

## SUMMARY

**Subject matter of the dissertation:** The local budget as a basis of social and economic development of municipal union (on an example of Krasnovostochnogo of rural settlement of Malokarachaevsky area KCHR of the Russian Federation).

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**Customer organization:** Administration of rural settlement the Red East of Malokarachaevsky area KCHR of the Russian Federation

**Topicality of the research:** As typical and basic problems for rural settlements of the Russian Federation low level of own incomes of local budgets and their high dependence on budgets of higher levels act. Thereupon the budget of rural settlement acts not only the base, but also the original indicator of social and economic development of settlement.

Therefore, the urgency of a theme of research consists in necessity of the decision of problems of budgets of rural settlements in the conditions of local government reforming.

**Objective:** Definition of ways of perfection of the mechanism of formation and execution of budgets of rural settlements as bases of their successful social and economic development.

**Tasks:** to define essence and the social and economic maintenance of the local budget; to study functions of the local budget; to investigate structure of local budgets of the Russian Federation; to reveal the basic problems of local budgets of rural settlements in the Russian Federation; to characterise modern social and economic development of Krasnovostochnogo of rural settlement of Malokarachaevsky area of Karachaevo-Circassian republic Russian Federation; to

analyse budgetary indicators of Krasnovostochnogo of rural settlement in 2009-2011г.; to plan ways of perfection of the mechanism of formation and execution of budgets of rural settlements Russian Federations.

**Theoretical and practical significance of the research:** The theoretical importance of research consists in disclosing of economic and social essence of the local budget as base of social and economic development of municipal union in the Russian Federation. The practical importance of research consists that results of research can be recommended, first of all, to federal bodies representative and executive power for the decision typical and acute problems of rural settlements Russian Federations, and also to local governments of actually rural settlements for financial planning and management improvement of quality.

**Results of the research:** The Social and economic maintenance of the local budget is shown by means of functions carried out by it - redistributive, воспроизводственной, regulating, stimulating, planned, control and social.

Typical problems of local budgets of rural settlements in Russian Federation are: low level of own incomes of local budgets; high degree of dependence on budgets of higher levels; weak tax base and absence of stimulus at rural settlements for its development.

Spent by us vertical, horizontal, trend and коэффициентный methods of budgetary indicators of Krasnovostochnogo of rural settlement has allowed to reveal quite typical problems: high degree of dependence on budgets of higher levels, low budgetary security of inhabitants own incomes of the budget, prevalence in structure of expenses of administrative expenses and financing of social sphere of settlement by a residual principle, the budget of rural settlement is not balanced.

**Recommendations:** With a view of increase of budgetary security of rural settlements, and also perfection of the mechanism of formation and execution of local budgets of rural settlements Russian Federations, achievements of their steady social and economic development by us are offered following directions:

1) formation of balance of the power on a vertical regarding interbudgetary relations;

2) introduction of system of territorial self-financing;

3) simplification, liberalisation and increase of a transparency of tax system by means of introduction of the tax from a gain from realisation instead of 3 taxes: the VAT, the profit tax of the organisations, the tax to the cumulative income, including the uniform agricultural tax (keeping thus developed weight of tax withdrawals);

4) introduction of payment and transfer of the tax to incomes of physical persons not in a place of work of the tax bearer, and in a place of its residence;

5) to establish dependence of a salary of municipal employees on the category of rural settlement defined on level of budgetary security of the population by own incomes of the local budget.