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Financial Management Practices of Small Private Basic Education Schools: A Case Study

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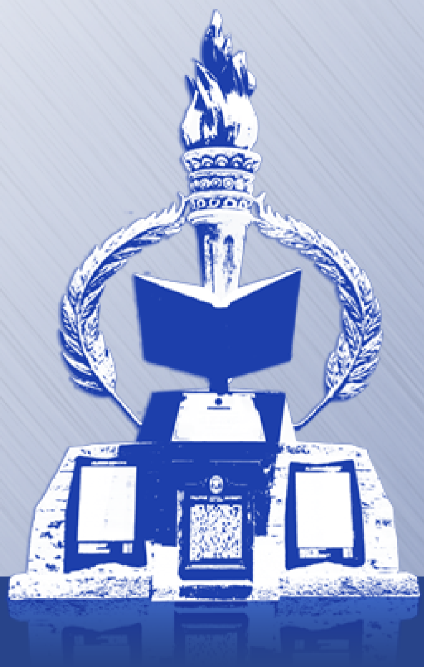

FINANCIAL MANAGEMENT PRACTICES OF SMALL PRIVATE BASIC EDUCATION SCHOOLS: A CASE STUDY

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ABSTRACT

Title: **Financial Management Practices of Small Private Basic Education Schools: A Case Study**

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The study described the financial management practices of Small Private Basic Education Schools as a basis for the proposed Enhancement Plan to improve the financial management practices of school respondents. Participants of the study were the financial managers of six (6) small private basic education schools. Following the case study approach of qualitative research design, semi-structured interview was used to determine the commonalities, differences, and unique practices in terms of the different areas of financial management such as cost management, cash management, asset management, revenue generation management, fundraising management, and debt management. The financial management practices of small private basic education schools were revealed in the following identified themes from the six areas of financial management; A. Cost management: 1. Needs-based budgeting; 2. Cost-Cutting; 3. *Bunot-Bulsa* or Out of pocket; and 4. Nepotism; B. Cash Management: 1. Lenient Policy Implementation; 2. Unconventional recording of transactions; C. Asset management: Short-term savings; D. Revenue

Generation management: 1. Post Implementation Assessment; 2. Customer-based Economy Pricing and Incentive; E. Debt Management: Immediate Settlement of liabilities; and F. Fundraising management: Resource Mobilization. These findings led the study to propose enhancement on the adaptive financial management practices of the school respondents to equip them with relevant skills and knowledge on financial management. Recommendations include adding basic accounting or book keeping and basic financial ratios in financial management course in the graduate education program of Educational Management. Moreover, private schools organization could also provide enhancement program on financial management skills of school heads, financial managers, and other key personnel.

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Above all, our **LORD JESUS CHRIST**, the researcher's unlimited source of strength and wisdom. May this work be an instrument for future educators hoping to do great things in His name.

MCI

Dedication

I humbly dedicate this piece of work

to my mother-in law,

founder and owner

of LAMB OF CHRIST MAGISTRATE SCHOOL, Inc.,

whose passion for teaching

keeps burning

even as she aged.

m.c.i.

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Background of the Study

The contribution of private schools in educating the youth cannot be underestimated, as it helps the government fulfill its mandate of providing quality education accessible to all Filipinos (Private Education Assistance Committee [PEAC], 2017). It is precisely the realization of this fact that the state recognizes the complementarity of public and private education (De Leon, 2011).

These private schools are owned and managed by private individuals or group for teaching and learning authorized by the Department of Education to operate certain educational programs in accordance with law and prescribed policies and rules of the Department (Sarmiento, 2002). They are classified into sectarian and non-sectarian. Sectarian schools are non-stock, non-profit educational corporations usually owned by religious organization (e.g., Catholics, Protestants etc.) whereas private non-sectarian schools are managed by private individuals and corporations. While private sectarian schools are able to seek financial assistance, aid or grant from their religious community, non-sectarian schools rely on tuition fees, investors, or banks for funding.

Apart from the previously indicated sources of funding, the government also plays a role in increasing financial resources and enrollment of private schools. This is also a solution to the fast increasing population of learners in basic education and college students which made the cost of delivering education so high that the government alone cannot provide it. Because of this, the government provided programs including “Government Assistance to Students and Teachers in Private Education (GASTPE)”composed of the Education Service Contracting Scheme (ESC), the Teacher Salary Subsidy (TSS), In Service Training for Teachers, Research, and the Senior High School Voucher. The ESC program aims to decongest the public secondary schools by “contracting” the excess capacities of private schools through the provision of subsidies for students who, otherwise would have gone to public high schools (FAPE, Fund Assistance for Private Education). This is advantageous to the private schools especially when Senior High School started in 2016, the time when universal public provision is given and private sector received some of the 40% provision through voucher system (Gaspar,2015).

The government also provides tax incentives such as tax relief, as stated in Article XIV, Sec 4 (3,4) of the 1987 constitution. It states that all “assets of non-stock, non-profit educational institutions used actually, directly, and exclusively for educational purposes shall be exempt from taxes and duties. In addition, all grants and endowments, donations, or contributions used actually, directly, and exclusively for education shall be exempt from taxes.”

In spite of the incentives in taxes and finances and the increase of enrollment in private schools, these are still insufficient to strengthen the financial operations especially for small private basic education schools that are not accredited by ESC for subsidies. Another challenge these schools face is the “no permit, no exam” bill proposed in Congress that makes it unlawful for private schools to prevent students from taking the examinations for unpaid tuition fees (Estrada, 2017). This can result in large collectibles and long unpaid accounts. Moreover, the mandate that government money should be used for public purpose prevents the government from completely supporting private schools (Estrada, 2017).

While private schools face a lot of problems, this is aggravated by the economic crisis causing the decline of enrollment due to large number of students transferring to public schools (ABS-CBN news, 2013; ANC,2014); low salary of private school teachers causing them to migrate to public schools which offer a bigger salary (Carcamo, 2014). In a press release, Department of Education (DepEd) Secretary Leonor Briones stated that under the Salary Standardization Law (SSL) 4, an entry-level public school teacher, or Teacher 1, receives a salary of 19,077.00 within the first tranche, which could amount to P24,000 including bonuses; while a starting teacher in a small provincial private school gets a mere salary of 6,000 on the average (Briones, 2017). Also in an interview with the Manila Bulletin, she (Briones) expressed concern on the growing phenomenon of small private schools closing down which is mostly attributed to lack of enrollees as well as teachers (Manila Bulletin, 2018).Federation of Association of Schools and Administrators (FAPSA) said many private schools have shut down already. FAPSA fears that if the situation is not addressed, private schools for middle class students could become a thing of the past (ANC, 2014). The President of FAPSA noted that the small private schools close down because many of their students transfer to public schools “to save” money while teachers also leave “to earn” more money (Manila Bulletin, 2018).

DepEd Enhanced Basic Education Information System provided data that there is a total no. of 12,191 elementary and 6,992 secondary private schools in the Philippines (see Table 1). In elementary, seven thousand five hundred sixty-nine private schools (7,569) or 62% have the lowest enrolment of 100 and below; 2,715 private schools or 22.27% have an enrolment of 101 to 200; 1,568 or 12.86% have an enrolment of 201 to 500; 263 or2% have an enrolment 500 to 1000 and 76 or .6% have the highest enrolment of 1001 and above (DepEd/EBEIS/SY 2016-2017).

Table 1

Private Elementary Schools in the Philippines

No. of Private Schools	Enrollment Size
3,691	**100 and below**
1,159	**101 – 200**
1,390	**201 – 500**
594	**501 – 1000**
178	**1001 and above**

Source: DepEd EBEIS SY 2017-2018

Note : Small Private Schools have enrollment of 100 and below.

Table 2

Private Secondary Schools in the Philippines

No. of Private Schools	Enrollment Size
3,691	**100 and below**
1,159	**101 – 200**
1,390	**201 – 500**
594	**501 – 1000**
178	**1001 and above**

Source: DepEd EBEIS SY 2017-2018

Note. Small Private schools have enrollment of 100 and below

Table 2 shows that there is a total of 6,992 secondary private schools in the Philippines. Three thousand six hundred ninety-one or 52.78% have the smallest enrollment of 100 and below; 1,159 or 16.57% have 101 to 200 enrolment; 1,390 or 19.87% have an enrollment of 201 to 500; 574 or 8% have 501 to 1000 enrolment; and 178 or 2.55% have the highest enrolment of 1001 and above(DepEd/EBEIS/SY 2016-2017). Private schools with the smallest enrolment are considered small private schools.

It can be observed that almost 60% of total number of private schools in the Philippines both in elementary and secondary has an enrollment of 100 and below; therefore, 60% private schools have low enrollment, making them vulnerable to financial difficulties. With no other revenues except from tuition, miscellaneous, and other fees making them more at risk financially. As a result, financial management is critical to their survival; effective financial management, therefore, is imperative. According to Lewis (2000), effective financial management is an end in itself, but it supports the achievement of an organization's aims and objectives. This is true for private schools especially for small private basic education schools. Sound financial management will ultimately help to achieve short and long-term goals.

Alongside its missions, private basic education schools have a responsibility towards the attainment of the national educational goals and objectives as stipulated on Section 19, 21, and 22 of Batas Pambansa (BP) 232 (Sarmiento, 2002). The question is: Do small private basic education schools have sufficient and flexible resources to attain their objectives and carry out their mission?

This is the challenge to financial managers of small private schools seeking a balance between the attainment of vision, mission and goals and effective management of their resources.

Even the Department of Education now focuses on financial management operations of public schools with the use of the Financial Management Operations Manual (FMOM) issued under DepEd Order No. 60 s. 2016, titled "Implementation of the Financial Management Operations Manual and Orientation of DepEd Financial Management Staff at the Regional, Division and School Levels. This is to ensure accuracy, uniformity, and clarity of financial procedures across all levels of organization (Briones, 2016).

The importance of financial management cannot be overlooked even with public schools receiving budgets from the government, more so with the private schools that need to generate revenues for their budget. It is therefore a more challenging and difficult task for school heads of small private basic education schools both to obtain and manage their finances, and this is even aggravated by the lack of preparations of the school heads in this area of management.

The present financial management condition in private schools has resulted in a lot of problems. The researcher, being connected with a small private school, has observed the alarming problems of small private schools such as low enrolment, high student debt, low salaries of teachers causing them to migrate to public schools, late payment of salaries, non-payment of social benefits, deferred maintenance, downsizing, and the worst is closure. On the issue of private schools closing down, DepEd Secretary Briones also said that we have to look at the root of the problem: why they are closing down when they also have their own functions and their own contributions? (Manila Bulletin, 2018)

It is in this context that the study on Financial Management Practices of Small Private Basic Education Schools in Rizal was conducted to analyze causes of the problems, and the schools' financial management practices which may have contributed to their present predicament.

Result of this study is significant to the Department of Education, as it will serve as a basis in updating standards and requirements in the operation of small private basic education schools in terms of the qualification of school heads and finance officers in terms of management competencies. Moreover, this may provide an input to enhance the financial management practices of small private basic education schools. This will serve as a guide for school owners and administrators of small basic education schools in the proper management of their finances for stability and continuity of school operations. As such it will ensure quality educational clientele services – the learners, and will improve compensation for teaching and non-teaching staff.

Furthermore, this study on financial management practices of small private basic education schools maybe the first of its kind, a valuable contribution for the betterment of financial management of the same private schools under study, and a useful addition to the few studies undertaken on financial management of educational institutions in the Philippines.

Literature Review

Several studies and concepts which are excerpts from findings of previous studies, books and journals that have contribution to the present study are briefly discussed in this section.

Educational institutions such as small private schools, colleges and universities have been facing financial challenges caused by the global crisis. Economic downturn, rising costs, declining enrollment, growing student debt, insufficient endowments, increasing default rates, unpaid debt of institutions, and falling institutional credit have all reached the concerns of private school owners and school leaders, media, and government (Supplee, 2014). These financial challenges pose a threat to their operational sustainability. As a result some have closed down already while others find a solution to turn around.

Carey (2012) made a study of two small private colleges that were able to have successful financial turnarounds at the time that these schools were at the brink of closure. Her respondents were both Christian colleges-- one that is mission-centered, and the other athletics and arts-centered. The Mission University took on a more financially-conservative approach and banked heavily on what the university president referred to as “missional clarity” For them, to achieve this clarity, the president traced his steps back to the four cornerstones of what the mission of the school actually stood for. This, along with the risk-averse take on spending, strong fundraising efforts that allowed the achievement of short term financial goals, and reviving the ‘small college experience’ led to financial turnaround that saved them not only from closure but also from further debt.

Although the latter of the two respondent schools was a Christian school by way of its religious affiliation, they did not strongly identify as Christian school. This clarity of foundation was one of the things that the president of the athletics-centered college used to his advantage in leading the school towards their turnaround, investing more on athletics and music as their recruitment tool. In doing so, the Athletics University borrowed a large sum of money and optimized the funding for addition of new educational facilities and new programs, all of which had contributed to their rebranding. Additionally, the president of the respondent school also made sure to broaden the market base of the school opening doors to different people and allowing more opportunities for students beyond the initial market. Despite the differences in their approach, the two respondent schools had several commonalities in the steps they took for financial turnaround; these similarities involved giving way to “younger, more capable people”, having a key confidante that was simply described as a “professional soulmate” in planning and execution, and continuously getting feedback from the faculty and staff to understand if the course of endeavor taken is still in line with what was initially planned, and if the measures taken are still within reasonable constraint.

The same year of the previous study, Nuyles studied the financial turnaround of the basic private institutions. He found out that causes of financial decline were 1) lack of financial management background; 2) intermingling funds; 3) tight cash flow; 4) external factors such as the Asian financial crisis; 5) decline in the national average enrollment for private elementary and high school; and 6) increase in competition on financial management and marketing. Meanwhile, the successful turnaround strategies started with the retrenchment process involving both cost and asset reduction. The recovery was also made possible through the presence of concerted effort (supportive culture) and management. In addition, the traits of the turnaround leader that influenced the schools’ success are other socio-cultural values, sticking to core competence, strengthened financial management, and marketing.

In *Back to the Brink: How three small colleges were able to revitalize themselves and avoid extinction,* Hayes (2003) noted that some of the respondents in her study felt the need to shake up the institution's culture, practice strictness in implementing financial policies, and replacing some of the older administrators and leaders with new, more capable individuals while providing incentives for the parting individuals and those who complied with the new policies in line with the new preferred strategy.

Bibeault (1999) cited five stages in an organization's turnaround: 1) Management change stage; 2) Evaluation stage; 3) Emergency stage; 4) Stabilization stage; and 5) Return-to-normal-growth stage. A simpler model of the turnaround can be seen in MacTaggert's (2007) Turnaround circle, consisting of 1) Restoring Financial Stability; 2) Marketing and Branding; and 3) Strengthening Academic Programs and Culture. "Restoring financial stability is often the first stage in a turnaround. It is *always* a necessary first step for colleges and universities in serious financial distress" (p. 11).He further wrote about clearing all existing liabilities and ensuring that there is enough funding for the institution before anything else. One study revealed that sustainability relies on relevant mission activating "passion and heart" for what the school is doing, and personal sacrifice by faculty, and parents (Demirbag, 2014).This is true especially among some religious private schools.

While most studies focused on how small private basic education, colleges, and universities have turned around, some have studied the financial health of an institution, how they used indicators to identify the financial health, and its importance to the institution's sustainability. In 2012, Hunter developed an integrated framework to gauge the financial health and performance of small, private colleges in the U.S. The researcher studied colleges that have been operating for 10 years at least, determining variables that serve as positive and negative indicators of good financial management in these institutions. Throughout the study, the researcher compared records retrieved from the academic years 1998-1999 and those of 2008-2009. The findings from these two academic years were surprisingly similar, both producing significant insight crucial to management. In the analysis for both of the academic years, it was inferred that small, private colleges demonstrating stronger operating and cash reserves, larger undergraduate enrollments, tuition dependent for funding, stronger retention rates, deeper donor bases as measured by unrestricted giving, longer presidential tenure and those more dependent on tuition for funding created more positive results for their test of financial strength. For that of 2008-2009, more specifically, it was shown though that small, private colleges with innovative online programs, stronger retention rates, lower discount rates, and affiliation with inter-collegiate athletic organizations demonstrated a more negative impact to the institution's financial health due to the outflow of funds. As a result of the study and as predicted by the formed framework, it was determined that both internal and external factors affected the institutions' financial health.

Another study looked into the financial strategies that schools may implement to look after their financial health. After having studied the strategies implemented by Christian colleges and universities, Suplee (2014) found out that enrollment strategies are insufficient for an institution to boost its financial health. Other strategies to consider in effecting the much needed change include creating a stable or moderate undergraduate enrollment growth, taking a conservative approach in granting discounts, and active efforts to add more endowment and other gift resources.

Some Colleges and Universities with good financial health survive, while others resort to closure. Still, others manage to continue their operation even when they are not within the framework of a school with good financial health. The question is how do they survive and what make them survive? One study found out that even during difficult times, all schools are surviving; they are thriving in enrollment, cash reserves, building projects, and growing an endowment. Although internal and external factors affect financial health, universities still demonstrate good financial health. This is attributed to leadership style which includes keen awareness of the president on financial matters, delegation of accountability, and awareness on the outlook of higher education (Armstrong, 2014).

Reissenweber (2012) aimed to determine whether those handling the financial function of a firm actually used indicators to obtain actual results to influence decision-making, or to simply use it out of compliance, or if institutional governing boards completely forego using the indicators. While it was inferred that some of the financial officers in the study do apply financial ratios and indicators in decision making, the majority choose to forego such methodology and just let the indicators be part of the history. Towards the end of the study, the researcher concluded that there is a need to mandate the use of financial indicators to help an institution look after its financial health.

The financial health of an institution predicts its sustainability and determines the factors that caused financial distress. Identifying these, helped them prepare for the solution to the problem.

Harbouk(2014) studied financial sustainability and developed a sustainable model for medium-sized, private, mission-based schools of education. Findings concluded that budget models need to be tailored to the institutional goals and academic objectives, as no specific revenue-budget formula fits all institutions; SOEs or School of Education will be successful by having an interdependent financial model; and deans are expected to be financially savvy.

Studies on Higher education institutions and private basic education schools in the Philippines reveal the internal and external factors which help them sustain operation and achieve sustainability.

Lindo (2006) reveals that internal and external factors that affect sustainability of private schools were leadership styles of principal, student performance and vision, mission and goals. In addition to external factors, such as political/legal/cultural/economic and the technological environment He also noted internal factors are key determinants for a school's operational sustainability.

Hinayon (2000) focused on the function of financial planning and control, asset management and sourcing of funds as a means of evaluating the schools' financial liquidity and stability. The study's findings exhibited the need for emphasis in performance evaluation, training, and development of people in the organizational financial set-up. While only having meager income and limited resources, the selected schools still performed remarkably well due to proper financial management practices.

Arabit (2007) also showed positive findings in his study on leading private universities, concluding that the sample higher educational institutions are financially sustainable; financial managers are very certain of their roles in securing sound financial management; financial managers implement clear cut strategies in the areas of financial management; and all areas of financial management are implemented from great to very great extent.

Similarly, Calderon (2008) also echoed the same satisfactory results on the PAASCU accredited Private Education in the National Capital Region. Findings of the study revealed that all sample institutions are financially viable and sustainable institutions. They have established financial management practices, which include systems and policies on finance that make them effectively manage their respective financial resources. But there are core financial management characteristics that finance managers must possess to effectively manage financial resources. Most importantly, school finance administrators' competencies in relation to finance are crucial in the sustainability and viability of the schools operation and existence in the years to come.

Santiago (2008) gave remarkable findings, claiming that institutions have proper organizational structure and efficient system of financial management; there are characteristics of school administrators that influence their financial management practices; they submit Balance Sheet, Income Statement and Statement of Cash Flow to the Securities and Exchange Commission (SEC) every fiscal year or per school year; three financial analytical tools commonly used by administrators are break-even point analysis, profitability ratio, and liquidity ratio; and the administrators possess the needed competencies.

Similar to the intended approach and objectives of the study, Paule (2004) studied the financial management practices and performances of select private colleges and state university cooperatives in Metro Manila. Her study yielded the following findings: 1) the use of projected financial statement was the highest-ranked practice among the respondents; 2) the respondents considered factors such as risk, control, flexibility, and timing when selecting the source of funds as well as the financial leveraging method to be used; 3) immediate depositing of cash-on-hand was practiced; 4) the respondents managed their receivables by considering the paying capacity of member-borrowers; 5) the aging of accounts receivables was least practiced; and lastly 6) the financial performance of university cooperatives was assessed through the annual reports.

Findings common in almost all studies above reveal the factors that most influence the growth and sustainability of the institutions were cash reserves, endowment, fundraising revenue, and other gift resources. The most important factor is the financial awareness and understanding, financial background and competencies of financial managers and/or president of the institution which all other factors depend on, including the external factors such as economic crisis and enrollment. The internal and external factors given are forces that affect the organization in its growth and sustainability. These forces can serve as growth forces or hindrances for growth depending upon the leadership, skills, and competencies of the school administrators (Arcelo, 2003).

Other external factors that affect the growth of educational institutions are the financial crises: the 1997 ASIAN financial crisis which heavily affected Asian neighbors; and the world financial crisis in 2008, which have a domino effect on education. However affected, exposure in the early 1980's has made the Philippines more resilient to 1997 and 2008 incidents (Habito, 2017). While the country did not take a bad hit as compared to other Asian countries, the Philippines still exhibited adverse effects carrying significant weight to hinder the institutions. Observing the impact, studies on financial management practices in educational institutions were also conducted here in the Philippines.

Result indicates effective financial management practices. They were able to cope with the financial crises that may have affected the financial health of every institution. This may be attributed to the type of private schools which serve as the sample institutions-- private leading higher institutions, PAASCU accredited universities, performing Christian Colleges, and performing private basic education institutions in the National Capital Region and in Rizal. Researches in the Philippines showed that there is a limited number of studies that examined the financial management of private education institutions in the country.

Main recommendation from the researches is to have a follow-up study but on non-accredited, non-performing private school institutions. Many private schools especially small private basic education institutions are greatly affected by the economic downturn because they are generally vulnerable since they are tuition dependent. Deaken (2012) revealed perception that there is a financial disadvantage for small schools operating within the communities which have little industry and low property wealth. This proved how financially deprived small private schools are.small firms like small educational institutions rely upon limited resources, so they are more vulnerable to environmental change and less capable of predicting or adapting to them.

The problem above did not hinder opening of private basic education schools: in fact, it is stated in the BEIS Learning Information system (2018) that there are 7,569private schools in the Philippines. Of these private schools, 60% belong to the population of small private schools that have limited or meager income. These private schools have been experiencing a lot of problems in its finances and yet they are still in the industry. This situation gave a reason for the study of the financial management practices of the small private basic education schools. This study wanted to find out the financial management practices they apply that enabled them to survive.

While studies conducted in the Philippines were on leading higher private institutions, PAASCU accredited universities, performing Christian Colleges, and performing private basic education institutions, study on non-accredited small private basic education schools like the present study has not been conducted yet; hence this study maybe the first of its kind to give additional knowledge into the field of education, specifically in financial management.

Synthesis

Small private colleges and universities and basic education have been experiencing financial difficulties due to a lot of factors. This prompted researches to give attention to this phenomenon. Subjects of the literature review consisted of financial turnaround, financial health, and factors of financial sustainability of these types of educational institution.

Strategies which help financial turnaround and sustainability included missional clarity, presidential leadership, enrollment strategies, cost-containment, cost- cutting, fundraising and cultivating active donors, and other financial management practices. It is highly recommended that financial indicators which reveal the financial health of an institution be monitored through the financial indicators such as financial ratios. Same importance is on identifying the internal and external factors which affect the financial health of an educational institution.

The studies provided a clear background which served as bases to comprehend how such factors affected the sustainability of an educational institution. Moreover, they helped connect aspects, predict future situations, analyze difficult financial experiences, and determine possible solution to alleviate the problems.

Research Problem

This study aimed to describe the financial management practices of small private basic education schools in Rizal. Specifically, it sought to answer the following questions:

1. How do small private basic education schools manage their finances in terms of the following:
    a. Cost management;
    b. Cash management;
    c. Asset management;
    d. Revenue Generation management;
    e. Fundraising management; and
    f. Debt management?
2. What lessons do we learn from the financial management practices of the school respondents?

3. What enhancement plan in the financial management practices can be proposed?

Conceptual Framework

Financial management is the process of planning, organizing, controlling and monitoring financial resources with a view to achieve organizational goals and objectives (funds for NGOs, n.d.) In a school setting, it means the acquisition of funds from tuition and other fees and from other means and by proper budgeting, controlling, and monitoring.

Recalling the past, financial managers were only informed about how much money their companies needed to fund project and then they looked for funding. Nowadays, financial managers determine the needs, allocate funds, and raise them to finance the projects. (Koh. et.al., 2014) In short, finance managers now have increased functions now; and therefore, trainings in the new skills are imperative.

It is therefore necessary for the school head of an institution most especially small private basic education institution to perform the functional areas of financial management to have an effective financial management system. These functional areas of financial management include determining the financial needs, choosing the sources of funds, financial analysis and interpretation, cost-volume profit analysis, working capital management, dividend policy, and capital budgeting (3G ELearning,2014).

Moreover, since private schools are at the same time educational and business institutions, they should be managed not only by educationally qualified school heads but also by financially skilled and financially competent heads who are knowledgeable of functional areas that a finance manager must perform. In addition, managers of an institution must have at least a general understanding of financial management concepts to make informed decisions in this area (Besley and Brigham, 2002).

Furthermore, it is necessary for the school administrators to have a knowledge of basic accounting principles and some skills in elementary financial management. In addition, their task must be within logically structured, well-planned, and efficient system. The principal of an institution needs understanding because s/he has to give clear decisions and instructions to his/her office staff when variations occur; when alternatives present themselves; or when problems arise (Strong,1977). The principal must be knowledgeable of the financial management, its processes and policies to rightfully assess the changes and problems and to aid him/her in decision making for operational efficiency.

In big private schools, colleges, and universities, someone qualified to do the job is designated as financial managers responsible for managing the financial resources and related support services of their respective institutions. In some set up, the president or the head may serve as a financial manager; but a finance department does most of the financial management tasks.

In a small private school, the school head is in charge of the whole operation including financial management. In some cases where the small private school is owned by a private individual, a financial manager is appointed to do the finance work with or without the necessary skills or qualifications. Whether or not they are capable of the financial work, they function as such. In the case of a small private school owned by missionaries or sectarian institution, the school head or school personnel does the finance job, some of whom may be qualified to do the job.

The framework proves the need to conduct study on how small private basic education schools manage their finances given the condition above. Hence this study, "Financial Management Practices of Small Private Basic Education Schools" was conducted. It identified and described the financial management practices of small private basic education schools.

The present study adopted the areas of financial management used by Arabit (2007) which were also the findings of the study presented earlier in the literature (Armstrong, 2014; Carey, 2013; Hunter, 2012; and Ploeger, 2015 Supplee, 2014) such as revenue generation management, cost management, cash management, and asset management. This also included fundraising management and debt management which should be taken in consideration as revealed by the studies and literature cited in the literature review by Armstrong (2014), Carey (2013), Ploeger (2015) and Supplee.

These areas of financial management are important aspects that need to be analyzed in order to determine whether small private schools are in line with the principles of financial management. Important function of each area is given below.

Cost Management. With the limited sources of funds available to small private schools, different activities involved in cost management such as planning and budgeting of cash must be properly and carefully done. Expenses should be minimized to those which are necessary and purchases and budget must be within the budget available. Policies must also be formulated to guide and limit the expenses. According to Koh (2014), one of the key attributes of successful companies is the expertise of managers on finance to be able to use the capital properly. Additionally, other resources must also be used effectively.

Cash Management. One of the most important areas in financial management is cash management. Therefore it is also one of the most important jobs of a financial manager. The financial manager must be responsible for achieving optimal efficiency in two key areas: receivables, which are the cash coming in, and payables, which are cash going out. Efficient cash management means more than just preventing bankruptcy; it improves profitability and reduces the risk to which the firm like a school is exposed.

Asset Management. Financial assets and tangible assets are assets that must also be managed properly. Some schools may have financial assets while most of small private schools have limited properties and equipment due to limited budget available. Wise decision in the acquisition, proper maintenance, and regular inventory must be done. Keeping track of the assets of the school is an important task that can save money and time. It also involves asset recovery (AER Worldwide, 2017).

Revenue Generation Management. Private schools especially small private schools are highly dependent on tuition fees for their operation. Small enrollment gives small revenues from tuition. It is therefore necessary for small private schools to generate income from other sources such as fundraising, gifts, and donations. Moreover, it is necessary to have a marketing strategy in order to recruit enrollees to increase enrollment. Other strategy like increasing tuition fees can be done if needed. Republic Act No. 6728 stated that 70% of the increase in tuition fees should be allotted to salary increases of faculty and staff and other benefits; 20% should go to the improvement of equipment and facilities of schools; while the remaining 10% should go to the return on investment (The Law Phil Project, June 10, 1989). Strategies on revenue generation must be done by the small private schools if they are to survive operations

Fundraising management. One strategy to augment another source of income is fundraising management. It plays a big role in assisting a school in providing funds for a certain project. If a small private school has to provide all the basic and necessary needs for the whole operation, it has to have more sources aside from the revenue coming from tuition fee alone. Indeed fundraising is very important to attain private schools sustainability (Armstrong 2014; Carey 2013; Ploeger 2015; and Supplee 2014).

Debt Management. Managing debts is of same importance. Interest and penalty grow day by day, that if not given attention, may double the problem. At the start, it may be a small problem but when it grows, it becomes one of the biggest problems. It is therefore imperative for a school to be aware of its debt status to properly manage its liabilities (Ploeger, 2015).

The foregoing principles on the areas of financial management should be studied if they are present in the financial management of small basic private basic education schools. In its absence, this study wanted to find out the practices that they do apply which help them manage their financial operations. In addition however, it also wanted to find out the bad practices that they do which contributed to present the financial difficulties of the school respondents.

For the purpose of the study, the conceptual framework of financial management practices of small private basic education schools as shown in figure 1 was developed. It shows the financial management practices of small private basic education schools that were identified. Areas of focus were cost management, cash management, asset management, revenue generation management, fundraising management, and debt management. The revealed financial management practices taught some valuable lessons in managing the finances of small private basic education schools and provided a basis for the proposed enhancement plan.

