1.Basic principles

(1) Principles

1. The accounting affairs of the University shall be handled in accordance with the provisions of these principles, and those not provided for in these principles shall be handled in accordance with generally accepted accounting principles.

2. The handling of the accounting affairs of the University shall be included in the accounting system and shall be handled in accordance with the principle of consistency, and if it is necessary to change it, it shall be handled in accordance with the prescribed procedures for revising the accounting system.

(2) Fiscal year The accounting year of the University shall be in accordance with the regulations of the government for the relevant academic year, that is, from August 1 to July 31 of the following year, and the name of the accounting year shall be the first year of the Republic of China era on the beginning date of the year.

(3) Accounting basis The accounting basis of the University adopts the 'accrual basis'. In normal times, if there is no record of the occurrence of rights and liabilities, at the end of the year, the receivables and payables and prepaid items should be ascertained and prepaid in advance and a summons should be issued for appropriate accounting treatment.

(4) Units of account The accounting books and statements of the University shall be recorded in the national currency. Claims and liabilities received in or denominated in foreign currencies shall be recorded in the accounts of the domestic currency at the appropriate exchange rate on the date of receipt or the date of liquidation, and the same shall be true for the time of disbursement.

(5) Budget and final accounts

1. The budget of the school shall be prepared in accordance with the regulations, and shall be submitted to the competent authority of the school for reference before July 31 of each year after being approved by the board of directors. After a period of implementation, if there is a material difference between the review and the actual situation, the budget may be amended, and after being approved by the board of directors, it shall be submitted to the competent authority for reference before March 31 of each year, and shall be limited to one time.

2. At the end of each academic year, the financial statements of the University shall be checked by an accountant who meets the requirements of the competent authority, and the audited financial statements shall be submitted to the Board of Directors for approval according to the audited financial statements, together with the audit report and final accounts of the accountants, and shall be submitted to the competent authority for reference by November 30 of each year.

(6) Financial reports

1. The University's external financial report refers to the financial statements and the necessary notes.

2. The financial statements shall include the balance sheet, the balance of income and expenditure, the cash flow statement and other external financial statements prepared as required by the competent authority and the necessary notes.

3. The transactions between the University and its affiliates and related parties shall be disclosed in detail in the financial statements.

4. The financial statements shall be prepared in a two-period comparative manner, in which the balance sheet shall also show the increase (decrease) amount; The statement of surplus income and expenditure shall show the budget for the current year and the comparison of the current year's final accounts with the budget.

5. The balance sheet, balance statement of income and expenditure, cash flow statement and other major statements prepared by the competent authority shall be signed or sealed page by page by the formulator, the chief accountant, the president and the chairman of the board of directors of the external financial statements. If the person in the preceding paragraph has signed or sealed the back cover of the bound budget and final accounts, he or she may be exempted from signing or sealing each page.

(7) Custody

1. All kinds of original vouchers, accounting vouchers, accounting books, accounting reports, etc. shall be designated to be responsible for safekeeping, and if they are lost or damaged, the sponsoring accountant shall immediately report to the principal, the board of directors, the supervisor and the competent authority of the school for investigation and handling.

2. All kinds of certificates, except for those related to creditor's rights and debts, shall be kept for at least five years from the date on which the final accounts are submitted to the competent authority for reference. However, if there are special reasons with the consent of the competent authority, the period may be shortened.

3. All kinds of accounting books and accounting reports shall be kept for at least ten years from the date on which the final accounts are submitted to the competent authority for approval. 4. Accounting vouchers, books and accounting reports shall be retained only after the approval of the board of directors.

(8) Accounting systems for subsidiaries or related undertakings If the affiliated institutions or related enterprises of the University have external business activities, the accounting system shall be established separately and shall be implemented after approval by the Board of Trustees and the Board of Directors.

