IMPROVING DIRECT COST ACCOUNTING FOR DETERMINING THE COST OF EDUCATIONAL SERVICES IN NON-GOVERNMENTAL EDUCATIONAL INSTITUTIONS

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Abstract. The development of non-governmental educational institutions in the Republic of Uzbekistan has increased the importance of improving financial management and accounting systems, particularly in relation to the accurate determination of the cost of educational services. Effective cost accounting provides educational organizations with reliable information necessary for planning, pricing, resource allocation, and managerial decision-making. This study examines the theoretical and practical aspects of improving direct cost accounting in determining the cost of educational services provided by non-governmental educational institutions.
Keywords: direct cost accounting, educational services, cost determination, non-governmental educational institutions, management accounting, cost allocation, analytical accounting, financial management.
Аннотация. Развитие негосударственного сектора образования в Республике Узбекистан обусловливает необходимость совершенствования системы финансового управления и бухгалтерского учета, особенно в части достоверного определения себестоимости образовательных услуг. Эффективная организация учета затрат обеспечивает образовательные организации необходимой информацией для планирования, формирования ценовой политики, рационального распределения ресурсов и принятия управленческих решений. В статье исследуются теоретические и практические аспекты совершенствования учета прямых затрат при определении себестоимости образовательных услуг в негосударственных образовательных организациях.
Ключевые слова: учет прямых затрат, образовательные услуги, себестоимость образовательных услуг, негосударственные образовательные организации, управленческий учет, распределение затрат, аналитический учет, финансовое управление.
Annotatsiya. O'zbekiston Respublikasida nodavlat ta'lim sektorining rivojlanishi moliyaviy boshqaruv va buxgalteriya hisobi tizimini takomillashtirishni, ayniqsa ta'lim xizmatlari tannarxini ishonchli aniqlash masalalarini yanada dolzarb qilib qo'ymoqda. Xarajatlar hisobini samarali tashkil etish ta'lim tashkilotlarini rejalashtirish, narx siyosatini shakllantirish, resurslardan oqilona foydalanish va boshqaruv qarorlarini qabul qilish uchun zarur bo'lgan ishonchli axborot bilan ta'minlaydi. Mazkur maqolada nodavlat ta'lim tashkilotlarida ta'lim xizmatlari tannarxini aniqlashda to'g'ridan-to'g'ri xarajatlar hisobini takomillashtirishning nazariy va amaliy jihatlari tadqiq etilgan.
Kalit so'zlar: to'g'ridan-to'g'ri xarajatlar hisobi, ta'lim xizmatlari, ta'lim xizmatlari tannarxi, nodavlat ta'lim tashkilotlari, boshqaruv hisobi, xarajatlarni taqsimlash, analitik hisob, moliyaviy boshqaruv.

The transformation of the educational sector in the Republic of Uzbekistan, particularly the rapid development of non-governmental educational institutions, has created new requirements for improving financial management mechanisms and accounting systems. In recent years, the expansion of private educational services has increased the need for reliable information regarding the actual cost of educational activities. Accurate determination of the cost of educational services has become an important factor in ensuring financial sustainability, developing economically justified pricing policies, and improving the efficiency of resource utilization in non-governmental educational institutions.

The importance of improving cost accounting in educational organizations is associated with the specific nature of educational services as an economic category. Unlike industrial production, where the cost of products is primarily determined through material consumption and production operations, educational services involve a significant share of intellectual resources, including academic staff, teaching materials, technological infrastructure, administrative support, and organizational processes. Therefore, the formation of a reliable cost calculation system requires a scientifically grounded approach to identifying, classifying, and allocating costs.

The legal foundations for the development of non-governmental educational institutions in Uzbekistan are established by the Law of the Republic of Uzbekistan "On Education" No. 637 dated

September 23, 2020 [Law of the Republic of Uzbekistan “On Education” No. 637 dated September 23, 2020]. According to this legislation, non-governmental educational organizations have the right to provide educational services within the framework of established licensing requirements and operate as independent entities responsible for organizing educational processes and financial activities. The Law also defines that financing of non-governmental educational organizations may be carried out through founders’ funds, payments from customers of educational services, and other sources not prohibited by legislation.

