

Financial Problems and Suggestions of Colleges and Universities after the Reform of the Government Accounting System

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Abstract: With the transformation of China's governmental functions and the resume and improvement of the public finance system, the governmental accounting system has been fully implemented in the administrative institutions of universities since January 2019. At present, China's research on government accounting reform in colleges and universities is based on practical combined with theoretical research, and there are still more problems with the relatively short time of government accounting reform. This article briefly analyzes the difficulties and shortcomings in the specific implementation process of colleges and universities finance and gives the corresponding solutions.

Keywords: colleges and universities financial accounting; government accounting system; colleges and universities financial implementation; solutions and countermeasures

With the continuous development of higher education, the economic activities of higher education institutions are becoming increasingly diverse and complex, at the same that the original accounting system based on cash basis for university finance has exposed its many disadvantages and limitations. The National People's Congress, the Audit Office, experts in practice and academia have called for accelerating government accounting reform and establishing a government accounting system that can truly reflect government assets and liabilities and other "home base", cost and other performance and budget execution of the government accounting system^[1]. In October 2017, the Ministry of Finance issued the "Government Accounting System-Administrative Institutions Accounting Accounts and Statements". So far, China's government accounting has entered a new stage of comprehensive reform history. In 2019, the new "Government Accounting System" was officially implemented, and universities also established the government accounting account system at the beginning of 2019, and upgraded the system to do a good job of bridging the old and new systems. The new system is composed of budget accounting on cash basis and financial accounting on accrual basis, and the new model of "double basis", "double function" and "double report" is implemented, which is beneficial to the state. This is conducive to the state to grasp the assets and research achievements of universities more accurately. This paper explores the implementation of the new system in the financial management of colleges and universities, analyzes the existing problems, and proposes specific solutions to improve the system and promote its implementation in the future.

1. Problems and Difficulties in the Implementation of Government Accounting System

1.1. Inadequate of the accounting information sharing center system

Since the government accounting reform, colleges and universities have updated and improved their accounting information *sharing* systems, but there are still many problems between financial systems and business systems, which are not efficiently integrated together. The sharing of business finance data is difficult, lagging behind and less efficient. Analyzing the situation of each university, the main reasons depend on the following points: Firstly, each business module is relatively independent and generally comes from different company systems, and there are big differences in the way of operation and editing; secondly, there are less business communication opportunities between business departments and finance departments, and without understanding each other's daily work content, information transmission is merely formal, and the caliber of information and data summarization

cannot be unified; Thirdly, the management is not sufficiently aware of the standpoint of the financial role in the face of the financial accounting work is still stuck in the old impression that the financial accounting work is only the lowest level of accounting, and the technical and software investment support for training financial management talents is not enough. After the implementation of the new government accounting system, the difficulty and tediousness of financial work has increased greatly, and whether the information system functions can meet the requirements of the current system for optimization is the top priority of whether government accounting can be implemented smoothly.

1.2. Problems with accounting

1.2.1. Confusion over current payments

The management of colleges and universities accounts is an important part of the financial management, and long-term pending current accounts are an important monitoring point for colleges and universities financial risks^[2]. In the process of reform, it is necessary to sort out and analyze and verify all historical long-listed current accounts, but due to a series of reasons such as long history, lack of attention from management, change of personnel, low cooperation between departments and lack of scientific current account collection plan, it directly leads to most of long-listed current accounts are difficult to be analyzed and recovered retroactively, which becomes the most difficult problem. Accordingly, colleges and universities also lack the system of bad debt provisioning for the follow-up of current accounts, and most of them do not make bad debt provision for receivables with little possibility of future recovery, and even if some of them do, the inaccurate way of bad debt provisioning will lead to untrue assets and inaccurate information in the reports of colleges and universities.

1.2.2. Inventory items

At present, the materials and low-value consumables purchased for the teaching activities of colleges and universities are not consumed all at once, but are counted and stored by each department first, and then collected and used in batches according to the actual demand. According to the requirement of government accounting system, the purchase cost should be charged to the "Inventory" account, and then charged to the expense in batches according to the amount received after the relevant departments receive and use them. According to the investigation, most of the colleges and universities do not use the "inventory goods" account strictly according to the system, but charge the expenses in full at the time of purchase. This operation makes the financial accounts of colleges and universities not accurately reflect the inventory of school materials, and inflate the costs.

