform their duties are provided primarily with benefits and privileges in the field of socio-cultural and housing services, including vouchers to sanatoriums and rest homes.

Number of the	The content of the operation	Accounting	
		Dt	Kt
1	The cost of vouchers purchased by the company, which is not reimbursed by employees	949	377
2	The cost of vouchers purchased by the company, which is reimbursed by employees	23, 91-94	661

Often medical workers have to visit the patient to provide services. This includes the fare. It is logical that such costs are the costs of the CHC, not the employee personally. However, in order to avoid questions about the validity and reliability of these costs, it is necessary to properly organize their accounting. On business trips, employees are issued travel tickets for urban passenger transport, which are returned immediately after the trip to the responsible person (who keeps a logbook of travel tickets).

**Accounting entry of such an operation may be Dt 943 "Cost of sold inventories" Kt 331
"Monetary documents in national currency"**




On the morning of February 24, 2022, Ukraine began to live in a new way - in a state of war, and it was unexpected for everyone, including businesses and entrepreneurs. On this date, the President declared martial law.



Support of the Armed Forces of Ukraine and the state


Many banks provide military bond services to their customers. Military bonds are a type of domestic government bonds - government securities issued by the Ministry of Finance of Ukraine. Military bonds are placed on the domestic market of government securities of Ukraine. Their peculiarity is that the bonds are targeted - the state will use the funds from the placement to finance the Armed Forces of Ukraine and the needs of the country in martial law. The state guarantees the owners of military bonds the payment of their nominal value and income in accordance with the terms of placement of bonds.

The purchase of the bond is accompanied by the posting Dt 352 - Kt 31. Accounting for interest on bonds is on sub-account 732 "Interest received".



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Basic conditions for buying military bonds

- the service is provided to individuals - residents of Ukraine;
- possible currency of military bonds - hryvnia, US dollars, euros;
- the maximum amount of purchase of military bonds - the equivalent of UAH 50,000,000 in one day;
- personal income tax and military duty are not withheld;
- according to the decision of the NBU, when purchasing military bonds, the sources of funds are not checked;
- income on military bonds can be obtained in the form of: interest income - on interest-bearing bonds; the difference between the purchase price and the nominal value of securities arising from the redemption of military bonds;
- Redemption of military bonds and payment of income is made in the currency of the bonds within the time limits set by the terms of the bond issue. The results of the placement of Military Bonds can be found on the website of the Ministry of Finance of Ukraine (section "Public Debt" → "IGLBs" → "Results of Auctions");

The purchase price of military bonds

The purchase price consists of the purchase price of the Military Bond at the relevant auction plus UAH 0.02 / USD 0.01 / EUR 0.01.



Thank you for attention!