

Financial Management Practices and Compliance of a State University in Bicol Region

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Abstract:

The study assessed the financial management practices as well as regulatory compliance of Bicol University for Calendar Years 2022–2024, giving emphasis on the extent of implementation in planning, budgeting, implementation, and reporting. It also looked into the university's conformity to financial regulations and policies issued by the Commission on Higher Education (CHED), Commission on Audit (COA), and Department of Budget and Management (DBM), and showed key challenges in financial management and compliance. Applying a sequential explanatory design, the study employed quantitative survey data with qualitative interview insights. Data were processed using descriptive statistics and thematic analysis.

The findings revealed that budgeting practices were consistently practiced, rated as “Always Practiced,” while planning, reporting and implementation was “Sometimes Practiced,” demonstrating effectiveness though subject to occasional inconsistent application. Compliance with COA and DBM were rated “High Compliance,” though some Audit Observation Memorandum (AOM) has persistent issues, primarily due to workload issues while compliance with DBM showed that Budget Utilization Rates have been a fluctuating trend due to delays in capital outlay project implementation. Compliance with CHED's CMO No. 20, s. 2011, was rated with “Very Low Compliance,” on account of registration issues with the Office of the National Administrative Register (ONAR), though future compliance is planned.

Challenges consisted of changing priorities, limited resources, inefficient procurement process, limited personnel handling multiple reporting requirements and complex documentation requirements. Nevertheless, reforms such as the creation of the General Accounting Services unit and system upgrades are being carried out. The study proposes a comprehensive guidebook to align practices and highlight the university's commitment to further enhance financial management and compliance in achieving operational and strategic goals.

Background

Educational institutions rely heavily on financial resources in order to survive. Funding, whether obtained through government subsidy or private assistance, will serve as the lifeblood of institutional development. It is evident that obtaining funds and its allocation are unending concerns in academe globally.

Schools in an international set up play a crucial role in cultivating a sense of global responsibility, cross-cultural understanding and academic excellence. Typically, these institutions have inherently multicultural student bodies, curricula that incorporate global perspectives, and diverse faculty with world class expertise. Internationalization initiatives pave the way to collaborate with universities in other countries through partnerships and exchange programs. However, operating in a global stage presents unique challenges and ensuring financial sustainability is a top most priority. Greater number of public schools in

Southeast Asia heavily rely on funding by their respective governments. Government subsidies can vary significantly between countries, with some providing substantial support, while others often facing budget constraints. The economic status of a country can significantly impact the funding available for educational institutions like State Universities and Colleges (SUCs). During economic downturns, education may experience reduced government funding.

The State Universities and Colleges (SUCs) are under increasing pressure to be more efficient and productive due to limited government funding. Unlike private universities, SUCs rely heavily on government subsidies because they are supposed to help the marginalized students. As more SUCs increase enrolment, the government may struggle to provide enough funding which could hurt its operations. Most expenditures for higher education go to salaries and wages. With scarce resources, it is important to monitor if SUCs are prudent with their resource management.

Higher educational institutions in the country are facing difficulty due to scarcity in resources. These institutions are struggling in convincing government lawmakers that subsidies on higher education produce notable returns. With this, they carry a heavy task to implement strategies towards continuous improvement to achieve maximum performance (Cerado & Naanep, 2023).

General Appropriations Act (GAA), fees and charges generated from various sources, and grants are among funds that State Universities and Colleges (SUCs) in the Philippines rely on. RA 8292 or the “Higher Education Modernization Act of 1997” empowers SUCs to manage their finances more independently, allowing them to retain and utilize income from various sources for educational purposes as approved by their Board of Regents/Trustees (BOR/T).

One of the most critical issues that SUCs face is the government's decreasing subsidy, particularly for Maintenance and Other Operating Expenses (MOOE), and an almost complete phase-out of their Capital Outlays (CO). In 2024, billions in SUC funding cuts were restored but decreases remain. For the following year, the officials of 38 State Universities and Colleges (SUCs) appealed to Congress not only to reinstate the P14.38 billion that was cut from their proposed budget but also to increase their overall funding specifying the call for greater financial support to cater the increase in the number of students (Andrade, 2024). This issue jeopardizes the quality of service provided by the academic institutions to its primary stakeholders, the students. Considering these budgetary limits, the institutions must initiate generation of additional funds to strengthen its operations. The SUCs should optimize the use of their resources to lessen the financial challenges and anomalies in the achievement of their goals.

Another challenge to the State Universities and Colleges (SUCs) is the compliance to the CHED Memorandum Order (CMO) No. 20 dated August 4, 2011. The said issuance greatly enhanced the regulatory framework guiding the utilization of income, special trust fund and programs of receipts and expenditures (PRE) of SUCs. It specifically offers indicative percentages of the actual collection of tuition fees which will be allocated for instruction, research, extension, production, administrative service and other programs. It requires that budgetary allotment for instruction-related activities be at least 50 percent of tuition fee collected to be divided among the four key components namely Faculty and Staff Development, Curriculum Development, Student Development, and Facilities Development.

With the primary task to oversee that government funds are used efficiently, economically, and effectively, the Commission on Audit (COA) has issued several Audit Observation Memorandum (AOMs) to different SUCs related to CMO 20 s. 2011 and it is important to emphasize that noncompliance with regulations or standards can have serious consequences.

State auditors flagged several state universities and colleges (SUCs) for non-compliance with CHED and

legal guidelines on tuition fee monitoring, fund utilization, and program implementation. Don Honorio Ventura State University (DHVSU) in Pampanga was cited for insufficient monitoring of tuition collection data, affecting assessment of disbursements from internally-generated funds, in violation of CHED Memorandum Order No. 20.

Romblon State University was also flagged for charging improper expenditures to the Special Trust Fund (STF), contrary to RA 8292, prompting COA to urge strict adherence to fund usage limits. Similarly, Zamboanga City State Polytechnic College (ZCSPC) exceeded allocation limits for visiting lecturers by P17.08 million, or 798%, breaching CMO 20 s. 2011. This may raise concerns about how well internal controls and check and balance are in place.

The Polytechnic University of the Philippines (PUP) was found non-compliant with Special Trust Fund (STF) guidelines due to lack of separate Fund 164 statements, late submission of the Program of Receipts and Expenditures, and failure to meet allocation percentage requirements, among other issues—hindering effective service delivery. Submission of reports and compliance to timelines for reportorial requirements are essential.

COA's 2020 consolidated audit further revealed P1.67 billion in deficiencies across 21 SUCs. PUP had poor STF utilization totaling P895.06 million. Bicol University showed very low outcomes in its P313.02 million skills training for Pantawid Pamilya beneficiaries. West Visayas State University faced delays in 20 projects worth P216.89 million, and failed to return P4.607 million in unused funds. COA recommended program reassessment and timely corrective actions to improve efficiency and outcomes.

Bicol University, a premier university in the Bicol region with one of the largest populations, is mandated to focus on improving its financial management practices. This includes tightening financial oversight, enforcing regulatory requirements, and providing accurate financial reports. However, several factors and constraints on financial management practices, may affect the full implementation and achievement of its goals.

In this context, a comprehensive assessment of Bicol University's financial management practices is timely. Along this concern, this study was conducted to determine the Bicol University's extent of compliance with relevant financial regulations, standards and policies, identify the major challenges that impact the university's operational efficiency and eventually propose enhancements through the development of a guidebook on financial management practices, reflecting the proposed enhancements, culled from the identified compliance and gaps, and responsive to the applicable challenges that may arise. Ultimately, the goal was to influence Bicol University's ability to achieve its operational and strategic goals, based on enhanced financial management practices.

Rationale

Globally, higher educational institutions are more resilient and equipped in delivering quality education possessing financial autonomy partnered with accountability as described by the Organisation for Economic Co-operation and Development (OECD) and Salmi (2009). Strategic financial management practices are necessary to institutional performance.

Recently, the research conducted by the Philippine Institute for Development Studies (PIDS) and Dacuycuy et al. (2024) showed that poor budgeting, undesirable fund utilization, and weak internal controls in SUCs results in delays in program delivery and compromised educational outcomes. These inefficiencies hinder the institutions' ability to address the academic needs and optimize government support.

In region V, Bicol University's role as the pilot SUC for COA's compliance audit in the region emphasized the need to evaluate its financial management practices. Findings from this assessment can guide improvements not only within BU but also across other SUCs encountering similar challenges.

State universities like Bicol University play a crucial role in nation building by producing skilled and employable graduates and fostering innovation. However, due to limited resources, the cost of quality education means that effective financial management is essential. This involves careful budgeting, finding different sources of income, managing expenses in compliance to rules and regulations, and investing wisely to see to it that students and faculty are provided with resources they need. Sound financial practices are key to the success of universities in the long run. Thus, effective financial management is essential for gaining financial autonomy.

Per COA resolution no. 2020-011 dated January 31, 2020, Commission on Audit will conduct compliance audit to determine whether all financial related information and transactions, in all key areas, are in agreement with the authorities governing the audited agency. In line with this, Bicol University's resident auditor informed the management last December 13, 2023 that the institution would be subjected to a compliance audit with the university's income covering fiscal year 2023 as the main focus. This is a pilot activity in Region V and Bicol University was the pioneer. Consequently, COA Audit Observation Memorandum No. 2024-003 (2023) dated January 31, 2024 was released highlighting the findings that the BU management did not fully comply with the required budgetary allocation for Instruction as provided under Section 6, Article III of CMO No. 20 dated August 4, 2011, hence, proper utilization of IGF intended for the effective delivery of service to the general student population is not assured. Therefore, the recommendation was for the management to prepare a future budget proposal of internal operating budget showing appropriate allocation for the priority components intended for instruction as identified under Section 6, Article III of CMO No. 20 dated August 4, 2011. Necessarily, the budget officer shall maintain separate budget registries of IGF for these specific programs/components to easily monitor its fund allotment and utilization. To address findings and recommendation of COA, BU team conducted an academic learning visit to some SUCs in the country namely NEUST in Nueva Ecija, MMSU in Ilocos Norte, and CvSU in Cavite. The aforementioned activity was initiated to evaluate the compliance of State Universities and Colleges (SUCs) in adherence to Article III of the Commission on Higher Education (CHED) Memorandum Order (CMO) No. 20, Series of 2011, dated August 4, 2011. This specific CHED order outlines the regulatory framework for the use of income, special trust funds, and programs of receipts and expenditures of the State Universities and Colleges (SUCs). During the academic learning visit, some observations and salient characteristics transpired on the use of income as well as budget preparation. In general, across higher education, the approach to budgeting and fund management can significantly influence the effectiveness and responsiveness of an institution. Both Bicol University's decentralized system and the centralized processes of NEUST, MMSU, and CvSU offer distinct advantages and challenges when it comes to complying with COA Circular No. 20, s. 2011. BU's decentralized model provides flexibility and responsiveness, allowing individual units to manage their budgets in a way that meets their specific needs. However, this autonomy requires strong oversight and a commitment to consistent internal controls to ensure compliance with COA guidelines. On the other hand, the centralized systems of NEUST, MMSU, and CvSU offer a streamlined approach to compliance, ensuring uniformity and reducing the risk of non-compliance, but at the cost of flexibility and responsiveness to its needs.

Based on historical data, BU incurred P23,809,000 or 12% decrease in its regular Maintenance and

Other Operating Expenses under FY 2024 budget in comparison with FY 2022 General Appropriations Act as baseline. This is attributable to its low budget utilization rate of 74.98% for Fiscal Year 2022. The government looked into agencies budget utilization and performance as part of its evaluation process as indicated in National Budget Circular No. 145 dated January 12, 2023.

Further, BU had Free Higher Education (FHE) deficiency for FY 2022 to 2023 amounting to P25,644,000.00. The institution's billing relative to its enrollment was higher than the government's budget allocation, thereby resulting in a deficit. This budget constraint creates struggle and hinder institution's ability to allocate resources and implement projects effectively.

With the foregoing, this study aimed to evaluate the practices of BU in financial management, focusing on planning, budgeting, implementation, and reporting; assess its compliance with oversight agencies; identify challenges in meeting these requirements; and propose recommendations to improve financial management and ensure better compliance with regulations to support organizational goals.

Current state of research in the field

Financial Management

The main objective of managing financial resources is to obtain funds and ensure its optimal use in a manner that promotes efficiency and effectiveness. It involves the planning, coordination, and monitoring of both fund inflows and outflows with the aim of advancing the expansion and development of institutions. Managing financial resources encompasses budgeting, accounting strategies, auditing, cost-control measures, revenue generation, and securing budgets, among others. Administrators in the SUCs play a crucial role in preparing institutional funds and ensuring sound financial management, all while striving to accomplish the institution's long-term objectives (Alia & Iwuoha, 2014).

The research of Espinosa (2017) revealed that financial management practices of the school heads assist schools to develop a budget, establish objectives, determine the sources for appropriate costing., human resource, teaching and learning materials. This study was anchored on the Budget Theory, Theory of Financial Control, and Agency Theory. The budget theory deals with the academic study of the political and social motivations behind government and civil society budgeting. The Theory of Financial Control highlights the significance of the current as well as feasible functions of financial tools. And the Agency theory discusses the conflict arises between the institution and the stakeholders.

According to Jayashankar (2024) the financial sustainability of universities is impacted by financial management techniques, indicating that sound financial management is necessary for long-term viability. Understanding employee demographics and financial trends can help stakeholders maximize operations and attain sustained success. Public financial management practices refer to a set of strategies, techniques, and processes employed by government institutions to manage financial resources effectively. These practices are designed to make sure that public funds are efficiently used, transparently reported, and are compliant with government laws, policies and guidelines. Thus, these refer to the methods that state universities use to handle their funds prudently, effectively, and lawfully.

The head of the school should have sufficient financial management skills to effectively manage the school's financial resources. A school's ability to succeed may depend on how well its finances are managed. Effective utilization of resources to meet the school's mission and performance goals is guaranteed when a sound financial management is in place (Harvey, 2014).

The study of Groenewald et al. (2023) revealed a wide variety of practices, while some schools have strong financial management systems, others struggle with concerns like budget shortfalls brought on by a

lack of financial literacy. Cooperation among stakeholders is essential for promoting transparency and effective resource allocation. It has been determined that capacity-building programs are crucial for improving the staff and schools administrator's financial literacy. Even in the face of obstacles, like financial limitations, there are always opportunities to improve such as utilizing technology, openness through frequent financial reporting, and encouraging cooperation with nearby communities. These findings imply how pivotal it is to resolve gaps in financial management to improve the standing of the school and meet the learning requirements of the learners in the area.

Financial management practices were highlighted in various studies of authors all over the Philippines. Most of these studies focused on the public sector. In southern Luzon, Abag (2019) examined the public school administrators' responsibility and the financial management practices in the three cities of Batangas Province, acknowledging the vital role of financial activities to the growth, success, productivity, and reputation of educational institutions. Signo et al. (2019) also assessed the connection between employee demographics, retirement readiness, personal financial management practices, and financial literacy in Pedro A. Paterno National High School, concentrating on how personal financial management affects the retirement readiness and financial literacy. Ramirez et al. (2019) also analyzed the accountability and financial management practices of public school administrators, acknowledging the vital role that financial activities play in the growth, success, productivity, and reputation of educational institutions. Lastly, Ampongan (2019) investigated the effect of teacher's financial stability on educational institutions and performance in Bicol Region, highlighting the value of sound financial management practices for educators to enhance their proficiency and academic performance, which will ultimately help the welfare of the students.

As the home to big cities, Central Luzon has been a significant focal point for various research endeavors. Collantes (2021) examined the Region III public elementary school heads' financial practices, such as asset management, accounting, budgeting, and procurement, and identified their financial management best practices and difficulties. Similarly, Rodriguez (2018) examined the efficacy of secondary teachers in the National Capital Region in terms of their personal financial management practices and made recommendations to enhance investment methods, financial literacy, and saving practices for long-term financial stability and professional growth. Lastly, Mamacay, Rivera and Castillo (2021) examined the financial management practices, investment habits, and inclinations of Wesleyan University-Philippines personnel with the conclusion that investment management practices are significantly correlated with age, employment status, and other income sources.

Mindanao, as the southernmost major island of the Philippines, has been a subject of numerous financial management research studies to date. Salam et al. (2018) identified gaps in financial management and determined the best financial management practices in Cotabato City, Mindanao, Southern Philippines. According to Tuyo (2022) in region XII, SUCs were effectively governed in terms of policy implementation, direction setting and management control. This implies that the SUCs should continue to follow best practices and strengthen their four-fold functions- instruction, research, extension and production- in order to efficiently and effectively attain their vision, mission, goals and objectives. Likewise, Ramos et al (2023) centered on the program performance and fiscal management practices of Region XII's state universities and colleges. The results showed that fiscal management in terms of planning, indicative Project Procurement Management Plan (PPMP) submission, Annual Procurement Plan (APP) and Annual Investment Plan (AIP) are prepared with the involvement of students and other stakeholders, the mission, goals and objectives, as well as by conducting strategic planning activities to

determine the needs. The impact of the profiles of the finance managers on the SUCs' program performance revealed that the manager's profiles had a major impact on the training and seminar program performance. Budgeting was significantly impacted by the fiscal management of SUC's program success in terms of instruction, research, and extension.

Financial management in public schools is a crucial component of educational administration, involving various practices and approaches meant to guarantee the efficient allocation and utilization of resources to facilitate teaching and learning activities. Over the years, scholars have explored different dimensions of financial management in education, highlighting the significance of effective resource allocation, budgeting, procurement, internal audits, and stakeholder participation in improving school performance and sustainability (Ompad et al., 2024).

Planning

In Southeast Asia, public schools often face budget constraints and competing priorities, necessitating strategic decision-making in resource allocation. Studies have shown that schools who prioritize needs and allocate funds strategically are better equipped to cater the diverse students' needs and improve overall academic performance (Sambal, 2019). Additionally, regular review and evaluation of budget allocations are essential for identifying areas of improvement and optimizing resource utilization (Ampongan, 2019). In the study of Bantilan et al. (2023) they encouraged school administrators to acquire knowledge and enhance best practices, such as creating financial plans, transparency, and working with stakeholders. DepEd leaders might think about improving the MOOE guidelines and policies. Moreover, by working together, teaching and nonteaching personnel and other stakeholders could participate in financial management.

In the study of Cuenca (2019), it was revealed that collaboration and stakeholder involvement are integral to efficient financial management in public schools, as they encourage transparency, accountability, and collaborative decision-making. Involving teachers, administrators, parents, and community members in financial planning and decision-making encourages commitment and a sense of ownership to the goals and mission of the school.

Moreover, collaboration and stakeholder involvement are essential for fostering a culture of shared responsibility and accountability in financial management (Orozco et al., 2023). By working collaboratively with teachers, administrators, parents, and community members, schools can leverage their collective expertise and resources to attend to the various needs of students and promote educational excellence.

Collaboration with NGOs, businesses, and government agencies provided schools with additional funding opportunities and access to expertise and resources that complemented their financial management efforts (Cuenca, 2019). These partnerships facilitated the implementation of innovative initiatives and programs designed to improve the educational outcomes and the overall quality of learning offered by public schools in the region (Abragan et al., 2022).

School leaders should prioritize the necessity of the institution by following developmental plans that are both effective in enhancing learning and not to be burdensome on parents (Tria, 2020). These plans should focus on long-term objectives, and administrators must conduct a comprehensive evaluation of the school's current achievements and situation to accurately anticipate future requirements. According to Bua and Adzongo (2014), an institution's poor status often results from financial rationalization issues, including the failure to generate internal income and the misallocation of current funds. Additionally, it is crucial to carefully examine the institution's finances to mitigate the risk of budgetary

mismanagement and to ensure control over overall academic progress (Usman, 2016).

Aina and Bipath (2020) emphasized the importance of continuous training for the stakeholders involved in schools' financial management decision-making, provided by the relevant partners in government. Such ongoing support is crucial for enhancing their ability to perform their roles effectively and equips them to handle the additional responsibilities expected of them.

According to Section 7.3.2 of the Revised 2016 Implementing Rules and Regulations (IRR), the end-user of the procuring entity is responsible for creating their own Project Procurement Management Plans (PPMPs) for their various programs, activities, and projects (PAPs). The summary of consolidated PPMP is called the Annual Procurement Plan (APP). These two documents, PPMP and APP, are complementary documents.. PPMP reflects the specific procurement needs of teachers, learners, and the school, and APP is the consolidated PPMP that needs to be approved by the finance division and for downloading of funds. (Tarnate, 2022).

The apparent delay in the planning process of programs might be due to delayed submission of PPMPs. Such delays may result in the deferment of college and campus budget approval and eventually led to delayed indicative APP (Lopera, 2020). *Budgeting*

According to Obono (2023) financial budgeting and auditing as financial management practices have a significant relationship with sustainability of state universities and included the use of a budgeting plan in financing school programmes and activities among recommendations.

A well-structured budget can significantly contribute to financial stability. One of the fundamental aspects of financial management in public schools is budgeting which involves the allocation of financial resources to different areas of school operations. According to Ramirez and Amponin (2019), effective budgeting practices are essential for ensuring that schools have adequate funds to support instructional programs, infrastructure development, and administrative expenses. To properly align the financial resources with organizational objectives, budgeting in education necessitates careful planning and prioritization of needs (Abag, 2019). According to Acido (2022), planning and control practices have been ranked as the most implemented, whereas budgeting, and allocation have been consistently demonstrated. In order to successfully implement the plan for rationalizing and improving resource management, it is advised that projects receive strong management support and be implemented in accordance with standardized policies and procedures. Furthermore, the institution should allocate sufficient funds to guarantee the attainment of the proposed development program. In order to make sure that Maintenance and Other Operating Expenses (MOOE) funds are included in school improvement plans, school heads may assess and reinforce the function of School Governing Councils (SGCs) in the planning, budgeting, and control of these funds. The division office may offer school-level training and additional assistance with MOOE management from district offices (Bonso & Benavides, 2020). According to Jaja et al. (2023) the funds' allocation strategies adopted were usually allocated based on student population and the nature of the academic programme. Thus, recommended the establishment of an internal revenue generation office within each public university, strict observance of agreed budgets, and development of a concrete means of funds allocation.

Proper budgeting involves not only avoiding debt but also ensuring that there are no large amounts of unutilized funds left for the year unless there is a valid reason. It requires considering how the funding for a particular area of expenditure will evolve over a period extending beyond the current fiscal year. As Knight (2016) suggests, it is essential to involve individuals during the budget preparation process, as they are integral to the organization and take an active part in the implementation of the entire program.

As stated by Etor et al. (2020), the issue of insufficient attention to financial allocation management at the end of the fiscal year should be addressed with careful consideration to ensure proper accountability and enhance effective budgeting for the upcoming year. Additionally, the ongoing Covid-19 pandemic has had a profound impact on the education sector. Much like the rest of the world, we were unable to foresee the swift and extensive impact of COVID-19 on our everyday lives, specifically on the learning of students in public schools (Krausen et al., 2020). In response to this crisis, Krausen et al. (2020) advocate for the adaptable and flexible resource utilization, enabling institutions to quickly adjust to the evolving circumstances and ensure continued educational progress during uncertain times.

The most important part of university management to affect university performance is the budgeting (Sidik et al., 2014). According to the study of Cerado and Naanep (2023), the government should now improve the budgetary allocation for SUCs by refocusing some of its fiscal priorities.

According to Yunas (2014), increased funding for schools and transparent use of funds guaranteed by the management are imperative to assure their long-term growth. Additionally, principals would need to undergo training and orientation in financial discipline.

In the unpublished study of Lopera (2020), the findings showed that the university budget preparation must take into consideration the budget priorities and activities and translation of these priorities into sound budget estimates. Project proposals must be subjected to the initial scrutiny of the budget office, and must be in reference with the absorptive capacity of the college/campus then must be reviewed by the Executive Committee.

Implementation

According to AL (2016), there are four steps that make up the financial control process: setting goals and objectives, assessing actual results, contrasting them to the standard, and resolving any significant discrepancies. Thus, control is the process of keeping an eye on the tasks to ensure that they are aligned with the plan, if needed, taking the proper action.

In the study of Munge et al. (2016), financial management in the public secondary schools was found to be positively influenced by budget management. Thus, the study concludes that the key to monitoring funds and improving responsible financial management in public secondary schools was existing policies and procedures of how funds were utilized.

Espinosa (2017) emphasized the critical need for capacity building and training programs in order to improve the understanding of finance and management skills among school heads, teachers, and staff. Furthermore, training programs can help raise awareness about financial best practices and regulatory requirements, enabling school personnel to comply with relevant policies and regulations governing financial management in public schools (Collantes, 2021). Through ongoing professional development opportunities, school administrators and staff can stay abreast of emerging trends and practices in financial management, allowing them to adapt and respond effectively to changing circumstances (Ramirez & Amponin, 2019). Because of this, Sampal (2019) conducted an analysis about the impact of enhanced budget planning, implementation, and oversight of the effectiveness and efficiency of public elementary schools in the Albay Division, with the aim of enhancing fundamental financial management competencies and offering guidance to school administrators on how to properly utilize the funds.

Managers must develop the required competencies to effectively oversee the key resources of the school to ensure it achieves its targets and remains sustainable. Ikediugwu (2016) stated that competent organizational administrators should carefully and responsibly handle resources, including e-learning

tools, materials, equipment, and capital — such as instructional devices, computers, and internal infrastructure— given to them, with a focus on sound financial management. All available resources, whether financial, material, human, or physical must be managed well in order for the education to succeed. This requires effective resource allocation, budgeting, and management in a certain institution (Usman, 2016). In the study of Casingal et al. (2021), it analyzed the difficulties that the public-school teachers face in terms of financial literacy and how this affects school administration systems. Also, the study of Surendar and Sarma (2018) determined the important elements that enhance the financial literacy of instructors in tertiary education and look into how they affect different aspects of personal financial planning. Financial literacy is crucial to administrators. By possessing a strong understanding of financial concepts and principles, they may reduce risks, maximize resources, make well-informed decisions, and improve overall financial performance. Lipham (2016) stated that school heads must have financial rationalization abilities to be effective in planning, procuring, and utilizing funds. According to Mosala and Mofolo (2016), to change the direction of township schools and guarantee that high-quality learning is given priority, capacity-building is necessary. This could be accomplished if School Governing Bodies acquire the requisite knowledge for budgeting and priority setting.

