

# THE ACCOUNTING OF STOCKS IN NON-PROFIT ORGANISATIONS

## CONTABILITATEA STOCURILOR LA PERSOANELE JURIDICE FĂRĂ SCOP LUCRATIV

**HALIGA I.**

“Al. I. Cuza” University of Iasi, Romania

*Abstract. The stocks represent most frequent meted categories of elements in the any bookkeeping entities. The goods held for sale in the ordinary course of business or goods in the process of production, preparation or conversion for such sale as well as goods in the form of materials or supplies to be consumed in the production of goods or services available for sale it represents current assets of the nature of the stocks. The non-profit organisations can unfurl three types of activities: the activities objectless patrimonial, activities with special destination and economic activities. This thing presupposes the use of analytic accounts to the accounts of stocks on types of activities. Also, certain categories of stocks can be used or can be output except economic activities, while another I can be used regardless of the activities unfurled. This article shall present a structure of the elements of stocks on types of activities to the non-profit organisations.*

**Key words:** stocks, merchandise, products, materials, activities objectless patrimonial, analytic accounts.

*Rezumat. Stocurile reprezintă cele mai des întâlnite categorii de elemente în contabilitatea oricărei entități. Bunurile deținute pentru a fi vândute pe parcursul desfășurării normale a activității sau cele în curs de producție în vederea vânzării în procesul desfășurării normale a activității, precum și bunurile sub formă de materii prime, materiale și alte consumabile care urmează să fie folosite în procesul de producție sau pentru prestarea de servicii, reprezintă active circulante de natura stocurilor. Persoanele juridice fără scop lucrativ au drept caracteristică faptul că pot desfășura trei tipuri de activități: activități fără scop lucrativ, activități cu destinație specială și activități economice. Acest lucru presupune folosirea conturilor analitice la conturile de stocuri pe tipuri de activități. De asemenea, anumite categorii de stocuri pot fi folosite sau pot fi rezultatul numai activităților economice, în timp ce altele pot fi folosite indiferent de activitățile desfășurate. Acest articol va prezenta o structurare a elementelor de stocuri pe tipuri de activități la persoanele juridice fără scop lucrativ.*

**Cuvinte cheie:** stocuri, mărfuri, produse, materiale, activități fără scop lucrativ, conturi analitice.

## INTRODUCTION

The rich of a entities consists in assets. An asset is a resource controlled by the non-profit entity as a result of past events and from which future economic benefits are expected to flow to the entity and it has a cost or value that can be measured with reliability [4, pct. 18 alin (2)].

The assets are split in fixed assets or in current assets depending on the aim whom am it fated. The fixed assets including the active destine that use on a contiguous base, in the aim development activities of non-profit organizations.

## MATERIAL AND METHODS

An entity shall classify an asset as current when (4, pct. 104):

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle (the operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents);
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

Current assets include:

- 1) stocks, inclusively the value services for which not drew up invoice;
- 2) trade receivables;
- 3) financial assets held for trading;
- 4) cash and bank accounts.

Stocks are assets (1, pag. 83):

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

In the sight to realization of this article I have studied the accounting settlements applied in Romania with relate to assets and followed to is overtaken the appearances incident to structure of the stocks, which have as the finality faithful reflection of informations afferent of the utilization of the stocks on types of activities unfurled of the non-profit entities.

## RESULTS AND DISCUSSIONS

Stocks include (4, pct. 110):

- a) **The merchandise**, namely goods purchased and held for resale or the manufacture hand overed toward sale of own shops;
- b) **the raw materials**, which participates directly to the realization activities and found in good material achieved wholly or partial, or their initial, either transformed shape;
- c) **The consumable materials** (auxiliary materials, fuels, materials for packed, spare part, seeds and planting material, fodders and another material consumable), what participates or helps with the realization activities without are found, as a rule, in achieved materials;
- d) **The materials of nature of the inventory's object**
- e) **products**, scilicet:

- Semiproducts, wherethrough is understood the products which the technological process were closed in a section (manufactural phase) and goes afterwards in the technological process of another section (manufactural phase) or is delivered the third persons;

