

Discussion on the Application of Management Accounting in University Finance

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Keywords: Accounting, Management accounting, Colleges, Finance.

Abstract: Colleges and universities are the focus of Chinese education. The state invests a lot of money every year, and the management of funds is particularly important. However, because the current financial setting of colleges and universities is still a traditional re-calculation and light management mode, there are drawbacks of poor capital use efficiency and unbalanced effects. In order to improve this situation, I believe that it is necessary to start from the position setting and staffing of financial institutions, and to structure the role of financial management in the establishment of institutions and the establishment of fixed posts. After an in-depth analysis of the status quo of the position setting and staffing of financial institutions in colleges and universities, this paper summarizes the existing problems, and introduces strategic management accounting and corresponding departmental settings, in order to achieve adjustment of unbalanced financial institutions post settings and personnel settings, thereby improving colleges and universities. The efficiency of financial institutions and the maximization of capital utilization.

1. Introduction

With the rapid development of the market economy and the continuous reform of China's education system, colleges and universities have gradually become market-oriented. The requirements of the whole society for colleges and universities have gradually increased, which has led to major changes in the financial management and management systems of colleges and universities. In this case, universities must constantly improve the financial management system and improve the level of financial management [1]. Management accounting is a comprehensive management method, which is widely used in corporate financial management activities. Now applying this method to college financial work can effectively reduce the financial risks of colleges and universities and promote the faster and better development of colleges and universities.

2. The necessity of management accounting in colleges and universities

2.1 To provide a basis for ensuring the effectiveness of university performance appraisal.

As far as the status of performance appraisal in Chinese universities is concerned, there are many problems such as numerous names, complex content, subjective indicators and objective indicators, which directly leads to many indicators. The phenomenon of formalization in the facilities has made its effectiveness worse, which has greatly reduced the management efficiency of colleges and universities, and has had a negative impact on the correct economic decisions made by colleges and universities [2]. However, the introduction of management accounting into the performance appraisal of colleges and universities is conducive to improving the effectiveness of university performance appraisal work, improving the accuracy and scientificity of appraisal results, and providing a reliable basis for university management decisions.

2.2 Conducive to the modernization of college construction.

Colleges and universities should shoulder the social responsibility of cultivating and transporting senior management talents to the society. In the historical period of college education system reform, colleges and universities must play an exemplary role in building modern governance capabilities and promoting governance system construction. The first task of promoting the modernization of college construction is to improve the management efficiency of colleges and universities [2]. First, the

efficient use of information is the focus of management accounting and as an important basis for scientific and rational planning and decision-making, its era and advanced nature is relatively obvious, and can play an important role in the management of colleges and universities. Secondly, the extensive application management accounting in colleges and universities can help colleges straighten out the connection between different positions, effectively improve management efficiency, and promote the establishment of modern university management systems that are compatible with the new era, thus ultimately realizing the modernization of colleges and universities.

2.3 Conducive to meeting the requirements of the modernization of the financial system.

The more important academic ideas in management accounting are evaluation and performance appraisal. In recent years, in order to meet the requirements of the modernization of the financial system, the Ministry of Finance has issued some redheaded documents on the management of colleges and universities. In the document, it not only highlights the importance of performance management in the management of colleges and universities, but also reflects the diligence, overall planning, and overall planning [3]. The principle of “performance, measure and balance” will apply management accounting to the financial work of colleges and universities. It can not only correctly evaluate the performance level of finance in scientific research, teaching and innovation reform, but also improve the budget performance management of colleges and universities. In addition, the level of scientific financial management, it can be seen that the application of management accounting in the financial work of colleges and universities meets the requirements of the modernization of the financial system.

3. The application status and problems of management accounting in colleges and universities

Although universities have not explicitly proposed to strengthen the application of management accounting in colleges and universities, management accounting still has certain applications in colleges and universities. Especially in recent years, universities and their competent departments have begun to realize the importance of strengthening internal management and improving financial management [1]. The competent education department pilots and implements internal control standards in universities, conducts performance appraisal of special-purpose projects, and incorporates performance appraisal results into the proportion of indirect funds disbursed by the state ministries. However, there are still many problems in the specific application process, which manifested in the following aspects.

