

Exploration of Asset Management in College

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Abstract—With the rapid development of colleges and universities in China, earth-shaking changes have taken place in both the quality and quantity of their national assets and the original asset management modalities have been lagging behind the pace of development. Therefore, how to effectively safeguard the interests of state-owned assets of universities, thus avoiding the waste and promoting value retaining and increment, has become a major problem. Combined with the actual work, this paper carries out a detailed analysis of five realistic issues, then extensively studies the outstanding experience of foreign counterparts, and finally summarizes seven ideas and suggestions for the reform of asset management.

Keywords—asset management, waste prevention, reform ideas

I. INTRODUCTION

In recent years, with the higher education stepping into the phase of popularization development, China's institutions have reached a rather high level, no matter for the total assets or the financial investment. According to related statistics, the total building area of nationwide colleges and universities has been up to 780.76 million m² by 2011 (including these non-proprietary ones which are used independently), and there is an increase of 34.72 million m² compared with the previous year; the total cost of the equipment of teaching and research equipment is up to 255.5 billion yuan, and there is an increase of 27.6 billion yuan compared with the previous year, with a growing rate of 12.1%.^[1] In the face of such a large number of state-owned assets, how to manage this account, effectively safeguard the state's interests, prevent the waste and the loss of state-owned assets, and increase the value retaining and increment has become an increasingly hot issue in colleges and universities.

II. THE STATUS OF ASSET MANAGEMENT OF CHINA'S COLLEGES AND UNIVERSITIES

A. The management think is behind the times, leaders lack enough attention, and the front-line administrators lack initiative

As most of the colleges and universities in China belong to public institutions, their sources of finance depend on the government financial allocation, resulting in the lack of the sense of competition. There is no need for them to undertake economic responsibility, so leaders here usually focus on teaching and asset purchase rather than asset performance management. Based on this kind of

backward ideology, most of front-line administrators only concentrate on the account, for they think if the property is managed well, they achieve success. However, the idle assets are ignored, let alone the value retaining and increment of state assets. This kind of cognitive bias may incorrectly locate the management of fixed assets and weaken the awareness of asset management as a whole, thus the time value and economic benefits of assets are ignored. Therefore, it is even difficult to conduct theoretical research and practice exploration.

B. Lack of professional management personnel and the uneven quality of personnel.

The management effect directly depends on the comprehensive quality and responsibility of management personnel. In the current universities, this work fails to carry on well, and there are various reasons, including high quotas of workers, older employees and part-time employees, unprofessional training, ill-formed performance appraisal, and the personnel are of varying quality. Although some colleges and universities will carry out some training and studies, most of the administrators still do not have a clear development plan, the personal development direction is chaotic and the future space is narrow. The thought muddling along also makes the rapid development of the management lack a solid foundation.

C. The system has been left unused and the effective supervision is missing.

To prevent waste of state assets, the key point lies in the supervision. Lack of supervision will breed corruption, and it would hardly be any high efficiency. Currently, the awareness to supervise the assets management of different departments is generally absent, for there is no working procedures used for the supervision and evaluation of asset usage as well as the monitoring and evaluation mechanism. The reason lies in that both the leadership masters the decision-making power, and property rights. Therefore, the monitoring mechanism is almost invalid in this case, thus the system has been left unused and the program becomes a mere formality, failing to play due effect.

D. Resources waste and lack of inherent driving force

The sources of funding for colleges and universities are mostly financial investment. As managers lack the market-oriented consciousness as well as the responsibility for value retaining and increment, it is almost impossible for the value retaining and increment of state assets. Meanwhile, the funds are allocated to the various

departments who may purchase equipment according to their own need but lack of communication, this kind of personal view leads to the low usage rate of a great deal of common equipment and valuable equipment, which is undoubtedly a huge loss to the already inadequate funding investment in education. There is still a long way to go to solve this problem, which requires long-term education and publicity, but the most crucial point lies in the internal driving force for asset managers.

