



Financial Management Situation and Countermeasures of University Scientific Research Fund

HUANG Lulu^{[a],*}

^[a] Accountant, who mainly engaged in university financial management research. Jiangsu University of Science and Technology, Department of Finance, Zhenjiang, Jiangsu, 212003, China.

* Corresponding author.

Address: Jiangsu University of Science and Technology, Department of Finance, Zhenjiang, Jiangsu, 212003, China.

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Abstract

This paper analyzes the prominent problems and financial management situation of university scientific research fund. It suggests some new countermeasures in strengthening the financial management of scientific research fund in colleges and universities. It also provides a new effective way to improve and strengthen the financial management of university scientific research fund. By means of this thesis, it can have a referential significance with regard to other financial managements of university scientific research fund.

Key words: University; Scientific research fund; Financial management; Countermeasure

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INTRODUCTION

According to the “Circular on further implementation of the national research funding management policies to strengthen the management of university scientific research fund from Ministry of Education”, all colleges and universities should set up sole duty positions in financial management department or research management

department. It can assist the project leader, in accordance with policy conformance, objective correlation or rationality of economic principles to prepare the scientific research budget scientifically, rationally and realistically. It should also strengthen the financial supervision and provide entire process of service. The university financial department should also strengthen the audit of research projects to ensure the authenticity, accuracy and integrity of the accounting content and financial information. Therefore, the consciousness of standardized usage in research funding by universities teachers can be improved, it can also exert a positive effect in sustainable development of university research.

1. DECLARATION ON THE CURRENT SITUATION OF UNIVERSITY SCIENTIFIC RESEARCH FUND

Scientific research is one of the significance functions in colleges and universities. Along with the growing in research funding from the State, scientific research fund has become the important part of university funds.

Currently, the research funding obtained in Chinese universities mainly include as follows: research development program of the major State basic (project of “973 program”), national natural science fund project, project of “863 program”, research fund of provinces, municipalities and ministries, special funds project such as scientific and technological innovation, etc., national technology innovation project, national defense research project, horizontal technology development projects related to industrial sectors, international cooperation projects, etc.. The top ten of Chinese university scientific research fund in 2010 were Tsinghua University, Zhejiang University, Harbin Institute of Technology, Shanghai Jiaotong University, Northwestern Polytechnical University, Beijing University of Aeronautics and Astronautics, Sichuan University, Peking University,

Central South University, Huazhong University of Science and Technology.

It is both fame and fortune for the project leader if the research project is approved. On the one hand, it can obtain a research funding. On the other hand, it is an important supporting material of title review, job promotion, performance evaluation in the university. In regard to the university, a large amount of research funding can help with remission of funding gap. In addition, the quantity and level of research projects is also an important factor of university ranking determination. University can widely publicize the researchers and research projects in the admissions propaganda, which make it as the highlights to obtain more source of students. Therefore, university hesitates to spend a lot of manpower, material and financial resources to strive for high-level research projects at all levels. Also, there is some universities through the use of funds supporting, workload incentives, etc., to encourage teachers to actively strive for research projects. For instance, a general program funding of national natural science foundation is 400,000 Yuan and 50% of the college supporting, that gives 200,000 Yuan funds to the project leader and also the schools and colleges incentives. Resulting in some university teachers will actively strive for research projects while they are unwilling to go to the front line podium for undergraduate teaching (JIANG, 2006).

2. EXISTING PROBLEMS OF FINANCIAL MANAGEMENT IN UNIVERSITY RESEARCH FUNDING

Financial management of research funding is the basic work of university research management. The using way of research funding is extremely important with regard to the university research work. In the recent years, along with the gradual implementation of technology and education strategy, the increasing of university research funding year by year results in more and more attention at the financial management of colleges and universities for research funding, it also formulates a series of rules and regulations. However, for the current financial management in university research funding, it still has some prominent problems which needs to be addressed. They are mainly in the following areas:

2.1 Indifferent of Accounting System by the Person in Charge of the Research Funding

Above all, the person in charge of the research funding thinks that the research funding is strived from him/her and his/her team, and the financial department is only on behalf of management. As for the expenditures should be decided by the person in charge; Secondly, it is required the signing of person in charge, inspectors and manager during reimbursement. However, some person in charge

casually looking for someone to sign the acceptance, and the original invoice is even more multifarious. Some invoices from supermarket is just written as purchasing office supplies, in which have no purchasing list.