The policy is not perfect. In the process of popularization of higher education in China, the expansion of enrollment has not only brought great pressure on employment, but also made the university's own software and hardware facilities face a severe test. The number of students has increased year-by-year, requiring colleges and universities to complete the teaching equipment as soon as possible, and do a good job in the planning and construction of various campuses. As a result, the difficulty of financial management in colleges and universities is greatly increased, and many unsafe factors are easily generated. Even though the country has increased its investment in higher education year by year, it has also introduced many supportive policies. However, from the actual situation, compared with the funds needed for the development of colleges and universities, the state's investment in higher education is far from enough. If the method of raising students' tuition fees is adopted, it will not be a heavy burden on the students' families [3]. In terms of policy, it is also undesirable. Although many colleges and universities will also receive investment assistance from all occupations, this part of the funds is very small. This can only be done by means of debt-based education, and through bank loans, to ensure the smooth construction of the school. In this way, colleges and universities will bear high debts, and under the vicious circle, it poses a huge risk to financial management. At present, China lacks a clear system to regulate these behaviors in colleges and universities. Therefore, the government needs to introduce relevant policies as soon as possible to regulate the rational use of funds by universities, and make good use of management accounting, strengthen the management of funds, and promote the steady development of college education.

3.1 The system is not perfect.

Looking at the financial management system implemented by Chinese universities at this stage it found that many colleges and universities have ignored financial security issues to varying degrees. In the financial management work, the finance department usually attaches importance to accounting, scorns management, and fails to actively make financial risk assessment. As a result, financial management risks are easily magnified, which has led to problems in the financial management of colleges and universities. In the case of liquidity shortages, including daily operational difficulties, arrears of employee bonuses, allowances, etc. Today, with the acceleration of the pace of reform of colleges and universities, colleges and universities have become independent legal entities. The relative reduction of state financial allocations has increased the contradiction between capital needs and financial allocations, and has brought enormous funding pressure for colleges and universities [4]. Colleges and universities need to face more complicated problems in terms of fund raising, scheduling and sports. However, many Chinese universities lack effective financial management systems to regulate these financial management practices. Therefore, colleges and universities need to establish a system that is compatible with financial management work, such as budget incentive mechanism, and establish a sound budget performance evaluation system to ensure the safety of funds and improve the efficiency of capital use.

3.2 The external supervision is weak.

In terms of financial security of colleges and universities, the education department rarely makes overall planning, and the management and supervision are insufficient, which inevitably increases the financial risks of colleges and universities. Through the analysis of financial crisis in colleges and universities, many colleges and universities have huge loans in banks and mainly rely on commercial loans, which makes colleges and universities bear great repayment pressure [4]. The higher authorities did not pay attention to it. For these behaviors of colleges and universities, there was no strengthening management, especially the failure to limit the scale of college loans. In addition, colleges and universities have a large degree of arbitrariness in the process of budget execution. When using investment funds, the binding force is not strong. The weak external supervision has led to an increase in financial risks in colleges and universities [5]. Therefore, strengthening external supervision is an important way to reduce the financial risks of colleges and universities.

4. Application strategy of management accounting in university financial management

4.1 The application of management accounting in the budget management of colleges and universities.

In the process of applying management accounting, it mainly uses the comprehensive budget to strengthen the planning and control of finance, which shows the importance of budget management. There are still many problems in the current financial budget management of colleges and universities, including the lack of understanding of financial budget management, the unscientific budget preparation method, and the imperfect budget execution and evaluation system, which affects the efficiency of university capital use and leads to the loss of assets. The financial budget of colleges and universities mainly includes two aspects of income and expenditure budget. Especially in the current market economy environment, the funds and expenditures of colleges and universities are more complicated [5]. It is necessary to apply management accounting and strengthen the overall budget management of college finance. In combination with the development of various activities in colleges and universities, we will make reasonable predictions, assessments, allocations and use of funds. At the same time, we will calculate the basic income and expenditure from the actual situation of teaching and research in universities, and make the overall development planning, budgeting and annual work of the university [6]. The key points are combined to make the budget management of colleges and universities more refined and scientific. In addition, it is necessary to include income and expenditure items in the budget, combined with the specific conditions of the university, the allocation of funds and resources of various departments and departments, and the expenditure

standards for cost and expenses, etc., all need to be demonstrated through scientific methods to ensure their fairness. Moreover, transparency, so that funds and resources are properly allocated to reduce waste.

