

# Best Practices of Public Secondary School Heads Along Financial Management

Jocelyn A. Gueta<sup>1</sup>, Ligaya H. Garcia<sup>2</sup>, Imelda E. Diño<sup>3</sup>, Gerico T. Pangilinan<sup>4</sup>, Marco L. Espinosa<sup>5</sup>,  
Ella G. Figueras<sup>6</sup>, Gerry S. Digo<sup>7</sup>

<sup>1,4,5,7</sup>Sorsogon State University, Graduate School, Sorsogon City, Philippines;

<sup>2,3,6</sup>Department of Education, Sorsogon, Philippines

DOI: <https://dx.doi.org/10.47772/IJRISS.2024.814MG0027>

Received: 09 November 2024; Accepted: 19 November 2024; Published: 21 December 2024

## ABSTRACT

Republic Act No. 9155 of 2001 grants all school heads of the Department of Education in the Philippines the authority to administer and manage all personnel, physical, and fiscal resources of the school. The fiscal management practices of school leaders ensure the efficient and effective use of resources to support the goals of the institutions. Hence, this study explored the financial management practices of secondary school heads along financial management, specifically along fund sourcing, budget allocation, procurement, liquidation, and disbursement. This study used meta-synthesis to analyze the qualitative data obtained from the informants through interviews. This qualitative study employed a case study as its research method. Utilizing this design will provide information about the experiences, difficulties, and strategies encountered by the school head in managing the school's financial resources. The results of the study implied that the key informants were best at outsourcing funds and complete, accurate, reliable, and on-time reporting of financial resources. This is attributed to the compliance of school heads with the accounting and auditing rules and regulations. The principal's transparency was considered a crucial element, as a school leader and their finance team had strategies for budget planning and utilization. Moreover, school heads' adherence to accounting rules and regulations guaranteed efficient and effective financial management. These best practices of the school heads served as their commitment to upholding effective and efficient practices when it comes to financial management in school.

**Keywords:** budgeting, disbursement, fund sourcing, liquidation, procurement

## INTRODUCTION

School leaders are the driving force behind improving the quality of education. In addition to their demanding duties, they also fulfill the vital function of financial managers within their schools. Thus, to ensure the effective delivery of quality education, school leaders must possess financial management skills to ensure that the resources available for education are procured, properly disbursed, accounted for, and regularly monitored (Ngoma 2022). Likewise, Espiritu (2020) emphasizes that school leaders must perform professionally and competently their roles and responsibilities as specified in DepEd Order No. 32, s. 2010, or the National Adoption and Implementation of the National Competency-Based Standards for School Heads, or NCBSH (Domain 6, Strand 6), These roles and responsibilities include (a) preparation of financial management plans; (b) generation and mobilization of financial resources following DepEd policies and accounting and auditing rules and regulations; (c) organization of a procurement committee; (d) adherence to official procurement processes; (e) maintenance and replacement of school assets and disposition of non-reusable properties; and (f) preparation of financial reports and submission of such to higher education authorities and other education partners (Francisco, 2019).

Republic Act No. 9155, also called the Governance of Basic Education Act, grants all school heads within the Department of Education (DepEd) the authority to oversee their resources according to the needs and

demands of the school community. This empowers school heads to make decisions about resource allocation and to tailor their programs and services to better address the specific learning needs and challenges faced by their students and community. Espiritu (2020) emphasizes that the empowerment of school heads is accompanied with significant responsibility and accountability. The public schools receiving government funding necessitate transparency and accountability from all stakeholders (Gaspar et al., 2022).

Being the institution's finance manager is one of the most significant yet difficult duties for school leaders. They are in charge of the finances for buildings and grounds, employee wages, student programs, supplies, and technology. They are in charge of allocating these monies and maintaining appropriate records or documentation relating to these expenditures (Juma, 2024). Finance managers have the complex task of matching available resources, monetary and human, with their educational initiatives (Engle, 2024). They have to keep an eye on these expenses, assess their effectiveness, and utilize the information to guide their future choices. Additionally, they have to be accountable to the relevant stakeholders and operate transparently (Amado et al., 2025). They ensure the organization maintains adequate cash flow and liquidity through budgeting, accounting, and financial planning. Financial managers may also prepare reports on how well the organization meets its budget goals. Financial managers play a significant role in businesses and organizations (Arroyo et al., 2024).

Hence this study explores how secondary school heads manage financial resources, specifically to describe the financial management practices of the school heads in terms of fund sourcing, budget allocation, procurement, disbursement, and liquidation.

## REVIEW OF RELATED LITERATURE

The succeeding discussion presents concepts that have a bearing on the variables under study. It includes the financial management practices of school heads along with fund sourcing, budget allocation, procurement, disbursement, and liquidation.

Financial management is essential for the efficient and effective use of school resources (Kinyanzii, 2023). Financial management is crucial for any organization, including schools, as it involves the skillful use of resources. If the school heads are well-trained in their roles and responsibilities regarding the management of financial resources, they will be able to effectively deal with the finances of the schools they manage (Kinyanzii, 2023). Effective financial management requires both leaders and staff's expertise to ensure that resources are used wisely to achieve organizational goals. Financial management can further be viewed as the careful allocation and utilization of scarce resources by financial managers to minimize waste and maximize accountability (Nwafukwa & Sunday, 2015). According to Espiritu (2020), school financial management involves the planning and implementation of a financial plan, accounting, reporting, and the safeguarding of assets from loss, damage, and fraud. Financial management is also vital for the promotion of education quality and for meeting the school's vision and mission (Mosha, 2012).

Furthermore, managing a school's financial resources is a challenging task. Espiritu (2020) mentioned that if school heads have enough capability in budgeting, accounting, procurement, and asset management, they are not easily tempted or cannot simply commit erroneous spending, and they cannot go beyond the financial allotment that is consistent with the approved school operating budget (SOB), annual procurement plan (APP), monthly disbursement program (MDP), project procurement management plan (PPMP), and other financial management plans. It is a must for a school to properly follow the existing rules and regulations, guidelines, and policies involving financial management to minimize or manage the number of challenges usually experienced in the field (Espiritu, 2020). Some problems and other sources of conflict and misunderstanding in the organization will eventually be controlled (Vicente et al., 2023).

