

# Fiscal Management Challenges and Prospects of School Principals: A Policy Review of Finance Utilization

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## ABSTRACT

This study sought to determine the challenges and prospects of school principals in the management of school finance, specifically the Maintenance and Other Operating Expenses of public schools in the Philippines, as a basis for policy analysis and review. The respondents generally agreed that the school MOOE is being used to a great extent in terms of school operations and development (mean=4.11), as far as school operations and development, teachers' welfare and development, and students' welfare and development are concerned. It was found out that there is a significant difference in position, while there are no significant differences as to Educational Attainment and Length of Service when compared between ratings of respondents on MOOE utilization in terms of school operations and development when grouped according to profile. There are no significant differences according to position, educational attainment, and length of service when comparing respondents on MOOE utilization in terms of teachers' welfare and development, and students' welfare and development. The study reveals that school principals are increasingly transitioning into administrative roles due to rising external demands, potentially distancing them from their primary roles as educational catalysts. However, this shift is balanced by a strategic commitment to the Annual Improvement Plan and the effective utilization of MOOE funds. By prioritizing the welfare of both teachers and pupils, principals ensure that resource distribution directly supports the teaching and learning process. Ultimately, these firm fiscal decisions foster a healthy school environment that remains conducive to student growth. A policy review of fiscal guidelines is recommended to reinforce the alignment between budget distribution and school-level development, ensuring that financial decisions remain learner-centered even as administrative roles evolve.

## INTRODUCTION

The improvement of the Philippine education system depends on various factors, such as financial resources, management, and how they are utilized. The degree of improvement also depends on the extent of involvement of all the Internal and External Stakeholders of the school. The value of the school budget was stipulated in "The Department of Education Order No. 13 s. 2016," which says, "The school budget is one of the most powerful tools to promote and strengthen school-based management and accountability." Together with the "DepEd Order No. 008, s. 2019," a Revised Implementing Guidelines on the Direct Released, Use, Monitoring and Reporting of Maintenance and Other Operating Expenses, Allocation of Schools, Including Other Funds, are available to support schools and enable students to perform better.

Anchored to the Organizations' System Theory by Knight School, financial management can be described as a "system" composed of interrelated elements necessary for the successful operation of the school. In this setting, the elements needed to achieve the school objectives are the school administration, teachers, parents, students, and all other resources. Just as pointed out by the knight, these elements are interdependent. Among these, school finance is one of the most interactive elements within a school. Accordingly, financial resource is an important key input in the school system since it provides the means of running all the affairs of an institution or organization and acquiring all the resources needed to achieve institutional objectives.

In this respect, the school heads and the committee members play a major role in the management of funds in public schools. This theory is supported by formal model theory by Bush (2004), who believed that schools are hierarchical systems in which principals use reasonable means to examine agreed goals. Similarly, principals

possess authority legitimized by their formal positions within the schools and are accountable to school governing bodies, teachers, students, parents, and stakeholders for their activities. Hence, the theories support the study in terms of accountability and transparency in managing school finances.

Another theory, the Broken Windows Theory of Wilson and Kelling studied by Crotty (2013), states that "If a window is broken and left unrepaired, people walking by will conclude that no one cares and no one is in charge."

This theory says that the little things matter. Social psychologists and police officers tend to agree that if a window in a three-building complex is broken and is left unrepaired, all the rest of the windows will soon be broken. This is as true in nice neighborhoods as in run-down ones. Window-breaking does not necessarily occur on a large scale because some areas are inhabited by determined window-breakers, whereas others are populated by window-lovers; rather, one unrepaired broken window is a signal that no one cares, and so breaking more windows costs nothing.

The proper utilization of the MOOE of the school depends on the school heads. When the process of disbursement and liquidation is not evaluated or monitored, chances are some of the guidelines will not be followed. This is something like breaking a window; nobody will remind or reprimand, and the improper utilization will continue. Hence, school heads and other concerned must once in a while be reminded, and the monthly submission of liquidation is the check and balance of the process.

