

MANAGEMENT OF INSTITUTIONS ON THE EXAMPLE OF STUDENT CENTRES

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Abstract:

Student centres in the Republic of Croatia act as non-profit public institutions whose founders are universities and polytechnics. Their activity is to organize food and accommodation, temporary and occasional employment of students, and cultural, sports and other activities.

They are not the state budget users nor are they financed by their universities founders either. The Ministry of Science supports students by subsidizing, but without defraying the expenses of the student centres activities. As non-profit organizations, everything that centres book as revenues, they should return into the activity again.

In accordance with the Act on Institutions, (National Gazette No 76/1993, 29/1997, 47/1999, and 35/2008) student centres are managed by Governing body, and the principal is the manager of the student centre. The Centre can also have Professional body that discusses and makes decisions about professional issues of the centre activity. Internal structure is established by the statute and the surveillance of student centres is conducted by the ministry in charge.

The main issue in management of student centres is the answer to the question; how, from the existing revenues, meet all the expenses necessary to easily conduct the activity, regarding the fact that the prices of food and accommodation for students and subsidies from the Ministry of Science, Education and Sport were established by the decision of the Ministry in 1994, and they have not been changed since.

Based on the conducted researches, we are of belief that it is possible to significantly improve student centres activity; primarily by introducing permanent mechanisms for automatic correction of food and accommodation prices correspondingly to life expenses, subsidizing from the national budget based on the number of students, improving food quality, ensuring transparent public tender procedures on determining the most suitable suppliers, and providing own additional resources.

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1. Introduction

Within the public sector institutions appear as an organizational forms too. Establishment, branch, general acts and other issues of importance to the work of institutions are regulated by the Law on Institutions (National Gazette no. 76/1993, 29/1997, 47/1999 and 35/2008.) as *lex generalis*.

With this law there are special laws, *lex specialis*, for different areas, eg education, health...

Article discusses management of public institutions, within their student centers, as public institutions where the highlights role of public governance. Student centers, a public institution, serving the public interest and do not share the profits.

The paper used: methods of data collection (internal, external), methods of data processing (manual data processing, mechanical processing of the data), methods of analyzing the results (analysis, synthesis, induction, deduction method matches, compilation methods, mathematical - statistical methods).

So far in Croatia was not written about the theme of management institutions on the example of the student centers.

2. The legal regime of institutions in the Croatian law

Institution is a legal entity which is established to carry out continuous education, science, culture, media, sports, physical education, social welfare, health and other sectors if it is not earned income (Law on institutions). Important elements of such institutions are defined :

-it is a legal entity, established to permanently operate and is not established for profit.

Institution is establishing by the act of establishing, as it brings the founder, and it may be domestic and foreign, natural and legal persons. The team is determined by the act and its activities. Institution has a name that refers to its work.

The founders of institution normally are always a public-legal entities: the Republic of Croatia, the municipality, city, county (city of Zagreb), high schools...

The internal organization of institutions are regulated by the statute.

If institution, however, gains profit, then it is applied to commercial law regulations.

3. Management institute

Institution manages the Governing council or other common body. The Governing Council provides programs and institutions development, supervised their execution, decides on the financial plan and annual balance

sheet, founder proposes a change of activity, given the founder and director of institution suggestions and opinions on certain issues and make decisions, and performs other duties specified by law, the act of founding and the statute of institution.

Head of institution is director, if the law is not otherwise provided.

Director organizes and manages the activities and business facilities, represent institution, take all legal actions for and on behalf of institution, represents institution in all proceedings before courts, administrative and other state bodies and legal persons with public powers.

Director is responsible for the legality of institution.

Director can not, without the special powers of the Governing council or the founders of the institution or organ which is by the founder appointed as the other contracting party, sign a contract in his name and his account in own name for the account of others, or for and on behalf of others.

Director leads a professional work of institution, and he is appointed and dismissed by the Governing council.

Professional work of institution leads a professional manager if so prescribed by law, the act establishing institution or by statute.

Institutions may have an Expert council or other common body professional institutions. Composition, establishment and operations of Expert councils institutions are set by regulations of the institution in accordance with the law and the act establishing the institution.

Expert Council discusses and decides on professional matters work facilities within the competencies established by law, act on the establishment and the statute of institution, gives the Governing Council, director and head of professional opinions and suggestions regarding the organization of work and conditions for development activities and other affairs of certain legislation, act on the establishment and the statute of the institution.

Institutions may have other oversight, technical and advisory bodies. Composition, mode of establishment, mandate and powers of these bodies shall be determined by the statute of the institution in accordance with the law and the act establishing the institution.

Management institution is based on public management.

Concept of public management, which refers to the public sector, means the partial restoration of the values associated with public sector and public interest - responsibility, equality, fairness and legality. Namely, rendering of accounts, control, response to the needs of students, transparency and participation, are important at least as matters of economy and efficiency (Perko Šeparović, I. 2006., Pp. 14 and 15.).