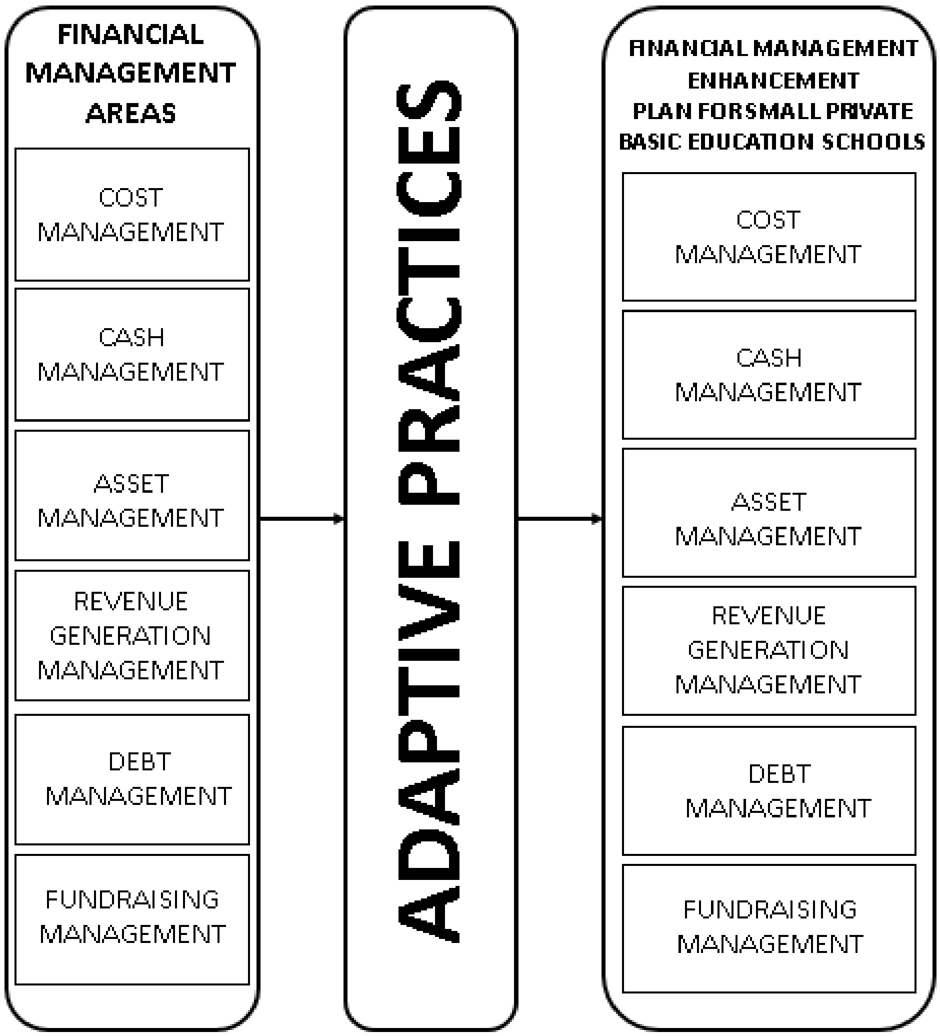

Figure 1. Conceptual framework

As seen in the framework, the small basic education schools' financial management practices are clustered in 6 areas: Debt Management, Asset Management, Cash Management, Cost Management, Fundraising Management, and Revenue Generation Management. From there, the study considered the adaptive practices with proposed improvements, and generated the enhancement plan in the process of filtering the best practices.

Definition of Terms

Adaptive practices are alternative responses outside of what's familiar and known-cutting a pathway to true change. It helps organizations and individuals adapt and thrive in challenging environments by working with a framework and practice that helps you diagnose, disrupt, and innovate-finding individual and collective understanding and meaning around the change. (Linsky,M, n.d.)

Asset management is the process of ensuring that a company's tangible (buildings) and intangible assets (such as human capital, intellectual property, goodwill/and or financial assets are maintained, accounted for, and put to their highest best and use.

Basic Education. In this study, it refers to the education intended to meet basic learning needs which lays the foundation on which subsequent learning can be based. It encompasses early childhood, elementary, and secondary education (Sarmiento, 2002).

Cash management as used in this study, this is concerned with the collection, disbursement, and the management of cash in such a way that a firm's liquidity is maintained.

Cost management is the process of planning and controlling the budget of a business. Cost management is a form of management accounting that allows a business to predict impending expenditures to help reduce the chance of going over budget (Rouse,2010). In this study, it is the process of planning and controlling the schools' budget.

Debt management is any strategy that helps a debtor to repay or otherwise handle their debt better (Farlex, 2012). In this study, it is how the respondent schools handle their payables.

Financial Manager. In this study, it refers to the person in-charge of the finances of a school.

Financial Management is the process of planning, organizing, controlling, and monitoring financial resources with a view to achieve organizational goals and objectives (funds for NGOs, n.d.) In this study, it is the efficient and effective management of school's financial resources in terms of the different aspects such as cost management, cash management, revenue generation management, fundraising management, and debt management.

Financial Management Practices. In this study it refers to the actual method or strategies used by the small private basic education school heads and/or school finance officers in the different areas of financial management to maximize limited resources available.

Fundraising Management. In this study, refers to the over-all method used to raise additional funds other than funds from tuition and other fees. This may include sponsorships, donation from benefactors, pageants, raffle, and other creative fundraising activities.

Revenue Generation Management. In this study, it is the process of increasing revenues through enrollment marketing strategy and other methods such as increasing tuition and other fees and identifying other potential source of income.

School Head is a person responsible for the administration and instructional supervision of the school or cluster of schools. In this study, he/she is also responsible for the school finances.

Small Private Basic Education Schools. In this study, it pertains to privately owned and managed institutions for teaching and learning established and authorized by the department to operate certain educational programs in accordance with the law and prescribed policies and rule of the department with an enrollment of 100 pupils and below of schools which offer Preschool and elementary; and total of 200 pupils and students and below schools which offer Preschool, elementary and secondary.

Chapter II

Procedures

This chapter discusses the overall study design and the multiple data collection and data analysis used to answer the research questions. The purpose in the conduct of the study is to develop a deep understanding of the phenomenon of financial management practices through qualitative case study.

Qualitative Design and Methodology

The study used qualitative research following the case study method. In Stake, (1995) as cited by Creswell (2009) and Ardales (2003), case studies are a strategy of inquiry in which the researcher explores in depth a program, event, activity, and process of one or more individuals. This approach is appropriate since this study would like to have a deeper understanding of the activity and process of financial management practices of small private basic education schools.

The study is a multiple case study method since it involved financial management practices with 6 cases of small private school basic education schools in different settings (Yin, 2014). The design is selected for this research because it can provide greater confidence in the findings as the study allowed to identify the commonalities, differences and unique financial management practices of 6 small private basic education schools. Moreover, multiple case study offered robust analytic conclusion with increase external validity (Yin,2012).

Research Site

The study was conducted in the province of Rizal which has the 4th most number of private schools in CALABARZON (DepEd/EBEIS, SY 2017-2018)(see Table 3 below).

Table 3
Private Schools in CALABARZON (SY 2018-2019)

Province/City	Kinder and Elementary	Secondary	Total
Rizal	**463**	**211**	**674**
Antipolo, City	**183**	**110**	**293**
Batangas	**203**	**110**	**313**
Batangas, City	**43**	**27**	**70**
Binan, City	**76**	**41**	**117**
Calamba, City	**105**	**645**	**750**
Cavite	**375**	**212**	**587**
Cavite, City	**185**	**95**	**250**
Dasmarinas, City	**159**	**115**	**274**
Imus, City	**132**	**67**	**199**
Laguna	**331**	**492**	**823**
Lipa, City	**67**	**37**	**104**
Lucena, City	**445**	**345**	**790**
Quezon	**138**	**108**	**243**
San Pablo	**50**	**27**	**77**
Sta. Rosa City	**88**	**50**	**138**
Tanauan City	**37**	**19**	**56**
Tayabas, City	**15**	**5**	**20**

Source: DepEd EBEIS SY 2017-2018

Among the nineteen (19) divisions in CALABARZON, Rizal has a total of 674 private elementary and secondary schools (see table 3 on p.32), Laguna province has the most number which has 823 private elementary and secondary schools, second is Lucena, City which has 790; 3rd is Calamba, City with 750; 4th is Rizal while the province with the lowest number of private schools is Tayabas, City with 20 private Kinder, Elementary and Secondary Schools.

Table 4

Private Elementary Schools in Rizal

No. of Private Schools	Enrollment Size
309	**100 and below**
91	**101 – 200**
46	**201 – 500**
16	**501 – 1000**
1	**1001 and above**

Source: DepEd EBEIS SY 2017-2018

Table 4 shows that from a total of 463 private schools in Rizal, 309 or 66% private elementary schools have an enrollment of 100 pupils and below; 91 schools or 19.65% have an enrolment of 101 to 200 pupils; 46 schools or 10% have an enrolment of 201 to 500; 16 schools or 3% have an enrolment of 501 to 1000; and only one or .2% have the biggest of 1001 and above enrollees. (DepEd/EBEIS,SY 2017-2018).

Table 5

Private Secondary Schools in Rizal

No. of Private Schools	Enrollment Size
132	**100 and below**
39	**101 – 200**
24	**201 – 500**
11	**501 – 1000**
5	**1001 and above**

Source: EBEIS SY 2017-2018

Table 5 shows that from a total of 211 private secondary schools in Rizal, l,132 or 63% have an enrollment of 100 and below; 39 schools or 19% have an enrollment of 101 to 200 students; 24 or 11% have an enrolment of 201-500; 9 schools or 4% have an enrolment of 501 to 1000; and 6 out of 209 or 2.8% have the biggest enrolment of 1001 and above (DepEd/EBEIS,SY 2017-2018).

The figures on enrollment size show that more than 50% of private elementary and secondary schools in Rizal have an enrolment of 100 and below. These groups of private schools are considered as small private schools as they belong to the lowest enrollment category. Therefore, it can be inferred that Rizal has a big percentage of small private basic education schools. Hence, a suitable location for the study, apart from the fact that the researcher herself is an administrator of a small private school in this province.

Selection Criteria and Participants

The participants of the study were the financial managers of six, small private basic education schools in Rizal for the SY 2017-2018. The idea behind qualitative research is to purposely select the site or individuals that will best help the researcher understand the problem and the research questions (Cresswell, 2009). While the present study purposively selected participants, there were criteria for the selection of small private basic education schools and participants enumerated as follows:

a. For Small Private Basic Education Schools

1) non-sectarian schools

2) with Kinder and complete elementary with a total enrollment of 100 pupils and below; and with Kinder and complete elementary and Grades 7-12 with a total enrollment of 200 pupils and below.

3) have been operating for 5 years and above

4) have not been granted recognition in all levels

5) have not met the minimum requirements based on accreditation standards for complete elementary; and/or secondary during the initial DepEd Ocular inspection for the SY 2017 – 2018

The data needed for the selection of participants were gathered from DepEd Division of Rizal. These data provided the following; 1) List of private schools in Rizal which offers Preschool, elementary, with 100 pupils and below; and list of private schools with Preschool, elementary and grades 7-10 with 200 pupils and below which provided data as to which belong to the bracket of small private schools; 2) List of private schools with updated permits and recognition in the division of Rizal which provided the data as to which schools have permit to operate in the different level; 3) Masterlist of schools which provided the number of years of operation and the needed data for sampling such as name of school, school head, address, contact number, date of operation, curricular class, and sub-classification.

Two private school participants were purposely taken from the group which met all the given criteria. Four private school participants were taken from the group which met the first four criteria. Other schools which met the first three criteria were used as initial sample.

b. For the participants

1) Director, directress, school head ,or principal who also functions as financial manager

2) Financial manager

3) Treasurer or cashier of the school who is in-charge of the finances

4) School personnel who manages the finances of the school

Data Collection

For the semi-structured interview on the Financial Management Practices (see Appendix H p.186), the researcher constructed open ended questions which were validated in terms of content by the three experts (see Appendix C p. 178) who are Certified Public Accountant and Finance Officer of a private school, a Certified Public Accountant and University Professor, a Certified Public Accountant, Professor, and Luzon Area Operating Head of a bank. These validators were chosen because of their expertise in the field of Financial Management. A Finance Officer of a private school was chosen to align the content and questions in the context and language of managing finances in educational institutions. Thus, all validators are seen to be qualified in validating the instrument.

Four types of data collection method were used in this study. These were semi-structured interviews, documentary analysis, profile, and observation. Rich data were acquired through personal interview in order to provide a "full revealing picture of what is going on" (Maxwell, 2013, p.126). This personal interview used semi-structured interview to elicit the participants' personal experiences on the financial practices of their school.

Profile of the school participants and respondents were also gathered to complement the data in the interview. It described the personal data of the respondents and the specific data of the school participants which provided additional information in the analysis of findings. The profile and interview questions were distributed to the respondents ahead of the scheduled interview. Profile was asked to be answered before the interview proper; however, most of the respondents still answered the profile questions during the scheduled interview because of their busy schedules.

Before the interview, participants were informed of objectives of the study, the benefits they can get from it, the valuable contribution of their participation and the procedure, before during, and after the interview. A brief explanation was given on the content of the research questions. Moreover, it was explained that they have the option whether to participate or not. In addition, they were informed that their answers to the interview questions would be “quoted” in the manuscript but names of the respondents would not be identified. To earn their trust, an informed consent form (see appendix E p.182) was presented and was signed by the participants.

During the interview, information were recorded by making handwritten notes and audio recording. Both procedures were done to make sure that if the recording fails, the hand written notes could be used. The recording was done with the consent of the interviewees and was assured that no one would be identified by name on the audio recording; as such it was coded using numbers to identify the participants. The information recorded and the handwritten notes were kept confidential and no one had access to it except the researcher. Interview for each of the participating schools lasted for more or less than two hours. There were interesting conversation between the interviewer and the interviewee. The interviewee gave follow-up questions depending on the responses. It was observed by the researcher that the respondents were very eager to share their financial management practices in their school. The interviewee gave follow-up questions depending on the responses.

The researcher gathered limited documents because most of the participant schools do not have files of documents such as minutes of the meetings and memorandum. Moreover, all of the school participants do not have written policies in the different areas of financial management. There may be financial reports on the PTA (Parent Teachers Association) fundraising; however, they were reluctant in providing such documents. Only the photos of the fundraising activities available in their facebook page were willingly allowed to be copied and published.

Data Analysis

Analysis of data was done using the following steps taken from "data analysis in qualitative research" (Creswell, 2009) and the cross-case analysis by Yin (2009).

Step 1. The data which were generated from the participants were organized for data analysis. Data from the interview were transcribed (see appendix H p.192) for sample transcript of one school interviewed), while documents gathered were scanned and photos from face book were printed. Profile of the respondents and school participants were likewise transcribed. These data were sorted and arranged and filed in an envelope by school participant.

Step 2. The arranged data and documents were read and analyzed in details to solicit a general meaning. These were read several times and were examined for regularities and patterns.

Step 3. Details were organized by a coding process. In Rossman and Rallis (1998) as cited by Creswell (2009), coding is the process of organizing material into chunks or segments of text before bringing meaning to information. The six areas of financial management and its components were tabulated with the corresponding responses of the six respondent schools. Important words and phrases in the responses which occurred the most were highlighted using marker. These were classified into topics or label. From the classification of topics which are labelled as preliminary themes, final emerging themes were determined (see Appendix I p.205).

Step 4. Coding process was used to establish a descriptive understanding of the data from the financial practices of each school participant. Through this, commonalities and unique circumstances on the different areas of financial management practices of participant schools were determined. To describe the findings and to maintain confidentiality, each school was coded as School A, B, C, D, E, and F.

This analysis also used Yin's cross-case analysis, wherein several common trait and patterns were identified among cases. According to him, Cross case synthesis is the most relevant method of analysis when a study consist of two or more cases. Each individual case is treated as a separate case, but strength of synthesis is the ability to compare the data of each case to one another. The topic with the most supporting evidence or the emerging theme were used in the final analysis of case.

Step 5. Qualitative narrative was used to convey the findings of the analysis. This discussed the financial practices of each school coded as School A, B, C, D, E, and F in terms of the different areas of financial management practices. A descriptive information about each participant school and respondents was also presented. This also described the commonalities and unique financial management practices of the six respondent schools.

Step 6. The final step was making an analyses and interpretation of the data. This gives conclusions based on the findings of the study. It also gives the answer to the questions; "What lessons do we learn from the financial management practices of the respondent schools', and what enhancement plan can be proposed?"

Role of Researcher

In a descriptive qualitative research form of research, the researcher herself served as primary researcher who served as the instrument in the data gathering and analysis. Because of this, the researcher ensured objectivity and avoided personal biases that may have influenced the interpretation of data.

Hence, at the onset of study, the researcher was aware of the fact that the researchers' background shapes their interpretation and they position themselves in the research to acknowledge how their interpretation flows from their own personal cultural and historical experiences" (Creswell, 2013). Hence the researcher made a careful observation taking into account some measures to avoid personal influence on the results of the study.

The researcher, who has been with the small private schools for eleven (11) years have been shaped by her personal experiences. From 2006 – 2011, she served as a teacher and worked closely with the directress. From 2011-present she has been serving as assistant to the directress. Her work as the directress' representative to all private school owners and administrators' meeting and conferences gave her an opportunity to deal with other private schools where she learned of similar stories of financial difficulties particularly of small private schools. These and other previous experiences may have brought biases to this study. However, every effort was made to avoid biases.

Methods of Validation

The primary test for validity of this study is triangulation: "collecting information from a diverse range of individuals and settings, using variety of methods" in order to see" if methods with different strengths and limitations all support single conclusions" (Maxwell, 2013).This study collected data from school heads/financial managers of six (6) small private schools from different locations. It used semi-structured interview, profile, document analysis, and observation. If themes were established based on converging several sources of data or perspective from participants, then this process can be claimed as adding validity to the study (Cresswell, 2009).

Another test of validity in this study is clarification of biases. Good qualitative research contains comments by the researchers about how their interpretation of the findings is shaped by their backgrounds, such as gender, culture, history, and socioeconomic origin (Creswell, 2009). The researcher knew for a fact that her personal experience and her position as assistant directress in a small private school would influence the interpretation of the findings. To prevent this from happening, the researcher was mindful to remember the influences while the research was currently on going thereby she consciously avoided bringing out biased interpretation.

Ethical Considerations

The main goal of the study is to describe financial management practices of small private basic education schools. It provided similarities and differences of the financial management practices in the different areas of financial management to give light to the financial status and sustainability of each of selected participating small private basic education school.

It is not the intention for any individual or school to feel embarrassed or "less than" in any way. Although unintentional, there were cases when the subject of the study and even the researcher would be placed in an "uncomfortable situation."

To ensure the safety and protection of the participants, research locale and researcher, the following were observed in conducting the study:

First, all comments and suggestions of the Research Ethics Committee (REC) were carefully followed as it reviews whether the study follows basic ethical standards in research.

Second, the researcher asked permission from the schools division superintendent of Deped Rizal (see appendix A p. 182), to conduct the study. Approval from Rizal Private Schools Association (RIPRISA) (see appendix B p.183) was also secured. The letter stated the purposes and aims of the study, the use of the findings and the benefits of the study to current education literature. Results of the study will be provided to both the DepEd and the RIPRISA after it has been approved for dissemination.

Upon approval of the permit, selected participants were informed through a letter for their approval to participate in the study. Only respondents willing to participate were included in the study. They were given a consent form wherein the terms of the participation in the research interview are specified. It was signed by the interviewee and the researcher.

Participants were informed of all data collection devices and activities. All school respondents allowed the use of audio recording and handwritten notes.

Upon completion and approval of the result, the following will be furnished with the result of the study:

The Department head of the Educational Management will be provided with the result of the study as it will serve as a reference input to Financial Management Course to upgrade the knowledge and skills of educational management graduate students who perform multiple task in their school of managing people and finances of the school as well.

Rizal Private Schools Association (RIPRISA) and the National Alliance for Private Schools (NAPSPIL) will also be furnished a copy since it will serve as a basis for an Enhancement Seminar and Workshop for school heads and financial managers in private schools in Rizal and even in CALABARZON.

The direct beneficiary of the study, the participating schools, will be sent a copy of the result of the study to make them aware of their financial management practices in the different areas of financial management. An Enhancement small group seminar workshop and conference will be proposed to them to upgrade their practices.

Chapter III

Findings and Discussion

The chapter contains narratives reflecting the results of the semi-structured interviews, observations, and data analyses from documents and profile of six (6) participating schools. The findings consist of the following sections: 1) participants; 2) description of the small private basic education school; 3) the financial management practices in terms of the different areas such as cost management, cash management, asset management, revenue generation management, fundraising management, and debt management; 4) summary of each of the findings section 5; the emerging themes which revealed the commonalities and the unique practices 6. Lessons learned from the adaptive and bad practices and 7) the proposed enhancement plan on the six areas of financial management practices

SCHOOL A

Participants

The first interview was conducted in a small private school in Rizal province. In attendance were the Director, who is the financial manager, and his wife, the cashier. The director is fifty years old (50) and a graduate of Bachelor of Arts (AB) major in Christian Education, Bachelor of Theology and Master of Arts

Major in English and is currently taking up Doctor of Philosophy with specialization in Educational Management.

The director is the financial manager; he basically manages the finances from the year it started operation up to the present. He was a teacher in high school and college in a seminary in Antipolo City for a period of 3 years. He does not have any relevant work experience in financial management, budgeting, accounting, auditing, business finance, and others; at most, he attended 1 seminar on basic accounting and budgeting sponsored by DepEd more than 5 years ago. Since then, no other related seminar was provided.

His wife serves as the cashier. She is fifty three years old (53) and a graduate of Bachelor of Arts major in Biblical Leadership. She has no teaching experience or any other position before. Like her spouse, she has no relevant work experience and training prior to setting up the school. She has been the school cashier since the school started operation. She was also interviewed but she just listened, answered a few of the questions, and just affirmed the directors' responses.

Description of the school

The school was established in May 2004. It is affiliated with Born Again Christian Church and is now on its fourteen (14) years of operation and is under "Permit "status (issued permission to offer selected academic year levels and courses, valid for 1 year). It is located in a subdivision around 500 meters away from the town proper. The old building in use is composed of small academic classroom capable of accommodating 20 to 30 pupils only. Library and science laboratory is combined in one small room, same with the computer and audio-visual room. The school owns a total land area of 1,050 sqm.

At present, they have a newly built 4-storey building, with 6 academic classrooms, and other rooms such as a science laboratory, a library, a Home Economics room, audio-visual room, clinic, and guidance room. It is in compliance with DepEd's basic standard requirements *(see Appendix J for DepEd criteria on school site and buildings and laboratory, library and other equipment and suppliesin the operation of private schools*). Non-compliance will subject the school to downsizing (course offering will be reduced from a complete Preschool-Elementary level to Preschool-Grade Four only).

For this school year, it offers NKP (Nursery, Kinder, and Preparatory), and Elementary. It has a total enrollment of fifty five (55) students from within the subdivision, with roughly 7 to 9 pupils per class. The average ratio of pupils to teacher is 1:8 in the past 4 years of operations. Since the school depends on tuition fees for the salary of teachers (unlicensed education graduates), the small enrollment gives only a salary that range from Php 4,000 – Php 5,000.

They describe their school as a missionary school since they offer "free" education to almost 17 pupils or 30% of the total school enrollment.

Financial Management Practices

Cost Management

The school prepared a budget proposal (proposed allocation of funding for one year's worth of operations) when they applied for government permit to operate to comply with the requirements; the budget proposal was prepared by the director and his wife. With their initial budget proposal as reference, they no longer prepare budget proposals for the succeeding years of operation. Main consideration in the budget is the salary of the teachers.

" Hindi maasahan magbayad ang parents. Delayed lagi ang bayad. Pag kulang, personal ang source" (We cannot count on the parents for tuition payment, we use our personal money for the shortage).

They ensure that purchases are not beyond the estimated budget. For seminars hosted by the Department of Education, we have an emergency fund allocated for it. They do not minimize the budget for training, as this is required. In terms of policies to limit expenses, he commented that they do not have policies, they spend on the expenses present. They monitor their budget through the Financial Statement (FS) prepared annually by a licensed Certified Public Accountant (CPA). They do not have monthly financial statement, and claim that they can observe the budget through regular checking.

When asked how the school appropriate budget for instructional, academic support program, student services and professional development of teachers, they only spend for what they need. Remaining amounts from the budget are used to fill-in the other necessary expenses; should that fall short, the school asks donations from their friends. Instructional facilities, like laboratory and library, is appropriated by miscellaneous fees while computer and audio-visual room are appropriated from donations, miscellaneous expenses cannot cover the amount entailed with such maintenance. Summer tutorial classes is allotted amount for the electricity consumed during the tutorial classes.

"*Hindi kami naglalaan ng pondo sa athletics at competisyon ng private schools kasi hindi kami miyembro ng samahan ng mga private schools."Hindi namin alam kung saan napupunta ang membership fee. Sa halip, ginagamit naming sa Feeding program ang aming pondo.(*We do not allot funding to athletic and other school competitions because they are not member of the private schools organization. We see no reason to join the private schools' organization. Instead, we have social-action and community programs that are funded by parents).

According to the cashier, their financial transactions follow proper budgetary procedure and accounting practice by giving receipts, preparing ledger, and journal entry. They monitor the expenditures but they do not prepare variance analysis to determine or identify the difference between the budgeted, planned, or standard cost and the actual cost incurred. The school do not have long-term financial plan, claiming that they can only plan for an annual budget in the case of small schools.

Cash Management

To speed up the collection of accounts receivable, they give constant reminders to pupils, send statement of accounts every examination period and although they tell them that they cannot take exam if they do not pay, the school still gives exam to unpaid pupils. "*Nakakaawa kasi ang mga bata pag hindi nakapag exam, kaya binibigyan na rin namin ng exam* "(It's pitiful when the students cannot take the exam, and so we allow them to take the test even though they haven't paid), the director said.

To avoid aging of accounts, the admin regularly contacts the parents to follow-up on the receivables. For example, they call on the parents regularly. *"Ipinatatawag namin ang mga magulang regularly, lalo na kapag nakitang matagal na ang utang nila na hindi nababayaran. 'Hindi kami nagbibigay ng penalty"* (We check on the parents regularly, most especially when the payment is long overdue. We don't add penalties, we just maintain regular contact.), the director noted.

While the cash flow statement is prepared by the cashier, it is monitored annually through financial statement prepared and submitted to BIR. This financial statement is prepared by a CPA (Certified Public Accountant) commissioned by the school. There is no monthly financial statement being prepared, the director reported.

When asked on the approving authority, the director quickly replied *"The approving authority is kaming mag-asawa.(*My wife and I are the approving authorities). Theydecide ultimately in all school matters.

"In terms of liabilities, wala kaming policies d'yan. Basta we prioritize BIR, SSS, Pag-ibig, Philhealth. We make sure na nababayaran ito monthly," (We do not have policies when it comes to liabilities. For the most part, we prioritize our employees' benefits such as SSS, Tax Returns, Pag-IBIG, and Philhealth and ensure that these are settled monthly), he added.

The school does not prepare bank reconciliation because the director claims it is too complicated to work on. Bank reconciliation explains the difference on a specified date between the bank balance shown in a schools' bank statement, as supplied by the bank and the corresponding amount shown in the school's own accounting record. It is used to compare your records to those of your bank. This matching process involves making allowances for checks issued but not yet presented, and checks deposited but not yet cleared or credited. In ideal circumstances, a school accountant or bookkeeper prepares bank reconciliation at least on a monthly basis.

In terms of purchasing office supplies, "*gusto namin may mga pagpipilian, para sa quality at presyo ng textbooks at ibang supplies*" (we want several quotations to choose from various suppliers prior to purchase of supplies, textbooks and other school supplies). The spouses are still the approving body on this part.

Asset Management

The school conducts annual inventory at the end of school year. *"Para makita kung okay pa, kung andito pa, o sira na ba"* (It's to check if the supplies, equipment, and fixtures are still good to use, if they're missing or are too damaged for use), they mentioned. To ensure which assets are in good condition, which are lost and which needed repairs. They also make a reconciliation of the physical inventory and what is recorded in the books. However, they do not have proper tagging of assets. *"Hindi namin ginagawa, pero kung alam namin gagawin namin"* (We do not go into that, but we can work on it with proper knowledge on the task).

'They do not have policies on depreciated assets; instead, they apply a "rule of thumb" wherein any item that is no longer functioning and is too difficult to repair (e.g., electric fans)is sold at scrap value and/or auctioned to external buyers so that others can still put the items to good use. Meanwhile, other valuable assets like the new building have insurance for full protection.

Revenue Generation Management

Sources of income are tuition fee, miscellaneous and other fees, books, and uniforms. Other sources of income are gifts and donations from friends, relatives, and Christian church leaders. The school does not predict or forecast revenues.

They do not determine their income for the year; they only determine the income at the end of the school year, but are able to estimate income through the old students.

"Kinokonsider naming ang pagtaas ng bilihin at kakayahan ng mga magulang sa pag presyo ng tuition fee." (We determine the tuition fees based on the price hike of prime commodities and the paying capacity of parents). They don't depend on the tuition fees of other schools, while the miscellaneous fee is fixed. With regards to cost of books, they said that they add 10% to the total amount given by the supplier. They get the 10% plus the 15 to 20% given by the supplier to school. In uniform, they add 15% of the total price—the additional price increase is their income.

For the tutorial, they charge 1,000 per pupil per month. If it is per hour, they charge 100/hour. They give the whole service fee to the teachers. They do not charge them for the electric bill, neither do they get 10% from the tutorial like other private schools do.Other sources of income are gifts and donations from friends and relatives.

"Malaki ang donation mula sa mga leaders ng *Christian churches. May nagbigay sa amin ng one million(1,000,000.00), meron din five hundred thousand (500,000), meron din three hundred thousand (300,000.00), at meron din two hundred thousand (200,000.00)."*(Christian church leaders give large sums of donations. We've received a million from one benefactor, two hundred

thousand from another, three hundred thousand, and two hundred thousand pesos as well. We used the money for the construction of our new school building.)

In return, the school has been granting scholarships to almost 30% of the total enrollment; for example, they have 17 scholars within the subdivision coming from families who cannot afford to send their children to private school. They only pay for the books. They also have academic scholarship programs wherein 1sthonors up to 3rd honors receive a 25% discount on tuition fee. Another type of scholarship that they grant is on the number of siblings in the school; for 2 siblings, one sibling receives 25% discount on tuition fee. For 3 siblings, one is free from tuition fee.

According to the director, the income from tuition fee alone cannot sustain the day-to-day operations of the school—other sources of funding including gifts and donations which enable them to support quality educational program and continuing improvement plans like the construction of new buildings and acquisition of the needed materials and equipment in computer, laboratory, and HE building. *"I-maximize lang ang paggamit ng pera at dapat dedikado ang may-ari"* (Proper usage of the funding must be exercised and that the school owner must be dedicated.)

Fundraising Management

They have no other fundraising except an annual tour that allows them to gather funding through the overhead on the rates; proceeds of the tour go to the school's emergency fund. The director approves of the fundraising as long as it is for the benefit of the pupils and as long as it is safe. Although it has already been operating for fourteen years, the alumni are not yet involved in the fundraising; and because there are many gifts and donations that support the operation of the school, they do not depend so much on fundraising project.

