

# ACCOUNTING AND ANALYTICAL SUPPORT FOR THE MANAGEMENT OF THE INNOVATION STRATEGY OF THE ENTERPRISE

**Melnychuk I.V.**

Candidate of Economic Sciences, Associate Professor,  
Senior Lecturer at Department of Accounting in Production Sector,  
Ternopil National Economic University

The main source of covering innovative payments for the implementation of innovative projects and programs are capital or operating costs. Therefore, an analysis of existing accounting methods of creating special reserves to expand production, innovation, and technological development in order to rationalize the production process and marketing of products according to existing legislation and regulatory acts requires new research and ways of improvement.

An alternative variant of innovative development of an enterprise, which will provide continuous renovations and product development, would be reserve funds in special accounts for the use on innovation purposes. Provisioning of innovative development will enable the enterprise to accumulate circulating assets in order to allocate their consumption in the process of renovating production.

One of the sources of accumulation of reserve amounts for conducting innovative activities is current expenses of the enterprise. This means that all innovative payments are reflected in operating costs accounts through the gradual accumulation of a special reserve for a relevant use. Repayment of innovation expenditures is carried out by debiting the reserve amounts, for which a preliminary reservation of funds with the creation of a relevant provision (target reserves) to finance innovative projects and programs was carried out earlier.

Another alternative option is the capitalization of profit that is reinvestment with the creation of a special reserve for the inno-

vative development. This option of covering innovation expenses requires the profitable production of the enterprise because if there is no undivided profit, it is not possible to form and accumulate reserve funds for such purposes.

The problem is that according to Regulations (Standards) of Accounting of Ukraine "General Requirements for Financial Reporting" either the amount of profit, which can be directed to the payment of dividends, is displayed in the article "Undivided profit (uncovered loss)", to increase nominal capital or to increase reserve capital, or the amount of uncovered loss.

It is recommended to improve this accounting practice given that the main aim of obtaining profit is creating added value, which should be at least partly directed to the development of an enterprise and, in particular, carrying out innovative measures. We believe that in a highly competitive environment, it is advisable to reserve a portion of profits for innovative purposes. In addition, this methodical approach to accounting company profits as an additional source of funding innovative development is consistent with its economic nature.

It is necessary to make a provision for the availability of such reserve funds, the percentage of reserve amount payments and procedure for their write-off in the accounting policy of the enterprise. In addition, it is necessary to organize accounting reserve for innovative development of the enterprise. It is reasonable to distinguish accounts of the

third order for subaccount 47.4 "Coverage of other liabilities and charges": 47.41 – purchase of innovative equipment; 47.42 – creation of a new production equipment, production lines; 47.43 – improvement of production equipment; 47.44 – acquisition (creation) of innovations of intellectual nature; 47.45 – other costs related to the innovation process.

It is also necessary to develop steps for the organization of analytical accounting of

such a reserve with specifying the statement of accounting reserve amounts and the amounts of accumulation and payment.

Thus, the provision of innovative processes is carried out at the enterprise by covering innovation expenditures from current expenses and capital investment, and the alternative is to create a special reserve for innovative development by 1) allocations of current costs or 2) deductions from profits.