### Sources of Funds in School

Education resources are essential building blocks for a dynamic learning environment. They empower teachers and unlock students' potential, creating a space where teaching and learning can flourish. According

to Dwangu and Mahlangu (2021), the Philippine government at both national and local levels provides for the budgetary needs of public schools, and these national resources are allocated to DepEd through Maintenance and Other Operating Expenses (MOOE). Meanwhile, LGU resources for education come from funds appropriated from the Special Education Fund (SEF), a special taxing authority on real property (Wadasen, 2024).

The government ensures that a sufficient proportion of the national budget is allocated to education and that this fund is to be used effectively and equitably to achieve quality education for all (Radiamoda, 2021). The Maintenance and Other Operating Expenses is the school budget downloaded from the government to all public schools for the utilization in running school operations (Almazan, 2023).

Although basic education is still largely the responsibility of the national government and is delivered through the Department of Education, the LGUs provide supplementary funding to support public schools in their locality because they have access to a sustainable source of financial resources that are allocated for the basic education subsector. The LGUs are considered major partners of the national government in the delivery of basic education services (Manasan et al., 2011). Moreover, DepEd Order No. 8, s. 2019, stated that there could be other sources of school funds such as monetary donations or contributions from different external stakeholders such as alumni associations, non-governmental organizations (NGOs), the parents and teachers' association's (PTA) authorized contributions, canteen operations, income-generating projects, and others (Espiritu, 2020).

According to Yizengaw and Agegnehu (2021), financial resources are important as organizational resources; no organization has ever succeeded without financial resources. Therefore, it becomes imperative for institutions, firms, organizations, and business entities to consider financial management to enhance their performance and more so mitigate exposure to financial risks (Munge et al., 2016). The primary goal of financial management is to ensure that acquired funds are used efficiently and effectively. Resources are scarce, so educational administrators must prioritize and prudently allocate available resources to achieve institutional objectives (Ogbonnaya, 2000, as cited in Munge et al., 2016). Poor management of available funds leads to misuse, diversion of funds from prioritized projects, and misappropriations.

### **Budget Allocation**

The allocation of school budgets such as MOOE and other resources is essential for maintaining school facilities, purchasing supplies, and supporting various educational programs (Daraman et al., 2024). DepEd Order No. 12, s. 2014, provides guidelines on the utilization of the MOOE budget, and that includes the procurement of school supplies necessary for classroom teaching, utilities and communication, training activities, graduation rites, security, janitorial services, and minor school repairs as stated in the approved School Improvement Plan (SIP) for the current school year and in the Annual Improvement Plan (AIP) of the school (Ochada & Gempes, 2018). Almazan (2023) reiterated that the school principals at the start of the school year should plan on how their budget from MOOE funding shall be allocated on the basic needs and services of the school and incorporate this into their School Operating Budgets (SOB), Annual Improvement Plan (AIP), and Annual Procurement Plan (APP). Hence, the concerted efforts of the school principal and his management team are encouraged to make sure that the school funds are allocated to meet the diverse needs of students and enhance the learning environment (Ochada & Gempes, 2018).

### **Procurement**

Procurement is a significant activity that utilizes funds to procure goods and services needed to operate the organization and conduct plans, programs, and delivery of services (Pasamonte, 2022). Republic Act No. 9184, otherwise known as the procurement law, which was enacted on December 18, 2002, provides guidelines for the modernization, standardization, and regulation of the government's procurement activities and other purposes. It is a comprehensive process that runs from proper procurement planning, budget

allocation, bid invitation, bid evaluation, award of contract, contract management, performance measurement, and monitoring. More so, all procurement of the national government, its departments, bureaus, offices, and agencies, including state universities and colleges, government-owned and/or-controlled corporations, government financial institutions, and local government units, shall, in all cases, be governed by the principles of transparency, competitiveness, streamlined procurement process, accountability, and public monitoring (GPPB-TSO, 2024). This gives school administrators guidance on how to maintain compliance with laws, rules, and regulations on procurement, as well as how to evaluate the results of the process, including compliance, and guarantee smooth and productive operations in the area of school finance management (Arroyo et al., 2024). The primary purpose of government procurement compliance is to promote good governance and must adhere to the core principles of the government procurement reform act: transparency, accountability, equity, efficiency, economy, and fairness in the government procurement process (Republic of the Philippines, 2024). It ensures value for money on the government resources used (Pasamonte, 2022).

Public procurement is the purchase of goods and services by governments and state-owned enterprises. It encompasses a sequence of related activities starting with the assessment of needs through award to the contract management and final payment (Komakech & Jane, 2015). All procurement activities shall be under the provision of DepEd Order No. 8, s. 2019, otherwise known as Revised Implementing Guidelines on the Direct Release, Use, Monitoring, and Reporting of Maintenance and Other Operating Expenses (MOOE) Allocations of Schools, Including Other Funds Managed by School, and procurement activities relative to it shall observe the rules prescribed under Government Procurement Reform Act (R. A. No. 9184) and its implementing rules and regulations. Procurement activities must undergo uniform phases, including procurement planning, the bidding process or procurement through an alternative method, contract implementation, completion, and post-implementation and warranty period (Pasamonte, 2022). The school shall establish a Bids and Awards Committee (BAC) to undertake the procurement functions and to simplify, professionalize, and synchronize procedures, processes, and standards (Macapagal-Arroyo, 2001).

