

Application Strategy of Management Accounting in Financial Management of Colleges and Universities

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Abstract: In recent years, application of management accounting has been gaining a lot of attention. The positive role of management accounting in financial management has also been widely recognized. After the official implementation of new government accounting system, environment and situation for financial management in colleges and universities are different from that in the past. In addition to adjustment according to relevant requirements, financial management of colleges and universities are also required to carry out trial application of management accounting. Through analysis of application of management accounting in financial management of some colleges and universities, it can be found that application of management accounting is not being carried out well and is restricted by many difficult factors. This paper will analyze the difficulties of application of management accounting in financial management of colleges and universities, and put forward suitable suggestions for better application of management accounting.

Keywords: Management accounting, Colleges and universities, Financial management

Publication date: November, 2019

Publication online: 30 November 2019

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1 Introduction

In general, financial management level of colleges and universities has been improved to a certain extent, and environment for innovation of financial management is becoming better. However, we should also realize that innovation and effectiveness of financial management

in colleges and universities need further improvement. Many colleges and universities have begun trial application of management accounting in financial management. However, the application process of management accounting is slow and application effect is not ideal. There are some specific problems in financial management of colleges and universities, and the related problems have become the difficult factors for application of management accounting. Most colleges and universities are not clear about application of management accounting in financial management. In view of this, it is of great significance to explore the application strategy of management accounting in financial management of colleges and universities.

2 Application of management accounting in financial management of colleges and universities

Among all comprehensive management systems of colleges and universities, financial management is the core component. Status of financial management has an important impact on construction and development of colleges and universities, and operation of management system^[1]. It is of increasing necessity to improve the level of financial management. In the context of increasing attached importance on integration of industry and finance, application of management accounting in financial management of colleges and universities is necessary. Philosophy of management accounting is more and more advanced. Comprehensive budget management, balanced scorecard and other management accounting tools can be effective selections for financial management. From the perspectives of specific significance and value, application of management accounting in financial management

in colleges and universities can drive innovation in terms of form and content of financial management. Following improved innovation of financial management, effectiveness of financial management can also be greatly enhanced. In addition, application of management accounting can provide effective support in strengthening the internal control of financial level of colleges and universities. Hierarchy level of financial management system can also be continuously strengthened. It is not easy to highlight application of management accounting in financial management or application value of management accounting in financial management. Influences of a series of difficult factors should not be underestimated. At such, better application of management accounting in financial management is a practical problem that requires thorough consideration from colleges and universities.

3 Difficulties of application of management accounting in financial management of colleges and universities

3.1 Insufficient attached importance on establishment and application of management accounting

At present, financial management has been a great concern in colleges and universities. However, establishment of management accounting and application of management accounting in financial management of colleges and universities have not been attached sufficient importance, which also poses huge obstructive impact on application of management accounting in financial management of colleges and universities. Core management of colleges and universities is lack of comprehensive understanding on management accounting and does not invest effectively in establishment of management accounting. In financial department, application of management accounting has not been attached sufficient of emphasis. At such, good environment for application of management accounting can not be formed, thus application of management accounting in financial management of colleges and universities is poor. Furthermore, application of management accounting itself has high requirements for financial management level of colleges and universities. Further, application of management accounting is complex. Due to the insufficient attached importance to ideological level and the lack of comprehensive understanding on management accounting and management accounting application matters, application of management accounting in financial management of colleges and universities is prone to several arising problems.

3.2 Limited management accounting talents

In the era of knowledge-based economy, importance of talent is self-evident. As a very new form of accounting, management accounting poses strong specialty and it is necessary for development of management accounting be in charged by management accountants. Although the prospect of application of management accounting in college and university financial management is very positive, there is a major problem of limited management accounting talents which is one of the difficult factors for application of management accounting in college and university financial management. Application of management accounting in financial management of colleges and universities involves specific content at multiple levels. When management accounting talents are limited or that professional quality of management accounting personnel is lower, application of management accounting in college and university financial management can only be applied ostensibly. In addition, application of management accounting in college and university financial management is certainly bound to some specific problems. In the circumstance of limited management accounting talents, the relevant problems can not be effectively solved which can easily lead the application of management accounting into a stagnant state.

3.3 Lack of experience in application of management accounting tools

Application of management accounting in financial management of colleges and universities is in fact application of management accounting tools. There are numerous management accounting tools, but there are relatively limited management accounting tools that can be applied in educational institutions such as colleges and universities^[2]. Most college and university financial management departments are unfamiliar with management accounting and they are lack of experience in application of management accounting tools, which also becomes a difficult factor in application of management accounting in college and university financial management. Scientific selection of management accounting tools and execution of corresponding management accounting work will directly affect the quality of management accounting work. In the deficiency of experience in application of management accounting tools, application of management accounting in colleges and universities is rather be formal than pragmatic. Meanwhile, improper application of management accounting tools will easily give rise to specific problems in the process of management

accounting development. This will decline the actual effectiveness of management accounting and will even pose a huge negative impact on development of regular financial management activities in colleges and universities.

