



Research on the Optimization Path of University Budget Performance Management

Nangezi Yuan

Yunnan University of Finance and Economics, Kunming 650221, China

806057382@qq.com

Abstract. Special financial funds occupy an essential position in the fund source of universities. In order to improve the financial management level of Chinese universities, it has become an essential task to improve the effective use of special financial funds. This paper analyzes the current situation and practical problems of financial fund budget performance management in Chinese universities. It puts forward the optimization path to solve these problems to provide a comprehensive and systematic reference for the optimization of the financial budget performance management in universities, to promote the modernization and upgrading of the management system in universities, and to realize the optimal allocation of resources.

Keywords: University Budget Management; Financial Funds; Public Finance.

1 Introduction

Universities are essential to social development, and fiscal budget performance management has been watched. In 2022, the Ministry of Finance and the Ministry of Education of China issued a document entitled "Financial System for Higher Education Institutions," which clarifies that budgeting for higher education institutions should follow the principle of "keeping expenditure within the limits of revenues and balancing revenues and expenditures," that revenue budgeting should be done proactively and prudently, and that expenditure budgeting should be done in an integrated and balanced manner, with a focus on critical issues and with attention paid to economizing[1]. In the changing social environment, optimizing budget performance management is particularly urgent through the research of current universities and university budget performance management situations and analysis of the existing problems can clear resource allocation, performance target setting, execution and monitoring, and performance evaluation and feedback key stage of the problem and optimization path.

It is found that the imbalance of resource allocation, the irrationality of setting performance goals, internal management, and organizational culture, the lack of information level, and the limitation of budget affect the effective operation of the performance management of budget in universities[2]. In this context, it is necessary to think profoundly and put forward practical solutions to optimize the budget performance management of universities. This article will revolve around the university

budget resources allocation, improving the management system, solving the management and cultural barriers, promoting information construction and strengthening budgeting, putting forward a series of concrete and feasible solutions, aims to provide the optimization, system reference, to encourage the modernization of management system in universities, realize the optimal allocation of resources and maximize performance.

2 Current Status of Higher Education Budget Management

The financial budget performance management of Chinese universities refers to a series of management activities and processes implemented in higher education institutions to improve the efficiency and effect of using financial resources. The concept of financial budget performance management in universities originates from the reflection of the traditional financial budget management mode, which mainly focuses on the preparation and implementation of budgets but pays less attention to the effect and value of using funds[3]. Universities need to rationally arrange and allocate financial budget resources according to the needs of education, teaching, scientific research, and social services.

There are some challenges in resource allocation, such as the imbalance of resource allocation and the need for a practical resource allocation mechanism. Due to the significant differences between universities, resource allocation is often challenging in meeting the actual needs of all universities, especially since there is a noticeable gap in the financial support for critical disciplines and general disciplines[4]. The core of financial budget performance management in universities is the setting of performance goals. At this stage, universities must clarify the specific goals and expected results of using financial funds, and the goals should be quantifiable and evaluable[5]. However, at present, universities face many problems in performance goal setting, such as the abstraction and non-specificity of the goal setting and the lack of personalized consideration combined with the actual situation of universities.

3 Problems Existing in the Budget Performance Management

3.1 The Imbalance of Resource Allocation

In the performance management of financial budgets in universities, the imbalance of resource allocation is a common and complex problem that affects not only the operation efficiency of universities but also the quality of education and scientific research. The imbalance of resource allocation is usually reflected in the differences in financial resources between different universities and between different colleges and departments within the same university[6]. Such differences may be reflected in fund allocation, teacher allocation, facility construction, and other aspects. The reasons for the unbalanced allocation of resources are that the historical development path and gov-

ernment education policies often have a profound impact on resource allocation, and some universities with a long history or important status may obtain more financial support; the differences in internal decision-making mechanism, the resource allocation mechanism within universities may be biased to some disciplines or departments, especially those that are considered to have more market value or academic status.

3.2 Unreasonable Performance Target Setting

In the performance management of the financial budget of higher education institutions, the setting of performance goals is the critical link to ensure the effective allocation of resources and the realization of educational goals. The unreasonable setting of performance goals may lead to the waste of resources, low efficiency, and the instability of education quality[7]. However, when the actual performance targets are set, management decisions may lack sufficient information or inadequate understanding of the complexity of higher education, And pressure from government and society may lead to target bias toward quantifiable short-term outcomes, And resource constraints may lead to goal setting in a straightforward direction, Lead to the emergence of unreasonable performance goals, The specific manifestation is a short-term orientation, Excessive emphasis on short-term outcomes, Neglecting of long-term development and continuous improvement; The second is a lack of flexibility, Goal setting is too rigid, Unable to adapt to the external environment and internal changes; Third, a single evaluation standard, Excessive reliance on quantitative indicators, Neglect of quality and process evaluation; Fourth, the lack of correlation, Goals are out of touch with the mission, vision, and educational needs of the university.

