

*Rudenko N.O.,  
senior lecturer of the department of accounting and audit  
Petro Mohyla Black Sea State University*

## **ESTIMATION OF THE EFFICIENCY LEVEL OF ACTIVITY IN CENTERS OF FINANCIAL RESPONSIBILITY IN THE STATE HIGHER EDUCATION INSTITUTIONS**

### **ABSTRACT**

State universities noted recently an increasing dependence on revenues from the special fund, because now the government is not able to timely and fully provide capital and part of the current expenditures of non-profit state institutions. The question of optimization the formation of a special fund and improving the management of own earnings of state universities are an urgent problem. It is not enough to calculate the profit or loss for each structural unit. Additionally necessary to evaluate the effectiveness of its operations, this will enable to develop recommendations to maximize their revenues, cost optimization and balancing of cash flows within all departments and agencies.

However, state higher education institution (SHEI) should also evaluate the effectiveness of its own activity to get detailed information on profitability or unprofitability of products and services. We can evaluate the effectiveness of SHEI on several levels:

- the effectiveness of the entire SHEI in general as a separate entity;
- the performance of each center's financial liability in SHEI as almost separate market units, operating on the principles of self-sufficiency;
- the effectiveness of each service (educational, scientific) and the product, providing or production of which corresponds to a separate CFR of SHEI.

We offered the procedure for evaluating the effectiveness of CFR in state higher education institutions which can be implemented in several stages:

1. Determination of the effectiveness of each product and service.

2. Determination of the total financial result of the whole unit (CFR).
3. The combination of data about the effectiveness of all CFR services and products and total CFR financial result, and on the basis of such combination we can determine the level of efficiency of the CFR.

In this case, evaluating the effectiveness of the levels allows combining quantitative and qualitative indicators and being understandable for management information.

Based on the information received about the levels of efficiency of financial responsibility centers in general and for each product and service heads of SHEI can make such blocks of management decisions that relate to:

- optimization of financial responsibility centers in SHEI;
- improving the product line of each CFR;
- a decision about the further development of the SHEI (in the whole and for each CFR under project approach).

In case of a negative value of the total financial result of the CFR governing body analyzes the effectiveness of each unit and its product and make a decision to change products or deny existence of such CFR in structure of SHEI (if all CFR products and services not effective and there is no acceptable solutions to current problems of the unit).