Technical expertise was a factor which affected the procurement process of the university. Well-informed procurement staff can facilitate the speedy procurement procedures and increase the odds of delivering fast and timely payments. (Lopera, 2020)

Reporting

Biehl (2024) revealed that there is a favorable correlation between efficient resource allocation in the real sector and high-quality financial reporting, which can also help other market participants like consumers or employees.

Financial reporting in the government sector is regulated by established guidelines issued by oversight agencies. In terms of compliance, one of common metrics is timeliness. Due dates are set for timely preparation and submission. Since the financial data reflects the performance of an institution for a specific period, it must be complete and presented with accuracy.

The study of Ali and Abu AlSondos (2020) established causal relationships between efficiency of operations and the accounting information system. The study has confirmed that a good Accounting Information System in place gives a competitive edge.

Cheng et al. (2018) revealed in their study that firms with substantial internal control flaws have lower operational efficiency than firms without such weaknesses, as determined by frontier analysis.

Compliance

The State Universities and Colleges are required to make sure that financial operations are carried out in a proper, effective and efficient manner. All these requirements fall within the State Universities' and Colleges' legal, statutory and ethical obligations as stipulated by current laws, rules and regulations (Ramos & Lumapenet, 2023).

According to Benedek (2016) more structured and integrated IT controls result in improved compliance across the business. The aforementioned study concentrated on the ways in which compliance management controls enhance operations or identify wrongdoing or failure.

The results of the study of Figer-Canes (2023) revealed that institutions have highly satisfactory levels of compliance with their budget planning and preparation, disbursement, and liquidation processes. Strict compliance to accounting rules and regulations, fair resource allocation, appropriate documentation, and the participation of various school administrators in the strategic development planning process are all

elements for an efficient fiscal management.

The study of Ambida and Cruz (2017) evaluates conformity of identified universities of a university system as oriented towards a globalized framework. Furthermore identified requirement for application towards university system is the allocation of budget to be undertaken based on the recommendations of the governing boards.

Financial Challenges

Beckman et al. (2016) revealed that poor understanding of legislation and skills, inadequate monitoring and handling of resources, absence of schools' financial policies, failure to take appropriate action against culprits, and the lack of trustworthiness, openness, and honesty are identified as fundamental causes of financial mismanagement. The concern for some schools is that the school governing body members, teachers, and principals participate in a range of activities connected to financial mismanagement.

The study of Figer-Canes (2023) also identified certain difficulties, such as the necessity for improved capacity-building and training for personnel of financial management and the inadequate funding for several important projects. The results of the study can aid the tertiary education institutions in creating effective fiscal management policies and strategies that will improve their financial performance and accountability.

Operational and Strategic Goals

Fiscal managers of SUCs in Region VI must innovate and roll out strategies in increasing budgetary allocations to support operational needs crucial in attaining quality education. (Delfin, 2015). This undertaking must not only include seeking additional resources but also optimizing available funds at hand. The use of suitable metrics in evaluating the achievement of the university's short term and long term goals, permits the university in the assessment on how the institution is gearing towards its desired vision. These ideas are presented in the paper of Pougatchev (2009) and may be adaptable by any educational institution with the equivalent hierarchical structure.

Problem in the field

State universities in the Philippines, as foundation of higher education, play an essential role in cultivating the nation's intellectual resources and propelling economic advancement. However, challenges that these institutions encounter often stem from lack of financial resources and the need to comply with rigid regulations. Although the government allocates resources to these institutions, the funding is often inadequate to meet their actual requirements. Thus, it can have far-reaching consequences.

In addition to funding issues, state universities face the challenge of complying with a maze of government regulations. Agencies like CHED, DBM, and COA impose various rules that universities must adhere to. These regulations are necessary for accountability and transparency. However, every institution faces limitations in their ability to comply with regulations. The challenge for state universities lies in balancing the need for adequate funding with the imperative to comply with regulatory requirements. Failure to comply with regulations can result in financial penalties, reputational harm, and potentially legal ramifications.

Organizations are often confronted with the need to implement organizational changes. However, implementing these changes is generally challenging and requires consideration of various factors. Previous studies identified some of the problems that are usually encountered in organizational change implementations such as resistance to change, insufficient allocation of resources, lack of coordination and collaboration between parties involved, political and legal constraints, ineffectiveness of the

management or leaders, no defined goals and objectives, lack of clarity in the implementing guidelines or policies and many more. Additionally, data integration can also be one of the challenges due to the complex systems an institution may have. State Universities also operate in highly regulated environments that is why ensuring compliance and adherence to various regulatory requirements while implementing new processes is also a significant challenge. These issues and challenges hamper the success of implementations and also affect the organization's overall performance.

Synthesis of the Art

From the aforementioned related literature and studies, it can be deduced that there are voluminous discussions regarding financial management practices in elementary, secondary schools and foreign universities. Most of the recent studies focus on financial literacy of the stakeholders composing the institution. The studies focused on the financial management practices of school heads, educators and other employees. It is particularly on the personal level. Furthermore, several studies were conducted to point out the relationship between stakeholder engagement, capacity-building activities and financial management best practices. The published studies also established the links and importance of the financial management practices to the quality of education and sustainability of state universities.

Gap Bridged by the Study

All the data gathered are deemed important since they dealt on financial management practices. However, after synthesizing the different literatures and studies, the researcher found out that there were no studies on the *Financial Management Practices of a State University in Bicol*. Unlike other studies that focused on the personal level, this study includes a broader scope which is the state university. Authors of previous studies only focused on elementary, secondary schools and the stakeholders composing the said institutions. In this research, the higher education institution as a whole is given attention. This study determined any gaps where a study has to be carried out forward in financial management of a state university. It has been observed that there is only limited information regarding the financial management practices of public higher education institutions, including proposing enhancements through a guidebook. Mostly focused on secondary and primary education. Based on the related literature and related studies, it appears that no research has been undertaken covering the same group of variables such as financial management practices in the areas of planning, budgeting, implementation and reporting, compliance like those dealt with by the researcher. Though there may be similarities in some aspects of the study, it is assured that it is not a duplicate of any study conducted by others, only it is related and relevant.

Objectives of the Study

This study examined the financial management practices and compliance of a State University in Bicol Region.

Specifically, the study:

1. Determined the financial management practices of a SUC in Bicol Region in terms of:
 - a. Planning
 - b. Budgeting
 - c. Implementation
 - d. Reporting

2. Determined the extent of compliance with relevant financial regulations, standards and policies of a SUC in Bicol Region in accordance to:
 - a. Commission on Higher Education (CHED)
 - b. Commission on Audit (COA)
 - c. Department of Budget and Management (DBM)
3. Identified the challenges encountered in the compliance of financial regulations, policies and standards.
4. Developed a guide to further enhance financial management and compliance for achieving operational and strategic goals.

Theoretical Framework

This study is mainly anchored on the *Theory of Regulatory Compliance* of Richard Fiene (2016) which focuses on the importance and relevance of compliance to rules and regulations. In the context of state university and colleges, this is critical in areas of planning, budgeting, implementation as well as reporting to different oversight agencies such as Commission on Higher Education, Commission on Audit and Department of Budget and Management. This theory emphasizes the importance of adhering to the right set of rules rather than an excessive number of them, ensuring that regulations are carefully chosen to achieve operational and strategic goals.

This research is supported by the *Theory of Practice* by Theodore Schatzki (2012). It offers a framework for understanding how institutional behaviors, policies, and other activities are shaped by ongoing practices. In a state university setting, planning, budgeting, implementation as well as reporting are all examples of organizational practices that are interconnected and continuously evolving. Schatzki's theory emphasizes that these practices are not isolated but are influenced by the social, material, and historical contexts in which they occur. By examining state university practices through this perspective, institutions can better understand how their actions contribute to the formation of academic culture, institutional goals, and social structures, ultimately guiding improvements in financial management practices.

The study is also grounded on *Contingency Theory* of Fred Edward Fiedler (1964). Its main assumption is that for organizations to be efficient, its structure must be adjusted to the internal and external environment; otherwise their competitiveness and performance decrease. As a result, structural modifications are intended to improve the efficiency and lessen the misalignment between the organization and the environment (Kovats, 2018). In relation to this study, this theory suggests that optimal financial management compliance strategies depend on the specific circumstances and environment of the institution. Contingency theory emphasizes the need for flexibility and adaptation in financial decision-making. Factors such as the university's size, complexity, the regulatory environment, internal controls, and resource availability all play a role in determining the most appropriate compliance approach.

Conceptual Framework

The conceptual framework revolves around financial management practices in terms of planning, budgeting, implementation and reporting. Furthermore, it also includes the extent of compliance with relevant financial regulations, standards and policies of a State Universities and Colleges (SUCs) in Bicol Region in accordance with Commission on Higher Education, Commission on Audit and Department of Budget and Management and the challenges related to the compliance of financial regulations, standards

and policies. It is based on three foundational models namely:

(1) *Theory of Regulatory Compliance*; (2) *Theory of Practice*; and (3) *Contingency Theory*. The first theory is the basis of understanding why individuals and organizations adhere to laws and regulations. Meanwhile, the Theory of Practice highlights that compliance is not merely about obeying the established rules and guidelines but is shaped by daily activities and the social environment where the individuals belong. The Contingency Theory suggests that compliance behaviors and institutional practices differ depending on organizational structure, size, technology and other internal and external uncertainties.

These models were utilized as framework for the financial management practices, extent of compliance to the three oversight agencies, challenges encountered to the compliance of financial regulations, standards and policies by formulating a guidebook to further enhance financial management and compliance for achieving operational and strategic goals. The framework employs a Mixed Method approach which encompasses both qualitative and quantitative methodologies.

The main focus is on financial management practices, extent of compliance and challenges which is analyzed through the Mixed Methods approach. Four key aspects were examined under the financial management practices such as Planning, Budgeting, Implementation and Reporting. Three regulatory bodies were also the subject of the study, namely the Commission on Higher Education, the Commission on Audit, and the Department of Budget and Management. This study also uncovered the challenges encountered in the financial management practices encompassing the four variables such as Planning, Budgeting, Implementation and Reporting as well as the Compliance of financial regulations, standards and policies.

This further led to the development of guidelines to further enhance financial management and compliance for achieving operational and strategic goals, through a proposed guidebook.

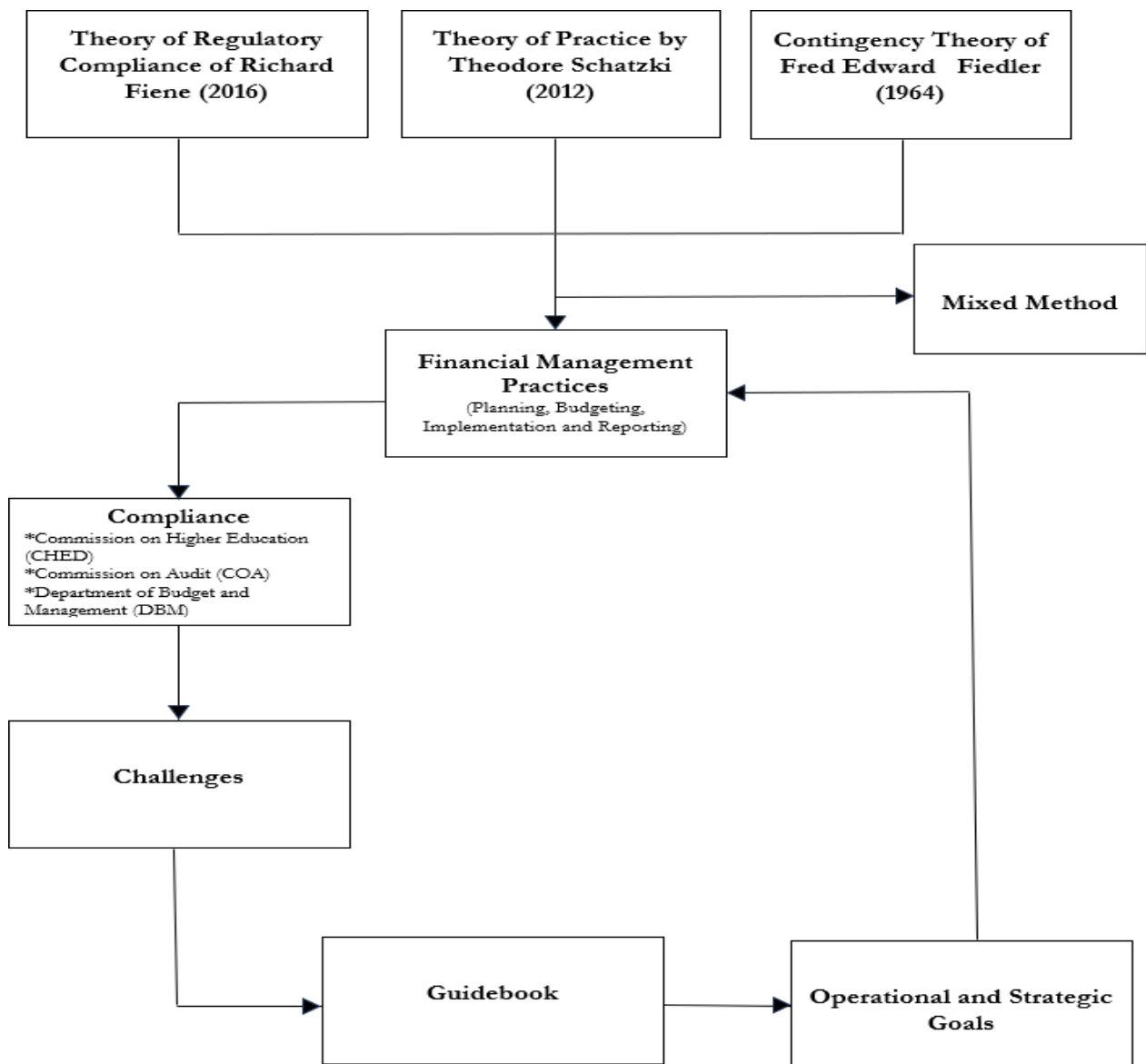


Figure 1. Conceptual Paradigm

METHODS

This section outlines the research methodology and procedures used to systematically address the research questions. It covers the research method, population and sample, research instruments, data collection procedures, and the statistical treatment of data employed in this study.

Research Design

To carry out the basic purpose of this study, mixed methods design was utilized that aims to use the outcome of one method to create or build another method. A sequential explanatory research design was employed, where gathering and analysis of quantitative data is carried out first, and then the collection and analysis of qualitative data. A combination of structured interviews and survey questionnaires was utilized to realize the objectives. Interviews were conducted to gather data after the administration of survey questionnaires to support and confirm the findings obtained from the quantitative phase. The qualitative phase consists of structured interviews, analysis of audit findings, and compliance reports. On the other hand, the quantitative phase includes the survey responses, and tabulation of the survey results.

Population

The Bicol University's finance division's personnel and university planning officers upon the instruction of the head of units or offices, served as primary respondents since they are directly involved in the financial management system. The planning officers are concurrent associate deans or directors of the colleges or units. The data on the total number of finance personnel and planning officers was requested from the office of the president. As shown in Table 1, a total of 68 personnel consisting of 43 finance personnel and 25 planning officers were the respondents of the study.

While the dean or director, as the head of the unit, is in charge of overall academic and administrative operations of the colleges, their nonconsideration in the list of respondents reflects a careful delegation of functional roles. The day-to-day coordination and technical execution of planning and finance-related tasks are entrusted to the BU Finance Division personnel and university planning officers, who perform under the policy direction and strategic guidance set by the dean. This structure allows the dean to concentrate on higher-level decision-making, leadership, and oversight, while enabling technical personnel to serve and implement the operational details efficiently and in accordance with institutional goals. Thus, the dean's role is not devalued but rather positioned appropriately at the level of overall supervision and accountability.

For validation and triangulation of the data gathered through the survey questionnaires, structured interviews were conducted by the researcher with selected officers of the university and heads or chiefs of offices, who are part of the Bicol University administration and involved in the financial management operations in various related capacities.

Distribution of the Respondents

The distribution of the respondents is shown in Table 1 below.

Table 1
Distribution of Respondents

Campuses	No. of Respondents					
	Budget Officers	Accounting Personnel	Cash Personnel	Payroll Administration	Planning Officers	Total
Legazpi (West)	6	6	6	2	13	33
Legazpi (East)	2	2	1		5	10
Daraga	1	1	1		2	5
Tabaco	1	1	1		1	4
Guinobatan	1	1	1		1	4
Polangui	1	1	1		1	4
Gubat	1	1	1		1	4
Ligao	1	1	1		1	4
Total	14	14	13	2	25	68

This research employed the total enumeration sampling technique since all the eight campuses of Bicol University were explored. These campuses include the Legazpi (West) Campus with 33 respondents, Legazpi (East) Campus with 10 respondents, BU Daraga with 5 respondents, BU Tabaco with 4

respondents, BU Guinobatan with 4 respondents, BU Polangui with 4 respondents, BU Gubat with 4 respondents and BU Ligao with 4 respondents. A total of 68 personnel were the target respondents of the study.

Research Instrument

The researcher used two instruments such as the survey questionnaire and interview guide. The survey questionnaire served as a tool for data collection, consisting of standardized statements based on guidelines and some variables adapted and modified from the study by Ramos and Lumapenet (2023). It is composed of three parts where respondents chose from a set of predefined options. In the first part, the target respondents assessed the extent to which the financial management practices were implemented at Bicol University during Calendar Years (CY) 2022–2024. A four-point Likert scale was used to assess the respondents' ratings of the indicators listed under each variable. The study focused on the four components of financial management: planning, budgeting, implementation, and reporting. Another four-point Likert scale was used in the second part of the questionnaire to assess the extent of compliance with relevant financial regulations, standards, and policies in accordance with regulatory bodies such as the Commission on Higher Education (CHED), the Commission on Audit (COA), and the Department of Budget and Management (DBM).

Moreover, a checklist was used in the third part of the questionnaire to identify specific challenges in the current financial management practices of Bicol University, particularly in ensuring overall compliance with planning, budgeting, implementation, and reporting.

The interview guide questions were developed after the survey data were analyzed. This enabled the researcher to dig deeper into the extent of compliance to regulatory directives and major challenges that impact the university's operational and strategic goals.

Sources of Data

The study obtained primary data through interviews with the university president, vice presidents, and chiefs of division, as well as the survey questionnaires completed by the Bicol University Finance Division personnel. Primary data also included audit findings for Calendar Years (CYs) 2022 to 2024, agency performance reviews, and compliance reports. Secondary data such as work instructions, implementing guidelines, advisories, and other communications concerning financial management in state universities in the Philippines were also gathered. Furthermore, as an employee of Bicol University in the Finance Department, the researcher was able to triangulate the data through observations of the subject and processes.

Data Gathering Procedures

The researcher secured an authorization letter addressed to the university president to conduct the study. The letter was signed by the dean of the University of Santo Tomas-Legazpi Graduate School and the thesis adviser. Subsequently, the letter of request was presented to the Chief Administrative Officer for Finance, and the Vice-President for Administration and Finance, both of whom signed it with recommending approval. The SUC President then granted permission to use and disclose data relevant to the completion of this study. The signed letter was submitted to the BU Data Privacy Officer for review and clearance. After the request was approved, the questionnaires were given out to the respondents to assess the extent of the implementation of financial management practices at BU in terms of planning,

budgeting, implementation, and reporting. Using the same instrument, the respondents were also asked about the extent of compliance with relevant financial regulations, standards, and policies, specifically those from CHED, COA, and DBM. Lastly, the challenges encountered by BU in financial management and compliance were also identified. The completed questionnaires were then retrieved by the researcher. The data were collated and tabulated for statistical treatment and analysis. Additional data collection methods, including personal interviews, observations, and documentary research, were also employed. Relevant issuances from CHED, COA, and DBM were gathered for document analysis, and interviews were conducted to gather other necessary data for the study. Observations on financial management and compliance were made to verify the respondents' answers.

Validation of the Research Instrument

The researcher conducted pre-testing before the actual data gathering to ensure that the questionnaire was clear, easy to understand, and capable of providing the necessary information. Some of the items and indicators used in the survey questionnaire were adapted from a published paper titled *Fiscal Management Practices and Program Performance of State Universities and Colleges in the Philippines* by Ramos and Lumapenet (2023). However, modifications were made to the groupings and classification of the survey questions, and additional statements were incorporated based on the guidelines.

A dry run was administered at Bicol University to at least ten individuals who were not participants in the study. After administering the dry run, the researcher inquired whether the instructions and statements were clear and unambiguous, if the participants encountered difficulties in answering the questions, or if any items were too long. The participants did not offer suggestions but commented that the rating scale made completing the questionnaire easier. However, the researcher still reviewed the responses to determine which items needed to be eliminated or improved, and which items should be added. Corrections were made to certain items, and after the necessary adjustments and revisions were applied based on the dry run results, the questionnaire was finalized.

Statistical Tools and Analysis

The analytical methods used in this research included frequency and percentage distribution, as well as mean rating, to analyze data collected from survey questionnaires and interviews. Frequency and percentage distribution involve organizing the values assumed by one or more variables within a sample, while the mean rating serves as a midpoint within the dataset. The results were counted, analyzed, and interpreted using descriptive statistics, and the weighted mean was used to compute average values. The data were presented using tables, and the frequency and weighted mean were the main statistical tools employed. To interpret the mean responses, a scale was used to assess the extent to which financial management practices were implemented at Bicol University during Calendar Years (CY) 2022–2024, as presented below:

Table 2
Interpretation Rating for Part 1 of Questionnaire

Mean	Interpretation	Description
3.50-4.00	Always Practiced	76% - 100% [The financial management practice is consistently practiced without exception and is embedded as a standard process in university

		operations.]
2.50-3.49	Sometimes Practiced	51% - 75% [The financial management practice is generally practiced but may have occasional lapses or inconsistencies.]
1.50-2.49	Rarely Practiced	26% - 50% [The financial management practice is applied sporadically and lacks consistency in execution.]
1.00-1.49	Least Practiced	1% - 25% [The financial management practice is not practiced or followed at all.]

For the extent of compliance with relevant financial regulation standards, and policies, the scale is shown below:

Table 3
Interpretation Rating for Part 2 of Questionnaire

Mean	Interpretation	Description
3.50-4.00	Very High	76% - 100% [The university consistently adheres to financial regulations and policies with minimal to no deviations. All required standards are met or exceeded.]
2.50-3.49	High	51% - 75% [The university generally follows financial regulations and policies, but there are occasional lapses or areas needing improvement.]
1.50-2.49	Low	26% - 50% [Compliance is inconsistent, with several deficiencies or gaps in meeting financial regulations and policies. Improvements are necessary.]
1.00-1.49	Very Low	1% - 25% [The university fails to adhere to financial regulations and policies, with significant non-compliance issues that require urgent corrective actions.]

Ethical Considerations

It is essential to uphold ethical standards to ensure the integrity of the study. The following ethical considerations were observed in the conduct of this study; a.) the researcher obtained from the SUC President a formal consent to carry out the study and have access to financial and other relevant data needed (Appendix A); b.) the researcher obtained approval from the SUC president to change the title of the study to adequately adhere to confidentiality standards (Appendix B); c.) The researcher made clear to the respondents the purpose, procedures and potential risks and benefits of the research before they were made to answer the questionnaire, and d.) a copy of the guide questions was given to the interviewees. Furthermore, proper citations were made for all information from previous researchers. The research findings were strictly utilized for academic and knowledge preservation purposes exclusively.

The researcher adhered to all relevant laws, regulations, and ethical standards, maintaining the confidentiality and security of all data. Additionally, the researcher ensured that the findings would not

cause harm to the respondents and used the data solely for the intended purpose of the study.

RESULTS AND DISCUSSION

This section provides the data analysis and interpretation gathered from the respondents' financial management practices, extent of compliance with relevant financial regulations, standards and policies and the challenges encountered by the university in financial management and compliance. The data were collected and presented based on the specific objectives of the study.

Financial Management Practices

The first specific objective of this study was to determine the financial management practices of a SUC in the Bicol Region in terms of planning, budgeting, implementation and reporting. This presents the findings and analysis of the respondents along with the different indicators. The findings are presented in tables showing weighted mean, frequency distribution, and percentages.

Financial Management Practices on Planning

Table 4 outlines the respondents' financial management practices in the area of planning. The weighted mean of 3.96 indicates an "Always Practiced" answer to requiring every college or unit to submit a Work and Financial Plan (WFP) and a Project Procurement Management Plan (PPMP). It occupies the first place among the nine indicators used under the planning process criteria. Bicol University and its respective offices periodically conduct an Opening Meeting and Strategic and Work and Financial Planning to set the direction and discuss the priorities for the year.

The respondents also rated "Always Practiced" the following indicators: (1) Prepares Supplemental WFP and PPMP as necessary; and (2) Considers the university's priority investment and the University President's ten-point agenda.

On the other hand, rated as "Sometimes Practiced" are as follows: (1) Conducts strategic planning activities to determine institutional needs; (2) Conducts target setting for the ensuing year in a timely manner; (3) Establishes a reserve fund for unforeseen programs, activities and projects; (4) Resolves issues about prioritization of projects.; and (5) Engages students and other stakeholders in identifying the university's priority needs.

The indicator with the lowest weighted mean is related to proposing projects that are shovel-ready. The result also aligns with the assertions made by the Department of Budget and Management (DBM) to promote better designed, well-prepared and "shovel-ready" programs and projects.

The Vice President for Administration and Finance stated, *"Proposing shovel-ready projects is often challenged by the difficulty of securing the required supporting documents from external agencies, such as DPWH, DENR clearances, MGB geohazard assessments, and DICT endorsements."*

Additionally, there was limited engagement of students and other stakeholders in the process of determining the university's priorities. The Vice President for Planning and Development stated, *"While the presence of the student body is acknowledged, their direct participation in the planning process remains minimal."* To address this, it is recommended that a more collaborative approach to work and financial planning be adopted—one that promotes fair representation and inclusion of all relevant stakeholders. This is in accordance with the study conducted by Orozco et al. (2023) which stated that collaboration and active involvement of stakeholders are key to promoting a culture of collective responsibility and accountability in financial management.

