

Efficiency of Public School Heads in Managing School Finances in the Context of a Developing Country

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Abstract— This study aimed to determine the profile of school heads, their management of the Maintenance Operating and Other Expenses (MOOE), and their efficiency in managing school finances. Data were obtained from 133 school heads of the Department of Education Division of Misamis Oriental, Philippines through survey questionnaires. The results revealed that the school head participants are in their 40's, mostly female and managed non-central schools (67%). They have one to six years-experience in managing a school with more than half of them received Php 23,000.00 and below as Maintenance Operating and Other Expenses (MOOE) allocation every month. The MOOE allocation is dependent on the size of the school. This study concludes that one of the most important functions of school heads is their role as financial managers. As such they generate and mobilize financial resources; prepare financial reports and submit and communicate the same to higher authorities and partners; accept donations, gifts, bequests and grants in accordance with RA 9155 and accounts for school funds; and manage registration, maintenance and replacement of school assets and dispositions on non-reusable properties. However, the results of the study revealed an apparent lack of efficiency, for some, in managing school finances due to several factors. These factors could include work-overload and inadequate knowledge on the provisions of pertinent laws of the Philippines and its implementation. There is then a need to upskill school heads' competence as financial managers and upgrade their ability to implement RA 9184 otherwise known as the Government Procurement Reform Act and RA 9155 or the Basic Education Act.

Keywords— Financial Management, Efficiency, School Heads.

I. INTRODUCTION

Managing funds is one of the major tasks of principals or school heads. This is because the success of any school program depends very much on the way financial resources are managed (Petzko, 2008). According to Bua and Adzongo (2000), the central purpose of financial management is the raising of funds and ensuring that the funds are utilized in the most effective and efficient manner. Some ways to raise funds could include the collection of school fees, government grants, proceeds from school activities, community efforts, donations from individuals, charity organizations, and endowment funds. However, in the Philippines, part of the school reforms implemented by the Department of Education (DepEd) is the "No Collection Policy." This means that collections of contributions and fees during enrolment are strictly banned (De Guzman, 2003). This added another challenge to the school heads' performance of their duties and responsibilities as financial managers.

In the study of Motsamai, et al. (2011), the authors emphasize that the school head: is the chief accounting officer of the school and is responsible to the management committee or school board for the control and use of school funds; shall keep records of income and expenditure of the school; shall prepare an annual budget for a school and submit it to the school board for its approval; and shall, within three months of the end of each school year, submit a financial statement of the school to the school board for its approval. Several authors are in one accord with this observation including Wagithunu, et al., (2014), Picus (2004), and Mokoena (2013), among others.

Moreover, the Department of Education is created to pursue the Constitutional mandate of ensuring the peoples' right to education, to wit:

"The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all."

(The 1987 Philippine Constitution, Article XIV, Sec. 1)

The department's primary goals are to raise the academic standards of basic education, and enhance administrative efficiency in the delivery of educational services aligned to its vision to "develop a highly competent, civic-spirited, life-skilled and God-loving Filipino youth who actively participate in and contribute towards the building of a humane, healthy and productive society."

Additionally, Republic Act No.9155 (Governance of Basic Education Act of 2001), stipulated in Section 6.2 the Authority, Accountability and Responsibility of the School Heads. The provisions define the role of the school heads to administer and manage all personnel, physical and fiscal resources of the school. This implies that school heads wear many hats in leading the school. They are the school's administrators, supervisors, finance officers, negotiators, counsellors, and even teachers (Cranston and Ehrich, 2002). With the passage of RA 9155, the School-Based Management (SBM) was implemented as a governance framework of the DepEd. This governance framework transfers the power and authority as well as the resources to the school level on the assumption that school heads including teachers, key leaders in the community, and even parents know the root and solution to the problem (Abulencia, 2012).

Objectives of the Study

This study aimed to determine the following: profile of the school head participants, their management of the Maintenance Operating and Other Expenses (MOOE), and their efficiency in managing school finances.

II. METHODS

The descriptive research design was used to determine the financial management policy and practices of purposively sampled public school heads in the Philippines. According to Glass & Hopkins (1984), descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collected. Permission from the schools division superintendent and the consent from the participants were first secured before the conduct of the study.

Moreover, the data were obtained in 2014 from 133 school heads of the division of Misamis Oriental through survey questionnaires. The questionnaire was constructed based on the school-based management principles with some items

taken from the Principal Administrative Skills Survey Questionnaire developed by Adegbemile (2011).