4. Student Centers in the Republic of Croatia as a non-profit public institutions

Student centers are established on the basis of the Law on Institutions and in accordance with the Law on Science and Higher Education Act (National Gazette no. 123/2003 and 46/2007.).

Constitutional rights of student centers have universities and schools. Internal structure, the way of management, financing and other issues of importance for the work of student centers regulated by the act of their establishment, and it established general acts (extract from the Statute of the student center). Centers are nonprofit organizations, and their accounting is established under the provisions of the Regulation on Accounting of non-profit organizations (National Gazette 10/2008.).

When determining non-profit organizations, there are three important assumptions:

The first assumption is that the legal persons are and work primarily with a purpose other than profit. The highlights here are not to avoid the creation of profit (in terms of the emergence of surplus income from all sources in relation to the costs of all forms) but the existence of predominantly purposes of public interest.

Another feature of non-profit organizations is that they are not allowed to share the realized net profit to third parties, which might due to its position affect the operation of the organization, in order to acquire personal benefits (this applies for example to the founders, members, officers, directors, agents, employees and other physical and legal entities closely associated with the already mentioned).

This prohibition is not extended to the benefits that can be achieved with the purpose of public interest, even when it is performed to third parties (as, for example, charitable donations to the poor).

The third assumption refers to the fact that the characteristics of non-profit organization does not necessarily depend on its legal form. In other words, the crucial importance of activity and purpose of the organization, not the character of its legal personality (Handbook on Laws for Civic Organizations Open Society Institute, International Center for-Profit Law, 1996. year).

So student centers relations with users of services set up without immediate market status, a student activity center is supported by the state. (Herner, Ž., Marinac, A., Osijek, 2007.)

5. Internal organization of student centers

Student centers are registered as a public institution for the complete and necessary care for students. Work is organized according to areas of student standards:

- students nutrition needs (student restaurants),
- student service (temporary and occasional employment of students),
- student accommodation (student hostels and private accommodation subsidy)
- organization of cultural, entertainment and sports content.

Based on the conduct of student activity centers generate revenues.

6. Managing Student Centers

Student centers, according to the Law on Institutions (National Gazette, no. 76/93, 29/97, 47/99 and 35/08) are managed by the Governing Council and leader of the student center, director.

Center may have Expert Council, which discusses and decides on professional matters of Center work. The internal organization is regulated by the statute, and the oversight of the student center by the Ministry.

Managing student centers is important from the aspect of managing their activities and thus their income and expenditures.

System management student centers is necessarily based on computer database.

6.1. Managing student nutrition needs

Managing student eating is a very sensitive issue, since the limited number of students have rights on meals. Namely the right to nutrition have just regular students. Map of the state budget intended for co-financing of nutrition is sufficient only for the food co-financing part of the students, not all students, even though all the regular students have a right to nutrition. Testing of students, we find that they would prefer to use canteen items (hamburger, hot dog, smoked meats products, milk, juices...).

However, these items are not allowed by Decision of the Ministry and they would significantly increase the number of student meals, and would cause breakthrough item in the State budget, which would student centers make deprived of the funds from the State budget, and that would create the debt to suppliers.

Due to providing and using services of students nutrition the Ministry and student centers sign the agreement.

Ministry gives support to the exact prescribed meals which make contribution to agreements as follows:

- complete meal, for each meal there is a list of individual meals, standards for individual meals and the price of each individual meal, and prices for each individual meals are calculated on the basis of norms;
- list of other food products for which is approved grants of Ministry (simple food, milk products and drinks with individual prices);
- list of additional dishes with individual prices for which the Ministry approved grants.

Student centers are not allowed to allow users (students) to take out food from the student restaurant meals.

Student center is required to provide spatial, technical, computer-communications, sanitary and other requirements for preparing, dispensing and consuming meals during the academic year.

Student centers are allowed to issuing only the amount of meals that are consistent with the rights of users, which is regulated by the Ordinance of support to cover the costs of nutrition students (National Gazette no. 58/2001) and the applicable decisions of the Minister on the prices of food for students.

Student centers are obliged to offer to users (students) complete meals so that the average price during a month does not exceed 16.70 kuna.

For the realization of the price difference (margin) important is number of students who use their rights. If a small number of students used their rights for food, a student will not achieve central sufficient difference in price (spread) to settle the costs of operations.

If a large number of students used their rights for food, student center break clause in the state budget, which refers to the nutrition of students and is due to the loss.

We can conclude that for the positive management of student centers is substantial optimum number of students who will use their rights to the amount of the state. If it is in increasing student meal price above 17.60 kuna, student centers generate higher margin, but the students remain to withhold a certain number of meals during a month. Students who are not domicile for example, are entitled to 60 meals.

6.2. Managing student service

Income from fees for arranging the employment of regular students are charged only from an employer and used to improve student and student standards, and can not amount to more than 12% of net profit student (the Law on Labor exchange students).

