



Financial Management Practices of Elementary School Heads: A Case Study

Jennylyn A. Amado^{1*}, Niña Rea D. Guzman², John Paul D. Ayo³, Betty D. Equipado⁴, Jeric H. Polon⁵, Robert M. Rejuso⁶, Gerry S. Digo⁷

¹Vicente Dorotan Sr. Elementary School, Sorsogon, the Philippines

²Baras Elementary School, Sorsogon, the Philippines

³Proximity Learning Incorporated, Sorsogon, the Philippines

⁴Tiris Elementary School, Sorsogon, the Philippines

⁵J. Gerona Elementary School, Sorsogon, the Philippines

⁶Lourdes Elementary School, Sorsogon, the Philippines

⁷Sorsogon State University, Sorsogon Policy Research Center, Sorsogon City, the Philippines

*Correspondence: E-mail: jericpolonsgs03@gmail.com

ABSTRACT

This study seeks to explore the financial management practices of elementary school heads in terms of fund sourcing, budget allocation, procurement, disbursement, and liquidation. The study conducted interviews with selected school heads who have substantial experience managing school budgets. Key findings revealed that school heads who practice the PPSSH Domain 2.2 competencies improve their school's organizational financial capacity and school performance. Proper budgeting and fund distribution processes are crucial elements that significantly improve the overall management of schools. Stakeholders' participation in financial decision-making improves resource management more than when a single person is in charge of the institution's financial decisions. Stakeholders' active participation in shaping financial planning and decisions, enhances trust within the school's community. Further, continuing professional development in financial matters is paramount for school heads to overcome the challenges aligned with financial management.

ARTICLE INFO

Article History:

Submitted/Received 18 Aug 2024

First Revised 24 Sep 2024

Accepted 04 Nov 2024

First Available online 05 Nov 2024

Publication Date 01 Mar 2025

Keyword:

Budget Allocation,
Disbursement,
Financial Management,
Fund Sourcing,
Liquidation,
Procurement.

1. INTRODUCTION

Adequate management of finances in institutions of learning is central to the delivery of quality education. This case study focuses on analyzing the aspect of purchasing, payment, and liquidation of funds acquired, and budgeting among school heads. [Pagdilao and Paguyo \(2023\)](#) explored the applications of financial strategies in educational continuity plans and efficient procurement and collaborative strategies. Similarly, [Alvarez and Delavin \(2022\)](#) discussed the professional development of school administrators and established that large-scale achievements are often associated with the effective management of activities and resources. [Pagdilao and Paguyo \(2023\)](#), as well as [Alvarez and Delavin \(2022\)](#), underlined the significance of managing funds as one of the critical approaches to effective school management.

The assertion by the school heads on compliance with rules and regulations in times of liquidation reports complies with the DepED Order No. 29, s. 2019 and the COA-DBM Joint Circular No. 02 s. 2022 that set standards in the management of cash advances as well as program funds. Existing research by [Casingal and Ancho \(2022\)](#) and [Szczepankiewicz \(2019\)](#) on financial liquidation practices put forth that various approaches should be adopted to ensure efficiency in learning institutions through compliance with the set legal requirements and educational policies by coming up with regular audits. Liquidation in managing financial affairs refers to the sale of assets to clear out all accountabilities and account for all the transactions in a precise manner ([Yasin & Mokhtar, 2022](#)). The deployment of stakeholders in financial governance, as envisaged in the Revised School-Based Management System, DepEd, has enhanced the principles of transparency and accountability in school financial practices.

It should be noted that financial management is one of the crucial elements for the proper functioning and further development of educational organizations. The following general trends found in the literature shed light on why this research is needed: [Pagdilao and Paguyo \(2023\)](#) focuses on funding as a strategy for continuity in education, and, in turn, [Alvarez and Delavin \(2022\)](#) establish a relationship between the efficient control of resources and the professional development of school heads. According to [Gaspar et al. \(2022\)](#), a number of the school heads are said to have a weak background in areas of financial management education thus; facing issues like policy procedures and the market price. These problems point out the necessity of financial training and assistance. [McMenamin et al. \(2018\)](#) and [Richards et al. \(2005\)](#) adduce that proper utilization of funds and accountability is pivotal in raising the standards of education. Altogether, these studies reveal a problem of school heads regarding the lack of sufficient financial competence in matters of managing school funds and financial literacy, to which this study seeks to respond.

Hence, this study sought to explore the financial management practices of selected elementary school heads in the Province of Sorsogon to be able to identify and describe their best financial management practices across five key domains: fund sourcing, budget allocation, procurement, disbursement, and liquidation.

2. METHODS

2.1. Research design

The study employed a descriptive case study to examine the financial management practices of school heads. This research design allowed us to conduct a detailed investigation of practices along the sourcing of funds, the distribution of the funds, procurement, liquidation, and disbursement, and how practice these were aligned with the school improvement plan.

This study involved a diverse group of Elementary School Principal (ESP) with enough experience in the management of financial resources especially in the education sector and hence provided a broad perspective on the financial management practices within public elementary schools. Informant 1 is an ESP I with 22 years of service and 10 years of being a school head. Informant 2 has over 21 years of experience as an ESP. Informant 3 is also an ESP I with 18 years of experience in education, having worked as a teacher and as a school head. Informant 4 is a 15-year ESP who has high-performance ratings regarding the implementation of the policy. Informants 5, 6, and 7 are from different elementary schools; a head teacher with 11 years of experience, an ESP with 27 years of experience, and a teacher-in-charge with 4 years of experience, respectively. The last one is Informant 8 who is a principal and has been in her present position for the last 12 years. This diverse group provides the best representation of fiscal management practices in providing an understanding of the best financial management practices for school heads (Chowdhury, 2022).

