

# *The Problems and Solutions of the Special Funds for the Construction of Double-First Class in Chinese Universities*

## *—— Based on H Province Double-First Class Construction Special Fund Performance Evaluation*

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**Keywords:** special fund for double-first class construction, budget management, performance evaluation, financial funds

**Abstract:** In order to improve the efficiency of the use of special funds for Double-First Class construction and assist the implementation of comprehensive budget performance management in China, this paper studied the special funds for Double-First Class construction by behavioral research, which was based on the quantitative and qualitative research on the use of Double-First Class construction special funds in H Province. It is pointed that if the fund management department strengthens the project planning guidance during the establishment of Double-First Class construction projects, and partners with the user unit to strengthen the performance management of the project and the supervision and management of the output of discipline construction, the user unit further improves the fund management system and improves the financial accounting level, it can reduce the occurrence of the above problems to a certain extent. This paper enriches the research on the use of Double-First Class special funds construction and provides theoretical and practical references for Double-First Class universities in China.

## 1. Introduction

In recent years, the economic development of our country has entered a period of new normal. The downward pressure of the economy is great, and the economic growth rate has been transferred from medium and high speed to medium and low speed. In the national economic situation, this year, China's financial growth pressure is more than great, but the momentum of rigid growth of expenditure is not reduced, the financial operation pressure reached the maximum in nearly 20 years. According to the Treasury Department, the national general public budget revenue in 2019 was 19.038 billion yuan, an increase of 3.8 percent over the same period last year. Among them, the central general public budget revenue was 893.05 billion yuan, an increase of 4.5 percent over the same period last year, and the local general public budget revenue at this level was 101.07 billion

yuan, an increase of 3.2 percent over the same period last year. The national tax revenue was 15,799.2 billion yuan, an increase of 1% over the same period last year, while non-tax revenue was 3239 billion yuan, an increase of 20.2% over the same period last year. Under the influence of the Corona Virus Disease 2019, in the first quarter of 2020, the national general public budget revenue fell by 14.3% year-on-year. Among them, the revenue of the central general public budget decreased by 16.5% year-on-year, the revenue of the local general public budget at this level fell by 12.3% year-on-year, the national tax revenue fell by 16.4% [1].The quality of fiscal revenue is poor while the proportion of non-tax revenue is high. In the increasingly severe financial revenue and expenditure operating conditions, through the internal tapping potential, costs and increase efficiency, enhance the efficiency of the use of financial funds is imminent.

On September 1,2018, in order to further promote the performance management of financial funds and enhance the efficiency of the use of funds, the CPC Central Committee and the State Council issued opinions on the overall implementation of budget performance management, On April 28,2019, in order to carry out the major strategic arrangements of the State Council, the General Office of the CPC H Provincial Party Committee and the General Office of the H Provincial people's Government put forward a clear request for performance management —— By 2022, the performance management system of H province will be basically completed in all directions, the whole process and the full coverage[2].Finance Department of H Province issued a series of guidance documents according to the requirements, including H provincial Double-First Class construction special fund management measures[3].This paper analyses and discusses some common problems in the use of Double-First Class construction special funds in H province, combining with some common problems in the use of Double-First Class construction special funds in G province, F province and other provinces, expecting putting forward some useful suggestions to improve the efficiency of the use of Double-First Class construction special funds in Chinese colleges and universities.

## **2. Analysis on the Problems in the Use of Double-First Class Construction Special Funds in Chinese Colleges and Universities**

### **2.1. Lack of Specificity, Clarity and Quantification of Performance Objectives**

Standard effective and reasonable performance goals can truly reflect the output and effect of budget input, play the role of monitoring and evaluation effectively [4], achieve the purpose of achieving maximum benefit at the lowest cost of budget input. But through the spot checks to the investigation provinces, although the project declaration of the selected colleges and universities all set the overall goal and the stage goal while the individual project performance goal direction is unspecific and the performance goal is vague, which does not set the quantitative data and the index and cannot fully reflect the project performance goal completion degree after the project implementation.

### **2.2. The Efficiency of Using Special Funds Needs to be Strengthened**

If special funds are deposited for a long time, the efficiency of the use of funds can be poor, which will aggravate the shortage of financial and public resources, and will also prevent the general trend of promoting the reform of the budget of the department[5].And through the investigation province spot check found the following several situations. On the one hand, some special projects in colleges and universities are not started in time because of project schedule or other reasons, and the progress of project budget implementation is slow. On the other hand, the utilization rate of individual project funds is on the low side, the progress of projects is slow, and the balance of year-

end funds is carried forward more after the special financial funds are allocated to individual schools. Take H Province as an example, in 2019,88.9% of colleges and universities in H Province all have this special fund balance, the special fund balance rate is as high as 15.90%, and the special fund should not be brought into play as planned. At the same time, the low efficiency of the use of financial funds, large stock and similar problems will lead to the sudden expenditure at end of the year and “out of account small treasury” and other management and use of non-standard series of problems.

