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Challenges and Solutions in the Management of State-owned Assets in Universities

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Abstract

The state-owned assets of the university are the important material basis for its teaching, scientific research, management, and development. It is also the key and difficult point of university internal management. With the development of technology and the continuous expansion of the scale of university education, the governance of state-owned assets in universities will be more challenged. How to rationally choose and correctly use state-owned assets to maximize effect will become a major issue in promoting the modernization of governance structure and management of universities. At present, some universities pay more attention to finance than assets and neglect the effective control of fixed assets, which leads to the unreasonable use of fixed assets. This article will introduce the problems arising from managing state-owned assets in universities, aiming to provide useful measures for the optimal management of state-owned assets.

Keywords

Universities; State-owned Assets; Asset Management.

1. Introduction

In recent years, the higher education sector has experienced rapid development, with significant expansion in the scale of operations and continuous improvement in teaching quality across major universities. Concurrently, these institutions have seen a steady increase in asset investment. Some government documents stated: "We must improve the management systems for various types of state-owned assets and reform the system for authorizing the operation of state-owned capital. We must accelerate the optimization of the layout and restructuring of the state-owned economy, and strategically restructure it to promote the preservation and appreciation of state-owned assets. It can expand state-owned capital and effectively prevent the loss of state-owned assets." Furthermore, in August 2020, the Ministry of Finance issued the "Notice on Strengthening the Management of Fixed Assets in Administrative Institutions", which requires all units to implement management responsibilities and enhance management systems according to the stipulations in the notice.

To effectively manage state-owned assets in universities, continuous enhancement of internal management systems and regulations is essential. It is crucial to comprehensively review, revise, and improve current asset management systems. Simultaneously, full-process management of fixed assets should be strengthened, ensuring legal compliance and strict control at every stage.

However, some research has revealed that certain universities currently face several challenges in asset management. These include an inadequate emphasis on asset management, a need for innovative asset management models, urgent requirements for enhancing related institutional frameworks, and a necessity to strengthen the level of informatization in asset management. Therefore, it is crucial for universities to further strengthen and optimize their asset

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management practices. Through literature review, current situation surveys, and other methods, the author has identified common issues in the management of state-owned assets at some universities. Proposed solutions aim to address these challenges, offering feasible recommendations to promote the healthy and stable development of asset management in universities, thereby advancing the high-quality development of asset management practices.

1.1. Overview of State-owned Assets in Universities

According to the "Interim Measures for the Management of State-owned Assets of Higher Education Institutions Directly under the Ministry of Education," state-owned assets in universities refer to various economic resources owned and used by universities, confirmed as state-owned and measurable in monetary terms under the law. These assets include those formed with state financial funds, assets allocated to universities without charge by the state, assets formed from income organized by state-owned assets utilization policies, and donated assets recognized as state-owned by law, among others. They encompass liquid assets, fixed assets, construction in progress, intangible assets, and overseas investments.

School fixed assets mainly include campus buildings, teaching and laboratory equipment, library archives, etc. The essential nature of university fixed assets is state-owned property, which serves as a material foundation and important guarantee for the development of the party and the state. Reasonable allocation, effective utilization, and standardized disposal of state-owned assets, as well as the establishment of mechanisms for asset adjustment, sharing, and joint use, are crucial approaches to enhancing the management standards and capabilities of state-owned assets. Therefore, improving the modernization of fixed asset management and management capabilities is a pressing issue that every university must address in this era.

State-owned assets in universities exhibit diverse types and usage modes, widespread distribution, complex and frequently changing data, etc. They serve as crucial safeguards for the development of universities. Therefore, enhancing the management level of university assets and improving management capabilities are critical issues for every university to explore in this era.

1.2. Necessity and Importance of Strengthening University Asset Management

Effective university asset management plays a vital role in all aspects of school development. Strengthening asset management strategies can optimize resource allocation, enhance asset utilization efficiency, and make university asset management more scientific.

Narrowly defined, state-owned assets in universities include modern campus construction and advanced teaching and experimental equipment. These not only provide a good working and learning environment for teachers and students but also offer better platforms for student practical training and experimentation, thereby enhancing the competitive edge of universities, improving teaching quality, attracting more outstanding talents, generating more research achievements, and promoting high-quality development of schools.

As educational technologies and methods continue to evolve, universities need to continuously upgrade and renew fixed assets to meet the demands of educational innovation. Optimizing the management of university fixed assets can help universities better understand which assets need upgrading and renewal to meet new educational needs and enhance educational quality. The development of university undertakings requires the support and guarantee of fixed assets. By optimizing fixed asset management, universities can better understand the current asset status, further solidify fixed asset performance goals, avoid resource waste, and achieve their strategic objectives.

University assets have the attributes of state-owned assets, and asset management not only involves maintaining asset value but also embodies the important political responsibility of safeguarding state-owned assets. Enhancing control over key aspects such as optimization of

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fixed asset allocation, utilization, and disposal helps improve university risk management capabilities, safeguard the security and integrity of state-owned assets, and ensure the safe and stable operation of universities.