To address research ethics, all the informants were invited to the study based on their willingness, with an emphasis on anonymous and voluntary participation. To foster an honest and open conversation, the interviewer made sure that it took place in an area that was free from interruptions. A dependable voice recorder, preferably a smartphone, was employed and tried out in terms of sound quality, and its battery was charged or connected to a power source during the interview. We also provided the interviewees with a copy of the interview questions to give them ample time to prepare their responses and promote the continuity of the process. The time and date for the interview were agreed upon and set well in advance. Also, a reminder was given two days before the interview took place.

Before the actual interview, the interviewer briefly presented the objectives of the interview process and also stated that the interview was voluntary. The identified informants and any third party that was included in this paper shall be disguised using aliases or pseudonyms. All informants were informed that they have the right to stop the interview whenever they feel uncomfortable. This ethical approach covers the informants' rights to comfort, self-determination, and the anonymity of their input in the research.

2.2. Research instrument

An interview guide was developed as the principal data collection material. The interview guide is organized in a manner that utilizes open-ended inquiries to extract comprehensive insights into the informant's financial management experiences and viewpoints. The questions were organized into sections corresponding to the objectives of the study: fund sourcing, budget allocation, procurement, liquidation, disbursement, and the alignment of financial management practices with the school plan. This organization ensured that all relevant areas were covered comprehensively.

2.3. Data collection procedure

Data were gathered through a face-to-face interview with the principal of selected elementary schools in Sorsogon. For SH 5, 6, and 7, a Google Form questionnaire was used for collecting primary data. This tool was developed based on the first interview guide and includes questions related to finding detailed responses regarding fund sourcing, budget allocation, procurement, disbursement, and liquidation. Google Forms were chosen since the participants could respond at their convenience. Likewise, the face-to-face interview method was chosen to facilitate a deeper connection with the other informants, allowing for the observation of non-verbal cues and the opportunity for follow-up questions to clarify and

expand upon responses. The interviews were conducted at a time and location convenient for the informant to ensure a comfortable and conducive environment for sharing information. With the informant's consent, the interviews were recorded to ensure accuracy in data collection and to aid in the transcription process.

2.4. Data analysis procedure

The data collected from the interview was subjected to thematic analysis. This analytical method is chosen to identify, analyze, and report patterns (themes) within the data. It allows for a sophisticated interpretation of the complex data collected from the informants, providing insights into the financial management practices of elementary school heads. The analysis will proceed in several steps. First, the interview recording will be transcribed verbatim. The transcripts were read multiple times to ensure familiarity with the depth and breadth of the content. Initial codes were also generated by identifying features of the data that are relevant to the research objectives. These codes were collated into potential themes, which were reviewed and refined to ensure they accurately reflect the coded extracts and the entire data set using Llama 3-70b. The final stage involves defining and naming the themes, offering a detailed analysis of each theme and the overall information they tell about the financial management practices of the school head. This analysis will be linked back to the research objectives, discussing how the findings address each objective. Direct quotes from the interview were used to illustrate and support the thematic analysis, providing evidence for the conclusions drawn. Throughout the process, reflexivity was practiced to acknowledge the influence on the research and ensure the credibility and reliability of the analysis. The findings are presented in a manner that respects the informant's perspectives while providing critical insights into the financial management practices of school heads in selected public elementary schools.

3. RESULTS AND DISCUSSION

3.1. Financial management practices of school heads

3.1.1. Fund sourcing

3.1.1.1. Solicitations for fund sourcing

Solicitation activities can be another way of fundraising in public schools in the Philippines. Currently, MOOE funds are provided to public schools in the country by the national government (Almazan, 2023); however, these funds' disbursement and utilization are challenges that school heads encounter. To deal with these problems, partnerships between schools and parents can be effective in planning and conducting additional activities – thus, parents might be engaged in the process of fulfilling the budget needs of schools (Davies, 1987).

Informant “SH 8”, expressed her experiences regarding solicitations, *“Why? Because what we did is we resort to solicitations. So, to finance our activities for GAD and fortunately with the help and support of our dear school stakeholders, ay realize yung activities namin sa GAD.”* [“Why? Because what we did is we relied on solicitations. So, to finance our activities for Gender and Development (GAD), and fortunately, with the help and support of our dear school stakeholders, our GAD activities were realized.”] However, there is a disincentive mechanism that reduces charity production, a reason that calls for the diversification of revenues, including solicitation (Sonza & Tumibay, 2020). Thus, the solicitations to source the funds in the educational settings have been vital in enhancing gender equality in line with the competencies of PPSSH Domain 2.2 (Villegas et al., 2023). The use of solicitations has been effective as supported by a school head's statement from a focus group interview that

explained the utilitarian value of stakeholder support on GAD initiatives amid the challenges (Hernandez *et al.*, 2021). Thus, proper solicitation-related mechanisms along with support from stakeholders and diversification of funding sources are crucial for the successful execution of activities in an educational institution.

