

Improving Accountability: Compliance and Operational Challenges in School Maintenance and Other Operating Expenses (MOOE) Liquidation

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Abstract: This study investigated the compliance and operational challenges in the liquidation of the Maintenance and Other Operating Expenses (MOOE) among the 19 selected elementary schools. Results showed that most schools (95%) were non-central, with leadership distributed among principals, head teachers, and teachers-in-charge. Approving authorities and designated officers were consistently present, while full-time AO II personnel supported financial operations in the majority of schools. Compliance challenges, including late submission of reports, omission of signatures, misclassification of expenditures, and incomplete documentation, ranked first among the identified challenges, with mean values ranging from 1.84 to 2.05. Operational challenges, such as fund constraints, delayed receipts, incomplete documentation, and staffing limitations, were likewise emerged as the top challenges, with mean values between 1.92 and 2.06. Although not widespread, these challenges disrupted financial operations by delaying program implementation, weakening compliance, misaligning budget utilization, and overburdening teaching personnel with administrative tasks. School heads addressed these issues by reinforcing accountability, enhancing monitoring practices, providing orientation on MOOE guidelines, and maximizing collaboration with available staff. A proposed strategy was developed to streamline liquidation processes through clear timelines, simple monitoring tools, advanced preparation of documents, clerical task delegation, and basic financial orientation for staff. The findings highlight the importance of strengthening financial management capacity and institutionalizing monitoring mechanisms to ensure timely, efficient, and well-supported school-based MOOE liquidation.

Keywords: *Accountability, Compliance Challenges, Financial Management, Maintenance and Other Operating Expenses (MOOE), Operational Challenges, School-Based Liquidation.*

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I. INTRODUCTION

In every educational institution, financial resources play a vital role in the day-to-day operations of the school system, ensuring that both instructional and non-instructional functions are carried out effectively. In the Philippines, the management of school funds is crucial to sustaining the operational needs of schools, especially elementary schools, which are often at the grassroots level of the education system (Taner & Almazan, 2023). One key financial resource provided to schools is the Maintenance and Other Operating Expenses (MOOE) fund, allocated by the government to cover a wide range of expenses, from classroom supplies to school facility maintenance. The proper management and liquidation of MOOE funds are essential not only to maintain transparency and accountability but also to ensure that these resources are used efficiently to support the educational needs

of students and the general operational requirements of schools.

However, despite the critical importance of this fund in ensuring smooth operations, many schools face challenges when it comes to the liquidation of MOOE funds. This is particularly concerning in elementary schools, where financial accountability and adherence to regulations are paramount (Indemne & Escalona, 2024). Challenges often include complex bureaucratic procedures, delays in fund disbursement, and inconsistencies in compliance with government regulations. These operational challenges can have a significant impact on the ability of schools to fully utilize the MOOE funds for their intended purpose, potentially hindering the development of educational resources, infrastructure, and services that directly benefit students.

On a global scale, financial management in education systems has become an increasingly critical issue, especially in developing countries. Many governments allocate funds to education, but inefficiencies in financial management, such as corruption, lack of transparency, and failure to adhere to regulations, are common. The World Bank, in its reports on education financing, highlights that effective financial management is key to improving educational outcomes (Macalos, 2025). Proper use of allocated funds is tied to improved infrastructure, better teaching materials, and more motivated educators. Global educational frameworks such as the United Nations Sustainable Development Goals (SDGs) emphasize the importance of quality education (Goal 4) and the need for efficient public sector management, including financial governance. In many countries, including the Philippines, the allocation and liquidation of school funds are guided by strict guidelines to ensure that they are used for the benefit of students (Mari & Viernes, 2022). Yet, these frameworks often face challenges in implementation, particularly in local contexts where resources are limited, and bureaucratic hurdles are prevalent.

Financial mismanagement or inefficient use of education funds has also been a subject of concern globally. A study conducted by the OECD noted that school funding in various parts of the world often suffers from inequitable distribution, with many schools in underprivileged areas receiving inadequate resources (Amado et al., 2025). This situation exacerbates existing inequalities in education. The OECD recommends increased accountability and more stringent regulations for fund allocation and use, arguing that ensuring schools have access to adequate and efficiently managed financial resources can significantly improve educational quality. However, without proper systems in place to monitor the use of these funds, the gap between policy intent and actual results may continue to widen.