Proper management is the success of any organization and school; this is the essential factor in attaining the desired goals of the educational institutions. The Department of Education (DepEd) has come to realize that a certain amount must be given directly to the school as part of the decentralization program. Such an amount will be managed by the school principals and school heads for the immediate and relevant needs of the school. This will result in better teacher performance and enable students to perform better. The goal of MOOE is to be utilized according to different areas and school improvement in terms of pupils' performance, teachers' performance, administration and supervision, and resource management. However, there have been many challenges that are arising when it comes to budget preparation, procurement requirements, disbursements, liquidation, submission of financial statements, transparency board, and auditing. Many principals are placed in troubled positions because they are unable to manage the school MOOE responsibly and properly and most of the stakeholders are putting the blame on the ethics and corruption in education.

Canlas (2017) said that supervision is the heart of an educational institution, and its main function is to improve the learning situation of children and teachers' effectiveness. The purpose of this field is to make sure teachers and other faculty members are doing what they're supposed to be doing and that students are receiving the best education possible. This means that from school policies to budget spending, everyone must be updated on these matters and other school operations to avoid conflicts such as corruption and misunderstandings among teachers, parents, school heads, administrators, and other people who belong to the education community.

If these funds are unmanaged properly, it can cause conflict between the principal and the teachers. It has been reported that principal and school governing council members have been investigated by the Department of Education due to mismanagement of funds through misappropriation, fraud, pilfering of cash, theft, and improper control of financial records. In public schools in the Philippines, financial accountability of school funds has always been an issue, and until now, it has been a persisting problem that can seriously affect the quality of education. School projects, faculty's professional development, and activities that will enrich students' learning will all be compromised.

Therefore, the researchers decided to conduct a study about the challenges and prospects of school principals in managing the maintenance and other operating expenses of public elementary schools, which will serve as a basis for policy analysis and review. After thorough analysis and initial study of this problem, it was realized that there is a need to unveil the challenges that the school heads experience in MOOE. Also, it sees the need to pacify the issues before they result in more serious problems in the future.

Given the above contention, the study seeks to explore how the school principals utilize the MOOE according to different areas and school improvement in terms of pupils' performance, teachers' performance,

administration and supervision, and resource management. It also aims to investigate what are the challenges that they usually encounter and how they handle them. Moreover, based on the findings of the study, a policy framework will be formulated in order to help and guide school heads and principals in budget preparation, procurement requirements, disbursements, liquidation, submission of financial statements, transparency board, and auditing.

This study aims to determine the challenges and prospects of school Principals in management of the Maintenance and other Operating Expenses (MOOE) of Public Elementary Schools to serve as basis for policy analysis and review. The study sought to answer how may the profile of the respondents be described in terms of position, highest educational attainment and length of service as school head. The extent of utilization of school MOOE was also described in terms of school operations and development, teacher’s welfare and development and, pupil’s welfare and development. It also sought to investigate if there is significant difference in the extent of utilization of school MOOE and the profile of the respondents and if there is significant difference in the extent of utilization of school MOOE as perceived by the school-principal respondents and teacher-respondents. Furthermore, the challenges and prospects of the respondents in managing school MOOE and how the respondents handle the challenges and prospects in managing school MOOE to serve as bases in revisiting and reviewing existing policy guidelines. Only permanent teachers and school principals in the public elementary schools were included in the study. The study was conducted in Porac West East District of DepEd SDO Pampanga in Central Luzon, Philippines.

## METHODS

The study used the concurrent mixed method as it involves quantitative and qualitative collection of data. The study involved 76 public elementary school principals, teachers who are assigned members of the Bids and Awards Committee. The locale of the study was held in one of the Districts of DepEd Pampanga, Philippines. A validated questionnaire was used as an instrument in data gathering for the quantitative part, while unstructured interview questions were asked for the qualitative part. The study was conducted following the rule of confidentiality of identity. Prior consent was secured from the respondents and participants to ensure no one was coerced into joining the study, and only those who joined were made fully aware of the relevant aspects of the undertakings. An unstructured interview was conducted to obtain other important data that was not provided in the questionnaire. The data collected were tabulated, analyzed, and interpreted for the demographic profile of the respondents in terms of age, gender, civil status, highest educational attainment, position, and length of service.

