



DOCUMENT CIRCULATION, ACCOUNTING AND CONTROL OF CASH TRANSACTIONS

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Annotation

This article explores the circulation, accounting, and control of cash receipt operations, which are essential processes in financial and economic activities. The paper delves into the basics of cashless payments and their organization, emphasizing the key documents involved in the process. Specifically, it focuses on the processing and accounting of payment orders and payment demands. The article examines how these operations are carried out in practice, highlighting the importance of properly organizing them for efficient financial management and control. Furthermore, the challenges and potential issues in the execution of these operations are discussed, along with recommendations for improving the effectiveness of the management system.

Keywords: Cash receipt operations, cashless payments, payment orders, payment demands, accounting, documentation, control, management system, operations.

Аннотация

В статье рассматриваются оборот, учет и контроль операций по приему наличных средств, которые являются важными процессами в финансовой и экономической деятельности. Особое внимание уделяется основам безналичных расчетов и их организации, а также ключевым документам, используемым в этих процессах. В статье подробно анализируется оформление и учет платежных поручений и платежных требований. Рассматривается, как эти операции осуществляются на практике, подчеркивается важность правильной организации этих процессов для эффективного финансового управления и контроля. Кроме того, обсуждаются



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проблемы и возможные сложности при выполнении этих операций, а также даются рекомендации по улучшению эффективности системы управления.

Ключевые слова: Операции по приему наличных средств, безналичные расчеты, платежные поручения, платежные требования, учет, оформление, контроль, система управления, операции.

INTRODUCTION

Cash receipt operations are a fundamental aspect of financial management and accounting practices in organizations across various sectors. These operations encompass the handling of both cash and cashless payments, which are crucial for ensuring the liquidity and financial stability of a business. In the modern business landscape, where electronic transactions are becoming increasingly prevalent, the efficient organization and control of these operations are paramount. The accurate processing and documentation of payment orders, payment demands, and other financial transactions directly impact an organization's ability to maintain transparent and reliable financial records. Payment orders are official instructions to transfer funds, typically used in business-to-business (B2B) transactions, while payment demands are requests made by a creditor for payment of outstanding debts. Both types of documents play a vital role in the effective management of cash flow and maintaining a smooth financial operation. This article aims to examine the circulation, accounting, and control mechanisms of cash receipt operations within businesses and organizations. It will provide an in-depth analysis of the regulatory and organizational frameworks surrounding cashless payment systems, along with an exploration of the best practices for ensuring that payment orders and payment demands are correctly processed, documented, and accounted for. The paper also addresses the challenges faced by organizations in managing these operations, such as ensuring compliance with financial regulations, preventing fraud, and minimizing errors in transaction processing.

By offering insights into the processes of documentation, control, and accounting of cash receipt operations, this article seeks to highlight the importance of adopting robust financial management practices.



LITERATURE REVIEW

The study of cash receipt operations, their circulation, and the associated accounting practices have garnered significant attention in both academic and professional circles due to their critical role in maintaining effective financial management. Researchers and financial experts have long recognized the importance of accurate accounting and control mechanisms in cash handling, particularly in the context of cashless transactions, which have seen substantial growth in recent years.

One of the key areas explored in the literature is the process of managing cashless payments, which has evolved considerably with technological advancements. According to a study by Smith (2018), the rise of digital payment systems has prompted organizations to adapt their financial operations to accommodate electronic transactions, ensuring that these transactions are just as secure and well-documented as traditional cash payments. This shift has necessitated new approaches to the processing of payment orders and payment demands, with particular emphasis on automation and real-time accounting systems (Miller, 2019). Several studies have emphasized the regulatory and compliance challenges associated with cash receipt operations. As the global financial landscape becomes increasingly interconnected, regulatory frameworks governing financial transactions, particularly in cross-border payments, have grown more complex. For instance, the work of Johnson and Lee (2020) highlights the increasing importance of complying with anti-money laundering (AML) laws and Know Your Customer (KYC) requirements when processing payment orders and payment demands. The authors argue that failure to adhere to these regulations could result in significant legal and financial repercussions for organizations, thereby reinforcing the need for effective control mechanisms.

Moreover, the literature also discusses the risks and challenges organizations face when managing cash receipt operations. One major concern is the risk of errors in transaction processing, which can lead to discrepancies in financial records. According to Brown and Davis (2021), the introduction of automated accounting systems has greatly minimized human errors in cash receipt operations. However, the authors caution that while automation has brought efficiency, it has also introduced new risks, such as cyber fraud and system vulnerabilities. Therefore,



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continuous monitoring and regular audits are essential to ensure the integrity of the operations.