(9) Principles of accounting treatment of various incomes

1. The University shall issue receipts or supporting documents for the rights and responsibilities of tuition and miscellaneous income, income from extension education, subsidies and donations, and other incomes, as well as the acceptance of purchased property.

2. The receipts or supporting documents in the preceding paragraph shall be numbered consecutively in advance, used in order, and controlled and kept by a special person to improve the internal control system, ensure the safety of assets and the correctness of accounting records.

2. Principles of accounting treatment of asset accounts

(1) Cash and bank deposits shall be itemized according to their nature, and if the maturity date is one year later, it shall be indicated; Those that have been earmarked or whose expenditures are subject to constraints, such as the School Expansion Fund and the School Establishment Fund, are included in the special fund headings.

(2) Bills receivable

1. It should be evaluated according to its face value, and if it has been discounted or transferred,

it should be deducted and indicated.

2. The bills receivable from related institutions and related parties should be properly expressed in the notes.

3. The instrument for which the guarantee is provided shall be stated in the notes.

4. In the final accounts, the amount of notes receivable that cannot be collected in cash should be assessed, and the provision for bad debts should be listed as bills receivable the reduction accordingly and the description in the notes; If it has been determined that it cannot be recovered, it shall be given to the dealer.

(3) Accounts receivable

1. It should be divided into main categories, and if there are special agreed matters, it should be indicated.

2. The receivables from related institutions and related parties should be appropriately expressed in the notes.

3. In the final accounts, the amount of accounts receivable that cannot be collected should be assessed, and the provision for doubtful debts should be listed as a reduction in accounts receivable, and explained in the notes; If it has been determined that it cannot be recovered, it shall be given to the dealer.

(4) Other receivables

1. It should be divided into main categories, and if there are special agreed matters, it should be indicated.

2. In the final accounts, the amount of other accounts receivable that cannot be collected should be assessed, and the provision for bad debts should be included as a reduction of other accounts receivable, and it should be explained in the notes; If it has been determined that it cannot be recovered, it shall be given to the dealer.

(5) The material should be evaluated by the cost method, and the cost calculation method is based on the principle of weighted average method. If the materials and supplies are assessed to be of no use value, the cost should be transferred to loss.

(6) The advance payment shall be divided according to the main categories, and if there are special agreed matters, it shall be indicated.

(7) Recording of current financial assets, long-term investments and financial assets of investment funds at the cost of acquisition; If it is acquired by gift, receipt or confiscation, it shall be recorded at the fair value at the time of acquisition; If it is unable to obtain a fair value, it shall be recorded at the estimated fair value. Financial assets are valued as follows:

1. Changes in fair value of financial assets included in surplus shall be valued at fair value, and the difference between them and book value shall be included in profit or loss for the current period.

2. The difference between the provision and the book value of financial assets for sale at fair value is the unrealized balance of the financial product, which should be included in the equity fund or the unrealized balance of the financial product under the balance.

3. The difference between the financial assets held to maturity and the book value shall be included in the profit or loss for the current period as measured by the amortized cost of the interest method; If there is no significant difference in the amortization results according to the straight-line

method, it may also be used.

4. For financial assets measured at cost, if there is objective evidence of impairment, the difference between the present value and the carrying amount of the estimated future cash flows discounted at the prevailing market rate of return of similar financial assets shall be included in profit or loss for the current period.

5. The financial assets of the investment fund should be disclosed in the notes to the financial statements at the market value and cost at the time of final accounts.

(8) Investment in subsidiaries 1. The school shall recognize the profit or loss of the subsidiary as the income of the subsidiary or the loss of the subsidiary, and shall indicate the approval number of the competent authority of the school and the nature of the subsidiary in the notes. 2. The balance at the end of the investment period of the school affiliate should be consistent with the balance of the net value account of the subsidiary. 3. Schools and affiliates are not required to prepare consolidated statements.

(9) The basis for the deposit and withdrawal of special funds shall be specified.

