

FINANCIAL REPORTING IN EDUCATION INSTITUTIONS THE IMPLICATIONS OF THE TRANSITION TO ACCRUAL ACCOUNTING

Iuliana Cenar, "1 Decembrie 1918" University of Alba Iulia

ABSTRACT. At the beginning of the third millennium, the role of accounting changed fundamentally, including in terms of the major intervention in collecting and treating information used to achieve an efficient management that will support the future evolution of entities, including institutions of higher education. Accounting is called to ensure veridical and objective information for all the "actors" who play their role on the scene created by the university of the future, its internal and external environment.

As the language of business, accounting shapes information in the form of syntheses, in which financial reporting is discerned. In the public sector, the information's structure and content was subjected to major transformations, generated by the complementary of cash accounting with accrual accounting and the generalization of double entry accounting, changes that became applicable at the beginning of 2006. This paper approaches aspects regarding the purpose of the accounting information processing, namely: the role of higher education institutions in supplying public capital, seen as a development factor; the structure, objectives and usefulness of financial statements in the public sector; the effects of using the two accounting models, cash and accrual, on the quality of financial reporting.

Key words: financial reporting, education institutions, cash accounting, accrual accounting

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