ECONOSCITECH INTEGRATION

ISSUE 8

INTERNATIONAL SCIENTIFIC
ELECTRONIC JOURNAL

TASHKENT STATE UNIVERSITY OF ECONOMICS

American University of Technology
Powered by Arizona State University®

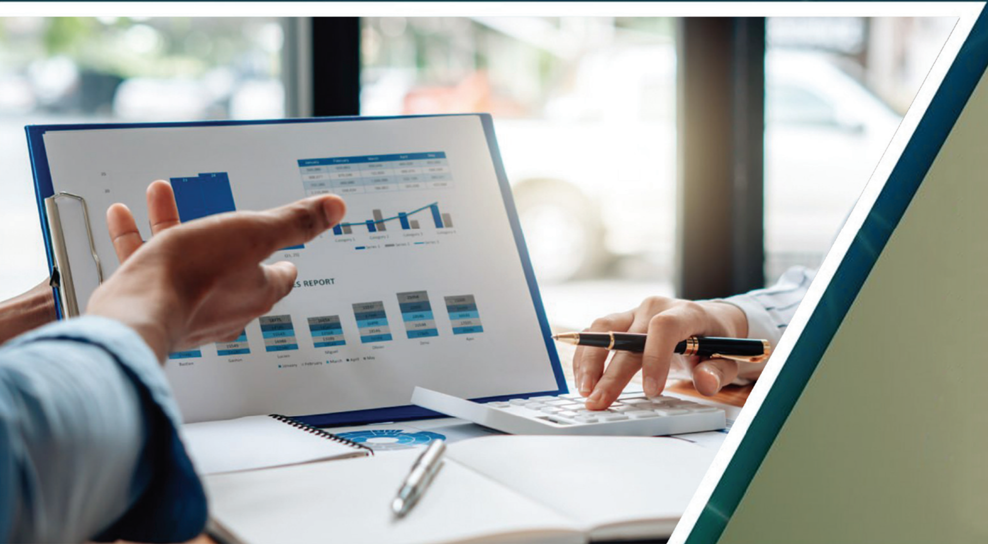
ISSN: 3060-5075

Acceptance of articles

PUBLISHED EVERY MONTHLY

ARTICLE CONTRIBUTORS

PROFESSORS-TEACHERS, SPECIALISTS AND SCIENTIFIC RESEARCHERS.



Google scholar

OpenAIRE

ISSN INTERNATIONAL STANDARD SERIAL NUMBER DENMARK

CONTACT: +998 94 3540880 https://econoscitech-integration-journal.uz 2026

THE SCIENTIFIC-POPULAR ELECTRONIC JOURNAL **"ECONOSCITECH-INTEGRATION"** HAS BEEN REGISTERED UNDER THE NUMBER C-5669651 BY THE AGENCY FOR INFORMATION AND MASS COMMUNICATIONS (AOKA) OF THE REPUBLIC OF UZBEKISTAN, EFFECTIVE FROM OCTOBER 9, 2024.

In accordance with Resolution No. 384/6 dated April 10, 2026, issued by the Presidium of the Supreme Attestation Commission under the Ministry of Higher Education, Science and Innovation of the Republic of Uzbekistan, this journal is included in the list of recommended international scientific publications for publishing the primary research findings of doctoral dissertations in the field of Economic Sciences.

Partners: Tashkent State University of Economics / American University of Technology in Tashkent (AUT)

Electronic publication. Issue 8. 374 pages.
Approved for publication in August 2026.

Editorial Board Members:

CONTENTS

CONTENTS

CONTENTS

CONTENTS

CONTENTS

CONTENTS

PRIVATE HIGHER EDUCATION INSTITUTIONS AS AN OBJECT OF ACCOUNTING

Saidova Kamolat Farhodovna
Independent researcher,
Karakalpak State University named after Berdakh
E-mail: kamolat.1984@gmail.com
ORCID: 0009-0004-9191-3901

Abstract. The article substantiates the position of private higher education institutions as a distinct object of accounting. It reveals six characteristics that distinguish such institutions from both commercial entities and state-financed educational organisations: the dual nature of their activity, the composition of their revenue sources, the extended service cycle, the specific structure of assets, the diversity of financing sources and the multiplicity of accountability addressees. It is substantiated that these characteristics are not merely sectoral features but factors that directly determine recognition, measurement and disclosure decisions. The main conclusion is that accounting in private higher education institutions requires a sector-specific methodological approach rather than the mechanical application of general commercial accounting practice.
Keywords: private higher education institution, object of accounting, educational services, tuition contract, funding sources, service cycle, accountability, IFRS 15, sectoral accounting.

INTRODUCTION

The development of private higher education in Uzbekistan over the past decade has produced a category of entities whose accounting position is not clearly defined. Legally they are commercial organisations and apply the general requirements of accounting legislation. Economically, however, they operate under conditions that differ substantially from those of a trading or manufacturing company: their principal product is an intangible service delivered over several years, their revenue arises from long-term contracts with individuals, and their activity is subject to educational licensing and accreditation requirements that shape the structure of their expenditure.

