

Problems and Countermeasures of Fine Management of Budget Implementation in Colleges and Universities

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Abstract: In recent years, with the deepening of the reform of colleges and universities and the continuous expansion of high education scales, financial allocation has been unable to meet the needs of colleges and universities. Hence, the contradiction between the supply and demand of funds has become increasingly prominent. Under these circumstances, colleges and universities continuously broaden the sources of funds that lead to the gradually complex and diversified balance of payment structure. This raises new requirements for university financial budget management. However, at present, the actual situation of budget management in colleges and universities is not optimistic, and there are still many problems in budget management, for example, poor awareness of budget and backward ideas, unscientific budgeting technique, formalistic supervision and evaluation, etc. This paper makes a deep analysis of the problems existing in the budget management system in China's colleges and universities, and takes this opportunity to discuss the construction strategy of budget refinement management system, so as to lay a foundation for the overall development of China's colleges and universities.

1. Introduction

With the deepening reform of higher education system in China, colleges and universities are gradually moving towards the market-oriented direction. [1] In order to attract more students, universities gradually expand their scale and improve the teaching level and quality. [2] However, achieving these goals requires universities to have sufficient funds as a guarantee. The funds of universities used to rely on government financial allocation which belongs to a single source. Nowadays, with the continuous development and improvement of market economy, colleges and universities gradually become market-oriented. [3] And the main investors of colleges and universities have been more and more diversified, which includes government, enterprises, social organizations, and so on. [4] Faced with this change, colleges and universities must rationally allocate and optimize their own educational resources, and quantify the effect of the use of funds. However, as far as the current budget management of colleges and universities in China is concerned, the actual situation is not optimistic, and there are still many problems in budget management.[5] For example, poor awareness of budget and backward ideas, unscientific budgeting technique, formalistic budget supervision and evaluation, etc. In order to adapt to the changes as soon as possible in the fierce market competition, colleges and universities should change from the past single budget of expenses and receipts to fine budget management, and take this opportunity to gradually improve the efficiency of the use of funds. In addition, it is also necessary to optimize the allocation of resources and make dynamic and whole-process monitoring on the funds transfer of school, then finally lay the foundation for the development of higher education in China.

2. Related concepts

2.1 The Definition of University Budgeting

University budgeting refers to the planning of expenditure, income and profit according to its development in a certain accounting period. The role of budgeting in university management is no

different from that in enterprises, which can realize the effective allocation of resources and improve the efficiency of fund utilization, thus guaranteeing the normal development of the four major functions of universities, such as personnel training, scientific research, social services and cultural heritage. In addition, budgeting can also promote the sustainable and stable development of colleges and universities and better cope with the growing market competition.

2.2 The Definition of Fine Management

Fine management is famous for its refining operation and management. It uses real quantitative data to define those ambiguous goals of colleges and universities, and makes abstract decisions explicit and digital. Fine management takes controllable risk as the premise, profit maximization as the goal and industry standard as the criterion, and implements the whole control through several subsystems. It manages to achieve risk prediction and make clear responsibilities through scientific and feasible refined decision-making. Another key point of fine management is integrity. Integrity means that fine management ideas need to run through university management all the time, including fine operation, fine control, fine accounting, fine analysis and planning, etc.

3. Problems in Fine Management of Budget Implementation in Colleges and Universities

3.1 Poor Awareness of budgeting and backward ideas

Insufficient attention to budget management and lack of budget management system in colleges and universities make some people believe that budget is dispensable. They may think that budget is only a matter of financial departments; they are just passively accepting the issued budget target. Instead of benefiting them, the budget constrains them and affects their flexibility and motivation. Therefore, it can be seen that colleges and universities do not attach importance to budget management; the budgeting work does not really involve the whole staff. In addition, the understanding of budget in many colleges and universities still remains in old-fashioned concepts of "one-sided budget" and "appropriation budget" which can reflect the expenses and receipts. Specifically, some basic functions of budget such as allocation and guarantee are noticed. However, other functions like reflecting the values and development strategy of colleges and universities, reflecting the division of powers, responsibilities and interests of different functional departments, optimizing resource allocation and cost control are not well implemented.