Debt Management

The school has no long-term liabilities. The school pays its utilities like water, electricity, and telephone bills on time. *"Hindi kami nagpapatagal ng bayarin*"(We don't leave the bills unpaid for too long). They had a big amount of liability in SSS which cost more than hundred thousand because they are not aware that they need to pay for the SSS of their teachers, but when we found out they immediately settled their balance. Now, they pay for their employees' social benefits on a monthly basis.

Summary

School A does not follow a systematic way of financial management since they have neither educational background nor training on this matter; however, they follow the "rule of thumb" in budgeting and spending that help them survive even though they have limited revenue coming from tuition fees of students. They are optimizing the donations and gifts from friends, relatives and businessmen to sustain their operation.

SCHOOL B

Participants

The second interview was conducted in a small private school in Tanay, Rizal. The financial manager of the school is also the cashier. She is the daughter of the directress and owner of the school. She is 46 years old and has been managing the school's finances for 9 years now. Since the school is owned by her family, she takes the responsibility of managing the finances although she did not have work experience nor training nor course related to financial management.

Description of the school

The school was established in 2004. It is located within a small barangay in Tanay, Rizal. For 14 years of operation it has been renting a total land area of 281 square meters with an old school building subdivided into five (5) small classrooms. Each classroom has a capacity to occupy a maximum of 15 pupils only. For the span of its operation, the school is still under permit status. If offers Nursery, Kinder, and Preparatory (NKP) and Grades I-VI. For this SY, it has a total enrollment of sixty three (63) pupils and has five (5) teachers presently employed in the school which gives an average ratio of 1:10 teacher to pupils. With that small population, teachers receive a salary ranging from Php5,000 – Php6,000.

The school building although quite small has a library and science laboratory combined which also serves as classroom for grade six pupils.

Computer laboratory is also shared with grade three classrooms, while the audio visual room is the grade one classroom. The office also serves as the guidance room. While there is no canteen, there is a kitchen where food is cooked and served in each classroom.

The school is known for “everyone is a reader”. It helps slow reader and non-reader grade school pupils who transfer to their school to learn to read, reach their level, and acquire the necessary skills in reading.

Financial Management Practices

Cost Management

They prepared their budget proposal when they applied for government permit to operate. Since then, no budget proposal was made.

*Naglilista din kami ng budget. Kinokonsider namin ang mga malalaking gastusin sa buong taon tulad ng salary, social benefits at 13th month pay. Kasama na rin ang gagastusin sa ilaw, tubig, telepono at repairs and maintenance ng school, refrigerator, airconditioner at iba pang equipments like computer. (*We have a list of the anticipated big expenses for the whole year like salary and social benefits of teachers, 13th month pay, electricity, water, and telephone bills and repairs and maintenance of the school buildings, refrigerator, air conditioner and other equipment like computer). *Binabayaran ang mga ito depende sa hawak na pera. Basta ang priorites ay salary at utilities.* (These are allotted depending on the money at hand and we prioritized the salary of teachers and the monthly utilities.)

"*Hindi kami nagpupurchase pag walang budget, lalo na kung walang pagmumulan ng budge*t. We do not purchase if there is no funds on hand to ensure that purchases are within the budget), the financial manager said. *Sa mga seminars ng DepEd kumukuha kami ng pondo sa canteen, or sa personal na pera o kaya ay humihiram kami sa mga kapatid ko kung walang availbale na cash*.(With unavoidable expenses like the trainings and seminars called for by DepEd, however, we either made a previous allocation for it, get funds from other source like canteen, or loan from personal money or other member of the family if there is no available cash on hand).

They limit their expenses in many ways; a few examples of doing so includes turning on the air conditioner in the classroom at 8:30 in the morning and turn it off 30 minutes before the dismissal of classes. Instead of calling a skilled technician to repair the electrical such as air conditioner, refrigerator, and other electrical, they call a "less-skilled" technician who can do the job for a lower fee.

They have an annual financial statement prepared by a CPA. *"Hindi naman namin tinitingnan ang content ng Annual FS kasi hindi ko naman masyado maintindihan", (*We don't understand it that's why I didn't take time to read it). She said that they have it prepared because it must be submitted to BIR at the end of the calendar year.

The school appropriates budget for salaries of teachers, instructional, student services and professional development of teachers. Salaries of teacher account for the biggest budget. The financial manager added that almost all collections go to the salary, even the miscellaneous and profit from books. As a result no budget allotment is appropriated for laboratory and library; however, because of the yearly DepEd ocular inspection, they tried to provide for the laboratory apparatuses; but for additional books for the library, the directress used her personal money to buy references from bookstores.

On student services like athletics and literary competitions, she asserted that they proudly support their pupils. For example, they provide transportation and food allowance to their athletes, participants and teachers during the competition district and higher level. She went on by saying they support their athletes and other participants to competition because they promote the school, especially that oftentimes they win district level and they represent the district to division and national level. Budget allotted to this come from the athletic fees collected from the pupils which is included in the miscellaneous. Sometimes they ask from the owners to donate for the food of the athletes when the budget is not enough.

On following proper budgetary procedure, the financial manager answered that they issue receipts and record on the books. Besides that, a CPA prepares the school's Financial Statement that is annually submitted to BIR. She is amenable that they do not prepare financial plan because they do not know how to make one. In addition, they lack the knowledge of cost variance analysis; that is why they were not able to analyze the variance of their expenses.

Cash Management

To speed up the collection of accounts receivable, they send newsletter to parents reminding of the examination date and the payment accounts. They also give constant reminders to pupils, send statement of accounts every examination period. For pupils with big accounts, parents are called to the office and have them signed in the promissory notes. No Permit, no exam is also implemented. Although they tell them that they cannot take exam if they do not pay, still the school give exam to unpaid pupils. "*Nakakaawa kasi ang mga bata pag hindi nakapag exam, kaya binibigyan na rin namin (ng exam)*" (It's pitiful when the students cannot take the exam, and so we allow them to take the test even though they haven't paid, but with pupils with very big balance, we do not give them the exam).

They do not have aging of accounts receivable or list of students with overdue balances, but they can easily track the names of pupils with long overdue accounts. To collect from overdue accounts, she said that she regularly contacts the parents through text messages to follow-up on the receivables especially those whose son/daughter have already graduated and went to public schools for secondary education. Only when the receiving school request for the permanent record do the parents would pay the balance in an installment basis.

She went on saying *"minsan kukunin na nila pag na pressure na sila ng receiving school tapos makiki-usap at magagalit pag hindi mo ibinigay."* (There were times when they would like to have the permanent record even if they haven't paid with the balance and they will get mad for non- release of the records), she recalled. *"May mga panahon, nagbabahay-bahay kami para makapaningil sa mga may old accounts. Pinababaranggay naman namin iyung mga nangakong magbayad ngunit hindi nagbababayad."* (With old accounts many times we would go from house to house to collect payment to make sure that they pay. For those who adamantly refuse to pay as promised get a complaint filed against them in the barangay). The school is considerate enough, however, because it does not give any penalty or surcharge to pupils who cannot pay or settle the tuition on time.

When asked if she prepares cash flows, she said that she records day to day transactions in the columnar book. They do not prepare monthly financial statement, but they have annual financial statement prepared for them by an accountant only for compliance—it does not serve as a reference to monitor cash flow or financial status of the school.

With disbursement, they can only limit the disbursement in the invitation to participate in celebrations sponsored by local government and other seminars sponsored by Rizal Private Schools Association (RIPRISA) and other private agencies since these are not compulsory. However, with the DepEd seminars and trainings, they join because these are required and they need them to stay updated with other requirements. The school has no cash management policies yet because no one formulates these for the school. She continued in saying that she decides wholly for financial matter. She assured that she does bank reconciliation regularly to monitor the issued checks. In terms of purchasing supplies, they do not require several quotations or canvass prior to approval of suppliers.

"*Yun dati naming suppliers kasi may tiwala na sila sa amin. Tulad sa books,pwede sa kanila na bayaran ang balance pagtapos ng school year.April at May, nababayaran namin ang mga balance tulad ng libro kasi kukunin na mga magulang ang card para mai-enroll ang mga anak nila sa susunod na taon at bago nila makuha ang report card ay kailangan muna silang magbayad ng balance."* (We prioritize the previous suppliers because we were given allowance to pay the balance in books for example. We usually pay our balance especially in books in the months of April and May because parents also need to pay so that they can get the report cards for enrollment for the next school year)

Asset Management

They have regular checking of their physical assets. They check the air conditioner, electric fans, and others on a monthly basis; while the chairs and tables are accounted every end of the school year. Utensils like spoons and fork and other utensils are also accounted for. However, there are other items which are not accounted for like curtains, sports equipment, laboratory equipment, reference books, board game tools, and others. Lack of checking leads to losses of many of the items. When there is need for repair, it is repaired right away.

"S*a halip na tumawag kami ng skilled na gagawa*, *yun na lang less-skilled basta kaya ring gawin para maliit lang maningil*."(Instead of calling a skilled technician to repair the electrical such as air conditioner, refrigerator, and other electrical, we call a "less-skilled" technician who can do the job for a lower fee.)

They ensure their facilities are fully protected from robbers. They have a caretaker at night who takes care of the facilities, especially during rainy season when rainwater may leak through the roof or rainwater may flood the school when there is a storm. In terms of inventory, they have an annual inventory assessment to compare what they still have vis-à-vis what is in the book. As of now, though, they do not have asset tagging. According to her, they will begin to have a tagging of assets for a more systematic asset management. Depreciated assets are sold to external buyers. No policies have been formulated yet. Not only depreciated assets are sold, but also the fruits of trees such as mango and santol(cottonfruit) are sold to external buyers.

Revenue Generation Management

They do not forecast revenue. When enrollment increases, they claim to know there will be a good income for the school. "On the other hand, if the enrollment decreases, we know that there is less income for the school and that there will be a 'tight flow of cash," the financial manager said.

She enumerated the school's sources of income such as tuition fee, miscellaneous fees and other fees, books, socks, uniform, and canteen. According to her, they do not forecast revenues. They just wait for the daily and monthly collection.

They determine tuition and miscellaneous fees, they indicated that they based on the previous tuition and miscellaneous fee. If they want an increase, they refer to the DepEd policy in increasing tuition fees.

*"Sa pagtataas ng tuition fee, kinokonsider namin ang paying capacity ng mga magulang, baka lalong mabawasan ang enrollment kung tataasan ang tuition. Isa pa, wala pa kaming sariling school building at mas maayos na mga facilities pwedeng makaakit sa mga magulang na ieenroll ang kanilang mga anak kahit na medyo mataas ang tuition fee.Isa pang basehan ay ang mga tuition fees ng mga small private schools dito sa Tanay"(*We also consider the paying capacity our clientele and also the tuition amount of other nearby private schools of the same size. We cannot just increase the tuition fee since we still do not have a better school buildings and facilities to attract the parents to enroll their children even with a higher tuition fee.)

They earn from books from the 20% commission given to them by the supplier if the books are paid in full during the school; if the books are fully paid after the school year, only 15% are given to the school. For the uniform cloth, socks and PE uniform, they mark up 30-25%. For example if the original price is Php100/yard, the buying price becomes Php125/yard.

The school does not earn from the tutorial during the school year. One hundred percent (100%) of the tutorial fee goes to the teachers. But during summer tutorial classes, when the school has no earnings almost all operational expenses like electricity, water and rent are taken from tutorial fee since there is a good number of enrollees in summer tutorial classes.

"*We earn a considerable amount from the canteen*", the financial manager said. Almost 95% of the total enrollment avail of the canteen meals and snacks, however, they do not earn that much when the price of the prime commodities gets high, since pupils are given second servings. The canteen can help a lot if parents pay on time. Some parents pay on a daily and weekly basis. A few pay monthly. However, there are those who cannot pay and have accumulated balance in food for months. "*Pinapakain pa rin namin kasi nakakaawa ang bata.* (we still serve food to pupils even with long overdue account in food because we pity them) she related. The miscellaneous fees were not all used for the intended purposes.

> "*Sa halip na magamit sa medical at dental services ang siningil na miscellaneous, napupunta ito sa sweldo ng teachers, kasi nga laging kulang at delayed ang payment ng mga magulang."* (Instead of spending on dental and medical services and other sports equipment for instance, the amount is spent for salaries and benefits of teachers because of delayed and non-payment tuition fees.).

Presently, they have 63 pupils. According to the financial manager, they need to have 100 pupils so they can meet all the expenses especially salaries and benefits of teachers. The over-all resources of the school are not sufficient to assure the continuity and stability of services, she complained. “We have accumulated payables which cannot be paid as we are waiting for the payment of parents”, she commented.

The ROI (Return of Investment) has not been realized. They are even in need of additional capital so that they can survive operation.They do not have academic scholars because the enrollment is still small and they need to generate more income. But they give “free tuition fee” to child/children of teachers. They also give 5% discount for pupils who pay in cash upon enrollment.

Fundraising Management

. It was in 2004 that the school had a fundraising that gave the school a concrete gate, fence and stage. At present, the school has no fundraising except for the raffle draw in which proceeds purchased a 32” SMART television. “*Nagkaroon ng conflict ang mga parents. Nagkaroon din ng conflict ang ibang parents sa school. Hindi nakabuti ito sa samahan ng mga magulang at guro at namumuno ng paaralan.* (A conflict between some parents of the school arose because of the fundraising). Since then, no fundraising was done except for the yearly tour from 2005-2012. But when several tour-related accident happened, the school did not hold tours anymore.”*Lalo pa nang magkaroon ng aksidente sa* *barangay Sampaloc sa Tanay,Rizal noong 2017. (*The school stopped holding tours most especially when accident happened in barangay Sampaloc Tanay, Rizal in 2017), she recalled.

Debt Management

They make sure they pay their utilities on time, with the exception of other payables such as rent which they allow to accumulate and only pay once when there is enough cash in their circulation to settle the amounts (usually in April to June because parents pay during these months). Likewise, the social benefits of teachers like Philhealth and Pag-ibig are paid in this manner. While business permits must be obtained in January, the school usually renews it in June. There is an accumulated unpaid SSS contribution of teachers that have resulted to penalties and interest on late and non-payments.

They do not follow Special Operating Procedure or SOP in paying liabilities. They prioritize and pay when there is budget and do not have loans or credit in any bank or any lending institutions. They get from their personal money for emergency or urgent needs of the school.

Summary

The financial status of school may be revealed by the big accounts receivable from a small number of enrollees and accumulated payables of teachers' social benefits and the late payment of permits and licenses. In addition, there are no gifts and donations to subsidize the shortage of funds. This may be attributed to the fact that the school has no financial plan, budget proposal, policies, and has no other source of revenues but from low tuition and other fees of small number of enrollees, apart from the fact the financial manager does not have educational background nor training on financial management.

SCHOOL C

Participants

The third interview was conducted at small private school in Bagumbayan, Pililla,Rizal. The administrator and the financial manager of the school were present during the interview. The administrator is a pastor and the financial manager is her wife. They were interviewed at the same time. The administrator is also one of the approving authorities in terms of finances next to the financial manager.

The administrator finished Bachelor of Arts major in Political Science. He is now 50 years old and has been the administrator of the school for 16 years. He had been a director in Bible school for 3 years before they put up the school. Her wife is a graduate of Bachelor in Christian Education. She is 48 years old and has been the financial manager of the school for 16 years. Both of them have no work experience in areas related to financial management.

Description of the school

This school was established in 2002. It is located in upland of Pililla, Rizal. It is non-sectarian but is affiliated with a born again Christian church. In fact, the church gives assistance to the school in the construction of its new school building.

For 14 years of operation it has been renting a total land area of 517 square meters with a concrete school building previously a two-story residential house. They have a small library which also serves as the office, guidance room, and clinic. The science and computer laboratory is in the same room which also serves as the audio-visual room. They do not have canteen.

For the span of its operation, the school is still under “permit to operate” status. It offers NKP and Grades I-VI. For this school year, it has a total enrollment of seventy (70) pupils and has seven (7) teachers presently employed in the school which gives an average ratio of 1:10 teacher to pupils. With that small population, teachers receive a salary ranging from Php 4,000 – 5,000.

According to them, the school is known for winning academic competitions and even reaching the National Level. They attribute the performance in the textbooks that they use. According to them, they frequently win academic competitions because most of the answers to the questions can be found in their textbooks.

Financial Management Practices

Cost Management

When asked if they prepare budget proposal, the financial manager replied "*Lagi naman nagpeprepare ng budget proposal, kaso laging kulang. Ang 200 thousand namin na capital ay hindi na bumalik dahil hindi na nabayaran ng school. Hindi rin kasi nagbabayad ang mga magulang. Pag hindi na talaga makabayad, lilipat na sila sa public school."* **(**We always prepare budget proposal but the problem is that there isn't enough funding for it. We were unable to return the Php 200,000 capital in establishing the school; one of the possible causes here as well is that parents don't pay for the tuition. If they can't pay then they immediately transfer their child to public schools. They only return to claim the child's form 137(permanent record) when their child is about to graduate as this is a requirement for graduation).

The financial manager also said, "T*ransparent kami, wala kaming itinatago sa mga teachers. Even the smallest amount alam nila*.(We exercise full transparency - everyone knows (teachers) even the smallest amount). They consider the salary of teachers, and the permits and licenses.

To ensure that purchases are within the budget, she stated they do everything they can, whatever means to provide. In a way, they have embraced the principle of making ends meet no matter how tough the situation is). They do not minimize expenses nor do they have policies in limiting expenses, however, they end up cutting down on their bills when it comes to their class schedules; for instance, they hold classes up until noon on Mondays and Fridays.

With regard to the appropriation of budget for salaries of teachers, instructional, academic support program, student services and professional development of teachers and where the budget come from, she is quick to comment that salaries do not only come from tuition fees but from the overall collection including miscellaneous fees. If parents do not pay on time, teachers do not receive salaries on time as well. When there is no more budget left, they use personal funds for instruction like laboratory and library. The funds given out of pocket are not reimbursed.

For academic support programs like tutorials, they provide the handouts; the services are free of charge. Some of their students are also members of their church community. They allocate part of miscellaneous expenses to funding for athletic and other inter-school competitions. Medical services are fully-covered at no cost; one of their teachers is a nurse who provides her expertise; and her aunt, a dentist, provides free dental services. For faculty development (i.e., trainings, seminars), the school provides the funding from the budget if the collection is good.

"*May personal allowance kami mula sa church, inaabono namin at personal na suporta namin sa school.Wala din kaming sweldo*. (We don't receive salary. And while our church provides us with a substantial allowance, we pitch it in to school's funds for our personal fund. If the budget is not enough, then they provide from their personal funds even if they do not have salary). *" Naniniwala kami na pag nagtanim ka, babalik at babalik sa iyo kung anu ang itinanim mo, dahil naniniwala ako sa principle of sowing*." (We believe in what you sow is what you reap, because I believe in the principle of personal sowing).

As to whether the financial transactions are safeguarded through budgetary procedure and accounting practices, one of their students' parent works for the Bureau of Internal Revenue who teaches them on the correct procedure. All of their transactions are recorded. In terms of monitoring the budgets and expenditures, they do not perform such procedures. They simply check the numbers in the annual financial statement. They do not even have financial plan.

"*Imagine meron kaming Php 75,000 na monthly expenses and yet nasa 20 thousand to 25thousand lang ang monthly collection namin*. *Tuloy ito sa bankruptcy"*(With a monthly expense of Php75,000 and only Php20,000-25,000 as their monthly gross income, the current conditions of the school do not give them enough reason to foresee operations in the long run).

Cash Management

To speed up the collection of collectibles, they frequently issue promissory notes, and notices; they always coordinate with the parents when it comes to payments. *"Nagbabahay-bahay din kami para makasingil. Meron nagbabayad ng Php100, meron naman 200."(*We also go house to house in order to collect payments. Some of them pay as Php200, some of them pay as low as Php100. They do not strictly follow "No permit, no exam" policy, as they tend to yield to the pressure of disappointing the pupils. Because of this, accounts of pupils accumulate overtime.

The balances of each student are written on his/her handbooks. They also keep a copy of their balances, to double-check. In many cases, pupils with big balances transfer to public schools. They would pay the balances if they are about to graduate or if they need the permanent record or form 137. Some pupils pay after a year or even years. They once had a student who accumulated a balance of Php27,000. As part of the consequence, they refused to release the student's form 137.

"*Nakiusap ang magulang na irelease ang form 137 para makagraduate ang kanilang anak kahit na wala silang pambayad, pero hindi kami pumayag. Nagalit ang mga magulang at sinabihan kami na para kaming hindi mga Pastor at Pastora,at dahil lamang daw sa school policy ay hindi makakagraduate ang kanilang anak. (*The parents pleaded to allow the child to graduate, but we declined. The parents gave bad remarks seeing that we would not yield, they were angry for applying the policy).

They prepare cash flow statements and can further monitor it through the annual financial statement. "*May magulang kami sa school na CPA (Certified Public Accountant) na nagtatrabaho sa BIR. Siya ang gumagawa ng aming records at saka Annual Financial statement.Mura lang ang singil niya kumpara sa ibang CPA.* (We have a parent in our school who is working in the BIR (Bureau of Internal Revenue who records our transactions and preparing our

Annual Financial Statement. He ask a lower compensation as compared to other CPA, the financial manager said.)

In terms of disbursement, the financial manager said that they cannot control it.For instance, they spend on what is needed regardless of whether or not it is included in the budget. *"Lalo na kung DepEd trainings and seminars, pag walang cash on hand, personal na budget ang binibigay namin.* (When there are DepEd trainings and seminars that should be attended to and there is no budget at hand, we get from personal money which we earn from speaking engagement as Pastor and Pastora), the financial manager said.

Also, they do not have financial policies. Since the administrator and her wife are the approving body, they are the ones who evaluate and approve the purchase of supplies. They require several canvasses of suppliers and they prioritize quality over price.

They place a penalty of 5% for those who do not settle their balances on time. "*Hindi ito totoo, kasi hindi naman namin natutupad. Hindi na makabayad, papatungan pa ng 5%, lalo na silang hindi nakabayad. Nakakaawa lang*. (We cannot observe this strictly because we pity the pupils. Concerning the bank reconciliation of what is recorded in the book and what is in the bank, she responded that they do this quarterly.

Asset Management

Once the pastor discovers damage in tangible assets, he has them repaired immediately. With fully depreciated assets they either dispose of them or give them to junk traders, the financial manager said.

They conduct annual inventory checking of assets to check if they are still in good condition, missing, or damaged. However, there is no reconciliation of the results of the physical inventory of assets vis-a-vis what is recorded in the books.

They have no financial assets invested or in bank. They have no periodic review of the property of the designated useful life of assets as compared to the actual usage and wear and tear. In addition, they do not have tagging of their assets and no policies on depreciated assets.

"Ngayong alam na namin ang dapat gawin, iaaply namin ito sa next school year tulad ng asset tagging at reconciliation of the physical inventory of asset and what is in the book."(Now that we know what to do, we will apply it next school year. For example, we will do the tagging of their assets and we will have the reconciliation of the physical inventory of assets and what is in the book. We also will draft a policy for depreciated assets).

Revenue Generation Management

They do not forecast revenues. These are only noted at the end of school year. They do not have income, but they spend a lot of personal money to the operation. *"Puro abono na, may binabayaran pang tax. Bakit sa expenses ako* *taxed, hindi sa income. Kung sa income wala akong tax na babayaran kasi wala naman kaming income."*(Why are we being taxed when we do not have income? We have lots of "abono" and yet we are still taxed), the financial manager complained.

According to the financial manager, sources of income are tuition and miscellaneous fees, books, uniform, and summer tutorial classes. The canteen is managed by their neighbors. *"Ibinigay na namin sa iba. Naaawa kasi kami sa ibang walang hanapbuhay.* (We pity them because they need to earn, that's why we allow them to sell snacks and even lunch for our pupils, she added). By next year, they hope to have full ownership of it. Other sources of income include annual tour, gifts, donations from church and friends. In determining tuition and miscellaneous fees the financial manager said

"*Kinokonsider namin kung panu mag meet ang tuition at expenses. Magtataas kami just to meet the expenses. Actually, nagbaba pa nga kami ng tuition mula sa Php 15,000, ibinababa naming sa Php 11,000 kasama na ang miscellaneous fees, dahil sa tingin namin ay nahihirapan ang parents sa pagbabayad.* (We take into accountthe best compromise to enable the parents to pay; for instance, we lower the rates so that they are more able to pay. From Php15,000, they bring it down to Php11,000; that is already inclusive of the miscellaneous fees. We raise just to meet the expenses).

With the cost of books, they sell them to parents at the regular price given by the supplier. They earn from the 15-20% discount given by the supplier. In terms of the PE and school uniform, they sell it at 15% markup. For tutorials, they pay Php1,000 to the teachers. The school does not take any of the amount paid to the teachers, and it is the school that shoulders the electricity bill. They simply put a Php30-50 overhead on medical and dental fees, respectively. The medications in the school are provided by a nurse, courtesy of a colleague who is a dentist, she added.

Income from the sources enumerated above is inadequate to support quality educational program and continuing improvement plans. "*We are at the point of bankruptcy",* she added. Fees collected are greatly insufficient; the monthly expenses are amounting to around Php 75,000 but the average monthly collection is only Php 25,000.According to the couple, they need 150-200 students to completely cover expenses. They added that with this enrollment they can regain the capital 4 to 5 years from now. With their initiatives to increase enrollment, they stated that their pupils are their endorsers.

Fundraising Management

They raise funds annually through school-based pageants, but for 2017 they held a cake raffle and pooled as much as Php8,000. The biggest amount they earned was in 2014, where they got a sum of Php54,000, which was used to acquire a SMART TV.

The PTA (Parent Teachers Association) is in charge of fundraising. They make the guidelines to be approved by the director as long as the proceeds are for the school. An accomplishment report is presented by the parents. In turn, simple tokens of appreciation are given to them during graduation ceremony.

Debt Management

The short term-liabilities of the school consist of licenses, taxes, and rent while the long-term liability consists of the SSS. According to the financial manager, they incurred a total amount of Php 127,000 liabilities from SSS. *"Hindi namin nababayaran ang SSS, dahil nga kulang at kulang ang collection."*(We were unable to pay the SSS of teachers because of the insufficient collections due to delayed or non-payment of parents), she explained.

They do not follow a special operation procedure (SOP) in paying short-term and long-term liabilities. They simply pay current liabilities as soon as there is cash.

Summary

Although School C claimed they prepare budget plan for the entire school year, still they lose tract of the budget. The monthly expense is three times bigger than the monthly collection. This means they have indiscriminate use of their funds maybe because they lack policies in all areas of financial management. Moreover, with the very tight cash flow due to non-payments of tuition fees by the parents, their personal money is used most of the time to cover the deficit.

This may be attributed to the leniency of the school in collection of tuition fees because of the belief that it is “Christian school” and that is more of a mission than a business. This situation should be given solution or they will not survive school operation in the long run.

SCHOOL D

Participants

The fourth interview was conducted at small private school in Quisao Pililla,Rizal. The administrator is owner of the school and also the financial manager although she did not have work experience, trainings or seminars related to financial management. She finished Bachelor in Elementary Education. She is now 50 years old and has been the administrator and financial manager for 8 years. Before she put up the school, she was a private elementary school teacher serving as a subject teacher coordinator.

Description of the school

The school was established in 2010 at Quisao, Pillila,Rizal. It is a private non-sectarian school renting an area of 500 sq. meters with a school building, a playground, and a space for holding programs and parent-teachers’ assembly. The school building is composed of 7 classrooms and 2 other small rooms. One room is for laboratory and computer room. The other room is four-in-one room because it consists of the library room, guidance, clinic, and office. Size of a classroom is enough to accommodate 25 pupils.

Data revealed that it has a total enrollment of forty nine (49) pupils. While there are 6 teachers, it gives a ratio of 1 teacher to 8 pupils. NKP (Nursery Kinder and Preparatory) tuition costs Php8,000 with an additional Php3,000 for miscellaneous fees; while for elementary the tuition fee is Php 10,000/year and Php3,000 miscellaneous fee. Teachers receive a salary ranging from Php 4,000 – Php 5,000. They have social benefits such as SSS, Philhealth, and Pag-ibig with 13th month pay.

For 8 years of operation, it is still under permit status. Previous result of DepEd ocular inspection advised them to upgrade facilities by providing a separate room for the laboratory, library, computer, and audio-visual and office. It was also referred to add rooms for HE and add playground facilities. Non-compliance may resort to downsizing of grade level offerings.

Financial Management Practices

Cost Management

"Walang gumagawa ng budget. Hindi rin naman nasusunod."(Nobody prepares the budget, it is not executed anyway). If there is an emergency purchase to make, they do not consider the budget; they consider the needs. According to the financial manager, they cannot limit the expenditures. *"We cannot minimize the expenditures kasi pag kailangan, hindi matitipid. Halimbawa ang aircon,*

hindi mo pwedeng tipirin. Pag tinipid mo ang kuryente at papatayin ang aircon nang wala sa oras, panlalamang ang tingin ko diyan at hindi pagtitipid. (We cannot minimize the expenditures. Turning off the air condition during class hours just to save electricity is not "saving" per se but "taking advantage" of pupils because they pay for it), she added.

They do not have policies to limit their expenses. Additionally, they do not monitor their expenses nor prepare monthly financial statement. They prepared annual financial statement once and it was in 2010. *"Hindi ko alam na ginagawa ang financial statement annually. Akala ko habambuhay na iyun simula sa unang paggawa*. (I am not aware that financial statement should be done annually. I thought that it would be one-time submission and it would be for the lifetime of the school), she said. Only then that she learned it must be submitted at every end of calendar year. She was very thankful of the interview because has it not with this study, she would have not known and could have ended with a very big penalty and problem with the BIR.

The salaries of teachers account for the biggest percentage from the budget. *"Malaking bahagi ng collections ay napupunta sa salary at SSS ng teachers. Pati tubo sa libro at miscellaneous collections ay napupunta rin sa sweldo ng mga teachers."* (The collections go to the salaries of teachers and their SSS. Even collections from miscellaneous are spent for the salaries of teachers). They set up instructional facilities, such as libraries and laboratories, but only if they have the budget; they buy additional books and laboratory materials or apparatuses. *Pag walang pambudget, hindi pinaglalaanan*, (If the budget is not enough, we do not appropriate for it),she added. For academic support programs like tutorial classes, the maintenance of facilities is acquired through the tutorial fee. Once the rent and utilities are settled, the rest are given to the teachers.

As to whether financial transactions follow proper budgetary or accounting practice, *"Dati meron kaming binayaran na accountant. Ngayon ako na lang. Wala din akong alam dati sa paghahawak nito.* (We used to commission an accountant, but now I am the only one handling the finances, I did not have idea to how to prepare financial statement), she said. But she still records all transactions, keeps a logbook for it, and issues receipts.

