

# Research on the Cost Accounting System of Colleges and Universities under Budget Performance Management

Zhengjuan Zhang

Nanjing Normal University of Special Education, Nanjing 210000, China.

---

**Abstract:** With the continuous development of China's higher education, the higher education system is also changing, and China's higher education is facing more and more problems. At the same time, the internal and external accounting environment of universities is also changing, and studying education cost accounting is of great significance to promote the healthy and sustainable development of universities. Based on the cost accounting system of universities under budget performance management, this paper analyzes the theoretical basis, principles and methods of the construction of university cost accounting system under budget performance management, and puts forward effective measures to provide reference for relevant personnel.

**Keywords:** Budget Performance Management; Cost Accounting System; University

---

## Introduction

In the report of the 19th National Congress of the Communist Party of China, it is clearly pointed out that it is necessary to establish a scientific, standardized and transparent budget system, and vigorously promote and strictly implement budget performance management. Building an effective approach to budget performance management requires a deep understanding of what it means. As an advanced financial management method, the budget performance management method is not only reflected in the amount and use of declared budget funds, but also reflected in the realization of performance evaluation indicators, and supervises the use effect of budget funds, so as to realize the unity of budget and performance. Under this new situation, how to improve the efficiency of university budget performance management and establish a set of cost accounting system suitable for universities has become an important topic in current research.

## 1. Research on the cost accounting system of colleges and universities under budget performance management

### 1.1 The theoretical and practical value of college cost accounting under budget performance management

The "Financial System for Colleges and Universities" clearly states that in order to strengthen budget performance management as a whole and effectively improve the efficiency of the use of funds, expenses should be reasonably determined according to the actual needs of education, teaching, scientific research and other activities. In September 2022, China promulgated the "Specific Guidelines for Cost Accounting of Public Institutions - Colleges and Universities", which clearly states that colleges and universities should conduct cost accounting according to the special requirements of internal and external cost information of colleges and universities. In China, the application of university performance management is limited, and one of the important reasons is the lack of effective support for performance in the implementation process of universities. Cost information is an important basis for university performance evaluation, but because cost accounting has just begun in universities, it is not widely used enough, and the cost accounting of universities is not comprehensive enough. In order to implement budget performance management, what kind of cost information is needed and how to build a cost accounting system are all problems that need to be solved.

It is necessary to establish an effective all-round, whole-process and full-scope budget performance management system and cost accounting system, which is an inevitable requirement for the high-quality development of colleges and universities. At the level of policy items, internal organizations and units, a cost accounting system based on budget performance management is constructed, and data that conforms to pre-performance management, in-process performance monitoring, post-event performance evaluation and achievement appli-

cation are constructed. The disclosure of performance targets and performance evaluations in the public budget highlights the need for cost information. On this basis, the construction of a cost accounting system based on budget performance management can not only scientifically evaluate and manage the input and output of the budget, but also provide a feasible basis for universities to build a cost accounting system<sup>[1]</sup>.

## **1.2 The principles of cost accounting for colleges and universities under budget performance management**

In the government's accounting reform, the administrative agency has adopted a new dual accounting mode of accrual basis and cash basis, and has scientifically and efficiently combined financial accounting and budget accounting, and among the two methods, accrual is the most fundamental way. The purpose of introducing this standard by colleges and universities is to make the cost and expense accounting of colleges and universities more standardized, better reflect the financial management level of universities, and ensure the healthy development of universities. The cash system can clearly show the flow of university funds and facilitate the tracking of expenditures. The dual-mode system reflects the capital flow and resource allocation of universities from many aspects, which can cover many factors of university cost accounting, improve the level of university cost accounting, and provide guarantee for the performance control of university cost accounting, so as to make up for the shortcomings of the traditional cost accounting system of colleges and universities, so that the performance management system can be better operated. In the costing of universities, the principles of reliability, consistency, relevance, adaptability and cost-effectiveness must be followed. These principles are the second step in infiltrating budget performance management into university cost accounting, laying the foundation for cost accounting and performance appraisal.

## **1.3 The method of cost accounting of colleges and universities under budget performance management**

In the "Basic Guidelines for Cost Accounting of Administrative Institutions (Draft for Comments)" issued by the Ministry of Finance, it is clearly stated: "Units shall choose the full cost method or the manufacturing cost method for cost accounting according to the cost information needs. "The cost accounting of colleges and universities must not only meet the internal control requirements of universities, but also meet the external reference evaluation requirements of universities. The manufacturing cost method mainly collects expenses directly related to operation, such as education, scientific research expenses, etc.; The full cost method is based on the manufacturing cost method, and includes management, logistics and other expenses. This shows that compared with the total cost of a university in a year with its fiscal revenue, as long as the total cost exceeds the fiscal revenue, there is no slack part that is not absorbed, and vice versa. Therefore, the full cost method is not only an advanced method that covers all expenses, but also a costing method that is not based on performance<sup>[2]</sup>.