### **2.3. Compliance with the Use of Special Funds Needs to be Strengthened**

The legal compliance of the use of special funds directly affects the authenticity, economy, efficiency and effectiveness of special funds. Through spot checks on the investigation provinces, it is found that the compliance of the use of special funds needs to be strengthened, which is manifested in the mixed use of special funds in some colleges and universities with their own funds, and the phenomenon of misappropriating special funds.88.9% of colleges and universities use special funds and other funds as a whole budget,77.8% of colleges and universities have inconsistent book balances with financial network index balance data[6] or found that there is misappropriation ,2.82% of special funds are squeezed out.

### **2.4. Lack of Tracking Guidance and Supervision of Earmarked Funds**

The State Council’s General Plan for the Construction of World-Class Universities and First-Class Discipline, issued in 2015, calls for the use of funds by universities to improve democratic management and supervision mechanisms, expand orderly participation, strengthen deliberation and consultation, give full play to the role of staff congresses, the Communist Youth League Youth League and student unions in democratic decision-making mechanisms, and actively explore the mechanism the participation of representatives of teachers and students in school decision-making ,as well[7].The Ministry of Education, the Ministry of Finance and the National Development and Reform Commission issued in 2017 measures for the overall promotion of the construction of world-class universities and first-class disciplines also clearly put forward strengthening process management, implementing dynamic monitoring, and timely tracking guidance[8].Through field investigation, it is found that most colleges and universities attach importance to the efficiency and effect of the use of special funds, but there are still some colleges and universities lack of tracking guidance and supervision on the allocation of special funds. After conducting in-depth sampling investigation and analysis, the special fund projects lacking supervision and supervision are mainly concentrated in the secondary departments of colleges and universities.

## **3. Countermeasures on the Use of Special Funds for Double-First Class Construction in Chinese Universities**

### **3.1. Strengthening the Project Planning Guidance by Fund Management When the Double-First Class Construction Project is Established**

In the process of using, managing and controlling the Double-First Class special funds, there are many kinds of problems. Therefore, it is suggested that the provincial education departments should strengthen the project planning guidance when establishing the Double-First Class construction project[9]. For one thing, before the project is established, the corresponding investigation and research should be done well to obtain the best benefit with the minimum input. The key guiding project is to undertake the project of collecting and reporting according to the regulations, to organize an expert committee composed of scientific research and financial management

departments and technical experts to issue an evaluation opinion, to give guidance on budget preparation in the process of project declaration, and finally to examine and approve projects that are feasible and meet the scope of allocation of special funds for Double-First Class construction[10]. On the other hand, the project declaration unit is required to carry out scientific planning and highlight the key points of the special funds, at the same time, to further highlight the characteristics of the project, strengthen the project management and project implementation supervision, pay close attention to the quantity and quality of the project's output, focus on the project's output benefits, and ensure the concrete, clear and quantitative performance objectives.

### **3.2. Strengthening Project Performance Management by Fund Management and User Units**

In view of the strengthening of project performance management, it plays an important role in optimizing the allocation of resources, improving the quality of project completion and the efficiency of fund use[11]. In view of the problems of large stock of financial funds and low efficiency of utilization, it is suggested that the finance departments of each province and the colleges and universities of each project should take the construction of relevant system as the guarantee, take the task as the grasp, and carry out the whole process management. Please follow the process to check the implementation of the project task, in stages of the project construction dynamic assessment and evaluation[12]. On the one hand, project implementation colleges and universities need to formulate project construction plans and construction task books, further clarify project construction objectives and key construction contents, refine project construction progress and budget plans, and implement various policy safeguards for project construction to improve the scientific nature, pertinence and timeliness of project construction so as to ensure that project construction work can be started as soon as possible. All colleges and universities should carry out the work of setting performance targets when preparing the rolling plan and annual budget of the three-year project of special funds, so as to ensure the performance of the project work and effectively improve the level of project management[13]. It is suggested that the provincial finance departments and colleges should strengthen the performance management of the second-level projects, strengthen the inspection, and cancel and adjust the projects that cannot be implemented or completed the declaration task normally within the period stipulated by the project, so as to put an end to false declaration[14].