3.2 Unscientific budgeting technique

The most commonly used budgeting techniques include zero-based budgeting, incremental budgeting and rolling budgeting. At present, many colleges and universities still use incremental budget technique to make budget because of the lack of awareness of the importance of budget management and the lack of relevant knowledge of budget management. Incremental budgeting takes the actual expenditure of the last year as the base, and uses the mode of "base+growth". This kind of budget model is mainly applicable to the smooth development of colleges and universities, while most schools rapidly develop nowadays. This shows that the budget model does not correspond to the real situation of nowadays universities. At present, the amount of funds, related operational activities and the scale of the school is becoming more and more complex. Facing with such complex external environment, colleges and universities need a budget compilation model that can cope with changes and development instead of the old inflexible budgeting model. In addition, the unscientific nature of incremental budget technique lies in the fact that the unreasonable factors of the base number accumulate year by year, which is easy to form rigid expenditure. On the one hand, it is difficult to mobilize the enthusiasm of personnel. On the other hand, it is not conducive to the optimal allocation of resources. This technique could finally result in the inefficient use of funds.

3.3 Formalistic budget supervision and evaluation

At present, most colleges and universities are relatively weak in the supervision of budget implementation. For example, they have no specific budget implementation related documents and

weak supervision of the budget, and they cannot effectively control the deviation of budget implementation. In addition, the implementation of the budget is arbitrary. The control of budget mainly focuses on concurrent budget instead of pre-control and afterwards control even if there are relevant provisions. In addition, many colleges and universities lack an effective budget evaluation mechanism, and the evaluation of the budget only stays on the criterion of whether the funds are overspend. There is no unified evaluation standard for whether the budget is reasonable, whether the implementation is in place, and whether the results are economic. The lack of evaluation mechanism causes the lack of reward and punishment mechanism of budget management executive department. Gradually, it is difficult to form a standardized reward and punishment mechanism. Departments with excellent budget performance are not rewarded, and those with poor performance are not punished. Over time, the enthusiasm of budgeting is seriously influenced.

4. Optimizing the Fine Management System of University Budget

4.1 Strengthen the propaganda of relevant laws and regulations and raise the awareness of budget implementation

The management departments and financial departments of colleges and universities should make full use of various forms to strengthen the propaganda of national financial policy, science and technology policy and budget management, organize regular special training on financial knowledge and policy knowledge, and constantly improve the comprehensive quality of staff in different departments. Specifically, schools should actively guide the project managers to have a correct understanding of the use of budgetary funds, so that they can not fully realize that budgetary funds are the special funds specifically allocated by the state finance, which belong to the unit, nor can they be arbitrarily controlled by individuals. According to the rule, the use of funds has strict management and policy regulations, and must be strictly used, strictly supervised and dedicated. Hence, schools should strengthen the popularization of financial accounting knowledge, deepen the understanding of the project leaders and members on the connotation of budget subjects and related knowledge, strengthen financial awareness and self-discipline awareness, restrict their own behavior, consciously abide by various financial systems and strictly implement the budget of funds.

4.2 Make scientific budgeting and fine budget management in colleges and universities

Scientific budget preparation is the premise of realizing fine budget management in colleges and universities. When making a budget, colleges and universities should take into account all their economic activities and budgetary expenses and receipts. On the basis of all this information, budget preparation is then carried out. Specifically, in order to achieve the fine management of university budgeting, we can start from the following three aspects. Firstly, the school should reasonably predict the school's income according to the financial allocation policy, the scale of students and the utilization of school resources. Secondly, according to the strategic objectives and work plans and ensuring the smooth development of various work, schools should make reasonable arrangements for various expenditures, carry out quota management of personnel funds and public funds through scientific compilation methods and unified quota standards. After that, schools should establish a set of scientific system and process including budget declaration, approval, implementation and assessment which can change according to objective conditions, and realize the dynamic management of budget quota. Finally, make the expenditure subjects be as detailed as possible, and correspond expenditure with accounting subjects. The pre-control of budget should not only consider the total budget target of the project but also different sub-project.