# **2. Measures for cost accounting of colleges and universities under budget performance management**

## **2.1 Establish cost accounting management bodies for colleges and universities**

After the reform of the government accounting system, the cost accounting of colleges and universities has changed from the single receipt and payment method to the dual-mode cost accounting method. However, with the deepening of China's higher education reform, the application of this system in China's colleges and universities has begun to appear. Therefore, we can refer to the cost accounting system of foreign universities and establish a cost accounting management agency for universities. On this basis, combined with the experience of the American Association of Higher Education, the British Higher Education Fund and other institutions, organize and convene cost accounting meetings, undertake the preparation of university fee guidelines, collect cost information, and evaluate the implementation effect. In this way, the governing body can act as a think tank for university cost accounting and a supervisor of university cost accounting, make suggestions on university cost accounting, and adjust the cost accounting model and method based on the national development strategy and education development plan, evaluate the annual performance of universities, and set financial budget targets for the next year. By establishing an independent cost-accounting management body, the evaluation process is guaranteed to be fair and impartial, and satisfactory evaluation results are produced.

## 2.2 Promote the combination of budget performance management and cost accounting

Budget performance management in colleges and universities is aimed at pursuing revenue. When carrying out cost accounting, it is necessary to determine the purpose of two tasks: first, to determine the reasonableness of cost consumption according to the result requirements and cost benefits; Second, according to the principle of benefit, a reasonable analysis of the recovery rate and distribution of costs should be carried out. Based on these two levels, establish qualitative and quantitative standards, standardize the cost accounting process, build an accounting account that can fully reflect the education cost, and then organically integrate the subjects and benefit indicators according to the truly complete cost accounting purpose. In cost accounting, the accrual basis is the mainstay, supplemented by the cash system reflecting the flow of funds, and the full cost method is used to aggregate and allocate costs. Under the guidance of the theory of liability cost system, the target cost is used as the constraint to evaluate the cost expenditure. The point is that this method is conducive to realizing the value criterion, meeting the needs of the system and economic benefits, and at the same time taking into account the satisfaction of the service object, showing a humanized design in the cost accounting evaluation, so as to bring a more positive impact on the solution of the cost accounting problem.

## 2.3 Promote the digitization of financial information

In the management of university funds, in order to reduce the burden of financial personnel, it is recommended to combine financial accounting, budget accounting and performance management, so as to improve the construction level of university cost accounting system. In the digital era, the biggest advantage of financial work is to save human resources, improve work efficiency, hand over simple and repetitive work to the Internet intelligent system, and rely more on human resources to make strategic decisions. As an educational institution, if universities are to achieve their long-term sustainable development, they must continuously account for their inputs, costs and results. A sound cost accounting system can improve the comparability of education costs in different periods, comprehensively and systematically analyze the cost information of different levels and departments, fully and accurately reflect the cost accounting of universities, efficiently evaluate performance, and digitize financial information<sup>[3]</sup>.

## 3. Concluding remarks

In summary, the establishment of the cost accounting system of colleges and universities under budget performance management is conducive to strengthening the government's administrative management of universities, strengthening the openness and transparency of university funds, and reducing duplicate expenditures. Therefore, universities can promote cost accounting by establishing university cost accounting management institutions, promoting the combination of budget performance management and cost accounting, and promoting the digitization of financial information. Cost accounting is not only an improvement in the financial budget management of colleges and universities, but also conducive to promoting the development of China's economic management system and performance mechanism.

## References

- [1] Zhang J. Construction of Cost Accounting System for College Education from the Perspective of Performance Management[J]. Journal of Inner Mongolia University of Finance and Economics, 2023, 21(02): 97-100.
- [2] Yang YP, Hu ZY. Construction of Cost Accounting System in Colleges and Universities from the Perspective of Performance Management[J]. Journal of Chengdu Normal University, 2022, 38(08): 92-98.
- [3] Jiang H. Evaluation method and implementation plan of university performance budget[J]. The Economist, 2011( 2): 98.

## Project Name:

Construction of university cost accounting system under budget performance management of 2023 General Project of Philosophy and Social Science Research in Colleges and Universities 2023SJYB0505 Budget Performance Management