(10) Fixed assets

1. All payments made to make the fixed assets available in a usable condition and location, such as purchase price, freight, insurance, customs duties, installation, etc., shall be recorded at the cost of acquisition (including installment acquisition) or construction. The cost of the assets shall include interest on the sums expended to bring them to their usable condition and location.

2. After acquiring the fixed assets, the relevant expenses incurred during the use period shall be included in the maintenance costs. However, expenditures that extend the useful life of assets, enhance service energy and efficiency, and add, improve, replace, and overhaul should be capitalised.

3. The land may be adjusted according to the declared land price, and the value added after the adjustment shall be credited to the unrealized revaluation and appreciation of the land under equity after deducting the estimated LAT provision; The amount transferred out is debited.

4. The fixed assets of the school legal person and the private school at or above the junior college level, except for land, books and museums, shall be depreciated by the straight-line method within the estimated useful life of each asset; Books are depreciated by the scrapping method; Land, heritage assets (e.g. historical relics) and non-expendable collectibles (e.g. works of art) are not subject to depreciation. The depreciation method of fixed assets of other school legal persons or schools shall be handled in accordance with the regulations of the competent authority.

5. The donated fixed assets are recorded at the current fair market value.

6. If the fixed assets have been approved and there are circumstances such as providing guarantees, mortgages or setting pawns, etc., they should be indicated. Idle fixed assets should be transferred to idle assets of other assets, and their costs and accumulated depreciation should be disclosed in the notes.

7. If a fixed asset that has no use value is scrapped after approval, the depreciation item is applied, and the depreciation is listed according to the straight-line method, the cost of the fixed asset should be written off with the accumulated depreciation, and if there is a residual value, it should be transferred to the "shortfall of property transaction"; If depreciation is proposed by the scrapping method, the cost should be transferred to the depreciation and amortization account; If the non-

depreciation items are applicable, the cost should be transferred to the "Property Transaction Shortfall" account.

8. For the sale of fixed assets, if the sale value is higher than the book value, the proceeds shall be included in the remaining account of the property transaction; If the sale value is lower than the book value, the shortfall should be included in the shortfall account of the property transaction.

(11) Other assets shall be listed according to the main categories, and shall be indicated if there are special agreed matters.

(12) Unless otherwise specified, the amortization of deferred expenses shall not exceed five years.

3. Principles of accounting treatment of liabilities

(1) Short-term bank loans For short-term bank loans, the lending institution, the purpose of the loan, the period, the interest rate, the guarantee situation, the repayment method, the approval number of the school legal person or the competent authority of the school, and the amount that has not been borrowed after approval, and if the collateral is provided, the name and book value of the collateral should be stated.

(2) Amounts payable 1. Bills payable should be evaluated according to face value. 2. Bills or other payments payable to banks, affiliates and affiliates shall be appropriately expressed. 3. If interest accrues on the amount payable, it should be appropriately expressed. 4. Notes payable or other payables for which collateral has been provided shall state the name and book value of the collateral.

(3) Advance receipts shall be divided into main categories, and if there are special agreed matters, they shall be indicated.

(4) Loans made to non-financial institutions or individuals shall be listed separately, and the lending institution, loan period, interest rate, guarantee situation and intended repayment method shall be indicated.

(5) Long-term payables

1. Long-term notes payable are evaluated according to face value.

2. Bills or other payments payable to banks, affiliates and affiliates shall be appropriately expressed. 3. Long-term payables, if interest-bearing are available, should be appropriately expressed.

4. Notes payable or other payables for which collateral has been provided shall state the name and book value of the collateral.

(6) Other liabilities shall be listed according to the main categories, and shall be indicated if there are special agreed matters.

4. Principles of accounting treatment of equity funds and surplus accounts

(1) Equity funds and balances should be listed separately.

(2) Equity funds include equity funds with designated purposes and equity funds without designated purposes.

(3) Earmarked equity funds refer to equity funds with limited purposes, which shall correspond to special funds.

