Exploring the Mechanism for Preserving and Enhancing State-Owned Assets within Universities

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Keywords: University state-owned assets; preservation and appreciation; management systems; asset utilization

Abstract: This paper explores the mechanism for preserving and appreciating state-owned assets in universities. Starting from characteristics such as diverse asset types, diversified management entities, and complex funding sources, it analyzes issues in university asset management such as imperfect management systems, inefficient asset utilization, and weak risk control mechanisms. The paper proposes optimization strategies including improving management systems, enhancing asset utilization efficiency, and strengthening risk control. Through this study, the aim is to provide theoretical support and practical guidance for the effective management and appreciation of state-owned assets in universities, thereby promoting the sustainable and healthy development of higher education and scientific research endeavors.

1. Introduction

Universities, as significant forces in social development, possess substantial state-owned assets including fixed assets, current assets, and intangible assets. These assets are not only crucial for supporting teaching and research activities but also form a vital foundation for the sustainable development of universities. With the expansion of university scale and the increase in asset quantity, the preservation and appreciation of state-owned assets have become crucial tasks in university management. In recent years, universities have achieved certain results in asset management, yet they still face numerous challenges and issues. This paper starts from the characteristics of state-owned assets in universities, analyzes existing management problems, and proposes corresponding optimization strategies, aiming to provide useful references and insights for the management of state-owned assets in universities.

2. Characteristics of Mechanism for Preservation and Appreciation of State-Owned Assets in Universities

2.1 Diversity of Asset Types

Diversity is a significant characteristic of state-owned assets in universities. As pivotal entities for national education and research, universities possess assets that encompass not only traditional fixed and current assets but also tangible and intangible assets, as well as specialized and
general-purpose assets. This diversity provides a solid material foundation for education, research, and management in universities but also presents managerial challenges. Fixed assets in universities primarily include immovable properties such as teaching buildings, laboratories, dormitories, libraries, as well as movable assets like large-scale experimental and teaching equipment. On the other hand, current assets mainly consist of consumables, office supplies, and short-term investments used in teaching and research processes. Managing fixed assets requires long-term planning and maintenance, while managing current assets necessitates flexible and timely updates. Such differences require universities to adopt diverse strategies in asset management, ensuring long-term preservation and appreciation of fixed assets while enhancing the efficiency of current asset utilization[1].

Both tangible and intangible assets play crucial roles in university asset portfolios. Tangible assets such as land, buildings, and equipment have clear physical forms and standardized value assessment criteria. In contrast, intangible assets include intellectual property like patents, trademarks, copyrights, software, databases, as well as brand value and educational quality, which are challenging to quantify. The proportion of intangible assets in modern universities is increasing, especially in research outcomes and intellectual property management. Effectively evaluating and managing intangible assets thus becomes a critical issue in university asset management. The distinction between specialized and general-purpose assets also reflects the diversity of university assets. Specialized assets are typically equipment and facilities specifically used for particular teaching or research activities, such as cutting-edge laboratory equipment used only in specific research projects. General-purpose assets, in contrast, are assets usable across multiple activities, such as multi-functional classrooms and library resources. Managing specialized assets requires highly specialized knowledge and skills, whereas managing general-purpose assets involves considerations of resource sharing and optimized allocation[2].