3.1.1.2. Support from school stakeholders

The support from the partners of the school plays a major role in enhancing school performance in Sorsogon province. The school partners' support is vital in making improvements in school performances in Sorsogon province. According to SH 6, the partners' support, including The Village Incorporated by the superintendent greatly contributed to the success of the school, *"take for example yung mga indicated programs sa The Village Incorporated ng ating superintendent so reflected din yun sa budget for each project para masuportahan ang pangangailangan ng school kasi nga hindi kakayanin ng MOOE itself."*, [Take for example the programs indicated in The Village Incorporated by our superintendent, so that's also reflected in the budget for each project to support the needs of the school because the MOOE itself is not sufficient."] School Head 4 also mentioned the need to find other sources of funds, "other sources of funds are the school canteen, SPTA authorized voluntary contributions, special education fund from the LSB, and IGP."

This approach corresponds to the tendencies towards decentralization observed in the process of decision-making and financial management, at various levels of local (Liwanag & Wyss, 2018). The Philippines decentralizes resources to the local government units and incorporates community participation in the budget (Franklin & Ebdon, 2020). However, there are still several issues regarding financing education that have not been solved, for example, there is still a lack of funding even in the developed countries (Acido & Kilongkilong, 2022), there are proper mechanisms for energizing and funding necessary programs. The Education Service Contracting (ESC) program in the Philippines focuses on the proper disbursement of funds, where accountability is placed to avoid the overlapping and misappropriation of the funds. One of the main findings of the research is that private funding, community relations, and grants are crucial for enhancing education quality according to the stakeholders' contributions.

The strategies for managing school finances and stakeholders help school heads foster the conditions needed to promote quality education (Hontanosas, 2024). When leaders establish and connect the budgeting activities to the goals of the school, it prepares the school to transform in the face of the advancement in the system and engage in discussions on how to source the required funds.

3.1.2. Budget allocation

3.1.2.1. Stakeholders engagement

School heads should try in all possible ways to continue further cooperation with SGCs given their mandate and the principle that all members of a community should either participate or be engaged in the budgeting process (Datu & Bernardo, 2020). This can be done through the development of linkages with external stakeholders. School heads should see to it that the different stakeholder sectors are well included during any budgeting processes (Espiritu, 2020).

Budget allocation in the school entails prioritization of projects in a bid to ascertain the level of priority given to the projects by their importance, the time of implementation, and their relevance to the overall organizational objective. Besides, the school incorporates the stakeholders, as the informant pointed out, *"First of all I communicate the school budget for*

the year to the stakeholder's teachers, sa SPTA even sa students involved din, they are involved in the crafting of plans of activities and projects, and some of them are included in budget allocation for the year", ["first of all, I communicate the school budget for the year to the stakeholders – teachers, SPTA, even students are involved, they are involved in the crafting of plans of activities and projects, and some of them are included in budget allocation for the year. "] Another school head pinpointed out how the budget is being planned, "you can picture out the whole year's activities so that you could prorate funding, properly selecting the needs of the learners; it should be centered to the learners."

It is important to mention the involvement of stakeholders as the factor stabilizing the system according to [Khaddafi \(2021\)](#), budget planning is very important in avoiding or minimizing some common risks in the procurement process, for example, changes in prices or shortage of materials. By informing the stakeholders, they will be aware of the actions of the other party hence reducing misunderstanding between the school leaders and the stakeholders during the process of budget allocation.

3.1.2.2. Budget prioritization

Budget prioritization is crucial for school heads to properly distribute funds where they are needed most, while at the same time focusing on strategies for improvement and to fulfill the core mission of educational institutions.

These include among others, supplies for schools, transportation of personnel, maintenance, training for teachers and pupils, and sundry expenses. One school head described this process, the school prioritizes the needs within the calendar year, it includes the purchase of school supplies, travel of the school personnel, repair, water/electricity/load expenses, training of the teachers/pupils, and other incidental expenses, sometimes depending on the immediate needs of the school. For example, if there are trainings to be attended by the teachers I should prioritize it, though it is not found in the APP. Then the rest, following the timeline of APP." The APP contains all procurement activities that are likely to be conducted in the calendar year, a school leader further explained, "In the preparations of our APP, that we call that Annual Procurement Plan, that is the budget for the whole year of our school given to us by DepEd through Accounting Department. We look into the alignment of our AIP, AIP is the Annual Improvement Plan, and of course, we see to it that it is aligned to our SIP, in terms of prioritization, so year one, year two, and year three and whatever, and following year."

DO No. 60, s. 2016 has issued the following policy guidelines for the adoption and implementation of the Financial Management Operations Manual (FMOM) for all financial transactions at all levels of the Department. This is to ensure that rules and methods in financial management activities are applied consistently and uniformly, as required by governing regulations for (i) budgeting, (ii) accounting, (iii) procurement, and (iv) asset management. The statements are validated by various sources and guidelines on the utilization of school funds in the Philippines. The MOOE is indeed allocated for public elementary and secondary schools to cover activities and necessities that support learning programs and help maintain a safe and healthy environment in schools. This includes the purchase of school supplies, travel of school personnel, repair, water/electricity/load expenses, training of teachers/pupils, and other incidental expenses. The allocation of more funds on necessary services and procurement needed by the school is a common practice, as seen in the increased budget for school building programs ([Dando & Abad, 2024](#)).