2.2 The Business Level of University Financial Officers Need to Be Improved

At first, university financial officers only participate in the further education of accounting staff organized by local municipal finance bureau each year, the management of research funding can only execute according to the policies formulated by college; Secondly, the acceptance and judgment ability of university financial officers for new things can be affected by many factors. For example, even they know the purchase of toner invoice in large shopping plaza which is not the truth, but the invoice is indeed true, there is still no reason for protesting by financial officers (ZHOU *et al.*, 2010).

2.3 Lack of an Effective Internal Control Mechanisms

University tends to focus on the argument of technical content in the organizational research projects declaration, while it lacks of an effective control in advance with regard to the funding budget. At the same time, researcher overly focus on technical issues and overlook the efficiency in the use of research funding during the project progress, while financial officers are not familiar with the regulations of scientific research. For the rationality, economy and efficiency of expenditure used in the process, such as research proposals, funds credited, usage, settlement, achievements transformation, there is no perfect system for the effective control in the university. This results in an imperfect supervision mechanism of research funding and lack of management function.

2.4 Imperfect Financial Management System of Research Funding

First in the preparation of the scientific research budget, the project leader only causally prepares the budget and seldom considers the actual expenditure structure of the research project. They just make the budget preparation as good-looking so that it can be successfully passed the declaration. Second in the specific funds management, the project leader cannot execute the budget in accordance with the proposal. For example, a subject fund of the Ministry of Education should be 90,000 Yuan, and the project leader writes a travel expense of 20,000 Yuan in the budget preparation, but the actual expense is 40,000 Yuan. However, financial officers do not even know the budget of travel expense about this project in the reimbursement process, this results a great difference in the budget preparation and the actual expense.

In addition, meal fees, daily expenses, gift expenses take a great proportion in the research project. The subsidiary ledgers listed in the research documents for reimbursement are often inconsistent with the actual situation. It often

arises irregularities, such as invoices issued time is inconsistent with the research activities time and using previous project invoices for the reimbursement, the using negotiable is not standardized so that false invoice can be used for retrieving research funding, some of them fabricate a fake name list to retrieve labor costs, etc.

3. MAIN REASON OF FINANCIAL MANAGEMENT PROBLEMS OF RESEARCH FUNDING IN UNIVERSITY

3.1 Disconnection Between the Striving Projects and Funds Management

University often hesitate to spend a lot of resources such as manpower, material, to actively mobilize researchers to put every effort for project striving. However, there is insufficient knowledge of how to use the project research funding to promote the significance of the school sustainable research correctly. Fundamentally, research funding still is the State property. And university generally has weak legal consciousness in the process of research funding management, in which forms an unspoken rules of “more striving but less management” (SUN, 2010).

3.2 Disconnection Between the Superiors System and University Actual Situation

Currently, the research funding management and accounting normally refers to the financial system of educational undertakings, which is still incompatible with the characteristic of research funding. Some universities have made some additional notes against the characteristic of research funding, but the research funding management system is still imperfect in general. Due to lack of effective and controllable research funding management system, financial officers are often confused with the specific work.

3.3 Operating Budget Does Not Match the Actual Demand

Project leader often thinks that the goal of budget preparation is for the project declaration. Therefore, the preparation is normally estimated with experience and seldom done with scientifically and rationality research, and it will not hire related financial guidance. Of course, when the funding become available, the execution is not strictly in accordance with the budget. Due to the financial department in university is not familiar with the operational process of research projects and the obtained information is not asymmetry, so that it is difficult to supervise the budget performance of research funding. Actually, the preparation exists in name only which lack of the binding it should have.

4. STRENGTHENING THE MEASURES FOR FINANCIAL MANAGEMENT OF RESEARCH FUNDING IN UNIVERSITY

4.1 Strengthening the Consciousness of Research Funding Financial Management

At first, it should let the project leader to realize that the obtained research funding is not acquired by personal prestige and technology only, it cannot do without the enduring support of university manpower, materials and financial resources. No matter who strives for the research funding, ultimately it is still the funds of the State which is not for any individual. This must be subject to the constraints of the national financial system. If the research funding does not use in accordance with the relevant system of the State scientifically and rationally, it should be punished or even sanctions imposed legally.