2.2 Diversification of Management Entities

Another important characteristic of managing state-owned assets in universities is the diversification of management entities, reflecting the breadth and complexity involved in asset management. This diversification encompasses not only various departments within the university but also government bodies and third-party institutions. Such a diversified management approach to a certain extent ensures comprehensiveness and standardization in asset management but also increases the difficulty of coordination. Internally within universities, the diversification of management entities is a critical component of asset management. Numerous departments are involved in asset management, including the President's Office, Finance Office, Logistics Management Office, Laboratory and Equipment Management Office, and Asset Management Office. Each department assumes distinct management responsibilities; for example, the Finance Office oversees budgeting and expenditure, the Asset Management Office handles registration and maintenance of fixed assets, and the Logistics Management Office manages property and infrastructure. Close cooperation among these departments is essential to synergize efforts and achieve efficient asset management[3]. Universities need to establish clear management responsibilities and workflows, strengthen coordination and cooperation among departments, and ensure effective implementation of duties and tasks. Government oversight plays a significant role in managing state-owned assets in universities. As the owner of state-owned assets, government departments such as the Ministry of Education and Ministry of Finance have supervisory and guiding responsibilities over the management and use of university assets. These departments formulate relevant policies and regulations to standardize asset management practices, ensuring the safety and effective utilization of assets.
The involvement of third-party institutions injects new resources and expertise into the management of state-owned assets in universities. These institutions include accounting firms, asset appraisal companies, consulting firms, etc., which offer specialized knowledge and technical capabilities to provide professional asset management services to universities. For instance, accounting firms conduct audits on universities' financial and asset conditions to identify and rectify management issues; asset appraisal companies assess the value of universities' fixed and intangible assets, providing objective and impartial value references; consulting firms offer asset management consultation and training to help universities enhance their management capabilities. The participation of third-party institutions helps compensate for internal management deficiencies in universities, elevating the level of professionalism in asset management. Diversification of management entities imposes higher requirements on the management of state-owned assets in universities. Universities need to leverage the strengths of each entity, strengthen communication and cooperation, establish a unified management system, and implement robust supervision and evaluation mechanisms. By optimizing management structures and processes, universities can enhance management efficiency and quality, thereby promoting the preservation and appreciation of state-owned assets.

2.3 Complexity of Funding Sources

One of the critical factors influencing the management of state-owned assets in universities is the complexity of funding sources. Universities rely on a variety of funding sources, primarily including government appropriations, self-generated funds, and social donations. Government appropriations are a significant source of funding for universities, encompassing operational subsidies, special allocations, and project grants. Operational subsidies support basic university operations such as faculty salaries, student aid, and equipment updates. Special allocations and project grants are directed towards specific educational and research initiatives, such as constructing new laboratories or conducting major research projects. Government appropriations play a crucial role in ensuring the basic functioning of universities and advancing key projects.

Self-generated funds serve as an important supplement to university finances and originate from activities such as research services, technology transfers, educational training, and campus-based industries. Income generated from these activities can supplement education and research budgets, improve campus facilities, and enhance faculty and staff remuneration. Self-generated funds offer flexibility but also carry risks and instability. Universities need robust planning and control mechanisms to manage self-generated funds effectively, ensuring diversification and sustainability in funding sources. Social donations represent another significant channel of funding for universities, including donations from alumni, corporate contributions, and foundation grants. As societal interest and support for education continue to grow, social donations have increasingly become a vital component of university funding. The use of social donations is relatively flexible and can be allocated according to the donor's intentions, such as establishing scholarships, building libraries, or supporting specific research projects.

3. Issues in Mechanism for Preservation and Appreciation of State-Owned Assets in Universities

3.1 Imperfect Asset Management System

The imperfect asset management system in universities is a fundamental cause of problems in asset management. Despite accumulating some experience in asset management, universities still face various deficiencies in their management systems. One major manifestation of this
imperfection is unclear management responsibilities within the institution. Asset management within universities involves multiple departments such as the President's Office, Finance Office, Logistics Management Office, Laboratory and Equipment Management Office, and Asset Management Office. The division of responsibilities among these departments is often unclear, leading to overlaps or gaps in management duties.

Another significant problem is outdated regulations and policies. With the expansion of universities and changes in management environments, existing asset management regulations often fail to meet new management requirements. For instance, some universities' asset management regulations were established long ago and have not adequately addressed emerging management issues and challenges. Some regulations are overly general, lacking operational and guiding specifics, while others lack sufficient enforcement, resulting in inadequate implementation. The lack of professional management personnel also contributes to the imperfect asset management system. Managing university assets spans financial, equipment, and logistical domains, requiring personnel with specialized knowledge and skills.