### **Disbursement and Liquidation**

Disbursement is a key aspect of effective financial management, which involves the process of allocating funds as described by the Commission on Audit (COA). DepEd Order No. 8 s. 2019 described disbursement as a settlement of government obligations either in currency, check, or constructive cash. Moreover, it refers to the disposition of government funds or property for various purposes within an organization. Cash disbursements constitute payments out of cash advances granted to the regular and special disbursing officers for MOOE for field operating requirements and time-bound undertakings. (School Operation Manual, n.d., p. 35). Additionally, DepEd Order No. 8, s. 2019, reiterates the functions of the Implementing Units Secondary Schools heads to disburse funds in accordance with the existing budgeting, accounting, procurement, and auditing rules and regulations and comply with the reporting requirements outlined in the DepEd order (Dabon, 2021). Connectedly, all cash payments shall be covered by duly approved Disbursement Vouchers DVs/payrolls. The cash advances may be granted to the cashiers/disbursing officers or officials and employees to cover the following: salaries and wages, travels, special time-bound undertakings, and petty operating expenses. The granting and liquidation of cash advances shall be governed by the following existing COA rules and regulations and other pertinent issuances: (a) No cash advance shall be given unless for a legally authorized specific purpose; (b) A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served; (c) No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him/her is first settled/liquidated or a proper accounting thereof is made (School Operation Manual, n.d., p. 35) .

### **Theories of Financial Management**

This section presents the theories of financial management, which include the budget theory, the theory of financial control, and the systematic theory.

## **The Budget Theory**

According to Rubin (2007, as cited in Yizengaw & Agegnehu, 2021), budget theory takes two dimensions, which are descriptive and normative. The descriptive dimension focuses on participation in public sector activities. The normative dimension is more interested in value as opposed to observation. The descriptive part of the theory holds that budget planning implies at least choosing specific target levels of service by activity and then figuring out beforehand what it would cost in terms of personnel and supplies to accomplish those specific goals. In the context of public secondary schools, the budgeting process should involve all stakeholders, particularly parents, government representatives, financiers, and the schools' management. More so, the budget should be in line with ordinary parents and students (Munge et al., 2016).

## **Theory of Financial Control**

The theory of financial control was advanced by Ostman (2009). The theory considers the personal functions of humans, both present and future, as its fundamental reference point. This theory holds that existing and possible functions of financial tools for organizations are essential. It further states that payments, financial instruments, accounting, control models, economic calculations, and related considerations, both within and outside of the organization, ought to be discussed concerning inner characteristics and also possible effects (Yizengaw & Agegnehu, 2021). It is noted that establishing the relationships between various activities and financial processes, from a financial control point of view, is a general and basic issue (Ostman, 2009, as cited in Munge et al., 2016). The theory of financial controls for organizations places a natural focus on the firms, such that they are viewed from several latitudinal areas. The first regards the human beings' functions of what is accomplished through organizations, their activities, and output. The second is about the structure of the organization and activities and of transactions that various parties have with each other. The third area covers the control systems in the sense of recurring procedures and methods that are employed to relate present and future functions to resources both externally and internally. The aforementioned financial control tools are argued to be crucial from the individual perspective of organizations and also for larger economic systems, and the fourth and last area illustrates the specific processes of individual organizations for certain issues (Munge et al., 2016).

## **Systematic Theory**

A systematic theory in school financial management, as described by Sholihah (2018), emphasizes a comprehensive approach that mobilizes capable and integrated human resources across the entire financial cycle, from planning and execution to supervision and reporting. This approach is further enhanced by the integration of modern IT systems, providing easy online access to all financial data. These systems ensure that data is computerized, streamlined, and readily available, fostering transparency and efficiency. Furthermore, the school's partnership with a bank plays a crucial role in this system, offering secure storage and management of funds, minimizing the risk of manipulation, leakage, or misuse. This collaborative approach not only strengthens financial security but also promotes accountability and trust within the school community.

## **METHODOLOGY**

This section discusses the research design, key informants, research instruments, data collection materials, data collection procedure, and the corresponding analysis of the data gathered from the research instruments fielded by the informants.

### **Research Design**

In this study, a descriptive-qualitative research method was employed, utilizing a case study approach. Qualitative research is typically conducted through semi-structured interviews, which are characterized by

open-ended questions resulting in data of narrative text rather than numbers (Punch, 2014). As mentioned by Creswell (2014, p. 241), case studies are a qualitative design in which the researcher explores in depth a program, event, activity, or process of one or more individual. The case is bound by time and activity, and researchers collect detailed information using a variety of data collection procedures over a sustained period. Utilizing this design, it provides information about the experiences, difficulties, and strategies encountered by the school head in managing the school financial resources.

### **Key Informants**

The key informants are four male school heads from various secondary schools in the province of Sorsogon, Philippines. All are assigned to public schools. The key informants shared insights and analysis of their role as the fiscal managers of the school. Three of them are occupying the Principal III position and one as Principal II. Their years of experience and qualifications as school heads prove their competence in managing the school fund. The insights and perceptions of school heads, gathered through interviews, were analyzed to identify their experiences related to their financial management practices. For the sake of confidentiality, the names and the schools of the informants are kept anonymous.

### **Data Collection Material**

The tool used by the researchers was the crafted interview guide. The interview questions were designed and aligned to the requirements outlined in Philippine Standards for School Heads (PPSH) Domain 2.2, which specifically describes the financial management practices of school heads along with fund sourcing, budget allocation, procurement, disbursement, and liquidation.

### **Data Collection Procedures**

The data collection method employed in this research comprises one-on-one interviews. This process entails the generation of a substantial amount of data. Details from the conducted interview were recorded and simultaneously jotted down to ensure that nothing was missed by the researchers. This qualitative interview allows the informants to share information in their own words and in their own way. Data collected through audio recordings were transcribed verbatim and translated into a language that everyone can understand.