The expansion of the non-governmental education sector increases competition among educational institutions and requires the implementation of modern approaches to financial management. Under these conditions, accounting information should not be limited to the preparation of financial statements but should also serve as a basis for managerial decision-making. In particular, information on direct costs provides administrators with the opportunity to evaluate the efficiency of individual educational programs, determine economically justified tuition fees, and identify opportunities for cost optimization.

In accounting practice, direct costs represent expenditures that can be directly attributed to a specific educational service, educational program, or group of students. These costs generally include remuneration of teaching personnel directly involved in the educational process, expenses for educational materials, costs of laboratory and practical training, specialized software used for teaching purposes, and other resources directly related to service provision. However, in many non-governmental educational institutions, existing accounting approaches do not always provide sufficient differentiation between direct and indirect costs, which may lead to inaccurate calculation of service costs.

The problem of improving direct cost accounting is particularly relevant because incorrect cost allocation can negatively affect strategic and operational decisions. When direct costs are underestimated or mixed with general administrative expenses, the calculated cost of educational services may not reflect the real resources consumed. Consequently, institutions may face difficulties in developing pricing strategies, planning financial resources, and assessing the profitability of individual educational programs. The development of accounting systems in Uzbekistan is also connected with the ongoing improvement of national accounting regulation and the introduction of approaches aimed at increasing the reliability and comparability of financial information. Recent reforms in the accounting sphere emphasize the importance of transparent accounting policies and reliable financial reporting principles. These changes create additional opportunities for educational organizations to modernize internal accounting systems and apply management accounting instruments.

Despite the relevance of this issue, scientific research and practical experience indicate that the methodology of direct cost accounting in non-governmental educational institutions remains insufficiently developed. Existing approaches often focus primarily on general financial accounting requirements, while issues related to cost calculation by educational programs, student groups, courses, and specific types of educational services require further investigation. Therefore, improving direct cost accounting in determining the cost of educational services in non-governmental educational institutions represents an important scientific and practical problem. Solving this problem requires the development of an accounting methodology that ensures accurate identification of direct costs, improves analytical accounting procedures, and provides management with relevant information for effective decision-making.

The purpose of this research is to develop proposals aimed at improving direct cost accounting mechanisms for determining the cost of educational services in non-governmental educational institutions of the Republic of Uzbekistan.

To achieve this purpose, the following research objectives are defined:

* to analyze theoretical approaches to direct cost accounting and educational service costing;

* to examine existing practices of direct cost recognition and allocation in non-governmental educational institutions;

* to identify methodological problems affecting the accuracy of educational service cost calculations;

* to develop recommendations for improving analytical accounting and cost allocation procedures.

The scientific significance of the research lies in the justification of approaches to improving direct cost accounting that consider the specific characteristics of educational services provided by non-governmental educational institutions. The practical significance of the study is associated with the possibility of applying the proposed recommendations to improve financial management, cost control, and strategic planning in educational organizations.

The theoretical foundations of cost accounting have been developed extensively by international scholars. According to Charles T. Horngren, cost accounting is not limited to recording expenditures but represents a systematic process of identifying, measuring, and analyzing costs for managerial purposes [Horngren, C. T., Datar, S. M., & Rajan, M. V. (2021). *Cost Accounting: A Managerial Emphasis* (17th ed.). Pearson]. The researcher emphasized that accurate cost information is essential for determining product and service costs, evaluating performance, and making economically justified decisions. These principles are equally applicable to educational organizations, where the quality of cost information directly influences financial planning and operational efficiency.