E. Traditional mode of account, card and material is still the mainstream, and the management techniques are overall behind.

As an old saying goes like that "It is necessary to have effective tools to do good work". In recent years, the informatization construction of the network in colleges and universities has made considerable progress. Almost all of them own their own websites and the asset management database have been established. However, compared with the asset system, the educational administration system of most colleges and universities is better in informatization speed, managers' operating level, or some practical aspects. For the asset management system, its single database has a high proportion, the data openness is poor, the management and financial network are inferior, the mode of account, card and material accounts for a high proportion and the low capacity of administer to operate the new technology.

III. EXPLORATION OF ASSET MANAGEMENT MODE OF FOREIGN UNIVERSITIES

Give play to the excellent experience of foreign universities and avoid their shortcomings is an important step to carry out management research. Although the assets management system varies in different conditions, there are still a lot of highlights of public schools in foreign universities worthy of our researches.

A. American model with the independent asset managers

Different from the single source of funding in China's universities, U.S. public universities have more channels for fund-raising: the financial allocation accounts for 50%, the state government owns the largest share, about 40%, the federal state capital accounts for 10%, and the remaining half of the fund is raised by colleges and universities. This includes corporate contributions, social donation, individual donation, etc. The school board is the principal governing body, consisting of government officials, business leaders, celebrities and school students and others. However, the person responsible for management of state assets must be shared with the State Council of Higher Education. Thus, the asset management team of U.S. public universities is relatively independent, for they must be co-assessed by both the state board of education and the school.

B. Democratic and transparent German model

The higher education in Germany is very popular and there are more than 300 types of institutions of higher

learning, distributed in 16 federal states, with the total number of students enrolled approximately 1.9 million. In German institutions of higher learning, the self-management is implemented, meanwhile, another state department is in charge of supervision; therefore, the internal management shows the following characteristics:

High degree of democracy: in colleges and universities, all employees have an equal right to participate in school asset management.

Transparency: Anything related to the development of the school can be openly discussed in order to facilitate the supervision of government and community.

Management mode is diverse: the asset management philosophies of German Universities are similar, but there are also differences in the specific management models, even in the same state.^[2]

C. French model--- emphasis on resource sharing.

After World War II, with the rapid development of French economy and technologies, the colleges and universities became a national research force. The separation phenomena between education institutions and research institutions, the teaching and researches in universities has been fundamentally changed, thus forming the distinctive cooperative and French model among these institutions. In the late 1980s, among 1350 French National Scientific Research Centres, there are 940 laboratories are in collaboration with universities. The early 21th century, national research centres have signed 200 cooperation agreements with universities and engineering schools, and there are 60% of researchers and engineers are working in the University's collaborative research units.^[3] This greatly improves the utilization rate of the laboratories, especially for these with expensive laboratory instruments, if it is run jointly, a lot of unnecessary expenses can be saved.^[4]

IV. REFORM IDEAS AND WORK PROPOSALS OF THE ASSET MANAGEMENT IN DOMESTIC UNIVERSITIES

A. Strengthen the awareness of the legal system of state-owned assets management.

- Leadership Accountability System

As for property right identification of state-owned assets in universities, from the perspective of phenomena, it belongs to colleges and universities, through which colleges and universities can exercise all rights in their own name. However, in essence, state-owned assets of universities, just like other state-owned assets of administrative organs and state-owned enterprises, are owned by the state. It is the responsibility of the leadership of universities to wisely use and take good care of all the taxpayer's assets. They will be held responsible for violation of regulations, failure to or being unable to perform their duties properly in purchasing, sales, financial management, investments, guarantees, transfer of assets and restructuring and reorganization, asset custody and maintenance. Furthermore, it is essential to gradually

improve relevant laws and regulations to ensure the norm and effects of management work.