### **Data Analysis**

Research theme synthesis entails a series of methodical procedures for a comprehensive analysis and interpretation of gathered materials. Paterson et al. (2001) described meta-synthesis as a process that creates a new interpretation that accounts for the results of all the data gathered. To interpret the gathered data from the responses of the key informants, a thematic analysis approach was used in analyzing the qualitative data gathered through an interview; the transcriptions of the interview in particular were put into lots of flexibility in interpreting the data by sorting them into broad themes (Caulfield, 2019). There are several steps followed in conducting thematic analysis, as provided by Caulfield (2019). The six-step process was: Step 1 familiarization, during which researchers have a thorough grasp of the data and frequently convert spoken language data into written notes and vice versa. Step 2, highlighting and labeling particular sentences, phrases, or portions with shorthand codes. Step 3. theme generation, where trends and similar codes were combined to create larger themes. Step 4: Review themes; this is done by comparing the themes with the data to verify their accuracy and adjusting the themes by dividing, merging, or removing them as needed. Step 5. defining and naming themes; this involves giving each subject a clear definition and a short, understandable name. The last step, Step 6, is writing up and putting the analysis into a coherent story; this includes an introduction, goals, methodology, findings, and a conclusion that summarizes the key insights and shows how the analysis responds to the research questions. This methodology guarantees comprehensive and methodical analysis of qualitative data, resulting in precise and significant discoveries.

## RESULTS AND DISCUSSION

This section discusses the data obtained from the interviews conducted with the key informants. The data revealed key themes related to informants' best practices in financial management, encompassing fund sourcing, budget allocation, procurement, disbursement, and liquidation.

### 1. Financial Management Practices of School Heads along Fund Sourcing:

#### 1.a Public and Private Source of Funds

Funds are important in the operation and maintenance of the school. Without funds, schools cannot deliver effective and quality education. When asked about the sources of funding in their school, the key informants responded accordingly: "The main source of funding in our school came from the national government. The MOOE, or Maintenance and Other Operating Expenses; aside from it, our school also has its share from the LGU; it is called the SEF. But we also have other sources of funds, like the income of our canteen, cash and in-kind donations of our stakeholders, and other sources may come from the income-generating activities." "The biggest source of funding in our school is actually the MOOE; aside from that, we have also canteen proceeds and also donations from the different stakeholders.

The key informants identified sources of funding as public and private. Public funds come in the form of MOOE from the national government and special education fund (SEF) from local government units, while private funds are the funds generated through outsourcing such as conducting fundraising activities, soliciting and accepting cash or in-kind donations from educationally engaged groups, such as parents, through PTA voluntary contributions, and communities as internal and external stakeholders. According to Dwangu and Mahlangu (2021), the Philippine government at both national and local levels provides for the budgetary needs of public schools, and these national resources are allocated to DepEd through Maintenance and Other Operating Expenses (MOOE). Meanwhile, LGU resources for education come from funds appropriated from the Special Education Fund (SEF), a special taxing authority on real property (Wadasen, 2024).

However, school heads also face challenges in managing the finances of the school. The key informants highlighted "the inadequacy of MOOE resources to address the increasing demands of the school and delays in SEF releases from the LGU, so the school should look for alternative sources of funding, such as conducting fundraising activities, and ask for the support of the alumni and Parents Teachers Association." "Detailed costing revealed that funds allocated for the school are insufficient; the school resorts to finding other ways to augment our financial incapacity by means of income-generating projects, PTA voluntary contributions, and donations from the private sector."

The proactive measure to identify and generate external financial resources is one of the financial management practices observed among the key informants. As financial managers, it is a must that the school heads possess the ability to identify other financial resources for school plans and development (Wadasen, 2024). Additionally, Amos and Koda (2018) suggest that schools can generate adequate financial resources through established and consolidated school-based income-generating projects such as lending school facilities, animal husbandry, canteen services, and others. With the guidance of the school head, schools can tap into additional funding sources by implementing income-generating projects by engaging educational stakeholders, including parents and communities, in fundraising activities.

The practices of key informants in identifying stakeholders to address financial challenges are aligned with the financial control theory. According to Espinosa (2017), this theory studies the school's relationships with funding sources like the Department of Education, School Parents and Teachers Association, and NGOs. Viewing these relationships through the lens of financial control can aid in understanding and resolving funding issues for school heads. Building positive relationships with all stakeholders is crucial for enhancing

the school's financial status. Financial control helps detect anomalies and establish various operational scenarios for improvement (Wadasen, 2024).

## **2. Financial Management Practices of School Heads Along Budget Allocation**

### **2.a Optimum budget allocation for direct costs (LMS, Classroom and Office Supplies and Equipment)**

A functioning school requires a comprehensive approach to meeting its essential needs, encompassing areas such as learning and instruction, infrastructure, operational costs, safety, and the welfare of learners (Hontanosas & Maed, 2024). Public schools primarily rely on government funding, specifically MOOE funds, to cover these needs. This budget, downloaded from the government, is allocated to support various school operations, including the procurement of essential classroom and office supplies (Almazan, 2023). This was stressed by the key informants during the interview: "When it comes to the MOOE funds, I have to be really strategic about how to use the fund. It's all about prioritizing what is most important and what is urgent." "I have to make sure that the school has the basic supplies for the classroom, but then I also need to think about the office, too. There should be enough supplies and equipment to keep things running smoothly, so teachers and staff can do their jobs properly." "The school MOOE is allocated from the most basic needs of the school, like for the students and employees learning growth and development". This thoughtful budget allocation, prioritizing classroom and instructional needs as highlighted by key informants, positively impacts teacher satisfaction and operational efficiency, demonstrating holistic financial management and contributing to school improvement.

### **2.b Efficient budget allocation for indirect costs (Utility Expenses, Communication, Training and Travel Expenses, and Maintenance Costs)**

According to Almazan (2023), MOOE funds are allocated to essential school operations, including utilities, communication, training, graduation rites, security, janitorial services, and minor repairs, as outlined in the school's SIP and AIP. Key informants emphasized the importance of these allocations, stating "the administrative costs, like the payment for the utilities, like water, electricity, and internet connectivity, are given first consideration when allocating funds; these are essential needs of the school; that is why it is given priority in budget allocation," and "the payment for the job orders and/or casual employees, as well as the office supplies, are also considered in allocating budget". "There are a lot of factors to be considered in allocating funds. The first one is the number of personnel; you have to give a budget on the professional development of the teachers, and that includes training and travel expenses. Another factor that I consider are the proposed programs and projects by the school, like the repair of classrooms, chairs, and tables."