3.4 Low informatization level of financial management

Undeniably, informatization level of college and university financial management is low, which also has a great negative impact on application of management accounting in financial management of colleges and universities. Management accounting attaches great importance to utilization of financial data. In the philosophy of management accounting, financial data has diverse application value. Although financial management level of most colleges and universities is in continuous improvement, the informatization level of financial management remains relatively low and information technology has not been effectively applied in general financial management activities. When the informatization level of financial management is low, it is difficult for colleges and universities to integrate and utilize financial data. Even if application of management accounting is attempted, specific management accounting application works can not be carried out efficiently which will diminish the space for application of management accounting in college and university financial management to a certain extent. From this point of view, low informatization level of financial management in colleges and universities has become a major difficulty for application of management accounting.

4 Suggestions for better application of management accounting in financial management of colleges and universities

4.1 Establishment of management accounting in combination with needs of financial management

Colleges and universities need to create good environment for application of management accounting and carry out establishment of management accounting on the basis of full combination with actual needs of financial management^[3]. Different colleges and universities have different financial management condition, environment and needs. In the establishment process of management accounting, different planning is needed. Generally speaking, more proactive establishment of management

accounting can create good environment for application of management accounting. Therefore, colleges and universities should consider establishment of management accounting as prerequisite work for application of management accounting. For example, as a private university, Jilin Foreign Studies University has high flexibility in financial management. In 2018, the school gave full play of its characteristics of high flexibility in financial management to illuminate management accounting establishment system and actively promoted establishment and application of management accounting through formation of management accounting establishment and application team. Other colleges and universities need to establish and apply management accounting at levels of ideology and practical action and to construct management accounting at levels of system and planning, in providing more aid and support for application of management accounting in financial management.

4.2 Training and recruitment of management accounting talents

As management accounting has strong specialty and that application of management accounting tools is more systematic and complex, colleges and universities need to actively cultivate and recruit management accounting talents. This is a necessary condition to ensure that the application value of management accounting can be fully reflected. For example, Shenyang Normal University is one of the earliest universities in China to apply management accounting. In recent years, four people in its financial management department have passed intermediate examination of management accounting, and the professional management accounting personnel have been providing great support for development of specific management accounting works. Cultivation of management accounting talents needs a certain period of time and higher cost. From the perspective of management accounting application, colleges and universities can recruit management accounting talents through social recruitment and other ways to expand management accounting talents. Once a management accounting talent team can be set up in financial management department of colleges and universities, talent guarantee for application of management accounting in financial management can be greatly enhanced. Even if there are some specific difficulties and problems in application of management accounting in financial management, application of management accounting can also be better guaranteed.

4.3 Strengthen the understanding on specific management accounting tools

Application of management accounting in financial management of colleges and universities will be directly affected by status of application of management accounting. It is necessary for financial management department and financial management personnel of colleges and universities to enhance their understanding on management accounting tool. After establishment of management accounting positions, financial management department should take more consideration on selection of management accounting tool to be used and application method of the management accounting tool^[4]. It is suggested that colleges and universities should try to apply comprehensive budget management method as management accounting tool, from the perspective of budget. Thereby, to promote comprehensive improvement of financial management through comprehensive improvement of budget management and enhance the actual effectiveness of financial internal control. For example, management accountants can prepare budget in advance, and establish budget scale and budget indicators at different levels and different periods based on application of comprehensive budget management—the management accounting tool. On this basis, establishment of budget implementation, evaluation and supervision of safeguard mechanism will provide more support for operation of comprehensive budget management system.

4.4 Improve the informatization level of financial management

Colleges and universities can integrate establishment of financial management informatization with application of management accounting in financial management. It is more feasible to depend on improvement of financial management informatization for better application of management accounting^[5]. Specifically, colleges and universities can apply financial management software such as “Kingdee” for effective collection and integration of financial data. In the process of application of management accounting, management accounting personnel can regularly analyze data relevant to cost consumption and asset change, and produce management accounting reports based on selection status of specific management accounting supply. For example, analysis of difference rate between past budget and actual budget. Difference rate between budget and actual expense can assist financial department of colleges and universities in obtaining a reliable status of financial management. From

the perspective of application of management accounting, management value of financial data can be further explored. Value and diversification of informatization of financial management can also be further enhanced. Improvement of financial management informatization can also create better condition for application of management accounting.

5 Conclusions

Core management of colleges and universities should guide financial department to establish management accounting. As the main body of financial management, financial management department should actively carry out trial application of management accounting. Application of management accounting in financial management of colleges and universities will be affected by many difficult factors. Along development of related management accounting work, some problems will certainly arise in the process of application of management accounting. At such, financial management department of colleges and universities should constantly review and analyze development of routine financial management activities and application process of management accounting. Corrective actions should be taken to effectively make up the drawbacks of application of management accounting. Experience of management accounting application should be summarized to promote better highlighting of application value of management accounting.

Project fund: Special fund supported project for basic scientific research business expenses of Central University of Southwest Minzu University (Project No.: 82003031).

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