The consequence of this ambiguity is visible in practice. Accounting policies of private higher education institutions are frequently drafted by analogy with those of trading companies; tuition fees received in advance are recorded without a clear distinction between a liability and revenue; assets acquired from different funding sources are accounted for identically; and the financial statements provide almost no information about the educational activity that generates the results reported.

The aim of the article is to substantiate the position of private higher education institutions as a distinct object of accounting and to identify the characteristics that determine the methodological requirements applicable to them.

LITERATURE REVIEW

The conceptual basis for identifying an accounting object is provided by the IASB Conceptual Framework for Financial Reporting (2018), which defines the elements of financial statements and the criteria for their recognition. The Framework is neutral with respect to industry, yet it makes recognition dependent on the economic substance of the transaction — which means that sectoral features enter accounting through the assessment of substance rather than through separate rules.

For educational services, the determining standard is IFRS 15 "Revenue from Contracts with Customers", which requires the identification of the contract and of performance obligations, the determination of the transaction price and the recognition of revenue as the performance obligation is satisfied. Since education is delivered over an academic period, revenue is recognised over time rather than at a point in time, and payments received in advance constitute contract liabilities. IAS 16 governs property, plant and equipment, IAS 38 intangible assets including software and licences, IFRS 16 leases of premises, and IAS 20 the accounting treatment of grants where these are applicable.

International practice in the education sector offers additional reference points. In the United States, FASB ASC 958 establishes reporting requirements for not-for-profit entities, including the classification of net assets by donor restriction; the NACUBO methodology addresses the costing of educational programmes. In the public sector, IPSAS provide the framework for state-funded institutions. Private higher education institutions in Uzbekistan fall between these systems: they are neither not-for-profit in the legal sense nor publicly financed.

The national regulatory framework is established by the Law “On Education” (No. LRU-637 of 23 September 2020), which defines the status of non-state educational organisations, and the Law “On Accounting” (No. LRU-404 of 13 April 2016). The Concept for the Development of the Higher Education System until 2030, approved by Presidential Decree No. PF-5847 of 8 October 2019, set the direction for expanding non-state provision. None of these acts, however, addresses the sectoral specifics of accounting.

RESEARCH METHODOLOGY

Methodologically, the study applies comparative analysis, systems analysis, the method of analogy and theoretical generalisation.

Results of the analysis

Characteristics of the private higher education institution as an accounting object

The analysis identified six characteristics that define the institution as a distinct accounting object (Figure 1).

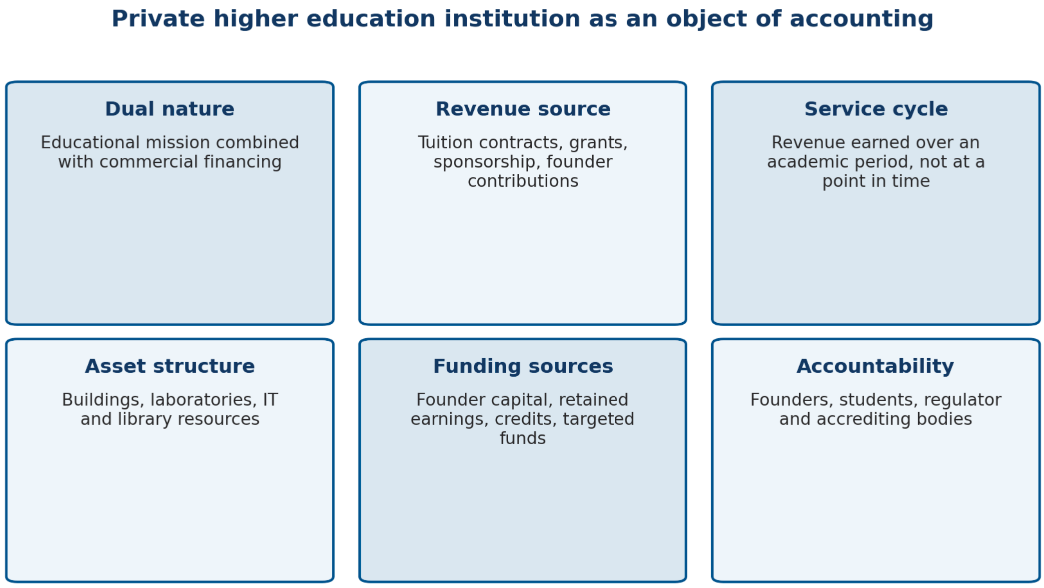


Figure 1. Private higher education institution as an object of accounting

Source: developed by the author.

The dual nature of activity. The institution simultaneously pursues an educational mission subject to licensing and quality requirements and operates on a commercial financing model. Expenditure that is mandatory for accreditation purposes — laboratory equipment, library resources, faculty qualification — cannot be reduced on purely commercial grounds, which affects the analysis of cost behaviour.

The composition of revenue sources. Revenue arises predominantly from tuition contracts with individuals, supplemented by grants, sponsorship and paid research or additional courses. Each source has a different recognition logic, which makes revenue classification a methodological rather than a technical question.

