

## MONEY, FINANCES AND CREDIT

### **Theoretical aspects of banking institutions in the budgeting system of financial management**

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The modern economy of any country in the world is impossible without a functioning banking system. Effective and quality of the banking system of the state is due to the high level of financial management in banks. Budgeting as a tool of financial management provides identification of specific indicators to achieve the strategic and tactical goals that poses a bank.

The urgency of the problem, its theoretical and practical significance led to the choice of theme, its goals and objectives.

The purpose of the article is to study approaches to determining budgeting banks, budgeting efficiency of banks in the system of financial management and isolating flaws and benefits of banking budgeting.

Finance as an independent sphere of human activity and economic category formed several centuries earlier but gradually became the main budgetary relations in the financial and actually evolved into a separate branch of science and practice at the end XIX early XX century.

Thus, the term "budget" is inherent in a wide range of approaches to its definition. Scientists examined the different interpretations of the term put forward the following generalized definition of "budget bank".

Budgeting in the bank – is a process of planning future revenues and expenditures of the bank (individual units) and presentation of the results in the form of budgets. With budget expenditures of the bank balance is achieved and the scope and efficiency of transactions, evenly distributed expenditures with a view to

the smooth operation of the bank in all areas, costs are determined the optimal size for the best financial results and more.

Analyzing the advantages and disadvantages of using budgeting, shall decide on the nature of budgeting in their own management system. Effective budgeting banks should be paid great attention to parameters that are taken into account in the budgetary process bank, because the bank can use them to assess the effectiveness of its work in general, and predict it in the future.

Thus, in the article the theoretical aspects of budgeting banks in the system of financial management. It's based on the research of scientists proposed a generalized definition of "budget bank", which allows taking into account the specific use of this tool in the planning and management of the bank. Also found that financial planning is not only an integral part of the planning process, but also an important part of financial management as it identifies a number of operational parameters for the bank as a whole and in particular for all units for which the test can be conducted monthly.

The study of the advantages and disadvantages of budgeting allows banks to decide on the need for implementation of their budgets. However, it is created an effective system of banking budgeting to overcome financial, organizational, psychological and administrative problems. Therefore, further research on this issue should concern the development of specific implementation mechanisms and improve budgeting banks in Ukraine.