1.2.3. Fixed assets

After the government accounting reform, according to the content requirements of "Government Accounting Standard No. 3 Fixed Assets", administrative institutions should depreciate and scrap the fixed assets, after the survey and research, there are more colleges and universities that do not depreciate or use the average annual method and workload method to depreciate, however, the administrative fixed assets of colleges and universities can generally take this single simple method to depreciate, but according to the scientific research properties, colleges and universities will have more scientific research equipment, these equipment once encountered a large innovation in science and technology industry, the equipment may have no value, unified use of administrative equipment corresponding to the depreciation method is inaccurate. On the other hand, the assets that have been scrapped are not processed by relevant personnel due to cumbersome procedures, which directly affects the accuracy of the information of financial status of universities.

1.2.4. Intangible assets

Compared with other administrative institutions, colleges and universities have their uniqueness, and one of the important indicators to judge the development of colleges and universities is scientific research achievements, and intangible assets are the wisdom crystallization of college researchers, however, at present, colleges and universities do not pay enough attention to the construction of accounting system for intangible assets. According to Governmental Accounting Standards Board (GASB) No. 4 - Intangible Assets, the expenditures of government accounting subjects for their own research and development projects should be distinguished between research stage expenditures and development stage expenditures^[3]. However, after investigation and survey, colleges and universities currently account for both purchased intangible assets and self-developed intangible assets uniformly as expenses, without distinguishing the difference. For some intangible assets that have lost their usefulness for a long time, they are not amortized and scrapped according to the system requirements.

This series of problems directly lead to the lack of intangible asset management and serious distortion in the financial accounts of intangible assets, which cannot achieve the ultimate goal of cost accounting.

1.2.5. Work in progress

After the construction in progress in colleges and universities reaches the state of use, it needs to be completed, and the finance staff will then transfer the costs that have been charged to "work in progress" to "fixed assets" after estimating the value according to the relevant system. However, many colleges and universities do not take effective measures to transfer the construction in progress which has not been completed in accordance with the relevant system. As a result, the number of fixed assets of universities is seriously underestimated, and the accuracy of accounting data of universities is greatly affected.

1.2.6. Accounting for research income

How to scientifically and accurately respond to the scientific research income of universities is a major challenge faced by universities since the reform of governmental accounting. There are generally many scientific research economic activities in colleges and universities, and the related professional quality of college financial personnel is weak. A series of problems such as how to classify scientific research income and how to measure the progress of scientific research income are in front of college financial personnel. Most colleges and universities do all the income at once when the income arrives, which leads to the fact that the revenue accounting of colleges and universities only realizes the requirements of cash basis and cannot implement the requirements of dual system parallelism in the real sense.

1.2.7. Cost accounting

At present, with the increasing richness of teaching market, it has become a major challenge for universities to establish their own education cost accounting index system. During the research, it is found that due to the lack of experience in accounting education cost, most colleges and universities still simply use the old model to account for teaching cost, such as setting the account of "education business expenditure" to account for the cost of the school, but the sources of teaching business in colleges and universities are diversified and complex. However, the teaching business of colleges and universities is diversified and complex, so the over-generalized cost accounting method cannot meet the goal of colleges and universities to figure out the accurate teaching cost information.

1.3. Contract management still needs to be regulated

Contract management in universities is still mostly formal, with a single traditional management style, no clear division of contract progress, and most of them are managed by each department itself for the corresponding contracts, and the overall lack of a strict and unified contract management mechanism. It is difficult to extract the effective key data of the contract and to approve the payment progress.

1.4. Professional competence or motivation of finance staff needs to be improved

The financial personnel of colleges and universities have long been engaged in the accounting work of administrative institutions of colleges and universities, and the financial personnel of colleges and universities are busy, and many of them work with high intensity for a long time, with high work pressure, with less opportunities for training and self-study, and most of them can only meet the basic requirements of simply using the financial system to automatically generate double entries and complete their work, and know what they know but do not know why they know it, and they are not active and proactive in their work. Lack of time and ability to actively think about the principles and rules of accounting for economic operations, in the face of new or more complex economic operations, it is very difficult to master, and work efficiency is low.

At the same time, there is a lack of rotation system in the finance department, and the finance personnel have been working in one post for a long time, so they are often blind to the financial work of the university, only mastering the part of the post in front of them, and lacking the opportunity to understand and practice the finance of the university as a whole and the business of other departments. The reform of the government accounting system has put forward higher requirements on the overall financial thinking of the personnel, and only in the richer practical work can they have a deeper

understanding of the new system of "double function, double basis and double reporting" of the new government accounting.

2. Suggestions for Improvement of Government Accounting System Implementation

2.1. Improve the information system network of colleges and universities and strengthen the "integration of industry and finance".