Lastly, the results of this study cannot be generalized to the larger population since purposive sampling was used. It also shares the limitation inherent to the research design used in the study. For instance, self-assessment was used to determine the efficiency of the participants in managing school finances, it is possible that they overrated themselves. The validation of the participants' assessment is part of the limitation of the study.

III. RESULTS AND DISCUSSION

Profile of School Heads. Figure 1 presents the profile of the school heads in terms of age and data show that 4% are between the ages of 31-35 and 36 to 40 years old while 25% are in the age bracket 41-45 years old, 17% are 46 to 50 years old, 10% are 51-55 and 56-60 years old and only about 4% are 61-65 years old. This implies that one in four school heads are in their 40s. This is so because certain years of service, relevant experience, educational qualification and outstanding performance are required before a teacher can move up to qualify for a promotion.

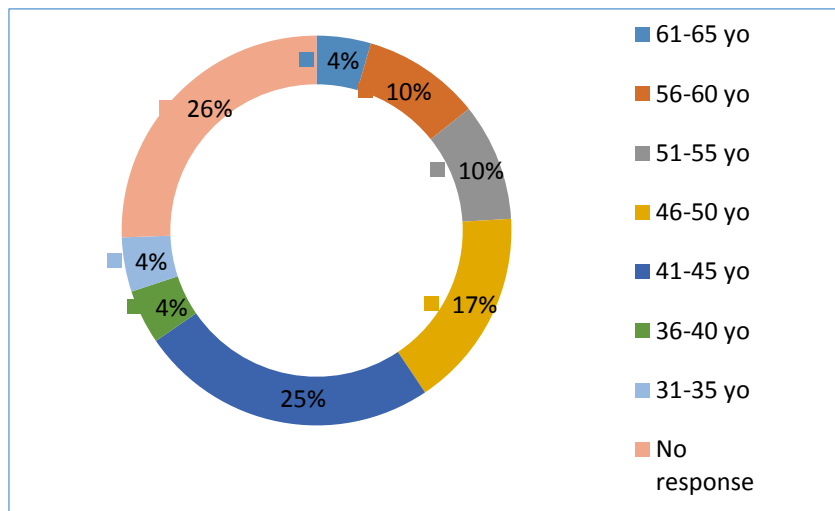


Figure 1. Percent Distribution of School Heads by Age

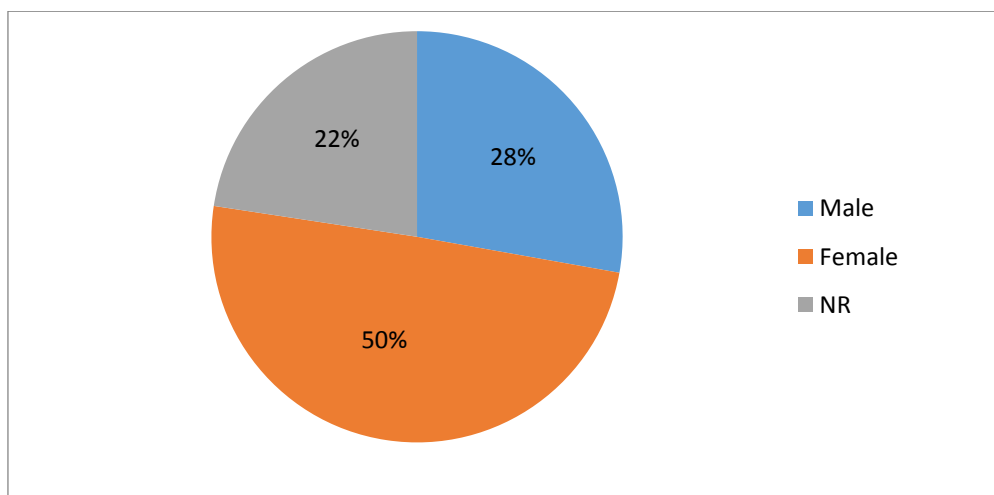


Figure 2. Percent Distribution of School Heads by Sex

Meanwhile, half of the school heads are female (50%, Figure 2) and 28% are male while 22% did not respond to this item. This means that women school heads dominated the leadership positions in the division. In fact, at the time of the study the division superintendent and assistant division superintendent were women. The 22% no response could imply that the participants could not identify themselves as male or female.