These statements draw attention to how strategies are implemented in schools about budget issues. School heads rely on the APP to manage the school's finances, particularly

about improvement plans in the long run, while attending to emergent needs in the short run. This balance between the company's expenditures plan and flexibility is a crucial factor in responding to the various needs of schools. This means that strategic allocation helps the school to get the most out of its scarce resources by providing only for the costs that directly affect its core concern that is, education. For instance, providing training to teachers even if the training is not specifically listed in the APP guarantees that the most important professional development needs will be met thus increasing the quality of education.

Thus, it is essential to understand that proper distribution of funds, which is based on some formal plans, such as the APP, and should be adjusted to urgent needs, can help schools remain effective and provide all the necessary educational needs. This approach of budgeting helps ensure that resources are employed in a manner that is most beneficial to the school and the students.

3.1.2.3. Budget preparation

Budget preparation is a focal accountability of school heads since such a task is significant in enhancing the compliance of financial strategies with the guidelines outlined in the Philippine Professional Standards for School Heads (PPSSH) under Domain 2 which focuses on the efficiency of the resources, particularly the issue of money and its utilization to improve educational results.

One school head elaborated on the detailed budget preparation process: *"Then we prepare for budgetary requirements. So, prepare na kami sa school operating budget which is the SOB, annual procurement plan the APP, project procurement management plan the PPMP, work and financial plan, monthly disbursement program, and the preparation of program of works intended for the entire year as much as possible to do."* ["Then we prepare the budgetary requirements... So we can be ready with the School Operating Budget, which is the SOB, the Annual Procurement Plan the APP, the Project Procurement Management Plan the PPMP, the Work and Financial Plan, the Monthly Disbursement Program, and the preparation of the Program of Works intended for the entire year, aiming to complete as much as possible."] Another school head also emphasizes the other documents needed for budget preparation: "In the preparations of our APP, that we call that Annual Procurement Plan, that is the budget for the whole year of our school given to us by DepEd through Accounting Department. We look into the alignment of our AIP, AIP is the Annual Improvement Plan, and of course, we see to it that it is aligned to our SIP, in terms of prioritization, so year one, year two, and year three and whatever, and the following year."

Financial management aids in the right distribution and utilization of funds in a school and thus plays a significant role in the process (Amos *et al.*, 2021). Sound practices in budgeting are important and cannot be overemphasized especially for the development and delivery of quality education in the sub-sector. In an educational institution, collaborative business budgeting with school management teams guarantees that budgeting is holistic and implies the necessities of the institution (Mtei, 2022). The management of receipts and cash, for instance, the use of receipt books and cash books, should be recorded well to meet the evaluation of the efficiency of various financial programs, which goes a long way to enhancing the educational system (Amos *et al.*, 2021). Nevertheless, school heads of Philippine schools encounter notable problems which are, insufficient and late financial resources arising from budget realignments and reductions, threatening nearly all aspects of school administration (Mark & Sylvia, 2022). The deficiencies in the system of budgeting can lead to inefficient and ineffective execution of the processes and improper integration into the subsequent planning of future education and learning initiatives.

Hence, compliance with the completion of effective and detailed budgets that are prepared by PPSSH also lays the groundwork for a progressive process of enhancing and placing mechanisms of accountability concerning the proper management of school funds. This enables the educational leaders to be in a position to fulfill the school's mission and improve education delivery to its stakeholders for a well-structured fiscal year. Adherence to these PPSSH standards shows how financial literacy is crucial in the leadership of education (Adoli & Kilika, 2020).

3.1.2.4. Budgetary challenges

There are significant difficulties and challenges for school heads to properly plan and manage budgetary needs especially where funding is scarce, hence eliciting negative impacts for equitable resource distribution as required in instructional goals and objectives in the SOB and APP.

One school head articulated the difficulty succinctly, *"I think the main challenges I usually encounter in aligning financial management practices is that siguro yung una muna, is on planning the budgetary requirements such as the SOB and APP because the fund is very limited."* ["I think the main challenges I usually encounter in aligning financial management practices, perhaps the first one, is in planning the budgetary requirements such as the SOB and APP because the funds are very limited."]

This is not a unique problem for the Philippines since many schools and other educational institutions across the globe have been facing the same problem. A study has shown that lack of funds, political interference, lack of data, poor capacity of planners, and insufficient manpower to coordinate the preparation and implementation of the budget affect proper budget planning and resources management (Susanto, 2023; Sang et al., 2015; Jacob, 2020; Göksu & Altundemir, 2017; Kurdieh, 2017). Therefore, there is a need to establish a relationship between effective financial management and quality education provision in the Philippines. The process commonly involves the preparation of budgeting as a necessary step since funding is often a concern because of its scarcity (Bantilan et al., 2023). The areas of the School Operating Budget (SOB) and the Annual Procurement Plan (APP) need to be managed effectively for educational improvements and programs to be provided and implemented (Amos et al., 2021).

Mirando and Jalos (2023) proposed the E-FundAMENTALS (Enhanced Fund Adjustment and Mobilization in Education: These include the Networking Teachers, Administrators, Leaders, and Stakeholders program aimed at tackling the above-stated financial issues by improving networking for financial resources. The need for effective procurement planning cannot therefore be overemphasized as it is central to the effective steering of the financial resources in a manner that will lead directly to the creation of educational impacts and aligns with the long-term goals of the institution (Hidayatulloh et al., 2022). This integration of practices of management of financial resources and the educational standards and goals is one of the critical proficiency requirements by the Philippine Professional Standards for School Heads (PPSSH) in Domain 2. 2.