Since the accounting system and business departments of colleges and universities such as scientific research and personnel use software from different companies, it is very difficult to perfectly dock the systems, which seriously affects the sharing and transmission of data. In order to improve the quality of accounting information and accounting efficiency, the management of each university should pay attention to the construction of industry and finance integration informationization, seriously study the excellent cases of other universities, combine with the actual situation of their universities, and invest more to improve the quality of accounting information and the efficiency of accounting, the management of each university should pay attention to the construction of industry-accounting integration informationization, study the excellent cases of other universities, combine with the actual situation of our university, and invest more funds for the construction of a unified financial sharing center by centralizing finance, personnel, assets, fees and contracts.

At the same time, the business departments and the finance department should strengthen communication. At the same time, financial personnel should also take the initiative to enhance their communication skills and strengthen the rotation system so that financial personnel can have the opportunity to understand specific businesses and break the pattern of "information silos". Finally, it is also possible to set up a special team for business and finance departments, clarify responsibilities, designate a person to manage the financial sharing center, and regularly upgrade and maintain the sharing system to ensure smooth and high-speed data sharing.

2.1.1. Strengthen accounting management

In view of the accounting problem of current accounts, colleges and universities should fully study the actual situation of their own schools, reasonably choose the plan of clearing current accounts and bad debt accrual method, streamline current accounts, introduce relevant bad debt accrual and current accounts clearing system, timely and effectively clean up historical current accounts, and accurately reflect the net book value of current accounts. Further improve the management of state-owned assets and intangible assets, and strengthen inter-departmental communication and cooperation^[4].

We account for the incoming and outgoing inventory items through "Inventory items", improve the related ledger, and register the receipt and use of inventory items one by one. Distinguish the research stage expenditure of intangible assets from the development stage expenditure, and the intangible assets researched and developed by ourselves should be recorded as intangible assets in different stages according to government accounting standards. The finance department should study the excellent cases of other universities, accurately depreciate and amortize the fixed assets and intangible assets that have no use value, and timely scrap them to ensure that the accounts are in line with the reality. For the construction in progress, it should be accepted in time after the project is completed and recorded in the accounts according to the reasonable valuation. For the historical legacy of unprocessed "construction in progress", a special team should be set up to set a time limit for timely transfer of solid accounts to avoid the problem to continue to "snowball".

According to the institutional requirements, the scientific research income of colleges and universities should be recognized in accordance with the contract progress. Universities should clarify the operation methods related to income recognition in order to accurately approve the contract progress, find the correct time point for income recognition, fundamentally avoid problems such as delayed processing of income business and ensure the efficiency of fund use. In order to promote the need of government accounting system reform, reasonably determine the budget allocation and tuition fee collection standard of colleges and universities, and improve the internal management level and operation efficiency of colleges and universities, colleges and universities should find the cost accounting method suitable for the characteristics of teaching business of our university, and improve the cost accounting allocation system, strictly distinguish the costs and expenses, strengthen the cost accounting awareness and bring it into the workflow of teaching business. Colleges and universities should strengthen contract management, standardize contract signing procedures, clarify the responsibilities of relevant personnel, and clarify important information such as completion progress

and collection time^[5].

2.1.2. Strengthen the construction of financial team and improve the professional quality of accounting staff

The finance of colleges and universities should pay attention to the physical and mental health of financial personnel, adjust the staffing, increase the construction of information technology, free financial personnel from mechanical and repetitive tedious work, and bring into play the management and supervision functions of financial personnel. At the same time, in order to deepen the understanding and application of government accounting system, colleges and universities should increase the cultivation of financial personnel's professional ability, so that more grassroots financial personnel can have the opportunity to participate in professional training and exchange within the industry. Establishing a sound and diversified incentive system is conducive to mobilizing the initiative and enthusiasm of financial personnel, encouraging them to actively evaluate merit and upgrade their job titles, etc. It is also possible to reasonably allocate salary performance according to indicators such as work ability, business performance and service quality as variable parameters.

3. Conclusion

The implementation of governmental accounting system is conducive to promoting universities to reflect their financial "family" more truly, strengthening the management of university assets and liabilities, preventing and reducing the financial risks of universities, objectively reflecting the teaching costs of universities, as well as facilitating scientific evaluation of university teaching performance and unifying and standardizing the governmental accounting standard system of universities. In order to achieve this goal, universities should strengthen the construction of unified accounting information sharing center, pay more attention to the problems encountered in accounting and improve the relevant weak links, and strengthen the construction of financial team and improve the professional quality of accounting staff.

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