6.3. Managing student accommodation

The total price of accommodation in student houses is 210.00 kuna per bed and found it still in 1993. year and was not changed until today. Of this amount a student pays 105.00 kuna, and the Ministry of Education and Sports, co-financed 105.00 kn. This price does not include overhead expenses (electricity, water, heating). We believe that the price of accommodation is unrealistic and therefore student centers that have the student's homes mainly in the sectors stated negative financial results of operations because they have not predicted other sources to cover the costs of the accommodation price. Student tenants

Ministry of Education and Sports subsidized accommodation with 147.00 kuna per month.

7. State of food and accommodation of students in some European countries

In Slovenia, the Law on Higher Education settled the status issues of student nutrition and student homes.

Student hostels are the institutions within the University (Maribor, Koper) and the independent Institute (Ljubljana), which establishes the state. Student hostels and restaurants are privately owned. Ministry for Education and Science issued the Law on subsidizing students.

Students, subsidized by Slovenian Ministry pay equivalent of 230 kn to 523 kn. Non-subsidized students pay the economic cost of 600 - 1200 kn. Height meal subsidies for student meals from the budget funds is 75% reimbursement for nutrition for workers are determined by collective agreement.

Price single-bed room in Austria amounts to 140 euros, while the double-bed rooms cost 168 euros. The apartment with 2 rooms is 235 euros.

In Germany the average price of accommodation of students the amount of 278 euros per month.

8. Financing Student Centers

Financing activities of the student center is being realized from the following sources: income support for students from the Ministry of Education and Sports, revenues from the payment of students for food, income from student services, income from payments for student accommodation in student homes, donations, own revenues. Subsidizing student meals and accommodation of students from Ministry of Science, Education and Sports is supporting the students, while not funded business student centers. As a non-profit organization, the surplus income earned central student is used only for the development activities of the center, especially the user services of the Center. If realized, Center for the loss in business, it covers from the property of the Center, and founder of assets, all in a manner and under the terms of certain regulations for this type of activity (excerpt from the statute of the student center).

9. The main problem in the management of student centers

The question is whether a student centers can realize the difference in price from which to associated costs of procurement of food items, salary and material and other costs with the prices that are not changed so many years.

Price of complete meal (soup, main course, side-dish, salad, dessert) was found in the amount of 16.70 kn, of which the Ministry subsidizes 12.30 kuna or 73.65%, a student at the student's food fund pays an amount of 4.40 kn, or 26.35%.

The price of accommodation in student homes was found in the amount of 210.00 kn, of which the Ministry subsidized 105.00 kn or 50.0%, while the student accommodation in the home paid 105.00 kuna.

We note that a student for 4.40 kuna get lunch, which consists of soup, bread, main dishes, supplements, salads and deserts.

The same student a night in a double room with heating and an unlimited amount of hot water and with free internet access, cleaning, maid and reception pays 3.5 kuna per day, or 105 kuna per month.

We can conclude that the Student centers are faced with losses mainly due to unrealistic prices for accommodation and meals.

10. Possibility of improving the management of the student centers

It is possible to achieve significant shifts in the business of student centers, and above all: the introduction of fixed correction mechanisms in the price of food and accommodation and to automatically according to the movement costs of living. Real price of student meals instead of 16.70 so far would be kn 22.00 kn, while the real price of student accommodation, instead of 210.00 kn would be 415.00 kn. Support this claim is the fact that overhead costs are significantly more expensive, especially electricity, water and heating.

The food items are also more expensive.

The number of student users of student nutrition should be kept in mind as a criterion for reimbursement from the State Budget.

In some student centers right on the nutrition benefits use more students than the planned subsidy in the State budget.

Due to the proximity of local schools by introducing students and high school student in certain centers, and insufficient provision of quality student nutrition, reduce the number of student users of student nutrition.

These student centers would certainly work on raising the quality of food to achieve a greater number of students used the right to nutrition.

Greater the difference in cost of student centers can achieve by transparent public procurement and at the selection of most favorable suppliers.

Student centers are insufficiently using possibility of additional sources of income (providing catering services, sale of food waste, photocopying, rental of the restaurant for various celebrations ...).

It is vital to better co-operation with the student center environment, as well as assurances that the conclusion of the contract with the student to work through student service cheaper than the classic work on the contract.

11. Conclusion

Management of public institutions is under great public attention. From the student center as a public institution it is expected a positive financial result. In achieving this objective, their administrations are often encountered in a variety of obstacles.

Given that their main activity the provision of student meals and accommodation of students, the prices of these services for many years have not changed, so that the centers may generate losses in business.

Positive bussiness of student centers is possible, but with corrections of price meals and accommodation, and how living costs vary.

Nutrition should also be subsidizing students from the State budget according to the number of students. Administration of student centers must certainly raise the quality of meal service. It is necessary to ensure transparent procedures in public procurement at the selection of most favorable suppliers.

It is also possible to raise the income of additional finding of the research and better cooperation with the environment especially in the area of student services.

It is necessary to base student centers system management on IT database.

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