In monitoring expenditures she said, *Kinukumpara naming ang gastos sa nakaraan sa gastos ng kasalukuyan*(they compare the expenditures of the current year to that of the previous year). To her, it is not necessary to adopt a policy to regularly monitor variance analysis of expense because spending is inevitable. None of them knows how to prepare financial plans, and so they do not prepare one for the school.

Cash Management

To speed up collection of accounts receivables, teachers are instructed to remind the pupils for payment of tuition fee before quarterly exams. If parents cannot pay on time, they ask them to sign on promissory notes. They also implement the "No Permit, No Exam Policy" which they apply with much leniency.

They do not conduct aging of accounts receivables because they do not know how to do it. She added that this is the reason why there are many pupils with accumulated balances*." Pag iniyakan ka na, bibigyan mo na lang ng exam kahit walang bayad ang tuition fee, nakakaawa kasi.*" (When students started to cry, we gave them exam even regardless of whether they pay the tuition or not. I pity the students), she commented.

In terms of monitoring cash flow, she said that she just checks the expenses. *"Hindi ako gumagawa ng monthly financial statement kasi hindi ako marunong gumawa*." (We do not prepare monthly financial statement because i don't know how to prepare it, I just check the expenses), she said. They prepared annual financial statement only in 2010. Regarding disbursement, they spend even if it is not included in the budget, as long as it is needed. *"Pag nagpatawag ng seminar ang DepEd kahit wala sa budget, umaatend kami kasi required ito*. (When a seminar is called for by DepEd, we attend to it even if is not included in the budget because it is required), she confirmed.

"Wala kaming policies, hindi ko alam gumawa niyan. (We do not have policies. I don't know how to do it). *Pag may babayaran, bayad agad. Cash ang ginagawa ko kahit pwede namang installment. Kaya natutuwa sa akin ang collector. Lagi akong binibigyan ng mga freebee o regalo kasi kahit daw maliit ang school ko talo ko pa yung malalaking school na hindi agad makabayad ng libro.* (We settle the liabilities immediately. For example, when there are bills, we

pay them right away. We also settle the books in cash even if they can be paid in installment).

According to her, this is the reason why the book agents are very generous in giving them freebies because while other schools even bigger schools pay in installment and have late payments, they pay in cash.

In terms of purchasing supplies, she said she wants a wide variety of options because she goes for high quality supplies. They sometimes prepare bank reconciliation. They give 5% penalty for those who cannot pay but this is not really followed because they pity the pupils and the parents as well.

Asset Management

To ensure that all assets are in good condition, they conduct constant maintenance. "Asawa ko ang nagrerepair." (My husband does the maintenance), the financial manager said. All minor repairs including the changing of bulbs for the lights, repairing electric fans, fixing chairs and tables, and fixing the sound system are also done by her husband.

At present, the school has savings in the bank but it has no time deposit. *"Iniisip kong mag invest sa ibang business para may dagdag source ng budget ang school*. (I am considering this in the near future including the investment in other business to have another source of income for the school). When asked how they ensure that all assets are properly accounted for, she said that they have annual inventory check on assets. However, they do not conduct reconciliation of the physical inventory with what is recorded in the books. Additionally, they do not have asset tagging because they do not know how to do it. As to whether they have policies on depreciation, *"wala kaming policies, hindi ko alam gumawa*." (We do not have them, because I don't know how to formulate policies),she honestly replied. When assets are fully depreciated, they just sell it off.

Revenue Generation Management

When ask if they forecast revenues, she answered *"Hindi ako nag foforecast. Ayaw kong gawin. Kasi yung ine expect ko, hindi naman nangyayari.* (I do not like working on the forecast, mainly because the performance of the school does not meet my expectations). According to her, they only find out the revenues and the expenditures at the end of the school year.

Sources of income are tuition, miscellaneous and other fees, books, uniforms and tutorial classes. This also includes the capital on investment of Php100,000 which was not regained anymore. They do not have canteen. She said that her sister who has a store just across the school sells snacks for the pupils but they are now considering putting up a canteen to have another source of income. Additional source of income includes the school-based pageant such as Mr. and Ms. United Nations and the annual educational tour.

They determine tuition and miscellaneous fees based on the tuition of competitor schools in the area and previous fees. "*Dito pababaan ang tuition fee para maraming mag enroll."* (in our locality private schools lower the tuition fee to attract parents to enroll their kids), she said. Other schools are lucky if they own the school building, for they are not obliged to pay monthly rent anymore." *Mahirap ang umuupa, hindi mo na maibaba ang tuition fee*." (It is hard if the school is just renting because one cannot lower fee anymore, she complained. An additional Php500 is added to miscellaneous when there is a need to raise it.

With the cost of books, they add Php50 to the regular price given by the supplier. They also earn from the 15-20% discount given by the supplier. *"Cash ang libro, pero hanggang August dapat mabayaran*. *Kung hindi mabayaran ng full, may 5% penalty akong ipinapatong sa bayarin nila.* (The books should be paid in cash until August. If the books are not paid in full, they are given a penalty of 5%).she said.

In terms of tutorial fees, she also bases it on the private schools competitor of the same size. "*Tuwing summer, kumikita kami sa Summer Tutorial. Kahit walang nagbabayad ng tuition at miscellaneous pag bakasyon, nakakakuha kami sa tutorial fee ng bayad sa kuryente, tubig at renta. Tapos yung natitirang pera ay hinahati namin sa bilang ng teacher na nagtutor*. (During summer the school earns from tutorial classes, because many pupils attend summer tutorial classes. We get from the tutorial fees payment for electricity bill, water bill, and rent. The remaining money is divided and be given to the teachers who serve in summer tutorial classes).

They also base medical and dental fees from competitors' fee. They also compute for the Doctor and Dentist's professional fees for the annual check-up, medicine, and first aid they provide for the whole school year.

Sources of income enumerated above are inadequate to support quality educational program, and continuing improvement plans. *Sapat lang para magtuluy-tuloy ang operation ng school. Pero hindi sapat upang makabili ng mga kailangan pang facilities for a more quality education*. (They are just enough to continue the operation). She added that there is collection on a daily basis. They do not end up zero or empty-handed, but juggling of funds is inevitable:

"*kung hindi kasya ang collection sa tuition para sa sweldo ng teachers, kumukuha kami sa savings ng books. Minsan nagagamit namin ang collections ng miscellaneous fees para sa sweldo.Ito ang isang paraan, pati ang pag papa cash advance ko sa mga teachers pag may nagbayad para hindi ko na magastos ang pera sa sa pasweldo sa mga teachers* (if the tuition fee is insufficient for the salary of teachers, then they use the savings from books. Sometimes they use the collections from other miscellaneous fees for the teachers' salaries; this and allowing cash advances, according to the school owner, are her way of preventing the school from spending the allocated amount for salaries in other school expenses).

According to her, she needs to have 80 pupils in order to cover all the expenses without the juggling of funds and getting from personal money, since at present they have only 49 pupils. To increase enrollment she said, "*meron kaming* *pakulo na "two-week free summer tutorial at nagbabahay-bahay kami at namimigay ng fliers sa mga magulang"* (we have a two-week free summer tutorial and we alsogo house to house to campaign for enrollment and give fliers to parents). She is uncertain when the initial investment will be returned to her.

Fundraising Management

"*Marami kaming mga fundraising na ginagawa para magkaron ng pondo para makabili ng mga kailangang gamit sa school*." This is the response of the financial manager when asked of the school fundraising. Fundraising includes annual educational tour and school-based pageants such as Mr. and Ms. They also had a contribution which they used to purchase overhead projector. They gain more funds from the pageant by giving each parent an envelope and soliciting for cash; the PTA (Parent Teachers Association) determines the guidelines while the directress (who is also the financial manager) reviews if the objectives have been attained. An accomplishment report is posted on the bulletin board to inform the parents. During the graduation/recognition program, benefactors are mentioned as a sign of gratitude. Winners in the pageant are also given 10% commission to 1st place winner and 5% commission to 2nd place winner.

Debt Management

"Wala kaming utang." Hindi namin pinatatagal ang bayarin, bayad agad. (We don't have liabilities.We pay at once), the financial manager replied when asked about if they have liabilities.The school does not incur short and long-term

liabilities. For social benefits like SSS, they pay it regularly. However, they do not provide Pag-ibig ang Philhealth. With books and other supplies, she pays it in cash even if it can be paid in installment. The only long-term liability that they incurred was the accumulated penalty of BIR because of being unaware that financial statement is needed to be prepared annually. She thought that once it was submitted, it would be for entire operation of the school. They do not follow a special operation procedure (SOP) in paying short-term and long-term liabilities. They simply pay current liabilities as soon as there is cash.

Summary

Although school D does not have budget proposal nor any financial plan and policies, they can survive the school operation without "debt" or accounts payables since they are able pay all their liabilities. The income from tuition of their small enrollment does not suffice for the salaries and social benefits of teachers, but they are able make both ends meet by using the income from other fees like miscellaneous, book, uniforms and fundraising activities. However, in order for the school to sustain operation, they need enrollment strategies to increase enrollment so as to have enough funds for the improvement plan.

School E

Participants

Fifth interview was conducted in small private school in Jala Jala, Rizal. Present during the interview was the Director of the school who is also the financial manager. The director is a pastor who is already 63 years old. He has been the school head and the financial manager for ten years. He finished Bachelor of Science in Theology, and a Master's in Divinity.

He had been a teacher in bible school for ten years. He was then employed in the Local government as a secretary of the municipal mayor in Jala Jala, Rizal for nine years before he put up the school. He had a course in basic accounting 1 and 2. He had no work or training experience related to financial management.

Description of School

The school is located in a sitio of Jala Jala, Rizal. It is established in 2008 by the Pastor and a Korean Missionary whose aim is to reach people easily to be able to teach the Christian religion and the "proper way of praying". During previous years, they went house to house to teach Christian religion. Now, they no longer go house to house to teach children. It is the children that come to them and through their curriculum they can teach the children regularly about the Christian religion.

The school has a total area of 5,000 sq m or ½ ha. There is a school building for Preschool, Elementary, and High School. Separate rooms are provided for library, laboratory, audio-visual, computer, and canteen. A new school building is on construction for the proposed Senior High School for the coming school year.

At present, the school has a total enrollment of 70 pupils. The school's course offerings include NKP, Elementary, and Grades 7 – 9. There are nine teachers, giving a ratio of 1:9 or 1 teacher for every 9 pupils or students. Salary of teachers ranges from Php4,000 – Php5,000. They do not have social benefits.

Financial Management Practices

Cost Management

They worked on a budget proposal at first, in compliance with the requirements of the Department of Education and kept rewriting it in the following years. "*Sa aming estimate ng budget, kinokonsider ko ang tuition fee, salary of teachers, repairs and maintenance. Ang building naman ay ipinagawa ng Korean*o. (In my budget estimate i consider the salaries, repairs, maintenance, and the tuition. I do not include the building, as it is sponsored by Korean missionaries), the financial manager said when asked what he considers in a budget.

"Ang budget mula sa collection ay laging kinukulang. Walang natitirang savings. Ang marami ay collectibles. *May pagkakataon na hindi nakakasweldo on time ang mga teachers*" (The amount from the collection is always lacking: we do not have anything left for savings, and we have a lot of collectibles.There are times when teachers do not receive their salary on time). "*May pagkakataon din na naputulan kami ng kuryente dahil sa hindi agad ito nabayaran*."(There was once a time when the electricity in the school was cut due to late payment).These

were the responses of the financial manager when asked how he ensures that purchases is within the budget. *"Napakahirap ng maputulan ng kuryente. Sa labas ng classroom sila nag-aaral kasi mainit at medyo madilim sa room. Ilang araw din naming tiniis iyon"* (It's hard to have your electricity cut off; the students are forced to hold their classes outside of the rooms because it's too hot and dark there. We had to endure this for days). This is the reason why usage of utilities such as electricity and water is monitored, as this is what they frequently settle to avoid cutting of services and placing the school in a difficult situation. This is also their way to minimize expenditures. But the budget for school supplies cannot be cut short.

They do not have policies to limit expenses, nor do they monitor them. They do not have monthly financial statement or even annual financial statement, nor do they file their taxes. Almost all of the collections go to the salaries of teachers. He said that they can no longer cover for instructional fixtures like the laboratory, library, and the computer—and so the Koreans provide it for them. For student services like athletics and other competitions, they only engage in school level competitions as they are not a member of RIPRISA. The Korean missionaries provide the medical and dental services annually. They always bring large quantities of free medicine for the children. For community outreach program, the school and PTA shoulder the funds.

For faculty development like trainings and seminars, they send off participants at once if they are provided by the Department of Education. But he complained that he lost interest in doing so because teachers leave the school the moment they pass the Licensure Exam for Teachers (LET). "*I leave their development to the government, anyway they will go to government schools as soon as they passed the exam*," he commented.

As to whether the school ensures that all financial transactions are safeguarded through proper budgetary procedure and accounting practice, he is quick to say that everything is easy to compute. "They make corrections as needed and balance the sheet. They also issue receipts.

According to him, utilities take up a large amount of their funds, so there are times when they do not give salaries to fully settle their balances. They do not need a variance analysis because according to him it is unnecessary since their finances are quite simple.

For now, they do not prepare financial plan, as they are contented with the support they receive. They do not see it as that much of a problem—as long as they can survive, they are good.

Cash Management

"I had a total amount of Php 60,000.00 collectibles last year. Mas maganda mga teachers ang mag collect kasi naghihigpit sila dahil wala silang susuwelduhin pag hindi sila naghigpit." (It is better to have the teachers collect the funds as they are much stricter, their salary depends on their discipline in collecting receivables. When I perform the collection, less people settle their payables and my image seems tainted).

Another reason why he lets the teachers work on the collections is so that they know he is fully transparent when it comes to giving them their salaries.

They do not have aging of accounts receivable. The teacher who collects tuition prepares the cash flow statement. *"Collection at expenses lang. Simple lang at madali lang I compute*." (Collection and expenses are the only included in the "cash flow" being prepared by the teacher. Computation is simple and easy). He just does a quick review and approval.

The approving body is the director himself. They have no policies in terms of disbursement, *" simpleng simple lang ang aming pinansyal"* (our financial statement is simple), he commented. Besides, they do not prepare financial statement. "*Walang kaming savings dahil walang natitirang pera."(*We have no savings in the bank because there is no more money left for savings), he added. They do not have policies regarding liabilities. They just pay the utilities like electricity.

They conduct several canvass prior the approval of purchase of supplies. However, he stated that they do not have procedure for approval since he is the one who does these. For example, he approves and makes purchase. "*Pag nagconform sa curriculum ng Deped"*,(When the book follows DepEd Curriculum), he approves for its purchase. Besides these, almost all school supplies are provided by the Koreans for free. Only the school ID and uniform are bought by the pupils and students.

With regard to policy for students who cannot settle their balances on time, he said that they do not strictly follow the “No, Permit, No, Exam Policy” “*Mission kasi ito*”(because it is a mission); hence, the policies are hardly enforced. They remind those who have big debts. They give them exams once they settle their balances. For 2-3 students with large balances, he no longer counts on them to settle and simply marks them off as bad debts. He lets them transfer to public school instead of increasing their payables.

Asset Management

They ensure that all our properties are secured. The rooms have padlocks installed in them, and they conduct inventory checks. He does the inventory check so that he knows what is missing. He also conducts reconciliation of the results of the physical inventory of assets to compare with what is recorded in the books. Additionally, he performs periodic review of the property of the designated useful life of assets as compared to the actual usage and wear and tear. But they do not have tagging of their assets. Also, they do not have depreciation policies; if an item is damaged beyond repair, “*pinamimigay na namin*” (we simply give it away; we do not sell it off),the financial manager said.

Revenue Generation Management

They forecast revenues and take into account the following: enrollment, books, tour, additional income, and the monthly Php12,000 support from the Koreans.

Over-all sources of income consist of capital and the Php12,000.00 monthly support from the Korean missionary, income from tuition and other fees, books, and uniform. “Other source of income includes tour, PTA (Parent Teachers Association) fundraising, and print out.

The canteen is for the pastor and his wife. It is no longer a stream of income for the school. His wife is the main vendor, whose income from the canteen is what helps them sustain their basic needs. The pastor does not earn from the school.

They base the tuition and miscellaneous fee on the parents’ capacity to pay, as they come from low-income families wherein livelihood mostly comes from fishing and farming. On the cost of books and uniform, they simply add 15% on the price given by the suppliers. Books are paid on cash basis. They have a “No Cash, No Books” policy. Since medical and dental are provided by the Koreans for free, they do not charge it in the miscellaneous fee. The electricity is likewise free of charge because the budget is taken from the Php12,000 monthly support from the Korean. However, Pastor said that even when they have collected payments from all of them, it is still insufficient to cover the needed Php28,000 for the teacher’s salary he hired to take over his Math subject.

Therefore, the over-all income enumerated above is not adequate to support quality educational programs and continuing improvement plans, the Pastor stated. For instance, he said that in terms of competition with other private schools in the locality, they are left behind because of their limited facilities.

They do not have overhead projectors, flat screen television, and the like. They also do not have air conditioned room which some parents want for their children.

According to the Pastor, they need to double their enrollment from 70 to 150 pupils and students in order to meet all the expenses. To raise enrollment, they advertise through tarpaulins and they go house to house. Pastor proudly said that one of the main advertisement is the ‘Free Summer Tutorial Korean Language” and the best feature is that the students are given “Free Tour to Korea” after the summer classes. One strategy is their discounts and scholarship. Twenty percent or 20% discount is given to 1^{st} honors and for 2 siblings, one has 50% discount on tuition fee; while with 3 siblings, 1 is 100% free tuition fee. Another solution is that the Korean missionary provided capital for the construction of a new school building and for the purchase of facilities so that they can be qualified to offer Senior High School. Pastor hoped to recover with the help of government’s subsidy for grades 11 and 12; and he predicts that 4 to 5 years from now they can recover their initial investment.

Fundraising Management

The school raises funds through tour, PTA fundraising and cash donations. Tour is done annually with the PTA fundraising. The PTA handles it, only requiring that the school earns Php500/pupil. The tour is not compulsory. If the student declines to join, they are required to donate with the needs of the school. The major consideration for its approval is it must be for the benefits of the school and there must be a consultation between parents and the administration.

Collection and expenses schedule is posted on the school's bulletin board. During program and meeting the benefactors are being recognized. In their previous fundraising, the proceeds went to the concretizing of fence where names of the benefactors are written on it.The previous PTA fundraising earned more than 100 thousand pesos. "Nagbigay ng 1 buwang sweldo ang PTA para sa mga teachers". (The PTA gives a monthly salary for the teachers),Pastor related.

Debt Management

The short term-liabilities of the school consist of salary of teachers and books. They do not have long-term liabilities. They do not have policies and SOP (Special Operating Procedure) in paying liabilities. They simply pay current liabilities as soon as there is available cash. They do not avail of loans.

Summary

The school, while financially supported by the Korean missionaries, always lacks sufficient budget to cover school expenses including the salary of teachers. The tuition is low, and they charge miscellaneous only for specific item since other expenses are paid for by the monthly allowance provided for by the Koreans. The big amount of collectibles is a result of late payments and non-payment of fees which may have stemmed from the belief that it is a Christian school with ever understanding and forgiving school head, the Pastor.However, the present financial situation does not stop them from continuing its educational service to the people where the school is located. In fact, a new building for senior high school is being under construction when this study was undertaken. This may help the school in its financial struggle since, they will have a sure income since the government will be the one to pay the tuition of the students and not the parents anymore which either do not pay or delay the tuition payment.

SCHOOL F

Participants

The sixth interview was with the Financial Manager/Cashier (i.e., the Director's wife) for this respondent school. At 51 years of age, the Financial Manager/Cashier has held a fair amount of years of work experience within the school. The Financial Manager/Cashier graduated with a Bachelor's Degree in Junior Secretarial at the local Catholic college, and has 15 years of teaching experience under the respondent school. In addition to this, she has been serving the school as their Financial Manager for 3 years. The interviewee claims to have no background experience on financial management for the reason that the Department of Education does not offer training in the said field.

Description of the school

Established in 2005, the school is a non-sectarian institution now in 13 years of operation. It is affiliated with Born Again Christian church and is under "Permit" status. It is located uptown and has 22 pupils enrolled in the NKP level, 101 in Elementary, and 54 in Secondary level, leading up to a total of 184 students. There are 14 faculty members and 5 non-teaching staff. The teachers and non-teaching staff are paid Php4,000 – 5,000.00 monthly.

The school buildings are fully-owned by the school owner, with a two-story building under construction. A total of 9 classrooms accommodate the students. They have library, laboratory, and computer room.

Financial Management Practices

Cost Management

At first, the Director prepared a budget proposal when they applied for government permit to operate to comply with the requirement. “Sinusunod ko na lang ang ginawa nung naunang cahsier dito sa school. Okey naman yung ginawa niya.” (I simply follow the initial budget proposal and starts from there.The budget proposal made was promising enough), the financial manager said.

They ensure that purchases are within the budget, the financial manager claims they automatically spend the budget on the basics (utilities, maintenance, salaries and wages, etc.). On minimizing expenditures, they opt to save on utilities and put projects on hold in the event. *“Kapag wala nang budget, ititigil na. Basta, kapag hindi na pwede at wala nang budget, hindi na itutuloy”*(If we run out of funds, we stop the project). They monitor their budget versus annual expenses by preparing annual financial statements.

“Nag aapropriate kami sa instructional materials like laboratory kung may sobrang pera. Hindi kami nagdadagdag. Nagrerepair lang kami” (We appropriate budget for their laboratory, but only when excess cash is available. For the most part, repairs are made for the said facility), the financial manager

said when asked if the school appropriates for instructional materials. They also have other funding for their student services; athletic, school competitions, medical and dental are funded with the miscellaneous fees; while the community-outreach programs receive funding from the school itself. They properly record transactions, issue receipts, do bookkeeping, give vouchers, and monitor the cash flows.

While the Financial Manager is in charge of monitoring the expenditures and compares the budget with the actual expenses, they do not have a long-term financial plan."Walang gumagawa niyan dito, kasi hindi alam gawin." (No one prepares the financial plan because we do not know how to make one), the financial manager commented.

Cash Management

School F frequently applies various measures to speed up the collection of accounts receivable to ensure that 1) the school maintains a good amount of cash to be liquid enough; and 2) the students do not incur large balances that they may find difficult to settle. "*Monthly kami nagpapadala ng memo,"* the interviewee said, noting that they allow promissory notes, send in statements of account every exam period, and implement a "No Permit, No Exam" policy. They still allow students with unsettled balances to enroll in the upcoming school year.

In addition, they also prepare aging schedules for receivables. As a last resort, they consult with the parents to have their child transfer schools if they really are unable to pay for the tuition and other fees, in order to avoid the further increase of the parents' payables to the school. While they do monitor the cash flow by way of an accountant from their affiliate church, no one in the school prepares the actual cash flow statement due to the lack of knowledge in doing such. School F's Financial Manager, however, wishes that there were such trainings offered by the Department as a means of development in the managerial aspect of the school.

Disbursements are controlled through approval of the director; as a rule of thumb, the Financial Manager always checks if the purchase is within the budget and does not release funds if it is not included therein. The Director alternates between the Financial Manager and the Principal when it comes to the set of approving authorities on disbursements. There is no policy stated and implemented on liabilities. They seldom prepare bank reconciliation, as the distance of banks to the school and the low need for such action are deemed not frequently needed.

"Minsan lang kami nag rereconcile pag lang may pumasok na cheke. Minsan lang din kami magdeposit at checke lang. Wala kaming regular cash savings at lahat ay umiikot sa mga expenses sa sweldo at utilities. Isa pa, wala namang banko dito sa Sampaloc. (We rarely do bank reconciliation. Only when there is check. We do not have savings because the collections go immediately to the salary and utilities. Aside from this, there is no bank here in Sampaloc. We deposit checks at Tanay town proper which is 9.45 kilometers from here).

School F does not require canvassing of supplies, nor do they have approving authorities and/or committees for the acquisition of supplies; instead, the students themselves purchase their school supplies and have their uniforms made. Regarding policies for students unable to settle their financial obligations on time, they do not force the students to pay on time.

Asset Management

Through the annual inventory checks and proper storage and maintenance for supplies, School F ensures that all assets are in good condition and are properly accounted for. Income from the financial asset is saved right in the bank, and all assets are insured. While they do not currently perform asset tagging, the Financial Manager is open to applying it to the school. No depreciation policies are in place. *"Kapag nasira, ibibigay na lang namin o 'di kaya'y ibinebenta"*(If it's already broken, we either give it away or sell it off).

Revenue Generation Management

They do not forecast revenue, but they run the numbers at the end of the school year, adding that they use the tuition from previous school year as their reference for the new fees, and that they simply add Php50.00 annually to their rates. They apply the same basis for miscellaneous and other fees; as for the books, uniforms, and other expenses, they add a markup of Php10.00. Tutorial services are pegged at Php100.00/hour; while medical, dental, and other services provided by the school are given various rates that are not subject to increase. One means that they have applied to maximize the school's profit is their recently-established school canteen, although purchasing of snacks and lunch for the students is not compulsory. Apart from this, they hold fundraising activities to boost revenue generation and make sure that the rates they offer to the students are adequate not only to sustain the quality of education they promise but also to allow just enough room to continuously improve the school.

To increase enrollees, School F applies scholarship grants and discounts for enrollees (siblings in sets of 2-3), at 5-10%. The fees are collected and allocated for their intended purposes, and are aggregated to wholly compose the school budget.

Overall, the respondent school's financial resources can be attributed from tuition, other fees, the school's Parent-Teacher Association (PTA), and the capital raised by its partner church. At present, their financial resources are enough to sustain operations and to keep the school stable, service-wise. The respondent school utilizes traditional advertising (i.e., tarpaulin, flyers), to market the school with the end goal of increasing enrollment. For them to meet their break-even point, they claim to require a total of 150 students enrolled.

Fundraising Management

According to the Financial Manager, the school conducts fundraisers through the school pageant, with the PTA setting up the rules and regulations for the said activity. While external fundraising is not allowed, the major consideration for fundraising activities held under the school's name is that proceeds must be used for the improvement of the school's facilities. These fundraisers are proposed and presented by the PTA to the Director, Principal, and the PTA heads. Once approved and implemented, the fundraising projects are submitted to the benefactors. The PTA allocates a percentage of the proceeds from the fundraising activity and gives it to the benefactors as a means of giving back.

Debt Management

The school ensures that it is immediately cleared of short-term liabilities by paying for books in cash, settling monthly employee benefit contributions (i.e., SSS, PhilHealth, and PagIBIG), and being mindful of the deadlines set on the payments. For long-term liabilities, it took out a loan amounting to Php200,000.00 from a supplier of books in order to have the 2nd floor of its building constructed.

Summary

School F handles finances efficiently even without proper training and background in financial management. Constant monitoring of funds, limiting expenditures to basics and necessities, and strategies used to minimize long unpaid accounts are contributory factors for the financial efficiency. Moreover, the considerable enrollment in elementary gives the school sufficient income to cover school's operational expenses. In addition, fundraising and donations from church partner also help in the improvement plans of the school like the construction of new story building.

Emerging Themes

The researcher interviewed six (6) respondent schools that fit the criteria, and these schools selected were represented by both the school owner and their financial manager. Using cross-case analysis, several common trait and patterns were identified among the six cases, with many unique differences as well. Cross case synthesis is the most relevant method of analysis when a study consists of two or more cases (Yin,2009). Cross case synthesis allows the researcher to learn from different cases and gather important information to compare one case to another and explore differences.

The following themes emerged from the study of financial management practices of six small private schools. From each of the six areas, the researcher was able to extract sub-themes and narrow it down through the practices of which the themes were manifested. These themes and subthemes were described in relationship to the previous literature studies and relevant concepts.

Cost Management

Theme 1:Needs-based budgeting

The respondents address their finances according to the importance and urgency of needs. In a personal interview, they claimed that planning resources and expenses for their budget consists of basic needs of operation such as salaries of teachers, utilities (i.e., electricity, water), taxes (if any), and licenses. All of the respondent schools also stated that they strictly allocate a budget for the required DepEd trainings and seminars. These, among other things, are what the respondent schools claim to take into consideration in their finances. Upon close inspection, the researcher noticed a pattern in how the respondent schools categorized their needs. This method of categorization is similar to the Time Management Matrix released by Covey (1989) in his self-help book *The 7 Habits of Highly Effective People.* According to Covey's third habit "Put things first", efficacy in leadership starts with sorting out tasks according to their level of importance and urgency, a matrix of which is shown in Figure 2.

	URGENT	NOT URGENT
IMPORTANT	*Quadrant I:* Urgent & Important	*Quadrant II:* Not Urgent & Important
NOT IMPORTANT	*Quadrant III:* Urgent & Not Important	*Quadrant IV:* Not Urgent & Not Important

Figure 2. Covey's Time Management Matrix.

This way of budgeting helped them for the entire years of their operation. Schools A and B are now on their 14th year; while Schools C, D, E, and F are on their 16th, 8th, 10th, and 13th year of operation, respectively(see Table 6). In an interview, all of the respondents admitted that they do not prepare budget proposal annually. They have it prepared only at the beginning of operations to comply with the Department’s requirements to be granted permission to operate.

Table 6

School respondent’s years of operation

School Respondents	Date established	Years of Operation at the time of study
School A	2004	14 years
School B	2004	14 years
School C	2002	16 years
School D	2010	8 years
School E	2008	10 years
School F	2005	13 years

source: profile of school respondents

They no longer adjust the proposals for the coming academic year; instead, they simply base the budget off the initial proposal. Admirably, they go on with their existence even without a financial plan that may guide them to sustain the school operation.

Although budget proposal is helpful in determining major expenses to consider and in future decision making, it is not given as much importance as it should due to their lack of knowledge. As a result, the schools’ budgets have no accurate and updated financial framework to guide operational expenses for the whole year. If they have planned for resources and expenses not only for the basics but also for the necessary school improvement areas that need appropriations, then they will know in advance the shortcomings in the budget proposal thereby anticipating solutions for the expected problems.

Theme 2: *Bunot-bulsa*

The respondent schools run on a tight budget (i.e., insufficient) to make ends meet in operations; often, said budget does not even cover all of the expenses nor include room for contingency. They check all the needs for the academic year and choose to forego what they deem unnecessary for survival in the entire operating period; any residual funding is used for other necessities initially dismissed. In the case of a deficit of budget on the essentials, the school owners shell out their personal funds to fill in the remaining needs in a practice that Filipinos call ***bunot-bulsa* or *abono.***

School A participants said they do not appropriate funds for athletics and other competitions; instead, they use the budget for other school needs. They only appropriate for instructionals like library and laboratory when there is "leftover" from the budget. The financial manager continued saying that,

" *Pag delayed ang bayad ng parents, ang source ay personal.*" (If the payment is delayed, they use personal money in the deficit) (Personal communication, Jan. 26,2018).