In the context of international education financing, transparency and accountability mechanisms are being strengthened. For example, the United Kingdom has established specific auditing procedures for the liquidation of educational grants to ensure that funds reach the intended schools and are used properly (Gaspar et al., 2022). Similarly, in the United States, the Department of Education monitors fund disbursement through rigorous auditing and reporting requirements. These practices aim to minimize financial discrepancies and enhance the effectiveness of public funds in supporting educational goals. Global frameworks, such as the Education for All (EFA) movement, have also advocated for better financial management systems in schools worldwide, underscoring the importance of maintaining educational quality through effective financial oversight.

The importance of financial transparency is not just a matter of regulatory compliance but is deeply connected to educational equity. According to the Global Partnership for Education (GPE), improving financial transparency in school funding ensures that resources are more likely to be distributed equitably, reaching the students who need them the most (Mella, 2023). This principle is particularly relevant in developing nations where disparities in educational access

and quality remain a major issue. The GPE's advocacy for stronger financial accountability systems emphasizes the need for both governments and local education authorities to implement robust monitoring systems that can track how school funds are used, ensuring that every penny contributes to the improvement of educational services.

In the Philippine context, the liquidation of MOOE funds is governed by various laws and regulations, aiming to ensure that school funds are properly utilized and accounted for. The Department of Education (DepEd) has issued numerous memorandums and guidelines on the liquidation and use of MOOE funds, with the goal of providing transparency and accountability in financial management (Carpio et al., 2022). According to DepEd Memorandum No. 148, s. 2020, for example, all school heads are required to submit liquidation reports for the MOOE funds spent during the fiscal year. This ensures that funds are used for their intended purposes, whether it be for operational costs, maintenance, or the acquisition of educational resources (Mesana et al., 2025). Failure to comply with liquidation requirements could result in sanctions or delays in future fund releases.

DepEd's efforts to ensure compliance with financial regulations are also supported by various laws. Republic Act No. 9155, or the "Governance of Basic Education Act of 2001," provides a framework for the decentralization of education management, empowering school heads to manage their finances effectively while ensuring that these funds are spent in accordance with national policies (Ivan & Joana, 2023). Moreover, DepEd's commitment to improving financial management in schools is reflected in its implementation of programs like the School-Based Management (SBM) system, which allows schools more autonomy in managing their resources, including MOOE funds, while adhering to national standards.

One of the most significant regulations that address the liquidation of school funds is DepEd Order No. 63, s. 2011, which provides guidelines on the proper use and liquidation of MOOE funds. This order emphasizes the need for strict documentation and reporting of expenditures to prevent misuse or misallocation of resources. It also mandates that schools submit their liquidation reports to their respective Division Offices for further review and approval. The guidelines aim to establish a culture of accountability among school heads and administrators, ensuring that school funds are used effectively to benefit students and improve school facilities.

The role of local government units (LGUs) in managing school funds is also crucial. Through the Local Government Code of 1991 (Republic Act No. 7160), LGUs are mandated to provide financial support to public schools in their jurisdictions, which includes the allocation of MOOE funds. However, this has led to disparities in the availability of resources between schools in urban and rural areas, as some LGUs have more financial capacity than others. In these cases, schools in less economically developed areas may struggle to meet operational costs, making effective

liquidation and management of available funds even more critical (Atienza et al., 2023). Despite these regulations, the liquidation of MOOE funds remains an area of concern, particularly at the local school level. A significant challenge that many schools face is the lack of sufficient capacity and training among school administrators in the effective management of these funds. While guidelines are in place, inconsistencies in their implementation often result in delays in fund utilization, inefficiency in reporting, and a lack of transparency in the use of resources (Diokno-Sicat et al., 2021). These issues are exacerbated in remote or less developed regions where access to financial management tools and training is limited.

Moreover, the complexity of the liquidation process, which involves multiple steps and approvals from various government bodies, can lead to delays and inefficiencies. In some cases, school heads may be overwhelmed by the administrative burden of complying with liquidation procedures, which detracts from their primary role in overseeing the academic development of students (Go, 2023). This can also contribute to frustration among educators and administrators, affecting the overall effectiveness of school operations and educational outcomes.

In certain localities, schools have reported difficulties in completing liquidation reports within the required timeframes, leading to the suspension of subsequent MOOE allocations. These challenges are compounded by the lack of clear and consistent guidance on how to handle specific expenses, leading to confusion and delays in fund liquidation (Encarnacion & Ela, 2023). This often results in schools being penalized for delays that are beyond their control, creating further barriers to effective school management and, ultimately, to the improvement of the learning environment.