3.2 Low Asset Utilization Efficiency

Another pressing issue is the low utilization efficiency of state-owned assets in universities. This not only leads to resource wastage but also hampers smooth progress in teaching and research activities. Equipment idleness is a prominent issue contributing to low asset utilization efficiency. Universities possess a significant amount of teaching and research equipment initially purchased to meet specific educational and research needs. Due to poor equipment management and inadequate usage planning, much of this equipment remains underutilized or idle for extended periods, resulting in resource wastage and increased costs for maintenance and upgrades. Universities need to strengthen equipment management, establish scientifically sound equipment usage plans, and ensure optimal equipment utilization.

Repetitive resource allocation is another significant reason for low asset utilization efficiency. Different departments and faculties within universities often lack unified planning and coordination when procuring equipment and resources, leading to duplicate resource allocation and wastage. For example, similar types of equipment may be redundantly purchased across different departments and laboratories, leading to resource redundancy. Some research projects lack sharing mechanisms, resulting in repeated purchases of experimental materials and instruments, which increase costs. This not only wastes limited financial resources but also diminishes asset utilization efficiency. Universities should establish unified resource management platforms, enhance communication and coordination among departments and faculties, avoid redundant resource allocation, and promote resource sharing and efficient utilization.

3.3 Weak Risk Control Mechanisms

Weak risk control mechanisms in the management of state-owned assets in universities are another significant factor limiting asset preservation and appreciation. Inadequate internal audit efforts are a critical manifestation of weak risk control mechanisms. Internal audits are indispensable in university asset management, overseeing and inspecting various aspects of asset management processes to identify and rectify issues. Many universities face issues such as insufficient independence of audit departments, inadequate scope and depth of audits, and lack of follow-up and corrective measures. These shortcomings prevent audits from effectively fulfilling their supervisory and safeguarding roles, resulting in delayed detection and handling of asset management risks. Universities need to enhance internal audit practices, improve the independence and authority of audit departments, expand audit scopes and depths, and ensure the implementation
of audit findings and corrective actions.

High risk of asset loss is another pressing issue in university asset management. With diverse asset types including fixed assets, current assets, and intangible assets, there are inherent risks of asset loss during management and usage processes. For instance, equipment and facilities within fixed assets may suffer damage or loss due to poor management or inadequate maintenance. Teaching and research materials within current assets may be misused or wasted due to inadequate supervision. Intellectual property within intangible assets may be infringed due to insufficient protection measures. The lack of contingency plans exacerbates weak risk control mechanisms in university asset management. Universities may face various emergencies and risks during asset management processes, such as natural disasters, equipment failures, and information security incidents. Without timely and effective handling, these emergencies and risks may lead to asset losses and management chaos. In conclusion, addressing these issues requires universities to strengthen their asset management systems, enhance utilization efficiency, and improve risk control mechanisms. By doing so, universities can effectively preserve and appreciate their state-owned assets, thereby supporting their educational and research missions.

4. Three Strategies to Optimize the Mechanism for Preserving and Appreciating State-Owned Assets in Universities

4.1 Improve Management Systems

To address the existing issues in managing state-owned assets in universities, it is essential to first improve the management systems. Enhancing the management system forms the foundation for improving asset management efficiency and effectiveness, with clarifying management responsibilities being the primary task. Universities involve numerous departments in asset management internally, and it's crucial to ensure clear delineation of responsibilities to avoid overlaps and management blind spots. Through organizational restructuring and detailed division of responsibilities, each department's role and tasks in asset management should be clearly defined. Establishing comprehensive rules and regulations serves as institutional safeguards for asset management. Universities need to comprehensively review and evaluate existing asset management regulations, promptly revising and refining provisions that do not meet new management demands. Enhancing personnel training is a critical measure to elevate the professional level of asset management. Universities should regularly organize training and learning opportunities for asset management personnel to enhance their professional knowledge and skills. For instance, inviting experts and scholars to deliver lectures and training on asset management theory and practices, as well as facilitating participation in domestic and international exchanges and learning in relevant fields, will encourage asset management personnel to take professional qualification exams and participate in continuing education courses. By continually enhancing the professional competence and management abilities of personnel, their execution and innovation in asset management can be strengthened. Improving the level of management informatization is a crucial direction in modern asset management. Leveraging modern information technology, universities should establish efficient asset management information systems to achieve digitization and intelligence in asset management.