Moreover, as can be gleaned from Figure 3, majority of the school heads are managing non-central schools (67%). As practiced in the Philippines, there should only be one central

school in every district. The research locale, which is the division of Misamis Oriental, has 24 districts and this explains the less number of central schools in the study.

With regard to the number of years as school head, Figure 4 shows that: 21.80% have 1-3 years, 22.60% have 4-6 years, 14.30% have 7-9 years, 8.30% have 10-12 years, 6.80% have 13-15 years, 4.50% have 16-18 years and 12.80% have 19 years. Six percent have less than three years as school heads. Four or 3.00% did not respond to this item. This implies that a greater percentage of the respondents have only about 1 to 6 years of experience as school heads.

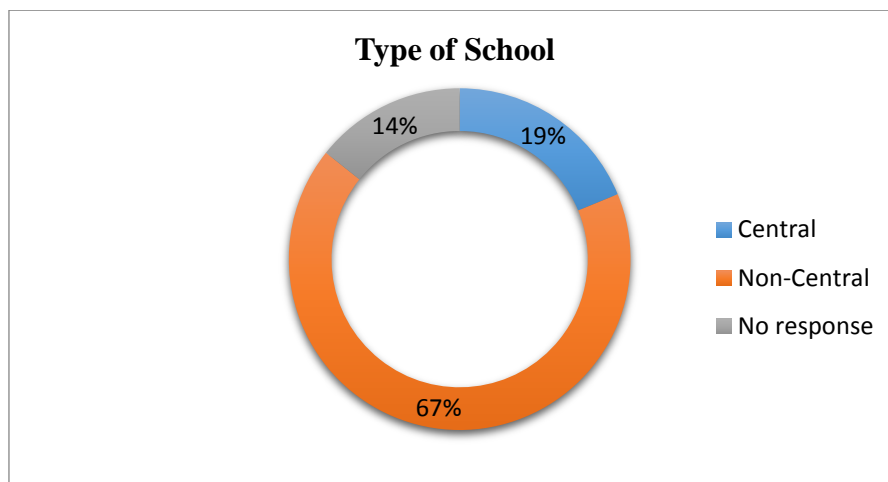


Figure 3. Percent Distribution of School Heads by Type of School

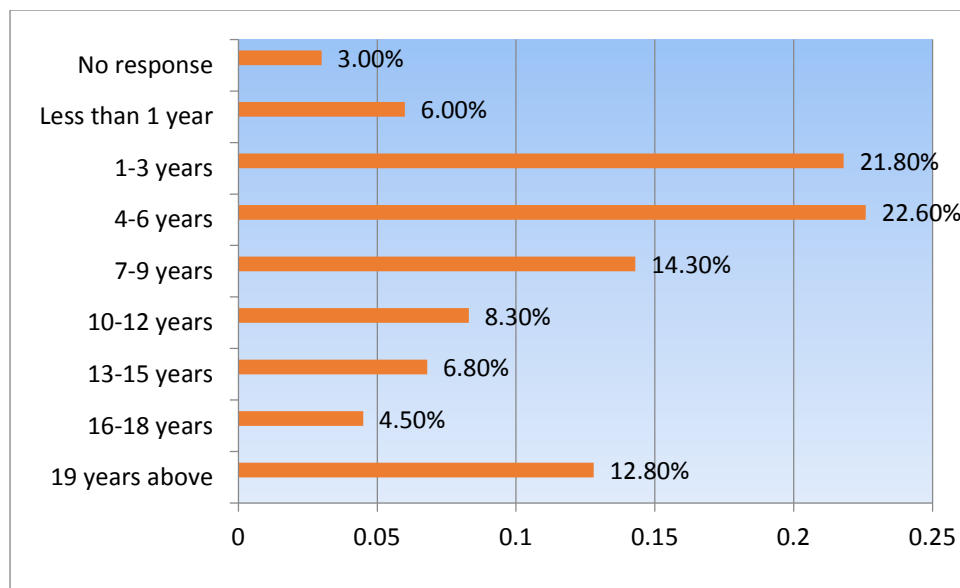


Figure 4. School Heads' Profile in terms of Number of Years as School Head

As to the MOOE received per month (Figure 5), 20.30% received 5 to 10 thousand pesos, 22.60% 11 to 16 thousand pesos, 18.00% 17 to 22 thousand pesos, 10.50% 23-28 thousand pesos, 9.00% 29 to 34 thousand pesos, 4.50% 35 to 40 thousand pesos, 3.00% 41 to 46 thousand pesos, 9.80% 47 thousand pesos and above. This implies that more than half of

the school heads received less than 23 thousand pesos because these school heads are holding schools with less enrolment which also means lesser MOOE allotment. The amount of MOOE allotted to each school is dependent on the size of enrolment.