The University President stated, *"Prioritizing fund allocation presents a significant challenge, given the limitations in*

available resources, the wide range of institutional needs, and the diverse expectations of stakeholders.” Striking a balance between immediate operational requirements and long-term strategic goals is further influenced by regulatory considerations, such as audit guidelines, and the specific conditions attached to funding sources. Additionally, decision-making may be affected by gaps in data and the need for stronger coordination across units, which can impact the effectiveness and alignment of resource allocation. Thus, the conduct of early planning in the academe serves as a vital foundation for inclusive participation, prudent resource management, and strengthened accountability, thereby contributing to the collective success of all stakeholders.

Project proposals under congressional initiatives often experience delays in becoming shovel-ready due to the nature in which these projects are identified—frequently ahead of detailed planning and prior coordination with implementing agencies. Consequently, key requirements such as feasibility studies, technical designs, and supporting documents may not yet be in place, which can affect the timely preparation and implementation of the proposals.

Table 4
Financial Management Practices on Planning

Indicator	Weighted Mean	Interpretation
a. Considers the university’s priority investment and the University President’s ten-point agenda.	3.76	Always Practiced
b. Requires every college/unit to submit a Work and Financial Plan (WFP) and a Project Procurement Management Plan (PPMP).	3.96	Always Practiced
c. Prepares Supplemental WFP and PPMP as necessary.	3.91	Always Practiced
d. Engages students and other stakeholders in identifying the university’s priority needs.	3.05	Sometimes Practiced
e. Conducts strategic planning activities to determine institutional needs.	3.45	Sometimes Practiced
f. Resolves issues about prioritization of projects.	3.24	Sometimes Practiced
g. Proposes projects that are shovel-ready.	2.97	Sometimes Practiced
h. Establishes a reserve fund for unforeseen programs, activities and projects.	3.32	Sometimes Practiced

i. Conducts target setting for the ensuing year in a timely manner.	3.39	Sometimes Practiced
Average Weighted Mean	3.45	Sometimes Practiced

Legend: 1.00-1.49 = least practiced ; 1.50- 2.49 = rarely practiced ; 2.50-3.49 = sometimes practiced ; 3.50-4.00 = always practiced

Financial Management Practices on Budgeting

Seven out of nine indicators under this area received a rating of 'Always Practiced.' The indicator with the highest weighted mean pertained to the allocation of income generated from tuition, school fees, and income-generating projects (IGPs). This suggests that the university effectively allocates its internally generated funds, along with collections and subsidies under the Free Higher Education policy, to various units, colleges, and offices. A key aspect of financial management in academic institutions is budgeting, which encompasses the strategic allocation of financial resources across various areas of school operations.

The findings revealed that the other items under budgeting were “Always Practiced”, to include (1) Considers unit, college, and office activity proposals for funding; (2) Seeks Board of Regents (BOR) approval before implementing the proposed budget; (3) Integrates Gender and Development (GAD) plan which shall be at least five (5%) of budget; (4) Prioritizes the budget allocation for security and janitorial services; (5) Prepares a Program of Receipts and Expenditures (PRE); and (6) Allocates adequate funds for the engagement of COS/JO workers.

The respondents rated the indicator “Allocates the budget per prescribed guidelines for instruction, research, extension, and production” as “Sometimes Practiced”. This is not aligned with the study of Ramirez and Amponin (2019) which states that effective budgeting practices are important to provide institutions with sufficient funds to support instructional programs, infrastructure development, and administrative expenses.

The university prepares the Program of Receipts and Expenditures (PRE) annually, subject to the approval of the Board of Regents (BOR). This document outlines the university’s total budget, including its projected income for the year. The PRE incorporates consolidated proposals from the work and financial plans submitted by various units across the university.

While the allocation of budget based on prescribed guidelines was not fully observed for CY 2022–2024, budget distribution was carried out on a case-by-case basis, guided by the priorities of the end users rather than the prescribed allocation framework. This is reinforced by the research of Krausen et al. (2020) which emphasizes the importance of using resources flexibly and adaptively, allowing institutions to swiftly respond to changing circumstances and maintain educational progress during uncertain periods. One notable challenge was the university's difficulty in fully meeting the mandated 5% allocation for Gender and Development (GAD), primarily due to the bulk of the budget being allocated to Personnel Services, which limits attribution for GAD-related initiatives. This concern was also raised by the Commission on Audit in its 2022 Annual Report (ARR pg. 223-230), particularly under the section on compliance with Gender and Development (GAD) Plans and Programs.

In terms of staffing, the Vice-President for Administration and Finance stated, “*Personnel availability and retention remain as key challenges in the university.*” To address workforce gaps, the university has resorted to

hiring Job Order (JO) personnel. A Job Order Committee has been established to oversee and monitor aspects related to JO employment. From CY 2022 to 2024, the ratio of job orders to permanent employees was recorded at 350 vs. 941, 379 vs. 957, and 349 vs. 1320, respectively. Accordingly, adequate budget allocation for Job Order (JO) personnel wages is essential to support operational requirements.

Furthermore, a portion of the budget was allocated to general services, particularly security and janitorial services. As to janitorial services, adequate funding must be allocated for the facilities and other parts of the university to remain clean, safe, and welcoming for the personnel and the transacting public. Given current budget constraints, along with growing demands for enhanced campus security and the imperative to safeguard the well-being of students, faculty, staff, and visitors, it is critical that sufficient funding be maintained for these regular and recurring services.

Based on the results of this study, giving priority to infrastructure projects ranked lowest among the identified indicators. This finding aligns with the recommendations of the Department of Budget and Management (DBM), which emphasize that projects proposed for funding in the university's budget should be those that can be completed and fully paid within the fiscal year. Given budgetary constraints, infrastructure projects—due to their substantial funding requirements and long-term nature—are less likely to be prioritized. These types of projects often involve extended timelines for planning, approval, and implementation, sometimes spanning several years. Additionally, the approval of such proposals is influenced by the nation's fiscal space and the budget priorities of the current administration.

Table 5
Financial Management Practices on Budgeting

Indicator	Weighted Mean	Interpretation
a. Prepares a Program of Receipts and Expenditures (PRE).	3.72	Always Practiced
b. Considers unit, college, and office activity proposals for funding.	3.88	Always Practiced
c. Allocates the generated income from tuition, school fees and income-generating projects (IGPs).	3.91	Always Practiced
d. Seeks Board of Regents (BOR) approval before implementing the proposed budget.	3.82	Always Practiced
e. Allocates the budget per prescribed guidelines for instruction, research, extension, and production.	3.48	Sometimes Practiced

f. Integrates Gender and Development (GAD) plan which shall be at least five (5%) of budget.	3.79	Always Practiced
g. Allocates adequate funds for the engagement of COS/JO workers.	3.53	Always Practiced
h. Prioritizes the budget allocation for security and janitorial services.	3.72	Always Practiced
i. Gives priority to infrastructure projects.	3.28	Sometimes Practiced
Average Weighted Mean	3.68	Always Practiced

Legend: 1-00-1.49 = least practiced ; 1.50- 2.49 = rarely practiced ; 2:50-3.49 = sometimes practiced ; 3.50-4.00 = always practiced

Financial Management Practices on Implementation

“Sometimes Practiced” was the rating given by the respondents to the following indicators: (1) Funds are efficiently and effectively utilized for personnel development; (2) Implements cost-cutting measures to attain performance targets; and (3) Observes a cash-budgeting approach.

The items such as (1) “Imposes firm deadlines for claim submissions to ensure timely disbursement.” and “Implements early procurement activities” got 3.16 and 2.87 as weighted means respectively. These items may require further improvement to meet desired standards. The result further confirms the position taken by the COA to comply with the accrual basis of accounting and Section 119 of PD No. 1445 by recording financial transactions as they occur and on the period to which they relate and prompt submission of claims and proper monitoring of unpaid obligations shall be made in order to avoid recurrence of charging the prior year’s expenses to the current year’s appropriation. (2022 ARR, p. 115-116)

The above findings are also consistent with DBM’s recommendation to strictly implement cut-off dates for the submission of claims to ensure timely disbursement and to place great emphasis on the observation and implementation of early procurement activities (EPAs). Most of the vouchers were not processed due to lacking documentary requirements. Additionally, the Vice-President for Planning and Development highlighted, “*The early procurement activities are being implemented but the related documents are returned due to mismatch in the listed items and the corresponding needs.*” Early procurement efforts faced challenges due to the need for more timely project planning, clearer documentation, and better alignment between planning, budgeting, and procurement processes. Strengthening coordination and capacity can help improve efficiency in implementation.

The Vice-President for Planning and Development underscored, “*The main factor affecting implementation is the timing or schedule of activities.*” A delay in one office will result in a cascading impact across all interconnected offices. This is backed by the findings of the unpublished study of Lopera (2020) which states that the delay in the program planning process appears to stem from the late submission of PPMPs.

This can lead to delays in the approval of both college and campus budgets, ultimately leading to a delay in the finalization of the indicative APP.

Three and eighty two hundredths as the highest weighted mean among the indicators is attributed to disbursing government funds strictly for public purposes. This conveys that the programs, activities and projects of the university are allocated with government money in a way that directly benefits the public or serves the common good. It also implies that government funds are not misused or diverted for personal, private, or non-public uses, ensuring accountability and transparency in the financial management of public resources.

As shown in Table 6, financial management practices on implementation rated “Always Practiced” were (1) Allot funds in accordance with the approved Work and Financial Plan (WFP); (2) Adopts the prepared Budget Execution Documents (BEDs) for the year; and (3) Ensures that claims against government funds are supported with complete and verifiable documentation.

Table 6
Financial Management Practices on Implementation

Indicator	Weighted Mean	Interpretation
a. Allot funds in accordance with the approved Work and Financial Plan (WFP).	3.69	Always Practiced
a. Disburse government funds strictly for public purposes.	3.82	Always Practiced
b. Adopts the prepared Budget Execution Documents (BEDs) for the year.	3.54	Always Practiced
c. Funds are efficiently and effectively utilized for personnel development.	3.43	Sometimes Practiced
d. Ensures that claims against government funds are supported with complete and verifiable documentation.	3.79	Always Practiced
e. Imposes firm deadlines for claim submissions to ensure timely disbursement.	3.16	Sometimes Practiced
f. Implements cost-cutting measures to attain performance targets.	3.34	Sometimes Practiced
g. Observes cash-budgeting approach.	3.35	Sometimes Practiced
h. Implements early procurement activities.	2.87	Sometimes Practiced

Average Weighted Mean	3.44	Sometimes Practiced
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Legend: 1.00-1.49 = least practiced ; 1.50- 2.49 = rarely practiced ; 2.50-3.49 = sometimes practiced ; 3.50-4.00 = always practiced

The average weighted mean is 3.44 which means “Sometimes Practiced”. It could be inferred from the result that sound financial management is not yet fully in place when it comes to implementation of the related practices.

Financial Management Practices on Reporting

The lowest weighted mean among the indicators is 2.71 which is attributed to ensuring the timely preparation and submission of the bank reconciliation. The result further supports the observations put forth by COA in CY 2021 AAR, p.38-44 which states the university’s persistent inability to prepare complete updated Bank Reconciliation Statements. These reports were made available months after the covered period due to lack of manpower and unavailability of some pertinent documents.

There were several items that were rated as “Sometimes Practiced” such as (1) Makes financial reports available to internal users in a timely manner; (2) Prepares and submits Trial Balance and Financial Statements promptly; (3) Posts financial reports on the university’s transparency seal webpage; (4) Submits Budget and Financial Accountability Reports (BFARs) on or before the deadline; (5) Submits mid-year and annual Agency Performance Review Reports (APRR) on time; and (6) Ensures consistency of reports with other offices.

The results conforms to the DBM’s recommendation to ensure the timely and accurate submission of the reportorial requirements pursuant to DBM Circular Letter (CL) No. 2016-9 dated October 27, 2016 as amended under DBM CL No. 2017-12 dated October 19, 2017, and DBM CL No. 2018-10 dated November 18, 2018 and COA-DBM Joint Circular No. 2019-1 dated January 1, 2019, with due prudence, consistency and accuracy on the information provided for an effective reporting, monitoring and evaluation of the agency’s performance.

According to the Vice-President for Administration and Finance, *“The establishment of a separate recording unit—the General Accounting Service—reflects the implementation of a management action plan to address delays in the submission of certain reports, as previously noted by the Commission on Audit and the Department of Budget and Management.”*

The indicator “Presents fund utilization report to management regularly” received the highest weighted mean of 3.53, indicating that respondents recognize the transparency demonstrated by finance personnel in the presentation of financial reports. These reports are typically shared during Administrative and Academic Council meetings, while formal presentations of accomplishments and corresponding justifications are conducted during Mid-Year and Year-End Management Review sessions.

Another financial management practice on reporting rated as “Always Practiced” was on the submission of system-generated hard copies of reports to CHED, COA, and DBM. The concerned offices of the university ensured the printing of reports which can be encoded and generated from DBM version 2, electronic new government accounting system (e-NGAS) and other websites. These bore the signatures of the proper authority before the official submission to the oversight agency.

Table 7
Financial Management Practices on Reporting

Indicator	Weighted Mean	Interpretation
a. Submits Budget and Financial Accountability Reports (BFARs) on or before the deadline	3.27	Sometimes Practiced
a. Prepares and submits Trial Balance and Financial Statements promptly.	3.06	Sometimes Practiced
b. Submits system-generated hard copies of reports to CHED, COA, and DBM.	3.52	Always Practiced
c. Submits mid-year and annual Agency Performance Review Reports (APRR) on time.	3.29	Sometimes Practiced
d. Posts financial reports on the university's transparency seal webpage.	3.11	Sometimes Practiced
e. Ensures timely preparation and submission of the bank reconciliation.	2.71	Sometimes Practiced
f. Makes financial reports available to internal users in a timely manner.	2.91	Sometimes Practiced
g. Presents fund utilization report to management regularly.	3.53	Always Practiced
h. Ensures consistency of reports with other offices.	3.38	Sometimes Practiced
Average Weighted Mean	3.20	Sometimes Practiced

Legend: 1-00-1.49 = least practiced ; 1.50- 2.49 =rarely practiced ; 2.50-3.49 = sometimes practiced ; 3.5-4.00 = always practiced

Based on the overall results under this variable, the weighted mean of 3.20 indicates that reporting practices are sometimes practiced. The findings suggest that the university's reporting processes are generally carried out effectively and in a satisfactory manner but may have occasional lapses or inconsistencies.

Summary of Financial Management Practices

Only one out of four variables of financial management practices had a recorded weighted mean within the range of 3.50-4:00, meeting the criteria for "Always Practiced". This is an indication that the indicators stated under this area were consistently implemented and embedded as a standard process in university operations. It is the budgeting which received the highest weighted mean of 3.68, reflecting strong performance in that area. Meanwhile, the other three variables namely planning, implementation and reporting fell within the range of 2.50-3.49, which falls within the "Sometimes Practiced" category. This is an indication that the practices under these three areas are generally implemented but may have occasional lapses or inconsistencies.

The Theory of Practice by Theodore Schatzki (2012) can be further associated with the findings of this research. The framework provides a valuable lens in understanding how financial management operates

within an academic institution setting. Financial management and compliance are not only about technical processes, but it is viewed as a socially embedded practice shaped not only by formal policies and systems but also by human behavior, relationships, routines, and environments.

Moreover, it is evident that the general practices under each component of financial management are interconnected and are continuously evolving. All of these activities mold the institutional culture and contribute to the achievement of operational and strategic goals.

Table 8
Summary of Financial Management Practices

Variable	Weighted Mean	Interpretation
Planning	3.45	Sometimes Practiced
Budgeting	3.68	Always Practiced
Implementation	3.44	Sometimes Practiced
Reporting	3.20	Sometimes Practiced
Average Weighted Mean	3.44	Sometimes Practiced

Legend: 1-00-1.49 = least practiced ; 1.50- 2.49 = rarely practiced ; 2.50-3.49 = sometimes practiced ; 3.50-4.00 = always practiced

Extent of Compliance with Relevant Financial Regulations, Standards and Policies

The second objective of this study was to determine the university's extent of compliance with relevant financial regulations, standards and policies in accordance with the Commission on Higher Education (CHED), Commission on Audit (COA), and Department of Budget and Management (DBM). This presents the findings and analysis of the respondents along with the different indicators. The findings are presented in tables showing weighted mean and its corresponding interpretation.

Extent of Compliance with Commission on Higher Education (CHED)

The table below revealed that the university exhibited a major non-compliance that necessitates immediate corrective measures. The findings of this study is aligned with Don Honorio Ventura State University (DHVSU) in Bacolor, Pampanga, Romblon State University, Zamboanga City State Polytechnic College (ZCSPC) and Polytechnic University of the Philippines (PUP) in which these said institutions were deficient in adhering to the prescribed allocation percentages for the utilization of tuition fees as outlined in CHED Memorandum Order No. 20, Series of 2011.

Similarly, the results of this study showed the overall mean of 1.00 with an interpretation of least complied. The findings reflected the university's failure to comply with CMO 20 s. 2011. This is further supported by the AOM No: 2024-003 (2023) dated January 31, 2024 stating that management did not fully comply with the required budgetary allocation for Instruction as provided under Section 6, Article III of CMO No. 20 dated August 4, 2011.

In addition, AOM No:2025-004 (2024) dated February 17, 2025 states the significantly low budgetary allocations of only 6.7% and 0.3% for Research and Extension Services, respectively, for CY 2024 did

not show compliance with Article

III Sections 8 and 10 of CMO No. 20 dated August 4, 2011, resulting in the University's limited contribution to the region's socio-economic progress. Due to this underfunding of the core mandates, the university is unable to fully fulfill its role in driving societal progress, which in turn hampers innovation, restricts economic growth, and has a negative effect on education, policymaking, and community development.

Table 9
Extent of Compliance with Commission on Higher Education (CHED)

Indicator	Weighted Mean	Interpretation
a. Allocates 50% of actual tuition fees for instruction.	1.00	Very Low
a. Follows budgetary allocations of 12.5% for faculty and staff development, 12.5% for curriculum development, 12.5% for student development, and 12.5% for facilities development.	1.00	Very Low
b. Observes the limitation on adjustment or modification of one or more components for the budgetary allocation for instruction that does not fall below 7.5 %.	1.00	Very Low
c. The university maintains a SUC-Wide Common Fund.	1.00	Very Low
d. Allocates a fixed (10%) percentage of tuition fees for research and extension.	1.00	Very Low
e. Allocates each of the production, administrative services, and mandatory reserve is allotted a fixed ten percent (10%) of the tuition fees.	1.00	Very Low
Average Weighted Mean	1.00	Very Low

Legend: 1-00-1.49 = very low ; 1.50- 2.49 = low ; 2:50-3.49 = high ; 3.50-4.00 = very high

For the Calendar Year 2025, the management decided to adhere to CMO No. 20, s. 2011, in response to the issuance of AOMs. The Program of Receipts and Expenditures (PRE) has ensured compliance with the prescribed income allocation.

Extent of Compliance with Commission on Audit (COA)

Several items were given the rating of very high compliance such as: (1) Ensures sufficient documentation to validate claims; (2) Certifies budget allotment; (3) Observes generally accepted accounting principles and practices; and (4) Secures necessary approval of expenditure by the Head of office or his authorized representative.

Two out of the six indicators attained the weighted mean of 3.00 and 3.11 interpreted as "high compliance". These items pertain to liquidating cash advances promptly and maintaining a separate

budget registry of IGPs for specific programs/components. It implies that there are still areas for improvement when it comes to the liquidation of cash advances and keeping control books related to IGPs. The result additionally corroborated with the points raised by COA as stated in 2022 ARR, p. 196-198 regarding the university's non-compliance with the rules and regulations on cash advances as prescribed under pertinent sections of the PD No. 1445, and COA Cir. Nos. 97-002 and 2012-001 dated February 10, 1997, and June 14, 2012, respectively, exhibited control weaknesses over the grant, utilization, and liquidation of cash advances. As to maintaining the budget registry of IGPs, it was in line with the COA's recommendation to regularly prepare and submit the financial report of all existing IGPs.

Table 10
Extent of Compliance with Commission on Audit (COA)

Indicator	Weighted Mean	Interpretation
a. Observes generally accepted accounting principles and practices.	3.65	Very High
b. Secures necessary approval of expenditure by the Head of office or his authorized representative.	3.62	Very High
c. Ensures sufficient documentation to validate claims.	3.80	Very High
d. Certifies budget allotment.	3.69	Very High
e. Liquidates cash advances promptly.	3.00	High
f. Maintains a separate budget registry of IGPs for specific programs/components.	3.11	High
Average Weighted Mean	3.48	High

Legend: 1.00-1.49 = very low ; 1.50- 2.49 = low ; 2.50-3.49 = high ; 3.50-4.00 = very high

The management stated that the university is making every effort to comply with the requirements of the Commission on Audit by responding to Audit Observation Memoranda (AOMs) and implementing the corresponding audit recommendations. While the university has been actively working toward full compliance, the Commission on Audit noted aspects that warrant enhancement. It is also acknowledged that certain recommendations may be challenging to implement immediately. Ultimately, the assessment of compliance remains subject to the Commission's independent professional appreciation.

The overall results for extent of compliance with Commission on Audit (COA) yielded a weighted mean of 3.48, which was interpreted by the respondents as reflecting high compliance.

Extent of Compliance with Department of Budget and Management (DBM)

All of the indicators fell between 2.50-3.49 which is interpreted as "High Compliance". The highest weighted mean is 3.45 for attaining an acceptable budget utilization rate. This is evident in the 90.55% and 61.16% budget utilization rate in the Agency Performance Review Report of Bicol University last January to December 2023 and 2024 respectively. On the other hand, the payment of due and demandable obligations on time ranked lowest with 2.98 as weighted mean. The low disbursement rates are mainly attributed to less than 100% accomplishment of some infrastructure projects under Capital Outlay component as well as incurring obligations at later part of the year that payment can only be made the following year.

Rated also as "High Compliance" were: (1) Interprets circulars, memoranda and guidelines consistently; (2) Observes cash-based budgeting guidelines; (3) Ensures the timely release of Free Higher Education

(FHE) funds; and (4) Observes the prescribed timelines for the procurement process per RA 9184.

Table 11
Extent of Compliance with Department of Budget and Management (DBM)

Indicator	Weighted Mean	Interpretation
a. Ensures the timely release of Free Higher Education (FHE) funds.	3.00	High
b. Observes cash-based budgeting guidelines.	3.25	High
c. Attains an acceptable budget utilization rate.	3.45	High
d. Pays due and demandable obligations on time.	2.98	High
e. Observes the prescribed timelines for the procurement process per RA 9184.	3.10	High
f. Interprets circulars, memoranda and guidelines consistently.	3.39	High
Average Weighted Mean	3.19	High

Legend: 1-00-1.49 = very low ; 1.50- 2.49 = low ; 2.50-3.49 = high ; 3.50-4.00 = very high

This is in contrast to the observation of COA regarding the delayed procurement process of the university (2022 ARR, p. 156-158). The results also contradicted the 2021-2022 COA observation which indicates operational lapses and unwarranted delays in the implementation of various programmed projects making it inconsistent with the cash-budgeting system adopted under EO 91, series of 2019. This is further supported by management's explanation that the national government often released funds through congressional-introduced projects, which exceeded the university's absorptive capacity—particularly given the limited time available to prepare the necessary documentation for effective project implementation.

The overall results in this indicator showed a 3.19 weighted mean which was considered by the respondents as "High Compliance".

Summary of the Extent of Compliance

The Commission on Audit (COA) had the highest weighted mean among the three oversight agencies. The 3.48 results showed high compliance which indicates that the university consistently adheres to financial regulations and policies with minimal deviations. Similarly, the results showed that the university exhibited "High Compliance" with the Department of Budget and Management. The subject institution generally followed financial regulations and policies set by both the Commission on Audit (COA) and the Department of Budget and Management (DBM), but there were occasional lapses or areas needing improvement. Conversely, the university failed to adhere to financial regulations and policies of Commission on Higher Education (CHED), with significant non-compliance issues that require urgent corrective actions. There has been no official update from the Commission on Higher Education (CHED) regarding the publication of CHED Memorandum Order (CMO) No. 20, s. 2011, in the National Administrative Register (ONAR) for validity. If it remains unregistered, it may not yet be legally binding, as discussed by the university in its AOM reply.

Table 12
Summary of the Extent of Compliance

Reporting	Weighted Mean	Interpretation
Commission on Higher Education (CHED)	1.00	Very Low
Commission on Audit (COA)	3.48	High
Department of Budget and Management (DBM)	3.19	High
Average Weighted Mean	2.56	High

Legend: 1-00-1.49 = very low ; 1.50- 2.49 = low ; 2.50-3.49 = high ; 3.50-4.00 = very high

The results of this study strengthened the Theory of Regulatory Compliance of Richard Fiene (2016). The key indicators under each regulatory body showed that compliance with the applicable rules and guidelines is necessary in achieving not only the operational but also the strategic goals. These findings also underscored the direct correlation between compliance and performance excellence by highlighting the significance of a well-structured regulatory framework in influencing organizational behavior and results.

Challenges Encountered

The third objective of this study was to identify the challenges encountered in the compliance with financial regulations, standards and policies. This presents the findings and analysis of the respondents along with the different indicators. The findings are presented in tables showing frequency distribution and percentages.

Challenges Encountered by the University with Planning

“Changing priorities” had the highest percentage under challenges encountered in planning. This is an indication that priorities differ each year and it relies on the shift in the goals and objectives of the university president. This highlights that the planning process was highly dependent on the focus and vision of the university president, indicating that the strategic direction may shift based on their leadership or external circumstances. This can make long-term planning more difficult, as the university may need to constantly realign its resources and efforts in response to new priorities.

The findings are the same with the study of Sambal (2019) which states that schools are often facing competing priorities which call for strategic decision-making in resource allocation. The offices, units, clusters and colleges in a university setting had different sets of priorities depending on the program and services being offered. Research has indicated that institutions that prioritize needs and allocate funds strategically are better positioned to cater the diverse needs of students and enhance overall academic performance.