Promote publicity and carry out maintenance conscientiously

Most of the personnel in the domestic universities are deeply affected by China's planned economy and lack the asset management consciousness; for example, some teachers overprotect their own equipment, unwilling to lend it to others, for they believe that the equipment purchased by their personal funds should be freely disposed by them. This kind of ideological confusion should be solved by education of the asset management departments.

B. Perfect the mechanism and establish the three-class management mode.

To carry out work smoothly requires reasonable institution setting. After many years of exploration, our school, together with many other brother institutions, has come to explore a three-class management mode --- Unified Leadership and Graded Management, which means that under the unified management, set up an authoritative and independent state-owned asset management department as a functional unit, and professional staff are equipped with to be responsible for the management of fixed assets of the school. In this way, all the links of asset management must be included in the asset management institutions to implement unified management, which could completely solve the problems of decentralized management. The faculty or institutes undertake the second-level management, while the third-level is the specific users. In such a model, rights are concentrated, which could put an end to the "power-for-money deal" and prevent the loss of state assets.

C. Strengthen the management and standardize the operation process.

- Asset purchase management

The purchase of fixed assets should be applied by the users, and the application must be with the signature of the responsible officer in this department. Then pass the application to the financial department for budget or fund audit; meanwhile, the comprehensive management department should provide the audit of assets stock, assets intact rate and asset usage efficiency of the application department. Finally, the application will be submitted to the assets management department for approval and implementation. The procurement process is strictly in accordance with the regulations of government procurement center; under the supervision of audit department, the assets management department should strictly control the supply agreement, online auction, bidding procurement, etc, based on the amount and type of goods.

- Management of assets usage

The use of the assets is a long-term process, ranging from one or two years to dozens of years, so the actual users will change frequently, coupled with the borrowing and lending of some devices. Therefore, the management

of the assets actually lies in the education and management of users. The second - level administrator should carry out regular inventory check to timely grasp the investment, inventory of fixed assets and achieve accounting treatment according to the rules of procedure. For the disposal, legal transferring of the fixed assets, the second - level administrator should strictly perform the audit procedures and the responsible officers in the department which causes the loss of fixed assets must undertake the due obligations.

- Management of assets disposal

Users should submit scrap application to the second-level administrator based on the service life of assets and the actual situation, and the administrator should submit it to the relative leader for approval after the preliminary identification. Then the asset management department jointly with the financial department and appraisal committee to review the application, and then it will be passed in the system to be scrapped. Finally the assets will be classified by the assets management department under the supervision of the auditing department and then they will release the bidding announcement, perform the bidding procedures, and cut the asset data. In addition, the revenue of the assets disposal will be inclusive of school's financial accounts to achieve two-way management of revenue and expenditure.

D. Conduct independent supervision and promote the communication between officials and the public

In recent years, although the right supervision system of China's colleges and universities has achieved some successes, there are still deep-seated problems unresolved. Therefore, to make administrative and supervise effectively separated and form an effective right balance mechanism should be the direction of future development of the supervision system in China's colleges and universities.

The author believes that we should mobilize the masses to participate and carry out extensive supervision, which may give this supervisory organization independent right, using right to control power. A supervisory board could be established, which consists of teachers, workers, students, alumni, retired teachers and veteran, outstanding entrepreneurs of sponsored schools. Give this organization the right to offer advice and supervision, and gradually position it as a permanent consultant-level institution which is frequently involved in major decision-making and occasionally involved in specific matters (eg bidding), and regularly make a return to the whole school. Only in this way, the relatively independent organization can be formed to achieve the effective balance of power, thus fundamentally preventing the corruption.

E. Carry out people-oriented idea, optimize assessment and incentive system and improve team building.

The people-oriented idea means to innovate the talent cultivation mechanism. Cultivate a mature, stable, skilled asset management team by optimizing the assessment and

incentive system. The author believes that it could be carried out from three aspects, shown as follows:

“Select a superior solution from superior solutions” and adhere to strict access system.