## RESULTS AND DISCUSSION

### Part 1. Profile of the Respondents

Table 1. Profile of the Respondents

Profile	Frequency	Percentage
<b>Position</b>		
Teacher	44	57.89
Head teacher	12	15.79
Principal	20	26.32
<b>Educational Attainment</b>		
Bachelor's Degree	10	13.16

Masteral Units	45	59.21
Master's Degree	12	15.79
Doctoral Units	6	7.89
Doctoral Degree	3	3.95
<b>Length of service</b>		
0-5 YRS	33	43.42
6-10 YRS	12	15.79
11-15 YRS	11	14.47
16 -20 YRS	5	6.58
21 -25 YRS	10	13.16
25 YEARS ABOVE	5	6.58

The table shows that 44 or 57.89 percent of the 76 respondents are teachers, 20 or 26.32 percent are school principals, and 12 or 15.79 percent are head teachers. In terms of educational background, 45 or 59.21 percent have earned units toward a Master's degree, 12 or 15.79 percent have earned a Master's Degree, and 10 or 13.16 percent have Bachelor's degrees only. On the other hand, six (6) or 7.89 percent have earned units toward a Doctorate, while three (3) or 3.95 percent have earned Doctoral degrees. Furthermore, 33 or 43.42 percent of them have been in service for 0 to 5 years, 12 or 15.79 percent have been serving for 6 to 10 years, and 11 or 14.47 percent are in service for 11 to 15 years. Also, 5 or 6.58 percent have been in service for 16 to 20 years, 10 or 13.16 percent for 21 to 25 years, and 5 or 6.58 percent have been in service for 25 years and above.

This data describes a group of 76 respondents dominated by teachers (57.89%), supported by a significant segment of school administrators. There is a strong emphasis on professional development, as nearly 75% of the group has either completed or is currently pursuing a Master's degree. Experience levels skew toward the newer side, with 43.42% of the participants having served for five years or less. Conversely, seasoned veterans with over 20 years of experience still make up about 20% of the population, providing a balance of seniority. Overall, the profile reveals a highly educated workforce that is largely in the early-to-mid stages of their professional careers.

(Ochada & Gempes, 2018) It was very unusual for normal teachers to be consulted on their classroom needs. The fact is that when school principals made the School Improvement Plan, they seldom consulted the teachers' needs in their teaching-learning process in the classroom. In addition to being uninformed, most of the respondents of the study have never been interested in how the MOOE is being utilized. Just on the transparency board, did they see that? On the contrary to the mentioned study (Bonso & Benavides, 2020), the planning and budgeting were enforced by the school heads, while the supervision of the MOOE management was firmly implemented.

Efficiency for financial management is also an essential property of a school principal. This financial management applies to all kinds of handling of all the funds collected and spent at a single school. A specific educational organization is charged with maintaining and keeping track of the correct, adequate, and responsible use of services budgeted for education in the right way. It is also imperative that current financial capital be successfully handled.

Top management officials from the Department of Education, such as school heads or principals, can safeguard or distribute the funding to perform the MOOE improvement practice. This will allow teachers to overcome their problems and be regularly updated with continued professional growth.

Table 2: Extent of Utilization of School MOOE

Variable / Indicator	Mean	SD	DR
School Operations and Development	4.11	0.75	To a great extent
Teacher's Welfare and Development	3.92	1.00	To a great extent
Pupil's Welfare and Development	3.82	0.97	To a great extent
Overall	3.95	0.91	To a great extent

The data indicates that all indicators are implemented "To a great extent," with School Operations and Development emerging as the highest-rated area at a mean of 4.11. The overall mean of 3.95 reflects a consistently high level of performance across the board, though the standard deviation of 1.00 in teachers' welfare suggests some varied perspectives among respondents. While Pupil's Welfare and Development received the lowest relative score, its mean of 3.82 still maintains a very positive standing within the descriptive criteria. Ultimately, these results demonstrate a robust institutional framework where school, teacher, and pupil interests are addressed with significant effectiveness.

### School Operations and Development

The respondents generally agreed that the school MOOE is being used mostly in terms of school operations and development (mean=4.11). School heads are empowered to do effective fiscal management operations, which greatly contribute to their accomplishment and success. School heads must ensure, through this institutional fiscal management, that services, initiatives, and events discuss educational opportunities (obtaining students into school), drop-out rates (keeping students in school, and quality education (providing students quality education). The quality and efficacy of the use of school funds to meet school strategies and priorities must be of paramount concern mostly by the school head.

