

## INTER-BUDGETARY TRANSFERS AS THE FORM OF INTER-BUDGETARY REGULATION IN UKRAINE

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Inter-budgetary regulation plays an important role in shaping budget policy and organizing the budget process. His purpose is to redistribute financial resources between the budgets in order to ensure compliance with the powers to implement expenditures, fixed by the legislative acts on the relevant budgets and financial resources, which must ensure their implementation.

Inter-budgetary transfers are one of the forms of implementing the principles of Inter-budgetary regulation and aim at balancing and aligning the financial capacity of the respective budgets. These are funds that are transferred free of charge and irrevocably from one budget to another. Types of inter-budgetary transfers: basic grant (transfer from the state budget to local budgets for horizontal equalization of tax capacity of territories); subventions; reverse grant (funds transferred to the state budget from local budgets for horizontal equalization of the capacity of territories); additional grants [1].

In 2017, the relationship with the state budget had 998 budgets (without uncontrolled territories – 34), including 24 oblast budgets, 148 budgets of regional importance, the budget of Kyiv, 459 rayon budgets, 366 budgets of the combined territorial communities. The number of budgets that have a relationship with the state budget increases annually in connection with the formation of united territorial communities. So, in 2018, their number will increase by 47 – the budgets of the united territorial communities, in which in April 2017 the first local elections took place. In accordance with the norms of the Budget Code of Ukraine, the budgets of such communities have a relationship with the state budget for the new fiscal year [2].

Table 1.  
Indicators of the implementation of the State Budget of Ukraine in terms of inter-budgetary transfers

Fact – 2015, million UAH			Fact – 2016, million UAH.			Fact – 2017, million UAH.		
General fund	Special fund	Total	General fund	Special fund	Total	General fund	Special fund	Total
173196,8	783,2	173980,0	194706,2	689,1	195395,3	261278,5	11324,4	272602,9

Source: compiled by the author for [3].

The analysis of Table 1 shows that from the State Budget of Ukraine to local budgets in 2017, in fact, transfers were provided for a total amount of 272602,9 million UAH, which on 98622,9 million UAH or 36.2% more than in 2015,

including transfers from the general fund – 261278,5 million UAH, which on 88081,7 million UAH or 33.7% compared to 2014.

In 2016, from the State Budget of Ukraine to the budget of the Odessa region received funding amounting to 5653.4 million UAH. (29.0 million UAH – capitalized) or 99,9% of the envisaged amount – 5657,1 million UAH. Educational and medical subventions were received in the envisaged amount – 1568.8 million UAH (educational subvention – 376.8 million UAH, medical – 1192.0 million UAH). Compared to 2015, the transfers allocated to the budget of the Odessa region increased by 2162 million UAH or 38.2% [4].

2 909,9 million UAH was used for the payment of assistance to families with children, low-income families, invalids from childhood, children with disabilities and temporary state assistance to children in 2016 (plan – 2 910,1 million UAH), (in full to actual charges). Compared to 2015, the charge increased by 12.9% [4].

In the medium-term perspective, the priority of the state budget policy in terms of regulating inter-budgetary relations is to ensure the autonomy of local budgets, strengthen their financial capacity, increase transparency and efficiency of management of budget funds at the local level.

Thus, it can be concluded that transfers from the state budget are a powerful instrument of financial distribution and a source of income formation of local budgets, whose priority should be their social orientation.

#### *Literature*

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