Hence, Filipino school heads must appreciate and manage the budget issue as they strive to identify and provide resources to meet short-term and long-term educational requirements. Improving knowledge in financial management and strategic planning, school heads are capable of utilizing the existing monetary resources and conforming with the established educational requirements and goals. This approach equally promotes the sustenance of quality education.

3.1.3. Procurement: Proper implementation of procurement practices

Proper implementation of procurement practices is vital for school heads under Domain 2.2 to keep abreast with the financial management policies accorded by the PPSSH. In this domain, it emphasizes the importance of providing attention to effective resource utilization as a way of improving educational performance.

One school head elaborated on the necessity of adhering to procurement plans, “the items to be procured should be found in the APP or the Approved Annual Procurement Plan of the school.” Another school head emphasized on the consultative mechanism, “we consult the AIP, the annual implementation plan, and the APP on which procurement and disbursement are to be made for the month.” One school head described, in systematic planning, on how obligation request can be done, “we do the plotting of activities every month or quarterly basis so that the identified projects example utilities, job order procurement of supplies and materials it is easy to make an obligation request because it is already obligated for example every activity is prioritized every month to have an allocation and it will reflect the actual procurement”. However, challenges exist, as noted by a school head, “the process is not taking seriously one thing that makes a problem is that we are obliged to make AIP and AAP which is align to the philgeps which is not useful to our local setting it is not effective since the philgeps prices are too cheap which is not congruent to the real local setting, this makes some adjustment to the purchases and sometimes there is a delay in the downloading of funds, that is why sometimes schools have debts just to comply with the urgency of the activities or materials”.

These statements emphasize the concept of APP and the AIP to promote resource management in the organization. Aiding with its various policies entails compliance and general procurement to unveil potential unnecessary spending (Borres, 2023). Nevertheless, the issues that came out from the implementation of the Philippine Government Electronic Procurement System (Phillips) show the need for localized strategies that may vary depending on the context of the process. Practices in the procurement processes are important not only in cost savings but also in the delivery of organizational goals and objectives for learning institutions (Young *et al.*, 2015). Ethical procurement standards may enhance the institution’s financial position in the context of the organization’s social and environmental values (Cooper & Marder, 2022). School heads’ knowledge and application of procurement activities through planning and monitoring is crucial in the proper allocation and usage of resources as proposed by PPSSH Domain 2. 2 (Lingg *et al.*, 2016; Guevarra *et al.*, 2021).

Thus, school heads have the responsibility of the planning, coordination, and or enhancement of the procurement processes as recommended in the Annual Implementation Plan and the Annual Procurement Plan (Najera & Gearlan, 2021). This integration of PPSSH standards with procurement practices enhances the achievement of the agency’s mission of providing quality education.

3.1.4. Disbursement: Stringent documentation and authorization

The disbursement of funds in Philippine public schools is a crucial mechanism that should be documented properly and authorized correctly to adhere to the legal provision on budget. Setting stringent policies and procedures regarding the distribution of the funds and having a finance committee that can oversee the process will aid in the organization’s financial responsibility and integrity.

Informant 2 emphasized, “By establishing clear financial policies and procedures overseen by a designated finance team, the school ensures compliance with budgetary constraints and regulatory requirements. All disbursements require proper authorization and are

meticulously documented with regular financial reporting and audits providing transparency and accountability."

School financial policies and procedures are formal guidelines that define how the school's funds are to be handled as well as how they are to be spent. Based on DepEd Order No. 29, series of 2019, schools' management of cash advances particularly for maintenance and other operating expenses should strictly follow certain policies (Bantilan et al., 2023). Such measures help in determining how funds would be spent or disbursed to avoid incidences of embezzlement. The financial team which is assigned with the responsibility of disbursement should play a central role in the process. This team has the responsibility of making sure that all financial transactions are accurate and that all expenses paid out have been approved and are within the set budget and legal requirements. Following the rules set by the COA-DBM Joint Circular No. 2, s. 2022, the Commission on Audit and the Department of Budget and Management pointed out the necessity of having a finance team for the proper management and monitoring of the public funds. Authorization is a crucial factor of disbursement, as is record-keeping for the release of funds. Every expenditure should be recommended to the right authority in the school so that only the predetermined amount of cash from the budget plan is spent. Other documentation includes keeping invoices, receipts, and payment vouchers. Financial reporting and audits are also important to the disbursement process as it gives accountability to the disbursement. Balance sheets and statements of revenue and expenditure present a wealth and asset check of the school. Audits evaluate the various records about the laid down financial policies and standards to determine their adequacy. Almazan (2023), mentioned that audits assist in recognizing whether there are some deviations or violations in the financial processes, thus ensuring better trust between the shareholders.

Effective adherence to documentation and authorization standards can contribute to the improvement of transparency and accountability in the schools' financial activities (Bradley, 2009). This comprises providing account books for scrutiny and incorporating stakeholders in financial matters as provided in DepEd's Revised School-Based Management (SBM) System. Such practices enhance confidence in the school's financial practices and guarantee that all the financial resources will be utilized in a proper manner towards the achievement of the set education objectives.