This strategic allocation of funds reflects a proactive approach to resource management of the key informants where funds are used efficiently to address key operational requirements and enhance the overall school environment. This proactive approach in the allocation of MOOE funds reflects a commitment to meeting the diverse needs of the school, from staff development to infrastructure maintenance, ultimately enhancing the overall quality of education and holistic school financial management.

### **2.c. Transparent and collaborative budget allocation**

DepEd Order No. 8 s. 2019), also known as the Revised Implementing Guidelines on the Direct Release, Use, Monitoring, and Reporting of Maintenance and Other Operating Expenses Allocation of Schools, Including Other Funds Managed by the school, allocation of the MOOE budget is strictly tied to the approved SIP and the AIP. By aligning the budget with the SIP and AIP, schools ensure that financial resources are directed towards activities that are directly linked to the school's improvement goals. The key informants stress that "when it comes to budget, we have to follow the guidelines set by DepEd. That means our spending is in line with our approved SIP and AIP." "The school head is mandated to plan and develop at the beginning of the school year the SIP and then the AIP; it is a plan for specific activities, outputs, required resources, schedules, and individuals who will be accountable to the priority projects of the school. We are



also mandated to strictly comply with the DepEd Order No. 8, s. 2019, especially in allocating budget to the priority improvement area as stated in the SIP and AIP." "The crafting of the SIP and AIP is not a one-man task; it always involves a collaborative effort between the school head and the school personnel like department heads, subject group heads, teachers, parents, and community members." "For budget allocation, our school based the budget allocation on the school improvement plan with the annual implementation plan. There are funds allocated in the programs and projects that are included in the Annual Implementation Plan; the school has to do that in order to have an equal allocation of budget in each program of the school within a year."

These financial management practices of the key informants, along with budget allocation, are based on the priority improvement programs of the school stated in the SIP and AIP. This practice shows strong and strict compliance to DepEd Order No. 8, s. 2019. Additionally, DepEd Order No. 44, s. 2015 underscores the importance of stakeholder involvement in developing the SIPs. By actively engaging stakeholders in the budgeting process, schools can improve learners' performance, secure funding, and enhance operational efficiency. This strategic approach not only ensures financial stability but also fosters a culture of accountability and transparency within the school community. By actively seeking input from all stakeholders, schools build strong partnerships and ensure that resources are allocated in a manner that benefits the entire school community. This participatory approach, rooted in budget theory and financial control principles, emphasizes stakeholder engagement for transparency and efficient resource allocation.

### **3. Financial Management Practices of School Heads along Procurement**

#### **3.a Ensure Compliance and Efficiency in Procurement**

Procurement is the manner of purchasing and acquiring school supplies and other services that benefit the learners. School heads usually monitor and supervise the said activity (Merano, 2023). The school heads must implement an effective procurement process to ensure the school gets the best value of their resources and benefits everyone in the school community. The key informants highlighted their practices along the procurement process by "integrating the procurement process with the AIP and budget allocation." "To ensure an effective procurement process, I make sure that there is strict compliance with the procurement laws, such as RA No. 9184, which is essential for maintaining transparency and accountability in the procurement process." "Adherence to the procurement process starting from the need identification, proposal creation, program of work development, RIS issuance, purchase orders, quotations, and payments. If the project is reroofing, before the project can be implemented, it has to pass through steps of the procurement process." "The procurement is also based on the annual implementation plan and the budget allocation to the different programs and projects; our school prioritizes which of these items must be procured first." "Our school, being an implementing unit, has organized a financial team responsible for planning, directing, organizing, and controlling the school's financial activities. Part of this team is the Bids and Awards Committee."

The key informants' understanding of the procurement process ensures transparency and accountability in financial transactions. This practice ensures the effective utilization of financial resources. The presence of the Bids and Awards Committee (BAC) as part of the financial team allows the school head to focus on other essential leadership tasks as well as ensuring a transparent and accountable procurement process. The BAC plays an important role in evaluating bids, awarding contracts, and ensuring strict adherence to accounting and auditing regulations.

By getting the support and expertise of the financial team, the financial management practices of the key informants underscore the systematic approach of mobilizing human resources, such as BAC members, with the necessary capabilities and integration throughout the financial processes in the school. This systematic theory emphasizes the importance of involving skilled individuals in planning, executing, supervising, and reporting on all financial activities within the school.

## **4. Financial Management Practices of the School Head Along Disbursement**

### **4.a Effectiveness of Disbursement Practices and Accountability**

Effective disbursement practices in schools, enforced by school heads, are essential for financial accountability, legal compliance, and sustained operational success. Adherence to clear guidelines, role segregation, and proper documentation are foundational to maintaining transparency and ensuring the school's long-term viability. According to the Department of Education (DepEd, 2019) guidelines, school heads are responsible for following established budgeting, accounting, procurement, and auditing standards. They emphasize the segregation of duties within the school finance team, assigning specific roles to the bookkeeper, disbursing officer, canvasser, and BAC member to maintain accountability. "This is very important the disbursement; the purpose of this is we ensure accountability. Because from there, we see to it we comply with the laws and regulations, and it is needed in the financial reporting in the documentation as well, so it would be very easy for the auditor to see to it whether it complied to disbursement process because of this disbursement document." Key informants also highlighted that "disbursement documents are critical for supporting legal compliance and providing verifiable records for auditors, safeguarding against financial penalties such as withheld salaries or funding reductions in subsequent years." By assigning distinct roles to finance team members, the school ensures that financial management processes remain transparent and robust. Segregation of duties not only prevents conflicts of interest but also distributes responsibilities to reduce the administrative burden on teaching staff, allowing them to focus on educational priorities. Proper documentation serves as evidence of compliance with regulations, supports accurate financial reporting, and provides a basis for auditor verification. These practices foster accountability and financial integrity, contributing to a strong operational foundation and continuous funding. The implementation of best practices, including strict role segregation and thorough documentation, establishes a resilient financial system that benefits the entire school. Ensuring compliance and accountability in disbursement activities supports both immediate operational needs and the school's strategic goals, helping it meet regulatory requirements and secure ongoing funding.