- Finished goods produced, that is products which they went through integrally the phases of the manufacturing process and don't need more the subsequent processings in the entity, can be stored in the sight his delivery or sent directly to customers;

- The rejects, recoverable materials and the residues

f) **The animals and the bird**, respectively the born animals and those young any the kinds (calfs, lambs, shoats, soil and another) bred and used for labor and reproduction, the animals and the bird to fattened for capitalization, the colonies of bees, as well as the animals for procurement of the wool, milk and fur in the sight capitalization in the activities unfurled;

g) **The packings** which comprise the packings reused, buried or made, fated activities unfurled and which temporarily can be kept of third persons, with the obligation of the restitution in the conditions foreseen in contracts;

h) **The unfinished production**, representing the production which not passed through all the phases (the stages) of processing, foreseen in the technological process, as well as products disobediently the proofs and the technical reception or that imperfect in integrality. Also, as part as unfinished production contained the works and the jobs, as well as in course of execution or unfinished studies.

Also, as part as the stocks are included good finded out in custody, for processing or in consignment to third persons, which is registered distinctly in accounting on categories of stocks.

*From viewpoint of participation to cycle of production*, the stocks are split in:

1) properly stocks - containing those stocks which comes in on materialization of the cycle of production. Here contained:

- the raw materials;
- the consumable materials;
- the materials of nature of the inventory's object
- the merchandise;
- the packings;
- the animals and the bird;
- the stocks of this nature finded out to third persons.

2) Stocks related to production – containing those stocks which be output of the cycle of production. This category contains:

- the unfinished production;
- the products;
- the animals and the bird;
- the stocks of this nature finded out to third persons.

*According as is observed a category of stocks - animals and bird - has the dual character. This category of stocks is can used to the realization cycle of*

*production, but by reason of peculiarities of the animals can be this output to the cycle of production.*

The non-profit juridical persons (such as: the associations, the foundations, the federations, unions, the politic parties, employers, the Mutual Aid Fund and so on) can carry on many types of activities: activities tied of purpose for which were set up (the one non-profit), which activities lead to the formation of what funds shall be used to the realization propose object (the one economically) and which activities can unfurl to certain entities (the one with special destination).

***From the viewpoint of the applicability to*** (or as the result of) ***these types of activities***, the stocks are split in:

***1) The stocks used only to economic activities*** (or as the results of these). From this structure do the part: the merchandises, the unfinished production and the products.

***2) General stocks*** - containing those elements of the nature of stocks which can be used in any types of activity. In this structure enters the remainder stocks.

## **CONCLUSIONS**

Up to 1 January 2008, in Romania, the accounting settlements don't delimitate the stocks on types of activities but is permitted the development on analytic without as this appearance to strictly regulated.

From the study undertaken results that for a good accounting reflection, the accounts which hold the evidence of the elements of the nature of the stocks are due to developed through the system of analytic on types of activities, because:

- the non-profit entities can unfurl many types of activities;
- these activities presuppose the use certain categories of good of the nature of the stocks;
- a certain stock can be used in the more types of activities;
- the result of the exercise is established on types of activities.

This explanation is not needful to the merchandise, the unfinished production and the products because these stocks are binded only to the economic activity. For these structures of stocks is applied the accounting settlements valid for economic agents, that is those entities with profit purposes.

## **REFERENCES**

1. Haliga I., 2008 - *Contabilitatea persoanelor juridice fără scop lucrativ*. Editura Universității „Al. I. Cuza”, Iași.
2. \*\*\*, *Legea contabilității nr. 82/1991*, republicată în M. Of. nr. 454/2008.
3. \*\*\*, 2007 - O MEF nr. 1969/2007 privind aprobarea *Reglementărilor contabile pentru persoanele juridice fără scop patrimonial*, publicat în M. Of. nr. 846/10.12.2007.
4. \*\*\*, 2007 - *Reglementările contabile pentru persoanele juridice fără scop patrimonial*, aprobat prin O MEF nr. 1969/2007, publicate în M. Of. nr. 846 bis/10.12.2007.