3.3 Obstacles to Internal Management and Organizational Culture

The reasons for internal management and organizational culture in the performance management of universities are complex and diverse. The internal management obstacle stems from the vast and complex internal organizational structure of universities, which leads to better information circulation and more accessibility to implement decisions quickly[8]. The collaborative work and insufficient information sharing between departments may make the performance management of the financial budget unable to be carried out smoothly. Organizational culture barriers from the traditional administrative mode and mode of thinking, universities in the process of long-term development formed the unique organizational culture, including the resistance to change, the new management method does not adapt and fear of risk, cultural barriers to resistance in the implementation of fiscal budget performance management, makes the new management idea is difficult to fall to the ground in the organization.

3.4 Lack of Information Level

In today's digital age, informatization is a crucial factor in improving organizational performance. At the forefront of knowledge and innovation, the need for information on financial budget performance management is worth special attention. Due to the

imperfect construction of the university's internal information system and the lack of advanced financial management systems and performance evaluation tools, the efficiency of data collection, processing, and analysis could be higher. Performance management of financial budgets requires professional knowledge and skills in information technology, including data analysis, information security, etc.

Therefore, the informatization level of financial budget performance management in universities faces many problems, including weak infrastructure, outdated information systems of financial management in universities, and the need to support efficient data processing and information sharing[9]. The poor integration of the financial management system and other administrative management systems of the university makes the process of information flow and data analysis complicated, including data errors and incomplete or poor timeliness. The lack of professional IT talents leads to the maintenance and development of information systems to keep pace with The Times and meet the needs of budget performance management.

3.5 Limitations of Budgeting

In the modern education management system, the university's financial budget performance management is a crucial field, especially the process of budgeting. This process involves the allocation, control, and use efficiency of resources and is crucial to the overall operation and development of universities. However, because policies and systems may limit the budget preparation of universities, the financial budget management policies and regulations issued by the government, as well as the internal organizational structure and management system of universities, put forward some specific requirements and restrictions on the budget preparation, which makes the budget preparation process is restricted to some extent[10]. Moreover, the professional level of budgeting staff and lack of experience, budgeting needs to have financial management economics; at the same time need to university operation mechanisms and demands have a deep understanding, leading to the limitations of budgeting: universities in the budget depend on the historical data and cost, ignored the future demand and market changes, budget to lack of foresight and flexibility, budgeting often failed to fully consider the actual needs of various departments and priority, lead to unbalanced resource allocation, affect the overall operation efficiency of universities.

4 Budget Performance Management Optimization Path

4.1 Limitations of Budgeting Adjustment and Allocation of Financial Budget Resources in Universities

Establish a dynamic adjustment mechanism and regularly adjust resource allocation strategies according to educational needs and market changes. An essential part of the resource allocation strategy is to analyze the needs of the university, allocate resources according to priority, ensure the most effective use of limited resources, and solve the difficulties in performance management. Therefore, it is essential to conduct a Comprehensive Needs Analysis (CNA), which will provide a framework and work-

ing method to help the university sort out the difficulties, advantages and disadvantages, and long-term and short-term goals in the development to identify the priorities. Universities can seek third-party professional organizations to conduct an in-depth and rigorous CNA analysis. Ensure the proper allocation of resources and improve transparency and fairness. Enhance the transparency of the budgetary process and ensure that all stakeholders understand the basis and results of resource allocation. In addition, promote resource sharing and cooperation, establish an inter-school cooperation mechanism, and encourage resource sharing and cooperation among universities, especially in scientific research facilities and academic exchanges, promote resource sharing and collaborative work between different colleges and departments within universities. Strengthen the attraction and use of external funds to broaden the sources of funds, actively strive for government funding, social donations, and funds for scientific research projects, and improve the efficiency and effect of the use of external funds through exemplary management to improve the efficiency of the use of funds.

4.2 Improve the Performance Management System of Financial Budgets in Universities

The adjustment and allocation of the university's financial budget resources are to make more effective use of the limited financial resources, meet the university's various needs, and improve resource utilization efficiency. The university's internal personnel organization structure is large and complex, leading to the slow transmission of information and the difficulty of quickly implementing decisions. Therefore, introducing a performance evaluation system is conducive to solving this problem. Through the performance evaluation of work, resource allocation, and performance, excellent departments or individuals can get more budget resources to stimulate work efficiency and quality. Ensure the transparency of the resource allocation decision-making process, make the decision-making process open and traceable, enhance the legitimacy and fairness of decision-making through public listening, regularly conduct financial audits, review the use of resources, and conduct a cost-benefit analysis of expenditures to ensure that each expenditure can obtain corresponding benefits, a financial audit helps ensure the transparency and compliance of resource use, Classify, register and manage all types of assets of the university to ensure the effective use of assets.