A significant contribution to the development of cost accounting methodology was made by Colin Drury, who examined cost classification, cost allocation methods, and the relationship between cost information and management decisions [Drury, C. (2021). *Management and Cost Accounting* (11th ed.). Cengage Learning]. According to his approach, the distinction between direct and indirect costs is one of the fundamental elements of an effective costing system. Direct costs should be assigned directly to specific cost objects whenever a reliable relationship between the cost and the object can be established. This principle is particularly important for educational institutions because many expenditures, such as academic staff salaries and specialized teaching resources, are directly connected with specific educational programs.

Modern approaches to cost accounting have also been influenced by the research of Robert S. Kaplan and Robin Cooper, who developed the concept of activity-based costing (ABC) [Kaplan, R. S., & Cooper, R. (1998). *Cost & Effect: Using Integrated Cost Systems to Drive Profitability and Performance*. Harvard Business School Press]. Their research demonstrated that traditional costing systems may provide distorted information when indirect costs represent a significant proportion of total costs. Although educational institutions differ from manufacturing enterprises, the principles of activity-based costing can be effectively adapted to higher education by linking resources to educational activities, courses, and service delivery processes. This approach allows institutions to achieve a more accurate understanding of the resources consumed by each educational service.

The study applies a combination of general scientific and specialized research methods. The use of these methods allows for a comprehensive analysis of direct cost formation, classification, recognition, and allocation within educational organizations operating in the non-governmental sector of the Republic of Uzbekistan.

The systematic approach was used to examine direct cost accounting as an integrated element of the overall accounting and financial management system of educational institutions. This approach considers cost accounting not as an isolated technical process but as a management instrument that provides information for planning, controlling, and evaluating the efficiency of educational activities.

The analysis of regulatory and legal documents was applied to determine the institutional framework governing the activities of non-governmental educational organizations in Uzbekistan. The study considers the provisions of the Law of the Republic of Uzbekistan "On Education" No. 637 dated September 23, 2020, as well as relevant accounting regulations and legislative documents regulating financial activities, accounting organization, and reporting procedures. The analysis of these documents made it possible to identify the requirements applicable to accounting systems and financial management practices in educational institutions.

The comparative analysis method was used to examine different approaches to cost accounting and cost calculation applied in educational organizations. This method allowed comparison between traditional costing approaches and modern management accounting techniques, including analytical cost allocation and activity-based costing principles. The comparison was conducted to determine the applicability of international practices to the conditions of non-governmental educational institutions in Uzbekistan.

The classification and grouping method was applied to organize educational service costs according to their economic characteristics. Within the framework of this study, particular attention was paid to the identification of direct costs, including:

- salaries and related payments of academic personnel directly involved in educational activities;
- costs of educational materials and resources used for specific courses or programs;
- expenses related to laboratory, practical, and specialized training activities;
- costs of educational software and digital resources directly associated with service provision.

The classification of costs according to their relationship with specific educational services allows institutions to improve the accuracy of cost calculations and avoid excessive allocation of indirect expenses.

The analytical method was used to evaluate existing approaches to direct cost accounting and identify factors affecting the reliability of educational service cost calculations. The analysis focused on the completeness of direct cost recognition, the level of analytical detail, and the effectiveness of current accounting procedures in supporting managerial decisions.

The inductive and deductive approaches were applied to develop theoretical conclusions and practical recommendations. The inductive approach was used to generalize observations from existing accounting practices, while the deductive approach helped establish methodological principles for improving direct cost accounting based on accounting theory and regulatory requirements.

The research also applies elements of the management accounting approach, which emphasizes the role of cost information in internal decision-making. Unlike traditional financial accounting, management accounting provides tools for analyzing cost behavior, evaluating efficiency, and supporting strategic planning. This approach is particularly relevant for non-governmental educational institutions because their financial stability depends on effective cost control and economically justified pricing of educational services.

The analysis of accounting practices in non-governmental educational institutions demonstrates that the determination of educational service costs remains one of the most challenging areas of financial management. Unlike manufacturing organizations, educational institutions provide intangible services, where the main resources are associated with intellectual labor, knowledge transfer, and the organization of academic processes. This characteristic creates difficulties in establishing a precise relationship between consumed resources and specific educational services.