4.3 Perfect the budget performance appraisal mechanism and realize fine management of budget performance appraisal

In order to improve the fine management level of university budget, universities should establish and improve the performance appraisal mechanism. For example, determine the object of

performance evaluation according to the principle of target relevance and cost-effectiveness. In short, the purpose of budget management is to achieve better development of colleges and universities. Therefore, colleges and universities should formulate reasonable performance evaluation index system according to the development goals, timely and accurately analyze the budget implementation by quantitative analysis and qualitative analysis which can not only serve the purpose of timely supervision and provide evidence for budgetary regulation and control. At the same time, schools should follow the principles of objectivity, comprehensiveness and comparability in the performance appraisal process of budget implementation, so as to improve the level of school budget management appraisal. Specifically, schools can formulate corresponding incentive and punishment measures according the results of budget performance appraisal so as to enhance the enthusiasm of all the school staff and improve fine management level of school budget.

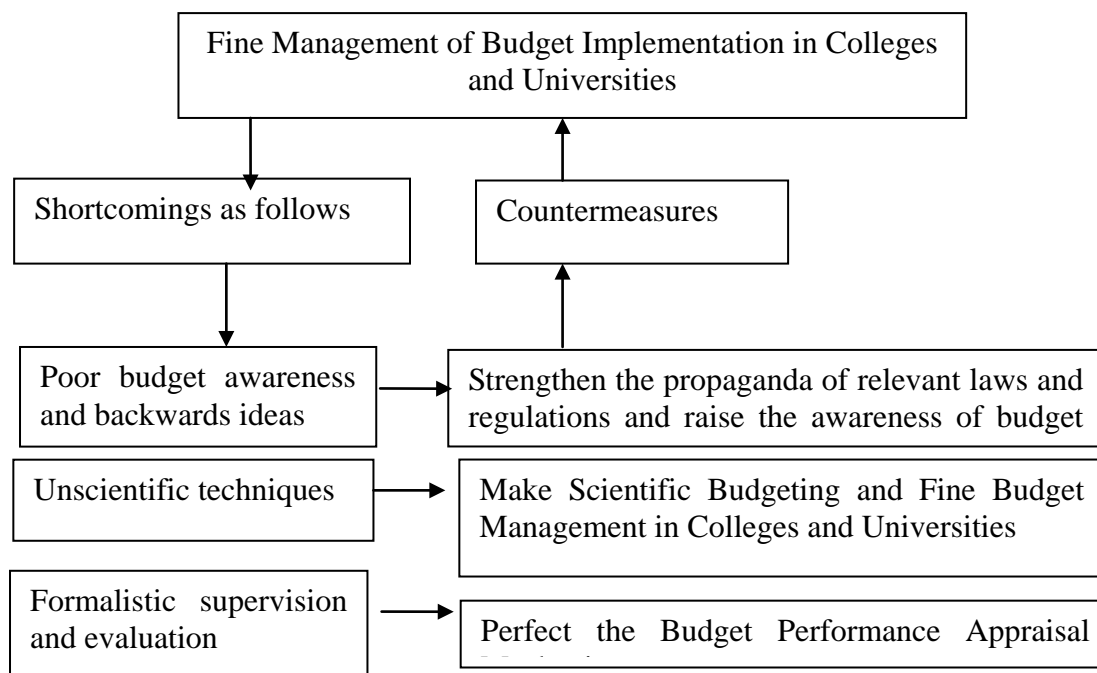


Fig. 1 Framework of Fine Management System for Budget Implementation in Colleges and Universities

5. Conclusion

At present, most of colleges and universities in China adopt the "dependent budget management mode" and take the principle of "keep expenditure within the limits of revenues and strive to achieve a fiscal balance". In addition, the method that most colleges and universities adopt is "base+growth". This is also a kind of method that prescribed by the government budget. Applying these above-mentioned methods and principles, the budget management of universities is highly instable which could cause a lot of negative consequences including poor budget awareness and backwards ideas of school staff, unscientific technique of budget management and formalistic supervision and evaluation and so on. Based on the fact this kind of old budget management method cannot meet the demand of school management, this paper points out the problems in and countermeasures for present budget management in colleges and universities.

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