4.3 Evolution of Management and Organizational Culture

The financial budget performance management of universities aims to improve resource utilization efficiency, strengthen internal management, and face the challenges of internal management and organizational culture obstacles. Introduce advanced information technology, establish a comprehensive and efficient information system, including a financial management system, performance evaluation tools, etc., to improve data accuracy, real-time and traceability, and reduce the information block between departments. Develop a transparent management process and an explicit inter-

nal management process and decision-making mechanism to ensure that the transmission of information and the execution of decisions are more rapid and efficient, which helps to reduce the communication barriers between levels and improve the flexibility of decision-making. The leadership of universities should establish the management concept oriented by financial budget performance and promote the reform of the whole organizational culture through its demonstration and guidance. The active support of the leadership is crucial to the cultural transformation. Establishing an open communication mechanism to promote the flow of information inside and outside the organization is conducive to the smooth transition of organizational culture. Emphasizing the learning and innovation of the organization and encouraging the staff to constantly improve their ability and adapt to the new management concept makes the learning organization more accessible to adapt to the changes. It helps to break the old cultural concepts, establish an open cultural atmosphere, and make it easier for the staff to accept and adapt to the new management concept.

4.4 Accelerate the Informatization Construction of Budget Performance Management in Universities

Infrastructure construction and upgrading of the primary way for investment in the latest hardware facilities and high-speed network to support more complex data processing and faster information transmission, upgrade the existing information system to adapt to the emerging technology and management needs, development and implementation of integrated data management platform, to ensure that data between different departments and systems and sharing, using middleware technology to achieve effective docking between different application system, reduce the phenomenon of data island. Introduce enterprise resource planning (ERP) system, integrate various management modules, including the financial budget performance management information system, design flexible APIs, promote the connection and data interaction between existing systems, establish strict data management process and quality control mechanism, to ensure the accuracy and timeliness of data, using data cleaning and data mining technology, improve the quality of data, and provide reliable support for decision-making.

4.5 Emphasis on Budgeting Optimization

The budget performance management of universities needs to introduce dynamic budget preparation, adopt the rolling budget and flexible budget methods to adapt to environmental changes and actual needs, and introduce scene planning to consider different market and economic conditions to improve the adaptability and accuracy of the budget. Establish budget allocation mechanism based on performance, ensure that resources by the principle of maximum efficiency and effect configuration, using diversified budget review mechanism, both the unique needs and priorities of departments and projects, and increase teachers, students, and other stakeholders in the process of budgeting, collect their opinions and Suggestions.

5 Conclusions

In conclusion, university budget performance management is critical to ensuring the effective use of financial resources to support the academic and operational goals of the school. It involves strategically allocating, monitoring, and evaluating budgets to optimize the use of resources to achieve the University's mission and goals. The present situation of financial budget performance management in universities is a complicated problem involving management ideas, system construction, operation processes, technical means, and etc. Based on the current situation of budget performance management in universities, this paper analyzes the fundamental problems existing in budget performance management in colleges and universities, such as unbalanced allocation of resources, unreasonable setting of performance goals, management culture barriers, low degree of information technology, and limitations of budget preparation. It proposes solving the current challenges by optimizing resource allocation, setting performance goals, implementing and monitoring, and performing evaluation and feedback. Through these efforts, it is expected to provide practical guidance for universities to optimize the performance management of college financial budget, promote the improvement of the management level of universities, and realize the scientific allocation of resources and the continuous improvement of performance.