In summary, strengthening university asset management is of significant importance for the high-quality and sustainable development of universities. By enhancing asset utilization efficiency, optimizing asset allocation, and strengthening internal risk management, universities can better fulfill their educational mission, cultivate more outstanding talents for society, and make greater contributions to scientific research innovation.

2. Current Situation and Major Issues in Asset Management at Universities

2.1. Insufficient Internal Control Management System for Assets

The establishment and enhancement of an internal control management system for university assets are crucial for the long-term stability and development of the organization. It not only helps protect assets, reduce risks, and improve efficiency but also enhances competitiveness and sustainability. Based on the literature review, some universities face issues such as imperfect asset management systems and a lack of performance evaluation mechanisms for asset management.

The asset management system in universities refers to a comprehensive set of management rules and operational procedures established to regulate and manage various types of assets owned by the institution. This includes fixed assets, equipment, laboratory supplies, library collections, and electronic resources. Improving the asset management system in universities helps enhance asset utilization efficiency, prolong asset lifespan, prevent resource waste and loss, ensure compliance and transparency in asset management, and safeguard the security and stability of university assets.

Performance evaluation mechanisms in asset management aim to assess the efficiency, quality, and outcomes of asset management efforts and encourage continuous improvement and enhancement of management practices. However, many universities lack effective performance evaluation mechanisms or have mechanisms that are merely formalities.

2.2. Inadequate Control in Asset Procurement, Imperfect Fixed Asset Purchase Plans

Through literature review and interviews, it has been found that some universities have weak management foundations in asset management, discrepancies between accounts and reality, and inadequate archive management. In the procurement process of fixed assets, some universities lack comprehensive approval procedures. Procurement departments often fail to conduct feasibility analyses on purchase demands from other departments and secondary units, leading to less scientific and reasonable decision-making processes. This situation easily results in unnecessary financial waste and asset idleness.

In the management of fixed assets in universities, there are various risk points throughout the entire process, particularly during the stages of acceptance, idle management, and disposal. Some universities employ a fixed team for asset acceptance during the procurement phase, regardless of the type of asset, which can lead to risks in the acceptance process. Universities typically adhere to the principle of "who uses, manages," for fixed asset management. However, if assets become idle or if the responsible management entity disappears, this may result in management loopholes and increase the risk of asset loss, damage, or theft.

The disposal process of fixed assets in universities requires strict procedures and steps. Yet, some universities may rely solely on approval from supervisory departments as the basis for asset disposal, omitting crucial approval steps and thereby increasing procedural risks during disposal.

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Furthermore, some universities lack unified management, where departments mostly submit procurement requests based on their direct needs without sufficient communication between different departments. This results in certain fixed assets not being shared across the entire university, thereby failing to maximize asset efficiency. There is a disconnect between physical management and value management, contributing to lower utilization rates of fixed assets.

As the integration of industry and education deepens, intangible assets in local universities will play an increasingly critical role, with the performance of intangible asset management directly impacting overall asset management effectiveness. However, currently, most universities overly prioritize physical asset management, neglecting the necessary emphasis on intangible assets. For instance, certain assets such as patents and land have not been adequately included in the scope of intangible asset management.

2.3. Need for Improvement in Information Management Level

The rapid development of information technology has brought more options and possibilities for asset management in universities. Currently, some universities heavily rely on provincial-level asset management systems provided by supervisory units, which limits innovation. Due to insufficient investment and construction in asset management informatization, the information management level in university asset management lags. This inability to timely update equipment information leads to lower efficiency in managing fixed assets, preventing comprehensive lifecycle tracking from acquisition to disposal. As such, some universities experience issues such as idle and underutilized fixed assets.

In current university asset management, the phenomenon of information silos is a significant issue. Many departments within universities manage their assets without effective mechanisms for sharing information. For instance, finance, administration, and academic departments may each maintain separate asset records that lack necessary connections and integration. This siloed information results in problems such as duplicate data entry, difficulty in retrieval, and inconsistencies, thereby reducing overall efficiency in asset management. Moreover, ineffective information sharing hinders decision-makers from obtaining comprehensive asset insights, thereby impacting the quality of asset management decisions.

With the advancement of digital China construction, the transformation towards informationization in universities is imperative.

2.4. Insufficient Capability and Weak Awareness among Asset Management Personnel

Under new circumstances, the requirements for asset management in universities continue to increase, demanding higher quality in asset management practices. However, research indicates that university asset management teams are understaffed. Firstly, managing state-owned assets requires specialized knowledge, but asset managers often lack expertise in the performance and lifespan of specialized equipment. This hinders the comprehensive and professional management of state-owned assets, significantly affecting later-stage asset scrapping and procurement budgeting efficiency. Secondly, asset managers in secondary colleges are often part-time and lack sufficient understanding and experience in asset management, which undermines the effectiveness of their management efforts.