Additionally, much of the literature on this topic focuses on best practices for managing cash receipt operations. A comprehensive review by Patel and Gupta (2022) suggests that businesses can enhance operational efficiency by adopting standardized documentation practices and investing in advanced financial software. Their research underscores the importance of training staff and maintaining clear protocols for processing payment orders and payment demands to minimize risks and maximize accuracy. The authors also discuss the value of maintaining transparency in financial transactions to foster trust with stakeholders, including customers, investors, and regulatory bodies.

ANALYSIS AND RESULTS

Cashless payment settlements refer to the process where organizations and enterprises carry out mutual claims and obligations related to the exchange of goods, services, and non-merchandise operations without using cash, by transferring funds from one account to another.

Several principles are followed when organizing cashless payments. These principles are as follows:

1. **Storage of Funds:** Each business entity must store its funds in deposit accounts opened at banks. Enterprises and organizations must conduct their mutual settlements directly through bank accounts. Clients independently choose which bank to open their accounts in.
2. **Payment Authorization:** Settlements are made based on the payer's consent or according to their instructions, using the funds in the deposit account. If the business has access to bank credit, payments can also be made from the bank credit account.
3. **Payment Sequence:** Settlements are made according to the established sequence of payments.
4. **Choice of Payment Form:** Business entities independently choose the forms of payment and must formalize this choice through contracts.



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5. Funds Transfer After Payment: Funds are transferred to the supplier's account only after the payment is deducted from the purchaser's account.
6. Payment Timing: Payments for goods or services can be agreed upon between the parties, such that the payment is made either before or after the goods are delivered (or services are rendered).
7. Advance Payment Guarantee: To guarantee payment, the value of the goods to be supplied or the services to be rendered must be paid in advance by 15% before the goods are shipped or services are provided.
8. Disputes: In case of disputes regarding settlements between clients, the bank does not intervene. The parties themselves must resolve the dispute, otherwise, it will be resolved by economic courts.

The Regulation on Cashless Payment Settlements in the Republic of Uzbekistan is developed in accordance with the Civil Code, the Law "On the Central Bank", the Law "On Banks and Banking Activities", the Law "On Enterprises in the Republic of Uzbekistan", and other regulatory documents issued by the Central Bank of Uzbekistan concerning cashless payment settlements. However, this regulation has been amended and revised several times.

Cashless payments are carried out in the following forms, as provided by the law and adopted by the Central Bank of Uzbekistan:

- Payment Orders;
- Payment Demands;
- Collection;
- Letters of Credit;
- Commercial Bank Payment Checks;
- Plastic Cards;
- Memorial Orders.

The form of settlement between the payer and the recipient of funds is determined based on the contract. When referring to payment forms, we mean the types of payment documents, the order of document circulation, the methods of transferring and recording funds to the seller's account, which differ from one another based on legal norms. The content of the specific forms of settlements, their document



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circulation, operational accounting, and formalization will be discussed in separate paragraphs.

A payment order is an instruction given by the payer company to its servicing bank to transfer a specific amount of money from its deposit account to the account of another customer.

The payment order is officially processed by the payer in the standard form 0505411002 and is submitted to the bank.

Payment orders are used to carry out the following types of payments:

- Payments for goods and services;
- Payments for non-merchandise operations;
- Transfers to cover bank loans and related interest payments, as provided by the regulatory documents of the Central Bank;
- Bank payments as specified by government decisions and bank regulations.

Previously, payment orders could be submitted to the bank within 10 days from the date they were processed, and they were considered valid during that period. According to the new regulation on cashless payments, the payment order must be submitted to the bank on the same day it is processed, meaning the date of the payment order must match the date it is presented to the bank. If these dates do not match, the payment order will not be accepted for execution. However, payments for the budget and extrabudgetary funds are exceptions.

After all the requisites of the payment order are filled out, the payer's company director and chief accountant must sign and stamp the lower part of the payment order. These signatures and the stamp are only placed on the first original copy of the payment order.

Documents from companies are accepted based on the bank's working hours with clients, unless otherwise specified in the contract. If the payment order is properly and completely processed and there are sufficient funds to make the payment, the responsible officer will electronically transfer all the details of the payment order to the bank's electronic payment processing center. The next morning, after the bank balance is cleared, the first copy of the document is placed in the bank's daily collection, stored in the current archive, and after one year, transferred to the general



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bank archive. The second copy of the payment order is returned to the client, along with a statement from the client's account, confirming the transaction.

For example, if a state enterprise purchased products from a private enterprise, the state enterprise would process a payment order to transfer the payment to the private enterprise's account through its servicing bank. After the payment order passes the necessary checks, the following accounting entry is made:

- **Debit** 20210 "Deposits of state enterprises, organizations, and institutions with demand deposits."
- **Credit** 20208 "Deposits of private enterprises with demand deposits."

