

Discussion on Asset Management Mode of University Education Foundation Based on Sustainable Development

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Abstract: With the reform of the education system, foundations have become more and more important in colleges and universities. They even determine the height a college can reach. However, in terms of the maturity of the foundation's organizational model, the professionalism of its staff, the operational capability of fund-raising activities and the fund's asset management, China's university education foundation is still in a relatively backward position and has a large gap. The article focuses on the development needs of China's university foundations, and needs to raise the awareness of investment responsibility, establish a reasonable investment operation mechanism, expand investment channels and improve investment benefits, so as to promote the long-term sustainable development of university education foundations.

1. Introduction

At present, with the popularization and large-scale expansion of higher education, higher education generally faces the difficult problem of running a school with tight funds. The University Education Foundation is a non-public fund, which not only has the characteristics of non-profit and public welfare, but also has the characteristics of serving education. In addition to striving for financial allocations for education, colleges and universities also raise educational funds through tuition fees, scientific research funds, setting up school-run enterprises, accepting donations and other channels [1]. The development of China's university foundations has entered a new stage and has become an important force in promoting the development of university education. However, our university education foundation is still in the primary stage of development and cannot be compared with some famous university education foundations with a long history abroad [2]. At present, fund-raising by accepting donations from alumni is the mainstream fund-raising method. However, under the condition that the foundation has a certain capital base, how to preserve and increase the value of assets for use through investment is another difficult problem. As a special organization responsible for managing donated education funds, the Education Foundation will surely become a powerful engine to promote the sustainable development of China's colleges and universities.

2. The Boosting Role of Educational Foundation in the Development of Chinese Universities

2.1 Standardize Social Donation, Effectively Expand and Rationally Use Social Donation

Education Foundation is a public welfare civil society organization aiming at educational public welfare undertakings, which is responsible for collecting funds, rationally using funds and realizing public welfare purposes. The goal of China's University Education Foundation is to promote the development of university education. In the direction of fund use, it mainly includes three aspects: awarding students, funding scientific research and building a campus. However, due to the fact that China's higher education foundations are still in the initial stage, and the development of fund-raising channels and methods is not sufficient, there is great uncertainty in the donation income of most higher education foundations, and it is difficult to guarantee sufficient fund support by relying solely on donation income [3]. At present, some university foundations in our country have tried

diversified investment operations, such as bank deposits, purchase of treasury bonds, stock investment, entrusted financial management and equity investment. But now through the establishment and development of the university education foundation, it can make up for the shortcomings of the limited investment of the state and the government, and through the fund-raising operation of the foundation. Timely communication and feedback, strict examination and supervision, and actively safeguard the interests of donors, the government and other organizations and other stakeholders, and ultimately realize the maximization of the value of the university education foundation [4].

2.2 It is One of the Important Educational Contents to Realize Higher Education

The domestic foundation manages its funds by reserving part for stable bank deposits, bonds, etc. and the other part for projects with higher returns, thus avoiding risks and ensuring returns to a certain extent. In terms of donation forms, there are generally three types of funds raised by university foundations: one-off donation, regular donation and capital preservation fund donation. According to the purpose of its use, it can be divided into special donation and non-special donation [5]. Compared with European and American university foundations, there is a huge gap in investment scale, investment benefit and asset management capability. College students are the main potential group for future social charitable donations. Through donation activities of the University Education Foundation, especially alumni donation activities, college students' sense of honor, sense of belonging and centripetal force can be strengthened, and college students' dedication, school-loving awareness and social responsibility can be cultivated. Education Foundation serves the educational cause, has the characteristics of charity and commonweal, and should also carry out moral restraint on the behavior of foundation management personnel. Therefore, it is an effective way for the foundation to obtain more funds through reasonable and effective investment operation of funds temporarily not required to be paid by the university foundation so as to obtain relatively stable investment income.