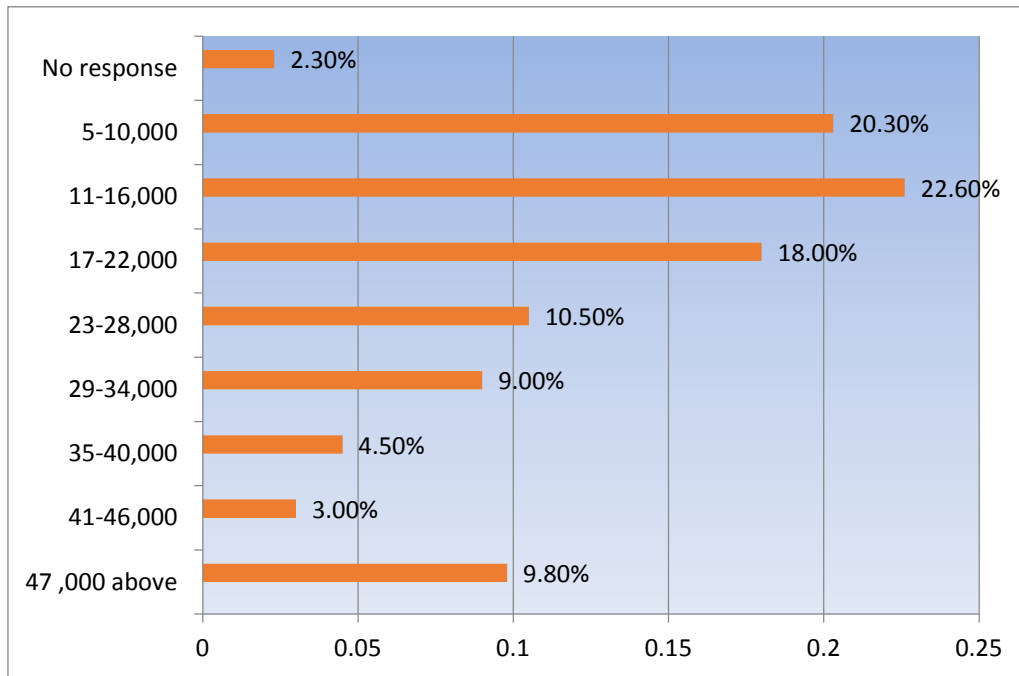


Figure 5. School Heads' Profile in terms of MOOE Allotment per Month

School Heads' Management of MOOE. The results of the study further revealed that in terms of preparing a financial management plan, most school heads always: prepare budget for the school together with the teachers (Weighted Mean =3.85); identify the needs of the school through the activities identified in the School Improvement Plan (SIP) (Weighted Mean =3.80); prepare the school Annual Procurement Plan (APP) based on the needs of the pupils/teachers (Weighted Mean =3.88); prepare the APP based on the need of the school (Weighted Mean =3.90); frame the School Operating Budget (SOB) based on the given annual budget for the school (Weighted Mean=4.09); and make the school Project Procurement Management Plan (PPMP) based on the school monthly MOOE (Weighted Mean =3.90). The said financial plans embody the schools' operation for one school year. According to Bell (2002), a sound financial plan is crucial to school success (Crowther, Ferguson, & Hann, 2009).

In terms of generating and mobilizing financial resources, most school heads always: work within the constraints of the school budget (weighted mean=3.78). This refers to the local funds being downloaded to the schools every month. Each school head is required to submit a financial plan before the calendar year ends comprising of: School Operating Budget (SOB), Project Procurement Management Plan (PPMP) and Annual Procurement Plan (APP). This implies that the school should only disburse funds as stated in the said financial plans. All school activities and budget should be within the Annual Procurement Plan (APP), School Operating Budget (SOB) and Project Procurement Management Plan (PPMP). Also, the schools shall disburse their MOOE in accordance with the existing budgeting, accounting, procurement and auditing rules and regulations as provided for in DepED Order No. 60, series of 2011 dated August 5, 2011.

