THE JUSTIFYING DOCUMENTS – THE ACCOUNTING REGISTRATION BASE OF THE WORKS AND SERVICES EXECUTED BY THIRD PARTIES

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The identification and the determination of the expenses done with the works and services of thirds is realised through the information bearers which have the vocation to reflect the effective input of time and materials, as well as the quality and the quantity of the works and services.

The data and information support are made from justifying documents, account books, financial situations and periodical account reports, electronic bearers (bands and magnetic disks, CDs, and floppy disks). Some of these supports assure, in a first stage, the data collection, meaning their consignment (registration) and their preparation for processing, operation which has as a result the obtaining of the information itself which is stored for transmission to their users, usually using other supports than those designed for the data collection.

The accounting, according to its object of study, has the obligation to observe, to record and to provide for analysis and control information corresponding to the cycle stage of production or conduct of business specific to the economic entity.

These extremely complex tasks, with quantitative and qualitative implications are materialized in: registration of the economic facts, phenomena and processes; the information processing; the information storage; the economic operations control and the information centralization.

In order to realize these objectives, the accounting, as a science, uses a procedure, specific to the economic sciences, which allows the knowledge of the economic phenomena and processes, as they happen, and this one being the **document.**

These registrations that the accounting is using them are becoming "accounting" because they are connected or they reflect the patrimony movement that must be reflected precisely, starting from the entity constitution and until the cease of its operation. The organization of the accounting cannot be realized without a system of accounting documents sensibly developed and used by well-established rules, according to the imposed level of demanding.

In this sense it must be noted that the Ministry of Economy and Finance, under the rules relating to new accounting system, has developed "The Nomenclature on the common books and forms regarding the financial and accounting activity".

The forms used as accounting documents can be printed and not printed.

The printed documents are those used frequently, and their content, form and frequency are unitary, being established by the resort direction from The Ministry of Economy and Finance.

The not printed accounting documents, such as: *register which keeps track of the expenses and the repairs made in advance, the background situations of income and expenditure indicators*, are used occasionally, and their content, form and format is established at the level of any economic entity according to its necessities of informing.

Since the accounting documents are numerous and also have a complex character, it's justified their classification or

delimit based on the role they have in the accounting system, namely: justifying documents, accounting documents, documents of summary and report or annual financial situations.

The justifying documents constitute the basis or the material support for recording in the accounts of the economic operations, being the entries in which there is recorded any operation that affect its heritage, there and when it occurred. They are proof of the commission of the economic and financial operations which they record both in the pursuit of various checks and controls, and in the situation of litigation and also the "*source of accounting information*."

The content of the justifying documents on the work and services performed by third parties is formed by the different elements that, according to the location mode and the importance that they have, can be identified in the *common* and the *specific ones.*

The common elements are those that refer to the identification data and to the responsibilities insurance for drafting, checking and approval, of which there are recalled: the name, the number and the date of the document; the name and the headquarters of the economic unit, including the organising and issuing compartment; the employees or the third entity, where appropriate, that are participating in carrying out the operation in question; signatures of persons responsible for carrying out the operation and document preparation for an opinion, for approval etc.

The specific elements are those that materialize and characterise the noted economic and financial operations, and are referring to: the content of the noted operation; the legal basis for the execution of the operation when there is the case; the quantitative data; the unitary prices and the values, or only the partial and total value data, where appropriate, other elements that are necessary to carry out further processing operations and recovery of documents, such as different codes for electronic data processing.

To support the above we will present, in brief, the specific elements of some documents considered significant, in terms of external benefits, referring to **the contract for services benefit** and to **the transport voucher**.

•In the first document, specific items are listed in the Annex to the contract and, depending on the nature of the benefit, they refer to:

- For transport services: name of the means of transport, technical characteristics, the unit of measurement; rental program, rental rates
- For repair works: the type of the repaired item, the unit price of repair; the value; the subunits that contract the repair.

•In the voucher transportation there are included, as specific elements: the name and the first name of the driver, the vehicle type, the registration number, the number of the roadmap; the tonnage of the trailer, the code rate, the elements of transport business conduct: the presentation place of the vehicle; the arrival-departure flights date (day, hour, minute); the travelled kilometres; the tons (loaded, unloaded); the name of the transported goods; the transport confirmation (person, signature); the documents accompanying goods.