3. Problems Existing in Operation Mechanism of University Education Foundation

3.1 The Organizational Structure is Dominated by Administrative Management, and the Management Operation Lacks Independence

Due to the commonweal nature of the foundation, all its activities are centered on commonweal nature, and investment is no exception. Foreign university foundations usually set up special investment departments and employ professionals from investment banks and financial institutions to form management teams to formulate investment objectives and policies. The education foundation must find the corresponding administrative authority to apply for registration with the civil affairs department. This inevitably involves the administrative responsibility of the competent administrative department, thus resulting in the dual leadership of the civil affairs department and the competent department to the university education foundation [6]. The organizational structure and staff of the university education foundation lack the independence they should have. The fund raising decision, investment decision, management and operation decision are vulnerable to administrative intervention and the division of labor is unclear, which leads to the lack of enthusiasm and creativity of the university education foundation. Compared with the same appeal of enterprise annuity and endowment insurance fund, there is still much room for improvement in the legislation of university foundation. Then the university education foundation must ensure legality in the operation process, i.e. all activities comply with the constitution, laws and regulations and various policies of the state; To build a bridge between the donor and the recipient to realize the purpose of donation and give full play to the positive role of social donation in the development of higher education.

3.2 Capital Appreciation is Mainly Based on Deposits, and Investment and Financial Management Lack Professionalism

The donation funds of China's university foundations have the following characteristics: first, the donation objects are relatively single, mainly from the enterprises recommended by alumni or alumni, and this part of donation constitutes the most important source of the foundation's donation income. There are many constraints on staffing, which makes it difficult to provide competitive remuneration to attract outstanding talents to participate in professional management [7]. Deposit has become the main way for most foundations to increase their capital value. However, with the increase of inflation, the deposit interest rate is no longer sufficient to make up for the capital loss caused by inflation. It is difficult to guarantee the independent status of the university education foundation, which is also the reason why the development of university education foundation in our country is not fast at present. The source of the fund is mainly limited to successful alumni and their enterprises. The donated funds are relatively small. There is no example of well-known alumni from foreign universities donating more than half of their assets. Especially with the development of China's higher education and the establishment of key universities, the funds needed for the development of education are becoming more and huger. Besides the current state funding as the main source of funds, how to raise more abundant funds to serve the teaching and scientific research of universities has become an important part of university management. In the process of activities, actively report the use of funds and the implementation of education. Correctly regulate their investment behavior, put an end to insider information and other illegal acts, and maintain a good investment environment.

3.3 Oversight Feedback is Opaque and Funding Sources Lack Continuity

The foundation is an independent corporation and should have a complete organization. However, at present, the foundations of colleges and universities in our country are independent in form, and in fact most of them are administratively managed. Although the University Education Foundation has a board of supervisors, the members of the board of supervisors are concurrently held by university insiders, with unclear authority and lack of independence in insider supervision. Many university foundations have not established professional talents, and there are even fewer professional investors. Judging from the foundation's social influence, the foundation's social influence is far less than that of foreign universities, and its credibility is not enough. The school regards the foundation as an administrative department of the university. The managers lack systematic knowledge of fund operation, even basic investment knowledge. Moreover, the bureaucracy is serious, and the funds will be placed in unsafe and illegal financial companies due to personal relationships. The amount of investment in education and scientific research has become the main factor restricting the promotion of the competitiveness of colleges and universities. At present, the national planned allocation for higher education can only maintain the daily expenditure, while the development funds are mainly won by the strength of the schools themselves. As a charitable organization serving the development of education, the University Education Foundation can ensure the openness and transparency of its operation and management to win the trust of the public, create favorable conditions for winning follow-up long-term donations, and provide greater financial support for the development of education [8].

4. Countermeasures and Suggestions on Asset Management of China's University Education Foundation under the Concept of Sustainable Development

4.1 Perfect the Supervision System of University Education Foundation

To strengthen the system construction, to ensure that the university education foundation's operation is open, fair and transparent. The establishment of the Education Foundation has a high degree of concern. It should accept supervision and management from all sides on the basis of self-discipline, establish a strict financial system, and increase transparency in the use of social donations. According to the Regulations on the Administration of Foundations, university

foundations should maintain and increase their value in accordance with the principles of legality, safety and effectiveness. For example, it specifies the asset management organization, investment type, investment proportion and relevant penalties for losses caused by illegal investment that the foundation can choose. Then design project activities such as grants, grants, infrastructure projects, etc. around the funding goals and the wishes of donors. Through strengthening contacts with alumni enterprises and establishing cooperation agreements for targeted donations, stable sources of funds can be brought to the education foundation. Faced with the unprofessional management of university personnel and the risks of financial investment market, it is very necessary for the state to issue relevant laws and regulations to guide, and must go deep into the operational level to guide. Drawing lessons from western experience, China's higher education foundation should employ specialized fund management talents to carry out standardized management of foundation funds to ensure the maintenance and appreciation of funds and reduce the risk cost of funds.