This was supported by the words of Luistro (2013), who explained that the administration of the Department is best seen in how the schools are managed daily; thus, the principals are given funds to empower them to maintain the schools well. The Secretary also enjoined principals to monitor and demand the release of the MOOE funds to their schools by the Division Offices. The department also encourages parents, communities, and other stakeholders to monitor the utilization of these funds to help ensure that these go to the most critical priorities of the school.

### Teacher's Welfare and Development

It can be seen that the respondents generally stated that the MOOE is being utilized to a great extent in terms of teachers' welfare and development (mean=3.92). As highlighted in DepEd Order No.13 series of 2016, the MOOE annually allocated to public elementary and secondary schools must be utilized by following the stipulated guidelines. In addition, according to the "DepEd Order No. 60, series of 2011, the allocated expenditures for the MOOE fund are limited only to instructional and office supplies, repair, and maintenance of school building, equipment and other structures, janitorial and security services, transportations, and other utilities regardless of the amount of MOOE fund that significantly differs from one school to another, supplies and materials, seminars and training, power and water bills, minor repair, medical and dental services, and other services is more often given the highest priority for good reasons.

Per DECS Manual, Extraordinary and Miscellaneous Expenses account includes, but shall not be limited to, expenses incurred for or during meetings, seminars and conferences, official entertainment by the official or

through his authorized representative, public relations, educational, athletic and cultural activities, contributions to civic or charitable institutions, membership fees in governmental associations, membership fees in national professional organizations duly accredited by the Professional Regulation Commission and/or membership fees in the Integrated Bar of the Philippines, subscription to professional technical journals and informative magazines. This account also includes library books and materials, office equipment and supplies, and other similar expenses that are not supported by the regular budget allocations, provided that no portion of the amounts authorized thereon shall be used for the creation of positions, nor for salaries, wages, allowances, or incidental expenses.

### **Pupil’s Welfare and Development**

The respondents generally stated that the MOOE is utilized mostly in terms of Pupil’s Welfare and Development (mean=3.82). The order is highly committed to supporting classrooms, teachers, and students by raising the amount of services available to them and developing teaching and service quality for the whole school institution. Financial management policies to pass responsibilities and transparency to school heads and administrative personnel are amended to control school budgets and activities, and to improve school infrastructure and other needs that facilitate learning programs, as well as provide students and teachers with a stable, secure, and conducive learning environment.

DepEd Memo No. 290 (2004) or the Allocation for Elementary Schools (by Division) indicated that the additional share of MOOE for elementary schools shall be distributed among school divisions whose per pupil MOOE (PPC-per pupil cost) is less than a target of P100/pupil/year. To determine the additional share per school division, the premium points shall be assigned. The share of a school division is obtained by dividing the points earned by the total number of points for all school divisions, multiplied by the additional MOOE for the elementary level. To compute the MOOE share for individual elementary schools (both regular + additional): Take the budget of the school division by elementary level. Add the additional MOOE share of the division. The sum is the NEW MOOE of the school division.

Set aside 5% for the division INSET fund held by the school division and available for any elementary school in the division. Of the remaining amount, 30% shall be allocated for the division office and school district MOOE. The Schools Division Superintendent (SDS) is responsible for the detailed MOOE budget for the division office and each of the district offices within the division. The balance (70% of 95%) is intended for elementary schools in the division, allocated 40% on an equal sharing basis based on elementary school enrolment and 60% based on points applied to reflect the specific school’s situation. The 60% share for elementary school shall be computed based on the following: Additional amount to achieve P100.00 per capita for all primary and multi-grade schools. 60% of the remaining amount shall be distributed based on points. 40% of the remaining amount shall be distributed pro rata based on enrolment share.

Enclosure to DepEd Order No. 60, s. 2011 or the Implementing Guidelines on the Direct Release of Maintenance and Other Operating Expenses (MOOE) stated that the implementing units (IUs) are capable of administering their own funds since they have position items assigned to handle cashiering and bookkeeping functions, whether on a permanent or temporary basis. The Modified Disbursement Scheme MDS Sub-Accounts of Schools Division Offices (SDOs) shall cover transactions of the SDO (Proper), elementary schools (ESs), and secondary schools (SSs) without financial staff, and may also include SSs with financial staff that have no access to the banks.