### **3.3. Strengthening Supervision and Management of Discipline Construction Output by Fund Management and User Units**

Because the discipline construction project is different from the engineering project, the annual construction content and the output have the cross phenomenon, each project undertaking unit in the discipline construction process, the discipline construction content and the task book declaration content has the discrepancy, causes the project output situation and the task book content to be different. It is suggested that the provincial finance departments and projects should undertake colleges and universities to respect discipline differences, base themselves on the industry, highlight characteristics, implement classified management, determine different target tasks according to the characteristics of different disciplines, and formulate different assessment standards, which can arouse the enthusiasm of schools and stimulate the vitality of schools. It is more conducive to the long-term development of schools[15]. At the same time, in the course of discipline construction, it is suggested that each project undertaking unit should control the annual construction task arrangement to ensure the realization of the overall construction target task, the competent department should strengthen the supervision and management of the discipline construction

output, ensure that the discipline construction content is carried out around the task book content, and can produce practical benefits[16].

### **3.4. Further Consummating the Fund Management System by Fund Management and Oversight Unit, Enhancing the Financial Accounting Level**

Because the problems of fund management are the most obvious, it is suggested that the provincial education departments should strengthen the management and assessment of the special funds of each university. The provincial finance departments should further improve the management system of the special funds. Specific recommendations are as follows:

#### **3.4.1 Improving Budget Management**

On the one hand, centralized management, independent accounting. The special funds obtained by colleges and universities shall be under unified financial management, accounting for special accounts and earmarked funds, and shall be used reasonably in accordance with the measures for the management of funds, and it is strictly prohibited to divert or misappropriate special funds[17].At the same time, the Finance Department should take the initiative to contact the colleges and project implementation groups on a regular basis, go deep into the college to preach, put forward constructive suggestions and improvement measures, help to prepare a reasonable and accurate budget, and improve the scientific use of special funds. On the other hand, coordination among the various sectors involved should be strengthened. Project leaders, scientific research departments and financial departments should each bear their responsibilities, clear responsibilities and responsibilities, and establish a sound special fund management responsibility system.

#### **3.4.2. Implement of Project Classification Management**

The scope and direction of the special funds for Double-First Class construction are different from those of previous colleges and universities. The lack of direction guidance on the use of funds, construction objectives, supporting objects and mechanism construction will cause confusion in the use of Double-First Class construction funds. Therefore, it is suggested that the provincial finance departments should make clear the direction of fund support and implement the project classification management according to the construction tasks and provincial characteristics in the plan for promoting the construction of world-class universities and first-class disciplines issued by the State Council.

#### **3.4.3. Improving the Financial Information Platform for Special Funds**

The service level of the financial information platform for special funds can be strengthened by means of information technology [18]. Firstly, reduce the waiting time of personnel through the online self-accounting system. The second is that the project leader can timely check the implementation of the project budge. The third is that the audit department can call out and check the details of the project expenditure at any time, examine whether the expenditure is reasonable or not, whether it is in accordance with the budget, the final account data and the accuracy of the classification of the subject expenditure[19].And the fourth is that the project management department can supervise and urge the project according to the progress of the project and the use of funds, and remind the project leader to apply for budget adjustment and guide the reasonable expenditure at any time on the unreasonable budget.



### 3.4.4. Improving the Oversight Mechanisms

The supervision mechanism is the core component of the special fund management system, and it is an important guarantee to weaken the degree of fund management problems[20]. Establishing and perfecting the incentive mechanism for supervision of special funds can be considered from the following aspects. On the one hand, colleges and universities can use big data information platform to establish a scientific and systematic financial supervision model to ensure compliance and transparency in the use of special funds. On the other hand, strengthen the internal control process. In addition, improve the performance evaluation system for the use of special funds. Finally, reporting expenditures comprehensively for each stage of the project is more than necessary.

## 4. Conclusion

With the implementation of Double-First Class strategy in China, the Double-First Class construction special funds received by colleges and universities have increased year by year. Problems with the use of these funds are constantly emerging. And the problems of using has also increased. At the same time, under the economic background where the growth rate is slowing down, fiscal growth pressure in China is increasing, and the rigid growth of expenditure is not reduced. It is urgent to dig through potentials, reduce costs and increase efficiency, and improve the use of special financial funds. This paper takes the Double-First Class construction special funds as the research object and uses the behavioral research method, especially the quantitative and qualitative research on the use of the Double-First Class construction special funds in H province. The study found that there are common outstanding problems with the use of the Double-First Class construction special funds in China, such as unclear performance goals, lack of quantification, the insufficient efficiency and scant compliance of fund use, lack of tracking guidance and inadequate supervision of funds. On this basis, combined with the scholars' previous research and practical operation experience, suggestions for the use of special funds for the construction of Double-First Class in Chinese universities are put forward. First of all, the fund management department should strengthen the guidance for project planning when the Double-First Class construction project is established. Secondly, the fund management department and the user unit should strengthen the supervision and management of project performance management and discipline construction output. Last but not least, users need to further improve the fund management system and improve the level of financial accounting. This article enriches the research on the use of special funds for Double-First Class construction and provides theoretical and practical references for relevant universities to improve the efficiency of the use of this special fund, and then assists the implementation of comprehensive budget performance management in China.

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