4.2 Broaden Investment Channels and Financing Methods

Special posts should be set up within the foundation to contact social relations, explore potential donors, establish a complete set of information sheets for potential investors, regularly attract their attention through donors, meetings and other means, so that they can become new donors. The training of fund-raising personnel should be standardized and professional, and a threshold should be set for admission, such as the admission system implemented in some places. At present, the fund raising of our country's higher education foundation is still at the stage of passive acceptance, and the awareness and level of active fund raising need to be improved. Entrust funds to professional investment institutions, which will carry out risk assessment and scientific financial management of the assets of the university education foundation. All kinds of investment tools have both risks and benefits. The nature of educational foundation's own charity determines that honey integrity is the primary principle. We should have a correct understanding of the relationship between risks and returns in financial markets, and establish the target of return on investment according to our own risk preference and bearing capacity. Secondly, the asset investment theory is used to optimize the proportion of asset portfolio allocation. However, due to the immaturity and complexity of the financial market and the fact that the university foundations in our country cannot be fully managed in a short period of time, it is suggested to employ specialized asset management agencies to implement the management's investment strategy, manage and operate the funds.

4.3 Strengthen Publicity Efforts to Form Social Consensus

Publicize the significance and role of the university education foundation, publicize the work and activities of the education foundation, strengthen the understanding of the foundation by people from all walks of life, and reduce the adverse effects caused by social misunderstanding of the foundation. The education foundation has the attribute of public welfare charity, and the investment income it obtains will be put into public welfare expenditure. The popularity of university education brand and the public welfare of university education foundation are generally recognized by the society. Only in this way can the pride of alumni and the favor of alumni enterprises be enhanced, and the enthusiasm of alumni donation and enterprise donation be further stimulated. Asset management agencies evaluate different funds, determine different investment methods according to the nature and use needs of funds, and give consideration to liquid products, fixed income products and high income products. Considering the safety, efficiency and liquidity, we should establish a reasonable investment portfolio and actively expand investment channels and projects. The charm of the school itself is used to attract high social status, strong social ability, social celebrities and outstanding graduates to join the alumni association to increase the popularity of the school. These people can usually use considerable social resources to donate. Give full play to the advantages of secondary college graduates resources and school-enterprise cooperation resources to achieve a clear division of labor and sharing of resources.

4.4 Strive for Favorable Policy Guarantee to Realize the Sustainable Development of the Foundation

The higher education foundation should not only actively apply for tax concessions for pre-tax deduction and tax exemption qualifications, but also actively go out and establish good relations with other foundations and strive for other foundation organizations to donate funds to the higher education foundation. In order to promote the Council or the Committee of Investment Experts to attach importance to the investment operation of the fund and improve the asset management capability, such as determining the correct investment strategy, supervising the organization and implementation of the investment strategy, and formulating the risk control mechanism. Strict supervision measures must be taken to ensure the safety of investment in university education funds. Diversified strategies should be adopted for fund investment to share risks. The financial market is only one of the investment channels. Many foreign foundations have their own real estate and industries, which has certain enlightening effects on the transformation of investment ideas of China's university education foundations. Of course, this part of funds can also be entrusted to professional financial management personnel for investment distribution. As the management of colleges and universities, only the investment target needs to be agreed with Party B, and the approximate annual rate of return is determined. This is not only convenient, but also conducive to long-term development.

5. Conclusion

The foundation of colleges and universities in our country was established late and its development was chaotic. At present, there are a series of problems to be solved. In order to maintain long-term and sustainable support for the development of higher education and avoid the embarrassing situation of how much money to do, the university fund must pay full attention to the investment income from donated assets. Through the government's guidance and assistance, citizens' response and practice, and the foundation's own efforts and changes, we can certainly establish a perfect foundation organization in colleges and universities. The awareness of donating to higher education will continue to improve. The operation mechanism of sustainable development will effectively ensure the sustained and healthy development of the higher education foundation and provide strong financial support for the development and growth of private higher education.

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