The Vice-President for Admin and Finance stated, “*Communication and coordination with stakeholders need to be enhanced.*” This is supported by the study of Cuenca (2019) showing that collaboration and stakeholder involvement are essential to the success of financial management in public schools, as they help build trust, ensure transparency, and promote accountability. When teachers, administrators, parents, and community members actively participate in financial planning and decision-making, they are more likely to feel invested in the school’s success. This collective approach encourages the development of more effective and sustainable strategies, making certain that financial resources are allocated where they are most needed. By working together, stakeholders can align their efforts with the

institution's mission and goals, leading to a more engaged community, improved educational outcomes, and a stronger sense of shared responsibility in achieving the school's vision.

Table 13
Challenges Encountered by the University with Planning

Planning	Frequency	Percentage
Unclear target setting	12	18
Changing priorities	46	68
Misaligned organizational structure to implement national directive .	9	13
Stakeholders' unwillingness to adapt to new plans or strategies	26	38
Insufficient knowledge or skills to develop a comprehensive plan	17	25
Poor Stakeholder Coordination	20	29
Technological Limitations	36	53

Some respondents answered that some of the challenges encountered are conflicting schedules to conduct planning activities, cultural acceptance to proposed changes and non-submission of PAPs from colleges to be integrated in the BUGS consolidated WFP and PPMP for approval.

Challenges Encountered by the University with Budgeting

The execution of the programs, activities and projects was subject to the availability of the funds being certified by the designated budget officers. The most frequent problem encountered was the "Limited Resources" which corresponds to 85% of the respondent's acknowledgement. This was due to the adherence to specific budget limitations provided by law, rules and regulations. This caused difficulties to reallocate funds without going through a lengthy approval process. This can hinder the ability to respond quickly to emerging needs.

With a result of 65%, late release of government subsidies resulting in lapsed funds was also considered as a challenge. The Vice-President for Planning and Development also emphasized, "*Timing of releases is a factor to consider in order to carry out the programs and projects of the university.*" The university is expected to fully utilize the downloaded fund and attain a favorable utilization rate. However, consideration must be given to the absorptive capacity of the state university to ensure that fund releases are aligned with its ability to implement and manage projects effectively within the prescribed timelines.

The Commission on Audit issued an AOM pertaining to lapsed Notice of Cash Allocation (NCA) which requires automatic reversal to National Treasury in accordance with DBM Circular Letter No. 2019-3 dated January 4, 2019. Transferring the MDS funds about to lapse to the LCCA is inconsistent with the said DBM guideline. The oversight agency recommended the management to direct the Internal Audit Service to evaluate the present process flow of the Finance Unit to be able to identify the specific areas needing corrective measures for a more efficient and economical financial operation maximizing their programmed cash allocation for the quarter.

Table 14
Challenges Encountered by the University with Budgeting

Budgeting	Frequency	Percentage
Unrealistic Forecasting	6	9
Uncertain Economic Conditions	33	49
Limited Resources	58	85
Rigid Budget Structures	3	4
Prioritizing immediate financial needs over long-term sustainability	19	28
Late release of Government Subsidies resulting to lapsed funds	44	65
Using outdated or inefficient budgeting tools	18	26

The Vice-President for Admin and Finance highlighted, *“The assessment and evaluation of the University’s internal control system is regularly being done by the internal audit service through the conduct of internal quality audits to determine if the respective controls are well designed and properly implemented. The results of internal quality audits are submitted to the top management with appropriate recommendations.”*

Challenges Encountered by the University with Implementation

Table 15 summarizes the challenges encountered in implementation. “Inefficient Procurement Process” got the highest number of answers. This aligns with the audit observation regarding the extensive delays in the procurement process which is inconsistent with the policy enunciated under Section 2 Revised Implementing Rules and Regulations (IRR) of RA No. 9184 thus could result in inefficient delivery of goods and services and poor operational performance of the Agency. This can disrupt operations, hinder productivity, and prevent timely project completion. The results revealed the importance to respondents of having a well-observed procurement timeline and organized procurement process. The result further conforms to what is asserted in the DBM’s Assessment of Agency Performance for January-June 2024 which is to implement a sound procurement strategy with time-bound concepts for the execution, in compliance with the Government Procurement Act’s (RA No. 9184) procurement procedures and the policies issued by the Government Procurement Policy Board.

There have been several instances of failed biddings, highlighting areas for improvement in the procurement process. In response, the Vice-President for Planning and Development stated, *“We plan to conduct an orientation for the procurement team and suppliers to revisit key procedures and introduce updates under the new procurement law.”* The inefficiency in procurement is also affected by factors which are beyond the control of the agency such as the suppliers devising their own instrument in order to comply and the end-users lack of technical knowledge to fulfill the procurement-related requirements. There was a need to strengthen end-users' understanding of the procurement process to ensure better alignment with procurement requirements and timelines. The findings were in agreement with the study of Lopera (2020) which showed the need to capacitate the procurement personnel of the agency to ensure speedy procurement process.

Some respondents highlighted that some of the challenges encountered when it comes to planning are the following: lack of personnel specific for R&D implementation, failure in the procurement chain from end-user to procurement process, to the process itself, and conflicting provisions in the policies, lack of

feedback mechanism to end-users.

The Vice-President for Admin and Finance emphasized, “*The personnel availability and retention remain to be key challenges across planning, budgeting, implementation, and recording processes.*” To address workforce gaps, the hiring of job order personnel has been used as an interim solution; however, this may present concerns related to continuity, documentation, and accountability.

Table 15
Challenges Encountered by the University with Implementation

Implementation	Frequency	Percentage
Retention issues in keeping skilled personnel	18	26
Inefficient Procurement Process	45	66
Underfunded Academic and Research and Extension Programs	25	37
Lack of Reliable Financial Monitoring	11	16
Complex financial documentation processes delaying fund utilization	22	32
University facilities requiring constant repairs	39	57
Technological Limitations	36	53

Challenges Encountered by the University with Reporting

The results showed that “Limited personnel handling multiple reporting requirements” was considered as a top challenge encountered under reporting. It received the highest percentage which is 63%. This denotes the high possibility of inefficiencies, increases the likelihood of errors, and reduces the quality and timeliness of reports. The offices under the Finance division explained that the reason for delays is the lack of manpower and the unavailability or issue on completeness of pertinent documents. These challenges not only delay the reporting but also affect the reliability of the financial data which is vital in the decision making process of the institution. In this case, the high-quality financial reporting which correlates with the efficient allocation of resources as described by Biehl (2024) will not be achieved.

Table 16
Challenges Encountered by the University with Reporting

Reporting	Frequency	Percentage
Frequent updates in financial reporting guidelines requiring constant adjustments	14	21

Challenges in consolidating financial data across different university units	30	44
Low Budget Utilization Rate	24	35
Incorrect categorization of expenditures affecting budget tracking	15	22
Discrepancies in the reports due to manual reporting	19	28
Limited personnel handling multiple reporting requirements	43	63
Timing issues affecting financial reconciliation	33	49
Using outdated or inefficient reporting tools	10	15

Only ten of the respondents considered using outdated or inefficient reporting tools as a challenge. This is an indication that the university has been already elevating their tools in report preparation which can directly impact operational efficiency as shown in the results of the study by Ali and Abu AlSondos (2020). The university is currently utilizing the Electronic New Government Accounting System (e-NGAS) and DBM Unified Reporting System (URS) version 2.

One of the respondents answered that the late submission of Financial Reports especially for externally-funded projects was also considered a challenge. This emanated from the delays in the submission of necessary data from project implementers, insufficient coordination between departments, and limited staffing or capacity within the concerned offices. These externally-funded projects were usually additional loads or designation to some teaching and non-teaching personnel.

Challenges Encountered by the University with Compliance

The study found that complex documentation requirements was a major problem for 66% of respondents. This affirms the observation that at least 34 disbursement vouchers in the total amount of ₱1,426,639.47 remained unsubmitted as of April 15, 2023 with delays ranging from 37 to 1785 days. In this case, it hampered submission of financial reports on time. It negatively affected productivity, compliance, and overall organizational efficiency. The Accounting Office explained that the submission of the reports of the cash sections to the accounting units ranges from 5 to 10 days after the 15th and 30th days of the current month, while the number of days for the accounting unit to record the reports submitted ranges from 10 to 15 days, depending on the volume of the reports; hence, it is quite challenging to comply with the timely submission of reports and accounts.

It has been also observed that varying interpretations among accountants can sometimes lead to differing comments and delays in the processing of claims. Such delays can hinder the timely disbursement of funds and affect the overall flow of financial operations. To promote consistency and efficiency, the development or adoption of common guidelines or a standardized manual is recommended as a shared reference.

Table 17
Challenges Encountered by the University with Compliance

Compliance	Frequency	Percentage
Inconsistent interpretation of rules, guidelines and memoranda	42	62
Different auditors may interpret financial regulations differently, leading to confusion and compliance issues	40	59
Must submit financial reports on time, but delays often occur due to complex documentation requirements	45	66
Resistance to change due to Bureaucratic Culture and Institutional Inertia	11	16

The Vice-President for Planning and Development recommended, “*There should be a wide dissemination of the updated documentary requirements for common government transactions in form of memorandum and checklist of requirements so that the personnel may be guided before filing their respective claims.*” The pre-audit of claims may take a reasonable amount of time if the end-users or claimants are well-informed of the required documentary requirements. In this way, there is strict adherence to accounting rules and regulations, proper documentation, and the involvement of different stakeholders which are factors considered by Figer-Canes (2023) that directly contribute to effective fiscal management.

One of the respondents added as a challenge under compliance was the constant return of documents for compliance of pre-audit observations. In this case, the claimant or the end-user has not yet satisfied the required documentary requirements. The pre-audit of claims usually undertakes a rigorous technical analysis to comply with the requirements of Commission on Audit(COA). The Chief/Cluster Accountant ensures that the essential elements of integrity, proprietary and validity of the claim can be established before endorsing the claims for payment.

Summary of Challenges Encountered by the University

Table 18
Summary of Challenges Encountered by the University

Variable	Frequency	Percentage
Planning	166	19
Budgeting	181	21
Implementation	196	23
Reporting	188	22
Compliance	138	16

Table 18 presents a summary of the results based on the challenges identified by the respondents. The findings indicate that “Implementation” emerged as the most frequently encountered challenge, followed by “Reporting” and “Budgeting,”

which ranked second and third, respectively. These results highlight that the three areas represent key concerns that warrant focused attention and appropriate action to prevent further issues and support the improvement of financial management processes.

The Contingency Theory of Fred Edward Fiedler (1964) is appropriate in the context of this study. The academic institution under study was placed in various circumstances and encountered challenges in different aspects of financial management.. According to the theory, the organization strategies must be in line with the situation or specific circumstances. In this case, the need to be flexible and adaptive in financial decision-making arises. There are factors to consider in identifying the most applicable financial and compliance strategy.

Bicol University Financial Management and Compliance Codified Manual

This document presents a codified matrix of financial management practices and compliance procedures based on the Bicol University Financial Management and Compliance Guidebook. It is designed for clarity, standardization, and ease of reference for all responsible offices.

PLANNING

Policy No.	Policy	Process / Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Conduct Opening Meeting and Strategic, Work, and Financial Planning	Schedule and facilitate planning session for upcoming year	Office of the Vice President for Planning and Development (OVPPD)	Internal Planning Framework / National Budget Circular	Must be held before start of fiscal year	Planning Session Minutes, Attendance, Agenda	Annual	Sets overall direction and priorities
2	Conduct regular and special unit meetings	Review institutional needs and analyze unit-level financial allocations	All Colleges/Units	Internal Governance Policies	Regular updates on planning and budgeting issues	Meeting Minutes, Unit Reports	Monthly or As Needed	Ensures alignment with strategic goals
3	Submission of WFP and PPMP	Prepare and submit Work and Financial	All Colleges/Units	GAA, DBM Guidelines	Submission of complete and timely plans	WFP, and PPMP	Annual	Basis for budgeting and procurement

		Plan and PPMP						
Policy No.	Policy	Process / Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
4	Consolidation of PPMP into APP	Consolidation of unit PPMPs into Annual Procurement Plan and present for approval	Procurement Management Office (PrMO)	RA 9184 (Procurement Law), DBM and COA Guidelines	APP approval required for fund release	Consolidated APP	Annual	Required for procurement and fund downloading
5	Prepare Supplemental WFP and PPMP	Revise and resubmit plans as needed based on updates	All Colleges/Units	Internal Planning Policy	Timely submission revisions	Supplemental WFP and PPMP	As Needed	Addresses unplanned or changing needs

6	Projects must be complete within fiscal year	Select fundable projects with clear timelines	Planning Units Budget Office	DBM / Budget Execution Guidelines	Only fundable/completable projects included	Project Proposals, Timelines	Annual	Prevents budget lapses
7	Encourage well-planned programs and projects	Design programs that are ready for execution	All Units	Good Governance Standards	Submission of complete, viable proposals	Project Concept Papers, Feasibility Studies	Continuous	Ensures project quality and feasibility

8	Formulate Monitoring and Evaluation Plans	Develop M&E tools to track project progress	All Units / M&E Office	Internal Performance Monitoring Policies	Reports must reflect implementation progress	M&E Plan, Progress Reports	Quarterly or As Needed	Critical for tracking and accountability
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BUDGETING

Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Coordinate with OVPP D for PRE preparation	Collaborate with the Office of the Vice-President for Planning and Development to prepare the Program of Receipts and Expenditures (PRE)	Budget Office, OVPP D	GAA, DBM Circulars	Ensure timely preparation of PRE	Program of Receipts and Expenditures (PRE)	Annual	Crucial for budgeting and financial planning

2	Review unit, college, and office activity proposals	Review and consolidate activity proposals from all units, colleges, and offices for funding approval	Budget Office	Internal Budget Policies	Proposals must align with budget ceiling	Activity Proposals, Consolidated Budget Report	Annual	Helps prioritize funding allocation
3	Proposal evaluation by committee	Form an evaluation committee to assess alignment with university's goals	Evaluation Committee, Budget	GAA, DBM Guidelines	Ensure proposals adhere to university priorities	Evaluation Reports	Annual	Ensures funding is aligned with university's goals

		priorities and identify possible reductions	Office					
4	Allocate generated income	Allocate funds from tuition, school fees, and income-generating projects (IGPs) upon release of FHE and availability of internal collections	University Budget Officer	University Guidelines on Income Allocation	Proper allocation of generated funds	Allocation Report, Budget Adjustments	As Needed	Ensures financial resources are used effectively
5	Secure BOR approval	Seek approval from the Board of Regents before implementing proposed budget	Budget Office, University Administration	BOR Resolutions, University Policy	BOR approval needed for budget implementation	BOR Resolution, Approved Budget	Annual	Necessary for legal compliance
6	Budget allocation per trifocal mandate	Allocate budget considering the university's trifocal mandate: instruction, research, and extension	Budget Office	University Mission and Vision, DBM Circulars	Budget must support all three areas: instruction, research, extension	Budget Allocation Report	Annual	Ensures comprehensive support across the university's functions

7	Integrate GAD Plan into budget	Ensure that at least 5% of the total budget is allocated to the Gender and Development (GAD) Plan	All Agencies, Budget Office	PCW-NE DA-DBM Joint Circular No. 2012-01	GAD Plan allocation must be no less than 5% of total budget	GAD Plan Report, Budget Breakdown	Annual	Mandated by government circular
8	Allocate funds for	Allocate sufficient funds	Budget Office	GAA, DOLE	Adequate funds for	COS/JO Fund	Annual	Ensures compliance

	COS/JO workers	for the engagement of COS/JO workers		Guidelines	COS/JO workers must be allocated	Allocation Report		with labor regulations
9	Prioritize recurring services	Prioritize funding for recurring services such as janitorial and security services	Budget Office, University Administration	Internal University Policies, BOR Resolutions	Recurring services must be prioritized in the budget			

IMPLEMENTATION

Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Allocate funds as per approved Work and Financial Plan (WFP)	Ensure all fund allocation is aligned with WFP	Budget Office, All Units	Internal University Policies	Compliance with approved budget allocation	WFP, Budget Allocation Report	Annual	Ensures consistent financial planning
2	Disburse government funds for public purposes only	Ensure funds are spent only on government-	Budget Office, Financial Services	RA 9184, DBM Guidelines	Funds must be used strictly for public purposes	Disbursement Vouchers, Receipts	As Needed	Prevents misuse of funds

		approved activities						
3	Utilize funds effectively for personnel development	Allocate funds for training, development, and capacity building of	Budget Office, Human Resources	DBM Budget Circulars	Funds allocated for personnel development must be efficiently utilized	Training and Development Reports	Annual	Promote human capital growth

		personnel						
4	Ensure claims are supported by complete and credible documents	Verify all claims have valid and complete supporting documents	Budget Office, Financial Services	COA Circulars, GAA Guidelines	All claims must have proper documentation for approval	Supporting Documents, Claim Forms	As Needed	Ensures transparency and accountability
5	Impose deadlines for claim submissions	Set strict timelines for submission of claims and include relevant contract terms	All Units, Contractor	RA 9184, Contractual Agreement Provision	Claims must be submitted on time to ensure timely fund disbursement	Contract Agreements, Submission Logs	Ongoing	Facilitates timely execution of payments
Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
7	Implement early procurement after NEP approval	Start procurement process early once National Expenditure Program (NEP) is approved	Procurement Management Office (PrMO)	RA 9184, Revised IRR	Early procurement required after NEP approval	Procurement Reports, NEP Approval	Annual	Prevents delays in procurement
8	Implement timely procurement strategy	Develop and execute procurement strategies in line with RA 9184	Procurement Management Office (PrMO)	RA 9184 (Government Procurement Reform Act)	Compliance with procurement laws and guidelines	Procurement Plans, Contracts	Ongoing	Ensures effective and lawful procurement

9	Monitor procurement timelines and project completion	Track procurement timelines and delivery of commodities	Project Management Office, PrMO	Internal Procurement Policies	Monitor and report on procurement progress and compliance	Procurement Monitoring Reports	Ongoing	Ensures timely delivery and project success
10	Ensure timely deliveries for externally funded programs/project	Follow-up with contractors/suppliers to ensure timely deliveries	Project Leaders, Procurement Management Office	MOA, Contract Agreements	Ensure project deadlines are met	Purchase Requests, Delivery Schedules	Ongoing	Prevents delays in externally funded projects
11	Conduct proper planning and select qualified contractors	Ensure all necessary designs, surveys, and investigations are done before project implementation	Project Management Office	Internal University Policies, Engineering Guidelines	Proper contractor selection and project planning	Project Plans, Contractor Assessments	As Needed	Guarantees project success
Policy No.	Policy	Process Activity	/Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
12	Submit liquidation reports for completed projects	Ensure liquidation reports are submitted and unexpended funds returned	Project Management Office, Financial Services	COA Cir. No. 94-013	Return unexpended funds and submit reports	Liquidation Reports, Fund Return Documentation	After Project Completion	Ensures financial accountability

13	Fast track implementation of ongoing projects	Expedite projects within MOA timelines, request time extension if needed	Project Management Office	MOA, Internal University Policies	Projects must adhere to agreed timelines, or extensions must be requested	Project Status Reports, MOA	Ongoing	Prevents project delays and sanctions
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14	Adopt guidelines for project execution	Develop guidelines outlining duties, responsibilities, and timelines for project implementation	Project Management Office, All Units	Internal University Policies	Clear guidelines must be followed for project execution	Project Guidelines, Implementation Reports	As Needed	Ensures project oversight and accountability
15	Provide auditors with purchase orders and delivery notices	Furnish advance purchase orders and delivery notices with supporting documents	Procurement Management Office (PrMO), Auditors	COA Circular No. 2009-001	Supporting documents must be submitted within five days	Purchase Orders, Delivery Notices, Supporting Documents	Ongoing	Ensures compliance with auditing requirements
16	Conduct training for BAC, TWG, and end-users	Provide regular capacity development training for procurement-related personnel	Human Resources, Procurement Management Office (PrMO)	Government Procurement Policy Board (GPPB) Guidelines	Ongoing training for procurement teams	Training Records, C		

REPORTING

Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Prepare BFARs with accuracy	Ensure proper preparation of Budget and Financial Accountability Reports (BFARs)	Budget Office, Financial Services	COA-DBM Joint Circular No. 2019-1, GAA	Ensure compliance with BFAR submission requirements	BFAR Forms, URS Submission	Annual	Ensures accurate reporting and compliance with government regulations
2	Submit system-generated reports to CHED, COA, and DBM	Submit hard copies of system-generated reports to CHED, COA, and DBM	Budget Office, Accounting Office	COA-DBM Joint Circular No. 2019-1, GAA	Submit reports within the designated deadlines	System-Generated Reports	Annual	Facilitates transparency and accountability
3	Submit Trial Balance and Financial Statements	Prepare and submit Trial Balance and Financial Statements promptly	Accounting Office	COA Guidelines, GAA	Ensure timely submission of financial statements	Trial Balance, Financial Statements	Annual	Essential for financial transparency and auditing
4	Submit Agency Performance Review Reports (APRR)	Submit mid-year and annual Agency Performance Review Reports	Planning and Development Office, Budget Office	DBM Guidelines, Internal Policies	Timely submission of APRR	APRR Forms	Mid-Year, Annual	Used for performance monitoring and review
5	Post	Ensure	Public	RA 9184	Reports	Financial	Ongoing	Promotes

	financial reports on transparency seal webpage	financial reports are posted on the university's transparency seal webpage	Relations Office, Accounting Office	COA Guidelines	must be accessible to the public via the transparency seal	Reports		transparency in financial reporting
Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
6	Prepare and submit bank reconciliation reports	Ensure timely preparation and submission of bank reconciliation reports	Accounting Office	COA Guidelines	Submit bank reconciliation with supporting documents	Bank Reconciliation Reports, Bank Statements	Monthly	Ensures proper cash management and reconciliation

7	Maintain subsidiary ledgers for GAD-related financial transactions	Maintain separate subsidiary ledgers for GAD-related transactions	Accounting Office, Budget Office	COA Circular No. 2021-008	Accurate maintenance of subsidiary ledgers for GAD funds	GAD Subsidiary Ledgers	Ongoing	Required for compliance with GAD-related financial reporting
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CHED COMPLIANCE

Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Allocate 50% of actual tuition fees for	Ensure 50% of collected tuition fees is allocated	Budget Office, Finance Office	CMO No. 20, Series of 2011	Allocate 50% of tuition fees to instruction	Tuition Fee Allocation Report	Annual	Ensures compliance with CHED guidelines on tuition

	instruction	to instruction al purposes						allocation
Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
2	Follow specific budgetary allocations	Allocate the following percentage s from the tuition fees: - Faculty & Staff Development (12.5%) - Curriculum Development (12.5%) - Student Development (12.5%) - Facilities Development (12.5%)	Budget Office, Finance Office	CMO No. 20, Series of 2011	Ensure allocation adheres to specified percentages	Budget Allocation Report	Annual	Adheres to CHED's detailed tuition fee distribution guidelines
3	Observe budgetary allocation limitations for instruction	Ensure no reduction of the budget for instruction below 7.5%	Budget Office, Finance Office	CMO No. 20, Series of 2011	Budget for instruction must not fall below 7.5%	Budget Allocation Report	Annual	Prevents undermining educational goals and operations

4	Establish and maintain a SUC-Wide Common Fund	Set up a common fund for university-wide administrative costs	Budget Office, Financial Services	CMO No. 20, Series of 2011	Maintain a university-wide fund for administrative costs	Common Fund Reports	Ongoing	Ensures centralization of administrative funds
Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
5	Allocate 10% of tuition fees for research	Allocate a fixed 10% of tuition fees for research and	Budget Office, Research Office	CMO No. 20, Series of 2011	Ensure 10% of tuition fees are designated for research	Research and Extension Budget Report	Annual	Supports research and extension activities as

	and extension	extension activities			and extension			required by CHED
6	Allocate 10% each for production, administrative services, and mandatory reserve	Allocate 10% of tuition fees for the following purposes: - Production - Administrative Services - Mandatory Reserve	Budget Office, Finance Office	CMO No. 20, Series of 2011	Allocate 10% for each category: production, administrative services, and mandatory reserve	Tuition Fee Allocation Report	Annual	Ensures balanced financial allocation for key university functions

COA COMPLIANCE

Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Observe generally accepted accounting principles	Ensure all financial transactions follow generally accepted accounting principles	Accounting Office	COA Circular No. 2012-001, PD 1445	Follow accounting standards in all financial transactions	Financial Reports, Accounting Standards	Ongoing	Essential for proper financial management and audit compliance
Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
2	Ensure expenditure approvals	Ensure all expenditures are approved by the Head of Office or designated representatives	Budget Office, Department Heads	COA Circular No. 2012-001	Obtain approval before processing any expenditure	Approval Documents, Expenditure Requests	Ongoing	Prevents unauthorized or questionable expenditures
3	Attach complete documentation for disbursements	Ensure proper documentation for every disbursement and cash advance	Accounting Office	COA Circular No. 2012-001, Presidential Decree No. 1445	Attach sufficient documentation to validate claims	Disbursement Documents, Cash Advance Requests	Ongoing	Prevents disallowance or suspension of claims during audits

4	Budget officer certification	Ensure budget officer certifies budget allotment for all financial activities	Budget Office	COA Circular No. 2012-001	Certify budget allotment before approving expenditures	Budget Allotment Certificates	Ongoing	Ensures accurate budget allocation and compliance
5	Avoid issuing new cash advances unless settled	Do not issue new cash advances until outstanding advances are fully liquidated	Accounting Office	COA Circular No. 2012-001	Liquidate outstanding cash advances before issuing new ones	Cash Advance Liquidation Reports	Ongoing	Prevents accumulation of unliquidated cash advances
6	Monitor timely settlement of cash advances	Track and ensure timely settlement of unused or unnecessary cash advances	Accounting Office	COA Circular No. 2012-001	Monitor and settle outstanding cash advances over two months old	Cash Advance Settlement Reports	Monthly	Ensures compliance with COA timelines and prevents delays
Policy No.	Policy	Process Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
7	Issue demand letters for unliquidated cash advances	Issue demand letters to employees with unliquidated cash advances	Accounting Office	COA Circular No. 2012-001	Issue demand letters and monitor settlement	Demand Letters, Cash Advance Reports	As needed	Ensures timely refund of excess and settlement of advances

8	Maintain budget registry for IGPs	Maintain a separate registry for IGPs and submit financial reports	Budget Office, Accounting Office	COA Circular No. 2012-001	Periodically submit financial reports for all IGPs	IGP Financial Reports	Quarterly	Ensures proper monitoring of income-generating projects
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DBM COMPLIANCE

Policy No.	Policy	Process / Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
1	Uphold high standards of due diligence when submitting requests	Submit requests to DBM on time with complete supporting documents	Budget Office	DBM Guidelines, PD 1445	Submit timely requests with complete documents	Request Submission Reports	As needed	Ensures DBM releases are processed efficiently
2	Observe cash-based budgeting guidelines	Ensure adherence to cash-based budgeting for financial planning	Budget Office, Finance Office	DBM Budget Circulars	Adhere to cash-based budgeting system	Budget Reports	Annual	Aligns with DBM budgeting standards

Policy No.	Policy	Process / Activity	Responsible Office	Regulatory Basis	Compliance Requirement	Source Document	Frequency	Remarks
3	Attain acceptable budget utilization rate	Ensure budget utilization rate meets prescribed targets	Budget Office	DBM Circulars	Monitor and optimize budget utilization rate	Budget Utilization Reports	Quarterly	Ensures effective use of allocated funds

4	Pay due and demandable obligations on time	Ensure timely payment of obligations as they become due	Finance Office, Accounting Office	PD No. 1445	Pay obligations promptly	Payment Records, Invoice Processing	Ongoing	Prevents delays in meeting financial obligations
5	Follow accrual basis of accounting	Record financial transactions based on accrual accounting principles	Accounting Office	PD No. 1445, DBM Circulars	Record transactions in the period they occur	Financial Statements	Ongoing	Ensures accurate financial reporting
6	Monitor unpaid obligations to avoid improper allocation	Track unpaid obligations to ensure they are allocated correctly	Budget Office, Accounting Office	DBM Guidelines, PD No. 1445	Track and resolve unpaid obligations promptly	Unpaid Obligations Reports	Monthly	Prevents misallocation of funds across fiscal years

7	Set a cut-off date for claims submission	Establish a cut-off date for year-end claims submission to Budget Office	Budget Office	DBM Circulars	Ensure all claims are submitted on time before the year-end	Claims Submission Schedule	Annually	
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PROPOSED GUIDEBOOK

The fourth and last objective of this study was to develop a guide to further enhance financial management and compliance for achieving operational and strategic goals. It is a comprehensive manual that encompasses all relevant financial management practices and policies , with the goal of being institutionalized within the university.