## **5. Financial Management Practices of School Heads along with Liquidation**

### **5.a Transparent Procurement Processes**

Liquidation in government funds involves accounting for cash advances or expenditures made by officials or employees. Liquidation involves returning unspent money or providing documentation (COA, 2023). The implementing guidelines on the direct release of MOOE. Allocations of schools to the respective implementing units' key informants highlighted transparent procurement processes as their financial management practices related to liquidation. The key informants expressed their views: "We strictly adhere to COA rules and regulations to ensure transparency and accountability." "Adherence and strict compliance with the COA rules and regulations are important in ensuring the integrity and accountability of our operations. We strive to maintain the highest standards of transparency and financial responsibility in all our activities." "The COA set guidelines on how to prepare a liquidation report; entries must be correct, complete, and attached with supporting documents and submitted on time so that the release of cash advances intended of the MOOE for the following month will also be on time. The conduct of regular school-based internal auditing is facilitated by the school accounting officer before the submission to the COA office." According to the key informants, "we conduct internal auditing because some teachers face reimbursement issues due to incomplete attachments and erroneous entries in documents, leading to conflicts and delays in liquidation; these inefficiencies and errors contribute to inefficiencies in processing reimbursement claims." "Response to issues of incomplete attachments and erroneous entries in the liquidation process enhances up-to-date financial reporting." By improving documentation practices and providing targeted training, organizations can streamline the liquidation process, reduce errors, and submit transparent, reliable financial reports. Since the school of the key informants is Implementing Units, they are committed to timely reporting of financial data and report using online systems. Efficiently managing the documentation process ensures that financial records are accurate and up-to-date, which supports effective budgeting, reduces the risk of fraud, and contributes to the long-term financial stability of the organization.

These practices of the school head are anchored to financial management theories such as the theory of financial control and systematic theory.

As school leaders, the key informants have implemented practices in their financial management along with fund sourcing, budget allocation, procurement, disbursement, and liquidation. These practices emphasize compliance with the guidelines set by DepEd and COA. These practices resonate with financial management theories, including the budget theory, the financial control theory, and the systematic theory. According to Wadasen (2024), the budget theory emphasizes that internal and external stakeholders, like teachers, learners, parents, and government and sectoral representatives, should be involved in the school's budgeting process, which is a part of its financial management. They further suggest that financial control theory can also be used to describe the relationship of the school with its sources of funds. The systematic theory highlights the structured approach to financial management specifically on the effective and transparent procurement, disbursement, and liquidation process. This theory advocates for a comprehensive approach that integrates human resources in planning, execution, supervision, and reporting through the utilization of modernized systems, particularly IT systems, to make data computerized and systematized, preventing manipulation, leaking, and misuse of funds. The integration of budget, financial control, and systematic theory into the financial management practices of the school heads creates a holistic framework for managing resources effectively. These include various stakeholders in varied financial activities, compliance with the guidelines set by the Department of Education and other regulatory bodies on the allocation and utilization of MOOE, and upholding financial transparency leads to effective and accountable fund utilization, the use of modern systematic financial record keeping, and reporting. These holistic financial management models for the school heads from their best practices promote efficiency, accountability, and better outcomes in educational institutions.

## CONCLUSION

From the results obtained in this study, the key informants demonstrated remarkable financial management practices, encompassing all stages from budget planning to fund allocation and utilization and reporting. This may be attributed to the financial skills of the school heads. At the beginning of the fiscal year, the school heads, together with the key financial team members of the school, meticulously plan the budget, anticipating income and expenditure for the entire year, as outlined in the SIP and AIP. This thorough planning process ensures efficient allocation of resources, resulting in effective financial management in school. Additionally, this study revealed that the key informants exhibited exceptional skills in both sourcing of funds from external sources and reporting on the use of financial resources. These are attributed to the compliance of the school heads with the accounting and auditing rules and regulations, whereby the accountability of the fund from any sources was reported accurately, on time, complete, and reliable. Transparency is seen as the must-character of the school leaders. These commitments to best practices represent the holistic model for school leaders regarding financial management in educational institutions.

Based on the conclusions, the following recommendations are made: The school heads may document their best practices for other schools to benchmark from. As such, the Department of Education is encouraged to come up with a venue for sharing best practices among school heads concerning financial management. Continuous monitoring and assessment can help school heads refine their best practices, making them exemplary models for others to follow. School heads who have shown exemplary financial management practices may be given incentives. This will inspire, motivate, and encourage other school heads to do the same. Moreover, other researchers may conduct comparative studies on the financial management practices of schools in different contexts to identify lessons learned that can be applied to various educational settings.

## REFERENCES

1. 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. <https://doi.org/10.36948/ijfmr.2023.v05i05.6689>