(4) Equity funds that have not been earmarked, including residual equity funds and other equity fund subjects, are as follows:

1. Surplus equity funds

(1) In accordance with Article 46, Paragraph 1 of the Private Schools Act, the remaining amount

reserved for the use of the school fund shall be.

(2) If the accumulated surplus is calculated in accordance with the principle of calculating the accumulated surplus of private junior college or above at the time of final accounting, if it is a positive number, it shall be transferred from the accumulated surplus to the account in accordance with Article 36 of the Enforcement Rules of the Private Schools Act; If it is negative, it will not be accounted for. Changes in the equity fund of the remaining amount disclosed above shall be disclosed in the notes to the financial statements.

2. Other equity funds Refers to unspecified equity funds other than residual equity funds, which are calculated as the net amount of the original acquisition cost of land, land improvements, houses and buildings after deducting accumulated depreciation.

5. Principles of accounting treatment of income and expenditure accounts

(1) Except for the school-affiliated operating organizations approved by the competent educational administrative organ, which may be handled in accordance with other relevant regulations, all income collected in the name of the school legal person or school shall be included in the relevant income subjects, and shall be recorded in the total income, and shall not be recorded in the net amount after offsetting income and expenditure.

(2) Personnel expenses, retirement expenses, operating expenses, maintenance expenses, attendance and transportation expenses, depreciation and amortization and other expenses shall be directly attributable to the expenditure items of each functional category according to their purposes, and those that cannot be directly attributed may be apportioned in a reasonable way.

6. Methods for compiling cash flow statements

(1) A cash flow statement is a statement that expresses the source and purpose of cash for a specific period, and is prepared on the basis of cash and bank deposits.

(2) The contents of the cash flow statement should be divided into operating activities, investment activities and financing activities, and the net cash flows of these three activities and their aggregates should be expressed separately.

1. Cash flow from operating activities:

(1) Operating activities generally refer to transactions and other matters other than investment and financing activities.

(2) Cash flow from operating activities refers to cash inflows and outflows arising from transactions or other events included in the balance statement.

2. Cash flow from investment activities: refers to the cash inflow and outflow arising from the acquisition and disposal of current financial assets, long-term investments, special funds, fixed assets and deferred expenses.

3. Cash flow from financing activities: refers to the cash inflow and outflow generated by borrowing and repaying long-term and short-term borrowings of a financing nature.

(3) The cash flow of the school's operating activities should be expressed in the indirect method. The indirect method refers to the adjustment of the income and expenditure items that do not affect cash and the changes in current assets and current liabilities related to operating income and expenditure from the "current balance" in the balance statement of income and expenditure to calculate the net cash inflow or outflow generated from business in the current period, and to

supplement the cash payment amount of interest expense.

(4) If the investment and financing activities have a significant impact on the financial status of the school and do not directly affect the cash flow, supplementary disclosure should be made in the cash flow statement.

7. Methods for compiling the summary table of cash receipts and expenditures

(1) The financial statements of the school legal person and the private schools (including the affiliated institutions of the school) at or above the junior college level shall be supplemented with a cash income and expenditure summary statement, which shall be divided into regular cash income (i.e., cash inflow from operating activities on the cash flow statement), cash expenditure from current business activities (i.e., cash outflow from operating activities on the cash flow statement), cash income from the sale of assets, cash expenditure on the purchase of movable property, intangible assets and other assets, and cash expenditure on the purchase of immovable property.

(2) The principles of collusion between the cash income and expenditure summary statement and the cash flow statement are as follows: 1. The "current cash balance" in the cash income and expenditure statement should be equal to the amount of "net cash inflow (outflow) from operating activities" in the cash flow statement. 2. The "cash proceeds from the sale of assets" in the cash income and expenditure statement should be equal to the sum of the "cash receipts from the sale of fixed assets", "cash receipts from the sale of intangible assets" and "cash receipts from the sale of other assets" in the cash flow statement.