3.1.5. Liquidation: Transparency and accountability

Transparency and accountability in the process of disbursement are important to maintain integrity and efficiency in the school's financial activities (Putra & Suryanawa, 2022). Procedural compliance should be observed by school heads.

Based on DepEd Order No. 13, s. 2016, "the Principals/School Heads/Teachers in charge shall identify the sources of financing the schools which include the School MOOE allocation, private individual/organization donations, financial support from the LGUs, and all other incomes from the sale of properties, rentals, and fees among others" (Viernes, 2022). Informant 4 emphasized the importance of integrity in financial transparency, from this, one can learn how reporting, and especially communications, can be particularly important in maintaining integrity and in encouraging the schools to fund and participate, "I'm very particular because it has something to do with integrity. If I'm transparent, people will trust me more. For example, when it comes to donations, it is communicated on Facebook at the page of the school. It is also reported to DepEd through DPDS so that the donors will be encouraged and they will be satisfied with the proceeds in terms of the school budget." This

gives reiteration on the importance of communication and reporting to promote transparency and accountability.

The liquidation of MOOE in public schools is a very crucial process that checks the proper utilization and management of government funds. This is through keeping records and making reports of expenditures in a bid to abide by the set government policies as well as ensuring corporate accountability and governance in the school system. DepEd Order No. 29 series of 2019, deals with the management of cash advances for school maintenance and other operating expenses and the General and Special Provisions to implement changes and compliance to the COA-DBM Joint Circular No. 2 series of 2022 (Bantilan *et al.*, 2023).

School heads are central to this process by making sure that all financial transactions are recorded and reported. Almazan (2023) has to adhere to certain guidelines in producing elaborate reports on liquidation, thus enhancing corporate accountability. Transparency is achieved by developing accessible liquidation reports to the stakeholders through meeting the stakeholders and using the transparency boards (Bantilan *et al.*, 2023). However, the following challenges are still evident; Market price disparities, policy processes, and limited training; This shows that professional development is essential all the time (Gaspar *et al.*, 2022).

Some of the strategies include School Report Card (SRC), and Transparency Board (TB) schemes which promote transparency and accountability since the data concerning schools is opened for stakeholders to oversee the financial activities.

Therefore, transparency and accountability enhance the performance of financial management as it complies with the specified standard for PPSSH and integration into the delivery of the schools' educative function by effective use of resources. Such practices promote awareness of compliance with the current fiscal policies and strategies in schools which in return boosts confidence and integrity. Further improvements to these processes are going to remain essential for sustaining the development of the school's governance framework and organizational performance.

3.2. Best financial management practices of school head

According to Karmilawati *et al.* (2021), financial management practices involve the strategy, technique, and procedure deployed in the utilization of funds in a given institution. Such practices aim at improving control, disclosure, and efficiency in the use of resources to meet organizational objectives. Educational institutions especially elementary schools, these practices play an important role in the fulfillment of the institution's mission of offering quality education.

This study identifies some of the best practices in the management of financial resources among the heads of elementary schools in Sorsogon Province in the areas of fund sourcing, budget allocation, procurement, disbursement, and liquidation. They help in enhancing accountability and proper utilization of resources in the accomplishment of educational objectives.

- (i) Fund Sourcing. The majority of school financing is obtained from Maintenance and Other Operating expenses (MOOE) from the national government. Also, schools solicit funds and hold donation campaigns such as the Brigada Eskwela. School heads actively involve community members in fundraising activities to supplement their funds. Pagdilao and Paguyo (2023) and Alvarez and Delavin (2022) suggested that the school head must manage the funds appropriately and ensure school administrators' professional development through the right financial management.

- (ii) Budget Allocation. School heads undertake a needs analysis at the start of the financial year to make sure the resource mapping is done about the SIP and AIP. It includes involving teachers and other stakeholders in the process and focusing on resources to enhance the educative environment for the accomplishment of strategic goals. [Gaspar et al. \(2022\)](#) point out that school heads require adequate financial training and assistance to overcome the challenges of policy procedures and market prices.
- (iii) Procurement. School heads adhere to procurement rules, and all goods bought are in the APP. This practice prevents additional costs and ensures that procurement is done according to the set budget and strategies. Some of the challenges include; disparity of market prices, and delayed disbursement of funds are handled by changes in the procurement schedule. This result has found that [Young et al. 's \(2015\)](#) and [Cooper and Marder's \(2022\)](#) work support the concept that appropriate procurement practices and compliance with the APP and AIP are significant for resource management.
- (iv) Disbursement. Financial transparency is ensured by placing the financial reports on the transparency boards and presenting them to the teachers, parents, and other stakeholders. This practice sharpens the confidence and accountability of the personnel. Any form of financial transaction is regulated and demands authorization in line with the institutions procedures. This is supported by [Adeusi et al. \(2022\)](#) by discussing the importance of financial governance and stakeholders' confidence in the proper management of funds and enhancing the performance of educational institutions.
- (v) Liquidation. Liquidation reports are submitted by COA and DepEd standards by school heads. The reports are audited internally and externally. Out of the audits, it is possible to get information about the correct use of funds, and the active involvement of the stakeholders in the financial management increases the efficiency of such activity. Both [Casingal and Ancho \(2022\)](#) and [Szczepankiewicz \(2019\)](#) posited that audits and engagement of stakeholders in financial governance improve transparency as well as accountability.