2. Amado, J. A., Guzman, N. R. D., Ayo, J. P. D., Equipado, B. D., Polon, J. H., Rejuso, R. M., & Digo, G. S. (2025). Financial management practices of elementary school heads: A case study. *ASEAN Journal of Economic and Economic Education*, 4(1), 25–40. <https://ejournal.bumipublikasinusantara.id/index.php/ajeee/article/view/566>
3. Amos, O., & Koda, G. M. (2018). Contribution of school-based income-generating activities in quality education provision in secondary schools managed by the Catholic Diocese of Moshi, Tanzania. *British Journal of Education*, 6(4), 49-69. <https://ejournals.org/bje/vol-6-issue-4-april-2018/contribution-of-school-based-income->
4. Arroyo, A. J., Hilario, F., Reyes, C., & Asis, R. (2024). Financial management system among the school heads of Jalajala District. *Psychology and Education: A Multidisciplinary Journal*, 24(10), 1145-1152. <https://scimatic.org/storage/journals/11/pdfs/3561.pdf>
5. Caulfield, J. (2019) How to do thematic analysis. <https://www.scribbr.com/methodology/thematic-analysis/>
6. Commission on Audit (COA). (2023). Prescribing the updated documentary requirements for common government transactions, amending COA Circular No. 2012-001, June 14, 2012. Retrieved from [https://www.coa.gov.ph/wp-content/uploads/ABC-Help/GAM\\_A/c4.htm](https://www.coa.gov.ph/wp-content/uploads/ABC-Help/GAM_A/c4.htm)
7. Creswell, J. W. (2014). *Research design: Qualitative, quantitative and mixed methods approaches* (4th ed.). Sage Publication. [https://books.google.com.ph/books?id=4uB76IC\\_pOQC](https://books.google.com.ph/books?id=4uB76IC_pOQC)
8. Dabon, A. (2021). Efficiency of public school heads in managing school finances in the context of a developing country. *International Journal of Multidisciplinary Research and Publications*, 4(2), 16-21. <http://ijmr.com/wp-content/uploads/2021/07/IJMRAP-V4N1P100Y21.pdf>
9. Daraman, S. M., Algonos, C. J. L., Calizo, E. V., Quimpan, M., & Guray, C. B. (2024). Literature review on utilization of MOOE (Maintenance and Other Operating Expenses). *International Journal of Environmental Economics, Commerce and Educational Management*, 11(6), 66-72. <https://eprajournals.com/pdf/fm/jpanel/upload/2024/June/202406-06-017384>
10. DepEd. (16 April, 2010). DepEd Order No. 32, s. 2010, National Adoption and Implementation of the National Competency-Based Standards for School Heads. <https://www.deped.gov.ph/2010/04/16/do-32-s-2010-national-adoption-and-implementation-of-the-national-competency-based-standards-for-school-heads/>
11. DepEd. (06 March, 2014). DepEd Order No. 12, s. 2014, Implementing Guidelines on the Direct Release of Maintenance and Other Operating Expenses (MOOE) Allocations of Schools to the Respective Implementing Units. <https://www.deped.gov.ph/2014/03/06/do-12-s-2014-implementing-guidelines-on-the-direct-release-of-maintenance-and-other-operating-expenses-mooe-allocations-of-schools-to-the-respective-implementing-units/>
12. DepEd. (29 September, 2015). DepEd Order No. 44, s. 2015, Guidelines on the Enhanced School Improvement Planning (SIP) Process and the School Report Card (SRC). <https://www.deped.gov.ph/2015/09/29/do-44-s-2015-guidelines-on-the-enhanced-school-improvement-planning-sip-process-and-the-school-report-card-src/>
13. DepEd. (02 May, 2019). DepEd Order No. 008 S. 2019, Revised Implementing Guidelines on the Direct Release, Use, Monitoring, and Reporting of Maintenance and Other Operating Expenses Allocation of Schools, Including Other Funds Managed by School DepEd. Available: <https://deped.gov.ph>
14. DepEd Division of Bophol. (2023). *School operations manual*. Bohol, Philippines. <https://www.depedbohol.org/wp-content/uploads/2023/02/School-Operations-Manual-on-Financial-Management-SOMFM-1.pdf>
15. Dwangu, A. M., & Mahlangu, V. P. (2021). Accountability in the financial management practices of school principals., *International Journal of Educational Management*, 35(7), 1504-1524. <https://doi.org/10.1108/IJEM-06-2021-0243>
16. Engle, P. (2024). A school administrator's guide to financial management in education. <https://ess.com/blog/articles-a-schooladministrators-guide-to-financial-management-in-education/>