3. Solutions of State-owned Assets Management in Universities

3.1. Establishing a Sound State-owned Assets Management System and Enhancing Asset Performance Evaluation

Universities must deeply understand the significance of asset management from political, strategic, and holistic perspectives. Acting as custodians of state-owned assets, they ensure

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assets remain intact and national interests are safeguarded. Managing university assets effectively is both the responsibility of centralized management departments and a duty incumbent upon all staff. Universities should establish a standardized and rational assets management system, form a leadership group for assets management, and adhere to principles of unified leadership, hierarchical responsibility, and clear assignment of responsibilities. They should appoint dedicated institutions, specify accountable individuals and their roles for each asset, and regulate operational processes.

A refined performance evaluation system forms the foundation and guarantee for the efficient and orderly management of state-owned assets in universities. Tailored to individual circumstances, universities can construct performance evaluation indicators for asset management, incentivizing staff to enhance performance, promote effective asset management and utilization, reduce resource wastage and losses, and control risks effectively. Establishing and refining assets management systems includes formulating and revising normative documents, defining responsibilities and authorities, and strengthening internal supervision across all stages from procurement to disposal.

Furthermore, universities should adequately allocate positions based on operational needs and internal control system requirements. Regular or irregular efforts to enhance the training and recruitment of asset management personnel are essential to elevate their professional competence and managerial proficiency. Each university department should appoint either full-time or part-time asset managers responsible for overseeing asset utilization and custody at grassroots levels, clearly defining their roles and responsibilities, and conducting regular training and communication sessions. Asset managers should also possess a thorough understanding of the requirements and specifications of academic and research assets to foster diversified professional development.

3.2. Achieving Standardized Full Lifecycle Management

Establishing a well-designed fixed asset management system and utilizing information technology to achieve comprehensive lifecycle management of fixed assets is of utmost importance in enhancing the management standards of university fixed assets.

Full lifecycle management of fixed assets in universities involves restructuring management processes encompassing internal controls, budget management, feasibility studies, performance goal setting, resource sharing, construction and depreciation management, risk assessment, inventory evaluation, disposal management, revenue management, and oversight. Given risks during acceptance phases, universities should engage third-party experts in acceptance committees to provide professional opinions and reports. High-end equipment should be safeguarded with multiple security measures, potentially acquiring insurance to mitigate risks.

Standardized processes are essential throughout the planning, procurement, allocation, use, reallocation, maintenance, and disposal phases of state-owned assets, breaking through departmental barriers through systematic and procedural management. Utilizing big data technology enables automatic collection and real-time uploading of relevant information across departments and processes, ensuring comprehensive lifecycle management from inception to disposal in a paperless, dynamic, and intelligent regulatory environment. Departments within universities can access and utilize data for dynamic asset management, promoting collaborative operations and inter-departmental synergy. Additionally, universities should enhance overall coordination and reallocation to reflect stock-based configuration, integrating management and budget effectively to scientifically allocate assets, minimize idleness, and reduce waste, thereby preserving and enhancing state-owned assets.

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3.3. Enhancing Information Technology Level in Assets Management

Enhancing information technology in assets management benefits by enhancing regulatory compliance, accuracy, asset utilization, and meeting the demands of university information. The effectiveness of asset management in universities is significantly influenced by the management consciousness of asset managers. Thus, universities should enhance management awareness among asset management personnel, elevate the managerial and IT proficiency of centralized management personnel, and integrate IT concepts into comprehensive university assets management. Enhancing inter-departmental communication facilitates dynamic asset management.

Managerial personnel need to learn advanced modern big data technology, comprehensively consider the future direction of asset management in universities, and ensure that the management systems used can meet the management needs of different departments within the university.

3.4. Strengthening Personnel Training and Elevating Competencies

Universities must strengthen talent development for asset management personnel, allocate resources accordingly, and systematically organize training in big data-related skills to enhance professional knowledge and overall competencies. Internal training is essential for improving asset management and system operation proficiency through conferences, focused learning sessions, and departmental training. This reinforces asset management awareness among staff and allows for the recruitment of specialized talent in informationized asset management as needed. These professionals not only excel in system operations and processes but also systematically address operational challenges, adapting systems to evolving business needs, thereby enhancing efficiency and management standards of fixed assets.

This plan outlines comprehensive strategies for optimizing state-owned assets management in universities, ensuring efficient utilization, risk mitigation, and strategic asset preservation aligned with broader national interests and educational goals.

4. Conclusion

State-owned asset management is integral to university administration. University administrators must fully grasp the importance of asset management, address key management challenges, and refine their management strategies. By bolstering management awareness, strengthening workforce development, enhancing information technology platforms, and fostering collaborative mechanisms, universities can optimize their state-owned asset management strategies. This approach will elevate asset management standards, improve efficiency, maximize the use of fixed assets, and enhance overall asset management effectiveness. Achieving these objectives under current conditions will safeguard and increase the value of university-owned assets, facilitate digital transformation, and drive high-quality development in universities.

In conclusion, universities should proactively embrace the wave of informatization by leveraging modern information technologies to optimize asset management pathways. This adaptation is crucial to meet the management demands of the new era, facilitating efficient utilization and sustainable development of university resources. Universities should comprehensively develop and upgrade asset management systems, ensuring real-time access to asset data and enabling lifecycle management. This advancement will propel university asset management towards scientific and standardized practices, safeguarding high-quality development across all facets of institutional endeavors.

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