The research gap lies in understanding the operational challenges that schools face in liquidating MOOE funds, particularly those related to compliance and the bureaucratic hurdles that schools encounter in the process. While much has been written about the importance of financial transparency and accountability in educational settings, there is a lack of in-depth studies focusing on the specific challenges faced by elementary schools in the liquidation process. This study aimed to bridge this gap by exploring the compliance issues and operational challenges that impede the timely and efficient liquidation of MOOE funds, thus contributing to the broader conversation on improving financial management in Philippine schools.

➤ *Statement of the Problem*

This study investigated the compliance and operational challenges faced by selected elementary schools in the liquidation of their MOOE funds. Specifically, this study answered the following questions:

- What is the profile of selected elementary schools in terms of
 - ✓ Type of school,
 - ✓ School administrative structure, and

✓ Finance team structure?

- What compliance and operational challenges are arising in the liquidation of MOOE funds?
- How do these challenges affect school financial operations?
- What strategies do schools employ to address these challenges?
- What enhancement strategy can be proposed to ensure a seamless school-based MOOE liquidation process?

II. METHODOLOGY

The research design for this study follows a descriptive-quantitative approach aimed at exploring the compliance and operational challenges faced by elementary schools in the liquidation of MOOE funds. This design was chosen because it allows for the collection of structured data from a large number of respondents, which is essential for understanding the patterns and trends within the financial management practices of schools. A descriptive-quantitative approach provides a clear and objective way to measure variables such as the level of compliance with DepEd guidelines, the efficiency of the liquidation process, and the operational challenges faced by school administrators. By using this approach, the study seeks to generate reliable data that can be generalized to a broader population of elementary schools, ensuring the findings are both robust and applicable to similar educational contexts.

The study was conducted across selected elementary schools within a defined geographical area, focusing on those that receive MOOE funds. The research design emphasized data collection through structured surveys and interviews, which allowed the researcher to capture both quantitative information and qualitative insights from school administrators. The combination of these data collection methods ensured that the study not only measured compliance and operational efficiency in financial management but it also provided deeper understanding of the factors contributing to challenges in MOOE fund liquidation. This approach enabled the researcher to explore the complexities of the issues while maintaining an objective, data-driven perspective.

Furthermore, the study's research design incorporated both cross-sectional and correlational elements. The cross-sectional aspect allows the researcher to examine the current state of MOOE fund liquidation in elementary schools, capturing a snapshot of how schools are managing their finances at a particular point in time. The correlational aspect helped assess the relationships between different variables, such as the profile of school administrators, the challenges they face, and their compliance with financial regulations. This design not only facilitated a thorough investigation of the issues but also provided insights into how different factors may interact to influence the efficiency and effectiveness of MOOE fund management in schools.

The respondents for this study primarily consisted of school administrators from selected elementary schools within the Gubat South District receiving MOOE funds.

These administrators are directly involved in the management, allocation, and liquidation of the funds within their schools, making them key participants in the study. This included 19 school heads, such as Principals, Head Teachers and TICs, and 38 financial staff such as AO II, designated Disbursing Officers and Bookkeepers and 10 participants in focus group discussions (FGD) who oversee the financial operations and reporting processes. These individuals were selected due to their direct involvement with the MOOE fund management system and their ability to provide firsthand insights into the challenges and compliance issues faced during the liquidation process. The selection of respondents included a diverse range of schools, both urban and rural, to capture the full spectrum of experiences.

To ensure a representative sample, schools were chosen based on factors such as location, school size, and the availability of respondents who are knowledgeable about MOOE fund liquidation. The study focused on a purposive sampling method, which ensured that only those who have significant involvement in the financial processes were included. This approach ensured the reliability and relevance of the data gathered, as the respondents were directly engaged with the operational challenges and compliance requirements associated with the liquidation of MOOE funds. Additionally, the study engaged respondents from different administrative backgrounds to gather a comprehensive understanding of the diverse perspectives and practices in the liquidation process.

III. RESULTS

The results of the study are presented in this chapter. Both the quantitative and qualitative results are found in this part.

A. Profile of Selected Elementary Schools

The present study considered a school district consisting of 19 selected schools. This district serves as the locale of the study. Table 1 reflects the school types from which the school head respondents were taken. Clearly shown by the Table that there was only 1 or 5% considered as a central school. The remaining 18 or 95% belonged to non-central schools.