Strict access system is the premise, for only the establishment of professional standards could ensure overall quality of asset administrators. The asset administrators in China’s colleges and universities should be required to have received higher education, strong sense of responsibility, dedication and ability to communicate and coordinate with others, proficiency in computer operation ability, etc. This system could provide protection for the later informationization.

Build the continuing education and training mechanism of the system and improve the administrator development mechanism.

The advancement of new technologies, new methods and new policies requires the team to keep learning, fully grasp the new methods and fully comprehend the new ideas. This kind of learning should be long-lasting, regular or irregular. The most important point is to strengthen exchanges between faculties of the same university and even between different universities and colleges, which are conducive to identify problems, solve problems and learn from each other, thus coming up with more effective ways. In addition to short-acting learning, the school should provide policy support for the career development of assets administrators. When developing titles assessment documents, the complexity and specificity of assets management should be taken into consideration, so the title evaluation of professional assets administrators should be distinguished from the professional teachers, in order to gradually cultivate a group of professors, experts, scholar-type administrators, and encourage and support administrators to be engaged in this work.

Establish a system to evaluate the performance of fixed assets and improve diversified incentives.

The fixed asset performance evaluation is to evaluate whether the assets have been used reasonably, safely, integrately and effectively. To build a system to evaluate the performance of fixed assets is the only way to break the traditional mess system, strengthen asset management and improve asset utilization. How to capitalize on performance pay to conduct a reform and promote leapfrog development of asset management is a test which requires the wisdom of leadership. Therefore, leaders should understand the needs of administrators at all levels and make some regulations by the incentive lever to achieve good working results.

F. Network management to improve management efficiency by technology

Currently, the information technology database has been used to replace the traditional model. Take my school as an example, since 2004, the school began to promote the Beihua asset management software, where various procedures such as the application of equipment requisitions, equipment account, browsing of equipment accounts, modifications to device status, the application of

equipment retirement all could be achieved by the second-level administrators at the client side web of the database. Then the first-level administrators need to check and modify it. This dynamic rather than static management mode could reduce the daily workload of the asset management department and then gradually form real-time management for various processes, such as equipment purchase, account management, application of equipment retirement. Users could view the equipment in stock, and it provides a basis for the resources sharing.

G. Paid sharing and common development of teaching and research enterprise.

The French model gave us great inspiration; due to the limited investment funds of government of the college and universities, the cooperation of universities and enterprises can quickly resolve the funding gap and shorten the conversion period of research, as well as greatly improve the service efficiency of the lab. So it is a good cooperative way to open the lab. To achieve it, it is necessary to solve the paid use problems of the state-owned assets. In the common sense, the usage of assets in colleges and universities generally involves the real estate, fixed equipment, and some intangible assets such as the school's patents and name. Here to simply the range, only the fixed equipment assets, namely, large expensive equipment and general equipment are discussed. There are few studies on this subject. As there are so many problems such as the pay rate of the equipment, equipment depreciation, equipment set loss, it is difficult to operate it. However, once it is promoted effectively, it is of great significance to improve the use efficiency of funds, achieve the circulation within the universities, and promote the interdisciplinary communication. In this regard, the author suggests that leaders should strive to learn related leadership experience from foreign countries, open ideas and carry out innovation to establish a set of reasonable and feasible approaches for paid use, which could find a balanced point and achieve promotion by the constant practice.

V. CONCLUSION

“Interim Measures for the management of state-owned asset of administrative unit” and the “Interim Measures for the management of state-owned asset of public institutions” implemented in July 1, 2006 marks a new historical period of the development of the asset management of administrative unit and public institutions. It has great practical significance to improving financial functions and building a harmonious society to further strengthen the management of state assets, safeguard the interests of state-owned assets, and take some measures to prevent waste and loss and promote the maintenance of and appreciation of value. The key is to adhere to the people-oriented policy, develop and implement management system suitable for the various situations of colleges and universities. Besides, it is also necessary to innovate the management mode of state-owned assets in colleges and promote reform and innovation step by step

with clear focus in order to constantly open the way for asset management in our universities.

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