



# Factors affecting the liquidation of allocated funds in public elementary schools

<sup>1</sup>Jennevev R. Indemne & <sup>2</sup>Antonia S. Escalona

## Abstract

This study aimed to discover the factors affecting the liquidation report that leads to delayed or non-submission of the public elementary schools of the Department of Education – Division of Aklan. Using descriptive research method, the 46 public elementary school heads, teacher-in-charge, and head teacher from the District of Banga, Lezo, Makato, Libacao and Malay were surveyed using researcher-made questionnaire. Findings revealed that that demographic profile, timely submission of requirements, leveraging appropriate technologies, and addressing external factors are key determinants in facilitating the liquidation process. Findings underscore the factors influencing the utilization and liquidation of allocated funds in terms of provision and procurement within the public elementary education sector. Addressing these factors requires a comprehensive approach that involves improving budget allocation mechanisms, enhancing administrative capacity through training and support, promoting efficient resource management practices, and fostering transparency and accountability in financial transactions. There is a positive relationship between the factors affecting the liquidation of allocated funds and extent of the factors affecting the utilization and liquidation of allocated funds. This study recommends providing training sessions and capacity-building programs for school administrators and personnel involved in financial management, investing in modern accounting and reporting technologies and enhancing communication channels between the Department of Education Division of Aklan and public elementary schools.

**Keywords:** *maintenance and other operating expenses, allocated funds, provisions, liquidation, comprehensive and standardized guidelines*

## Article History:

*Received:* June 4, 2024

*Accepted:* September 23, 2024

*Revised:* September 16, 2024

*Published online:* September 30, 2024

## Suggested Citation:

Indemne, J.R. & Escalona, A.S. (2024). Factors affecting the liquidation of allocated funds in public elementary schools. *Industry and Academic Research Review*, 5(1), 274-280. <https://doi.org/10.53378/iarr.924.135>

## About the authors:

<sup>1</sup>Corresponding author. Master in Public Administration, Administrative Assistant III, Banga Elementary School. Email: [jhennevev.indemne@gmail.com](mailto:jhennevev.indemne@gmail.com)

<sup>2</sup>Doctor of Education, Faculty-Graduate School, Northwestern Visayan Colleges

*\*This paper is presented at the 5<sup>th</sup> International Conference on Multidisciplinary Industry and Academic Research (ICMLAR)-2024*



© The author (s). Published by Institute of Industry and Academic Research Incorporated.

This is an open-access article published under the Creative Commons Attribution (CC BY 4.0) license, which grants anyone to reproduce, redistribute and transform, commercially or non-commercially, with proper attribution. Read full license details here: <https://creativecommons.org/licenses/by/4.0/>.

## Introduction

The Department of Education (DepEd) issued an Implementing Guidelines on the Direct Release and Use of Maintenance and Other Operating Expenses (MOOE) Allocations of Schools where the school head or principal has the authority to manage under the DepEd Order 13, s 2016. According to Ochada and Gempes (2018), this is an innovation to enhance teaching standards and learning outcomes in school but the problem of late or non-submitted liquidations has spread. As a result, this delay has an impact on how effectively the MOOE is used and how easily schools can operate. In addition, the DepEd has opened investigations against several principals for financial mismanagement. The use of Maintenance and Other Operating Expenses (MOOE) in Philippine public schools has already given rise to controversy because some teachers allege that there are dubious transactions involving this topic. Hence, the goal of this study was to discover the factors affecting the liquidation report that leads to delay or non-submission of the public elementary schools in DepEd Division of Aklan

## Methodology

This study employed a descriptive-quantitative research design as its methodology to investigate the factors affecting the liquidation that leads to delayed or non-submission of the public elementary schools. The who, what, when, where, and how questions related to a specific research problem can be helped by and answered by descriptive research approaches. The respondents of the study were composed of the following: the 46 public elementary school heads, teacher-in-charge, and head teacher of Districts of Banga, Lezo, Makato, Libacao and Malay. The sample size was selected using the simple random sampling, covering 50% of the total number of public elementary school heads, teacher-in-charge, head teacher.