Table 3 Comparison between Ratings of Respondents on MOOE Utilization in Terms of School Operations and Development when grouped based on Profile

<b>Profile</b>		<b>Mean</b>	<b>SD</b>	<b>F</b>	<b>p-val</b>	<b>Remarks</b>
Position	Teacher	4.30	0.61	5.664	.005	Significant
	Head teacher	4.18	0.65			

	Principal	3.67	0.90			
Educational Attainment	Bachelor's Degree	4.36	0.60	2.162	.082	Not Significant
	Masteral Units	4.18	0.74			
	Master's Degree	3.98	0.79			
	Doctoral Units	3.37	0.72			
	Doctoral Degree	4.37	0.32			
Length of Service	0-5 YRS	4.12	0.78	.847	.521	Not Significant
	6-10 YRS	4.04	0.65			
	11-15 YRS	4.37	0.66			
	16 -20 YRS	4.02	0.69			
	21 -25 YRS	4.22	0.67			
	25 YEARS ABOVE	3.58	1.12			

The table shows that there is a significant difference between the ratings provided by the respondents on MOOE utilization in terms of school operations and development when they are grouped based on position ( $F=5.664$ ,  $p=0.005$ ). Tukey post hoc analysis revealed that the mean ratings provided by the teachers (mean=4.30) are significantly higher than the ratings provided by the school principals (mean=3.67). This may suggest that the teachers believe that the MOOE is utilized more for school operations and development compared to how school principals see it.

On the other hand, there is no significant difference between the ratings on MOOE utilization in terms of school operations and development when the respondents are based on educational attainment ( $F=2.162$ ,  $p=0.082$ ). This suggests that the ratings provided by the respondents are statistically similar despite differences in educational background.

Also, there is no significant difference between the ratings on MOOE utilization in terms of school operations and development when the respondents are based on length of service ( $F=0.847$ ,  $p=0.521$ ). This also means that the ratings provided by the respondents are similar and are not affected by the number of years they are service.

The significant difference between teachers' and principals' ratings on MOOE utilization can be understood by examining how each group engages with and experiences the outcomes of school resource allocation. Teachers tend to interact directly with the tangible benefits of MOOE spending, such as instructional materials, utilities, and school-based training, which positively influence their day-to-day responsibilities. Studies show that teachers often report high satisfaction in these areas, with research highlighting strong positive correlations between effective MOOE utilization and teacher welfare, professional development, and classroom support structures. This direct exposure to the immediate benefits of MOOE-funded initiatives may explain why teachers provided significantly higher ratings (Abio et al. 2025 and Balagosa 2023).

In contrast, school principals engage with MOOE from a broader administrative and compliance-oriented standpoint. They are responsible for budget planning, procurement processes, documentation, and adherence to national directives, which exposes them to systemic constraints and accountability pressures that are not always visible to teachers. Literature indicates that school heads frequently encounter challenges related to limited resources, complex purchasing procedures, and financial management burdens, contributing to a more cautious and critical assessment of MOOE utilization. Principals' awareness of policy documents and regulatory

frameworks further shapes their perception, leading them to evaluate MOOE not only by observed outcomes but also by the processes and limitations involved (Almazan, 2023 and Daraman, 2023).

Additionally, differences in role orientation contribute to varying perceptions. Teachers evaluate MOOE utilization from the lens of instructional support and classroom impact, whereas principals view spending through a schoolwide improvement framework that includes infrastructure, long-term development goals, and learner performance outcomes. Research emphasizes that while principals generally implement MOOE appropriately and transparently, they assess effectiveness based on broader indicators of school improvement, including physical development and student achievement—areas where gaps and constraints may remain. These differing vantage points naturally result in teachers assigning higher ratings than principals, reflecting contrasting experiences and expectations tied to their professional roles (Pandulo et al. 2023).

Table 4 Comparison between Ratings of Respondents on MOOE Utilization in Terms of Teachers’ Welfare and Development when grouped based on Profile

Profile		Mean	sd	F	t-val	Remarks
Position	Teacher	4.01	0.97	1.878	.160	Not Significant
	Head teacher	4.16	0.78			
	Principal	3.56	1.11			
Educational Attainment	Bachelor's Degree	4.18	0.62	1.043	.391	Not Significant
	Masteral Units	4.00	1.02			
	Master’s Degree	3.72	1.08			
	Doctoral Units	3.25	1.27			
	Doctoral Degree	3.97	0.35			
Length of Service	0-5 YRS	3.99	0.94	1.242	.299	Not Significant
	6-10 YRS	3.60	1.18			
	11-15 YRS	4.26	0.71			
	16 -20 YRS	3.26	1.46			
	21 -25 YRS	4.17	0.66			
	25 YEARS ABOVE	3.58	1.33			

