

PECULIARITIES OF WRITING OFF DESTROYED AND DAMAGED GOODS DURING THE PERIOD OF MARTIAL LAW

Introduction of the issue. Every enterprise, regardless of its size and form of organization, can function efficiently only if the accounting process, including inventory accounting, is properly organized, as it is the basis for the enterprise's effective operation.

The aim of the research is

Inventories are part of the assets that form the cost of production and are an important object of management and assessment of the company's competitiveness. Controlling inventory accounting is an integral, important part of an accountant's work, which allows management to keep a finger on the pulse of the company's profitability. However, nowadays every sphere of business activity in Ukraine has a number of newly created problems related to the full-scale invasion of the Russian Federation into the territory of Ukraine. The entire Ukrainian economy as a whole, enterprises and entrepreneurs in particular, are now forced to operate under martial law, and accordingly adjust all their business processes, including inventory accounting, to the new conditions and in accordance with the current legislation.

In accordance with NRS 9, inventories are a group of assets that:

- held for further sale in the ordinary course of business;
- are in the process of production for the purpose of further sale of the product;
- held for consumption in the course of production, performance of works and services, and management of the enterprise.

Inventories include:

- raw materials, basic and auxiliary materials, components and other material assets intended for production of goods, performance of works, provision of services, distribution, transfer, maintenance of production and administrative needs;
- work in progress, finished goods manufactured by the enterprise and intended for sale;
- goods in the form of tangible assets purchased (received) and held by the company for the purpose of further sale;
- low-value and wear and tear items that are used for no more than one year or the normal operating cycle, if it is more than one year;
- current biological assets, if they are valued in accordance with this National Regulation (Standard), as well as agricultural and forestry products after their initial recognition.

Movement of the company's assets, in particular, write-off of inventories from the balance sheet is necessary in the event of:

- transfer to production as a material for the final product;
- sale as a commodity;
- free transfer;
- loss due to negligence, theft or extraordinary force majeure [3].

In the combat zone or areas close to it, companies have lost and continue to lose a lot of inventory: destruction due to fires, shelling, damage to goods due to the failure of the relevant equipment intended for their storage, expiration of the shelf life, etc. That is why the last condition (write-off due to extraordinary force majeure) forms the relevance of our study.

It should be noted that the process of writing off inventories from the balance sheet is always preceded by an inventory process.

Under normal circumstances, the inventory process is well-established and planned and has a certain algorithm of actions. However, in the event of force majeure, there are a number of peculiarities specified in clause 8 of Section I of Regulation No. 879, which regulates the terms of the inventory procedure for enterprises located in the territory of the Autonomous Republic of Crimea and the city of Sevastopol, in the temporarily occupied territory in Donetsk and Luhansk regions.

Managers whose companies fall into the specified categories may conduct a scheduled or forced inventory only if it is possible to provide safe and unimpeded access to assets, primary documents and accounting registers that reflect the liabilities and equity of the companies and to conduct it as of the 1st day following the month in which the above obstacles arose.

To conduct an inventory, an inventory commission must be established by order of the company's director, which must include the chief accountant, a materially responsible person, and a specialized specialist, and must specify the date of the inventory and the period of time allotted for it.

Based on the results of the inventory, the commission draws up inventory documents. The main forms of documents for reflecting the results of the inventory are approved by Order of the Ministry of Finance of Ukraine 572 dated 17.06.2015. Documents whose forms are not approved or are not convenient or are missing at the enterprise, can be developed independently, taking into account the requirements of the Law on Accounting and Regulation No. 88, and the forms from Order No. 572 can be used as a basis.

Based on the facts revealed by the inventory, the manager makes decisions depending on the results:

- write-off of assets that cannot be further used;
- to carry out work on the liquidation of the destroyed object;
- valuation and posting of spare parts, materials, scrap, and precious metals remaining after the destruction/liquidation of assets.

The results of the inventory, based on the approved protocol of the inventory commission, are reflected in the accounting and financial statements of the reporting period in which the inventory is completed (clause 3 of Section IV of Regulation No. 879) [1].

In order to write off inventories during martial law, a number of primary documents are drawn up, as under normal circumstances. Write-offs are carried out only on the basis of an order of the head. For this purpose, an inventory write-off act is drawn up, which indicates the reasons for writing off assets based on the results of the inventory.

The write-off of destroyed inventories is reflected by debiting subaccount 997 (Other expenses of ordinary activities) and crediting account 20 (Inventories).

If lost inventories that have been transferred to safe custody are written off, they are recorded by debiting subaccount 947 "Shortages and losses from damage to valuables". Data on these inventories are also recorded in off-balance sheet subaccount 072 "Unrecovered shortages and losses from damage to valuables". For compensation of lost inventories, their owner recognizes other operating income by crediting subaccount 716 "Recovery of previously written-off assets" with simultaneous write-off of information about them from off-balance sheet subaccount 072 [2].

Conclusions. A full-scale invasion has a negative impact on the business activities of the country, many enterprises suffered and continue to suffer huge losses, including losses of goods that were spoiled or destroyed. Accountants are faced with a difficult task, which is connected precisely with the inventory process and the subsequent write-off and reflection in the records of destroyed goods.

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