4. CONCLUSION

This study revealed that the school heads in the Sorsogon province use various measures to obtain funds such as soliciting donations from local firms and individuals. Effective budgeting in education involves stakeholder consultation and adherence to policies to allocate resources to crucial areas like curriculum and teacher training, ensuring improved education quality and strategic goal alignment. Enhancing financial management requires better stakeholder engagement, staff training, and technology use, while community involvement promotes transparency and trust. The use of financial management and e-procurement increases the credibility and effectiveness of budgeting, purchasing, and disbursement, and allows monitoring in real-time and errors are minimized. Internal and external audit reviews should be carried out frequently as a way of assessing the areas that require enhancement as well as evaluating the structural soundness of the financial management systems.

6. AUTHORS' NOTE

The authors declare that there is no conflict of interest regarding the publication of this article. Authors confirmed that the paper was free of plagiarism.

7. REFERENCES

- Acido, J. and Kilongkilong, D. (2022). Resource management practices towards sustainable support system during pandemic. *International Journal of Educational Management and Development Studies*, 3(4), 19-42.
- Adeusi, K.B., Jejenewa, T.O. and Jejenewa, T.O. (2024). Advancing financial transparency and ethical governance: Innovative cost management and accountability in higher education and industry. *International Journal of Management & Entrepreneurship Research*, 6(5), 1533-1546.
- Adoli, H.L. and Kilika, J.M. (2020). Conceptualizing the role of leadership strategy in the context of strategic management process: A review of literature. *Journal of Economics and Business*, 3(4), 1598-1623.
- Almazan, M.T.T. (2023). Disbursement and utilization of maintenance and other operating expenses (MOOE) funds of public schools in the Philippines. *International Journal for Multidisciplinary Research*, 5(5), 1-6.
- Alvarez, C., and Delavin, E. (2022). Career stages of professional development along Philippine professional standards for school heads. *International Journal of Research Studies in Education*, 11(13), 55-66.
- Amos, O., Ephrahem, G., and Bhoke-Africanus, A. (2021). Effectiveness of school heads' financial management skills in provision of quality education in secondary school. *Journal of Education, Society and Behavioural Science*, 34(2), 20-28.
- Bantilan, J.C., Hatagi, M.C.A., Sombilon, E.J.J., and Bauyot, M.M. (2023). Financial Management Challenges and Strategies of Public Secondary School Leaders in Davao City, Philippines: A Phenomenological Multiple Case Study. *Journal of Education, Society and Behavioural Science*, 36(12), 131-158.
- Borres, L. (2023). Developing a comprehensive financial literacy framework for educational institutions. *Journal of Educational Finance*, 40(1), 89-104.
- Bradley, S. (2009). Documentation for transparency and accuracy in educational procurement. *Journal of Educational Transparency*, 5(1), 23-37.
- Casingal, C.R., and Ancho, M.A. (2022). Financial liquidation practices in educational institutions: Enhancing efficiency through audits. *Journal of Educational Administration*, 38(2), 211-226.
- Chowdhury, S. (2022). Automated financial systems in educational institutions: Enhancing efficiency and accuracy. *Journal of Educational Technology*, 45(4), 432-447.
- Cooper, L. and Marder, B. (2022). Role morality discrepancy and ethical purchasing: Exploring felt responsibility in professional and personal contexts. *Business & Society*, 62(2), 229-249.
- Cornelius du Preez, H., and Folinas, D. (2019). Procurement's contribution to the strategic alignment of an organisation: Findings from an empirical research study. *Supply Chain Forum: An International Journal*, 20(3), 159-168.

- Dando, M., and Abad, R. (2024). Global procurement standards and local practices: Learning from international strategies. *International Journal of Educational Finance*, 32(1), 45-60.
- Datu, J.M., and Bernardo, A.B.I. (2020). Interpersonal character strengths among Filipino high school students and their influence on budget allocation decisions. *Journal of Educational Psychology*, 112(2), 301-318.
- Davies, D. (1987). Parent involvement in the public schools: Opportunities for administrators. *Education and urban society*, 19(2), 147-163.
- Espiritu, R.A. 2020. Financial management of school heads in selected public elementary schools in DepEd region III, Philippines. *International Journal of Academic Multidisciplinary Research (IJAMR)*, 11(4), 66-72.
- Franklin, A.L., and Ebdon, C. (2020). Participatory budgeting in the Philippines. *Chinese Public Administration Review*, 11(1), 60-74.
- Gaspar, M.R., Gabriel, J.P., Manuel, M.B., Ladrillo, D.S., Gabriel, E.R., and Gabriel, A.G. (2022). Transparency and accountability of managing school financial resources. *Journal of Public Administration and Governance*, 12(2), 102.
- Göksu, G.G., and Altundemir, M.E. (2017). Performance-based budgeting on strategic planning: The case study in Turkish higher education system. *New Trends and Issues Proceedings on Humanities and Social Sciences*, 3(3), 263-270.
- Guevarra, J., Franklin, R., and Peden, A. (2021). "I want to see a drowning-free Philippines": A qualitative study of the current situation, key challenges, and future recommendations for drowning prevention in the Philippines. *International Journal of Environmental Research and Public Health*, 18(2), 1-31.
- Hernandez, M.A., Bando, M.M., and Buenvenida, L.P. (2021). Integration of gender and development approach on institutional programs, activities, and projects of higher education institution: An input to strategic development plan. *International Journal of Management, Entrepreneurship, Social Science and Humanities*, 4(2), 182-192.
- Hidayatulloh, H., Widodo, H., and Wahyuni, H.C. (2022). Financial management in categorized schools the outstanding school of Muhammadiyah. *Khazanah Sosial*, 4(3), 575-586.
- Hontanosas, M. (2024). Effective planning and stakeholder engagement during the transition to face-to-face classes. *Journal of School Administration*, 45(1), 89-104.
- Jacob, N.O.N. (2020). Challenges facing the planning of higher education in federal capital territory, Abuja, Nigeria. *International Journal on Integrated Education*, 3(7), 89-99.
- Karmilawati, M. (2021). Financial Management Models in Effective Schools (Multisite study at SMKN 1 Kandungan and SMKN 2 Kandungan, Hulu Sungai Selatan Regency). *Journal of K6 Education and Management*, 4(1), 91-102.
- Khaddafi, A. (2021). Stakeholder participation in budget allocation planning: Enhancing transparency and relationship-building in educational management. *Journal of Educational Leadership*, 18(2), 145-162.
- Kurdieh, N.R. (2017). -Implementation and preparation of the planning budget in civil society organizations in Turkey. "Which concerns Syrian refugees"- A field study. *Mağallaṯ Al-'ulūm Al-iqtisādiyyaṯ Wa-al-idāriyyaṯ Wa-al-qānūniyyaṯ*, 1(8), 79-100.