References

1. Ma J. (2021). The Integration Construction of Performance and Budget Management of University Financial Funds. *Marketing World* (29), 168-169. https://kns.cnki.net/kcms2/article/abstract?v=KqXyGY4RJv3GCC6V-8m6tpvy-cWB6FD94plLEUtLNgL_KAQGz-K6_TpXlBj5T2YueCRHmwzCiH9YjloPvuNt8StV_muWWmXTdJUPMO7xh4M40HpxkWCVPgYRwkMD_9aslPMiZCJPKPKXRMgPpFhH3atnyxuUro5ITm_sn6Ty1CdizaaZAIkbxOrb57z5iOBM7dY4LA4JbzcY=&uniplatform=NZKPT&language=CHS.
2. Qiao C. (2023). On the Impact of University Evaluation "Budget" on Performance - Fifth Discussion on University Budget Performance Management. *Friends of Accounting* (22), 113-120. <https://link.cnki.net/urlid/14.1063.F.20231026.0937.002>.
3. Hu J. (2023). Design and Practice of Special Fund Budget Performance Evaluation Framework. *Local Fiscal Research* (05), 58-69+95. https://kns.cnki.net/kcms2/article/abstract?v=KqXyGY4RJv3EHETl5PnMYDNU_nPIXJYhYV6hst8o2LL4YJmV89FdbmOczkc9EKseCRw3XiLL3X5K_o7lzAccZvZ-vi5yKx5rrP3Cug7jxa95eLtLhpCq3Sk8uHOVq8wH2YFoHm4zMMkdlXvxdE8JXfqPDU8z-1Yf0xAyutFa9RanlWkTipPsohwO7utvffoJQOxa_sERNsk=&uniplatform=NZKPT&language=CHS.
4. Li Y. (2023). Discussion on the Optimization of Performance Management of University Financial Special Funds. *Finance and Accounting Learning* (29), 26-28. https://kns.cnki.net/kcms2/article/abstract?v=KqXyGY4RJv0QX82QBSqhq45eftZwSIFuOLrKwIZX9wgfAJedIS3-WmdYCAIpsnCeCvuxlPViXvTzOFJoanvQmhmxtWfbgU7nJ9gXctgt4vtETibSDhN3xeHcd_z5iT8VRHGMQc9y23HP8Yv-uNRgCJBkbVMPZbbT9nsAr0jbYMWP2c6gEj4M2u56bsephucsXxtZWt88lnA=&uniplatform=NZKPT&language=CHS.
5. Jiang J. (2022). Reflections on the Reform of University Financial Special Fund Management. *Finance and Accounting Communications* (14), 167-170. doi:10.16144/j.cnki.isn1002-8072.2022.14.011.

6. Wang T., Wang D., Chen Z., Liu R. (2021). A Brief Discussion on the Development of Financial and Accounting Supervision of Special Funds in Universities. *Finance and Accounting*(24), 74-75. https://kns.cnki.net/kcms2/article/abstract?v=KqXyGY4RJv14tjWkB1tlPC3pERU7mSl304mTZng4R2scv6BcPcOtoygtGITP3jaFP31fsXxEe_QIR_9-krxCt_Anz83nDHehNXmKrOjgroNhigUpYNjHskoozl4xQwEDTr3Smu--90z0rUuivqgUIPgS2OXO9UxMljFFjdO6MV59bHpQ7SIqfS4hToXGqbuldNkNUBC2T3Y=&uniplatform=NZKPT&language=CHS.
7. Yu Chang, Gao Xianghui, Li Ming & Xu Qi. (2022). Theoretical Logic, Practical Basis, and Practical Exploration of University Performance Evaluation. *Modern Educational Management* (05), 65-73. <https://link.cnki.net/doi/10.16697/j.1674-5485.2022.05.008>.
8. Shi Wenlei. (2023). Discussion on the Construction Strategy of University Performance Evaluation Index System. *Economist* (08), 76-77. https://kns.cnki.net/kcms2/article/abstract?v=KqXyGY4RJv3DX6yOzGuBpabr1M9y0tRc17oYAp_AMHxUcyDVj61nELV9mtZCaLzYAN-WHNAvgunPn6bvYh4fkTwCR7ccrngSqLUunjeFUco3nDCOYkK1_g0Z-nxRgF35U1yA7iFdKzD3TIx8nF11xyxJDhKS1yiN86aiA3ZKGwwLtAqYFgGp6POIPB7a_XEgHukpHA65kg=&uniplatform=NZKPT&language=CHS.
9. Xiao Peng & Fan Rong. (2021). Analysis of the Impact of Local Fiscal Transparency on the Deviation of Fiscal Budget and Final Accounts. *Journal of Central University of Finance & Economics* (03), 3-14. doi:10.19681/j.cnki.jcufe.2021.03.002.
10. Chen Qiuyun & Zhang Ke. (2023). Research on the Performance Evaluation Ideas and Index System Construction of Enterprises Belonging to Universities. *Research on Educational Finance and Accounting* (01), 50-54. https://kns.cnki.net/kcms2/article/abstract?v=KqXyGY4RJv3QqmIYLwxSgwRAYHoyCOt6XKQx3_KvNC-NZ08ClvONd5FZcJ32Awt9JPRCD71EslQm90zmAsbKiH3lQCzVc-qoq84SxitsJzqMIWAaCqMif25eZP5LR9Hw9BDqH6uTTRW52AYE0HeWebXMiTKRclpxkuujjIulYKwpsCVet3HuyOPGnAW9zoHWWk6jyWt90=&uniplatform=NZKPT&language=CHS.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