School B purchases required laboratory equipment and apparatuses only during ocular inspection, and sometimes they give allotment to other needs when there is good collection. If there is none, the directress of the school uses her own money to purchase the needed materials (e.g. reference books for the library).There were also times when payment for books and licenses were loaned from the family members. School B went on saying that, *"Kulang pa ang nasisingil para sa operation. Lagi pang nag-aabono."* (The collection is always lacking. We always fill in the deficit using personal money) (Personal communication, Feb.2,2018).

While School C participants use their personal budget for DepED trainings and seminar, the personal money comes from their "speaking engagement" as Pastor and Pastora. "*Wala kaming sweldo sa paaralan, ibinibigay pa namin ang aming personal na kita."* **(**We do not have salaries, we even give our honorarium from our speaking engagements) (Personal communication, Jan.15, 2018). One study revealed that sustainability relies on relevant mission activating "passion and heart" for what the school is doing, and personal sacrifice by faculty, and parents (Demirbag, 2014). The bunot-bulsa or out of pocket, is also one of the factors of the respondent schools' sustainability.

School D purchases only when there is budget available. With DepEd trainings and seminars, School D's owner uses her personal money for the expenses and registration. School E claimed that budget for the library and laboratory were all provided by the Korean missionaries because they can no longer appropriate for it due to insufficient budget.

Five out of six respondents stated to have *bunot-bulsa* o *abono* to fill in the deficit in their operation. Most of the respondents complained that doing the *abono* or out-of-pocket practice, once spent on expenses, were not given back to them anymore. This trait of the respondents, however, manifests the Filipino value of “sacrificing” for others. This may help the school operation in getting things done or fulfilling obligations; but high out-of-ocket expenditures have negative effects, often related to unsustainability of a school operation.

Theme 3: Cost -Cutting

Most of the school respondents do “cost-cutting practice” to spend within the budget available and to even spare the budget available for school necessities. This is similar to the successful financial turnaround strategy made by the respondent in the study of Nuyles (2012) on financial turnaround of basic private school institution. In her study, the respondent school was on a brink but was able to recover through the presence of concerted effort (supportive culture) and management. In addition, the traits of the turnaround leader that influenced the schools’ success are other socio-cultural values, sticking to core competence, strengthened financial management, and marketing

In the present study, most of the respondent schools minimize their usage of utilities and make it a point to use only as needed. School A stated that every morning they would go room to room, reminding to save water and electricity because they believe that constant reminders is a technique for the children and teacher alike to remember saving water and electricity.

To save in electric consumption, School B turns on the air conditioner one hour after the start of classes and turns it off 30 minutes before the end of classes.

In addition, they do not turn on the air conditioner during cold weather. In this instance, "no usage, no payment" is applied. What is important is to reduce electricity consumption. For repairs they hire **low-cost services** (e.g., electricity); and school B calls unlicensed electrician for a lower fee. Aside from this, they also reuse bond paper to save money.

School C saves electricity by holding half-day classes on Mondays and Fridays. They also turn off the air conditioner 10-15 minutes before the class is dismissed. School E saves electricity by regular checking of ceiling fans and lights every after classes. The Pastor does it himself, because according to him there was an instance one midnight that a ceiling fan overheated and almost caused "fire" in the ceiling of one classroom. He smelled a burning smell and saw smoke coming out of the room. He immediately turned off the main switch and put out the fire using fire extinguisher. Since then, he regularly checks the lights and fans. They also save water by collecting rainwater for the plants. They keep it and cover it tightly to be free from mosquitoes. They use the water as needed.

Supportive culture and socio-cultural values manifested in the findings of Nuyles, are also evident with the practices of the respondents in the study. In fact, all of the respondents resort to "**gratuitous services"** from employees, friends, and relatives. The medical and dental services of School B are provided by the family members of the school owner. An Optometrist usually holds eye-checkups at the beginning of the school year for free since the doctor is a daughter of the school owner. The dental check-up, meanwhile, is provided by the friend of the financial manager for free. The school only gives gifts for the services.

School C also provides medical services through the assistance of one of his teachers who is a registered nurse. Dental services are provided by her aunt, a dentist. They also donated medicines for toothache and headache. According to the school respondent, some of medicines were given by the nurse's friend who is working in a pharmaceutical company.

The cost-cutting practices helped the respondent schools cut their expenses in terms of utilities and other student services. This lightens the burden of the school respondents in their appropriation of budget at hand.

Theme 4: Nepotism

This is the practice of showing favoritism towards one family members or friends in economic or employment terms (Don, 2000). Granting favors or jobs to friends and relatives without regard to merit might be considered nepotism. In the present study, the respondent schools manifest this kind of (mal)practice.

In school A, the head, a Pastor is the financial manager and his wife is the cashier. In school B, the financial manager and cashier is the daughter of the Directress (school owner). School C also owns the school; the Pastor is the administrator and his wife is the financial manager and cashier.The administrator of school F is the owner of the school, and his wife is the financial manager and cashier. Based on the profile, the financial managers do not have the necessary educational background on financial management nor do they have trainings and seminars on this area.

This practice may have negative effects on businesses such as not getting the support of non-favored employees. In some large companies, they have anti-nepotism policy which prevents relatives by blood or marriage from working in the same department. However in many small, family-owned businesses, nepotism is regarded in a most positive way. Family members are appointed to important or sensitive positions like the head of the business, the assistant head, and in the case of the present study, the family members are appointed as the financial manager and cashier. Many small businesses have their family member responsible with collection and keeping the finances of the company. This shows the trust and confidence to family members in handling the finances of the business. Other members are hired in the belief that they can be depended on as dedicated employees who have concern to company's goals than any other employee in the company. Still other members of the family are appointed in other positions to ensure the continuity of the company when members retire or die.

To give light to the problem, the words of Aronoff and Ward (1992) still ring true today. They recommended that in Family Business succession, family members meet three qualifications before they are allowed to join family business on a permanent basis: an appropriate educational background; three to five years' outside work experience; and an open, existing position in the firm that matches their background. They added that work experience is the most important for both business and the individual. For future successors who will be future managers, the wider experience base will make them better equipped to deal with challenges, help them learn and make mistakes before managing the family's business.

Armstrong (2014), Calderon (2008), Hinayon (2000); and Santiago (2008), affirm the words of Aronoff and Ward on the importance of school finance administrators' competencies in relation to finance as crucial in the sustainability and viability of the schools especially small private schools operation and existence in the years to come.Armstrong revealed that keen awareness of the president on financial matters is a factor for sustainability of small colleges and universities. The findings of Hinayon exhibited the need for emphasis in performance evaluation, training, and development of people in the organizational financial set-up. Still, Calderon found out that the sample institutions in her study are financially viable and sustainable mainly because the school finance administrators are competent.

With regard to the present study, all school heads/administrators/principals and financial managers admitted that they do not have educational background, nor seminars and training experience in terms of financial management. This is the reason why all school respondents do not make necessary planning when it comes to school operation. They do not prepare budget proposals nor do they prepare monthly financial statement; cannot interpret the entries in the annual financial statement, and they do not have policies and standard operating procedure or SOPs in their transactions due to lack of knowledge.

However, in a small business like the small schools, appointing family member without qualifications cannot be avoided. With the meager income the small private schools have, hiring family members helps the company to lessen the expenses in terms of salary; since a family member is the first one to know the situation, he/she may not demand basic nor higher salary. He/She may even opt not to get salary from the company and will just consider it as a sacrifice like the financial managers and cashiers of the respondent schools.

This is manifested in almost all of the respondents. The directress, principal and financial manager of School B do not have salaries for their services. They are given monthly allowance only if the collection is good. The administrators and financial manager of School C do not have salaries also. They said that the capital they put in the school has never been regained. School D administrator, on the other hand, does not give herself a salary because the collection is enough for the teachers only. School E administrator does not pay himself for the services he renders. The income from canteen managed by his wife is the source of their sustenance.One study revealed the same circumstance. The sustainability of the school under study relies on relevant mission activating “passion and heart” for what the school is doing, and personal sacrifice by faculty and parents (Demirbag,2014). This is true with the present study.

The practice of Nepotism helps to minimize the expenditure in terms of salary and benefits of employees. However, the small private schools must begin to upgrade their knowledge and skills if they want to stay in school business. They must equip themselves with the necessary skills and knowledge if they want to stay in educational business.

Unique Practices

1. Shoestring- budgeting

School A participants do not purchase if there is a request (i.e.g. a new electric fan) which is not within the budget. Although they do not have policies to limit expenses, they strictly follow their rule of thumb "*kung anung nariyan yun lang ang gagastusin*." (We only spend the cash at hand.) (Personal communication, Feb.5,2018). It helps prevent them from spending beyond their means.

School F does not have purchases; they only do repairs of the existing equipment or facilities. The administrator said, "*pag may budget tuloy ang pagpapagawa namin ng karagdagang classrooms, pag wala ng budget tigil na ang pagawa."* **(**When there is budget, we continue the construction of new classroom buildings, if there is nothing left i tell them to stop.(communication, FEb.5,2018).

This practice of the two school respondents does not place them in problematic finances as revealed by the rest of the respondents. They have sufficient fund to appropriate for the basic needs of the school because they only spend what they have. They do not spend beyond the cash on hand. It manifests a Filipino practice, "*Habang maikli ang kumot, matutong mamaluktot*" (when the blanket is short, learn to curl up*)*.

2. Prioritization

While almost all the school respondents give priority on DepED trainings and seminars even using their personal budget for the expenses, School E no longer sends teachers on seminars and trainings by DepEd. The respondent gave the responsibility of professional growth of his teachers to the government. "I*pinauubaya ko na sa gobyerno ang professional growth nila. Aalis din naman sila pag nakapasa na* (personal communication,Jan 26, 2018). (I am entrusting the government the professional growth of my teachers, since they will leave our school once they passed the LET (Licensure Examination for Teachers).

The respondent school is concerned on the investment the school gives to his teachers. He sees the practical side of his decision; however, he must also bear in mind that knowledge gained from the seminars and or trainings will be additional knowledge to the teacher, and this knowledge will be imparted to the pupils and students; and the school as a whole will benefit from them. Besides, often times when DepEd calls for seminars, the topics are the guidelines for the implementation of new policies needed in the operation of public and private schools.

Cash Management

Theme 1: Lenient Policy Implementation

Almost all school respondents manifest a leniency in policy enforcement. This puts them to difficult situations.

School B said that they strictly implement "NoPermit, No Exam policy" beginning September when the savings in the bank ran out, and there is no more available funds for the salary of teachers. From September onwards they would wait for the examination period so that they can have budget for the teachers' salary. There were times when teachers' salaries were delayed. However, even if some children have large payables in tuition fee, they are given exam provided that they pay even a small amount. (e.g. the balance is Php 15,000 and the child pay Php 1,000), the reason of which is, "*Naaawa kasi ako sa mga bata*." (I pity the children)(Personal communication, Feb 3,2018). It is only in December that the stricter policy is implemented when the school is experiencing "tight cash flow," which maybe a result of leniency in collection for the past months. This has also caused the accumulation of school collectibles. During this month the school takes the opportunity to collect payments from parents who have big accounts since parents receive 13th-month pay and bonuses so that the school in turn can also provide for the 13th-month and salary of teachers. Most parents pay, while others need to be collected personally; so teachers go house to house to collect payments. They need to do this because the average total collectibles from tuition fee alone have reached to about 250 thousand pesos.

Strict collection in December is an opportunity because parents receive 13th-month pay and bonuses during this month. According to the Household Final Consumption Expenditure (HFCE), Filipinos put education on second priority next to food. Another survey proves this, saying that 19% of the respondents are using their 13th-month to settle their child os sibling's school fees. This is an opportunity for schools to collect payments and pay for the pending school obligations.

To speed up the collection of collectibles, School C frequently issues promissory notes and notices; they always coordinate with the parents when it comes to payments. Like School C, they also have big collectible amounting to as high as Php 50,000 in one pupil.*"Nagbabahay-bahay din kami para makasingil. Meron nagbabayad ng Php100, meron naman 200."(*We also go house to house in order to collect payments. Some of them pay as Php200; some of them pay as low as Php100). They do not strictly follow "No permit, no exam" policy, as they tend to yield to the pressure of disappointing the pupils. Because of this, accounts of pupils accumulate overtime.

The financial manager complained that, "*May mga parents hindi makabayad ng utang nila,tapos makakasalubong mo sa supermarket, naka big cart at punung puno ang cart ng pinamili. Ako yata ang nahihiyang makasalubong sila".* (There are parents who cannot pay their children's balance; but when they go shopping, I am the one ashamed to see them pushing the big carts full of grocery items) (Personal communication, Jan.15,2018).

School D is not strict in the "No, permit no exam policy". *"Pag iniyakan ka na ng mga bata, bibigyan mo na ng exam." " Mission kasi ito." (*When the pupils begin to cry, i pity them. I give them exam anyway. *This school is a mission."* School E said that they rarely implement the no permit no exam policy and they only do this to pupils with big accounts. *"Mission kasi ito.*(This is a mission school) (Personal communication, Jan.25, 2018). School F still accepts the pupils and students for the coming school year even with unsettled accounts. They are advised to transfer to avoid accumulation of debts; however, they do not transfer to public school. But they also implement 'No Permit, No Exam policy but only with students with big accounts.

Obviously, the leniency in policy implementation has caused the respondent schools in difficult financial situation. In a study of how the three small colleges were able to revitalize themselves and avoid extinction, Hayes (2003) noted that some of the respondents in his study felt the need to shake up the institution's culture and practice strictness in implementing financial policies. He emphasized how leniency has caused the drain in the finances. He also added that the older administrators and leaders should be replaced with new ones in line with the new preferred strategy for turnaround.

The leniency policy may be rooted in the religious orientation of "pity" to the unfortunate pupils who cannot settle their accounts, because of the usual reason provided by the school owners, "*Mission kasi ito*" (This school is a mission) (personal communication, Jan 15, 2018). This orientation has put the respondents schools to difficult situation of accumulation of collectibles which in turn resulted to accumulation of payables, penalties, and interest of unpaid liabilities. School respondents should bear in mind that school is a business and at the same time a mission; but a mission cannot be carried out without the funds from the business side of the school. To carry out the mission, goals and objectives should be achieved. To achieve goals and objectives, there must be fundings that will finance the projects and activities.

School respondents must be stricter even at the beginning of enrollment in order to prevent accumulated accounts. If the school is stricter even at the beginning, both the school respondents and parents will not be experiencing a lot of pressures and stress in the collection (on behalf of teachers and financial managers) and payment (on the side of parents and school respondents). Moreover, parents should have paid their monthly dues so that big penalties and interest on payables of some respondent schools could have been prevented. To prevent the schools from extinction, they should implement strict policies when it comes to collection as revealed in Haye's study.

Theme 2: Unconventional recording of transactions

All school respondents prepare a single-journal entry in their recording of transactions. They record "collection and expenses only." This method of book-keeping is accounts of 'Incomplete Records' (Reddy, 2018). It can be attributed to their lack of knowledge about the double-entry system of bookkeeping.

This system of bookkeeping that all respondents prepare has the following disadvantages (Reddy, 2018): 1) It maintains good records of personal accounts of debtors and personal accounts of creditors; 2) This method also maintains good records of cash; 3) It is unsystematic manner of book-keeping; 4) It does not maintain good records of assets and liabilities; 5) It does not maintain good records of expenditures and income; 6) There could be lack uniformity wherein certain transactions have records of transactions, whereas some do not; 7) The balance sheet may not indicate the true position and its assets; 8) The inaccuracy of accounting interpretation; and 9) Due to the following entry system of bookkeeping, one cannot prepare a trial balance; hence, the accuracy of the accounts cannot be checked.

The school respondents must be knowledgeable enough about the double-entry bookkeeping which provides a complete record that will shows a complete picture of the financial transactions of the schools which in turn will be helpful for future decisions.

Unique Practices

1. Unconventional collection method

Although all of the school respondents have information and collection methods, all of them are unique in their own ways**.** School E assigns teachers to collect payments. According to the respondent school, it is better to have the teachers collect the payment as they are much stricter; and their salary depends on their discipline in collecting receivables. When he performs the collection, less people settle their payables and his image seems tainted (the school respondent is a Pastor). Another reason why he lets the teachers work on the collections is so that they know he is fully transparent when it comes to giving them their salaries.

With long overdue accounts, School A calls on the parents for a meeting. In fact, the researcher witnessed the meeting held during the interview with the school respondents. School B, on the other hand, sends demand letter prepared by the legal consultant of the school to make the parents do a particular action of payment or make a compromise.If parents do not make any action, the school files a complaint to Barangay for a quick response. This method is found to be effective for School B; while School C lists the amount due on the handbook of pupils; and School D and E call on the parents one by one to inform them of the long-overdue accounts. School F informs the parents through a letter indicating their long-overdue accounts.

Revenue Generation Management

Theme1: Post Implementation Assessment

All of the respondent schools do not forecast revenues; instead, they determine the income at the end of the school year. School A said at the end of school year they were able to determine the revenues and expenditures. School B stated that they compute the payables and collectibles at the end of school year to tell whether the school generated income. School C said that they were able to estimate income through the old students. When enrollment increases, they claim to know there will be a good income for the school. On the other hand, if the enrollment decreases, they know that there is less income for the school and that there will be a ‘tight flow of cash.School D complained that they did not do forecasting mainly because the performance of the school does not meet her expectation. School F does not forecast revenues but confirmed that they compute at the end of school year to know the income of the school if there is.

The procedure that they used at least helped them to determine whether the school has income or not. This also helps them know how much collectibles and payables the schools have. However, forecasting in its essence is estimating the future income and not computing the income after the annual operation in the case of the process used by the school respondents of the present study. This is similar to the saying, “ Prevention is better than cure.” When people do forecasting, they may anticipate aspects or areas which need serious attention so that they will reach the goals set.

Revenue forecast, although an essential part of future school planning, was not given importance by most of the school respondents. Had they done forecasting, they could have estimated how much they could make throughout the year. In addition, it could have given them an idea of the expected cash flow and the growth of the school in terms of finances. Nevertheless, their practice may be attributed to their lack of knowledge about forecasting of revenues.

Theme 2: Customer-based Economy Pricing and Incentives

The clientele of the small private basic education schools in the study consists of families under low income and low middle income group. School A gives scholarship to ⅓ of the school enrollment. Among the rest, still 50% cannot pay its tuition and other fees on time. "*Hindi maaasahan ang parents. Laging delayed ang bayad"*(Personal communication, Feb.5, 2018). School B has accumulated big receivables due to delayed and non-payment of parents. School C commented once, "*Laging kulang. Hindi nakakabayad ang mga magulang. Paghindi na makabayad, lilipat na ng public school. Pag nagbahay-bahay ka, maynagbabayad ng 100 at 200."* (It's never enough; the parents don't pay the fees. If they can no longer afford it, they transfer to a public school. If you try going from house to house to remind them, they'll give you 100 or 200 pesos) (Personal communication, Jan. 15 2018). School F also said that the budget is always lacking due to non-payment and delayed payment of parents. The situations presented reveal that majority of the families of the school respondents belong to low-income group.

To keep their customer base from going to their competitors, they implement various strategies to help increase and retain enrolment. The practices are detailed in the sub-themes below. Patwardhan (2017) examined a small private college that applied cost containment practices in a span of 10 years (2005-2015) and resulted in its turnaround. Five of the most notable practices that the researcher cited include the following: 1) Allowing compromises in the payment plan for financially challenged families; 2) Adding programs and/or courses that will allow more opportunities for their students to get into post-baccalaureate/graduate/doctorate programs; 3) Integrating sports programs and using it as a recruitment tool; 4) Optimizing the human resources available instead of hiring too many employees; and 5) Identifying the school as a business entity in the financial aspect while improving the quality of education.

Sub-theme 2.1: Low pricing

The respondent schools have found a way to provide a more affordable tuition fees for their clientele. All the school respondents based their tuition and other fees on the paying capacities of parents. School C lowers their tuition fee from Php 15,000 to Php 11,000/year inclusive of the miscellaneous. *"Last year nagtaas kasi kami ng tuition kaya naging Php 15,000. Tapos nakita namin na maraming parents na ang hindi makabayad, hindi tulad noong Php Php 9,000/year pa lamang ang aming tuition fee. The following year ay ibinababa namin para hindi mahirapan ang mga parents."* (We raised our tuition fees last year to 15,000 per student.We observed that a lot of parents were no longer able to pay. We lowered the cost of tuition the following year to cut the parents some slack) (personal communication, Jan.15, 2018).

School F said that they based their tuition and miscellaneous fees on the paying capacity of parents because, "*Simple lang ang mga mamamayan dito. Farmer at fishermen lang."(* the community is simple, farmer and fisherman are the common livelihood*)* (personal communication, Jan.26,2018).

The respondent schools do not only increase the source of income but also provide more affordable supplies to students when it comes to uniforms and books.

School A applies 10% and 15% markup for books and uniform respectively .Schools B and C do not apply markup to books. The15-20% commission given by the supplier is enough for them. "*Nakakaawa naman ang mga magulang pag dinagdagan pa ang halaga ng books*"(we pity the parents if when we raise the tuition fee). (Personal communication, Feb.3, 2018). For the school and PE uniform, School B gives a markup of 25%. School C has 15% markup for PE and school uniform. School D has a markup of Php 50.00 per book. School E applies 15% markup on books and on uniforms. School F gives a markup of Php 10-50 on books and on uniform.

The mark up applied by the respondent schools is still low as compared to the reasonable average markup for retail (Gray, 2012). The average markup that can be given per item is 30-40% of the original price, not exceeding 40%. As stated, all the school respondents do not even reach the reasonable markup. These show how the respondent schools consider the paying capacity of parents.

While economy pricing is incredibly effective for large companies, the technique can be dangerous for small businesses. They may struggle to generate a sufficient profit when prices are too low (Maguire,2019). This is similar to big and small private schools'technique to generate a sufficient profit.

In terms of tutorial services, most of the school respondents apply the same pricing strategy in offering in-house tutorial services; the teachers get 90% of the service fee, and the remaining 10% goes to the institution. School F, however, does not get any cut from the tutorial services offered; they give the whole fee to the teachers. In summer, tutorial classes serve as financial source of Schools B, C, and D to pay for the utilities of the school for the months of April and May because there are no miscellaneous collection to pay for the utilities. Tutorials are a great help to the three respondent schools for the utilities and maintenance during summer vacation because many pupils enroll in tutorial classes at this time. School A pays the utilities first and then the remaining amount is to the teachers who render tutorial services in summer. Schools B and C pay the teachers first with the fixed salary for the tutorial class conducted. The amount left is used for the utilities and maintenance.

Sub-theme 2.2: Incentives for enrolment increase and retention

As these schools require at least double the number of students that they have today to meet break-even point, they have come up with various incentives to attract more parents into opting for their school against other schools. In the study, varied enrolment incentives are given to students depending on the time the full amount for tuition is settled (time-based), the number of siblings enrolled in the institution (volume-based), and on the academic honors achieved by the students (merit-based). Table 7 shows the enrolment incentives of the schools.

Table 7
Enrollment Incentives

Respondent School	Time-based	Volume-based	Merit-based
School A		2 siblings-50% discount on tuition fee 3 siblings - 1 sibling free from tuition fee	1st -3rd honors- 25% discount on tuition fee
School B	cash upon enrollment-5% discount on tuition fee	2 siblings-2nd sibling 30% discount 3 siblings- 3rd sibling free tuition fee	
School C		2 siblings-2nd sibling 50% discount 3 siblings-1 sibling free tuition fee	1st honors-free tuition fee 2nd honors-75% discount 3rd honors-50% discount
School D	early enrollment April-May-5% discount on tuition fee cash payment upon enrollment- 5% discount on tuition fee	2 siblings-10% discount each on tuition fee 3 siblings-15% discount each on tuition fee	
School E		2 siblings- 50% discount each on tuition fee 3 siblings-1 sibling free from tuition fee	1st honors-50% discount on tuition fee
School F		2 siblings-10% discount each on tuition fee	Top 3 -10% discount each on tuition fee

Source: Profile of the school respondent

Unique Practices

1. Forecasting of Revenues

Only School F participants claimed that they do forecasting of revenues taking into account the following: enrollment, books, tour, additional income, and the monthly support of Php 12,000 from the Korean missionary. Revenue forecast, although an essential part of future business planning, is not given importance by other schools.

2. **Missionary Funding**

School E receives funding from Korean missionary. According to the respondent, the Korean Christian missionary is a friend he met in one of the Pastor's conferences, whose mission is to teach children the proper way of praying. Instead of the usual way of going house to house and talking to both parents and children about Christian faith, they decided to put up a school so that they can teach Christian faith in school regularly through "curriculum integration" in the Edukasyong Pagpapakatao.

The Koreans purchased the 5,000 sq.m. lot for the school; and give funds for school buildings and other basic facilities. At the start of every school year, the Korean missionary provides free bags, school things and medicines for the pupils. At the time of this study, the school is completing a 2-storey building for the Senior High School students, sponsored again by the Korean missionary. Pastor explained that once the Senior High School is approved, his financial problem would be lessen through the "voucher" system of the government instead of parents paying the tuition fees which are either delayed or no payment at all. He added that many students will now enroll since the the Senior High is free.

Pastor stated that he is already contented with their status. All he aims is for "survival" because there is a monthly support and the continuous construction and upgrading of school building which are the basic needs of the school and basic requirements for additional course offerings.

Although experiencing financial problems, School E remains stable and growing through the monthly support and the funds provided for the improvement of physical facilities of the school.

3. Cultivating donors

School A receives gifts and donations from friends and relatives. *"Malaki ang donation mula sa mga leaders ng Christian churches. May nagbigay sa amin ng one million(1,000,000.00), meron din five hundred thousand (500,000), meron din three hundred thousand (300,000.00), at meron din two hundred thousand (200,000.00)."*(Christian church leaders give large sums of donations. We've received a million from one benefactor, two hundred thousand from another, three hundred thousand, and two hundred thousand pesos as well. We used the money for the construction of our new school building. The school receives gifts and donations only from friends and relatives. This greatly helps the school continue to survive and even allot for school improvement plans like the construction of a 3-story building. The school respondent commented that the "*leader of the school should be determined and dedicated*" like him. He added that it is the great dedication which allows him to overcome barriers and the determination- his motivation and persistence- to reach his goal for the school. All these come from "Jesus Christ", the founder of their school.

4. Korean Language Tutorial for free

School E provides free tutorial on Korean Language during summer. After the one-month session, the tutees are given a free tour to Korea for 2 weeks sponsored by the Korean Missionary. The students tour around the place and become acquainted with the culture.

This practice helps the school to attract pupils and students to enroll. Nowadays teaching Korean language tutorial has a great demand in the business market, as learning Korean language for free is an opportunity to tour Korea for free as well. This is a unique and exciting incentive for the students.

Asset Management

Theme 1:Short-term savings. Short-term savings account is for money that stay in the account for a short time only, and a long-term savings account is for money that will stay still for a long time.

Most of the respondents have savings in the bank, classified as short-term savings. These savings accounts are easily accessible, being able to withdraw cash from it or instantly transfer it to account online. School B, C, and D have this kind of savings during the enrollment period. Enrollment begins in May and ends in

July. Collected money is saved in the bank.With School B, when August sets in, the saving dramatically decreases until it reaches a maintaining balance usually in September. The money collected is used to pay for the school supplies like books (which are partially paid), ID, cloth uniform, and PE uniform. Money also goes to 1.) major repairs like the roof, 2.)painting of the classrooms, 3) maintenance of facilities(e.g the refrigerator and air conditioner, electric fans and equipment like the computer and television, and 4) salaries of teachers..

School C has no more savings in the bank when September ends.Almost all of the savings goes to repairs, maintenance, salaries of teacher, utilities and other needs. October for them is the month when they are stricter in the collection of payment. They have to be strict so that they can have the exact amount for the teachers' salaries.

School D has regular savings in the bank. Like the schools B and C, savings are only big during the enumerated months.Like Schools B and C, this school respondent cannot maintain the regular minimum saving for the rest of the months. "*Pero hindi naman na zezero ang collection*." (There is always collection even with small amount) (Personal communication, Jan.16,2018).

School F stated that they have savings during the first years of operation; but now they no longer save cash in the bank. Only checks are being deposited. They complained that there is no bank in their locality and the transportation cost cannot be earned by the interest of the savings. Besides, all money goes to utilities and other expenses. Limited amount was left in the pocket after all the expenses have been paid.

This type of savings by the respondents revealed that the money they collected go mainly to settling of utilities, repairs and maintenance, supplies, salaries, and taxes and licenses. All of the respondents' bank deposits reveal that they do not have cash reserve for the contingencies or incidental expenses.

Hunter (2012) inferred that "cash reserve" is one of the indications of financial strength of small private colleges. Cash reserve is the opposite of out of pocket. If cash reserves give a positive implication on the sustainability of small private colleges, high out-of-pocket practice gives negative implications of unsustainable small private schools or colleges and university.

Debt Management

Theme 1: Immediate Settlement of Liabilities

In terms of settlement of liabilities, four of the school respondents settle their liabilities when there is budget available. They do not set schedules in paying their liabilities.

Shool A pays its utilities like water, electricity, and telephone bills on time. *"Hindi kami nagpapatagal ng bayarin*."(We don't leave bills unpaid for too long)(personal communication, Feb.4,2018). Schools C and F pay the liabilities as soon as they have funds.

School D said,*"Wala kaming utang. Hindi namin pinatatagal ang bayarin, bayad agad."*(We don't have liabilities.We pay at once)(personal communication, Jan.16, 2018). School D opts to pay liabilities in cash even if it can be paid in installment basis. According to the school respondent, because of this, suppliers give her gifts like air conditioner, electric fans, and instructional materials for early cash settlement of the school supplies like books.

Immediate settlement of liabilities prevents the school respondents from penalties and interest. It also saves the school respondents from inconveniences of delayed payments. School E, for example, shared their sad uncomfortable experience of not paying electric bill on time. Main reason was insufficient budget until they forgot to pay, not minding the disconnection of electricity service policy of Meralco. For two days, the pupils studied under the mango and *santol* trees, because it was hot and dark inside the classrooms. The sad story was, a sudden rain fell in the midst of hot weather. Because of this, the school respondent said that it is better that they pay the electricity first than pay the salaries of teachers. This experience taught a very important lesson of settling the payables on time.

This manifests a good practice of the school respondents. It prevents the schools from the burden of penalties and accumulated interest. In addition, it helps them out of stresses caused by the uncomfortable situation brought about by late settling of liabilities. Through this practice, the school respondent will not spend a single centavo in acquiring some needed equipment and instructional materials because they are given as incentives. This also communicates “viable” finances of the school respondents. It also manifests prioritization of utilities.