The table shows that there is no significant difference between the ratings on MOOE utilization in terms of teachers’ welfare and development when the respondents are grouped based on position ( $F=1.878$ ,  $p=0.160$ ). This suggests that the positions of the respondents are not factors that influence variation in perception of MOOE utilization. Also, there is no significant difference between the ratings on MOOE utilization in terms of teachers’ welfare and development when the respondents are grouped based on educational attainment ( $F=1.043$ ,  $p=0.391$ ). This means that educational attainment is not a factor influencing their perception of MOOE utilization for teachers’ welfare. Furthermore, there is no significant difference between the ratings on MOOE utilization in terms of teachers’ welfare and development when the respondents are grouped based on length of service ( $F=1.242$ ,  $p=0.299$ ). This may indicate that the length of service does not influence variation in perspective on MOOE utilization.

Table 5. Comparison between Ratings of Respondents on MOOE Utilization in Terms of Pupils’ Welfare and Development when Grouped Based on Profile

Profile		Mean	sd	F	t-val	Remarks
Position	Teacher	3.94	1.02	2.477	.091	Not Significant
	Head teacher	4.06	0.79			
	Principal	3.42	0.88			
Educational Attainment	Bachelor's Degree	3.82	0.97	1.252	.297	Not Significant
	Masteral Units	4.11	0.52			
	Master’s Degree	3.87	1.05			
	Doctoral Units	3.74	1.02			
	Doctoral Degree	3.05	0.77			
Length of Service	0-5 YRS	3.97	0.25	1.135	.350	Not Significant
	6-10 YRS	3.90	0.91			
	11-15 YRS	3.42	0.99			
	16 -20 YRS	4.14	0.84			
	21 -25 YRS	3.32	1.40			
	25 YEARS ABOVE	4.05	0.93			

It can be seen that there is no significant difference between the ratings on MOOE utilization in terms of pupils’ welfare and development when the respondents are grouped based on position ( $F=2.447$ ,  $p=0.091$ ). This indicates that position does not influence the perception of how the MOOE is used for pupil development. Also, there is no statistically significant difference between the ratings on MOOE utilization in terms of pupils’ welfare and development when the respondents are grouped based on educational attainment ( $F=1.252$ ,  $p=0.297$ ). This means that educational attainment is not a factor influencing the perception of MOOE utilization for pupils’ welfare. Furthermore, it is shown that there is no significant difference between the ratings on MOOE utilization in terms of pupils’ welfare and development when the respondents are grouped based on length of service ( $F=1.135$ ,  $p=0.350$ ). This may indicate that the length of service does not affect the perceptions of the respondents on how MOOE is utilized for pupil development.

### The challenges and prospects

The participants, selected through specific criteria involving their experience in the Bids and Awards Committee (BAC) or leadership roles, include two teachers, two head teachers, and two principals. The profiles reveal a spectrum of financial literacy: while some participants, like Participant A, admit to having little knowledge of liquidation processes and simply signing documents, others, like Participant C, have received formal training in financial management and actively seek external stakeholders to augment insufficient funds.

The findings highlight a common struggle with budgetary constraints across different school sizes. While larger schools face the pressure of serving a high-density population, smaller schools often receive MOOE allocations that fail to cover basic needs, forcing leaders to prioritize essential supplies like modules, ink, and utilities. A recurring theme across the responses is the necessity of collaborative work and stakeholder engagement to bridge

the gap between the provided budget and the actual school requirements. Despite the challenges of managing and liquidating funds, the participants emphasize that their primary goal remains the prioritization of student and teacher needs through strategic planning, such as following SIP/AIP guidelines.

## **Emerging Themes**

### **School Heads' Accountability**

The findings from the study suggest that school leadership is fundamentally a balancing act between administrative compliance and academic advocacy. School administrators are viewed as the primary architects of a school's success, where their daily choices and judgments directly reflect the institution's trajectory toward high-quality education. This implies that the role has evolved from simple management to a more complex form of educational entrepreneurship; leaders are not just following rules, but are "steering" the school by synthesizing diverse institutional acts into a single, cohesive goal.

