

Research on the Secondary Financial Budgeting in Colleges and Universities

Xiuming Wu

*Finance Department, Criminal Investigation Police University of China, Shenyang, 110035,
Liaoning, China
wuxiuming@cipuc.edu.cn*

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Abstract: In the financial management of colleges and universities, most of the Centralized financial budgeting management is adopted, including budget preparation, budget execution and budget control, with the whole unit as the budget object, led by the finance department for macro management and other faculties for implementation. This method is simple and easy to operate, but there are many drawbacks in the highly centralized management method. So it is especially important to adopt the Secondary financial budgeting method. Combined with the actual situation of colleges and universities, the paper analyzes and compares the advantages and disadvantages of Centralized financial budgeting and Secondary financial budget financial management from multiple angles. In addition, the necessity of universities adopting the secondary budget and implementing the corresponding operation methods in the future.

1. Advantages and Disadvantages of Centralized and Secondary Financial Budgeting

1.1. The Advantages and Disadvantages of the Centralized Budget

As the name implies, all financial authority is collected in the finance department, including budget application, budget execution, and budget control, and other departments and divisions implement it passively. What he means is that the departments and divisions will not have active planning except for normal expenses. They will apply for expenses, and extra-budgetary expenses are large and casual [1].

(1) Advantages of a Centralized financial budgeting. The budget application process is simple, short, and easy to operate. It doesn't need multi-party coordination and communication.

(2) Disadvantages of Centralized financial budgeting.

Firstly, it reduces the enthusiasm of each faculty for future planning and cannot optimize the budget to achieve the optimal allocation of funds; because of the extra budget of each branch, the accuracy of the budget application amount of the whole unit is low, and more extrabudgetary projects are not included in the budget in a timely and accurate manner. Good projects and programs cannot be promoted in a timely manner at last, which hinders the good development of the college and university to a large extent.

Secondly, Centralized financial budgeting budget, generally using the incremental budget method, the incremental budget is based on the cost of the base period. That it means the funds requested are based on the college and university as a unit. For example, because of the impact of market price fluctuations and other factors, on the basis of 2021 each branch in the occurrence of each travel expense, all expenditure items need to be approved at each level, resulting in cumbersome reimbursement procedures and a long reimbursement cycle[2-3].

Thirdly, the budget execution is passive and the budget execution rate is low. Since the budget cannot be decomposed, it is impossible to allocate the budget to each branch. Therefore it cannot effectively promote the implementation of the budget, resulting in a low budget implementation rate.

1.2. Advantages and Disadvantages of Secondary Financial Budget

(1) Advantages of Secondary financial budget. The Secondary budget is a management tool to help universities achieve their strategic goals through reasonable allocation of strategic resources, such as human, financial, and materials. Specifically, the authority, responsibility, and benefits of financial management work are decomposed to the departments of the second level, and the budget application through the Secondary budget department can fully understand the work plan of each department, making the budget application open and democratic. Decentralize the authority can fully mobilize the work enthusiasm of each department and reduce the financial pressure of the college. The advantages of the secondary budget are as follows:

Firstly, the secondary departments can plan their work for the coming year and think more comprehensively and accurately about the teaching work in the coming year, which greatly improves the efficiency of using budget funds and releases the vitality of each department. Therefore they can better develop academic disciplines and enhance the characteristics of school running.

Secondly, the secondary budget is decentralized and the reimbursement approval procedure is simplified. Through the implementation of the Secondary budget, each faculty's regular reimbursement matters can be within the planned amount. The faculty leaders can control the expenditure, make approval and financial reimbursement, which greatly simplifies the approval process and reimbursement procedures, and saves a lot of time and energy to better devote to teaching work[4-5].

Thirdly, the secondary budget can improve the budget execution rate and has the advantages of refinement and easy implementation. In addition to the necessary sporadic extra expenses, which are controlled by the finance and faculty leaders. The daily routine expenses are assigned to faculties and departments and are implemented according to the budget plan progress of each faculty and department, and are evaluated according to the budget application of each faculty, which greatly promotes the budget execution rate and makes the budget funds used much more efficiently.

(2) Disadvantages of Secondary financial budget. However, the secondary budget involves more staff and a wider scope of business, and the secondary budget is submitted to finance for review and consolidation after the secondary unit has made a small-scale budget. It is more complicated and difficult to operate than the centralized budget.

2. Necessity of Secondary Financial Budget Implementation

With the increasing funds of colleges and universities, improving the approval efficiency and budget execution rate has become an important issue in the financial management of colleges and universities. The advantages of secondary budgeting have attracted great attention from universities, and some universities have successful precedents. Whether it is the accuracy of the budget

requirements of the financial department or the needs of the universities' own management, the Secondary budget has become a general trend[6].