INTRODUCTION

As a State University, Bicol University is entrusted with the responsibility to ensure that all finance-related activities are carried out in a productive and proper manner. This involves the prompt and precise tracking of funds safeguarding assets, and maintaining strong internal controls. These responsibilities align with the University's legal, prescribed, and ethical standards as prescribed by applicable statutes, rules, and regulations.

Apart from legal stipulations, the responsible administration of SUCs' finances is crucial for sustaining their ongoing operations. This is especially important given the limited funding from the government and the influence of constantly evolving opportunities and policies that impact not only the operations but also the academe's core mandates. Effective and prudent management of various funds and several income generating projects by the state university is therefore essential. Financial management must remain adaptable to these ongoing transformations, letting flexibility in processes while ensuring compliance with relevant rules, mandates, and legal provisions.

Disbursement-related transactions are strictly managed within approved budgetary limitations and obligations, with all transactions accurately entered into records by the Finance Division units, providing critical data for management decision-making.

The upcoming fiscal years will present significant challenges for the University, particularly due to the implementation of the CMO 20 s. 2011. A substantial change in the allocation of internally generated income is expected compounded by other factors that may hinder resource efficiency and absorptive ability. This necessitates flexibility in the common strategies for projecting income and expenditures which form the foundation of BU's financial stability and transparency.

In light of these challenges, this academic institution adopts a cautious strategy in income projections and forecasts, particularly given the internal as well as external uncertainties. For the Calendar Year 2025, the management decided to adhere to CMO No. 20, s. 2011, in response to the issuance of AOMs. The Program of Receipts and Expenditures (PRE) has ensured compliance with the prescribed income allocation which is expected to support the achievement of the University's aims and advancements in

academic offerings and facilities in alignment not only with its vision but also with its mission. The primary aim of this budgeting optimization approach is to ascertain a strong financial condition for the state university, limit the scaling of core operations in alignment with existing revenue capacity, while optimizing the response to favorable financial variances throughout the fiscal year. This guidebook will thoroughly outline the key details, offering clear clarification of functions, roles, responsibilities, and guidelines, all aimed at facilitating the smooth and efficient operation of all offices/colleges/units of the university.

Legal Bases

The primary legal foundation for Bicol University to utilize its income and funds to support its objectives is Republic Act No. 5521, or "***AN ACT ESTABLISHING THE BICOL UNIVERSITY, DEFINING ITS POWERS, FUNCTIONS, AND DUTIES, APPROPRIATING FUNDS THEREFOR, AND FOR***

OTHER PURPOSES." This legislation authorizes the Bicol University for the provision of funds essential for the creation operation and its development. It also allows for the university to generate income through tuition fees, government grants, donations, and other sources. The Act specifies that these funds should be recognized in an authorized government depository bank, with any accrued interest being included in the funds of the state university. Additionally, the Act outlines the disbursement procedures for these funds, stating that income generated from tuition, other charges, and auxiliary services may be retained by the University and used for various purposes such as instruction, research, extension, and other programs or projects. It is further stipulated that fiduciary fees should only be disbursed for the specific purposes they were collected for. Furthermore, the University Board of Regents is granted discretion to use these funds for any reasonable and urgent needs aligned with the University's objectives if the funds allocated for approved programs are unavailable.

Section 24 of RA No. 9045 also incorporates Republic Act No. 8292, the Higher Education Modernization Act of 1997, within the scope of the University's governing framework. One significant provision is Section 4(d) of RA No. 8292 which grants State Universities and Colleges (SUCs) the authority to deposit income from tuition and other fees, including matriculation, graduation, and laboratory fees, into Special Trust Funds (STF). It further permits the SUC Board of Regents/Trustees (BOR/T) to allocate this income for instructional, research, extension, or other University projects, with such disbursements requiring approval from the BOR/T.

Republic Act No. 7722, known as the Higher Education Act of 1994, created the Commission on Higher Education (CHED) as the oversight body monitoring higher education institutions in the Philippines. This legislation granted CHED the authority to create and implement policies, programs, and plans to advance and govern State Universities and Colleges (SUCs). CHED is tasked with ensuring the proper allocation and use of government funds for these institutions, focusing on promoting high-quality, accessible education, supporting research and development, and fostering institutional autonomy while maintaining accountability. This law laid the groundwork for subsequent regulations, such as CHED Memorandum Order (CMO) No. 20, Series of 2011, which provides detailed guidelines for the utilization of these funds.

Following the enactment of RA 8292, the Commission on Higher Education (CHED) released CMO No. 20, series of 2011 which set forth regulatory policies and procedures for the use of income, Special Trust Funds, and programs of receipts and expenditures (PREs) for SUCs. This directive outlines specific

budgetary allocations for various services such as mandatory reserves, administrative services, production, extension, research and instruction while also setting limits on budget modifications in these areas. Additionally, it establishes guidelines for implementing the University's budget.

Furthermore, the Commission on Audit (COA) issued Circular No. 2000-002 on April 4, 2000, which provides further guidance on the use of income by SUCs. The circular emphasizes that all income from tuition, mandatory fees, and similar charges must be credited to an official government banking institution and treated as STF, with any accrued interest becoming part of the fund. It also specifies that income from university hospitals should be dedicated to operating expenses, and fiduciary fees must be disbursed for their intended purposes. Additionally, it mandates that a special budget for STF utilization be approved by the BOR/T, with supporting certification from the Chief Accountant regarding the sufficiency of funds. The approved budget serves as the reference point for recording appropriations and allotments.

The General Appropriations Act (GAA) includes Special Provisions which guide the income appropriation of the state university in accordance with its main directives. These provisions allow income to be utilized for extension, research, instruction, and other University programs; for the creation of additional positions, subject to DBM guidelines; or for the payment of Magna Carta Benefits for Public Health Workers employed at SUCs under RA No. 7305. However, it is expressly stated that no income may be used for allowances or benefits not authorized by law. The GAA also sets forth the required contents for the Program of Receipts and Expenditures (PRE) and mandates its submission to the Commission on Higher Education (CHED) and the Department of Budget and Management (DBM).

PLANNING

RESPONSIBLE OFFICE

OFFICE OF THE VICE PRESIDENT FOR PLANNING AND DEVELOPMENT

The Vice President for Planning and Development supports the University President in preparing and updating the university's development plan, conducts assessments of physical resources, workforce, and finances, and other organizational needs for its implementation, reviews and evaluates external proposals related to the functions of the state university.

PURPOSE

To establish clear and measurable targets that reflect the university's strategic vision and mission. These targets will steer organizational direction and uphold shared values of accountability, innovation, and excellence across all departments and stakeholders to achieve a university for humanity.

POLICIES

1. An Opening Meeting and Strategic and Work and Financial Planning for the ensuing year must be conducted in a timely manner to set the direction and discuss the priorities for the year.
2. Regular and special meetings must be conducted by every office/ unit to address institutional needs and to conduct a full analysis of the unit level's proposed financial allocation.
3. Every college/unit must submit a Work and Financial Plan (WFP) and a Project Procurement Management Plan (PPMP).
4. The Procurement Management Office (PrMO) must consolidate the PPMP to prepare the Annual Procurement Plan (APP) which must be presented for approval and downloading of funds.

5. Every college/unit must prepare Supplemental WFP and PPMP as necessary.
6. The projects proposed to be funded in the university's budget should be those that may be completed and settled before the fiscal year ends.
7. To encourage the development of well-structured, thoroughly planned, and ready-to-execute programs and projects.
8. To formulate a detailed monitoring and evaluating plans to track project progress and ensure timely execution and completion of projects.

WORK AND FINANCIAL PLAN AND TARGET SETTING GUIDELINES

The Work and Financial Plan is a comprehensive blueprint that outlines Bicol University's strategic direction, programmatic initiatives, and financial allocations for the upcoming fiscal year. This plan serves as a crucial tool for operationalizing the University mission of providing quality education while addressing pressing societal challenges within the Bicol region and the Philippines as a whole.

Key components of the WFP include:

Alignment with National and Global Goals: The plan is explicitly designed to align with the objectives of AmBisyon 2040, the Key Performance Indicators in DBM's PREXC, and the United Nations Sustainable Development Goals. This alignment ensures that the University initiatives contribute to local educational needs while supporting national and international commitments.

Support for Institutional Priorities: Through the lens of CHED CMO No.

20, Series of 2011, the WFP emphasizes quality assurance, faculty development, and the enhancement of research capabilities, positioning Bicol University as a leader in higher education.

Implementation of the 9-Point Agenda: The initiatives outlined in this plan will directly reflect the University's 9-point agenda, promoting a culture of excellence, innovation, and responsiveness to community needs. This includes investments in infrastructure, research, and partnerships critical to fulfilling our educational mandate.

Sustainable Financial Management: The WFP will outline a robust financial strategy that ensures transparency, accountability, and sustainability in the use of public funds. Through prudent financial management, Bicol University will maximize the impact of its investments on educational outcomes and community engagement.

Bicol University's 9-Point Agenda

Define the University Core Values

The academic community at Bicol University has cultivated a distinctive culture over time, which is evident in the way the University presents itself as BUeños to its peers, associates, and the wider community. This identity serves as its brand and leaves a lasting impression on the world. Clearly defining this character is no easy task, so it is eager to gain insight into how the community views Bicol University's foundational principles.

Bicol University is committed to fostering and promoting its esteemed reputation through the implementation of programs and activities that uphold the institution's core values and principles.

Nurture a Culture of Excellence in Instruction - Research – Extension

The administration is committed to intensifying research engagement to ensure alignment with the needs of both industry and the community, as well as the strategic objectives of the University. This endeavor aims to draw investments from various funding agencies. A critical aspect of this initiative is the formulation

of meticulous policies and criteria for the selection of University Fellows, Associate University Fellows, and recipients of research grants. A concerted effort will be made to bolster collaboration across academia, industry, and the community through activities encompassing instruction, research, development, extension, and production.

Furthermore, the administration intends to cultivate a robust relationship with the alumni network, leveraging this connection to enhance instruction, research, extension, and production endeavors. An additional strategic direction includes the development of science and technology-based products aimed at technology transfer, dissemination, and commercialization. This initiative is designed to elevate living standards and foster community development, thereby making a significant impact and contribution to the community.

Intensify the Implementation of Quality Assurance Policies

In its quest to perpetuate its status as the premiere state university within the Bicol Region, Bicol University is committed to the rigorous enhancement of its quality assurance frameworks. This commitment extends to the adherence to a broad spectrum of quality assurance standards pertinent to both national and international accreditation bodies, including but not limited to, Impact and QS University Rankings. A pivotal aspect of the university administration's strategic priorities is the formulation of Implementing Rules and Regulations concerning Data Privacy and Intellectual Property Rights. This initiative is in direct response to the evolving demands of the contemporary era. Moreover, the university recognizes the imperative need to explore and establish comprehensive policies governing the ethical and appropriate deployment of Artificial Intelligence within the academic milieu.

To foster a robust culture of excellence across the domains of Instruction, Research, and Extension, the university is poised to institutionalize mechanisms of mentoring and coaching. Such measures are envisaged to fortify the enduring sustainability and rigor of quality assurance processes, thereby securing the institution's trajectory towards academic preeminence.

Furthermore, Bicol University is unwavering in its resolve to sustain and augment its compliance with the standards set forth by ISO, AACUP, and other certifying and regulatory entities.

Promote an Integrative and Holistic Human Resource Development Program

To foster a comprehensive and integrative approach to human resource development, it is imperative to revisit and refine existing policy frameworks, thus accelerating the adoption of a competency-based recruitment process for the selection of exceptionally qualified personnel within the University. This necessitates the establishment of plantilla positions that are directly aligned with the faculty requirements and broader personnel necessities, aiming at nurturing a university environment dedicated to humanitarian pursuits. Furthermore, the implementation of a rigorous career progression and succession planning is essential.

It is also critical to reevaluate and implement a proactive and holistic Human Resource Development Program. This system should be rooted in mentoring, training, and capacity enhancement initiatives that are anchored upon nationally and internationally recognized qualification standards. The institutionalization of a Competitive Incentive System is paramount in attracting highly qualified candidates and in motivating existing skilled personnel to commit to the University's workforce. Lastly, the strategic rightsizing of offices must be considered to ensure operational efficiency and the optimal utilization of resources within the academic institution.

Strengthen Provision of Inclusive Students Support Services

The University will enhance the provision of student support services to ensure inclusivity. It will aim to

democratize access to quality education for marginalized and deserving students by facilitating financial assistance through collaborations with private and governmental grantors. Furthermore, it is imperative for the University to establish partnerships and endowments to amplify the availability of scholarships and grants. Lastly, the implementation of a comprehensive learning and service continuity plan is essential to maintain educational standards and support is a strategic option being eyed by this administration.

Innovate the Physical and Digital Infrastructure

These initiatives represent a holistic approach to integrating sustainability, technology, and innovation into the fabric of the academic institution, aimed at fostering an environment that is conducive to learning, research, and community engagement.

Establish and Expand Advocacy Centers

The University is committed to the establishment and enhancement of its Advocacy Centers, demonstrating its dedication to fostering a comprehensive support system for its community. Furthermore, it will inaugurate a functional and responsive Disaster Risk Reduction and Management (DRRM) Center. In addition, the institution plans to establish the Bicol University Centers for Heritage, specifically focusing on Pili and Mayon, alongside a center dedicated to Culture and the Arts. This initiative aligns with the university's strategic vision to broaden its scope in economic, social, emotional, and mental health promotion and services.

This broadening of scope will be achieved through the establishment of the BU Well-being and Wellness Center, alongside centers focused on Gender and Development, Global Citizenship Education, and the Sustainable Development Goals. These efforts underscore the University's commitment to fostering an environment that supports the holistic development of its community members, aligning with global standards and practices.

Concretize Collaboration with Stakeholders

Bicol University is committed to solidifying its collaborations with various stakeholders by fostering a robust alumni network and instituting a culture of effective private and public partnerships. The university endeavors to broaden and fortify its local and international networks and partnerships. This strategic initiative is aimed at facilitating opportunities for faculty-student mobility, scholarships, fellowships, and collaborative endeavors in research and extension, thereby contributing to the academic and professional development of its community.

Redefining Bicol University's Role in the Region

Bicol University is in the process of redefining its regional role through a strategic initiative aimed at broadening its scope in instruction, research, development, and extension activities. This initiative encompasses the establishment of strategic alliances with key stakeholders in government and industry to augment research productivity, enhance the profile of intellectual property, and facilitate the processes of technology transfer and commercialization. Furthermore, the University is committed to a comprehensive review and reinforcement of its existing linkages, including Memoranda of Understanding (MOUs), Memoranda of Agreement (MOAs), and other collaborative engagements. This effort is directed towards strengthening these partnerships, positioning the University as a proactive agent of social transformation within the Bicolano communities.

BUDGETING

RESPONSIBLE OFFICE

The Budget Office is tasked with ensuring the optimized financial resource allocation and program development to support the state university's goals and objectives. Its responsibilities include reviewing and consolidating budget proposals from various offices, colleges, and units for submission to the national government, as well as consolidating income utilization proposals for Board of Regents (BOR) approval. Additionally, the Budget Office oversees budget allocations and realignments to address the financial requirements of the University and its departments, evaluates and endorses specific fund requests, and carries out other duties as directed by higher authorities.

PURPOSE

To ensure efficient and timely processing of various financial claims.

POLICIES

1. The Budget Office must coordinate with the Office of the Vice-President for Planning and Development in the preparation of the Program of Receipts and Expenditures (PRE) of the ensuing year. It outlines the anticipated income from tuition fees, other school fees, fiduciary income, and income-generating projects, along with the projected expenditures of the University.
2. The activity proposals prepared by each unit, college, and office must be thoroughly reviewed for funding if these are within or above the approved ceiling. Then, the consolidation by the Budget and Planning office shall follow which is to be presented to the executives.
3. An evaluation committee should assess whether the proposals submitted by individual units are in line with the state university's key thrusts and priorities. If a unit goes beyond its budget ceiling, items not considered essential may be trimmed—except in cases where the proposals are deemed critical and cannot be reduced.
4. Upon the release of the FHE and the availability of internal collections, the University Budget Officer must allocate the generated income from tuition, school fees and income-generating projects (IGPs).
5. Securing the Board of Regents (BOR) approval is needed before implementing the proposed budget.
6. The budget allocation must be made catering the trifocal mandate of the University such as instruction, research, and extension.
7. Agencies shall incorporate the GAD Plan into their regular activities, ensuring that it accounts for no less than five percent (5%) of their total budgets.
8. The University must allocate adequate funds for the engagement of COS/JO workers.
9. The University must give priority to the regular and recurring services such as janitorial and security services. Additionally, a BOR resolution is necessary for the issuance of Multi-Year Contractual Authority (MYCA) for the procurement of security services.

PROCEDURES

Issuance of Certificate of Availability of Funds Requirements Checklist

- Purchase Request (goods)
- Job Order (services)

- Approved Work and Financial Plan/ Annual procurement Plan & Project Procurement Plan.

Receipt of Request

1. The Budget Office Staff receives the Purchase Request/Job Order Request/ Activity Proposal from End-User.
2. Records in logbook documents received
3. Forwards documents to the designated budget officer

Checking

The Budget Officer will determine the fund allocation by verification whether it is indicated in the approved Work and Financial Plan or Annual procurement Plan and Project Procurement Plan, if not, return to the receiving/releasing staff for end-users' preparation of Supplemental Annual Procurement Plan and Project Procurement Management Plan.

The Budget Officer must check if the supporting documents are complete and the requested amount complies with the Government Accounting Manual (GAM), if not, return the documents to the receiving/releasing personnel.

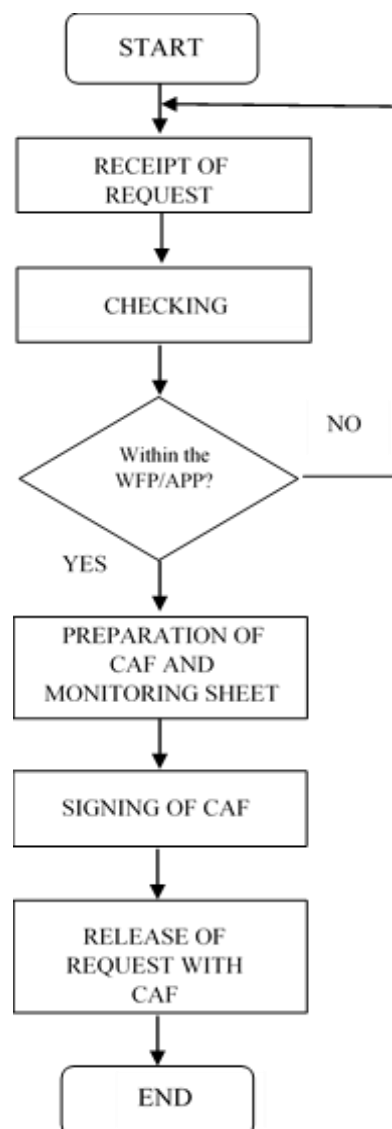


Figure 1. Issuance of Certificate of Availability of Funds

Preparation of CAF and Monitoring Sheet

The Certificate of Availability of Funds shall be prepared based on GAA/PRE sub-allotment release order for the fiscal year.

The Receiving/Releasing Staff prepares CAF monitoring sheet, assign control number and supply necessary information.

Signing of CAF

The designated Budget Officer signs the Certificate of Availability of Funds.

Release of Request with CAF

The Receiving/ Releasing Staff detaches a copy of PR/JO and other necessary documents and keeps the file copy of CAF Monitoring Sheet.

The Receiving/ Releasing Staff forwards the signed CAF with monitoring sheet and Job Order/Purchase Request including the supporting documents to BAC/End-user.

Issuance of Obligation Request Status (ORS) under Fund 01/ Budget Utilization Request Status (BURS) under Fund 05

Requirements Checklist:

For Personnel Services(PS)

Three Original copies of Disbursement Voucher

Three Original copies of Payroll

One Original copy of Daily Time Record

Two Original Copies of Abstract of Remittances

For Maintenance and Other Operating Expenses (MOOE)/Capital Outlay(CO)

- procurable items:

Three Original copies of Disbursement Voucher

One Original copy of. Purchase Request for goods

One Original copy of Job Order for services

One Original copy of CAF

As to the following BAC Documents

One Original copy of RFQs

One Original copy of Abstract of Bids

One Original copy of BAC Resolution

One Original copy of Letter Order (services)

One Original copy of Purchase Order (goods)

For Maintenance and Other Operating Expenses (MOOE) - non-procurable items:

Travel Expenses

Three Original copies of Disbursement Voucher

Three Original copies of Appendix A and B

One Original copy of Travel Order

One Original copy of Certificate of Appearance

One Original copy of Travel Tickets and Official Receipts
 Communication Expenses or Utilities Expenses
 Three Original copies of Disbursement Voucher
 . One Original copy of Statement of Account
 Security and Janitorial Services
 Three Original copies of Disbursement Voucher
 One Original copy of Statement of Account
 One Original copy of Daily Time Record

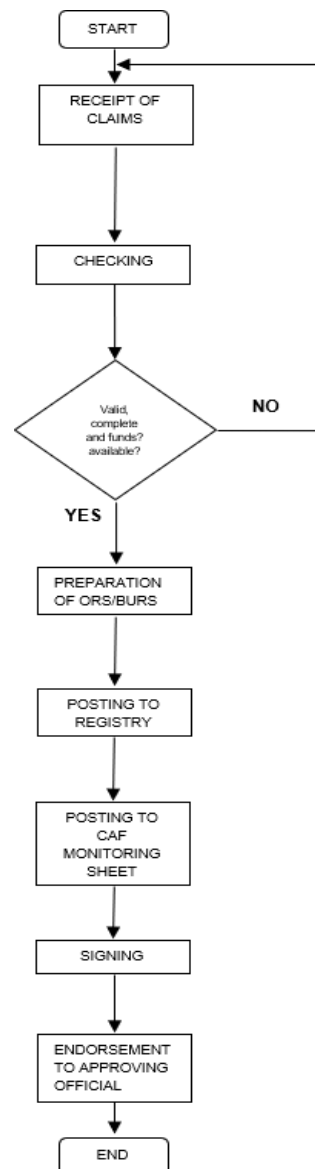


Figure 2. Issuance of ORS/BURS

1. Receives Disbursement Vouchers including the supporting documents.
2. Records claims in the logbook.
3. Forwards claims to the designated Budget Officer.
4. Checks the validity, completeness and accuracy of documents.

5. For claims with Purchase Order/Letter Order, checks for CAF attachment.
6. If documents are valid, complete and accurate, proceed in preparation of ORS/BURS; otherwise, return documents to the receiving/releasing staff.
7. Identifies fund source and verifies availability of allotment in GAA/PRE sub-allotment release order. If no funds available, return documents to the receiving/releasing staff
8. Prepares ORS/BURS in three (3) copies.
9. Assigns control number.
10. Records ORS/BURS in specific registries.
11. Records obligation to related CAF Monitoring Sheet on file.
12. Affixes signature in Box B of the ORS/BURS
13. Forwards signed ORS/BURS with other supporting documents for approval.
14. Lastly, ensures that the receiving office signs the logbook upon receipt of the documents for approval.