A critical component of this leadership involves the dual responsibility of financial stewardship and community engagement. While school heads are officially responsible for the utilization and annual reporting of the Maintenance and Other Operating Expenses (MOOE) provided by central offices, there is a clear inference that government funding alone is often insufficient. Consequently, effective leadership is marked by the ability to "tap" into internal and external stakeholders to augment funds, ensuring that essential needs—such as the printing of modules and basic utilities—are met despite budgetary constraints.

Finally, the data highlights that accountability in modern schooling is built upon a framework of transparency and collaboration. Administrators are tasked with creating "open, equitable, and sensitive" accountability systems that monitor the performance standards of both teachers and learners. This explanation suggests that a principal's success is no longer measured solely by administrative efficiency, but by their ability to foster a collaborative culture where every member of the school community shares a clear vision for quality teaching and learning.

### **Issues and Concerns of School Principals in the Utilization of MOOE**

School administrators face significant challenges in managing Maintenance and Other Operating Expenses (MOOE) due to the increasing complexity of regulatory requirements and administrative demands. Interview responses from participants highlight a core need for transparency in fund liquidation and better training for teachers regarding fund use. However, the primary struggle lies in the execution of DepEd orders and memorandums, which often place a heavy burden on school principals. This administrative pressure shifts their role from being instructional leaders and catalysts for education to acting primarily as government administrative representatives, making financial management their most prominent concern.

These systemic issues translate into practical frustrations regarding the allocation of funds for essential school operations and development. Principals report difficulties in financing necessities, such as the purchase of office equipment, school supplies, and the reproduction of teacher-made test papers. Furthermore, there is a recurring struggle to secure sufficient funding for student-centric needs, including materials for recognition activities and graduation exercises. These challenges underscore a gap between the rigid framework of financial policies and the actual resource demands required to support teacher welfare and pupil development effectively.

### **Revisiting the Policy**

To optimize educational outcomes, the current framework for Maintenance and Other Operating Expenses (MOOE) must undergo a comprehensive re-engineering to better incorporate essential school services. This revision should establish a more rigorous policy for managing the activities of teachers and staff while ensuring that financial implications do not go unnoticed. By updating these guidelines, the institution can transition from unregulated spending to a solid, transparent financial reporting system. Furthermore, the revised policy must formalize the participation of both internal and external stakeholders in the budgeting and decision-making

processes. Ultimately, these policy improvements are vital to maintaining the reputation of school principals and the Department of Education through better-regulated resource management.

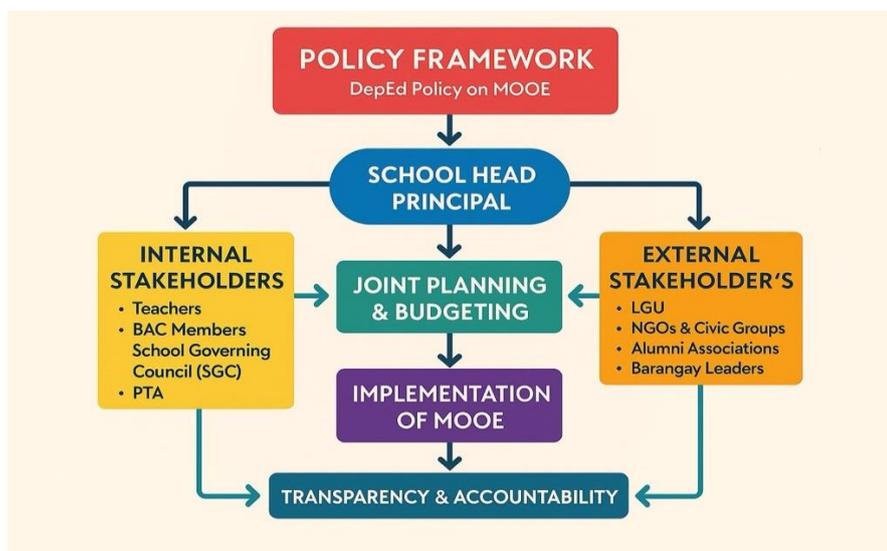
### Policy Framework

The visual diagram of the policy framework illustrates how the DepEd Policy on MOOE provides the foundational governance structure that schools must follow in preparing, allocating, implementing, and accounting for their operating funds. At the top of the framework, DepEd establishes the rules, allowable expenses, fiduciary responsibilities, and reporting expectations to ensure public schools manage resources efficiently and transparently. These policies empower the School Head or Principal to act as the central fiscal manager who interprets guidelines, leads compliance efforts, and coordinates the participation of various school stakeholders in the budgeting process.

