



THE FINANCIAL MANAGEMENT OF MANITO CENTRAL SCHOOL

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ABSTRACT

Financial management involves activities that schools undertake to maximize the full utilization of allocated budget and resources. This study delved into the financial management of Manito Central School, the sources of funds of the school and the implementation of the financial management activities and processes employed by the school's financial staff. The data gathered were analyzed and interpreted employing the mixed method of research. The descriptive quantitative method was used to the data collected through the use of questionnaire, unstructured interview to validate gathered data and analysis on reports and documents. The study revealed that the financial resources of the school were generated from both government and non-government sources to finance the programs, projects, and activities of the school. The financial staff of the school perform financial management activities along planning, procurement, disbursement, accounting, recording, and reporting. The level of compliance to these activities varies depending on the financial staff assigned to do the particular activity.

Keywords: *Financial management, financial resources, budget allocation, financial staff, and utilization of resources*

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INTRODUCTION

Financial management is essential in the use of financial resources available in the school. The school and the financial staff are liable to efficiently and effectively manage the school resources. School financial management is composed of processes and activities that the school head and financial staff perform such as the preparation and implementation of financial plan and statements, accounting, bookkeeping for the security of the assets. School managers, financial staff, and other members of the school are properly trained of their duties and responsibilities related to financial management in order that the financial matters of the school are appropriately and successfully handled so that full utilization of the financial resources allocated to the school are fully maximized towards the achievement of the desired goals.

One of the most significant aspect of school management and administration is financial management. It is concerned with the acquisition, financing and managing of assets with some overall goals in mind (Siminica and Dumitru, 2017). Managing the finances starts with identifying where to acquire finances, what are the possible resources available and how to manage them efficiently to sustain the achievement of the desired goals and objectives, it involves the process of planning, acquiring, and managing the funds. Hence, the school shall manage the finances efficiently to achieve the desired educational outcome. Barr and McClellan (2018) described that one of the responsibilities of the persons responsible of the budget is to be familiar with finances and expenditure in relation to the institutional budget.

Over the years, financing education has become the concern of governments. It remains important to provide quality education especially at the basic level. It is seen by governments as investment in human capital and country's wealth in the future (Rahman & Radzi, 2016). Financing education remains important and financial management is the great concern of the schools on the allocated budget of government to finance school operations.

In the Philippines, school financial management was fully introduced to the school operation through the School-Based Management (SBM). Martin (2019) described that SBM is the transfer of power, authority, and resources to the school level, based on the concept that school leaders, teachers, community leaders and parents and parents are aware of the cause of the problems in school and the possible solutions. It is a change of the governance structure wherein the decision making on how to handle all the resources was entrusted to the individual school as the primary unit of improvement.

One of the mandates of DepEd in relation to managing the financial resources and budget utilization is to and make sure that the needs of the school are addressed through the maximum

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utilization of allocated budget, however, contrary to what is expected, the schools encountered challenges in its financial management which resulted in the underutilization of the budget allocation (DepEd, release 2017)

The researchers chose this study to determine the financial management of Manito Central School, the financial resources available in the school and the implementation of the different processes and activities performed by the financial staff of the school in utilizing the resources to achieve the goals and objectives of the school

MATERIALS AND METHODS

This research is framed in line with the Resource-Based View Theory, Theory of Financial Control and Open Systems Theory by Glover & Levacic (2020)

Resource Based View Theory

Godwin-Opara 2016) stated that resources are the inputs that help the daily operation of the organization. The Resource-Based View Theory provides the importance of organizational resources and explained that performance and sustainability of the organization depend on the resources owned and controlled by the organization (Greene, Bush & Brown, 2015) This theory is relevant to the aims of the study that is to determine the financial resources that the school can generate. The schools as an educational organization are funded with budget and allocations from various sources.

Theory of Financial Control

Financial control is an important aspect of financial management process. This is due to the very essence of finance and existence of a control function. The control function is to create and use a system of financial control over compliance with cost proportions in the process of formation and expenditure of funds and cash (Osadchy & Akhmetshin, 2015)

The theory has relevance to the study on the conduct of financial process and activities and by looking into the result of the financial manage practices and activities done by the financial staff.

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Open Systems Theory

Education is a strong partnership between the institution and the community where it operates. Glover and Levacic, (2020) described the relationship as open system because the educational organization is subject to influences from the government. The organization functions as an input-output system in which internal processes link the inputs to the final production of outputs.

The open systems theory is used in this study to describe the financial management processes and activities performed by the school through the designated financial staff. The financial management of the school starts from the acquisition of the financial resources from the environment through the government and non-government sources. The production technology process occurs during the management of the acquired resources by performing the task, processes and activities along financial management like planning, disbursement, procurement, recording and reporting. Competencies of the financial staff play a vital role in the financial management process.