Preparation and Submission of Budget Financial Accountability Reports Requirement Checklist:

- ORS/BURS file registries
- Budget Records
- CAF Monitoring Sheets

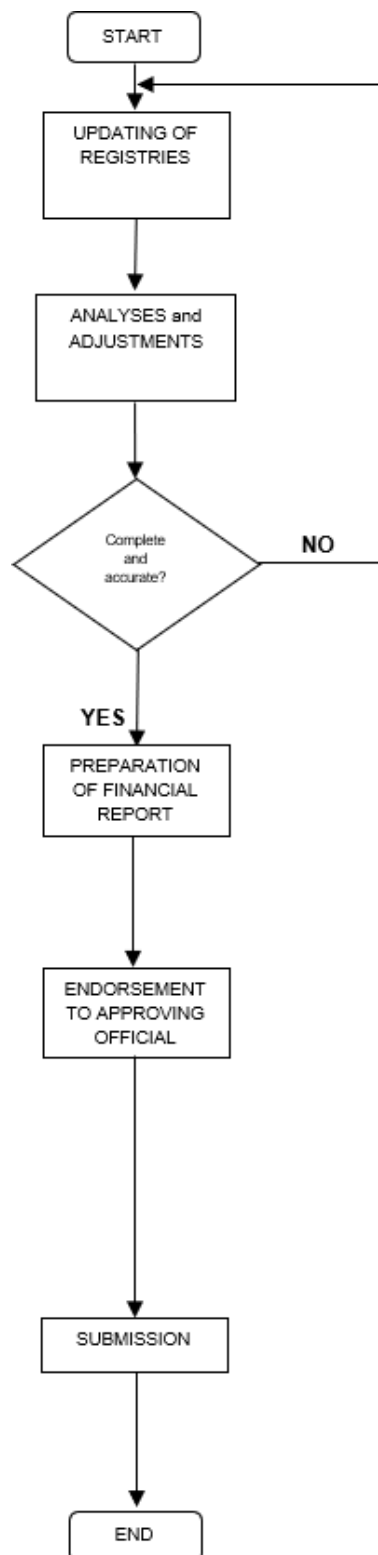


Figure 3. Preparation and Submission of Budget Financial Accountability Reports

1. Ensures that financial transactions for the month/ quarter are recorded in all registries according to fund source.
2. Records disbursement transactions based on Cash Section Report.
3. Updates the Detailed Monthly Monitoring of CAF issued.

4. The Budget Officer will determine any adjustment to be taken up from, obligation and disbursement.
5. Identifies the status of accounts payable.
6. If the data are complete and accurate, proceed to the preparation of Budget Financial Accountability Reports (BFARs).
7. Summarizes all obligations and disbursement including any adjustments for the month.
8. Encodes data in the prescribed format.
9. Prints hard copies and affix signatures.
10. The approved financial reports must be forwarded to the University Budget Office for consolidation on or prior to the tenth (10th) day of the succeeding month.
11. Lastly, furnishes the University Budget Office electronic copies of financial reports not later than the tenth (10th) day of the succeeding month..

Allocation of Budget

1. The University Budget Officer will allocate funds for income based on actual collection thru Sub-Allotment Order from Report of Collection every quarter.
2. College and SUC Wide share will be based on the Approved Program of Receipts and Expenditures for the current Fiscal Year.

IMPLEMENTATION

POLICIES

1. The University must allot funds in conformity with the approved Work and Financial Plan (WFP).
 2. The government funds must be disbursed strictly for public purposes.
 3. The funds must be efficiently and effectively utilized for personnel development.
 4. Ensure that any claims made against government funds are accompanied by complete and credible supporting documents.
 9. Impose firm deadlines for claim submissions to ensure timely disbursement.
- Also to include in the contract agreement with its contractors, validity of the disbursements of the appropriation source, submission of billings, and actual work accomplishment to ensure expeditious and accountable disbursement of funds.
5. Implement cost-cutting measures to attain performance targets.
 6. Observe and implement the cash-budgeting approach.
 7. Carry out early procurement once the National Expenditure Program (NEP) is approved, pursuant to Section 7.6 as well as Section 20.1 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.
 8. Implement an effective and timely procurement strategy under the provisions of the Government Procurement Reform Act in the Philippines and the promulgated regulations and guidelines of the Government Procurement Policy Board.
 9. Evaluate and closely monitor the procurement timelines (i.e., completion period of the projects), and the delivery of commodities, and strengthen logistical support structure. To coordinate with the suppliers or contractors so that supporting documents for billings can be easily complied with.
 10. Remind all the Project Leaders with existing externally funded programs/projects to ensure that the

deliveries of their purchase request be made within the timelines set by the MOA to facilitate the completion of the program/project as signed to them, constant monitoring with written or verbal follow-ups to the procurement officials must be done to expedite the procurement process.

11. Adequate planning must be conducted—covering all necessary engineering designs, surveys, and investigations and that qualified and technically capable contractor must be properly identified to assure the efficient and effective project implementation.

12. For completed projects, direct the submission of liquidation reports and return the unexpended fund balance to the source organizations in adherence to COA Cir. No. 94-013.

13. For ongoing or not yet started projects, the project management team must fast track the implementation of projects which are still within the time frame stipulated in its corresponding MOA, otherwise, consider requesting for time extension or termination of the agreement to prevent the accumulation of idle funds and/or possible sanctions, i.e., liquidated damages due to undue delay in the completion of the project.

14. Adopt guidelines to be followed which may include, among others, duties and responsibilities of the unit, campus, and college assigned to implement and oversee the prompt execution of the project; periodic reconciliation with the sources; expected output and or report to be prepared; timelines or periods on the submission of the reports and sanctions for non-compliance.

15. The Procurement Management Office must furnish the auditor with advance purchase orders and notices of deliveries including the related supporting papers/ attachments within five days upon approval/signature of the contractor as required in adherence to COA Circular No. 2009-001 dated February 12, 2009.

16. Capacitate and continue conduct of capacity and development training for the Bids and Awards Committee (BAC), the Technical Working Group (TWG) and concerned end-users must maintain accurate, up-to-date, and well-defined technical specifications and procurement documentation.

PROCEDURES

Collections and Deposits

RESPONSIBLE OFFICE

The Cashier's Office is responsible for managing the University's cashiering functions. Its duties encompass collection and recording of payments as well as remitting payments to the relevant banks and offices. Additionally, the office is tasked with preparing various reports, including those related to collections and deposits for submission to the appropriate offices.

PURPOSE

To ensure that all collections are deposited and recorded according to existing auditing and accounting standards and guidelines.

Issuance of Official Receipt

1. The Cashier's staff will identify the type of collection. and the fund account to be used.
2. The Cashier's staff fills out the appropriate Official Receipt for the fund identified.

Deposit

1. The designated cashier performs cash count for all the cash collected.
2. The designated cashier reconciles the actual amount collected with the aggregate amount per official receipt.

3. The designated cashier prepares deposit slips.

issued. Recording

1. The Cashier's staff records in chronological order all the official receipts

Report of Collections and Deposits Preparation

1. The Cashier's staff arranges in chronological order all the official receipts issued and deposits made.
2. The designated cashier encodes the details of the Official Receipts and deposit slips in the Report of Collections and Deposits.
3. The designated cashier reviews whether the total cash collections per Report of Collections and Deposits tallies with the amount as recorded in the cash receipts record.
4. The designated cashier affixes signature on the Report of Collections and Deposits.
5. The designated cashier ensures that the Dean, Director or the designated head of the college/unit/cluster signed on the reports.
6. The designated cashier records report in the logbook.
7. The Report of Collections and Deposits must be forwarded to the Accounting Office of the respective college/unit/cluster.
8. The designated cashier requires the signature of the receiving party.

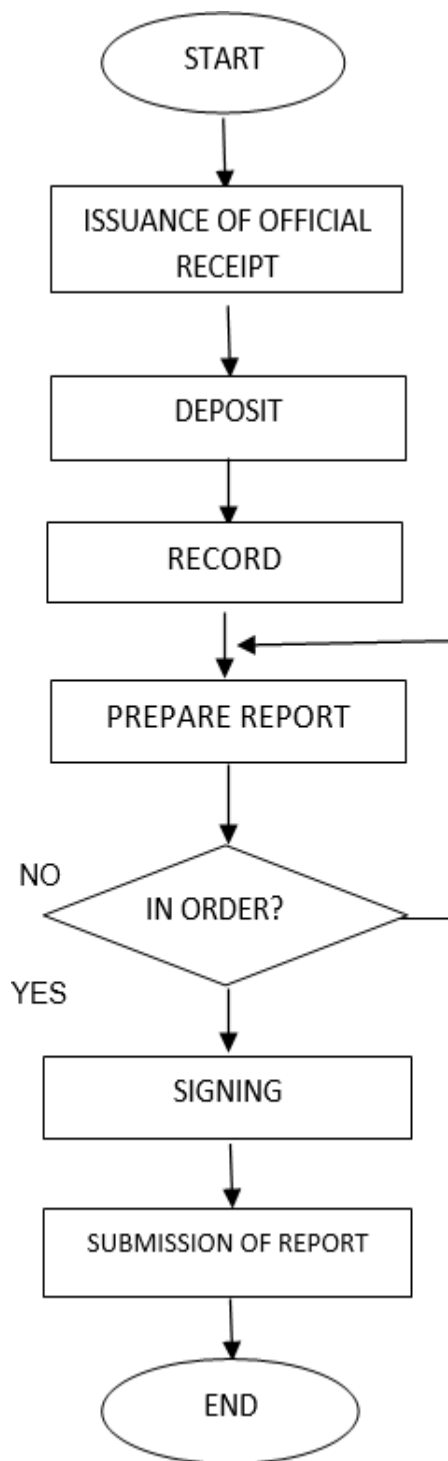


Figure 4. Collections and Deposits

Processing of Various Financial Claims

RESPONSIBLE OFFICE

The Administrative Services Division PURPOSE

To ensure efficient and timely processing of various financial claims.

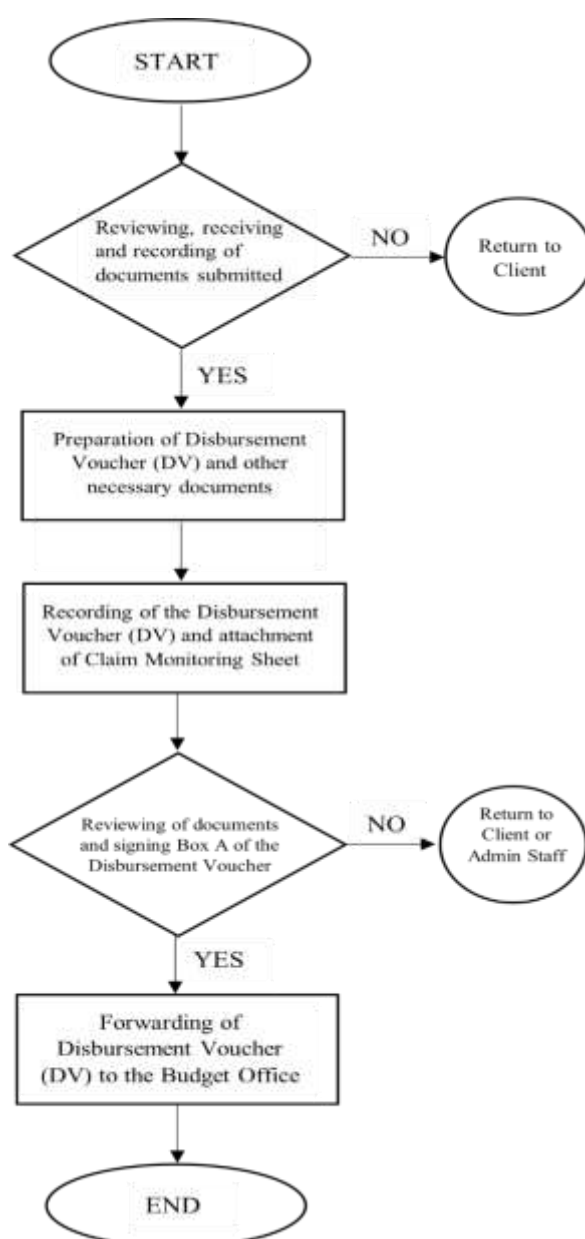


Figure 5. Processing of Various Financial Claims

1. The Administrative Office staff will review, receive and record documents submitted necessary for processing of financial claims.
2. Upon reviewing the submitted documents, preparation of the disbursement vouchers as well as relevant documents shall follow.
3. The Administrative Office staff is responsible for recording the disbursement voucher and attaching the claim monitoring sheet.
4. The Immediate Supervisor/Administrative Officer will review the documents and affix signature in Box A of the disbursement voucher.
5. Lastly, the Administrative Office staff will forward the disbursement voucher to the Budget Office to facilitate the preparation and issuance of Obligation Request and Status (ORS) under Fund 01 and Budget Utilization Request Status (BURS) under Fund 05 for signature by concerned signatory.

Pre-audit of claims

RESPONSIBLE OFFICE

The Accounting Office holds the responsibility of accurately recording and reporting all the cash flow transactions and overseeing the financial control systems. The scope of its duties includes pre-auditing claims and financial transactions, updating the University's books of accounts, preparation of various financial accounting reports, and providing technical assistance on finance-related matters.

PURPOSE

1. To ensure that financial transactions are processed in accordance with applicable laws and the governing accounting and auditing standards and regulations.
2. To ensure that financial transactions are recorded and books of accounts are maintained in accordance with Government Accounting Manual (GAM) and other relevant accounting and auditing rules and provisions.

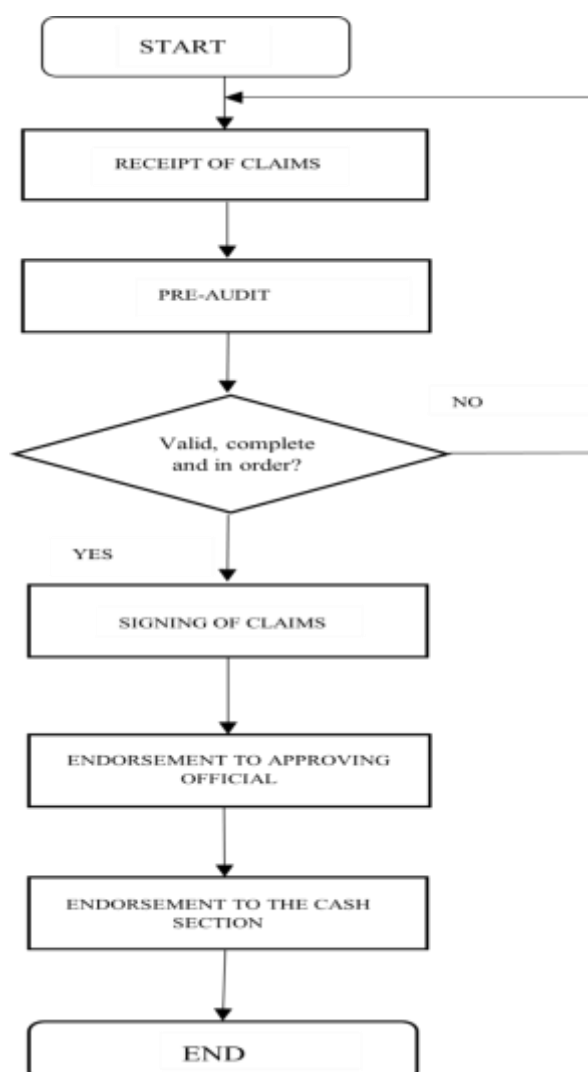


Figure 6. Pre-audit of claims

Requirements Checklist

UPDATED DOCUMENTARY REQUIREMENTS FOR COMMON GOVERNMENT TRANSACTIONS

(Ref. COA Circular 2012-001 dated June 14, 2012)

Cash Advances

For all types of cash advances except for travel cash advances

- For initial cash advance, one original or certified photocopy of authority signed by the SUC president or his duly authorized representative indicating the maximum accountability and purpose of cash advance
- The Chief Accountant must certify ***on the face of the voucher with content “This is to certify that the above payee has no outstanding unliquidated cash advances to date.”***
- One original or certified photocopy of Bond and/or Fidelity bond approval for the year for cash advance accountability of P 5,001 above or another minimum amount that the Bureau of Treasury may specify (after new or renewed accountability is set up)

Required Additional Documents for Specific Transaction

Payroll Funds for Salaries, Allowances, Honoraria and Other Similar Expenses

- Four original copies of approved and signed payroll or list of payees showing their respective net pay
- One original or certified photocopy official approval (presidential directive or legislative enactment) or other legal basis for the payment of allowances/salaries/honoraria/fringe benefit

Petty Cash Fund (PCF)

- One original or certified photocopy of endorsement for the establishment or initial setup of PCF consisting of a one-month estimation of petty cash expenses (Ref. Administrative Order No. 35, series of 2018)

Salary

● First Salary Claims of Regular or Permanent Employees

- One original or certified photocopy of Certificate of Appointment officially affirmed by the Civil Service Commission (CSC) or its equivalent
- One original or certified photocopy of Assignment/Re-Assignment order, if applicable
- One original or certified photocopy of certified copy of Oath of Office
- One original or certified photocopy of Certificate of Assumption
- One original or certified photocopy of Statement of Assets, Liabilities and Net Worth
- One original of Approved and signed Daily Time Record (DTR)
- One original or certified photocopy of withholding certificate from Bureau of Internal Revenue (BIR)

● For Contract of Service and Job Order Workers

- One original of duly signed Contract of Service (COS) and Job Order (JO) Workers
- One original copy of Job Order for first claim
- One original copy of Letter Order
- One original copy of Approved quarterly renewal of contract
- One original copy of duly signed manual entry
- One original or certified photocopy of Travel Order/Permission to leave Form
- One original or certified photocopy of Certificate of Appearance or Certificate of

attendance/participation

- o One original copy of approved request for payment upon rendering extension of services
- o One original copy of accomplishment report for the extension of service
- o One original copy of Certificate of Assumption
- o One original copy of duly signed or approved DTR
- o One original copy of BIR withholding certificate which may be issued by the Accounting Office upon the request of the JO/COS)
- o Approved justification if most of the reasons in the approved manual entry were forgotten to log out.

Honoraria

1. Public Sector Personnel Engaged in Government Procurement

- a. One original or certified photocopy of Office Order showing the creation and designation of the BAC compositions and allowing the members to receive honoraria
- b. Minutes of BAC meetings (1 original or certified photocopy)
- c. Minutes of pre-procurement conference (if within the condition of section 20 of IRR of RA 9184)
- d. Minutes of the Pre-bid meeting
- e. Minutes of Bid Submission and Opening
- f. Minutes of Bid Evaluation, if applicable
- g. Notices of Award to the winning bidders of procurement activity being claimed (1 original or certified photocopy)
- h. One original copy of Certification showing that procurement includes competitive bidding
- i. One original or certified photocopy of list of attendees to the BAC meetings (1 original or certified photocopy)
- j. Attendance of pre-procurement conference (if within the condition of section 20 of IRR of RA 9184)
- k. Attendance minutes of the Pre-bid meeting
- l. Attendance of Bid Submission and Opening
- m. Minutes of bid evaluation, if applicable
- n. Four original copies of certification must be made by the Chief/Cluster Accountant by signing on the face of the voucher with content *“This is to certify that the amounts received by the recipient/s, as of this date, do not exceed 25% of the annual basic salaries pursuant to DBM Budget Circular No. 2004-5A dated October 7, 2005 and any future amendments thereof”*)

2. Faculty Members

- a. One certified photocopy of Class Schedule reflecting the assigned teaching personnel or corresponding Teaching Appointment/s
- b. One original copy of Service Report/DTR
- c. One original copy of Approved Manual Entry Form for teaching personnel on accrued leave status
- d. One original copy of Accomplishment Report (for asynchronous modality)
- e. One original copy of duly signed request for conduct of make-up class and attendance sheets (if applicable)
- f. One original copy of the approved justification of the academic Dean/Director on the maximum allowable overload of faculty in the first claim only

g. Certification must be made by the Chief/Cluster Accountant by specifying on the face of the voucher with content *“This is to certify that the amounts received by the recipient/s, as of this date, do not exceed the limits pursuant to Item 7.13.1, Chapter VII of the DBM Manual on Position Classification and Compensation”*)

3. Governing Boards of Collegial Bodies

- a. One certified photocopy of authority appointing or designating as member of the Board
- b. One original or certified photocopy of certification attesting that the claimant is not a regular member in the governing board of collegial body entitled to salaries, regular allowances and other benefits
- c. One original or certified photocopy of the attendance sheet and the Minutes of Meeting certified by the Board Secretary
- d. Certification must be made by the Chief/Cluster Accountant by specifying on the face of the voucher with content *“This is to certify that the amounts received by the recipient/s, as of this date, do not exceed the limits pursuant to DBM BC No. 2007-510 dated May 8, 2007 and any future amendments thereof”*)

4. Resource Person/Coordinator/Facilitator

- a. One original or certified photocopy of Office Order showing authorization to receive honorarium as provided in Budget Circular No. 2007-1 dated April 23, 2007
- b. One original or certified photocopy of approval to hold the training or seminar and the participants
- c. One original or certified photocopy of course outline/program
- d. One original or certified photocopy of the letter/invitation to guest resource speaker/persons showing the acceptance and conforme.
- e. Certification must be made by the Chief/Cluster Accountant by specifying on the face of the voucher with content *“This is to certify that the amounts received by the recipient/s, as of this date, do not exceed the limits pursuant to DBM BC No. 2007-001 dated April 23, 2007 and any future amendments thereof”*)

5. Special Projects

- a. One original or certified photocopy of Office Order for the establishment of the Special Project Team
- b. Special Project Plan (1 original or certified photocopy)
- c. Terms of Reference (1 original or certified photocopy)
- d. One original copy of Accomplishment Report or Certificate of Completion of project deliverables
- e. One original copy of Certificate of acceptance by the head of agency of the deliverables per project component
- f. Certification must be made by the Chief/Cluster Accountant by signing on the face of the voucher with content *“This is to certify that the amounts received by the recipient/s, as of this date, do not exceed 25% of the annual basic salaries pursuant to DBM BC No. 2007-2 dated October 1, 2007 and any future amendments thereof”*)

6. Science and Technological Activities

- a. One original or certified photocopy of Office Order showing authorization to receive honoraria
- b. One original or certified photocopy of plan or program of activities indicating the specific deliverables or project output
- c. One original or certified photocopy of accomplishment report or certificate of completion for programmed activities duly certified by the special project proponent/ head/manager and subject for the approval by the head of the agency or his/her authorized representative.
- d. One original or certified photocopy of certificate of acceptance by the President of the deliverables of project output

e. Certification must be made by the Chief/Cluster Accountant by signing on the face of the voucher with content *“This is to certify that the amounts received by the recipient/s, as of this date, do not exceed 25% of the annual basic salaries pursuant to Section 4.3 on Honoraria Rates of DBM-DOST Joint Circular No. 01, s. 2013 dated June 25, 2013 and any future amendments thereof”*)

7. Payment for Overtime Services Rendered

- a. One original or certified photocopy of approved overtime request enumerating the names of personnel and their corresponding tasks, the purpose of intended outputs, specific duration to render services and the compensation arrangement.
- b. One original copy of overtime work program which is usually part of the overtime request
- c. One original copy of overtime accomplishment with quantified outputs duly signed by the concerned personnel and immediate supervisor
- d. One original copy of certificate of service or duly signed DTR
- e. One original or certified photocopy of approved or duly signed manual entry
- f. Copy of the teaching appointment for those on accrued status rendering

8. Representation and Transportation Allowance (RATA)

Individual Claim

- a. One certified photocopy of Office Order or appointment for the first payment
- b. One certified photocopy of Certificate of Assumption for the first payment
- c. One original or certified photocopy of certificate or proof of completed or authorized service rendered
- d. Statement certifying that that the official or employee did not utilize a government service/vehicle must be specified in the face of the disbursement voucher
- e. One original or certified photocopy of certification showing the Actual RATA incurred for those receiving monthly RATA allowances

Note:

1. For RATA- It must be processed in the first week of the current month.
2. For RETE- It must be processed in the first week of the following month

For General Claims

- a. Four original signed copies of Authorized RATA payroll
- b. One printed and electronic copy of the Validated Payroll Register
- c. One original Letter addressed to the authorized bank to deposit to the official/employee's account their respective RATA claims. Ensure acknowledgement through the "Received" stamped by the bank if applicable.
- d. One original Validated Deposit Slip or LDDAP-ADA, if applicable.

Note:

1. For RATA- It must be processed in the first week of the current month.
2. For RETE- It must be processed in the first week of the following month

General Rules under any mode of Procurement

The following are applicable to all procurement types

- a. One certified photocopy of the relevant page from the approved Annual Procurement Plan (APP) or Supplemental APP showing the specific Infrastructure Projects Consulting Services and/or Goods subject

of payment. In addition the certification by the BAC Secretariat is also required.

- b. One certified photocopy of a certified copy of the submitted Contract or Purchase Order bearing the “Received” stamped by COA.
- c. One original Request for payment letter from supplier/contractor/consultant

General Support Services

This include the services rendered by janitors, security guards, and those assigned with maintenance, garbage collection and disposal, and other similar services

- a. One original copy of Employee Performance Evaluation Report
- b. One original copy of Billing Statement
- c. One original copy of Time Attendance Sheet or DTR
- d. One original copy of evidence of remittance to government agencies such as PhilHealth, ECC, Social Security (SSS), Pag-ibig, and BIR
- e. Renewal of contract or contract extension, whichever is applicable
- f. Other related documents stated in the Terms of Reference (TOR)

Release of Retention Money

- a. One original copy of warranty security issued as cash, bank guarantee, irrevocable standby letter of credit from a commercial bank, GSIS or surety bond callable on demand
- b. One original copy of end-user certification of completion, inspection, and acceptance of the project.
- c. Supply Officer’s certification confirming the release of the retention money after the lapse of the warranty period.

Human Resource Development Program (HRDP Claim)

Stipend and/or Book Allowance

- a. One certified photocopy of duly signed HRDP Contract
- b. One certified photocopy of office memo from the President approving the HRDP Grant
- c. One certified photocopy of certificate of registration or certification from the University as evidence of enrollment
- d. For the first and last claim of stipend for a particular semester, an academic calendar is required.

Note: To attach the original or HRMO-certified copy of contract and memorandum issued by the University President for the first claim of new grantees or those with extended contracts.