4.2 Strengthening the Financial Management of Research Funding from University Financial Officers

Financial department should move forward with the management of research funding. First in the budget preparation of research project by the project leader, assigning specific person and specific position to study all aspects in budget preparation of research project declaration, which solves the problem of irrational budgeting from the source.

Secondly, it should regulate the reimbursement process and strengthen the financial supervision during the reimbursement of research funding. I should formulate a feasible reimbursement system of research funding, and strictly implement the specific provisions of the use of research funding in accordance with relevant regulations and subject contracts. The related invoices and lists should comply with the financial management requirements. For example, clearly defined that reimbursement of shopping must have store receipts, strictly in accordance with the actually occurred economic activities during the final usage reports issued with the research funding, it is definitely that cannot be adjusted arbitrarily.

4.3 Scientific Research Department in Charge Should Strengthen the Financial Management Innovation of Research Project in University

First, it should set up the principals responsibility. Secondly, it should strengthen the intensity of financial audit in campus and set up a feasible “tracking system” of research funding to strictly prevent the violations and discipline problems. For each research funding, related departments (including funding regulatory departments and project unit in charge) should perform surveillance beforehand, matter and afterwards. It should execute

“tracking” as much as possible for each research funding from the approval, disbursement to the usage in various aspects. Also, it should be in a timely manner to eliminate the phenomenon such as fund wasting and false projects. It should reward the one who has saving in the using process of research funding, while the one who practices fraud should be severely punished (HU, 2006).

There are many source channels of research funding, and there is also a big difference between the fund using aspects in fundamental disciplines and applied sciences, humanities & social sciences and natural sciences. Therefore, it should be targeted with different types of research funding in university and formulate a comprehensive financial management practices of research funding respectively. It should be clearly defined that the using principles, expenditure range, approval procedures in different natures of research funding. It should strictly regulate the expenses, accreditation fees, management fees, meals, gifts, etc. from the staffs, so that the management work has laws to abide by.

It should implement the analysis reporting system of research funding financial data. It should set up an accounting network, timely to reflect funding progress, use of funds and balances of each research project with relevant personnel dynamics including the research staffs. For the huge amount of main project, it should also perform financial analysis by phases and timely to ensure the smooth progress of research work.

4.4 Strengthening the Informatization Level of Research Funding Financial Management

Along with the continuous deepening of informatization construction in the university, the informatization of research funding financial management should become an important means of strengthening the research management in university. Therefore, it has been imperative to set up a networking of research funding management model. Through the establishment of the networking of research funding management system, the research department can achieve the sharing of research management information data between finances, faculties, fixed assets management departments and the project team. This forms the monitoring network of fund using, which can strictly control the expenditure range of research funding, so that the research funding can be executed according to the contract budget (HU, 2006). It is not only conducive to the fund using from research group planning, it makes the financial accounting, supervision and audit more quickly and accurately at the same time. This management model can make the research funding management in the university upgraded to a new level, so that it can be better adapted to the requirement of

current technology and economic development. It changes from passive management to active management, which achieves the changes of research funding financial management from result control to process control.

CONCLUSION

His paper analyzes the existing insufficient of research funding financial management in the Chinese universities and the common existing difficulties and problems in the budget preparation and actual execution of research project funding in the university. In order to promote the development of research industry and give full play to the effectiveness of research projects funding in university, it accesses to a large number of domestic and foreign literature, through its own practical experience and on the basis of research project funding administrators and research work experts, it can learn the successful experience of research project funding management in university from developed countries. Also, combined with the actual situation in China and through the systems analysis and summary, it can suggest an idea of research project funding management in Chinese university.

This paper studies the financial management problem of technology funds in university systematically. However, there are no explicit instructions on the means and countermeasures of full cost control of research project. Therefore, the study depth of this paper is slightly inadequate. The author hopes that she can continue to explore the effective ways to raise the longitudinal research funding capital efficiency in the future work practices and studies.

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