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## BARRIERS MET BY THE FINANCIAL MANAGEMENT TEAM OF MANITO CENTRAL SCHOOL

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### ABSTRACT

Financial management entails activities that the school undertakes to maximize the utilization of the allocated budget and resources. The purpose of this study was to explore the barriers encountered by the financial management team and create an action plan to address the identified barriers. A mixed method of research was used to analyze and interpret the data. A questionnaire, unstructured interviews, and document analysis were utilized to collect data. According to the findings of the study, the barriers encountered differ depending on the process and the source of funds. The action plan was formulated to address the barriers and enhance the implementation of the financial management activities. Therefore, school financial resources may be generated from the different stakeholders and can be beneficial to the school through the internal financial management process and competence of the staff considering the possible barriers and risks to its implementation.

**Keywords:** *financial management, financial resources, budget allocation*

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## INTRODUCTION

Financial management is critical in maximizing the use of the school's financial resources. It is the school principal's and designated financial staff's responsibility to manage these resources efficiently and effectively. School financial management is made up of processes and activities carried out by the principal and the school's financial staff. These procedures concentrated on the development and implementation of the financial plan, its accounting and recording, and the safekeeping of the property. Financial concerns at the school will be addressed appropriately and successfully if the school's head and financial staff, as well as other members of the school, are properly trained on their financial management tasks and responsibilities. As a result, the school's financial resources will be fully utilized and desired goals and objectives will be achieved and maintained.

Over the years, financing education has become a concern of governments. It remains important to provide quality education, especially at the basic level. It is seen by governments as an investment in human capital and the country's wealth in the future (Rahman & Radzi, 2016). Financing education remains important and financial management is a great concern for schools. The government allocates a budget to finance the school's operations. The school should be responsible for managing the finances allocated by the government to address the curriculum and administrative needs. However, challenges in financial management confronted the school during the school operations.

In the Philippines, school financial management was fully integrated into the school operation by implementing School-Based Management (SBM). Martin (2019) described SBM as the transfer of power, authority, and resources to the school level, based on the concept that school leaders, teachers, community leaders, and parents are aware of the cause of the problems and the possible solutions. It is a change in the governance structure wherein the decision-making

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on how to handle all the resources was entrusted to the individual school as the primary unit of improvement.

It is undeniable that barriers occurred in managing the school's finances. Similarly, Manito Central School is confronted with the same barriers to financial management that result in budget underutilization and consequently affect the implementation of planned school programs, projects, and activities due to a shortage of budget or mismanagement of resources.

The goal of this research is to look into the barriers encountered that hinder the maximum utilization of the allocated financial resources and create action plans and strategies to address the identified problems and barriers.

The purpose of this study was to determine Manito Central School's financial management in the following areas: fiscal planning and budgeting; cashiering and disbursement; procurement; accounting and recording; asset and liability management; and physical and financial reporting. In particular, they determined the specific barriers encountered during planning, disbursement, procurement, accounting, and reporting of the financial resources and proposed an action plan to enhance the financial management of the school.

## **MATERIALS and METHODS**

The descriptive quantitative research method was used in this study to determine the financial management processes and activities of Manito Central School over three fiscal years. This study's twenty-four respondents were polled using a survey questionnaire. They were the teachers who were directly involved in the financial management activities as well as the parents who handled and performed the tasks associated with the financial management of the PTA

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funds. The questionnaire's content was derived from the DepEd Financial Management Operations Manual, which served as the school's financial management reference.

The interview was also used to clarify and verify the respondents' answers. Documentary analysis, on the other hand, was used to investigate financial records and reports in order to obtain the necessary data.

## RESULTS AND DISCUSSION

Respondents relayed that the barriers encountered with regard to financial management vary depending on the tasks performed by the designated financial staff.

Tables 3.a to 3.f show the extent of the school's financial management barriers in terms of planning and budgeting, cashiering and disbursement, procurement, accounting and recording, asset and liability management, and physical and financial reporting. These difficulties contributed to the ineffective implementation of various programs, projects, and school activities.

**Table 3.a**

**Challenges Encountered along Planning and Budgeting**

	<b>Indicator</b>	<b>Weighted Mean</b>	<b>Description</b>
1	Less participation in the preparation of School Improvement Plan	1.5	Not Encountered
2	Difficulty in SWOT analysis	2.7	Slightly Encountered
3	Difficulty in the identification of projects/activities to be undertaken	2.5	Slightly Encountered
4	Problem on matching estimated resources budgeted for the year with the projects to be undertaken	2.5	Slightly Encountered

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5	Difficulty in identifying supplies and materials to be included in APP	1.9	Slightly Encountered
6	Difficulty in the preparation of the school Annual Implementation Plan (AIP)	2.0	Slightly Encountered
<b>Average Weighted Mean</b>		<b>2.18</b>	<b>Slightly Encountered</b>

Source: Financial Management Operations Manual 2016

Scale:

1	1.00- 1.75	Not Encountered
2	1.76- 2.50	Slightly Encountered
3	2.51- 3.25	Moderately Encountered
4	3.26- 4.00	Highly Encountered

As a result, difficulties arise when the designated staff and other stakeholders involved in the plan's preparation lack the necessary skills to carry out their responsibilities.

Similarly, Aina, A. Y., and Bipath, K. (2020) discovered in their study that the unavailability of SGB parent members and their limited financial skills were barriers to effective financial decisions.

A proposed action plan was developed to address the difficulties encountered. The action plan outlines the goals and strategies that must be implemented for each process in order to improve the school's financial management. The objectives developed aim to address the needs and challenges encountered in each process. Specific activities and strategies for each goal were developed in consultation with those who would be performing the tasks during the activities and strategies' implementation.

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These activities must be organized by the school's principal and attended by those involved in financial management. Hands-on activities helped participants become engaged and co-owners of the outputs, which aided in the plan's implementation. The financial staff in charge of planning and budgeting, cashiering and disbursement, procurement, accounting and recording, asset and liability management, and physical and financial reporting were tasked with putting the action plan into action. The time frame and resources required for monitoring the activities and expected outputs were also identified. It spans one fiscal year, from planning to reporting, and evaluation is required to assess the plan's effectiveness.

## CONCLUSION

As a result of the study, financial resources to supplement school needs are available from a variety of stakeholders, including the government and non-governmental organizations. Financial management involves a number of programs and operations, the scope of which varies depending on the type of financial resources available and the financial staff assigned to the task. Barriers to financial management have an effect on the school's projects and initiatives.

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