Tuition and Other Fees

- a. One certified photocopy of duly signed HRDP Contract
- b. One certified photocopy of office memo from the President approving the HRDP Grant
- c. One certified photocopy of certificate of registration or certification from the University as evidence of enrollment
- d. One certified photocopy of assessment of fees or billing from the academic institution (if not shown in the COR) or the Original Official Receipt

Transportation Expenses

- a. One certified photocopy of duly signed HRDP Contract
- b. One certified photocopy of office memo from the President approving the HRDP Grant
- c. One certified photocopy of certificate of registration or certification from the University as evidence of enrollment
- d. One original valid travel documents including physical or electronic tickets (air, sea, or land),

terminal fee receipts, boarding passes, or a passenger manifest duly certified by the airline or shipping company

- e. Four original copies of duly signed itinerary of travel
- f. Four original copies of certificate of travel completed
- g. One original or certified photocopy of certificate of appearance
- h. One certified photocopy of travel order or plane travel order for employee-grantees not on leave status.

Thesis and Dissertation Assistance

- a. One certified photocopy of duly signed HRDP Contract
- b. One certified photocopy of office memo from the President approving the HRDP Grant
- c. One certified photocopy of certificate of registration or certification from the University as evidence of enrollment
- d. One original copy of line-item budget with the adviser's endorsement and Dean's official approval.

For the first fifty percent (50%)

- o One certified photocopy of the approved proposal bearing the signatures of the adviser and panel members with formal endorsement by the Dean of the Institution.

For the remaining fifty percent (50%)

- o One certified photocopy of the accepted and approved thesis/dissertation with the adviser/s and panel members affixing their signatures as well as the dean's official endorsement.

Traveling Expenses Local Travel

- o Properly authorized office order or travel order
- o Duly approved itinerary of travel
- o Certification from the chief accountant confirming full liquidation of any previous cash advance
- o A minimum of three quotations for airfare based on comparable travel dates, obtained from airline carriers or authorized travel agencies. In cases where fewer than three quotations are available, a written justification from the claimant, signed by the immediate supervisor, is required.
- o Invitation letter issued by the host or sponsoring agency/organization

Foreign Travel

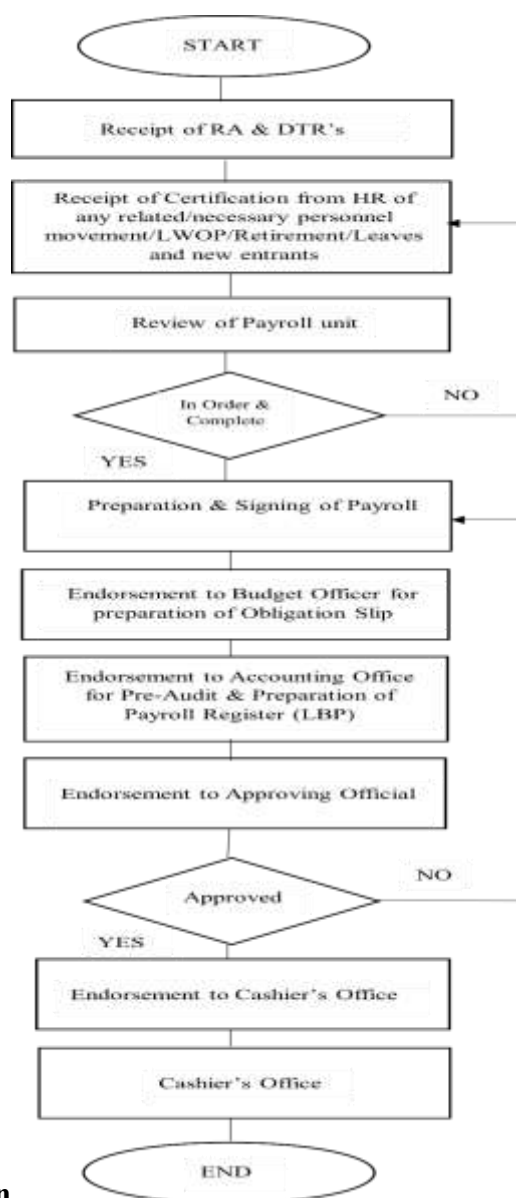
- o Properly authorized office order or travel order
- o Duly approved itinerary of travel
- o Certification from the chief accountant that all previous cash advances have been accounted for and reflected in the institution's official records.
- o Invitation letter sent by the hosting or sponsoring entity (country, agency, or organization).
- o Flight itinerary issued by the airline ticketing office or travel agency
- o Three comparable airfare quotations must be submitted, sourced from airline carriers or authorized travel agencies. If less than three are secured, a written justification, signed by the immediate supervisor, must be provided by the claimant.

Note:

1. Four (4) copies of disbursement vouchers for all claims
2. Include in the face of the voucher the required certifications.
3. Additional documentary requirements may be requested to address specific contract or procurement details, particularly where such documents are vital to the auditorial review and technical analysis.

PRE-AUDIT OF CLAIMS PROCEDURES

1. The Accounting Office staff receives the disbursement vouchers, along with the supporting documents. The staff records the claims in the record book and/or completes the CMS.
2. The staff assigns a voucher number to each claim in chronological order, based on the appropriate fund source. If there are endorsement letters or claims, these should be forwarded to the responsible office/s.
3. The accountant/ accounting head determines the integrity, propriety and validity of the claim.
4. All supporting documents must be complete and the claimed amount is valid.
5. If the essential elements of validity, integrity, and propriety cannot be substantiated, prepare an Endorsement Letter and return to the releasing staff. However, if the attached documentary requirements are not yet complete, return the claim to receiving/releasing staff.
6. If the claim is valid, complete and in order, the accountant/ accounting head may affix a signature in Box C.
7. The disbursement voucher including the supporting documents may be forwarded to the receiving/ releasing clerk.
8. The Accounting Office staff shall remove and file a copy of the approved disbursement voucher (DV), ORS/BURS and other pertinent documents. Lastly, the other sets of the approved disbursement vouchers along with the attached supporting documents must be endorsed to the Cashier's Office for payment.



Payroll Preparation

Figure 7. Payroll Preparation

PURPOSE

To ensure that all procedures on payroll preparation are systematic and in adherence to the current accounting and auditing standards and guidelines.

PROCEDURES

1. The Payroll Administration Office staff will receive the report of attendance signed by the administrative officers of units/clusters as approved by the respective deans or directors or head/s of offices with the copy of the DTRs and certification of any personnel movement from the HR.
2. The Payroll Administration Unit Head ascertains whether the personnel are entitled to benefits and claim is properly authorized before preparing the payroll and affixing the signature.
3. Then the Budget Office receives the endorsed payroll for preparation of Obligation Request and Status (ORS) which is to be certified and signed by the designated Budget Officer and the Vice - President for Administration and Finance (VPAF).

4. The Accounting Office staff receives the payroll duly obligated for pre-auditing and preparation of payroll register (LBP).
5. The payroll will then be forwarded to the approving offices.
6. Lastly, the approved payroll will be routed to the Cashier's Office for them to prepare the LDDAP/ADA for endorsement to Landbank.

Payment of Claims

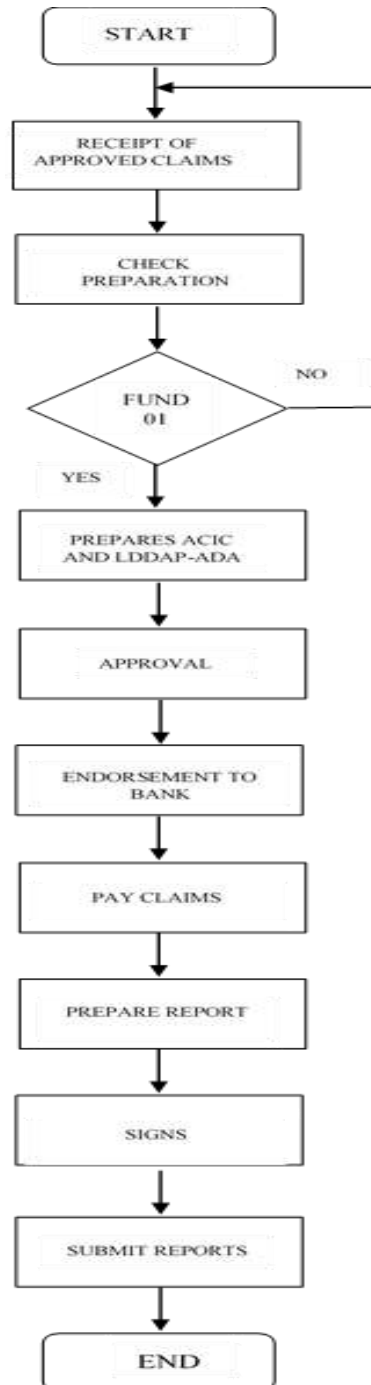


Figure 8. Payment of Claims

RESPONSIBLE OFFICE

The Cashier's Office oversees the University's cashiering functions, including preparing of checks for salaries, wages, honoraria, and claims, as well as preparing the reports on checks and cash disbursements for submission to relevant offices.

PURPOSE

To ensure that the payment and reporting of all claims are in compliance with prevailing accounting and auditing rules and guidelines.

Receipt of Approved Claims

1. The cashier or cashier's staff receives the audited and duly approved claims from the Accounting Office. A final check is done to determine that all necessary documents and signatures are in place.
2. The cashier or cashier's staff identifies the fund source and the account to be used.
3. The cashier or cashier's staff records in the logbook for the appropriate fund account identified.

Check Preparation

1. The designated cashier makes a final review of claims, segregates vouchers according to fund, and then prepares the check.

ACIC AND LDDAP-ADA Preparation

1. The cashier personnel will segregate the checks. If the claims are chargeable against Fund 01, it is necessary to prepare the Advice of Checks Issued and Cancelled (ACIC) using the authorized format.
2. The cashier shall endorse by signing the Advice of Checks Issued and Cancelled (ACIC) as well as the LDDAP-ADA.
3. After accomplishing the ACIC & LDDAP-ADA, these shall be forwarded to the authorized signatories.

Approval

1. The accountant/CAO-Finance/deans/directors/VPAF/President approves ACIC and LDDAP-ADA.

Endorsement to Bank

1. The designated cashier brings the ACIC and LDDAP-ADA to authorized depository bank
2. The designated cashier secures acknowledgement from the receiving party at the bank.

Claims Payment

1. The designated cashier makes call to outside creditors to inform that the check is ready for pick-up
2. The designated cashier encash cash advances for salaries, wages etc. for personnel, if any.
3. The designated cashier pays personnel

Report Preparation

A. For Cash Disbursements:

1. The cashier/cashier's staff arranges all paid payrolls according to the date of payment.
2. The Cashier Office personnel encodes details of payrolls in the Reports of Disbursements

B. For Check Disbursements:

1. The cashier/cashier's staff arranges chronologically all paid disbursement vouchers according to dates the checks were issued
2. The cashier/cashier's staff encodes details of paid disbursement vouchers and checks to report of checks issued and RADAI

For A and B:

1. Forwards RD, RCI & RADAI to Cashier for her signature.

Submission of Reports

1. The receiving or releasing staff records reports in logbook
2. The receiving or releasing staff submits to accounting and budget office

Procurement

The Procurement Management Office (PrMO) shall serve the entire University in matters pertaining to procurement planning and management, procurement process or purchasing, and procurement project management.

The PrMO shall be consist of the following sections:

- a) Procurement Planning and Management Section
- b) BAC Secretariat Section
- c) Contract Management Section

Procurement Management Office (PrMO) - External Services Requirement Checklist:

- Official Receipt - Payment of Bidding Documents
 - Duly Accomplished Intent and Document Purchase Form
 - Valid Company ID - Prospective Bidder
- A. Sale of Bidding Documents (Public Bidding – Goods and Infra)

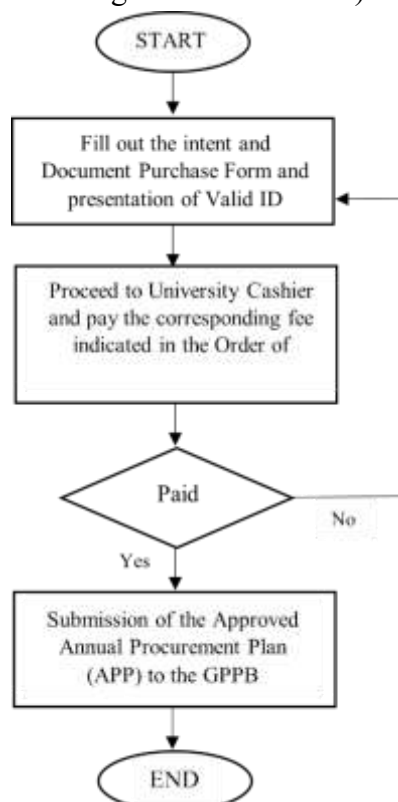


Figure 9. Sale of Bidding Documents (Public Bidding – Goods and Infra)

1. The University BAC provides prospective bidders with the intent and document purchase form. Then, the staff will check the accuracy of the accomplished form.
2. Release the order of payment form to the supplier/ contractor/ consultant who will then be presented to the University cashier to pay the corresponding fee.

3. Once the supplier/ contractor/ consultant pays the corresponding fee, the BAC shall get the copy of the OR and issue a copy of the bidding document.

Approved Budget for the Contract (Php)	Maximum Cost of Bidding Documents (Php)
500,000 and Below	500.00
More than 500,000.00 up to 1 Million	1,000.00
More than 1 Million up to 5 Million	5,000.00
More than 5 Million up to 10 Million	10,000.00
More than 10 Million up to 50 Million	25,000.00
More than 50 Million up to 500 Million	50,000.00
More than 500 Million	75,000.00

***Fees of Bidding Documents based on Section 5.0, Appendix 8 of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.**

Procurement Management Office(PrMO) - Internal Services

A. Preparation and Consolidation of PPMP to APP

1. The respective end-users will submit a copy of the approved PPMP submitted to their respective Cluster BAC. The respective BACs will determine the mode of procurement for each procurement project and BAC secretariats prepare the cluster APP and submit the same to the Procurement Planning and Management Section- PrMO.

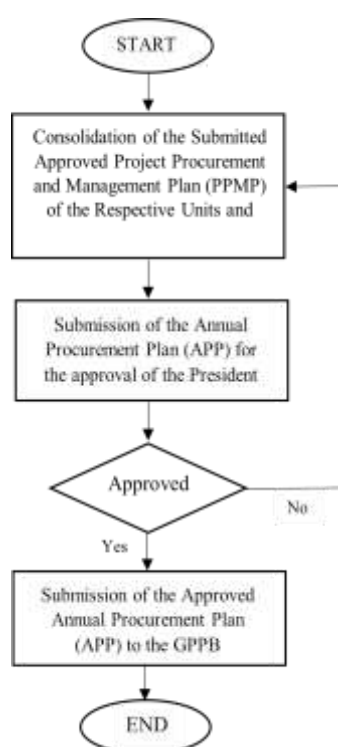


Figure 10. Preparation and Consolidation of PPMP to APP

2. These PPMPs submitted are reviewed by the budget officer prior to submission to the Head of Procuring Entity (HOPE).

3. Lastly, the Procurement Planning Section under the PrMO will submit the Approved Annual Procurement Plan to the GPPB.

B. Procurement Project Processing (Public Bidding - Goods and Consulting Services)

Requirements Checklist:

- Procurement Request (PR)/ Job Order (JO)
- Approved Project Procurement Management Plan (PPMP) or Supplemental PPMP
- Certificate of Availability of Funds (CAF)
- Notice of Meeting
- Technical Specifications indicated in the Purchase Request or Letter Order
- Bidding Documents
- Invitation to Bid
- Bid Documents
- Submitted Bids
- Abstract of Bids
- Procurement Documents
- BAC Resolution
- Notice of Award

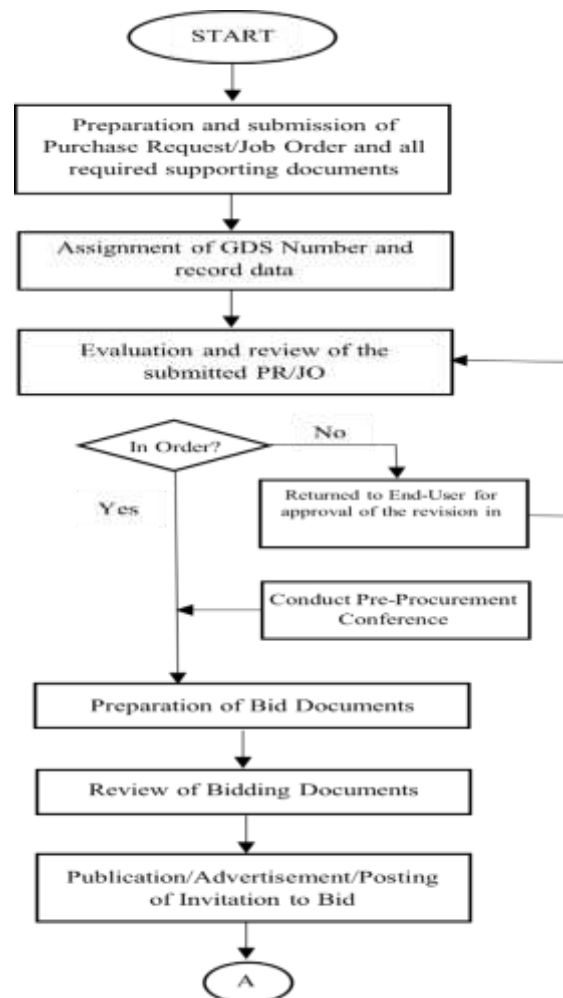


Figure 11 Procurement Project Processing (Public Bidding - Goods and Consulting Services)

1. The personnel will check the completeness of the supporting and other documents.
2. Once the necessary documents are complete, the Univ/Cluster/Campus BAC shall assign a Goods and Services (GDS) number and record the details of the project in the logbook.
3. The technical specifications indicated in the PR are reviewed and evaluated by the technical member/TWG together with the attached documentary requirements if compliant.
4. The revisions made by the technical member/TWG are subject to the approval of the end-user.
5. Distribute a Pre Procurement Meeting Notice to the concerned parties such as University/Cluster/Campus BAC Committee, End-Users, COA and relevant observers if applicable; pre-procurement meeting is not mandatory if the ABC is below P2 million.
6. The University/ Cluster/Campus BAC secretary prepares the bid documents following the reviewed technical specifications provided in the purchase request or letter order.
7. The technical member/TWG will review thoroughly the bid documents.
8. Once the bid documents are reviewed, it will be posted/ advertised in the PhilGEPS.

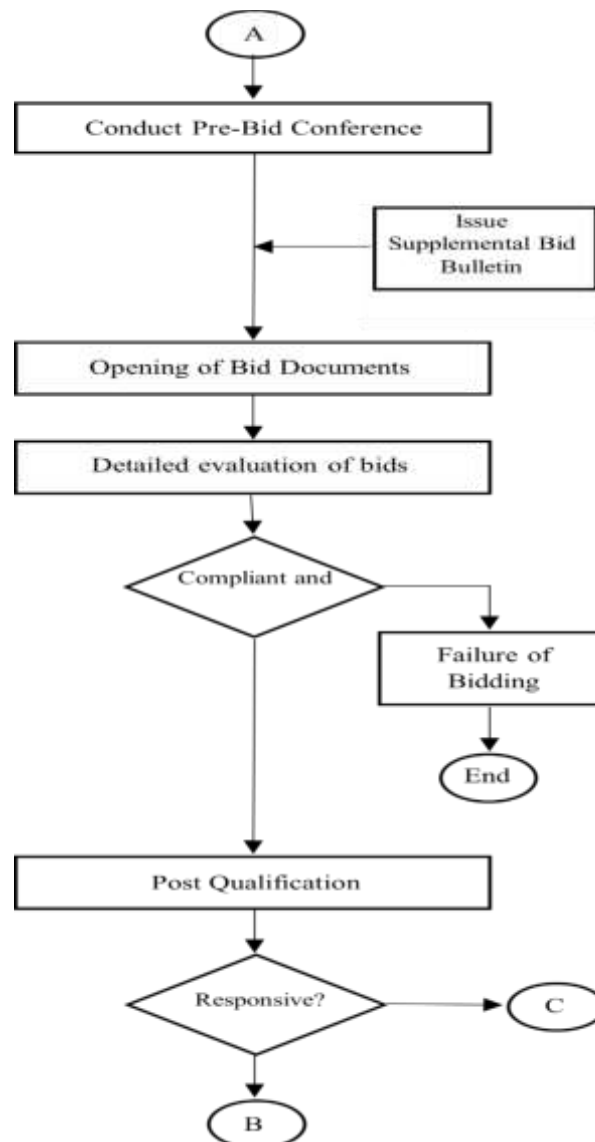


Figure 11.1. Procurement Project Processing (Public Bidding - Goods and Consulting Services)

9. A pre-bid conference is conducted so that the prospective bidders and other concerned representatives can discuss and clarify the various aspects of the procurement. The supplemental bid is issued once there were changes or revisions in the deliverables including the period of delivery in the bid documents.
10. The bid opening occurs next wherein the sealed bids from prospective bidders are opened and examined by the BAC Committee and end users in the presence of COA and observers.
11. The TWG evaluates the RFQs received and ranks the offers of the suppliers.
12. The BAC recommends a mandatory review to identify the reason/s beyond the failed bidding. Thus, it includes the assessment of the bidding documents.
13. The BAC Committee, University/Cluster/ Campus BAC secretary visits the supplier with the lowest bid and checks if responsive.
14. The BAC Committee, University/Cluster/ Campus BAC secretary evaluates if the supplier is responsive by counterchecking the technical documents submitted and other necessary documents; otherwise, move to next in ranks qualified bidder, if there is any.
15. In case the lowest compliant bidder is not responsive, the BAC Committee, University/Cluster/ Campus BAC secretary will proceed to the next qualified bidder.

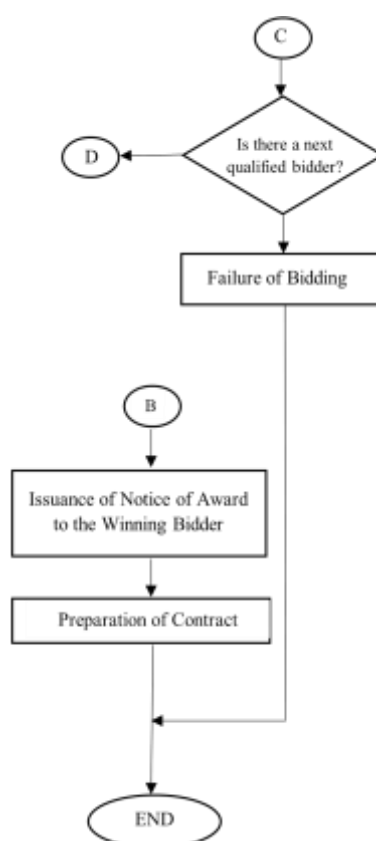


Figure 11.2. Procurement Project Processing (Public Bidding - Goods and Consulting Services)

16. If there are no responsive qualified bidders, a failure of bidding shall be declared.
17. The head of the procuring entity issues a Notice of Award to the winning bidder.
18. Finally, the BAC prepares the contract between the HoPE and the supplier with the winning bid.

C. Procurement Process (Public Bidding - Infrastructure Services) Requirement Checklist:

- Programs of Works
 - Approved Project Procurement Management Plan (PPMP) or Supplemental PPMP
 - Certificate of Availability of Funds (CAF)
 - Notice of Meeting
 - Bidding Documents
 - Invitation to Bid
 - Submitted Bids
 - Abstract of Bids
 - Other Procurement Documents
1. The personnel will check the completeness of the supporting and other pertinent documents.
 2. Once the necessary documents are complete, the University/Cluster/Campus BAC shall assign a GDS number and log the project information and other details in the record book.
 3. The program of works is reviewed and evaluated by the technical member/TWG together with the attached documentary requirements if compliant.
 4. Distribute a pre procurement meeting notice to the concerned parties such as University/Cluster/Campus BAC Committee, End-Users, COA and relevant observers if applicable.
 5. The technical member/TWG will review thoroughly the bid documents.
 6. Once the bid documents are reviewed, they will be posted/ advertised in the PhilGEPS.

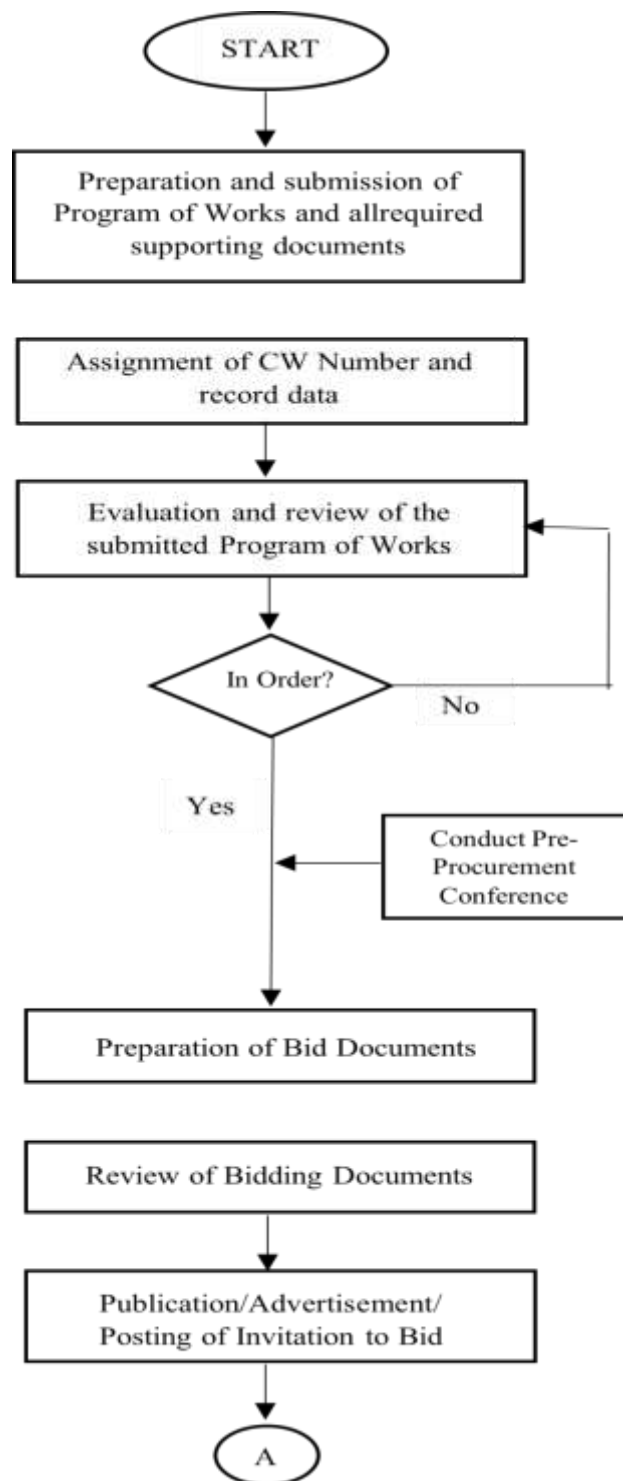


Figure 12. Procurement Process (Public Bidding - Infrastructure Services)

7. The bid opening occurs next wherein the sealed bids from prospective bidders are opened and examined by the BAC Committee and end users in the presence of COA and observers.
8. The TWG evaluates the RFQs received and ranks the offers of the suppliers.
9. The BAC recommends a mandatory review to identify the deficiencies which caused the failed bidding. Thus, it includes the thorough evaluation of the specifications, terms, conditions as well as its cost estimates in the bidding documents.