The extended service cycle. The educational service is delivered over an academic year and a full degree programme, with payments frequently received before delivery. This creates contract liabilities of significant size and makes the distinction between received cash and earned revenue central to the reliability of the statements.

The structure of assets. Assets are concentrated in buildings, laboratories, information technology and library resources. Their economic role differs by function — teaching, research, administration or support — while their technical classification does not reflect this difference.

The diversity of funding sources. Founder contributions, retained earnings, bank credits, grants, targeted sponsorship and advance tuition payments coexist, and their classification as equity, liability or income determines the reported financial position.

The multiplicity of accountability addressees. Founders, students and their families, the regulator and accrediting bodies each require different information, which extends the disclosure requirements beyond those of an ordinary commercial entity.

Comparison with adjacent categories of entities

The distinctiveness of the object becomes clearer in comparison (Table 1).

Table 1.
Comparison of accounting conditions across categories of entities

Criterion	Commercial entity	State-financed HEI	Private HEI
Principal revenue	Sale of goods or services	Budget appropriation	Tuition contracts
Revenue recognition	At a point in time or over time	Budget execution basis	Over the academic period
Asset financing	Own funds and credits	Budget funds	Mixed, including targeted funds
Cost structure	Determined by market	Determined by budget norms	Determined by accreditation and market
Accountability	Owners and creditors	Budget authority	Founders, students, regulator
Applicable framework	Commercial accounting, IFRS	Public sector rules	Commercial rules with sectoral gaps

Source: compiled by the author.

The comparison shows that the private higher education institution occupies an intermediate position: it applies commercial accounting rules to an activity whose economic content is closer to that of a service-providing public institution.

The results indicate that the difficulties observed in the accounting practice of private higher education institutions are not caused by the deficiencies of accounting legislation as such, but by the absence of sectoral interpretation. General rules are formulated for an average commercial entity; applying them without adjustment to a multi-year educational service produces statements that are formally compliant yet uninformative.

Three consequences follow. First, the recognition of tuition revenue requires an explicit sectoral methodology, since the difference between cash received and revenue earned may amount to a substantial share of annual turnover. Second, asset accounting requires a functional dimension in addition to the technical classification, without which the relationship between resources and educational outcomes cannot be traced. Third, disclosure requires a sector-specific set of notes, since the standard set does not cover the information that founders, students and the regulator actually need.

The limitation of the study is that the characteristics identified are substantiated on the basis of theoretical analysis and comparison; their quantitative significance requires empirical verification using the financial statements of a representative group of institutions.

Conclusions and recommendations

The study leads to the following conclusion: private higher education institutions constitute a distinct object of accounting, defined by the dual nature of their activity, the composition of revenue sources, the extended service cycle, the functional structure of assets, the diversity of funding sources and the multiplicity of accountability addressees. These characteristics determine recognition, measurement and disclosure decisions and therefore require sectoral methodological treatment.

Practical recommendations: (1) treat the sectoral characteristics as the starting point when drafting the accounting policy rather than adapting a generic commercial template; (2) establish an explicit methodology for tuition revenue recognition based on IFRS 15 logic; (3) introduce a functional dimension into asset accounting; (4) extend the disclosure set with notes reflecting educational activity; (5) link each funding source to the assets and projects it finances. These measures increase the informational value of the financial statements of private higher education institutions.

REFERENCES

1. IASB. Conceptual Framework for Financial Reporting. — London: IFRS Foundation, 2018.
2. IFRS 15 "Revenue from Contracts with Customers". — London: IFRS Foundation.
3. IAS 16 "Property, Plant and Equipment"; IAS 38 "Intangible Assets"; IFRS 16 "Leases"; IAS 20 "Accounting for Government Grants". — London: IFRS Foundation.
4. FASB. ASC 958 "Not-for-Profit Entities". — Norwalk: FASB.
5. IPSASB. International Public Sector Accounting Standards. — New York: IFAC.
6. NACUBO. Costing methodology for higher education. — Washington: NACUBO.
7. Law of the Republic of Uzbekistan "On Education" No. LRU-637 of 23 September 2020. https://lex.uz/docs/-5013007
8. Law of the Republic of Uzbekistan "On Accounting" No. LRU-404 of 13 April 2016. https://lex.uz/docs/-2931253?otherlang=1
9. Decree of the President of the Republic of Uzbekistan No. PF-5847 of 8 October 2019 "On approval of the Concept for the development of the higher education system of the Republic of Uzbekistan until 2030".

Proofreader: Xondamir Ismoilov

Layout and Designer: Hasan Maqsudov

2026. № 8

To publish articles in this journal, you may submit articles, advertisements, stories, and other creative materials through the following links. Materials and advertisements are published on a paid basis.

You may subscribe to the journal at any time using the following details. Once subscribed, please send a screenshot or photo of your payment confirmation to our Telegram page @iqtisodiyot_77. Based on this, we will send the latest issue of the journal to your address each month.

Our address: Tashkent city, Yunusobod district, 19th block, House 17.