In many non-governmental educational institutions of the Republic of Uzbekistan, accounting systems are primarily focused on meeting financial reporting requirements rather than providing detailed analytical information for managerial purposes. As a result, cost accounting often does not provide sufficient information regarding the actual resources consumed by individual educational programs, courses, or student groups.

One of the major problems is the insufficient differentiation between direct and indirect costs. In practice, some institutions allocate a significant part of educational expenses collectively without determining whether these costs are directly related to a particular educational service. This approach reduces the accuracy of cost calculations and limits the ability of management to evaluate the economic efficiency of separate educational programs.

Direct costs in educational institutions should be identified based on their direct relationship with a specific educational service. The main categories of direct costs are presented in Table 1.

Table 1. Classification of Direct Costs Related to Educational Services

No.	Type of Direct Cost	Examples
1	Personnel costs	Salaries and social payments of lecturers and instructors directly involved in educational activities
2	Educational resources	Textbooks, methodological materials, laboratory materials, and training equipment
3	Digital educational resources	Specialized software, online platforms, and digital tools used for specific courses
4	Practical training expenses	Costs related to laboratories, workshops, internships, and professional training activities
5	Course-specific services	External specialists, invited lecturers, and specialized educational services

The analysis shows that academic personnel costs represent the largest component of direct costs in educational institutions. Since education is a labor-intensive service, the effectiveness of cost accounting largely depends on the accuracy of identifying teaching workload, calculating remuneration, and assigning personnel costs to specific educational programs.

Proposed Model for Determining the Cost of Educational Services

Based on the conducted research, the following model for determining the cost of educational services in non-governmental educational institutions is proposed:

Cost of Educational Service = Direct Personnel Costs + Direct Educational Resource Costs + Direct Operational Costs + Allocated Institutional Costs

Where:

- *Direct Personnel Costs* include remuneration of academic staff directly involved in educational activities;

- *Direct Educational Resource* Costs include materials, software, and resources used for specific programs;
- *Direct Operational Costs* include expenses related to practical training and specialized educational activities;
- *Allocated Institutional Costs* include justified indirect expenses distributed according to appropriate allocation bases.

The proposed model combines traditional cost accounting principles with management accounting approaches. Its main advantage is the separation of costs that can be directly attributed to educational services from general institutional expenses.

For non-governmental educational institutions, the following classification approach is recommended:

Cost Group	Content	Accounting Approach
Direct academic labor costs	Salaries of lecturers, instructors, and specialists involved in teaching	Assigned directly to educational programs
Direct educational material costs	Teaching materials, laboratory resources, digital content	Assigned according to actual usage
Direct practical training costs	Internship organization, practical classes, specialized equipment	Assigned to relevant courses or programs
Administrative support costs	Management, accounting, general maintenance expenses	Allocated using justified allocation methods

This classification creates a clearer relationship between resources consumed and educational services provided.

The study of direct cost accounting practices in non-governmental educational institutions demonstrates that accurate determination of the cost of educational services is becoming increasingly important under conditions of expanding private education and growing competition in the educational market. The effectiveness of financial management in educational organizations largely depends on the quality of accounting information, particularly the reliability and analytical depth of cost data.

The research confirms that existing approaches to cost accounting in many non-governmental educational institutions do not fully reflect the specific characteristics of educational service provision. The main challenges include insufficient differentiation between direct and indirect costs, limited analytical accounting by educational programs, and the absence of comprehensive mechanisms for linking consumed resources with specific educational services. These limitations reduce the accuracy of cost calculations and restrict the ability of institutional managers to make economically justified decisions. The analysis of theoretical approaches and practical accounting experience has shown that direct costs represent a fundamental element in determining the actual cost of educational services. Since educational activities are characterized by a high level of intellectual labor intensity, particular attention should be paid to the accurate identification and allocation of academic personnel costs, educational resources, and program-specific operational expenses.

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