This study used a researcher-formulated questionnaire-checklist devised with the guidance of a thesis adviser, and using the work of Clark (2003) as reference. The questionnaire has three parts, with the first part focusing on the respondents' profiles, including age, civil status, highest educational attainment, length of services and average monthly salary. The second part of the questionnaire was composed of a 15-item checklist under three variables, such as, submission of requirements, technology and external factor. The Likert-type instrument had five response options, ranging from strongly agree to not agree. The third part of the instrument was composed of a 20-item checklist under two variables, such as, procurement, and provision. The Likert-type

instrument had five response options, ranging from very often to never. The reliability, as described by Ochada (2018), refers to the consistency of measuring instrument, often used to describe a test was determined through the conduct of test-retest method by administering the questionnaire checklist to the 23 public elementary school heads, teacher-in-charge, and head teacher of Districts of Banga, Lezo, Makato, Libacao and Malay in an interval of one-month. Moreover, the statistical data were computed by means of SPSS v. 2021.

The researcher has first sought permission from the Senior Education Program Specialist Planning and Research of the DepEd Division of Aklan allowing to float the questionnaire checklist and in undertaking limited personal interviews from among the target respondents, and case-to-case observations within the setting of the study. Finally, the researcher ensured the confidentiality of responses of respondents, and meeting the requirements of research ethics.

## **Findings**

The majority of respondents indicate a predominant representation of individuals in the middle of their professional careers. Moreover, a significant proportion of respondents are married. In terms of educational attainment, the majority have attained a master's degree. Regarding length of service suggesting a considerable presence of individuals with substantial professional tenure. Lastly, the majority of respondents, indicating a potentially higher capacity for resource management among the sample population. These findings provide valuable context for understanding the perspectives and behaviors of the respondents in relation to the factors affecting the liquidation of allocated funds and underscore the importance of considering demographic variables in financial research and decision-making processes.

Responses regarding the submission of requirements had a grand weighted mean of 4.74 indicating a strong consensus (strongly agree) on the importance of timely submission for the efficient liquidation of allocated funds in public elementary schools. Overall, the findings underscore a strong consensus among respondents, indicating a collective agreement on the critical importance of these factors in facilitating the efficient and timely liquidation of allocated funds within the DepEd guidelines.

A grand weighted mean of 4.62 was found in the statements showing the variables influencing the respondents' allocation of finances for technology, indicating strong agreement across a range of measures pertaining to communication and technology integration. The study reveals a strong consensus among respondents regarding the importance of technology integration

and communication in the liquidation process of allocated funds in the education sector, highlighting the significance of these factors.

The grand weighted mean of the statements made by the respondents regarding the external factors influencing the liquidation of their allocated funds is 4.29, indicating strong agreement across all indicators. This suggests that the respondents have a collective understanding of the significant external influences on the liquidation process. Strong agreement across all criteria is shown in the overall grand weighted mean, which highlights the consensus that systemic and external factors are important in determining how monies allotted for public elementary schools are spent.

Indicating the extent of the factors affecting the utilization and liquidation of allocated funds of respondents as to procurement with a grand weighted mean of 2.60 suggests that the MOOE is generally utilized "sometimes," indicating a moderate and balanced use of funds. The high utilization for office equipment and supplies, suggesting a responsible and necessary use for essential items.

A grand weighted mean of 4.209 indicates the degree of the elements influencing the respondents' usage and liquidation of the funds they were allotted. This demonstrates that the MOOE is frequently used, showing a proactive approach to tackling many issues of school management. The regular distribution of funds for facilities, technology, safety, and infrastructure is what makes them strong. In conclusion, the school seems to be proactive in providing funding for necessary areas; nonetheless, effective fund management and liquidation need maintaining transparency, documentation, and adherence to norms.

A Pearson's  $r$  of 0.804 was generated which can be considered to be a strong positive correlation. Additionally, the  $p$ -value is .0001 which is less than 0.05 hence, it was significant. Thus, the null hypothesis which states that there is no significant relationship between the factors affecting the liquidation of allocated funds of respondents and extent of the factors affecting the utilization and liquidation of allocated funds was rejected.

## **Conclusion**

Effective liquidation of allocated funds for public elementary schools is critical for ensuring transparency, accountability, and proper utilization of resources within the DepEd. The Department should invest in modern accounting and reporting technologies tailored to the needs of public elementary schools.

The research findings underscore the multifaceted nature of factors influencing the utilization and liquidation of allocated funds in terms of provision and procurement within the public elementary education sector. Hence, they should enhance communication channels between the DepEd Division of Aklan and public elementary schools. Allocate resources accordingly, such as staffing support or access to financial management tools.

While the Pearson correlation analysis establishes a relationship between the factors, future researchers could delve deeper into establishing causality. Conducting qualitative research to obtain insights into the underlying causes behind the observed association can be aided by utilizing experimental or longitudinal designs to assist understand the direction of causation between the variables.