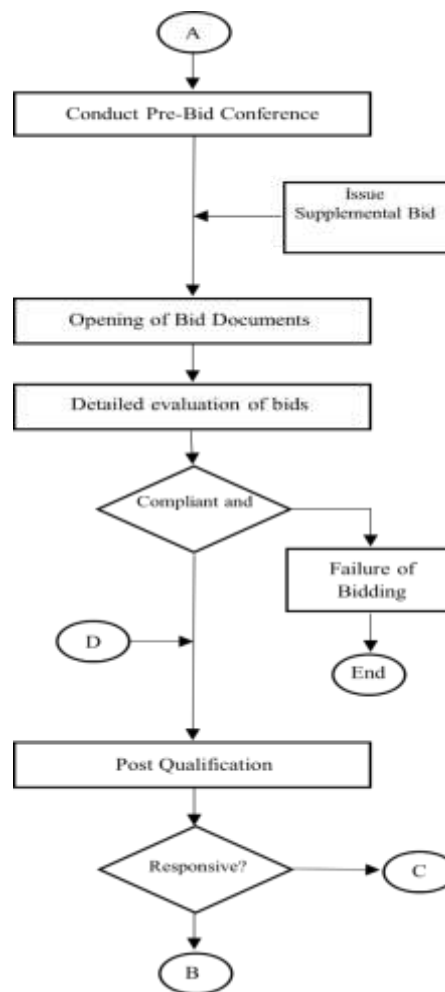


Figure 12.1. Procurement Process (Public Bidding - Infrastructure Services)

10. The BAC Committee, University/Cluster/ Campus BAC secretary visits the supplier with the lowest bid and checks if responsive.

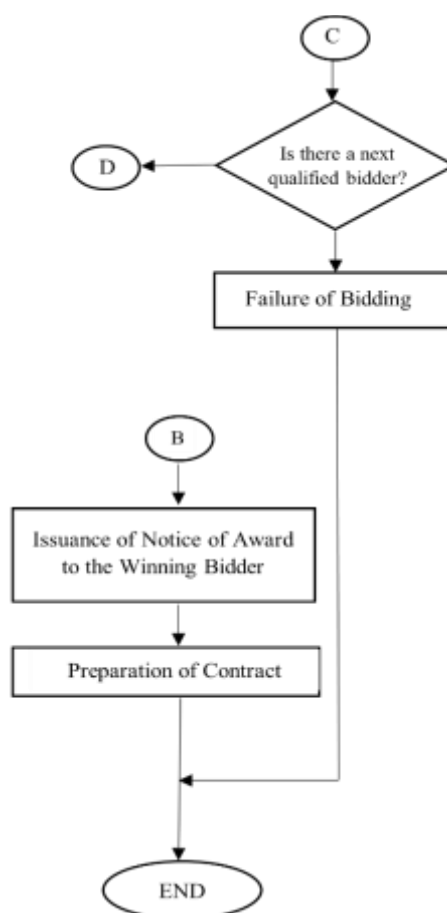
11. The BAC Committee, University/Cluster/ Campus BAC secretary evaluates if the supplier is responsive by counterchecking the technical documents submitted and other necessary documents; otherwise, move to next in ranks qualified bidder, if there is any.

Figure 12.2. Procurement Process (Public Bidding - Infrastructure Services)

12. In case the lowest compliant bidder is not responsive, the BAC Committee, University/Cluster/Campus BAC Secretary will proceed to the next qualified bidder.
13. If there are no responsive qualified bidders, a failure of bidding shall be declared.
14. The head of the procuring entity issues a Notice of Award to the winning bidder.
15. Finally, the BAC prepares the contract between the HoPE and the supplier with the winning bid.

D. Procurement Process (Alternative Method–Goods and Consulting Services) Requirement Checklist:

- Procurement Request (PR)/ Job Order (JO)
- One Original Copy of Certificate of Availability of Funds (CAF)
- Request for Quotations (RFQs)
- Procurement Documents



1. The personnel will check the completeness of the supporting documents
2. Once the necessary documents are complete, the University/Cluster/Campus BAC shall assign a GDS number and log the project information and other details in the record book.

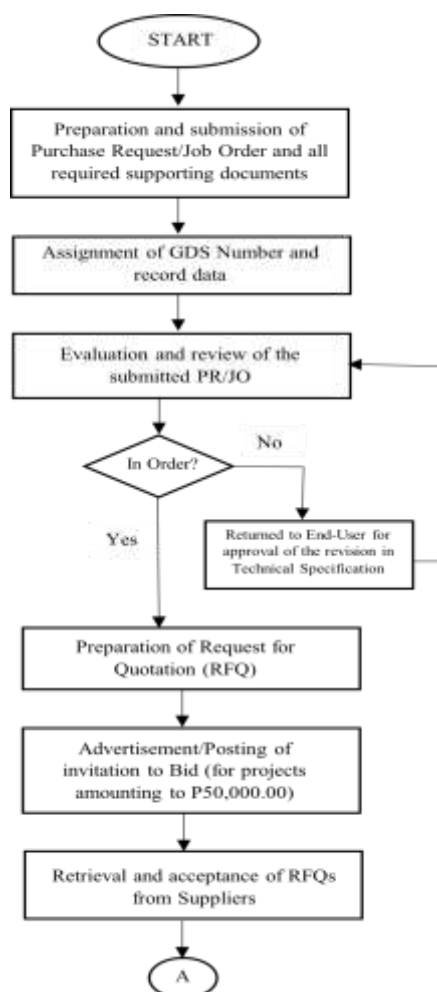


Figure 13. Procurement Process (Alternative Method–Goods and Consulting Services)

3. The technical specifications indicated in the PR are reviewed and evaluated by the technical member/TWG together with the attached documentary requirements if compliant.
4. The revisions made by the technical member/TWG are subject to the approval of the end-user.
5. The University/ Cluster/Campus BAC secretary prepares the RFQ as specified in the reviewed technical specifications outlined in the purchase request or letter order.
6. Procurement projects with an ABC amounting to P50, 000.00 and above shall be required to be posted/ advertised in the PhilGEPS.
7. The canvassers retrieve the RFQs sent and the Univ/Cluster/Campus BAC may accept the RFQs sent via email or for walk-in submission.
8. The University/Cluster/Campus BAC secretary opens the RQs.
9. The technical member/TWG evaluates the RFQs received and ranks the offers of the suppliers.
10. The BAC recommends a mandatory review to identify the causes of the failed bidding. Thus, it includes the assessment of the specifications, terms, conditions as well as its cost estimates in the bidding documents.
11. The BAC Committee, University/Cluster/ Campus BAC Secretary visits the supplier with the lowest

bid and checks if responsive.

12. The BAC Committee, University/Cluster/ Campus BAC secretary evaluates if the supplier is responsive by counter checking the submitted and other necessary documents.

13. In case the lowest compliant bidder is not responsive, the BAC Committee, University/Cluster/ Campus BAC secretary will proceed to the next qualified bidder.

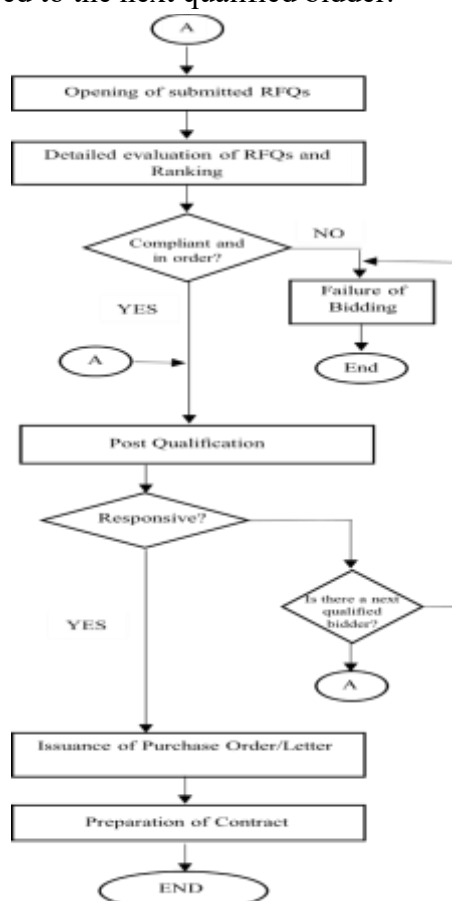


Figure 13.1. Procurement Process (Alternative Method–Goods and Consulting Services)

14. The head of the procuring entity issues a PO/LO to the winning bidder.

15. Finally, the BAC prepares the contract between the HoPE and the Supplier with the winning bid.

E. Procurement Process (Alternative Method – Infrastructure Services) Requirements Checklist:

- Approved Program of Works
- Approved Project Procurement Management Plan (PPMP) or Approved Supplemental PPMP (1 Photocopy)
- Certificate of Availability of Funds (CAF) (1 Original Copy)
- Submitted Bid Documents
- Abstract of Bids
- Procurement Documents
- Notice of Award
- Contract

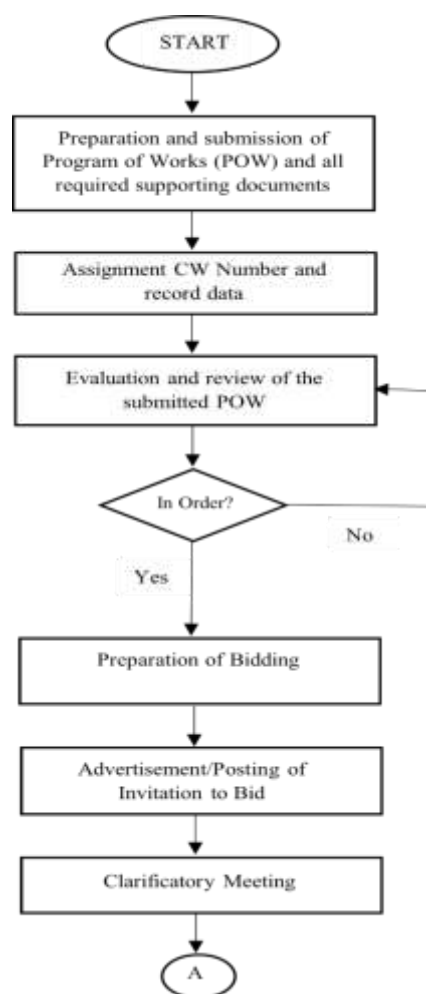


Figure 14. Procurement Process (Alternative Method – Infrastructure Services)

1. The personnel will verify if the supporting documents are complete.
2. Once the necessary documents are complete, the University/Cluster/Campus BAC shall assign a GDS number and log the project information and other details in the record book.
3. The program of works is reviewed and evaluated by the technical member/TWG together with the attached documentary requirements if compliant.
4. The Univ/Cluster/Campus BAC secretary prepares the bidding documents based on the reviewed program of works.
5. Procurement projects with an ABC amounting to P50,000 and above shall be required to be advertised/ posted in PhilGEPS.
6. The BAC secretary calls for a clarificatory meeting.
7. The contractor submits the bid documents and the University/ Cluster/ Campus BAC accepts the bid documents.
8. The University/ Cluster/ Campus BAC secretary opens the submitted bid documents.
9. The technical member/TWG evaluates the submitted bid documents received and ranks the offers of the contractors.
10. The BAC recommends a mandatory review in order to determine the reason for the failed bidding. Thus, it includes the evaluation of the terms, conditions, and specifications, in the bidding documents, including its cost estimates.

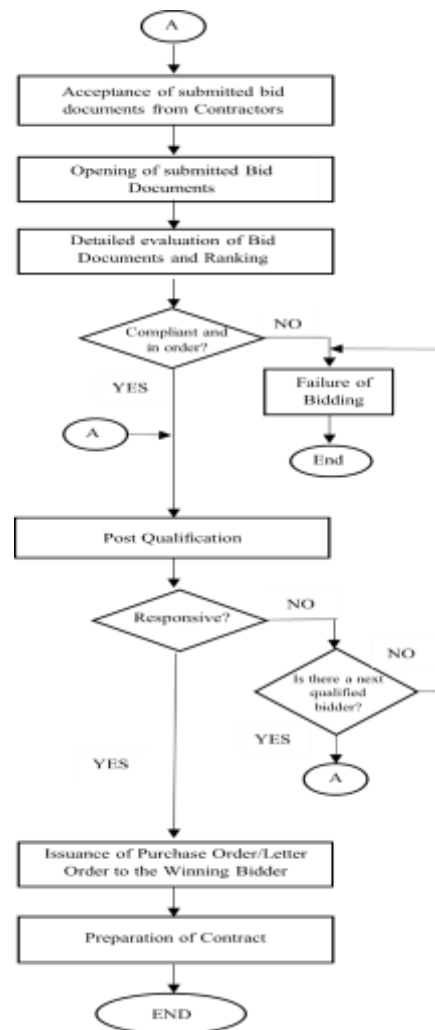


Figure 14.1. Procurement Process (Alternative Method – Infrastructure Services)

11. The BAC Committee, University/Cluster/ Campus BAC secretary visits the contractor with the lowest bid and checks if it is responsive.
12. The BAC Committee, University/Cluster/ Campus BAC secretary evaluates if the supplier is responsive by counter checking the submitted documents and other necessary documents; otherwise, move to next in ranks qualified bidder, if there is any.
13. In case the lowest compliant bidder is not responsive, the BAC Committee, University/Cluster/ Campus BAC secretary will proceed to the next qualified bidder for post-qualification.
14. The head of the procuring entity issues a Notice of Award to the winning bidder.
15. Finally, the BAC prepares the contract between the HoPE and the supplier with the winning bid.

F. Procurement Contract Management Requirements Checklist:

- Procurement Documents
- Approved Annual Procurement Plan (APP)
- Contract/ Program of Works/ Terms of Reference

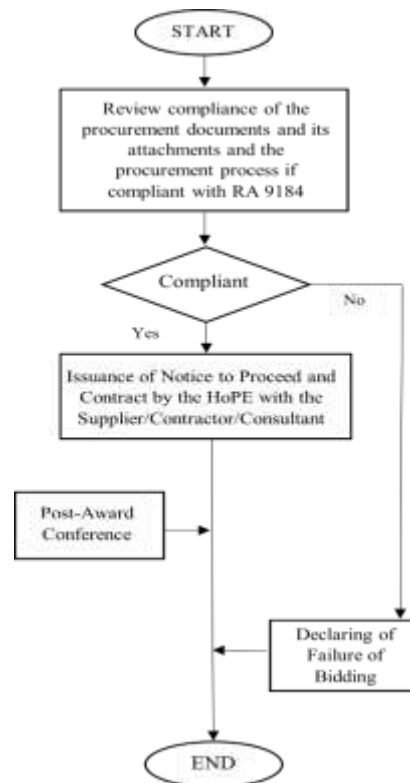


Figure 15. Procurement Contract Management

1. The contract management section of the PrMO reviews the procurement documents if compliant with the required specification and to ensure there is no deviation of procurement process is compliant with RA 9184.
2. The contract management unit in procurement is responsible for verifying, validating and ascertaining that the provisions enumerated in the contract and all the attachments are in place.
3. After the contract management unit in procurement established the validity, and compliance in the provisions written in the contract, a favorable endorsement must be made to the HoPE. Then, the HoPE issues Notice to Process (NTP) to the winning bidder to commence the performance of the contract.
4. A Post-Award Conference shall be initiated by the contract management section to discuss with the suppliers and contractors their respective roles and responsibilities in line with the contract implementation.
5. The HoPE has the discretion when it comes to rejecting any or all submitted all bids, declaration of a failed bidding, or the decision not to award the contract.

REPORTING POLICIES

1. To ensure that proper preparation of Budget and Financial Accountability Reports (BFARs) be done with due prudence, consistency and accuracy on the information provided for an effective reporting, monitoring and evaluation of the agency's performance.

The University is expected to fully comply with the rules and guidelines for submitting of BFARs as outlined in the pertinent general provision of the annual General Appropriations Act and COA-DBM Joint Circular No. 2019-1 dated January 1, 2019.

In connection with this, all concerned parties are reminded to accomplish and submit the BFARs to DBM,

COA and BTr, as applicable through the Unified Reporting System (URS), within the designated deadline, as follows:

BFAR	Prescribed Deadline
<i>Budget Accountability Report No. 1</i> Quarterly Physical Report of Operation	Not later than thirty (30) days after the end of each quarter
<i>Financial Accountability Report (FAR) No. 1</i> - Statement of Appropriations, Allotments, Obligations, Disbursements and Balances	
<i>FAR No. 1-A</i> - Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures	
BFAR	Prescribed Deadline
<i>FAR No. 1-B</i> - List of Allotments and Sub Allotments	Not later than thirty (30) days after the end of each quarter
<i>FAR No. 2</i> - Statement of Approved Budget, Utilizations, Disbursements and Balances	
<i>FAR No. 2-A</i> - Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures	
<i>FAR No. 5</i> - Quarterly Report of Revenue and Other Receipts	On or prior to the 30th day following the end of the year
<i>FAR No. 3</i> - Aging of Unpaid Obligations	

<i>FAR No. 4 - Monthly Report of Disbursements</i>	On or prior to the tenth (10th) day of the month following the last month of the reporting period
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Inter-agency transferred funds

Furthermore, the state university is required that the reports below be accomplished and submitted within the specified deadline to enable the DBM and COA to facilitate the effective monitoring, evaluation and reporting on the transferred funds from departments, central or regional offices and operating units to the implementing agency as well as to keep track of how inter-agency transferred funds are utilized.

BFAR	Prescribed Deadline
<i>FAR No. 1-C - Statement of Obligations, Disbursements, Liquidations and Balances for <u>Inter-Agency Transfers</u></i>	Within 30 days after the end of each quarter
<i>FAR No. 6 - Statement of Approved Budget, Utilizations, Disbursements and Balances for Trust Receipts</i>	

2. To submit system-generated hard copies of reports to CHED, COA, and DBM.
3. To prepare and submit trial balance and financial statements promptly.
4. To submit mid-year and annual Agency Performance Review Reports (APRR) on time.
5. To post financial reports on the University's transparency seal webpage.
6. To ensure timely preparation and submission of the bank reconciliation for all the subject depository accounts duly supported by official bank statements or records, proof of processed checks, debit and credit memoranda.
7. The Accounting and the Budget Offices shall maintain manually separate subsidiary ledgers for GAD-related financial transactions as per the requirements of COA Circular No. 2021-008 in order to manage and keep accurate accounts for the GAD funds.

COMPLIANCE TO OVERSIGHT AGENCIES

Compliance to Commission on Higher Education (CHED)

POLICIES

1. The University must allocate fifty percent (50%) of actual tuition fees for instruction.
2. The University must follow budgetary allocations for the following components:
 - faculty and staff development (12.5%);
 - curriculum development (12.5%);

- student development (12.5%); and
 - facilities development (12.5%).
3. The University must observe the limitation on adjustment or modification of one or more components for the budgetary allocation for instruction which shall not fall below 7.5%. This is to prevent any undue limitation of developmental goals and regular operations.
 4. The University must establish and maintain a SUC-Wide Common Fund from which expenditures deemed as university-wide administrative costs shall be charged.
 5. The University must allocate a fixed (10%) percentage of tuition fees for research and extension.
 6. The University must allocate each of the production, administrative services, and mandatory reserve is allotted a fixed ten percent (10%) of the tuition fees.

The policies outlined above are based on CHED Memorandum Order (CMO) No. 20, Series of 2011, dated August 4, 2011, which pertains to the policies and guidelines governing the use of income, special trust funds, and the programs of receipts and expenditures for State Universities and Colleges (SUCs).

Compliance to Commission on Audit (COA)

POLICIES

1. The University must observe generally accepted accounting principles and practices.
2. The end-user must ensure that all expenditures are approved by the head of office or their designated representatives.
3. The end-user must attach complete documentation to validate claims e.g ensuring that every disbursement and cash advance has sufficient and proper documentation to prevent suspension and/or disallowance during the audit.
4. The designated budget officer must certify budget allotment.
5. The responsible officer must avoid issuing new cash advances unless the outstanding cash advances have been fully liquidated following the established COA guidelines.
6. The assigned personnel must monitor the timely settlement of outstanding cash advances especially those deemed unnecessary or have been left unused for a duration of over two months.
7. The responsible officers must regularly monitor and demand prompt settlement of all cash advances following the timelines set under COA Circular No.2012-001. Demand letters shall be issued to those personnel with unliquidated cash advances for the prompt settlement and refund of any excess.
8. The designated budget officer must maintain a separate budget registry of IGPs for specific programs/components and to periodically generate and submit the financial report of all existing IGPs.

The policies are rooted from COA Circular 2012-001 dated June 14, 2012 which prescribes the Revised Guidelines and Documentary Requirements for Common Government Transactions and the Presidential Decree No. 1445 dated June 11, 1978 entitled “The new Government Auditing Code of the Philippines” as well as the recurring audit observations and recommendations were also used as basis in drafting these policies.

Compliance to Department of Budget and Management (DBM)

POLICIES

1. The University must uphold high standards of due diligence when submitting requests to DBM, which should be within the prescribed timeframe and supported with complete documentary requirements to facilitate the issuance

of the necessary release documents such as those related to Free Higher Education (FHE) funds, Multi-Year Contractual Authority, etc.

2. The University must observe the cash-based budgeting guidelines.
3. The University must attain an acceptable budget utilization rate.
4. The University must pay due and demandable obligations on time.
5. The University must follow the accrual basis of accounting and Section 119 of PD No. 1445 by recording the financial transactions as they occur and on the period to which they relate.
6. Prompt submission of claims and proper monitoring of unpaid obligations shall be made in order to avoid recurrence of improper allocation and charging of the previous year's expenses against the current year's funding.
7. The University must set a cut-off date for wide dissemination to all concerned offices to allow submission of all valid claims before the year-end to the Budget Office thus ensuring that all due and demandable obligations of the University are duly obligated.

The Agency Performance Review Report issued by the Department of Budget and Management was utilized as a primary basis of these policies. Also, the Presidential Decree No. 1445 dated June 11, 1978 which outlines the responsibilities and liabilities of government officers in handling public funds and property, highlighting accountability, proper supervision, and the prevention of loss or misuse of government funds and property was used as reference in crafting these internal guidelines to ensure compliance.

References:

Agency Action Plan and Status of Implementation Audit Observations and Recommendations as of October 7, 2024

Agency Action Plan and Status of Implementation Audit Observations and Recommendations as of October 31, 2022

Agency Performance Review Report for the period January-June 2024

Agency Performance Review Report for the period January 1-December 31, 2023 Agency Performance Review Report for the period January-December 2022 AOM No: 2024-003 (2023) Date: January 31, 2024

AOM No:2025-004 (2024) Dated February 17, 2025

AOM No:2025-008 (2024) Dated March 10, 2025

Bicol University Citizen's Charter 2023 Second Edition Bicol University Code of 2016

Circular Letter No. 2024-5 Dated February 27, 2024 Citizen's Charter Bicol University 2024 1st Edition

CHED MEMORANDUM ORDER No. 20 Series of 2011 COA-CIRCULAR-NO.-2012-001-June-14-2012

Proposed Activity and Guidelines for the Preparation of the Work and Financial Plan for FY 2025 and Target Setting for CY 2025

Revised BU Code of 2024

Work Instruction- Administrative Office Work Instruction- Accounting Office Work Instruction- Budget Office

Work Instruction- Cashier Office - Report of Collection and Deposits Work Instruction- Cashier Office - Report of Disbursements

study:

CONCLUSIONS

The following conclusions were observed in relation to the objectives of this

1. The study highlights several key insights into the areas of financial management and compliance at

Bicol University—specifically in planning, budgeting, implementation, and reporting. One major recommendation is the development of a comprehensive guidebook to further strengthen practices and ensure consistent compliance across all levels of the organization.

2. Each department within the University plays a crucial role in achieving good financial governance. Since proposals originate from the end users, all units essentially contribute to planning and budgeting functions. Consistent adherence to established guidelines helps ensure that implementation and reporting efforts are aligned with the university's operational and strategic objectives.

3. It was observed that adherence to the guidelines set by regulatory institutions is not yet fully institutionalized. While compliance is being observed in many areas, there remains a degree of variability in implementation across different units. This suggests that the guidelines are not yet consistently applied as part of routine processes. Contributing factors may include limited orientation, insufficient internal controls, and a lack of standardized procedures to ensure uniform understanding and execution. To fully institutionalize these practices, it is important to strengthen internal systems through capacity-building

initiatives, development of aligned operational manuals, and regular compliance assessments. Doing so will help reinforce accountability and promote a culture of continuous improvement in governance.

4. Challenges encountered in the process are viewed as opportunities for improvement and innovation. Financial managers are well-positioned to respond to these challenges by mitigating risks and maximizing opportunities. While several factors may influence compliance, prioritizing those within the university's control is essential, particularly as regulatory agencies emphasize the importance of delivering quality public service.

5. Achieving sound financial management and full regulatory compliance at Bicol University is well within reach. The path forward does not necessarily require an overhaul of existing systems, but rather a proactive approach to continuous improvement. With sustained initiative and commitment, the university can further enhance its processes, leading to greater operational efficiency, accountability, and transparency over time.

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