Unique Practice

Vendor Financing

Vendor financing refers to the lending of money by a vendor to a customer; who (customer) then, uses the money to buy the vendor’ inventory or service. The arrangement takes the form of deferred loan from the vendor, and it may involve the transfer of shares from the customer to the vendor (CFI Education Inc.,2019)

School F took the loan offered by the book supplier in the amount of 200 thousand pesos. The amount was used to fund the construction of the 2nd floor of their newly-built classroom building. This loan has a five-year contract of patronizing their book with the supplier.

This practice allows the school to obtain necessary trade credit without the need to borrow from a bank or use their retained earning. Vendor financing arrangement helps enhance the relationship between the vendor and the customer since it results in mutual benefits.Also, by borrowing from other sources other than the bank, the borrower preserves the bank financing to a future date when undertaking a capital-intensive activity.

This practice can greatly help the respondent school in the improvement of physical facilities without getting a loan from the bank which offers a big interest.

Fundraising Management

Theme 1: Resource Mobilization

Resource Mobilization (RM**)** has come to replace the more traditional and narrow terms 'fundraising', where 'resource' refers not only to funds, but also to human resources, goods, and services. Resource partner replaces 'donor' where 'partner' emphasizes the value of equal partnership/strategic alliance between resource provider and program implementation (A guide to mobilization).

The global and national economic crisis has resulted to the scarcity of resources in the educational environment. Small industries like the small private school are greatly affected by this phenomenon. Decrease in enrollment gives a strong blow to the situation. Income from tuition and other fees is insufficient to provide quality educational program and improvement plans for the school.All of the respondents resort to fundraising as main source of their supplementary budget in order to survive.

In 2011, Powell studied the role of financial management in non-profit educational institutions. The researcher examined the small, private, non-profit colleges to explore the financial management practices that contributed to their financial difficulties and to discover strategies these institutions are utilizing to stop these financial circumstances. Findings of the study consist of the following: Ccmmunication of financial data, fundraising, awareness of debt status, measuring financial management success – all of these are school managers' functions in order to cope with the financial difficulties of non-profit educational institutions. Even with their non-profit nature, academic institutions are still no exception in the list of organizations in need of institutional finance; in fact, these organizations are the types that need it most. Given the fact that the schools rely mostly on fundraising and donations, these schools are most definitely in the position to learn how to make fundraising work for them.

School A has no other fundraising except an annual tour that allows them to gather funding through the overhead on the rates; proceeds of the tour go to the school's emergency fund. Because there are many gifts and donations that support the operation of the school, they do not depend so much on fundraising project.

School B had a good fundraising in 2004 on its first year of operation. The first fundraising gave the school a concrete gate, fence and stage. At present, the school has no fundraising except for the raffle draw in which proceeds purchased a 32" SMART television. "A conflict between some parents of the school arose because of the fundraising. Since then, no fundraising was done except for the yearly tour from 2005-2012." But when several tour-related accident happened, the school did not hold tour anymore most especially when accident happened in barangay Sampaloc Tanay, Rizal in 2017.

School C raises funds annually through school-based pageants; but for 2017 they held a cake raffle and pooled as much as Php8,000. The biggest amount they earned was in 2014, where they got a sum of Php54,000, which was used to acquire a SMART TV.

The PTA (Parent Teachers Association) is in charge of fundraising. They make the guidelines to be approved by the director as long as the proceeds are for the school. An accomplishment report is presented by the parents. In turn, simple tokens of appreciation are given to them during graduation ceremony.

With School E, tour is done annually with the PTA fundraising. The PTA handles it, only requiring that the school earns Php500/pupil. The tour is not compulsory. If students decline to join, they are required to donate for the needs of the school. In their previous fundraising, the proceeds went to the concretizing of fence where names of the benefactors are written on it. The previous PTA fundraising earned more than 100 thousand pesos. "*Nagbigay ng 1 buwang sweldo ang PTA para sa mga teachers*".(The PTA gave a month salary for the teachers), Pastor related.

School F conducts fundraisers through the school pageant, with the PTA setting up the rules and regulations for the said activity. These fundraisers are proposed and presented by the PTA to the Director, Principal, and the PTA heads. Once approved and implemented, the fundraising projects are submitted to the benefactors. The PTA allocates a percentage of the proceeds from the fundraising activity and gives it to the benefactors as a means of giving back.

The major consideration for approval of all the fundraising is that it must be for the benefits of the school and there must be a consultation between parents and the administration. Collection and expenses schedule are posted on the school's bulletin board. During programs and meeting the benefactors are being recognized.

Fundraising, being a great help in the improvement of physical facilities of schools, presents important messages; One, that fundraising and its potential to supplement revenues have to be given importance especially during economic downturn and investment losses; and two, Fundraising results should be given more importance.An active donor base should be cultivated. For instance, School A stated that they were able to seek donors such as businessmen and religious people who support their mission as a Christian school. In addition, School F is very open to say that a Korean missionary supports the school mission; hence, actively provides fundings for the attainment of its mission as a Christian school.

Although potential donors that involve alumni is another strategy, this is not yet applicable since some school respondents have just begun to have a few graduates at the time of the study. However, they can make these alumni aid in the process of soliciting donors. By focusing on potential donors who support school mission, a school may receive more money in terms of gifts. Donors who support the school's mission have to be actively cultivated.

Over-all Theme: Informal management style

As a business entity, the respondents in the study are too small to be considered a full-blown enterprise; and yet they are still substantial enough to be recognized. Much of the institutions in the study resemble a sari-sari store in its organizational structure and size. While it is not as complete as a regular institution, it has portions of what a learning institution in its category of course offering; at the surface, the schools can be considered as the sari-sari stores of educational institutions such that what they have is enough to get the job done. One of the respondent schools claimed that because the school is small, it does not require that complex type of financial management practice, "*simpleng-simple lang and financial*"(Personal communication, Jan 26,2018).

When it comes to running the organization as a business entity, the administrators of most of the respondents neither have nor follow a strict system. As mentioned, one of the owners does not find such complex measures fit for the scale of their school. They either personally look after assets or they hire caretaker to spend the night at the school to ensure that the school's tangible assets are not stolen. The school owners handle the institution's finances themselves; approving authority is usually a husband and wife team of a pastor who serves as the principal and the wife as financial manager.

Although they issue statements of account and receipts, that is as far as they go when it comes to formal approach to management. They do not have any policies in place for depreciation, clients who have accumulated certain balances, and assessment of expenses -most of their guidelines are either verbal or based on rule of thumb, with no fixed and/or printed set of rules; the policies are often overlooked and implemented leniently at best: the administrators end up yielding to customer demands to further postpone their payments up until the amount accumulated can no longer be paid. In one case, the owner of one respondent schools felt reluctant to insist that the parent pay up their balances due to parent causing a commotion and attacking the school's mission status for needing to collect long unpaid tuition fee.The foregoing financial management practices gave lessons for the identified adaptive practices as well as bad practices.

The following are the adaptive practices and the lessons learned:

1. **Needs-based budgeting** shows how the respondent schools adjust their spending in terms of prioritizing the expenditures according to importance and urgency, as previously stated in Covey's Time Management Matrix. While the original text is concerned with prioritizing tasks, the schools are able to unknowingly modify this and use it with their finances.
2. **"Bunot bulsa" or out-of pocket** practice manifests a Filipino trait of sacrificing for others, of giving part of what s/he has just to get the things done or fulfill an obligation without expecting in return. This value is believed to be rooted from the all respondents being "Christian" "Born Again Christian" or "Baptist" who are ready to give themselves to others, like Jesus Christ who gave himself to save people from sins. In business or school operations, however, out-of pocket

especially high out-of pocket practice gives a negative impact of inadequacy in budget.

3. **Cost-cutting practice** can easily be summarized with the Filipino proverb "*Habang maliit ang kumot, matutong mamaluktot*"(When the blanket is short, learn to curl up)." This proverb speaks of learning how to endure hardships in school operations when the budget is so tight. It teaches flexibility in times of crisis. In terms of spending, this reminds leaders the value of spending accordingly, adjusting to situation, and stretching resources as the situation requires. It also shows the value of spending within one's means. It allows room for resourcefulness and maximizes the ability of each member of the organization to contribute through whatever skill set they possess.

4. Customer-based Economy Pricing and Incentives takes the parents' capacity to pay, along with the other possible opportunities to meet their clientele halfway in terms of benefits for both parties affirms Covey's (1989) 4th Habit: "Think Win-win", and Fisher and Ury's (1991) third method of principled negotiation: "Invent Options For Mutual Gain." By adjusting to their customer's needs and wants, and by identifying what they need from the customer, and ultimately by using a customer-centric approach, they were able to create enrollment incentives that have enabled them to increase and retain enrollment in more or less the same way their larger, more competitive counterparts were able to build traction in the industry**.** This is probably one of their best practices that, when now implemented strategically, can actually help them get out of their financial problems.

5. Cultivating Active donors. The famous saying "No man is an island" teaches that need for other people and other community in order to survive. School respondents could have not survived had they depended only on themselves, or from tuition fee for funding. It is very evident that any organization like the school respondents had fundraisings, support from its affiliated churches, donations from other people, and sponsorship from missionary that help them survive operation up to this time.

6. Immediate Settlement teaches that punctuality is still a very important trait especially in paying obligations as it will free people from inconveniences and stresses of the consequence of late payments.

7. Resource Mobilization teaches the use of all possible resources available to survive the school operation. In addition, it helps in doing all possible fundraising activities for sustainability. Moreover, it helps in learning to make better use of, and maximizing existing resources.

Bad Practices

1. Nepotism ensures the dedication of employees who are family members. In addition, with the financial status of small private schools, hiring family members can help lessen the cost of salary expenditures especially in times of budget shortage like the case of the respondents in the study who do not get salaries for their services, and even do out-of-pocket in order to fill in the financial deficiencies. However, this practice contributed to many financial difficulties of their school. This can be avoided by equipping them with the skills needed before granting any position in the company, especially the important position of handling the school's finances.

2. Lenient Policy implementation has caused a lot of financial problems of the school respondents. The school owners should separate the school as a business entity with their religious orientation to further their mission. It is not bad to be compassionate with children; but in business, one needs to look at the greater perspective for the greater good. Kindness of allowing unpaid children to take the exam is good, but this is only part of the greater good that the school can achieve.

3. Unconventional recording and collection methods. Lack of knowledge of the proper recording of transactions produces incomplete or partial records. Making a single-entry journal helps the school respondents to at least monitor the cash in and cash out of financial transaction. This can work with a new small cash-based company. However, with school respondents in operation for 8 years as the shortest and 14 years as the longest operating schools, they are not new anymore. In addition, they also have checking account aside from the cash transactions. Therefore they need to learn the proper and complete recording method to efficiently and effectively monitor the financial transactions of their schools.

4. Short-term savings. Taken literally in a real practice, it provides the school respondents with access to money quickly and without any penalty; unlike when money is kept in long-term savings like the " time deposit" which cannot be easily withdrawn whenever they need cash. However advantageous, this type of savings by the school respondents means also that their savings last only for three to four months becauses all the money goes to repairs, taxes, ultilities, and other expenses. The school respondents need to have othe sources of income for contingency.

Summary

Table 8

Financial Management Practices of the the school respondents

Areas of Financial Manage-ment	School A	School B	School C	School D	School E	School F
Cash managem ent	Lenient Policy Implemen-tation	Lenient Policy Implemen-tation	Lenient Policy Implemen-tation	Lenient Policy Implemen-tation	Lenient Policy Implemen-tation	Lenient Policy Implemen-tation
	Unconven-tional recording of transactions	Unconven-tional recording of transactions	Unconven-tional recording of transactions	Unconven-tional recording of transactions	Unconven-tional recording of transactions	Unconven-tional recording of transactions
	Unconven-tional collection method	Unconven-tional collection method	Unconven-tional collection method	Unconven-tional collection method	Unconven-tional collection method	Unconven-tional collection method
Revenue Genera-tion manage-ment	Post Implemen-tation assessment	Post Implemen-tation assessment	Post Implement ation assessment	Post Implemen-tation assessment	Post Implemen-tation assessment	Post Implemen-tation assessment
	Customer-based economy Pricing	Customer-based economy Pricing	Customer-based economy Pricing	Customer-based economy Pricing	Customer-based economy Pricing	Customer-based economy Pricing
	Low-pricing	Low-pricing	Low-pricing	Low-pricing	Low-pricing	Low-pricing
	Incentives for enrollment increase and retention	Incentives for enrollment increase and retention	Incentives for enrollment increase and retention	Incentives for enrollment increase and retention	Incentives for enrollment increase and retention	Incentives for enrollment increase and retention

	Cultivating Donors				Missionary Funding	
Asset management	Short-term Savings	Short-term Savings	Short-term Savings	Short-term Savings	Short-term Savings	Short-term Savings
Debt management	Immediate settlement of liabilities	Immediate settlement of liabilities	Immediate settlement of liabilities	Immediate settlement of liabilities	Immediate settlement of liabilities	Immediate settlement of liabilities Vendor Financing
Fund raising management	Resource Mobilization Gifts and donations Tour	Resource Mobilization Pageant Tour Raffle	Resource Mobilization Pageant Tour Raffle	Resource Mobilization Pageant Tour Donation	Resource Mobiliza-tion Pageant Tour Missionary Funding	Resource Mobilization Pageant Tour

Small private school is classified under Micro-scaled Operations. This is also a strong point of these schools; despite their limited knowledge, they were able to form a workable system. However informal the set-up and in great need of improvement, this set of rules that they have implemented helped them survive. With an enhancement plan recommended by the researcher, the respondent schools may be able to modify their system of operations to nurture what can be their turnaround and continued growth in the near future.

The Enhancement Plan on financial management practices for School Heads and Financial Managers of Small Private Basic Education Schools.

Based on the findings of the study, the researcher proposes to improve the financial management practices of schools heads and other key personnel and equip them with the needed skills and technical know-how on areas such as cost management, cash management, revenue generation management, asset management, debt management, and more modern approach to fundraising management.

Description

This Enhancement Plan on Financial Management is designed for school heads, financial managers, and other key personnel of small private basic education schools. This improves their knowledge and skills on the different aspects of financial management such as Cost management, Cash management, Asset management, Revenue generation management, Fundraising management, and Debt management. Specific objectives are formulated based on the findings of the study on the given aspects. Activities are identified to produce the expected outputs which are needed for the efficient and effective managing of finances of mmall private basic education schools in order to achieve the desired objectives and to survive school operations in the long run.

Rationale

This Enhancement Plan is significantly for managing finances of small private basic education schools. A school cannot operate without funds as it should deliver quality education. There is no such free quality delivery of education utilizing instructional resources and physical facilities to answer the needs of the learners especially in honing their skills and competencies in the 21st century thereby enhancing curriculum.

In this context, an enhancement plan is relevant to the needs of this digital era when technology as a resource material to improve student learning is at hand. Thus, in managing finances, a financial manager needs to allocate and appropriate budget to respond to the modern equipment and new gadgets to sustain this area or aspect of learning. With the meager income of private schools which are highly dependent on tuition fees of small population, they are facing a great challenge on how to properly manage their limited resources to provide the quality education the learners deserve. Aside from this, private education schools are confronted with lots of problems like the low salary of teachers and their migration to public school, transferring of students to public schools which resulted to continuous decrease of enrollment to private schools, causing the reduction of revenues coming from tuition of limited number of students. These cause a domino effect on the financial operations of small private schools.

It is therefore imperative that the financial management practices of small private basic education schools be improved to equip them with knowledge and skills necessary for the efficient and effective financial management for viability and sustainability of operation and eventually for quality education.

Objectives:

This enhancement plan aims to:

1. Upgrade the financial management practices of the school heads and financial managers of small private basic education schools on the different aspects of

financial management such as cost management, cash management, asset management, revenue generation management, fundraising management, and debt management.

2. Manage the school's finances with the practical applications of the principles of financial management.
3. Monitor the financial operation through the monthly and annual financial statement.
4. Evaluate the financial management of the respective school in the different aspects of financial management.
5. Sustain the priority needs of the school.

Bases of enhancement plan

The semi-structured interview checklist provided data for the activity, procedure, or functions of each of the six areas necessary for the success of financial management of a school. Responses taken from the checklist are the information not presented in describing the financial management practices of the respondent schools. The answers identified deficient aspects in each area which provided bases for the enhancement of the adaptive practices by performing the key success factors to improve the financial management of a school.

Financial Management Areas

Table 9
Cost Management

Questions	Responses					
	School A	School B	School C	School D	School E	School F
1.Does the school prepare an annual budget proposal	x	x	x	x	x	x
2. What policies do you apply to limit expenses?	x	x	x	x	x	x
3. How do you monitor your budget versus actual expenses?						
a. Do you prepare monthly financial statement?	x	x	x	x	x	x
b. Do you prepare annual financial statement?	√	√	√	√	√	√
4. Does the school appropriate budget for;						
a. instructional	x	x	x	x	x	x
b. academic support program	x	x	x	x	x	x
c. student services	x	x	√	√	x	√
d. professional development of teachers (trainings and seminars of DepEd)	√	√	√	√	x	√
5. How does the school ensure that all financial transactions are safeguarded through proper budgetary procedure and accounting practice?						
Follow-up question: Do you follow proper budgetary procedure and accounting practice?	x	x	x	x	x	x

6. Is there somebody in-charge of monitoring the expenditures, and likewise prepares variance analysis of actual vis-à-vis budgeted expenses	**x**	**x**	**x**	**x**	**x**	**x**
7. Do you have long-term financial plan?	**x**	**x**	**x**	**x**	**x**	**x**

As seen from the table, all of the school respondents do not prepare annual budget proposal. In an interview, they stated that they prepare the initial budget proposals solely to comply with the Department of Education's requirements to be granted permission to operate. Most of the respondent schools no longer adjust the budget proposal for the incoming academic year; instead they simply base the budget off of the initial proposal made for compliance. Although helpful in determining the major expenses to account, it is not given as much importance as it should be due to their lack of knowledge. As a result the schools' budget has no accurate and updated financial framework to guide operational expenses for the whole year.

Most of the respondents do not monitor budget versus actual expenses. Although schools prepare monthly collection expenses, they do not monitor the annual cash flow since they do not prepare monthly and quarterly financial statement. This lack of budgeting vigilance has resulted to poor financial decision making as no information or data was provided. The four respondent schools, however, have an accountant who prepares their annual financial statement and submits it to BIR (Bureau of Internal Revenue) every end of the calendar year. Two of the respondent schools prepared their financial statements only once, their reasons being either a) knowing that it was to be prepared only once; or b) the financial statements are not to be made if the school did not earn income. Financial statement as providing information on the over-all financial status of the school is of great help to prepare for the future school operations. Lack of correct information on the compliance will lead to wastage of resources, stress and pressure to the school owners and administrators due to accumulated penalties, and difficult processes of late registration may even be charged with tax evasion in worst case scenarios. While this paper is undergoing, one of the respondent schools immediately sought help of an accountant after having been interviewed and discovered the shortcomings.

In terms of appropriations, most of the school respondents prioritize DepEd trainings and seminars. One school administrator, however, said that he no longer allots budget for those seminars since the teachers will transfer to another school once they pass the exam. He added that he leaves that matter to the government.

All the school respondents do not prepare variance analysis which could serve as basis for future financial projections. In addition, although they record collection and expenses, use receipts and voucher with their transaction, they do not have proper budgetary procedure and accounting practice. Moreover, school respondents do not have long-term financial plan: most of the respondents reasoned that they either find it difficult to prepare or do not know how to prepare it.

The foregoing implies the limited business knowledge of respondent schools in managing schools. The current lack of expertise may be detrimental to their survival. The school respondents, although lack the knowledge in managing the school as a business entity, have their own cost management practices that help them survive through the years. These practices include needs-based budgeting, bunot-bulsa, cost-cutting, and shoe-string budgeting. But to ensure school operation in the long run, the financial management practices should be improved.

Table 10
Cash management

Questions	Responses					
	School A	School B	School C	School D	School E	School F
1. How do you speed up the collection of accounts receivables? a. Is there an aging of accounts receivables?	x	x	x	x	x	x
2.Is there somebody in-charge of preparing the cash flow?	x	x	x	x	x	x
3. Is the annual financial statement prepared and distributed according to policy guidelines ?	√	√	√	x	x	x
4. Do you follow a systematic approval of disbursement?	x	x	x	x	x	x
5.Do you have policy determination in terms of liabilities?	x	x	x	x	x	x
6.Do you prepare bank reconciliation?	x	√	√	x	x	x
7. How do you purchase supplies? Do you require several canvass/ quotations prior to the approval of accredited suppliers of the school's needs?	x	x	√	√	x	x
8. Is there a designated approving authority/committee to approve the accredited suppliers based on quality and costing?	√	√	√	√	√	√
9. Is there a policy for students who are unable to settle their obligations?	√	√	√	x	√	√

Table 10 presents the cash management of the school respondents. In terms of scheduling collection of accounts receivables and settling payables, all of the respondents do not have these prepared because they do not know how to do them; but all of the respondents have their own way of informing the parents about the aging balances. The information and collection strategies, however, appear ineffective because most of the school respondents, being Pastors and born again Christians, cannot separate the school identity as a business entity from its religious orientation. For example, they cannot enforce the "No Permit, No Exam policy" because of pity towards children. This resulted to lenient policy implementation.

All of the respondents have unconventional recording of financial transactions which provides 'incomplete records'. Although they prepare monthly collection and expenses, they cannot monitor the cash flow since they do not prepare monthly and quarterly financial statement. They prepare a single-journal entry in their recording of transactions instead of the double-entry bookkeeping which provides a complete picture of the financial transactions helpful for future decision-making.

To comply with the requirements of BIR (Bureau of Internal Revenue) of the annual submission of Financial Statement, most of the respondents either commission a CPA (Certified Public Accountant), or seek "gratuitous" services from the CPA church members, or seek a low-cost service from the parent of their pupil. They admitted, however, that they do not understand the content of the annual financial statement.

Since the respondents are small schools, they do not have policies nor SOPs (Special Operating Procedure) in terms of disbursement, liabilities, and purchasing of supplies. "S*impleng simple lang ang pinansyal*" (the financial is very simple), one respondent commented. Three of the respondents do perform bank reconciliation, but very rarely; while other respondents do not do bank reconciliation because according to them it is difficult to do, no money left for savings, or there is no bank in their locality.

Financial sustainability of any organization depends largely on a stricter method of cash spending and collection. Lenient policy implementation should be discouraged in order to prevent financial difficulties.

Table 11
Asset management

Questions	Responses					
	School A	School B	School C	School D	School E	School F
1. How do you ensure that all assets are in good condition? Do you check regularly?	√	√	√	√	√	√
2. How do you optimize income from financial assets? a. Do you have time deposit?	x	x	x	x	x	x
b. Do you have regular saving?	√	√	√	√	x	x
3. How do you ensure the full protection of your asset? Do you have guards?	x	√	√	x	x	√
4. Is there a proper tagging of assets?	x	x	x	x	x	x
5. How do you ensure that all assets are properly accounted for? Do you have annual Inventory?	√	√	√	√	√	√
6. Do you have policies regarding depreciation?	x	x	x	x	x	x
7. Is there a reconciliation of the results of physical inventory of assets vis-à-vis what is recorded in the books?	x	x	x	x	x	√

8.	**Is there a periodic review of the property of the designated useful life of assets vis-à-vis actual usage/wear and tear or observation?**	**x**	**x**	**x**	**x**	**x**	**x**
9.	**Is there a policy for fully depreciated asset?**	**x**	**x**	**x**	**x**	**x**	**x**

As seen from the table, all school respondents regularly check their physical equipment and facilities to find out if they are in good condition. They ensure that physical equipment and facilities are protected by a) having guards at night; b) school owners sleep in the school; and c) their houses next to the school building. However, by looking at the checklist for asset management, all school respondents do not perform the necessary functions of asset management such as: 1)They do not have tagging of assets; 2) They do not have policies on depreciation; 3) They do not reconcile the results of physical inventory of assets vis-à-vis what is recorded in the books; 4) They do not have periodic review of the property of the designated useful life of assets vis-à-vis actual usage/wear and tear or observation.

In terms of financial assets, most of the respondents have regular savings in the bank. These savings are short-term savings in literal sense; they can be easily withdrawn unitl no more money is left in the bank for future use. Two of them have no savings in the bank, the reasons either 1) There is no more money left for savings; or 2) There is no bank in the locality.

Table 12
Revenue Generation management

Questions	Responses					
	School A	School B	School C	School D	School E	School F
1. Do you do forecast revenues and expenditures?	x	x	x	x	x	x
2. Are projected income form tuition and other miscellaneous fees, adequate to support quality educational program and continuing improvement plans	√	x	x	x	x	x
3. Are fees collected and allocated for the intended purposes?	x	x	x	x	x	x
4. Are over-all financial resources sufficient to assure continuity and stability of services?	√	x	x	x	x	x
5. Are there initiatives of the school to improve enrollment?	√	x	x	√	√	√

Table 12 shows that all the school respondents do not forecast revenues. In the interview, the respondents claimed that they determine income and expenses at the end of school year. This is a post implementation practice. The table also provides data that income from tuition and other miscellaneous fees are inadequate to support quality educational program and continuing improvement plans. In addition, fees collected are not allocated for the intended purposes. Furthermore, the over-all financial resources are insufficient to assure the continuity and stability of services. This scenario tells that it is imperative for the school respondents to do forecasting of expenses and revenues to supplement the post implementation method that they do at the end of school year. Through this, they will be able to adjust their resources to the basic needs, priorities, urgent and other needs of the school for the whole academic year.

Table 13
Debt management

Questions	Responses					
	School A	School B	School C	School D	School E	School F
1. What are the short-term liabilities of the school?						
a. utilities	x	x	x	x	x	x
b. books	x	√	√	x	x	x
c. instructional and other supplies	x	x	x	x	x	x
2. What are the long-term liabilities of the school?						
a. building	x	x	x	x	x	x
b. social benefits of teachers	√	√	√	x	x	x
c. Physical equipment and facilities	x	x	x	x	x	x
3.Do you follow a Special Operating Procedure in paying the following;						
a. short-term liabilities?	x	x	x	x	x	√
b. long-term liabilities	x	x	x	x	x	x
4. Is there an aging of accounts payables?	x	x	x	x	x	x

It can be seen from the table that all school respondents have no SOPs (Standard Operating Procedure) in paying short-term and long-term liabilities. Most of the respondents pay at once whenever they have cash. The immediate settlement of liabilities helps to keep out of debt, penalties, and interest.

In terms of scheduling settling of payables, all of them do not have this prepared because they do not know how to do them. Two of the respondent schools have no liabilities since they pay at once. However, one of them incurred almost Php 200,000.00 on their SSS (Social Security System) contribution because they were unaware that they needed to pay SSS benefits of their teachers. Other school respondents having no scheduling of long-term liabilities accumulated liabilities in their account. For example, one respondent accumulated liabilities in rent, books, and in social benefits such as Philhealth, Pag-Ibig, and SSS. It has reached approximately 300 thousand. One of them, on the other hand, has incurred Php 127,000 also in SSS. The other school respondent only provides Philhealth to the teachers claiming that the government should be in-charge of paying other social benefits since they have no income. These situations are a clear manifestation that proper monitoring through aging of accounts payables must be prepared to avoid insurmountable debt.

Table 14

Fundraising management

Questions	**Responses**					
	School A	**School B**	**School C**	**School D**	**School E**	**School F**
1. How do you raise funds?						
a. Tour	√	√	√	√	√	√
b. School Pageant	x	√	√	√	√	√
c. Raffle	x	√	√	√	√	√
d. Contribution	x	x	√	√	x	x

e. missionary funding	x	x	x	x	/	x
f. gifts and donations	√	x	x	x	x	x
2. Do you have guidelines to follow in Fundraising?						
a. School guidelines	√	√	√	√	x	**x**
b. PTA guideline	x	x	x	x	√	√
3. How do you gain bigger income?	√	x	x	√	√	x
a. compulsory tour						
4. Do you allow external fundraising?	x	x	x	x	x	x
5. What are the major considerations for the approval of fundraising?						
a. benefits of the school	√	√	√	√	√	√
6. Do you prepare accomplishment reports after the fundraising projects?	x	x	√	√	√	√
7.Who reviews if the objectives are attained?	x	x	x	x	x	x
a.Parents	√	√	x	√	x	x
b.School	x	x	√	x	√	√
c.Parents with the school head						
8.What are your ways of giving back to the benefactors						
a. during program	√	√	√	√	x	√
b. during the meeting	x	x	x	x	√	x
c. on the project itself stamp the name of benefactors on project	x	x	x	x	√	√

Table 14 shows that the fundraising method of the respondent schools consists of the traditional annual tour, school pageant, raflle and voluntary contributions. Only one respondent has gifts and donations as its main fundraising method. This school was able to put up a 4-storey building from the gifts and donations of friends who are businessmen. One school gets its fund from the Korean missionary who provided budget for 5,000 sq m. school lot and school building and recently, the new Senior High School Building.

Most school respondents follow school guidelines in the fundraising.They claim that they get bigger income from the compulsory annual tour.They do not have external fundraising at present since they do not have alumni yet who graduated from college.

Major consideration for fundraising is the benefits the school can gain from it. Most school respondents prepare accomplishment reports and reviews whether objectives are achieved or not. Parents play a significant role in the fundraising management of the schools. Benefactors are recoginized either during the meeting or program. In addition, the names of the benefactors are stamped on the project itself. For example, one school respondent prints the name of donors on the school gate.

The foregoing practice is also known as Resource Mobilization. Although very helpful in the viability of school operations, still the PTA fundraising practices should be enhanced to produce greater profit for the school improvement.