## References

- Abolalayee, B. (2015). *How to have motivated and love working employees*. Industrial Management Organization.
- Abulon, E. (2014). Basic education teachers' concept of effective teaching: Inputs to teacher education curriculum in the Philippines. *International Journal of Research Studies in Education*, 3(3), 1-12. <https://doi.org/10.5861/ijrse.2014.723>
- Al-Samarrai, Samer. (2016). *Assessing basic education service delivery in the Philippines: Public Education expenditure tracking and quantitative service delivery study*. World Bank Group.
- Baker, B. (2012). *Revisiting that aged-old question: Does money matter in education?* [https://www.shankerinstitute.org/sites/default/files/doesmoneymatter\\_final%20April%20c onversation.pdf](https://www.shankerinstitute.org/sites/default/files/doesmoneymatter_final%20April%20c%20onversation.pdf)
- Basheka, B. (2015). *Procurement management and performance of construction projects in government-aided secondary schools in Bushenyi District, Western Uganda*. Uganda Technology and Management University (UTAMU).
- David, C. C., & Albert, J. R. G. (2015). *How has basic education in the Philippines fared and what else needs to be done?* Policy notes (No. 2015-8). Philippine Institute for Development Studies. <https://pids.gov.ph/publication/>
- Department of Education. (2016). *DepEd Order No. 13, s. 2016: Implementing guidelines on the direct release and use of maintenance and other operating expenses (MOOE) allocations*

- of schools, including other funds managed by schools.  
<https://www.deped.gov.ph/2016/03/11/>
- Fong, C. (2015). *Responsibility for financial management in primary schools*. University of Huddersfield Business School, Department of Accountancy.
- Gempes, G. P. (2014). Self-development beliefs and values of the workforce as constructs in the attainment of the firms' learning organization status. *International Proceedings of Economics Development and Research*, 70, 121-125.
- Gempes, G., & Ochada, N. (2018). The realities of maintenance and other operating expenses (MOOE) allocation in the basic education system: Unheard voices of public school teachers. *International Journal of Scientific & Technology Research*, 7(4), 1-5.
- Kaguri, M., Njati, I. C., & Thiaine, K. S. (2014). Financial management challenges facing implementation of free day secondary education in Imenti North District, Kenya. *IOSR Journal of Business Management*, 16(1), 55-78.
- Luistro, A. (2013). Public schools operating expenses increased. *Department of Education*.  
<https://www.deped.gov.ph/press-releases>
- Luistro, A. (2016). *Department of Education Order No. 13, s. 2016: Implementing guidelines on the direct release of maintenance and other operating expenses (MOOE) allocations of schools, including other funds*.
- Meador, D. (2013). The role of the principal: Keys to being an effective principal. *About Education*. <http://teaching.about.com/od/admin/tp/RoleOf-The-teachersPrincipal.htm>
- Oluka, N. P., & Basheka, B. C. (2014). Determinants and constraints to effective procurement contract management in Uganda: A practitioner's perspective. *International Journal of Logistics Systems and Management*, 17(1), 54-67.
- Oluka, P. N. (2013). *Public procurement reforms: Issues and challenges: The case of Uganda*. Presentation at the CIPS Pan African Conference, National Theatre, Ghana.
- Ogrodzińska, T. (2001). *Study on the impact of corruption on education in Poland* (Unpublished).
- Rasheed, A., Khan, S.U.R., Rasheed, M.F., & Munir, Y. (2015). The impact of feedback orientation and the effect of satisfaction with feedback on in-role job performance. *Human Resource Development Quarterly*, 26(1), 31-51. <https://doi.org/10.1002/hrdq.21202>
- Tulo, A. H., & Gempes, G. P. (2016). The mediating effect of training perspective in the relationship between competency potential and career progression of technical vocational trainers. *International Proceedings of Economics Development and Research*, 70, 121-125.

World Bank Group & Australian Aid. (2016). *Increasing investment to improve basic education outcomes in the Philippines*. Philippines Education Note (No. 1).

World Bank Group & Australian Aid. (2016a). *Increasing investment to improve basic education outcomes in the Philippines*. Philippines Education Note (No. 1).

World Bank Group & Australian Aid. (2016b). *Building better learning environments in the Philippines*. *Philippines Education Note*. Philippines Education Note (No. 4).

World Bank Group & Australian Aid. (2016c). *Assessing school-based management in the Philippines*. Philippines Education Note (No. 5).

World Bank Group & Australian Aid. (2016d). *Providing schools with enough resources to deliver quality education in the Philippines*. Philippines Education Note (no. 6).

World Bank Group & Australian Aid. (2016e). *Assessing the role-played by local government in supporting basic education in the Philippines*.