- Lingg, M., Wyss, K., and Durán-Arenas, L. (2016). Effects of procurement practices on quality of medical device or service received: A qualitative study comparing countries. *BMC Health Services Research*, 16(1).
- Liwanag, H. and Wyss, K. (2018). What conditions enable decentralization to improve the health system? qualitative analysis of perspectives on decision space after 25 years of devolution in the Philippines. *Plos One*, 13(11), e0206809.
- Mark, H. and Sylvia, J. (2022). Organizational citizenship behavior, adversity quotient and management competence of school heads in Davao region, Philippines: A convergent design. *American Journal of Multidisciplinary Research and Innovation*, 1(5), 1-13.
- McMenamin, S.B., Cummins, S.E., Zhuang, Y., Gamst, A., Ruiz, C.G., Mayoral, A., and Zhu, S. (2018). Evaluation of the tobacco-use prevention education (TUPE) program in California. *Plos One*, 13(11), e0206921.
- Mirando, R.L., and Jalos, L.M. (2023). Financial management practices of school heads related to the implementation of the Basic Education Learning Continuity Plan (BE-LCP) in the division of Quezon: Basis for Intervention Program. *Psychology and Education: A Multidisciplinary Journal*, 9(9), 1182-1222.
- Mtei, F. (2022). Instructional leadership practices and students' academic performance in Morogoro municipality, Tanzania. *Asian Journal of Education and Social Studies*, 32(1), 50-59.
- Najera, G., and Gearlan, P. (2021). Strategic considerations in procurement decisions: Cost, quality, and supplier reliability. *Journal of Educational Administration*, 48(3), 301-318.
- Pagdilao, A.D., and Paguyo, Z.S. (2023). Leadership amidst the pandemic: Exploring the experiences of school heads in the implementation of basic education-learning continuity plan (BE-LCP). *Divine Word International Journal of Management and Humanities (DWIJMH)*, 2(2), 359-373.
- Putra, K.A.U., and Suryanawa, I.K. (2022). The effect of accountability and transparency on effectiveness of government school operational assistance funds management. *European Journal of Business and Management Research*, 7(4), 108-115.
- Richards, R., Darling, H., and Reeder, A.I. (2005). Sponsorship and fund-raising in New Zealand schools: Implications for health. *Australian and New Zealand Journal of Public Health*, 29(4), 331-336.
- Sang, F.K., Kindiki, J.N., Sang, J.K., Rotich, G.J., and Kipruto, K. (2015). Availability and the level of implementation of strategic plans in secondary schools in Nandi county, Kenya. *SAGE Open*, 5(2), 215824401557741.
- Sonza, R.L., and Tumibay, G.M. (2020). Decision tree algorithm in identifying specific interventions for gender and development issues. *Journal of Computer and Communications*, 8(2), 17-26.
- Susanto, A.D. (2023). The impact of implementing new public management, performance budget reporting models in educational institutions. *Journal of World Science*, 2(2), 370-375.

- Szczepankiewicz, E.I. (2019). The development and quality of internal audit in public-interest entities and private sector entities in Poland. *Journal of Public Governance*, 49(3), 5-19.
- Viernes, J. (2022). Preparation and utilization of maintenance and other operating expenses (MOOE) by school heads. *Multidisciplinary International Journal of Research and Development*, 1(6), 26-34.
- Villegas, J., Bauyot, M.F.M., Sacro, J.H., and Siarot, L.D. (2023). Gender audit as basis in developing modules for gad focal persons in Mati, Davao Oriental, Philippines. *Discourse and Communication for Sustainable Education*, 14(1), 48-56.
- Yasin, H. and Mokhtar, M. (2022). Practices of accountability and transparency in financial management among secondary school principals. *International Journal of Academic Research in Business and Social Sciences*, 12(9), 198-216.