

**ACCOUNTANCY OF EUROPEAN FUNDS, INVESTED IN THE ROMANIAN  
AGRICULTURAL SECTOR**

**Daniel PetruVârteiu, Ph D.**

University 1st of December 1918, Alba Iulia, Romania

**ABSTRACT**

Through this article I intend the identification of the main categories of beneficiaries of the European funds invested in the agricultural sector, and the economical – financial operations which were registered in accounting by the beneficiaries of the European funds projects which were accessed in Romania. After joining the European Union, Romania has become a Member State having full rights starting from 01.01.2007 and has benefited from European funds for rural environment development through the National Regional Development Program 2007 – 2013, and at the moment, funds may be accessed through the National Regional Development Program 2014 – 2020. The form of organization for the project beneficiaries is diverse, starting from the simplest (Self -employed person) and reaching the companies' most complex form, all being obliged to keep a simple - entry or double - entry bookkeeping, as the case may be, according to the laws in force. Irredeemable European funds are registered in bookkeeping as grant, in the category of asset related grants (if the purpose of granting was purchasing fixed assets, enhancing a terrain or realizing tangible assets by own production) or in the category of income – related grants (destined to cover the expenses occurred by activity development).

**Keywords:** Accounting, European funds, project beneficiaries, agricultural sector

**INTRODUCTION**

Romania is a country situated in the south Eastern Europe, having 45% of the population living in the rural environment. These inhabitants' main source of income comes from selling the production they obtain within the agricultural holdings and from the grants obtained from the Government and European Union under the irredeemable European funds. The institutions, through which the European funds are received, are the Agency for Rural Investment Financing (ARIF) and Agency for Payments and Intervention in Agriculture (APIA); these institutions having the role of Intermediate Organisms (IO). Through the National Regional Development Program (NRDP) 2007 – 2013 it has been ensured a financial allotment of 8.12 billion Euros, the petitioners having the possibility of accessing more than 15 project measures on European funds ([www.apdrp.ro](http://www.apdrp.ro)).

**Table 1. European funds absorption situation through NRDP 2007 – 2013**

<b>Year</b>	<b>Absorption percentage</b>
2012	50.42%
2013	66.74%
2014	82.50%

Source: [www.fonduri-ue.ro](http://www.fonduri-ue.ro), accessed on 18.09,2017, 17 o'clock.

Through the National Regional Development Program (NRDP) 2014 – 2020 9.363 billion Euros are allotted (8.015 billion for European Agricultural Fund for Rural Development and 1.347 billion is national contribution) for financing 14 rural development measures, which means that the petitioners have a variety of measures at their disposal, measures which they can access according to each one's needs and development possibilities. European Union represented and still represents for Romania an important sponsor through the funds made available, for being a Member State, funds which aim the development of different sectors and types of activities.

## **METHODOLOGY**

Our research aims both presenting the theoretical aspects concerning the European funds accessing and keep these funds specific accounting, but also the practical aspects concerning the accounting registration of the main economical – financial operations specific to the agricultural activity developed by the beneficiaries of the European funds projects.

As methods and research techniques used within our research, we have appealed to theoretical documentation, synthesis and practical documentation. The theoretical documentation is consisted of studying the specialty literature and the national legislation in force. The synthesis was used in presenting the theoretical aspects, the economical domain being a vast study field, and we have used the practical documentation for accounting registration of the economical – financial operations specific to irredeemable European funds.

### **1. ORGANIZATION FORMS OF TE BENEFICIARIES OF EUROPEAN FUNDS PROJECTS**

The financing petitioners through European funds projects and subsequently their beneficiaries may be organized under the following forms (Rentrop&Straton, 2017):

1. Trading companies funded based on the Law no. 31/1990 – “Trading Companies’ Law”, republished with the subsequent modifications and completions. According to Law no. 31/190, companies may be: Limited Company, stock companies, general partnerships, limited partnerships, stock limited partnerships. All of these companies are obliged to keep accounting in accordance with the Law no. 82/1991 – “Accounting Law” and O.M.F.P. no.1802/2014 – “Accounting regulations concerning annual individual financial situations and the consolidated annual financial situations”

Agribusinesses funded on the basis of Law no.36/1991 – “Law concerns the agribusinesses and other forms of association in agriculture” with the subsequent modifications and completions. Law no. 36/1991 at Article 5 defines an “agribusiness” as being a type of private company, having a variable capital and an unlimited and variable number of associates, having as purpose the agricultural exploitation of land, tools, animals, and other means brought in the society, as well as making investment in agricultural interest. Agricultural exploitation may be consisted of: organizing and making agricultural work and land improvements, utilizing machineries and installations, supply, processing and marketing agricultural and non – agricultural products and other such activities. Agribusiness does not have a commercial feature”. Agribusiness keep accounting in accordance with the O.M.F.P. no. 1969/2007 regulations,

3.“Accounting regulations for legal entities without patrimonial purpose”

4.Self employed persons, individual enterprises, family businesses funded on the basis of O.U.G. 44/2008 – “Emergency Ordinance concerning the development of economical activities by self – employed persons, individual enterprises and family business.” These types of entities have the possibility of choosing between carrying a single – entry bookkeeping under the regulations of O.M.P.F. no.170/2015 – “Accounting regulations concerning simple – entry bookkeeping” or double – entry bookkeeping under the stipulations of Law no.82/1991 – “Accounting law.”