The proper preparation of the justifying documents, are effectuated where and when the operation is being done, operation that is recorded, and the completion is done manually or with geometry. Those used to record the economic operations corresponding to the expenditures with the works and services are created starting from the promotion phase of the provided by services and of the executed works, it continues with the auctions and the suppliers selection, the works execution and services, their delivery, the hiring of settlement costs.

After completion, the justifying documents are subjected to processing operation. This consists of sorting the documents after the operations, expressing the currency of the size of the economic and financial operations, where appropriate, pre-counting by the overlapping of several documents and obtaining this way

centralizing documents, the arithmetic and substantive verification form (legal, appropriateness, necessity and economic aspect of the operations recorded in the document), and finally recording in the accounts.

In order to record the accounting, is done the documents analysis and weighing, indicating the symbols of the accounts in which it is to be reflected the operation recorded in these ones. There are made records either document by document, or from the centralizing documents in which there are included several justifying documents whose content relates to the operations of the same nature and from the same period.

The ensemble of the primary documents, on the basis of which the expenses are reflected in accounting, can be structured according to several criteria, one of which may be the nature of spending items property rights or affected.

In light of this criterion, primary documents related to the provided services and the works performed by third parties are numerous, but in the following lines there will be presented those most frequently used.

•**The Contract and/or the Order** is an element of particular importance for the expenses of these groups, both in terms of financial accounting point of view, as well as from a legal and commercial one, being the starting point in the substantiation and, implicitly in the recognition of these expenses.

-The amount of the service contracts and works that the contracting authority intends to award during the budget year are included in the **Annual procurement of works and services**, document which is drawn up based on the **Requirement for works and services** delivered by subunits, sectors of activity, functional departments requesting these kinds of benefits.

-The work or service provision confirmation is done based on the **minutes of receiving** the benefit done according to the realities of the work carried out in qualitative and quantitative point of view, within the limits of the contract commitments. It is signed and endorsed by a panel of delegates' beneficiaries and providers, also being a justifying document for payment of the performed work.

-The bill, fiscally accepted, is the document on which are recorded in the accounting the costs of services and works performed by third parties. This is mandatory accompanied by the Annexes, (the minutes of arrival, the quote, the situation of the works or services of which the entity benefited) confirming the actual realisation of the operations.

It is important to remember that if the date of invoice does not correspond with the period in which the expense must be recognized, then the document used to record the expenditures is for *the situation of the works done* and *the minutes of arrival*. The analyzed document is to be accepted as a payment by the offices of the resort, which checks if the work is carried out in the contract term, then cover the CFP and is recorded at the financial office, in "*the suppliers' log"*.

At this level it is made "The debit-credit note that is transmitted to career where the work itself has been performed, document on which there are recorded, in the accounts, those expenses.

•**Vouchers with fixed values** for the services of little value provided by third parties. In the case of goods and people transport and transportation in the interests of the service voucher that is attached to the invoice and certifies the performing of the services is **the transportation voucher**, which is made at the place where the expense is recorded, and the performance is confirmed by its responsible. These vouchers of transport are collected at places of expenditures in *detailed memorandums* on services providers, being then sent to the production office from the contracting unit, in order to verify the facts contained in these operations.

•**Fiscal stamps and postcards, tickets and travelling tickets, subscriptions** to various information and communication environment.

•**Insurance policies for various** assets**.**

If the expenses are recorded in advance, of shared on several exercises, the noted or employed expenses in the "N" exercise or "N+a" (A=1,2…n), the document which underpins the accounting records is " **the list of the recorded expenses registered in advance or anticipated**" prepared by the resort compartment and sent to the financial office in order to record financial expenses corresponding to the covered period.

- **The contract of services provision**, with other services, concluded with persons.
- **Payrolls** for services rendered by employees.
- **Order of travel (delegation)** and **the expenses settlement** for the daily subsistence allowance and other expenses made in the interest of the entity.
- **Bank account**, together with the notes or the related paid on commission.

In connection with the above mentioned documents we point out that in practical activity of the entities was found that there are some **shortcomings** regarding the completion, the processing and the circuit of some of them. They are determined, in particular, by the non-use of the computer peripherals to all points in the system, primary documents, in most cases, these places are made by hand, leaving the place heroes both the form and in the background. This leads to a low efficiency in addition to their processing and transmission delay on the links with higher processing to continue to use a large number of personnel and obtaining, finally, a late information, unsafe and a high cost. Also, the same thick streams of movement or processing documents and have a maladjusted to automatic processing of data, which hampers the operation of collecting and placing them into the system.

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