The researchers utilized a survey questionnaire and interview to gather data, The first section of the questionnaire was used to identify the respondents who are the members of the financial staff of the school, such as name of the respondent (optional), position title, years in service, designation as school financial staff, number of years as school financial staff, position as PTA officer (president, treasurer, auditor) or canteen manager (treasurer or EPP teacher). The second section of the questionnaire was on the School-Based Management Process along planning and budgeting (for grade chairpersons, PTA) cashiering and disbursement (for disbursing officer, bookkeeper, PTA) procurement (for BAC, supply officer, bookkeeper disbursing officer) accounting and recording (for bookkeeper, disbursing officer) asset and liability management (for supply officer, property custodian) and physical and financial reporting (for bookkeeper, disbursing officer). The contents of the questionnaire were taken from the Financial

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Management Operation Manual of the Department of Education (DepEd) This section of the questionnaire used a 4- point Likert Scale of Agreement: 1-Strongly disagree, 2-Disagree, 3-Agree, 4-Strongly Agree.

This research utilized the mixed method using the descriptive quantitative method. The questionnaire was used to survey the responses from the 24 participants whose responses to the questionnaire were validated through an interview. Analysis of documents and financial records was also employed. Frequency, rank, and weighted mean were used to interpret the gathered data.

RESULTS AND DISCUSSION

The presentation of the gathered data followed the objectives of the research. The research aimed at determining the financial management of Manito Central School. the sources of funds of the school and the financial processes performed by the financial of the school in the effective and efficient utilization of the funds of the school

In terms of funding, respondents cited the sources of funds that the school can generate and were ranked based from the number of responses received. The sources of funds of the school were: Maintenance and Other Operation Expenses (MOOE), Donations (Brigada Eskwela, Alumni, GOs and NGOs), PTA funds, Special Education Fund (SEF), Fund raising activities, Income Generating Projects (IGP) and canteen funds. The respondents considered donations as the most accessible source of funds based on their experiences. They said that donations can be acquired from different sources and in any forms, cash or in kind with big or small amount. Donations can be generated through solicitations and linkages with prospective donors. Government and non-government institutions also have regular donation programs and projects intended to schools. Evidently, for the past years, Manito Central School has been a recipient of foreign and local donations. Japan International Cooperation Agency (JICA) donated a twenty-classroom building

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utilized as instructional rooms and as evacuation centers during calamities. The Brigada Eskwela, an activity done in preparation for the opening of classes, various government and non-government agencies, business establishments, alumni and private individuals extend donations to the school. These gave the respondents the concept that donations are the foremost and most accessible source of funds that the school can generate. The respondents are aware that the national government has budget allocated to the schools. Most school projects and activities were financed from the MOOE allocation. Teaching and learning materials, payment of utilities and repair of classrooms and other facilities got the highest percentage from the MOOE. Similarly, PTA funds from the collected membership fee is another common source of school funds. Classroom projects which have primary impact on the learner's welfare most often are financed through PTA funds. This may include but not limited to repair and replacement of classroom furniture, repair of simple appliances like electric fan, portable radio, and classroom improvements. Disbursement of PTA funds is primarily dependent on the consensus of the parents and teachers. The SEF through the local government reached the school through projects, supplies, materials, and services. Most projects financed through the SEF were infrastructure like concreting of perimeter fence, pathways, stage, and classroom repairs. Fund raising activities were conducted by different school clubs to raise funds for their planned projects like purchase of musical instruments for the Drum and Lyre Corps, sound system and other club related activities. The school canteen generated a small amount but still it is used to augment the school funds. Food services and other related activities were financed from the school canteen such as the school feeding program.

The school's financial resources show that resources were used to fund different school projects and activities. Funding the different school projects and activities were undertaken by the financial staff through planning and budgeting, cashiering, disbursement, procurement, accounting and recording of assets and liabilities. These processes were performed by the

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financial staff of the school to properly manage school finances in order to realize the goals and objectives of the school. This is referred to as School-Based Financial Management

CONCLUSIONS

Based on the findings of the research, financial resources of the school are generated from a variety of sources such as the community, Parent Teachers Associations (PTA) including government and non-government organizations, to finance school programs projects and activities. Financial management of the school entails several processes and activities performed by the financial staff of the school. Along planning, budgeting, cashiering, disbursement, procurement accounting and recording. Activities on procurement were performed by the members of the Bid and Awards Committee (BAC). The level of performance on a specific activity and processes vary according to the type of financial resources available together with the financial staff assigned to the specific activity to attain the goals and objectives of the school.

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