## **2. JUSTIFYING DOCUMENTS USED IN THE AGRICULTURAL ACTIVITY**

The main justifying documents which are used within the agricultural activities are the following (Ilie B, 2008):

1. Invoice, is a justifying document which is used for registering the assets’ inputs/outputs and the stocks in/from the agricultural holding’s patrimony.
2. Delivery note, is used when harvesting the production, at the transfer towards the own or other people’s stores.
3. Certificate of production marketing obtained by self – employed persons, is a justifying document used for registering the goods purchased from individuals.
4. The receipt is a document which attests the payment of the goods entered into the holding, or cashing the goods sold out of the holding.

5. Reception note and finding differences, is a justifying document used for the reception of purchased goods: animals, birds, forage, medicines.
6. Fixed assets' reception record, is a justifying document of recording the animals as fixed assets in operative bookkeeping and in accounting.
7. Asset sheet, used for animal recording which are registered as assets.
8. Numbers' inventory book, is a justifying document used in adjudicating the inventory numbers, for the goods which are a part of this category and for easily being indentified.
9. Sheet storage, justifying document used for stock input/output registration, as well as of the received finished products
10. The ticket is a justifying document for registering the stock of materials' and forage's giving up for consumption.
11. Sheet of forage consumption, used for registering the forage consumption.
12. Milking diary, is a justifying document for registering the milk production
13. Scale note for receiving the produced quantity, is a document used for registering the produced quantities within the agricultural holding.
14. Weighing protocol, used for registering the animals' gaining in weight.
15. Stock register, used for registering the stocks.

### **3. PRACTICAL ASPECTS CONCERNING THE IRREDEEMABLE EUROPEAN FUNDS' ACCOUNTING**

1. Zootehn Company registers the to be received grant from APIA in 2017, for the owned agricultural area, of 1000 Euros, exchange currency 4.59 Ron/Euro
  - Registration of to be received grant  
4451 = 472 4590  
Government Prepaid incomes grants
  - Cashing the grants for surface, in October  
5121 = 4451 4590  
Ron bank accounts Government grants
  - Registering the grant as income, in October  
472 = 7417 4590  
Prepaid incomes Incomes from operating grants
2. Zootehn Company receives a grant for gasoline of 1 Ron/liter from API. A 1000 liters consumption is estimated for the development of agricultural activity.
  - Registering the to be received grant  
4451 = 472 1000  
Government Prepaid

- grants incomes
- Registering the gasoline consumption  
6022 = 3022 5000 (1000l x 5Ron /l)  
Expenses concerning Fuel  
fuel
  - Registering the grant as income, concomitant with fuels  
472 = 7412 1000  
Prepaid incomes Incomes from  
operating grants  
for raw materials/  
material
  - Cashing the gasoline grant  
5121 = 4451 1000  
Ron bank accounts Government grants
3. Zootehn Company receives a grant from (ARIF) for purchasing a tractor of 50.000 Euros, currency rate 4.8 Ron/Euro.
- Registration of to be received grant at financing approval  
445 = 472 240.000  
Grants Prepaid incomes
  - Tractor purchasing  
2131 = 404 240.000  
Technological Assets  
equipments suppliers
  - Grant cashing  
5121 = 445 240.000  
Ron bank accounts grants
  - Paying the supplier from the casher grant  
404 = 5121 240.000  
Asset Ron bank accounts  
suppliers
  - Assets' amortization annual registration on a period of 10 years  
6811 = 2813 24.000/year  
Operating Installations and  
expenses means of transport  
concerning amortization  
assets'  
amortization

- Resuming the received grant at incomes  
4752 = 7584 20.000  
Irredeemable Incomes  
loans having from grants  
grant character for investments  
for investments

## **CONCLUSIONS**

Once with the adherence at European Union, as a Member State, Romania benefits from irredeemable European funds for developing the different sectors and types of activities. The agriculture is one of the priority domain in which the European money is invested, having the purpose to make ecological products and increasing the life quality in rural environment. The main forms of organization of the petitioners of European projects specific to the agricultural sector, differs from the simplest form (Self – Employed Person) and to the most complex form of the companies. The obtained irredeemable European funds are registered in the project beneficiaries' accounting as grants, in the category of grants afferent to incomes.

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[www.apdrp.ro](http://www.apdrp.ro) , [www.fonduri-ue.ro](http://www.fonduri-ue.ro)