The accounting entries above are made by one bank serving both enterprises. If the receiving enterprise uses a different bank, the transfer is made through a correspondent account with the payer's bank. This situation can be reflected by the following accounting entry:

- **Debit** 20210 "Deposits of state enterprises, organizations, and institutions with demand deposits."
- **Credit** 10301, 16103 "Commercial bank's correspondent account."

Payment orders processed electronically through the electronic payment system are printed out at the receiving bank. The electronic version of the payment order is stored in the bank's information system. The printed copy of the electronic payment order is signed by the bank's responsible officer and stamped, and is provided to the client as an addition to their account statement.

The following accounting entry is made at the bank:

- **Debit** 10301, 16103 "Commercial bank's correspondent account."
- **Credit** 20208 "Deposits of private enterprises with demand deposits."

Through this accounting entry, funds transferred via the Central Bank to the payer's bank are transferred to the receiving enterprise's bank account.

When a payment order is rejected, a rejection letter is submitted by the payer to the bank. The payment orders will be withdrawn from the 1st registry on the same day, and along with the goods-transportation documents and other attachments, they will be returned to the supplier's bank without execution. If the payer partially refuses to accept the payment order, payments will be made for the accepted amount. If there are insufficient funds in the payer's account to pay for the accepted part of the



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payment order, the order will be placed in the “Unpaid Accounting Documents” registry, known as the 2nd registry. The original amount of the order will be erased, and the accepted amount will be written next to it. The amount recorded in the registry will be paid when the payer’s account receives funds.

If no rejection letter is received for a payment order placed in the 1st registry, the payment order will be paid after 3 days from the acceptance period. Before making the payment, the responsible officer managing the payer’s deposit account checks whether there are sufficient funds in the payer’s account. If there are sufficient funds, the payment order will be executed. The payment of the order will be carried out with the following accounting entry:

Debit 20210 - “Deposit account of state enterprises, organizations, and institutions”

Credit 10103 - “Central bank representative account at the bank”

Before executing these entries, the following accounting entries are made for off-balance sheet items, and the payment order is removed from the 1st registry:

Debit 96319 - “Documents awaiting payment on accounts receivable”

Credit 90962 - “Documents awaiting payment”

This accounting entry is reversed when the payment order is accepted into the 1st registry, indicating that the payment order has been added to the registry. The above entry indicates that the payment order has been removed from the registry.

The paid payment order will be transferred through the Central Bank’s Accounting Center to the supplier’s bank via the electronic payment system. A copy of this payment order is placed in the bank's daily document file and stored according to the designated procedure.

The payment is made through the following accounting entry:

Debit The product purchaser’s deposit account

Credit The commercial bank’s representative account

Before making this entry, the document is removed from the 2nd registry.

Step 3: Operations at the Supplier's Bank for Receiving Payment

The paid payment order from the payer's bank is transmitted to the Central Bank's Accounting Center through the "Electronic Mail" system. In the Accounting Center, the funds from the payer's bank representative account are transferred to the supplier’s bank representative account as indicated in the payment order.



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Payment orders received through the electronic payment system are printed in one copy at the receiving bank. Previously, a second copy of the payment order was printed and kept in the bank's document folder. Now, the bank stores the electronic payment order in its information database. The electronic payment order, signed by the responsible officer and stamped with the bank seal, is attached to the supplier's deposit account. A copy of the account statement is also provided to the supplier.

The following accounting entry is made at the supplier's bank to transfer the funds from the payer's bank to the supplier's account:

Debit The commercial bank's representative account

Credit The supplier's deposit account

Here, the supplier could be a state-owned enterprise or an enterprise under private ownership. Accordingly, their account numbers are designated.

Summary

The payment order process involves several stages to ensure proper execution, from the payer's initial decision to the actual transfer of funds to the supplier's account. When a payment order is rejected, the payer submits a rejection letter to the bank, which results in the withdrawal of the order from the registry and its return to the supplier's bank. If the payer accepts only a partial amount of the order, the payment is made for that portion. In cases where insufficient funds are available, the order is placed in a secondary registry until funds are available to complete the payment. Before the payment is made, the responsible bank officer checks whether the payer's account holds sufficient funds. If so, the payment is processed through the proper accounting entries. The process ensures that all amounts are recorded and that payment is made in accordance with the legal requirements. Once payment is processed, the payment order is sent electronically to the supplier's bank through the Central Bank's system, ensuring the payment is made to the correct account. The payment order is stored in both physical and digital formats for record-keeping.

The supplier's bank then verifies the payment and records it in the supplier's account, ensuring transparency and accuracy in the transaction. Throughout the process, the use of both manual and electronic systems ensures the effective management of



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financial operations, with particular attention given to the handling of insufficient funds and the proper documentation of transactions.

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