Furthermore, the school heads accept donations, gifts, bequests and grants in accordance with RA 9155, manage the registration, maintenance and replacement of school assets and dispositions of non-reusable properties. Under COA Circular Letter 2004-003 dated October 4, 2004, school principals and school property custodians are directed to account all donated properties by issuing ARE to the person who is in custody of the property. This is done to safeguard government properties and equipment from loss or misuse. Every December 31, all school heads and property custodians are required to submit inventory of properties and equipment as part of their accountability.

In organizing a procurement committee and ensure that the official procurement process is followed, school heads unanimously declared that they have organized their own school Bids and Awards Committee (BAC) (weighted mean=3.91); and assign school canvasser, inspectorate to facilitate purchases (weighted mean=3.85). The previous year, the division office provided technical assistance to the members of School BAC, canvasser and inspectorate through a mass orientation held at select venues identified by the division office. This is to ensure that there will no overlapping of functions and the procurement process will be followed. As stated in PD 1445 also known as State Audit Code of the Philippines, Sec. IV.5, states that disbursements or disposition of government funds or property shall invariably bear the approval of the proper officials.

Moreover, the school heads utilize funds in accordance to the SIP/AIP (weighted mean= 3.90); prepare program of work, bill of materials for every minor repair (weighted mean=3.90); use Severity, Urgency and Gravity (SUG) and/or Strength, Weakness Opportunities and Threats (SWOT) tests to prioritize programs and projects (weighted mean=3.51); ensure that the budget reflected the agreed goals and projects

(weighted mean=3.84); and ensure that procurements are within the approved budget (weighted mean=3.94). This means that the school heads followed the process in prioritizing allocations for their schools as stipulated in the School Improvement Plan (SIP). They also revealed that they always monitor, record, and report the utilization of funds as prescribed by law.

School Heads' Self-assessment of their Efficiency in Managing School Finances.

Table 1 presents the school heads' self-assessment of their efficiency in managing school finances. Data show the following: 67% assessed themselves as efficient in preparing a financial management plan; 92% efficient in developing a school budget which is consistent with SIP/AIP; 42% efficient in generating and mobilizing financial resources; 75% efficient in managing school resources in accordance with DepEd policies and accounting and auditing rules and regulations and other pertinent guidelines; 17% efficient in accepting donations, gifts, bequests, and grants in accordance with RA 9155; 8% efficient in managing a process for the registration, maintenance, and replacement of school assets and dispositions on non-reusable properties; 75% efficient in organizing a procurement committee and ensures that the official procurement process is followed; 50% efficient in utilizing funds for approved school programs and projects as reflected in SIP/AIP; none find themselves efficient in monitoring utilization, recording, and reporting of funds; 17% are efficient in accounting for school funds; and 33% are efficient in preparing financial reports and submits and communicates the same to higher education authorities and other education partners. These results imply that school heads are not fully equipped with skills needed to manage school finances.

IV. CONCLUSION

This study concludes that one of the most important functions of school heads is their role as financial managers. As such they generate and mobilize financial resources; prepare financial reports and submit and communicate the same to higher authorities and partners; accept donations, gifts, bequests and grants in accordance with RA 9155 and accounts for school funds; and manage registration, maintenance and replacement of school assets and dispositions on non-reusable properties. However, the results of the study revealed an apparent lack of efficiency, for some, in managing school finances due to several factors. These factors could include work-overload and inadequate knowledge on the provisions of pertinent laws of the Philippines and its implementation. There is then a need to upskill school heads' competence as financial managers and upgrade their ability to implement RA 9184 otherwise known as the Government Procurement Reform Act and RA 9155 or the Basic Education Act.

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TABLE 1. School Heads' Self-assessment of their Efficiency in Managing School Finances

Efficiency in Managing School Finances	Frequency	Percentage
Prepares a financial management plan.	89	67%
Develops a school budget which is consistent with SIP/AIP	122	92%
Generates and mobilizes financial resources	56	42%
Manages school resources in accordance with DepEd policies and accounting and auditing rules and regulations and other pertinent guidelines.	100	75%
Accepts donations, gifts, bequests and grants in accordance with RA 9155.	23	17%
Manages a process for the registration, maintenance and replacement of school assets and dispositions on non reusable properties.	11	8%
Organizes a procurement committee and ensures that the official procurement process is followed.	100	75%
Utilizes funds for approved school programs and projects as reflected in SIP / AIP.	67	50%
Monitors utilization, recording and reporting of funds.	0	0%
Accounts for school funds.	23	17%
Prepares financial reports and submits, communicates the same to higher education authorities and other education partners.	44	33%

Note: n=133



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