4.2 Application of management accounting in university investment decision-making.

As a modern enterprise activity, investment has gradually emerged in the development of colleges and universities in recent years. Investment projects have certain risks, and there are many links and long periods. Once the decision made it will have an adverse impact on the financial status and cash flow of the university. Therefore, in the process of project investment, universities should first carry out In-depth investigation and research, based on the investment decision-making procedures in management accounting, scientific and reasonable analysis to ensure the effectiveness of decision-making [7]. In addition, at this stage, many domestic universities in the process of foreign investment, institutions such as college asset management limited liability companies and college logistics industry companies usually perform the foreign investment function. With the rapid development of domestic universities, colleges and universities have increased the intensity of foreign investment year by year. This institutional model plays an important role in reducing investment risks, avoiding the loss of state-owned assets, and improving investment returns, and realizes the preservation and appreciation of state-owned assets [8]. In the process of investment activities, universities have strengthened the feasibility study of investment activities by introducing the concepts of investment risk and time value of management accounting, and strictly controlled the procedures of expert review and approval, thus further reducing investment risks and ensuring the investment can be successful.

4.3 The establishment of responsible accounting in the financial management of colleges and universities.

Responsibility accounting is an important part of management accounting. It mainly uses the responsible unit and the responsible person as the main body of financial management, and combines responsibility, power and profit to establish a sound financial internal management system. . Under the rapid development of colleges and universities, the previous unified financial management system is difficult to meet the development requirements of current colleges and universities [7]. The financial management work is usually solely responsible for the financial department. Due to backward management methods and low efficiency, it is difficult to establish in various departments of universities. The internal economic responsibility system cannot achieve an organic combination of incentives and restraint mechanisms. This will lead to waste of educational resources and will not improve their efficiency [8]. By implementing the responsibility accounting system, colleges and universities ensure the formation of multi-level financial responsibility subjects, and each of them fulfills the corresponding financial responsibility objectives. During the budget preparation and implementation, the responsible centers at all levels fully exert their control functions. In this way, the financial management level and efficiency of colleges and universities can be improved and favorable conditions for the sustainable development of colleges and universities can be created [9]. In order to better play the role of responsible accounting in colleges and universities, it is necessary for universities to further deepen the reform of financial management system, and constantly improve the school-running system, thus forming a sound accountability accounting system and promoting the improvement of financial management level in colleges and universities.

4.4 The application of management accounting in the strategic decision-making of colleges and universities.

Strategic management accounting, as one of the accounting management methods, mainly uses various methods to organically combine management accounting with strategic management, so that the scope of application of management accounting can be expanded to enhance the market competitiveness of the unit and serve the strategic development of the unit [8]. After applying strategic management accounting in the development of colleges and universities, it can speed up the development of financial management in colleges and universities, and the previous single

accounting management model has been changed. At the same time, it also enables universities to strengthen their investigation of the external development environment and grasp the situation of competitors. In the process of carrying out strategic management accounting, it is necessary to make a comprehensive and meticulous analysis of the external environment of the university, and timely grasp the information related to the accounting work of colleges and universities, which greatly affects the financial management of colleges and universities. At present, the market competition is becoming more and fiercer [9]. A large amount of non-financial information has a huge impact on the financial management of colleges and universities. By implementing strategic management accounting, colleges and universities can obtain many important non-financial information in a timely manner, including relevant units within and outside the university. Demand situation, etc. In addition, when carrying out daily financial management work, colleges and universities should also strengthen human resource management, fully stimulate the core potential value of management accounting, and ensure that the financial management level of colleges and universities is improved as a whole.

5. Summary

Overall, the principles and methods of applying management accounting in college financial work are of great significance, which not only can reduce the financial risks faced by colleges and universities, optimize resource allocation, improve the efficiency of investment, but also improve the overall management level and education level of colleges and universities. Therefore, colleges and universities should actively apply management accounting in the financial management work, determine the specific application plan according to the actual situation in their own school, overcome the problems in the financial work and management accounting application, and constantly accumulate experience in practice, and continue to Reflections can only improve the level of management accounting application, give full play to its positive role, and promote faster and better development of colleges and universities.

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