The Secondary budget is the premise and basis for the fineness and accuracy of the centralized budget, and the secondary budget can guarantee the financial work of colleges and universities in a reasonable way. The Secondary budget simplifies the approval process of account reporting, which can win more effective working time for teachers and better serve the colleges and universities; the secondary budget can provide a basis for decision-making of colleges and universities and play a vital role in the scientific development of colleges and universities.

3. Problems and Solutions in the Process of Promoting Secondary Budget

3.1. Problems in the Process of Implementing Secondary Budget

The Secondary Financial Budget cannot be carried out blindly and must follow certain ideas. According to the current overview of college budget, the Secondary Financial budget must fully consider the following problems:

(1) The problem of matching authority and responsibility. If the authority of the secondary budget department is too large, it will stimulate its enthusiasm to run the school, but the power space is too large and the corresponding responsibility is small, which will lead to the phenomenon of abuse of power by the secondary department and excessive financial risk. If the authority given to the Secondary budget department is too small, the management responsibility is too large, and it defeats the original purpose of the Secondary financial budget, duplicates the approval, greatly increases the reimbursement procedure, makes it difficult to meet the requirements of simplifying the reimbursement process, and greatly restricts the enthusiasm of the faculty and staff, and limits the development of special disciplines and specialties of the faculty.

(2) There are more managers in the secondary Financial budget department, and the caliber is not consistent, so there are more management loopholes. The leaders of the secondary departments do not fully understand financial management, do not pay enough attention to budget management, and report the budget arbitrarily, with less scientific proof, and blindly develop their respective fields, which is not conducive to the long-term development of the college. The expenditure is not executed according to the budget and the budget is adjusted arbitrarily, even though the purpose of simplifying the reporting process is achieved, it is against the requirement of strict budget execution.

3.2. Solutions to the Problems in the Process of Implementing the Secondary Budget Financial

(1) Draw the line of authority and responsibility, Optimal matching of authority and responsibility.

This can be done through zero-based budgeting and integrated arrangements. The so-called zero-based budget is a method of preparing a budget based on a comprehensive balance, without considering the cost items or the amount of costs incurred in the previous accounting period, but taking all budgeted expenditures as the starting point, and considering whether the content of each cost and its expenditure standard in the budget period are reasonable from the actual needs and possibilities. For example, for travel expenses, hospitality expenses, car expenses, etc., according to each college's projection of the future year's expenditure items, the future events and the corresponding amount will be submitted to the corresponding budget, and the finance department will apply for approval, plus the corresponding upward and downward adjustment, and the relevant branch will be given a certain amount of approval authority, and the excess will be approved and managed by the college. The finance department will take the lead in organizing and summarizing

the budgets of each branch, plus professional audit and actuarial calculations, and apply for the financial budget of the whole college.

(2) Strengthening training for branch deans and heads of financial secondary budget departments. and raise the importance of the secondary financial budget work in the branch. The finance department is responsible for providing formal training to the leaders and managers of the branch, so that the heads of the Secondary departments can fully understand the meaning of the Secondary budget, attach great importance to the Secondary budget, and make full use of the power in their hands in budget execution, and use it properly to ensure the efficiency and accuracy of budget execution.

4. Key Points to be Considered when Implementing the Secondary Budget

(1) A reasonable secondary budget model is designed, including budget contents, business descriptions, and other related contents, which is simple and clear, so that the branch heads can accurately and reasonably estimate the expected use of various funds in their colleges, and report to the college for approval and summary.

(2) In the financial summary reporting budget link, it is not only to summarize the data of each branch, but also to coordinate the whole situation, stand in the perspective of the college, and fully consider retaining a considerable proportion of the motor funds, so that when the secondary budget is not accurate or there are unexpected circumstances, it will not affect the development of the college. Full consideration is given to retaining a significant percentage of motorized funding

(3) The college should keep abreast of the policies issued by the finance department, keep abreast of the budgeting requirements issued by the Ministry of Finance, study the spirit of financial documents in a timely manner, and convey the spirit in a timely manner to help the branch colleges make adjustments to the secondary budget so that the budget work is accurate.

5. Conclusions

This paper has strong theoretical and practical significance. From the theoretical point of view, the study of secondary budget will further standardize the budget preparation. From the practical point of view, firstly, the study of secondary budgeting will greatly simplify the reporting process and shorten the reimbursement cycle, which will save a lot of time for the faculty members; secondly, it will improve the budget execution rate, divide the budget into small pieces and promote the budget execution in small pieces; thirdly, it will give considerable space for the development of special teaching in the college and greatly promote the construction of the college disciplines.

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