17. Espinosa, F. M. (2017). Financial management practices of school heads: Teachers' perspective. *Skyline Business Journal*, 13(1), 33-44. <https://www.skylineuniversity.ac.ae/images/pdf/sbj/2017/Article4.pdf>
18. Espiritu, R. (2020). Financial management of school heads in selected public elementary schools in DepEd Region III, Philippines. *International Journal of Academic Multidisciplinary Research*, 4(11), 2643-9670. <http://ijeais.org/wp-content/uploads/2020/11/abs/IJAMR201112.html>
19. Francisco, C. D. C. (2019). School principals' transformational leadership styles and their effects on teachers' self-efficacy. *International Journal of Advanced Research*, 7(10), 622-635. <https://doi.org/10.21474/IJAR01/9875>
20. Gaspar, M. R., Gabriel, J. P., Manuel, M. B., Ladrillo, D. S., Gabriel, E. R., & Gabriel, A. G. (2022). Transparency and accountability in managing school financial resources. *Journal of Public Administration and Governance*, 12(2), 102. <https://doi.org/10.5296/jpag.v12i2.20146>
21. GPPB-TSO. (2024). Revised Implementing Rules and Regulations of Republic Act 9184. Government Procurement Policy Board. <http://www.gppb.gov.ph/laws/laws/RevisedIRR.RA9184.pdf>
22. Hontanosas, G. P. A., & Maed, M. G. S. (2024). Exploring the financial management transition of school heads to face-to-face classes: A phenomenology. *International Journal of Multidisciplinary Research*, 10(4), 65-81. <https://doi.org/10.36713/epra16322>
23. Juma, A. (2024). How to become a financial manager (with duties and skills). <https://www.indeed.com/career-advice/finding-a-job/how-to-become-financial-manager>
24. Kinyanzii, J. M. (2023, October 18). Influence of financial management practices on the financial performance of public secondary schools in Kathiani sub-county. <http://repository.seku.ac.ke/handle/123456789/7335>
25. Komakech, R. A., & Jane, M. (2015, August 24-28). Public procurement reforms: A disaster for public secondary schools in Uganda. [Paper Presentation]. *International Conference on Good Governance and Service Delivery in Developing Economies*. Imperial Royale Hotel, Kampala, Uganda. [https://www.researchgate.net/publication/313085485\\_PUBLIC\\_PROCUREMENT\\_REFORMS\\_A\\_Disaster\\_for\\_Public\\_Secondary\\_Schools\\_in\\_Uganda/references](https://www.researchgate.net/publication/313085485_PUBLIC_PROCUREMENT_REFORMS_A_Disaster_for_Public_Secondary_Schools_in_Uganda/references)
26. Macapagal-Arroyo, G. (2001). Executive Order No. 40, Consolidating procurement rules and procedures for all national government agencies, government-owned or controlled corporations, and government financial institutions, and requiring the use of the government electronic procurement system. [https://www.dbm.gov.ph/wp-content/uploads/EO/eo\\_40\\_irr.pdf](https://www.dbm.gov.ph/wp-content/uploads/EO/eo_40_irr.pdf)
27. Manasan, R. G., Cuenca, J. S., & Celestino, A. B. (2011). Mobilizing LGU support for basic education: Focus on the Special Education Fund (No. 2011-07). PIDS Discussion Paper Series. <https://www.econstor.eu/bitstream/10419/126851/1/pidsdps1107.pdf>
28. Merano, E. S. (2023), Financial management competence of school heads and performance of schools in Leyte division, *International Journal of Science and Technology* 5(2), 60–77. <https://doi.org/10.53771/ijstra.2023.5.2.0092>
29. Mosha, H. (2012). The state and quality of education in Tanzania: A reflection. *Papers in Education and Development*, 31, 61–76. <https://www.africabib.org/rec.php?RID=356396703>
30. Munge, M. N., Kimani, E. M., & Ngugi, D. G. (2016). Factors influencing financial management in public secondary schools in Nakuru County, Kenya. *International Journal of Economics, Commerce and Management* 4(9), 91-114. <http://repository.embuni.ac.ke/handle/123456789/1266>
31. Ngoma, M. P. (2022). *The importance of school management in ensuring sustainable financial resource management in six secondary schools of Nakonde District in Muchinga Province*, [Doctoral dissertation, The University of Zambia]. <https://dspace.unza.zm/items/cfb5a7d9-acbe-44bc-84db-6975386902b8>
32. Nwafukwa, P. O., & Sunday, A. N. (2015). Financial management skills required of principals for the implementation of the universal basic education programme in junior secondary schools in Ebonyi State of Nigeria. *International Journal of Education, Learning and Development*, 3(5), 31-37. <https://www.eajournals.org/wp-content/uploads/Financial-Management-Skills-Required-Of-Principals-For-The-Implementation-Of-The-Universal-Basic-Education-Programme.pdf>

33. Ochada, N. R. C., & Gempes, G. P. (2018). The realities of maintenance and other operating expenses (MOOE) allocation in basic education system: Unheard voices of public school teachers. *International Journal of Scientific and Technology Research*, 7(4), 315–324. <https://www.ijstr.org/final-print/apr2018/>
34. Östman, L. (2009). Towards a general theory of financial control for organisations, *SSE/EFI Working Paper Series in Business Administration*, 9. Stockholm School of Economics. [https://ideas.repec.org/p/hhb/hastba/2009\\_009.html](https://ideas.repec.org/p/hhb/hastba/2009_009.html)
35. Pasamonte, J. A. (2022). *Development of procurement tools for selected public schools*. [Master's Thesis, University of Nueva Caceres, City of Naga]. <http://dx.doi.org/10.13140/RG.2.2.30297.19041>
36. Paterson, B. L. (2001). Meta-study of qualitative health research: A practical guide to meta-analysis and meta-synthesis. *International Journal of Health Care Quality Assurance*, 14(6). <https://doi.org/10.1108/ijhcqa.2001.06214fae.007>
37. Punch, K. (2014). Introduction to social research: Quantitative and qualitative approaches. *Sage eBooks*. <http://ci.nii.ac.jp/ncid/BB15445216>
38. Radiamoda, R. (2021). The impact of neoliberalism on Philippine public education and the aid of the special education fund. *Lukad: An Online Journal of Pedagogy*, 1(1), 20-32. [https://lukad.org/wp-content/uploads/2021/07/volume1\\_issue1\\_radiamoda\\_June2021.pdf](https://lukad.org/wp-content/uploads/2021/07/volume1_issue1_radiamoda_June2021.pdf)
39. Republic of the Philippines. (2001) Republic Act No. 9155, Governance of Basic Education Act of 2001. [https://www.deped.gov.ph/wpcontent/uploads/2003/01/DO\\_s2003\\_01.pdf](https://www.deped.gov.ph/wpcontent/uploads/2003/01/DO_s2003_01.pdf)
40. Republic of the Philippines (2024). New Government Procurement Act, or Republic Act No. 12009. <https://www.gppb.gov.ph/new-government-procurement-act-or-republic-act-no-12009/>
41. Sholihah, T. (2018). Modern school financial management. *Proceedings of the Annual Conference on Social Sciences and Humanities*, 196-200. <https://doi.org/10.5220/0007417801960200>
42. Vicente, R. S., Flores, L. C., Almagro, R. E., Amora, M. R. V., & Lopez, J. P. (2023). The best practices of financial management in education: A systematic literature review. *International Journal of Research and Innovation in Social Science*, 7(8), 387-400. <https://dx.doi.org/10.47772/IJRISS.2023.7827>
43. Wadasen, R. F. P. (2024). Financial management challenges and best practices of school heads of public high schools. *International Journal for Multidisciplinary Research*, 6(1), 1-16. <https://doi.org/10.36948/ijfmr.2024.v06i01.13420>
44. Yizengaw, J. Y., & Agegnehu, M. A. (2021). Practices and challenges of school financial resource management implementation in Bahir Dar City administration of Ethiopia: A comparative study between government and private secondary schools. *Cogent Education*, 8(1), 1884340. <https://doi.org/10.1080/2331186x.2021.1884340>