4.2 Enhance Asset Utilization Efficiency

Enhancing asset utilization efficiency is key to achieving the preservation and appreciation of state-owned assets in universities. Universities should maximize the utilization benefits of existing assets through measures such as optimizing equipment management, rational allocation of space
resources, promoting resource sharing, and establishing resource management systems. Optimizing equipment management is a significant means to enhance asset utilization efficiency. Universities possess numerous teaching and research equipment, and their effective utilization is crucial for improving teaching quality and research levels. Establishing systems for equipment registration and maintenance ensures each piece of equipment is fully utilized. Rational allocation of space resources is another critical measure to enhance asset utilization efficiency. The campus buildings such as teaching facilities, laboratories, libraries, and dormitories are vital assets, and their proper allocation and efficient utilization directly impact the university's teaching and research activities. By optimizing the allocation of space resources, universities can maximize their utilization rates.

Promoting resource sharing is an essential approach to enhancing asset utilization efficiency. Internal departments and faculties in universities should establish mechanisms for sharing resources, which is crucial for improving asset utilization efficiency. Establishing a resource management system is a modern means to enhance asset utilization efficiency. Leveraging modern information technology, universities should establish efficient resource management systems to achieve digitization and intelligence in asset management. For example, establishing a fixed asset management system for online registration, use, and maintenance records of equipment; establishing a mobile asset management system for online procurement, issuance, and scrapping management of materials and supplies; and establishing an intangible asset management system for online application, protection, and transfer management of intellectual property rights. Through informatization means, the efficiency and transparency of asset management can be improved, reducing human operational errors and loopholes.

4.3 Strengthen Risk Control

Strengthening risk control is crucial for ensuring the safety and appreciation of state-owned assets in universities. Universities should enhance risk control capabilities through measures such as strengthening internal audits, establishing warning mechanisms for asset preservation and appreciation, and improving emergency response plans to comprehensively enhance asset management's risk control capabilities. Strengthening internal audits forms the basis for enhancing risk control. Internal audits supervise and inspect various aspects of asset management in universities to promptly identify and rectify management issues. Universities should enhance the independence and authority of audit departments to ensure effective conduct of internal audit work. Establishing warning mechanisms for asset preservation and appreciation is a significant measure to strengthen risk control. Universities face various risks in asset management processes, such as asset losses, equipment failures, and market changes. Establishing warning mechanisms can help universities identify and prevent these risks in advance, reducing losses and risks in asset management. Universities can also enhance risk management's scientific and precision through the introduction of risk management software and tools.

Improving emergency response plans is a crucial step to enhance risk control capabilities. Universities may encounter various emergencies and risks in asset management processes, such as natural disasters, equipment failures, and information security incidents. Improving emergency response plans can enhance the university's ability to respond to emergencies, reducing asset losses and management chaos. Universities should establish emergency command and coordination mechanisms to ensure timely and effective command and dispatch during emergencies. Enhancing the comprehensiveness and systematicness of risk control is critical to enhancing risk management levels. Universities should comprehensively consider various risk factors in risk control processes and establish a comprehensive risk management system.
5. Summary

This article analyzes the current state of management of state-owned assets in universities, revealing major issues such as imperfect asset management systems, low asset utilization efficiency, and weak risk control mechanisms. To address these issues, specific strategies are proposed: improving management systems, enhancing asset utilization efficiency, and strengthening risk control. Improving the management system entails clarifying management responsibilities, establishing comprehensive rules and regulations, enhancing personnel training, and improving the informatization of management. Enhancing asset utilization efficiency should focus on optimizing equipment management, rational allocation of space resources, promoting resource sharing, and establishing resource management systems. Strengthening risk control necessitates reinforcing internal audits, establishing warning mechanisms for asset preservation and appreciation, refining emergency response plans, and enhancing the comprehensiveness and systematic nature of risk control measures.

References