Table 15
Enhancement Plan

Financial Management Areas	Objectives	Programs/ Activities	Strategies	Persons Involved	Expected Output
1. Cost Management	Prepare budget proposal considering all the basic needs and school improvement areas	Prepare a budget proposal for the incoming School Year.	Seminar-workshop	All Principals and Financial Managers of respondent schools	One year budget proposal
	Prepare variance analysis of the previous years (min. 3) actual financial statement and use as basis for financial projection	Prepare the previous 3 years actual financial statements and do variance analysis to have a basis for projections	Seminar-workshop	Financial Consultant	3 years actual financial statement and variance analysis
	Identify other expenses which can be minimized and share the cost-cutting practices with other respondent schools	Identifying the best cost-cutting practices	Small group conference	All Principals and Financial Managers of respondent schools	List of best Cost-cutting practices
	Minimize if not totally alleviate the Bunot-bulsa or out-of pocket	Identify other source of income for contingency	Small group conference	Principal Financial managers	List of other sources of income for contingency
	Formulate policies and Special Operating Procedure fitted for small private basic schools	Convene in order to formulate policies and SOPs	Small group conference	School heads and financial managers of respondent schools	Policies and Special Operating Procedure

2. Cash Management	Prepare aging of accounts receivables and accounts payables Strict monitoring of accounts receivables and accounts payables	Do the aging schedule of the existing receivables and payables	Seminar-workshop	Financial Consultant Principals Financial managers Financial Managers	List of Actual aging of accounts receivables and payables 70% of Receivables collected 70%of payables settled on the scheduled date
	Prepare complete financial transactions such as Monthly financial statement, Monthly cash flow, etc.	Do a complete financial transactions	Seminar-workshop	Financial Consultant Principal Financial managers	Actual Monthly Financial Statement and monthly cash flow with less than 20% errors.
	Perform Bank reconciliation	Compare the per books and per banks cash balances and reconcile the per book and per bank cash accounts.	Seminar-workshop	Financial consultant Principal Financial managers	Reconciled Monthly Bank transaction with 75% accuracy
3. Revenue Generation Management	Forecast revenues and expenditures	Analyze the revenue and expense trend based on the variance analysis performed in the previous activity.	Seminar-workshop	Financial consultant	Sample forecast of revenues for the coming school year
	Strengthen Resource Mobilization	Identify the resources which include funds, human resources, goods and services and plan a resource mobilization for the respective school	Seminar workshop	Principals Financial managers	Resource Mobilization plan
	Identify strategies on enrollment management specifically on increasing enrollment	Enumerate strategies on enrollment management specifically on increasing enrollment	Group conference	Determine sound strategies to increase enrollment.	Increase in enrollment by 10- 20%

4. Debt Management	Prepare Policies and Special Operating Procedure in paying liabilities to avoid penalties and interest	Preparation of policies and SOPs	seminar-workshop	Identify Laws governing paying social benefits and how it governs the preparation of school policies in paying liabilities	Policies and SOPs in Paying Liabilities
5. Fundraising Management	Resource Mobilization	Identify modern way of fundraisers	Group conference	Identify and enumerate profitable and modern way of fundraisers	List of Modern and profitable ways of fundraisers
6. Asset Management		Optimize financial Asset to gain additional income which can support the school operation	Group conference	Use financial asset in investing to other businesses	Invest in other businesses
		Perform Asset Tagging		Identify the data that must be imprinted on tags and use them as labels for easy tracking of physical assets.	Physical assets with tags
		Formulate Depreciation Policies		Compute depreciation of assets and formulate depreciation policies	Policies of Depreciation

The enhancement Plan will be proposed to the respondent schools through the Private schools association. It will also be proposed to other private schools in Rizal which have the same status as the respondent schools.

Chapter IV

Summary of Findings, Conclusions and Recommendations

This chapter presents the summary of findings, the conclusion derived from the study, and the recommendations.

Summary of the Study

The study aimed to describe the financial management practices of six (6) small private basic education schools in relation to cost management, cash management, asset management, revenue generation management, fundraising management, and debt management. The researcher believes that the practices identified revealed the extent of knowledge and skills of financial managers, hence provided a basis to improve when addressed appropriately. This will help schools of the same kind to upgrade their practices to be able to provide more quality educational program and ensure the continuity and stability of schools operation.

This study made use of the qualitative case study research. Specifically, a semi-structured interview was employed to describe the commonalities and unique financial management practices of the respondent schools. Profile of the participating schools and respondents gathered, supported and strengthened the findings.

Summary of Findings

The financial management practices of the six respondents were revealed in the following themes from the six areas of financial management: A. Cost management; 1.needs-based budgeting; 2. Cost-cutting; 3. Bunot-bulsa; and 4. Nepotism; B. Cash management: 1.lenient policy implementation; 2. Unconventional recording of transactions; C. Asset management; 1. Short-term savings; 2. Situational policy D. Revenue Generation management: 1.Post Implementation Assessment; 2. Customer-based Economy Pricing & Incentives; 2.1 Low-pricing; 2.2 Incentives for Enrollment increase and retention; E. Debt management; Immediate settlement of liabilities; and F. Fundraising management: Resource Mobilization..

Adaptive practices as well as bad practices were identified and the lessons learned from each of the practices are the following: 1) needs-based budgeting- prioritizing expenditures as to importance and urgency; 2) bunot-bulsa- sacrificing for others; 3)cost-cutting-spending within means, resourcefulness, flexibility, and endurance; 4) customer-based economy pricing-mutual gain; cultivating active donors-interdependence; 5)resource mobilization-resourcefulness, dedication, and determination. Bad practices also taught valuable lessons such as; 1) nepotism-readiness and impartiality for the job; 2) lenient policy implementation- separate school as a business entity with religious orientation; 3) unconventional recording methods – proper and complete recording; and 4) short-term savings-preventing risk of unforeseen situation.

General findings of the study revealed that the respondent schools have no formal system in all areas of financial management. This served as the basis for an enhancement plan on the financial management practices of the schools. Some enhancements include 1)preparing budget proposal and financial plan; 2) preparing complete financial transactions, 3)identifying other source of income for contingency; 4) formulating policies and SOPs; 5) settling long-term liabilities; 6) forecasting revenues and expenditures; 7) applying enrollment strategies to increase enrollment; and 8) using modern profitable fundraisers.

Limitations of the study

The limitations in this study involve different aspects such as the type and size of an institution and economic condition of a given time. First, the emergent themes may only be applied to non-sectarian schools and not to sectarian private basic education school, since the respondent schools were all non-sectarian schools. While non-sectarian schools depend mostly on tuition for their revenues, sectarian schools are fully funded by the church they are associated with. In addition, non-sectarian schools resort to donations and fundraising for their survival. Of the six school participants, four of them are owned and headed by a Pastor, while the two are owned and headed by a born again Christian. Although the latter are non-sectarian, they admitted they are supported by the church they are affiliated with, though not fully funded. The two private school respondents are independently funded.

Second, the emergent themes are limited to time and economic conditions. The global and national crises which greatly affect the enrollment of private schools beginning 1997 up to the present are not permanent. The financial fate of small private schools will soar with better economic conditions that hopefully will increase enrollment in private schools. Therefore, this is applicable when the country is experiencing economic crisis as enrollment in private schools decreases due to transferring of students to public schools which offer free education. On the other hand, when economic conditions improve, the enrollment increases.

Third, small private schools in the country may have different financial management practices depending on the region, province, and district since clientele are from different places with different economic conditions. For example, school respondents of the study come from the 2nd legislative district of Rizal where the main sources of income are farming, fishing, and employment within the locality. Other provinces may have different sources of income depending upon the resources available within the locality.

Fourth, the researcher used only semi-structured interview in data gathering because the researcher believes this method is the best way to capture the practices of the respondent schools. and fifth, there are other areas which are not captured during the interview. These include the qualifications of the teachers, the national test scores, and leadership styles of school heads or administrators, suggesting further study of the given areas for consideration.

Conclusions

Based on the findings of the study, the following conclusions are drawn:

1. Financial managers and administrators of the school respondents do not possess the necessary skills and knowledge in the management of financial resources but they were manage to survive through the adaptive financial management practices.
2. The limited or lack of knowledge resulted to bad practices bring a lot of problems such as deficit spending for most of the respondents, large collectibles and payables, and inadequate funds to provide quality educational programs.
3. School respondents have informal financial management practices in all areas therefore, the financial managers and administrators need to possess basic skills and knowledge in financial management to efficiently and effectively manage the school's finances

Recommendations

From the conclusions, the following recommendations are given;

1. Provide enhancement program on the financial management areas for administrators and financial managers of small private basic education schools through the private schools' association.

2. As demanded by the multiple tasks of the school heads of small private schools, the financial management course in the graduation education program should:

a. Include the understanding of basic accounting and bookkeeping since it is difficult to rationalize why there should be proper monitoring analysis and management of finances of a business; of the relationship between cash and receivables and payables; and balance sheet with income statement and cash flow. It is imperative therefore that there should be understanding where the accounting data come from and whether the recording and monitoring of day to day transactions are complete, accurate and free from errors. Reissenweber (2012) concluded in his study that there is a need to mandate the use of financial indicators to help an institution look after its financial health.

b. Include the understanding of basic financial ratios and analyzing its impact on the school's financial status and financial management. The basic financial ratio and indicators can be used in benchmarking of the school if it is healthy or insufficient.

c. Preparation and analysis of basic cash flow statements should be included. Since the problem revealed in the study is mostly funding, school heads and/or financial managers should have an understanding of the following; 1) timing of revenue generation which includes actual cash collection (cash inflow); 2) timing and schedule of cash payments (cash outflow); and 3) other sources of cash.

3. DepEd (Department of Education) must include the administrator's educational background, trainings and seminars in financial management in the application for government permit to operate private schools, renewal of permit to operate, and recognition. By having such updated set of standards, the financial management of private schools will be more relevant as they develop the skills necessary for the successful operation of private schools.

4. Small Private schools should hire an accountant who may not necessarily be CPA (Certified Public Accountant) who will be in-charge of the books, monitor the receivables and payables, cash flow, and expenses versus income. If hiring an accountant or a bookkeeper is a budget constraint, the administrator should have knowledge on basic bookkeeping.

5. The school owners and members of the board in case of a corporation schools, must appoint qualified financial manager and school head and should provide sufficient capital and other source of income for viability and sustainability of operations.

6. Fundraising should be given more importance by implementing new and modern strategies which involve a more focused approach in terms of cultivating active donors.

7. Future researchers may conduct studies on financial management practices of small private sectarian basic education schools to find out if they have the same practices as the present respondents. They may also conduct studies on other management practices of small private basic education schools.

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Appendices

Appendix A

Letter requesting permit from DepEd to get necessary data and conduct study

22 Nov. 2017

DR.MARITES M. IBANEZ
Schools Division Superintendent
Division of Rizal

Thru: Mr. FERDINAND PASCUAL
Chief, Schools Governance Office Division

Dear Sir/Madam:

Greetings of Hope!

I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine Normal University. My study is entitled: **Financial Management Practices of Small Private Schools: A Case Study.**

The main objective of this study is to identify the Financial Management Practices being employed in small private basic education schools in Rizal. Result of the study will serve as input to Financial Management Course of graduate studies in teacher education and as basis to capability building for school heads and/or financial managers of small private schools.

In lieu of this, I have the honor to ask permission from your good office to conduct this study in the Division of Rizal and gather necessary data of the intended respondents bearing the following characteristics; 1) non-sectarian schools 2) with preschool and complete elementary with an enrollment of 100 pupils and below; and with preschool, elementary and secondary with an enrollment of 200 and below; 3) have been operating for 5 years and above; 4) have not granted recognition status 5) have failed to comply with the minimum standard requirement for complete elementary ; and/or secondary as such were ordered to down size.

Anticipating for your permission. Thank you very much. More Power to DepEd Rizal!

Sincerely,

MA.CECILIA I. CRUZ

Researcher

Noted:

Prof. ANTONIO G. DACANAY

Thesis Adviser

Appendix B

Letter requesting permit from RIPRISA (Rizal Private Schools Association)
to conduct study

DR. REYNALDO D. FAUSTINO
President
Rizal Private Schools Association, Inc.

Dear Sir,

Greetings of Hope!

I am a private school administrator of Lamb of Christ Magistrate School, Tanay, Rizal a member of RIPRISA. I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine Normal University. My study is entitled: Financial Management Practices of Small Private Schools: A Case Study.

As an administrator, I have been a witness of the financial management problems confronting private schools specially schools with low enrollment. My personal experiences and concern with private schools have given me motivation to conduct this research.

The main objective of this study is to identify the Financial Management Practices of Small Private Basic Education Schools. Result of the study will serve as input to Financial Management Course in graduate studies and as basis to capability building for school heads, financial manager and other personnel involve in school finances.

In lieu of this, I have the honor to ask permission from your good office to conduct this study in the division of Rizal and gather necessary data of the intended respondents.

It is my fervent desire to help our private schools through this study which can serve as bases for the improvement of financial management practices for financial sustainability.

Sincerely,

MA.CECILIA I. CRUZ
Researcher

Noted:

Prof. ANTONIO G. DACANAY
Thesis Adviser

Appendix C-1

Letter of Request to experts/validators of the interview questions

MARIA HAZEL F. VELASCO
AVP Luzon Area Operational Head
Rizal Microbank. A Thrift bank of RCBC

Dear Madam:

Greetings of Hope!

I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine normal University. My study is entitled: Financial Management Practices of Small Private Schools; A Case study.

The main objective of this study is to identify the financial management practices being employed in small private basic education in Rizal. Result of the study will serve as input to Financial Management Course in the graduate education program and Capability-Building Program on Financial Management for private school heads and financial managers.

As an expert in Financial Management, the undersigned would like to ask your kind help in validating the attached questionnaire which the researcher intends to ask in her interview. The questionnaire involves the different areas of financial management such as cost management, cash management, asset management, revenue generation management, fundraising management and debt management.

Anticipating for your favorable response upon this matter, thank you very much!

Sincerely,

MA.CECILIA I. CRUZ
Researcher

Noted:

Prof. ANTONIO G. DACANAY
Thesis Adviser

Appendix C-2

Letter of Request to experts/validators of the interview questions

MARINOR QUINTILLA, CPA, PhD
Faculty
University of Santo Tomas

Dear Madam:

Greetings of Hope!

I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine normal University. My study is entitled: Financial Management Practices of Small Private Schools; A Case study.

The main objective of this study is to identify the financial management practices being employed in small private basic education in Rizal. Result of the study will serve as input to Financial Management Course in the graduate education program and Capability-Building Program on Financial Management for private school heads and financial managers.

As an expert in Financial Management, the undersigned would like to ask your kind help in validating the attached questionnaire which the researcher intends to ask in her interview. The questionnaire involves the different areas of financial management such as cost management, cash management, asset management, revenue generation management, fundraising management and debt management.

Anticipating for your favorable response upon this matter, thank you very much!

Sincerely,

MA.CECILIA I. CRUZ
Researcher

Noted:

Prof. ANTONIO G. DACANAY
Thesis Adviser

Appendix C -3

Letter of Request to experts/validators of the interview questions

MONETTE CAGUINTUAN
Financial Officer
San Ildefonso College
Tanay, Rizal

Dear Madam:

Greetings of Hope!

I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine normal University. My study is entitled: Financial Management Practices of Small Private Schools; A Case study.

The main objective of this study is to identify the financial management practices being employed in small private basic education in Rizal. Result of the study will serve as input to Financial Management Course in the graduate education program and Capability-Building Program on Financial Management for private school heads and financial managers.

As an expert in Financial Management, the undersigned would like to ask your kind help in validating the attached questionnaire which the researcher intends to ask in her interview. The questionnaire involves the different areas of financial management such as cost management, cash management, asset management, revenue generation management, fundraising management and debt management.

Anticipating for your favorable response upon this matter, thank you very much!

Sincerely,

MA.CECILIA I. CRUZ
Researcher

Noted:

Prof. ANTONIO G. DACANAY
Thesis Adviser

Appendix D

Letter of Request to Financial Managers to Conduct a Pre-Test

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Dear Sir,

Greetings of Peace!

I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine Normal University. My study is entitled: **Financial Management Practices of Small Private Schools: A Case Study**.

The attached interview question is the major research instrument for my study. A Pretest of these questions is needed before the actual administration to the intended respondents.

In this connection, I have the honor of requesting your assistance and cooperation in this endeavor. I would be interviewing you on the day and time most convenient to you.

I know you're too busy but your inputs will help me determine whether the instrument is clear, intelligible and appropriate for financial managers in small private basic education schools.

Your feedback concerning this instrument would be most valued and welcome
Thank you very much for your generous cooperation and support for this study.

Sincerely,

MA. CECILIA I. CRUZ
Researcher

Noted:

Prof. ANTONIO G. DACANAY
Thesis Adviser

Appendix E

Letter of request to the School Administrator

Dear Sir/Madam:

Greetings of Hope!

I am presently working on my thesis in partial fulfillment for the requirements for Master of Arts in Education with specialization in Educational Management at the Philippine Normal University. My study is entitled: **Financial Management Practices of Small Private Schools: A Case Study.**

The main objective of this study is to identify the Financial Management Practices being employed in small private basic education schools. The result will serve as input to Financial Management Course of graduate studies in teacher education and as basis to capability building for school heads, financial managers and other school personnel involve in finances of the schools under study.

The attached interview question is intended for financial managers with titles such as principal/directress/school head/, financial officer, treasurer and the like.

In line with this, I would like to request for your permission to do a study of financial management practices of your school. All the information you will provide will be kept completely **CONFIDENTIAL**. You may not answer questions you do not want to answer.

It is my fervent hope that you will support me in this worthy undertaking. Attached hereto is my interview question for your initial reference.

Thank you very much for this great favor.

Sincerely,

MA.CECILIA I.CRUZ
Researcher

Prof. ANTONIO G. DACANAY
Thesis Adviser

Appendix F

INFORMED CONSENT FORM

Philippine Normal University
Taft Avenue, Manila

Informed Consent Form

This informed Consent Form for Financial Managers of selected Small Private Basic Education Schools in Rizal, who are invited to participate in research "titled" " Financial Management Practices of Small Private Basic Education Schools: A Case Study."

I agree to participate in the research study of Ma. Cecilia I. Cruz, a graduate student from the Philippine Normal University, Manila. The purpose of this document is to specify the terms of my participation in the research interview.

1. I have been given sufficient information about the objectives of this research. The contribution of my participation as an interviewee and the benefits my school can derive from this research has been clearly explained to me.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason and without any negative consequences. In addition, should I not wish to answer any particular question or questions, I am free to decline.

3. I know that participation involves being interviewed by the researcher. The interview will last approximate one hour and thirty minutes. I allow the researcher to take written notes during the interview. I also may allow the audio recording of

the interview to ensure an accurate recording of my responses. It is clear to me that in case I do not want the interview to be recorded, it won't be allowed.

4. I am aware that excerpts from the interview maybe included in the thesis and/or publication with the understanding that quotations will be anonymous.

5. I have been given the explicit guarantees that, the researcher will not identify me by name from this interview, and that my confidentiality as a participant in this study will remain secure.

6. At the end of the interview/discussion I will be given the opportunity to review my responses. I can also ask to modify, add or delete portion of the answers which I find dis agree with my responses.

7. I have read and understood the terms of this form. I agree of my own free will to participate in this study.

____

Participant's Signature Over Printed Name

___ __________________________________

Date

____

Researcher's Signature

____

Date

For further information, please contact the researcher

cp no.09056652067

Landline (02) 655-04-76

Appendix G

Letter requesting for documents

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Dear ________________________

Thank you for accommodating my invitation to participate in my research.

May I also request for other relevant documents to supplement the data taken from the interview. It is believed that other evidences can further validate the findings. These will be analyzed for purposes of validating the interview and to gain additional data that will gain trustworthiness and credibility in the findings. Documents includes manuals, policies, memoranda, pictures and other related records.

I shall be very grateful for your approval of the release of the copies of the above listed documents. Rest assured that these will be used solely for this research.

Sincerely,

MA.CECILIA I. CRUZ
Researcher

Noted:

Prof ANTONIO G. DACANAY
Thesis Adviser

Appendix H sample Transcript of an interview

A. Profile of the school participants

School Information

School No.

Date established:	2008
Schoolsub-classification:	Non-sectarian
Curricular Offering:	NKP, Elementary , Secondary (Grade 7-Grade 9)
No of class per gradelevel :	(1) NKP (1) Elementary
Enrollment:	NKP 8 Elementary 50 Secondary 17 Total 75
Operational Status	Permit

School Address

Street	22 JICA Highway Sitio Cambingan
Barangay	Bayugo
City/Province	Jala Jala , Rizal

Personnel

No. of school administrators and support personnel	**1**
No. of teachers	**(1) NKP (6) Elementary (2) Secondary Total 9**
Salary of teachers	**4,000-5,000**

Physical Facilities

Buildings	[ ]	rented			[/]	owned
No. of academic classrooms	[1]	NKP	[3]	Elementary	[ ]	Secondary
Total Land area	5,000 sq meters					
Library	[/]	solo	[E]	shared/combined	[ ]	none
Science Laboratory	[/]	solo	[ ]	shared/combined	[ ]	none
Computer Laboratory	[/]	solo	[ ]	shared/combined	[ ]	none
Audio-visual room (church)	[ ]	solo	[ ]	shared/combined	[ ]	none
Guidance room	[ ]	solo	[ ]	shared/combined	[/]	none
Clinic	[ ]	solo	[ ]	shared/combined	[/]	none
Canteen	[/]	Solo	[ ]	shared/combined	[ ]	none

B. Profile of the respondents

Name (Optional)

Sex	**Male**
Civil Status	**married**
Age	**63**
No. of years as a school head	**10**
No. of years as a financial manager	**10**

Educational Attainment

Bachelor Degree	**Bachelor of Science in Theology**
Major	**Master of Divinity**
Doctoral Degree	
Major/specialization	

Positions previously held prior to present position.

Position	Please check	No. of years
Teacher	/	10
Subject Coordinator		
Grade Level Coordinator		
Guidance Counselor		
Others, please specify		

Work Experience **NONE**

Areas	Please check	No. of years
Business Finance		
Financial Management		
Budgeting		
Accounting		
Auditing		
Others, please specify		

Trainings/Courses. Please check

Areas	Courses/Units	Training	Sponsor/ Conducted
Business Finance			
Financial Management			
Budgeting			
Accounting	/		
Others, please specify			

Semi-structured interview questions on Financial Management Practices

SECTION A. Cost Management

Say : I would like to know the cost management practices you employ in your school.

Q1. Does the school prepare an annual budget proposal? If yes, what do you consider in the preparation of your annual budget proposal?

Noong una meron kasi required ng DepEd, pasulat-sulat na lang nang sumunod na taon.
Kinokonsider ko ang salary, repair and maintenance at ang tuition fee. Ang building hindi ko iniisip
kasi may sponsor na mga Korean missionary.

Q2. Who prepares the school's annual budget?

Follow-up question. Do you educational background or trainings in financial management?

Ako bilang ako ang financial manager.May training ako sa accounting 1 and 2 noong nagtatrabaho pa ko sa Munisipyo.

Q3. How do you ensure that purchases are within the budget?

Laging kinukulang ang pambudget mula sa collection.Walang natitirang savings. Ang marami ay collectibles kasi maraming hindi nakakabayad. Mahirap din maningil sa mga magulang kasi sa hirap ng buhay. Mga anak ng famers at fisherman ang aming mga mag-aaral.

Pag biglang umulan sa panahon ng tag-init, iniipon namin ang tubig sa lagayang may takip para pandilig sa mga halaman. lagi akong nagchecheck kung ceiling fans at ilaw pag nag-uwian ng lahat.

Q4. How do you minimize expenditures?

Minomonitor ang paggamit ng kuryente since kuryente at tubig lang ang binabayaran namin. Hindi naman pwedeng tipirin ang mga school supplies. Prioritize namin ang patawag DepEd na mga seminars kasi required ng DepED, kailangang umatend.

Q5. What policies do you apply to limit expenses?

Wala pa sa ngayon. Simpleng-simple pa lang ang aming pinansyal.Konti lang naman ang pumapasok na pera. Hindi pa kailangan ng policies.

Q6. How do you monitor your budget versus actual expenses? Do you prepare monthly and annual financial statement?
Follow-up question. What is the reason why you do not prepare financial statement?

Hindi namin na momonitor. Wala kaming monthly at Annual financial statement.

Hindi rin kami nagsusubmit sa BIR. Hindi kami nagsusubmit kasi hindi naman kailangan at konting-konti lang pumapasok na pera. Wala namang kinikita ang eswelahan. Hindi ako nagpapagawa ng Financial Statement at hindi rin ako magsusubmit pa sa ngayon.

Q7. Does the school appropriate budget for instructional, academic support program, student services and professional development of teachers? How do you appropriate for each?

Follow questions.Where does the budget come from?

a. *For instructional like laboratory and library, at computer, hindi na kaya, Koreano na nagbibigay.*
   Meron kaming summer turorial classes for free. Korean Language lang yun. Tapos I totour sa Korea for free.. Yan ang promotion namin. Last summer 7 students ang nag tour sa Korea.

b. *Sa student services like athletics and other competitions, school level lang kasi hindi kami member ng RIPRISA. Ang medical at dental services ay annually provided ng Koreano. Marami silang mga dalang gamot para sa mga bata for free. Sa community outreach program school at PTA ang may sagot.*

c. *Sa development of teachers like trainings and seminars, previously basta DepEd pinadadala ko. Tinatamad na kami kasi after one year umaalis na sila kaya ipinauubaya ko na sa gov't. and development nila.*

Q10. How does the school ensure that all financial transactions are safeguarded through proper budgetary procedure and accounting practice?

"Meron corrections, balance, madali lang I compute. Meron kaming receipts na issue. Simple lang ang pinansyal, hindi pa kailangan ang procedure ng accounting.

Q11. Is there somebody in-charge of monitoring the expenditures, and likewise prepares variance analysis of actual vis-à-vis budgeted expenses?

Kuryente lang ang malaki ang gastos dito. kahit walang "salary" basta mabayaran ang kuryente at tubig. Hindi na kailangan ang variance analysis sa amin. Simpleng simple lang ang finansyal namin.

Nagkwento ang Pastor na muntik nang masunugan ang school nila dahil sa hindi napatay ang ceiling fan.

Q12. Do you think it is necessary to adopt a policy to regularly adopt a variance analysis of expenses?

No. simple lang ang finansyal

Q13. Do you have long-term financial plan?

Sa ngayon wala akong ginagawang ganyan kasi contented na ako na may dumarating na support. Hindi ako masyadong namomroblema basta maka survive lang. Tama na yun sa akin.

SECTION B. Cash Management

Say : I would like to know about your Cash Management practices.

Q1. How do you speed up the collection of accounts receivable?

"I have a total amount of Php 60,000.00 collectibles last year. Mas maganda mga teachers ang mag collect kasi naghihigpit sila dahil wala silang susuwelduhin pag hindi sila naghigpit."

"Pag ako naniningil, mas marami hindi nagbabayad at pag hindi nabigyan ng exam ay nagiging napakasama ng imahen ko sa mga bata at magulang. Isang dahilan kaya teachers ang naniningil ng bayad sa tution fee. Isa pa ay upang makita rin ng mga teachers na wala akong itinatagong pera sa kanila para hindi ako paghinalaan na iniipit ko ang sweldo ng teachers.

Q2. Is there an aging schedule of receivable?

Wala. Hindi na kailangan. Dito pag 1 year at nagpatung-patong na ang utang aalis na lang sila.Ayaw ko din naman piitin kasi lalaki lamang ang kanilang mga utang. May isa ngang bata na nakiusap sa akin na huwag ko siyang paalisin. Hindi ko mapalis-alis at naawa ako. Mission kasi itong school.

Q3. Is there somebody in-charge of preparing the cash flow?

Oo, yung cashier ko.Nirereview ko lang. Collection and expenses lang ang nakalagay.

Q4. How do you monitor cash flow?

Check lang ni Pastor yung ginagawa ng teacher na cash flow.

Q5. Is the financial statement both monthly and annually prepared and distributed according to policy guidelines?

Wala kaming ganyan. Hindi kami marunong gumawa niyan.

Q6. How do you control disbursement?

Simple lang ang pinansyal. Ang pera sa tuition at miscellaneous fees ay sama-sama na. Ang requirement ng Deped dapat ay separate. Dahil konti lang naman ay sama –sama na lahat. Kung anu kailngan at may panggastos, binabayaran.

Q7. Do you follow a systematic approval of disbursement like Codified Disbursement Approving Authority like CODA?

(CODA is a formal policy setting defining the appropriate level of approving authority for different levels/amount of expenditures, OPEX (operating expenses) and CAPEX (capital expenditures.

Ako ang approving authority.

Q8. Do you have policy determination in terms of liabilities?

Wala. Inuuna bayaran ang priorities tulad ng kuryente. Alam naman ang dapat ipriority kasi kakaunti pa lang naman ang intindihin ng school sa liabilities.

Q9. Do you prepare bank reconciliation?

No. Hindi kami nakakapagbanko kasi wala naming natitirang budget para pa save sa bank.

Q10. How frequent do you prepare bank reconciliation?

Q11. How do you purchase supplies? Do you require several canvass/quotations prior to the approval of accredited suppliers of the school's needs such as but not limited to office supplies, textbooks, uniforms and equipment?

Hindi na. Simple lang. Ako lang ang nagdedesisyon. Basta nag conform sa curriculum ang books. Iyung kakayanin ng mga magulang ang presyo pero maganda at *curriculum compliance. Maraming akong teachers ang pumapasa sa LET, sabi nila ang books dawn a ginagamit naming ay nakaktulong sa kanilang pagrereview.*

Q12. Is there a designated approving authority/committee to approve the accredited suppliers based on quality and costing?

Ako nag aaprove. Ako rin nag pupurchase. Sa mga pagpurchase ako dapat nag gumgawa noon because it entailed decision making.

Q13. Is there a policy for students who are unable to settle their obligations/tuitions on time?

Follow-up question. Do you implement "NO Permit, NO Exam policy?

Kung kelan magbayad saka bibigyan ng exam. Sa 2-3 students with big accounts, hindi ko na inaasahan parang bad debts na lang. Parang pag hindi ko pinapayagang lumipat lalo pang lumalaki ang utang.

Naniningil lang kami sa may big debts. NO Permit NO Exam, minsan lang." Mission" kasi ito.

SECTION C. Asset Management Section

Say : I would like to know about your Asset Management practices.

Instruction to the interviewer: Interviewer to show the Option Cue Card whenever needed.

Q1. How do you ensure that all assets are in good condition?

May padlocks ang mga rooms. At nag iimbentaryo kami. Madali lang naman.

Q2. How do you optimize income from the financial assets?
Alternative Question: Do you have time deposit or regular savings in the bank or do you invest in *other business?*

Wala kaming financial asset. Walang pan save sa bank. Wala din kaming investment sa ibang businesses.

Q3. How do you ensure that all assets are properly accounted for?

Imbentaryo

Q4. Is there proper tagging of the school's assets?

"Wala kaming asset tagging. Hindi kami gumagawa.Kokonti pa lang naman ang assets

Q5. Do you have policies regarding depreciation?

Walang policy.Pag hindi na pwede itatapon na.

Q6. Is there a reconciliation of the results of the physical inventory of assets vis-a-vis what is recorded in the books?

"Yes" Ako rin ang nag-iimbentaryo para Makita ko ko kung alin ang wala.

Q7. Is there a policy for fully depreciated Asset?

"None."Hindi ako marunong niyan.

Q8. How do you discharge fully depreciated asset?

Pinamimigay pag hindi na marepair. Hindi na nagbebentapara pakinabangan ng mga tao.

SECTION D. Revenue Generation Management

Say : I would like to know about your Revenue Generation Management practices.

Q1. How do you forecast revenues and expenditures?

Alternative question: How do you estimate or predict the revenues and expenditures for the coming school year?