Both Internal Stakeholders (teachers, BAC members, the School Governing Council, and the PTA) and External Stakeholders (LGUs, NGOs, alumni associations, and barangay leaders) contribute key information and support that enrich the school’s financial planning. Internal stakeholders provide insights based on classroom realities, instructional needs, and operational challenges, while external stakeholders extend resources and community support that strengthen programs beyond the school’s internal capacity. These contributions converge in the Joint Planning and Budgeting stage, where stakeholders collaborate to prepare the School Improvement Plan (SIP), Annual Improvement Plan (AIP), and MOOE budget priorities aligned with school goals.

Once priorities are set, the Implementation of MOOE follows, ensuring that expenditures directly support teaching and learning, school operations, pupil welfare, and teacher development. This stage includes procurement, liquidation, and fund utilization strictly aligned with the AIP and DepEd’s allowable expense guidelines. Finally, the process culminates in Transparency and Accountability, where financial reports, liquidation documents, and transparency boards communicate to the school community how resources are used. This reinforces public trust, ensures compliance, and strengthens shared governance.

Overall, the policy framework demonstrates a participatory, transparent, and evidence-based budgeting process, where the principal leads but the entire school community collaborates to ensure that MOOE funds directly advance learner outcomes and school improvement.



### Insights gained by the participants

**Prioritization and Strategic Planning** Participants emphasized that the utilization of MOOE is primarily anchored on the Annual Improvement Plan (AIP). School principals focus their spending on three core areas: school operations, teacher welfare, and student development. The consensus among respondents is that funds are intentionally prioritized toward the teaching and learning process to create a healthy, conducive environment

for learners. This strategic approach ensures that even with limited resources, the most critical academic needs are met first.

**Challenges in Financial Management.** The respondents highlighted significant hurdles, most notably a lack of awareness and interest among some teachers regarding budget allocation. Financial autonomy remains a struggle due to inadequate budgets and "delay in the release of controls," which hampers the timely purchase of supplies and delivery of services. To cope with these scarcities, many school heads reported having to search for alternative funding sources and seeking constant guidance from stakeholders and colleagues to fill the gaps left by the official budget.

**Recommendations and Improvement** To overcome existing pitfalls, participants suggested that school heads require more rigorous training in accountability, strategic planning, and liquidation. There is a strong call for involving teachers and community stakeholders in the decision-making process to ensure transparency and prevent doubt. Ultimately, the respondents believe that fiscal management training should be a prerequisite for promotion, ensuring that school leaders are fully equipped to manage government funds efficiently and ethically.

## CONCLUSION

The study reveals that school MOOE funds are being utilized to a "great extent" across three primary pillars: school operations, teacher welfare, and pupil development. While the majority of respondents are highly educated with master's units, and 0–10 years of experience, their specific professional position was the only demographic factor that significantly influenced views on school operations. A key qualitative finding suggests that increasing administrative demands are pulling principals away from their vital roles as instructional catalysts and into more bureaucratic, representative positions. Consequently, the findings emphasize that fund utilization must remain strictly anchored to the school's annual improvement plan to maintain strategic focus. By prioritizing the needs of teachers and students through firm financial decisions, principals can ensure the school remains a healthy and effective environment for learning.

## RECOMMENDATIONS

To maximize school efficiency, administrators and teachers must pursue advanced education and continuous training to stay adept at modern financial management and school operations. Every resource, specifically the MOOE budget, should be strictly prioritized toward improving student performance as outlined in the School and Annual Improvement Plans. Principals must also foster an inclusive environment by involving teachers and stakeholders in the budgeting process to ensure that the needs of all learners, including those in SPED, are addressed.

In light of the study's finding that financial management competencies differ considerably among prospective school leaders, it is recommended that fiscal management training be required as a mandatory prerequisite for advancement to any school head position. Transparency should be upheld through meticulous auditing and the creation of a public website for fund liquidation to ensure full accountability for government spending. Finally, the institution should commit to further research to build upon these findings and adapt to the evolving needs of the educational community.

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