Oo. Kinokonsider ko ang enrollment, books, tour, extra income at yung 12,000 monthly na binibigay Koreano.

Q2. How do you determine the tuition fees and amount of other miscellaneous fees, service fees, and the cost of books, uniform and others?

a. "Sa tuition at miscellaneous fee, binabase sa capacity to pay of parents dahil simple ang mamamayan dito farmer at fisherman.
And ID, water at kuryente ay hindi kasama sa misc. nakahiwalay ito sa bayarin nila.

b. *“Sa cost of books, pinagbabasehan naming ang “price” na bigay ng supplier tapos dinadagdagan naming ng 15% na profit “ Basta ang books ay cash. NO PAY, NO BOOKS.*

c. *“Sa uniform (school uniform at PE Uniform, plus 15% sa presyo.”*

d. *“Sa tutorial, ay summer free tutorial.*

e. *“Sa medical at dental fee ay hindi kami naniningil. Libre lang dahil sagot ng Koreano.*

Q3. How do you maximize the profit of school canteen and others?

Ang kita ng canteen ay para sa aming mag-asawa. Hindi na ito para sa school. Asawa ko ang nagtitinda. Ang kita nito ay para na sa aming pang-araw-araw na panga-ngailangang mag-asawa dahil wala naman akong sweldo sa paaralan.

Q4. Are there policies on academic scholarship and grants?

“Yes.

a. *“Academic Scholars.*
1st honors – 50% discount on tuition fee

b. 2 magkapatid – 50% discount and isa
3 magkakapatid – libre and isa

Q5. What are your other sources of income?

Tour, print out, fundraising like Mr. and Ms. , PTA ang namamahala ng fundraising dahil kung ako nagagastos ko sa ibang panga-ngailangan ng school. Itong huling fundraising ng PTA, nagbigay sila ng 1 month salary ng mga teachers. Nakalikom sila ng 100,000.00 Ipinagawa nila ang gate ng school.

Q6. Are the projected income from tuition and other miscellaneous fees, gifts and endowments adequate to support quality educational program and continuing improvement plans?

“*No.” pag ibabase sa competition, we are left behind lalo na hinde kami aircon. Yun ibang parents gusto ay aircon. Wala rin kaming overhead projector at iba pa.*

Q7. Are fees collected and allocated for the intended purposes?

Oo.

Hindi sila naniningil sa electric bill, medical and dental. Yung bayad sa kuryente ay kinukuha sa binibigay ng Koreano na 12,000/month. Sa medical at dental ay Koreano pa *rin ang nagpoprovide May mga gamot, madalas ay ointment sa makakati na galing sa Korea, ipinamimigay namin sa mga estudyante at iyung iba ipinamimigay sa "community" para makatulong.*

Q8. What consist the over-all financial resources of the school?

Income from tuition and other fees, capital (galing lahat sa Koreano), Php 12,000.00 monthly bigay ng Koreano, , fundraising ng PTA,

Q9. Are over-all financial resources sufficient to assure the continuity and stability of services?

Hindi sufficient. Kung masisingil lahat, kakapusin pa ng 28,000.00 sa salary ng teachers, kasi ngayon ay hindi ako nagturo ng Math. Kumuha ako ng isang teacher na pumalit sa kin.

Q10. What are the initiatives of the school to improve/increase annual enrollees and likewise

Advertisement , house to house, Korean Tour, putting up of new buildings, tarpaulin,

Q11.What is your breakeven point?
Alternative question: How many students have to be enrolled and must pay tuition fees to cover expenses for annual school operation? Do you meet your break-even point?

120 to 150 pupils and students.

Q12. What is your payback period?
Alternative question: How many years do you need to recover the initial investment of the school?

Makakabawi sa Grades 11 and 12 dahil subsidize ng govt'. Mga 5 years from now.

SECTION E. Fundraising Management

Say : I would like to know about your Fundraising Management practices.

Q1. How do you raise funds?

Tour, books, cash donations, beauty pageant ng mga pupils.

Q2. What are the guidelines followed in fundraising?

PTA ang namamahala. Basta kailangan meron ang school na 500/pupil or student.

Q3. How do you gain bigger income or proceeds?

Follow-up question. Is your tour compulsory?

Ang tour ay hindi cumpolsary. Kung hindi sumama, may contribution sa kakulangan ng school Kunyari, bawat pupil na hindi sumama sa tour ay magdadala ng isang monoblock na upuan.

Q4. Do you allow external fundraising?

"Not yet."Wala pa kaming gradweyt na may trabaho na pwede mahingan ng tulong para sa external fundraising.

Q5. What are the major consideration for the approval of fundraising?

Benefits of the school and consultation with the parents.

Q6. Who reviews if the objectives of the fundraising are attained?

Pastor with consultation from parents.

Q7. Do you prepare accomplishment reports after the fundraising projects, to be submitted to benefactors?

"Yes.", na ipopost sa bulletin board and collection and expenses.

Wala pa namana ako naeencounter na reklamo mula sa parents. Dito ay very supportive ng mga magulang kasi siguro ay halos libre naman ang edukasyon dito. konting konti lang ang binabayaran nila.

Q8. What are your ways of giving back to the benefactors?

During program and meeting they are being recognized. Sa proceed ng fence na ipinagawa nila ay nakatatak ang pangalan nila.

SECTION F. Debt Management

Say : I would like to know about your Debt Management practices.

Q1. What are the short-term liabilities (1 year) of the school?

Books and salary of teachers. Pag kasi hindi nagbayad agad ang mga magulang, nagkakaroon kami ng utang sa publishers. Minsan inaabot pa ng susunod na taon ang utang naming, kaya nga gusto naming cash ang libro, hindi lang talaga kaya ng ilang mga magulang kaya nagkakaganun.

May mga panahong hinid nakakasweldo ang mga teachers, lalo kung hindi nagbabayad ang mga magulang. Nakakaawa nga sila, kaya nga sila na inaniningil ko kasi nga mas strikto silang maningil kesa sa akin at napipilitang magbayad ang mga magulang. Maliit na salaries nadedelay pa.

Q2. Do you follow a Special Operating Procedure in paying short-term liabilities?

"*No, . Hindi na kaiangan. Wala namang napakaraming bayarin.*

Q3. How do you pay short-term liabilities?

Pag may pambayad, bayaran agad.

Q4. What are the long-term liabilities (2-5 year) of the school?

Wala.Kasi binbayaran agad namin ang mga bayarin. Philhealth lang ang binabayran naming para sa benepisyo ng mga teachers. How can we provide SSS for them when they are not permanent.Dito naman pwede silang umalis kahit na may kontrata.

Q5. Is there an approving authority /committee that approves availment of loans when needed?

Wala kaming loan. Hindi namain kailangan dahil may meron naman kaming suporta sa Korano. Sapat na yun.

Q6. Is there an aging of accounts payables?

"*Wala kaming utang.*

Appendix I
Transcript Coding and Theme

Questions	Responses						
1.Cost Management	School A	School B	School C	School D	School E	School F	**Theme**
1.1 Budget Proposal Yes.		Gumawa minsan sa pagrenew ng govt. permit to operate	Oo sa pag appy ng govt. pertmit to operate	Meron ginawa isang beses lang	Nuong una meron kasi required ng DepEd. Ngayon pasulat-sulat na lang.	Nuong una meron na. Sinusunod ko na lang yung ginawa nila	**Short-term savings**
	Kinokonsider ang enrollment salary of teachers,	May ginagawa kami, yun lang sa salary,SSS, Philhealth and Pag-ibig, pati yung 13th month	kinokonsider namin ang salary ng teachers , permit, licenses at maintenance	konikonsider and enrollment, tuition fees permit, salary, and licenses	Kinokonsider ang tuition fees, salary of teachers, repairs and maintenance,		**Needs-based budgeting**
	Delayed ang bayad ng parents. Personal ang source	Hindi nasusunod	Laging kulang ang capital, dahil hindi nakakabayad and parents	Hindi nasusunod	Laging late ang bayad. Kulang ang collections sa gastusin.		

Questions	Responses						
1.Cost Management	School A	School B	School C	School D	School E	School F	**Theme**
1.2 Expenditures	Save electricity. Nagpapa alala to off the lights, aircon and fans after using. Hindi nagpu-purchase pag wala sa budget No policies. Kung anung nariyan yun lang ang ginagastos.	nagtitipid sa kuryente. Binubuksan ang aircon ng 1 hour after the beginning of classes at pinapatay 30 minutes before the end of class. Call skilled workers for repairs Nagrereuse ng bondpaper. Napupurchase lang pag kailangan Walang written policies.	Tinatry kayanin. Pinapatay na *ang* aircon mga 10 to 15 minutes before the end of classes. Monday and Friday half day classes only, nakakatipid na din sa kuryente Nagpupurchas e basta kailangan Verbal ang aming policies	Hindi pwedeng tipirin Asawa ko ang nagrerepair Yun lang kailangan ang binibili. Verbal lang	Nagtitipid sa kuryente.Laging nagchecheck kung napapatay ang electric fans at lights. Nagsasahod ng tubig mula sa tubig ulan para pandilig ng mga halaman. Wala. simpleng-simple lang ang aming finansyal.	Nagtitipid sa kuryente at tubig Pag may budget Nagpupur chase at nagpapagawa, pag wala na budget tigil na Walang policy.Ako nagsasabi kung meron pa o wla nang budget	**Cost-cutting**

Questions	Responses						
1.Cost Management	School A	School B	School C	School D	School E	School F	**Theme**
1.3 Appropriation 1.3.1 Instructional	Only when there is leftover	Peronal funds (abono)	From personal funds (abono)	None if no budget		As requested; no purchases, repairs only	**Bunot Bulsa**
1.3.2 Academic Support	From miscellaneous	From miscellaneous	From miscellaneous	From miscellaneous		Taken from Miscellaneous	
1.3.3 Student Services	No budget for athletics and other competitions Medical and dental; budget from donations	Budget from miscellaneous and donations Medical and dental; free medical services Provided by relatives	Medical and dental; free services Provided by relatives	Medical and dental; taken from miscellaneous	Korean missionaries provide funding	Athletics and Competitions c/o Miscellaneous Medical and dental provided by church members free of charge	**Cost-cutting**
1.3.4 Professional Development	Priority and DepEd seminars and trainings; taken from miscellaneous	Priority ang fund for DepEd seminars and trainings, RIPRISA	School shoulders training fee during good collection; other wise, the owners shoulder the funding	Priority ang DepEd seminars and trainings Personal funds of owners	None Govt. na bahalang mag train sa kanila. Doon din naman sila lumilipat pag nakapasa na sila.	Priority ang DepEd trainings and seminars	**Needs-based budgeting**

Questions	Responses						Theme
	School A	School B	School C	School D	School E	School F	
1.4 Financial Statement	No monthly financial statement Always checking the budget May Annual Financial Statement na ginagawa ng accountant sa BIR na mas mura ang singil.	Walang monthly financial statement Nagrerecord sa book ng income at expenses May annual Financial Statement na ginagawa ng commissioned accountant	Nagrerecord kami monthly ng income at expenses Ginawa ng accountant na parent ng pupil namin sa school ang Annul Financial Statement	Walang monthly at annual financial statement Nagrerecord ako ng collection at expenses sa notebook Hindi nagsusubmit sa BIR dahil hindi alam	Walang monthly at annual financial statement Meron kaming notebook na listahan ng collection at expenses. Hindi nagsusubmit sa BIR dahil dw wala nang kita.	Walang monthly financial statement Nagrerecord ako sa book ng pumapasok at lumalabas ng pera May annual financial statement na gingawa ng isang accountant nakasamahan sa church namin na mura lang ang bayad.	**Cost -cutting** **Unconventional recording**

Questions	Responses						
2. Cash Manageme nt	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
2.1 Accounts receivables	We send statement of accounts, give constant reminders to pupils,call on parents of pupils who have big accounts Walang penalty. Mission kasi ito.	Collectibles almost 300 thousand. Nagbabahay-bahay. Yung mga hindi nag iintindi ng utang ipinababarang gay namin. Pag nagbayad ng konti, binibigyan na rin ng exam, dahiln sa awa sa mga bata. Last quarter of the year mahigpit sa NO PERMIT,NO EXAM	"No Permit, No exam policy" Nagbabahay-bahay kami araw-araw. Binibigyan na rin ng exam, "mission kasi ito" May 5% penalty pero hindi naiimplement sa awa.	Pinapipirma sa Promissory notes Pag naiyakan ka na, bibigyan mo na ng exam May penalty na 5% surcharge pag di nakabayd, pero hindi ito naiimplement	"Php60,000.00 collectibles last year. Mga teachers ang mag collect kasi naghihigpit sila dahil wala silang suswelduhin pag hindi sila naghigpit. Pag ako ang naningil, mas marami hindi nagbabayad at pag hindi nabigyan ng exam ay napakasama ng imahen niya sa bata at magulang Kung kelan magbayad saka bibigyan ng exam	"No Permit, No Exam", Montlhy nagpapadala ng statement of account Constant reminders Promissory notes Kahit hindi makabayad.	**Lenient Policy Implementation**

Questions	Responses						
2. Cash Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
2.1 Accounts receivables	We send statement of accounts, give constant reminders to pupils,call on parents of pupils who have big accounts Walang penalty. Mission kasi ito.	Collectibles almost 300 thousand. Nagbabahay-bahay. Yung mga hindi nag iintindi ng utang ipinababarang gay namin. Pag nagbayad ng konti, binibigyan na rin ng exam, dahiln sa awa sa mga bata. Last quarter of the year mahigpit sa NO PERMIT,NO EXAM	“No Permit, No exam policy” Nagbabahay-bahay kami araw-araw. Binibigyan na rin ng exam, “mission kasi ito” May 5% penalty pero hindi naiimplement sa awa.	Pinapipirma sa Promissory notes Pag naiyakan ka na, bibigyan mo na ng exam May penalty na 5% surcharge pag di nakabayad, pero hindi ito naiimplement	“Php60,000.00 collectibles last year. Mga teachers ang mag collect kasi naghihigpit sila dahil wala silang suswelduhin pag hindi sila naghigpit. Pag ako ang naningil, mas marami hindi nagbabayad at pag hindi nabigyan ng exam ay napakasama ng imahen niya sa bata at magulang Kung kelan magbayad saka bibigyan ng exam	“No Permit, No Exam”, Montlhy nagpapadala ng statement of account Constant reminders Promissory notes Kahit hindi makabayad.	**Lenient Policy Implementation** **Unconventional collection Methods**

Questions	Responses						
2. Cash Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
2.2 aging schedule of receivable?	ipinatatawag ang magulang pag matagal na utang	Walang formal na lista. Yung matatagal na may utang aypinadadalhan ng demand letter	Sa handbook ng mga balat nakalista.	Hindi ko alam gawin. Kaya maraming nakakalampas Pag iniyakan ka na, pagbibigyan mo na.	Wala.	Oo. Nilalagay ko sa memo kung ganu na katagal na hindi nakakabayad.	**Unconventional Collection method**
2.3 Policies	Within the budget	Wala. Pinaparioritize ang urgent	None. Kung anung bayarin, babayaran na agad. Cash ang mga bayarin.	Wala. Hindi nagtatagal ang utang 212aming. Binabayaran agad 212aming	Wala. Inuuna ang priorities tulad ng kuryente.	Wala kaming utang .	**Immediate Settlement**
2.4disbursement **Approving authority disbursement and supplies**	Within the budget Pastor and his wife	Within the budget Pastor and his wife	Within the budget Directress and daugther	Kahit wala sa budget The owner	Within the budget Pastor	Within the budget Pastor and his wife	**Nepotism**
2.5 Preparing and monitoring cash flow	Collection and expenses	Cash in and cash out in the book	Collection and expenses lang	Collection and expenses lang	Collection and expenses lang	Collection and expenses lang	

Questions	Responses						Theme
2. Cash Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	
2.6 Bank reconciliation	Mahirap i reconcile	Weekly sa panahon ng enrollment. Pag kalagitnaan na ng taon, pag may may pumasok at lumabas lang na checke.	Quarterly lang kasi konti lang ang pumasok na pera.	Minsan lang dahil hindi naman ganun kalaki ang savings.	Hindi nagbabanko ng pera. Wala nang natitira pansave sa banko.	Hindi kami nagdedeposito ng cash.Walang banko dito sa Sampaloc. Meron lang kami checke at nagrereconcile lang minsan kasi bihira lang may checke	**Short-term savings**
2.7 Purchasing supplies	Require several canvass/ Quotations quality	Supplier which offers a lower amount but with quality	quality	Require several canvass/ Quotations quality	Simple lang. Textbooks must conform with the curriculum Friendly relationship with the supplier	Dating supplier. Nagbigay ng loan	

Questions	Responses						
3. Asset Management Section	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
3.1financial assets	Regular savings	May savings kung panahon ng enrollment	During enrollment meron savings	Meron regular savings	Wala	Nuon meron, ngayon wala na	**Informal Management Style**
3.2 Protection of assets	Insured ang bagong buildings Sa likod lang ng school ang bahay namin.	May caretaker sa gabi	Sa school kami natutulog na mag-asawa	May caretaker kami tuwing gabi	Dito kami natutulog na mag-asawa	May caretaker kami na nagbabantay	
3.2 accounting of physical assets	Inventory, proper storage and reconciliation	Inventory and proper storage	Inventory Proper storage	Inventory	Inventory, Proper storage and reconciliation	Inventory and reconciliation	
3.3 depreciation policies	Binebenta ang depreciated assets	No policy, binebenta ang depreciated assets	verbal Binebenta sa maliit na halaga para mapakinaba-ngan ng iba	No policy Sold at scrap value per item	No policy Ipinamimigay o itinatapon ang depreciated assets	No policy Ipinamimigay na lang para mapakinabangan pa ng iba	

Questions	Responses						Theme
4. Revenue Generation Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	
4.1 forecasting of revenues	Pag natapos ang school year nakikita namin ang revenues at expenditures	Kinukwenta namin ang mga payables at colletibles at the end of school year	Nakikita lang pag end of school year	At the end of school year nalalaman	Sinusulat. Kinokonsider ang enrollment, books, tour extra income at monthly support ng Koreano	Nagkukwenta kami at the end of school year	**Post-implementation assessment**
4.2 Basis for determining the ff.; 4.2.1 tuition Fees	Paying capacity ng parents at taas ng bilihin	Base sa dating tuition at sa tuition ng ibang maliliit ng private schools sa lugar	Kung panu ma meet ng tuition ang expenses At kung panu di mahirapan ang parents	Base sa tuition ng ibang schools sa area at sa dating tuition fee	Binabase sa paying capacity ng parents dahil simple lang ang mamamyan dito farmer at fisherman lang	Base sa dating tuition fee. Magdagdag lang ng Php50 sa tuition fee sa increase	**Customer-based Economy Pricing**

Questions	Responses						
4. Revenue Generation Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
4.2.2misc.fee	Previous	Base sa mga halaga ng mga binabayaran sa miscellaneous.	Base sa present prices ng IDs,at iba pa.	Nagtataas ako ng Php 500 pag kailangan	Base sa previous	Base sa previous. Hindi nagtataas	
4.2.3 books, Uniforms, & others	Plus 15% sa price ng uniform	Plus 20% sa price ng uniform	Plus 20% sa uniform		N/A, supplies are free of charge		
4.2.4 Tutorial	Plus 10% sa school	Plus 10% sa service fee para sa school	Base sa dating singil na 1,000 para sa guro	May 10% para sa school	Free tutorial during summer. Korean Language	Base sa dati. Para sa teachers lang walang patong.	**Low-pricing** **Vendor Financing**
4.2.5 Canteen		Malaki ang pakinabang sa canteen. Nakukuha na sa canteen ang pambayad sa renta ng school.	Sa katabi ng school ang tindahan at canteen kung san bumibili ng snacks ang mga bata	Sa ate ko ang canteen. Katapat lang Ng school	Ang kita ng canteen ay para na lang sa aming mag-asawa.	Malaki ang tulong ng canteen, pero hindi ito compulsory	

Questions	Responses						
4. Revenue Generation Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
4.3 Academic scholarship and grants	Early birds-25% discount on tuition fee 2siblings-2nd sibling 50% discount on tuition fee 3siblings-3rd sibling is free tuition fee Cash payment upon enrollment 40% discount on tuition fee	2 siblings-2nd sibling 10% discount on tuition 3 siblings – 3rd is free tuition 1 anak ng teacher-free tuition fee	2 siblings-2nd sibling ,50% discount on tuition 3 siblings- 3rd sibling is free tuition free 1st honors-free tuition 2nd honors-75% discount on tuition 3rd – 50% discount on tuition fee	3 siblings-15% discount each on tuition 2 siblings-10% discount each on tuition Early enrollment - 5% discount Cash payment-5% discount on tuition fee	1st honor-50% tuition discount 4 siblings-4th sibling free tuition	2 siblings-10% discount ang 2nd 3 siblings-free tuition ang 3rd sibling	**Customer-based Incentives**

4. Revenue Generation Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
4.4 Other sources of income	Tour and donation Donasyon ang malaking tulong sa amin sa pagsupport sa operation at pag improve the facilities We get 1million, 400 thousand, 300thousand and 200thousand from donations Napaglalaanan ang mga mga panganga-ilangan sa ngayon	Fundraising	Fundraising	Fundraising	Fund-raising (tour, Pageant, Print out)	Fundraising and donations	**Resource Mobilization**
4.5 Adequacy of income to support school operations	Sufficient. Kailangan dyan dedicated at full pledge ang nagmamanage	Laging nag aabono kasi maraming singilin. Hindi agad nababayaranan ang mga payables	Laging nag aabono “lead to bankruptcy”	Husto lang. Nag aabono lang sa mga seminars kasi nadedelay ang bayad ng mga magulang	Kinukulang pa rin kahit may donasyon dahil sa delayed ang bayad ng mga magulang	Kasya lang sa school operation. Malaking tulong ang PTA fundraising at donasyon mula sa church sa improvement ng physical facilities	“**Bunot-Bulsa or out of pocket**

Questions	Responses						
4. Revenue Generation Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
4.6 Over-all financial resources	Capital, tuition and other fees, books, tour and gifts and donation Donasyon ang malaking tulong sa amin sa pagsupport sa operation at pag improve ng facilities We get 1M, 400k, 300k and 200k,100k from donations Napaglalaanan ang mga mga panganga-ilangan sa ngayon	Capital, tuition and other fees, books, uniforms, socks, tutorial, canteen, and fundraising	Capital, tuition and other fees, books, uniform, fundraising, donation from church	Capital, tuition and other fees, books, uniforms, tutorial and fundraising,	Capital, tuition and other fees, books, print out, canteen, provision from Korean missionary	Capital, tuition and other fees, books, uniform, canteen, donations and fundraising,	

Questions	Responses						Theme
4. Revenue Generation Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	**Theme**
4.7 Initiatives to increase Annual Enrollees	"Demo" teaching in Day Care Centers	Print advertising (i.e., tarp)	Print advertising (i.e., tarps, flyers)	Word of Mouth Advertising	2-week summer tutorial; print advertising (i.e., flyers, tarps), free tour to Korea	2-week summer tutorial; print advertising (i.e., flyers)	**Enrollment Strategies**
4.8 Break-even point	[no given figure]	Double the present enrollment Sa ngayon ay 63 pupils kami. Mga 100 cguro ok na to cover expenses of the school operation	Double the present enrollment From 70, kailangan mga 150-200 para ma meet ang expenses	Double the present enrollment Sa ngayon na may 46 pupils ako, mga 80 pupils cguro ok na	Double the present enrollment May 75 student ako ngayon. Kailngan ko mga 120 to 150 students	Double the present enrollment Sa ngayon ay 130 lahat ng estudyante namin, ipinag papray namin na maging 150	

Questions	Responses						Theme
5. Fundraising Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	
5.1Fundraising	Annual Educational Tour	10 years ago may school Pageant 6 years na walang tour In 2018 meron lang raffle. Nawalan nga school pageant dahil sa mga conflicts ng fundraising na ito. Nawalan din ng Tour simula ng magkaroon ng mga aksidente.	School Pageant, Cake Raffle Tour	PTA project Ambagan Annual School Pageant	Tour, School Pageant	Tour School Pageant	**Resource Mobilization**
5.2 Guidelines in Fundraising	School provides the guidelines	School provides the guidelines	PTA makes the guidelines	PTA nagbibigay ng guidelines	PTA namamahala	PTA gumagawa ng rules	

Questions	Responses						Theme
5. Fundraising Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	
5.3 To gain bigger income Proceeds	The tour is compulsory for all pupils	Compulsory ang tour	Through PTA	Sa Money contest, Yung sobre may control no.	Ang tour ay hindi cumpolsary. Kung hindi sumama, may contribution sa kakulangan ng school.	Sa tulong ng mga magulang Nagkaron kami ng grills, trellises,bubong, gate	**Resource mobilizati on**
5.4 Major consideration for the approval of fundraising	Reasonable amount and practicality of proceeds		proceeds	Basta para sa school	Benefits of the school and consultation with the parents.	Basta for the improvement of the school	
5.5 Accomplishment reports after the fundraising projects	Pinopost sa bulletin board	None.	“yes”. Nakapost sa bulletin board.	Yes. we post it on the board.	Yes, na ipopost sa bulletin board ang collection and expenses.	Yes.	

Questions	Responses						Theme
6. Debt Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	
6.1 Short-term liabilities (1 year) of the school	Wala kaming utang. Pag may bills bayad agad	Books at rent	Rent	Walang utang. Bayad agad	Books	Books	**Immediate settlement**
6.2 SOPs in paying short-term liabilities?	No SOP	No SOP	Settle as soon as there is cash on hand	Pay as soon as possible	No SOP	No SOP	
6.3 Payment of short-term liabilities and long term liabilities?	Pag may bayarin, bayad agad	Pag enrollment na ulit saka pa namin na ifufully paid ang books.	Pag may bayarin, babayaran agad kung may budget	Pag may bayarin, bayad agad	Pag may pambayad, binabayaran agad	Nagbabayad kami by schedule	

Questions	Responses						Theme
6. Debt Management	**School A**	**School B**	**School C**	**School D**	**School E**	**School F**	
6.4 Long-term liabilities (2-5 year) of the school?	Nagkaroon kmi ng utang na hindi namin alam. Yung sa SSSna umabot sa less than 200thousand. Pero binayaran namin agad	More or less 300K sa SSS 48,000 sa Philhealth at pag-ibig Rent	SSS Umabot na sa 127,000 ang bayarin namin sa SSS	Wala kaming utang. Wala akong binabayarang social benefits ng mga teachers	Wala kaming utang. Hindi ako nagprovide ng social benefits sa mga teachers “wala naman kaming kita”, kaya wala social benefits ang teacher	Nakapag loan kami ng 100,000 mula sa publication ng libro. Kaya kami nakapgpagawa ng 2nd floor. Sa kanila kami kumukuha ng libro for 5 years. Walang interest basta kukuha lang sa kanila ng libro.	
6.5 Aging of Accounts Payables	Wala kaming matagal na utang	Hindi namin nagagawa ito.	None. hindi naming alam gawin	Wala. Hindi namin alam gawin	Wala kaming utang	Wala, dahil wla kaming utang.	**Immediate Settlement**

Appendix J

Other Requirements in the application for government permit to operate, renewal of permit, and recognition

2010 Manual of Regulations for Private Schools provides requirements on School Sites and Buildings, Laboratory, Equipment and Supplies and Library in the operation of private schools.

Section 160. Ownership. Unless exempted by the Secretary, each private school shall own its site, or shall have a definite feasible program for ultimate ownership thereof within a reasonable period, which should be adequate and suitable for the buildings and activities of the school.

Section 161. School Sites and Buildings. The standard on school site of private schools shall be considered among others, on the factors of total floor in square meters, occupancy at any time, school developmental plan, and traffic situation in the vicinity, and such other requirements as the Secretary may deem valid and reasonable to issue.

Section 162. Limitation on school Capacity. All Private schools shall be limited in their enrollment on the basis of occupancy at any one time and the total capacity of school facilities and such other factors as maybe determined through regulation of school facilities and such other factors as maybe determined through regulation by the secretary. Existing schools shall not be allowed to expand in their enrollment unless the standards on school sites as provided for under the 2010 Manual are satisfied.

Section 163. School Buildings. Each private school shall likewise own its buildings, unless otherwise exempted for special reasons by the Secretary. The school buildings should be adequate and suitable for the purposes and activities of the school as required under existing laws, rules and standards.

Section 164. Laboratory Facilities. Private schools offering shall have such appropriate and suitable laboratory rooms and equipment and supplies as maybe necessary for each level of instruction in accordance with the rules and standards prescribed by the Secretary.

Section 165. Other Facilities and Supplies. Each private school shall provide such other facilities and supplies including teachers' cabinets, tables and chairs, blackboards, library equipment and supplies, laboratory furniture and fixtures, office equipment, modern instructional aids, athletic equipment and supplies, forms and office supplies, and such other essential requirements as maybe necessary for effective instruction and efficiency in school operations.

Section 166. School Library. Every school shall have a library which shall vary n extent depending on the size of enrollment and which shall be established and maintained and administered for each educational level and/or program and administered by an educationally qualified and professionally trained librarian with provision for such number of assistants as maybe necessary for the effective use of the library and its available resources.

CURRICULUM VITAE

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Civil Status	:	Married
Name of Spouse	:	Marvin Jude M. Cruz
Occupation	:	Seaman
No. of children	:	Four

Educational Background

Level/ Course	School Attended	Degree	Year Graduated	Honors/Awards Received
Masters	Philippine Normal University	Master of Arts in Education with specialization in Educational Management	2019	
Undergraduate	San Ildefonso College	Bachelor in Elementary Education	1991	Cum laude
Undergraduate	Pampanga Agricultural College	Certificate in Agricultural Technology	1986	Second Honor
High School	Sierra Madre Institute	High School	1985	With Honors
Elementary	Patricio Jarin Memorial Elementary School	Elementary	1981	Hon. Mention

Work Experience

- Simeon R. Bendana Sr. Mem.Elem School
  Deped Tanay, Rizal
  Elementary Grades Teacher

  Sept. 1991 – July 2002

- San Ildefonso College
  Tanay, Rizal

  Part Time College Teacher

  June 2010 – March 2011

- Lamb of Christ Magistrate School
  Tanay, Rizal
  Teacher/ Assistant Directress
  2006 – present

Title of Seminars/Conference/ Workshop/Short Courses	Date of attendance	Conducted/ Sponsored by
Seminar in Legal Management for Private Schools Administrators	Dec. 2014	DepEd
Gearing Up for successful implementation of Senior High School	Aug.2014	Rizal Private Schools
K-12 and Understanding by Design and Differentiated Instruction	July 2012	Rizal Private Schools Association, Inc.
Continuing Education Seminars for Teachers	Aug. 2011	Rizal Private Schools Association, Inc.
Entrepreneurship and Innovation in Education	Dec. 2005	REX Bookstore, Inc.