Table 1 School Type

School Type	Frequency	Percentage
Central	1	5
Non-Central	18	95
Total	19	100

This lone central school serves as the district center school located in the urban area of the municipality, while the other 18 schools are situated in the barangays. As the district center, it provides technical guidance to school heads and personnel on the proper utilization of MOOE funds. It also assists in monitoring financial records to ensure compliance with government accounting and auditing standards. Furthermore, the central school facilitates capacity-building activities, such as workshops and orientations, to strengthen the skills of barangay school staff in effective MOOE management.

Meanwhile Table 2 provides data on the administrative structure of the 19 schools. Reflected in the Table that 10 or 53% of the schools are principal-led while there were 8 or 42% are head teacher-led. There is only 1 or 5% headed by a teacher-in -charge.

Table 2 Administrative Structure

Administrative Structure	Frequency	Percentage
Principal-led	10	53
Head Teacher-led	8	42
Teacher-In-Charge-led	1	5
Total	19	100

This shows that the majority of schools benefit from formal leadership under principals, which often associated to a stronger administrative oversight. The significant proportion of head teacher-led schools highlights the reliance on instructional leaders who also carry managerial responsibilities. The single school managed by a teacher-in-charge suggests limited administrative capacity, typically arising in smaller or remote schools.

In terms of finance team structure, Table 3 shows that the 19 schools had school heads who acted as the approving authority in managing the school MOOE. These schools also have disbursing officers who serve in a designated capacity. In addition, property or supply officers and BAC are assigned in all 19 schools as part of their official designation.

Table 3 Finance Team Structure

Finance Team Structure	Frequency	Percentage
School Head (Approving Authority)	19	100
AO II/ Bookkeeper (Full Time)	15	79
Disbursing Officer (Designate)	19	100
Property/Supply Officer (Designate)	19	100
BAC Members	19	100

There are 15 or 70% of the schools who have full time AO II or bookkeepers. This manifests the desire of the Department of education to detach financial related tasks among teachers.

B. Compliance and Operational Challenges in the Liquidation of MOOE

Compliance challenges in the liquidation of MOOE refer to the difficulties schools face in meeting government rules for documenting, reporting, and justifying expenses. These challenges often arise from incomplete or invalid receipts, delays in submission, and misalignment with accounting standards such as the Government Accounting Manual and DepEd guidelines. As a result, school heads risk audit disallowances, delayed fund releases, and accountability issues if liquidation requirements are not properly fulfilled.

Table 4 outlines the compliance challenges related to timely and accurate liquidation reporting. The data indicate that submitting liquidation reports beyond prescribed deadlines have a mean score of 2.39 and rank first, suggesting

that although delays occur, schools generally manage to submit reports within the required timeframe. Omitting required signatures and approvals in liquidation forms obtained a mean of 2.07 and rank second, implying that authorization requirements are usually observed, though occasional lapses may weaken accountability.

Table 4 Compliance Challenges on Timely and Accurate Liquidation Reporting

Indicators	Mean	Rank
Submitting liquidation reports beyond prescribed deadlines	2.39	1
Omitting required signatures and approvals in liquidation forms	2.07	2
Misclassifying expenditures outside approved MOOE categories	1.96	3
Recording expenses with incomplete or invalid supporting documents	1.81	4

Misclassifying expenditures outside approved MOOE categories recorded a mean of 1.96 and rank third, showing that school heads generally understand allowable categories but still commit minor errors, underscoring the need for continued orientation. Recording expenses with incomplete or invalid supporting documents has the lowest mean of 1.81 and rank fourth, indicating that most expenses are properly documented, though isolated cases of incomplete receipts remain and could pose risks during audits. Overall, these compliance challenges exist but are not widespread, reflecting that schools largely adhere to MOOE liquidation requirements while still requiring vigilance to prevent audit issues.

Meanwhile, Table 5 presents the compliance challenges related to the allocation and utilization of funds, particularly the MOOE. The data show that failing to monitor fund utilization against planned targets had a mean score of 1.96 and rank first, implying that schools generally align expenditures with planned allocations, though occasional lapses in monitoring still occur. Overspending on certain items while underspending on essential needs recorded a mean of 1.89 and rank second, suggesting that while imbalances in spending do happen, they are not widespread and schools typically prioritize essential requirements.

Table 5 Compliance Challenges on Allocation and Utilization of Funds

Indicators	Mean	Rank
Failing to monitor fund utilization against planned targets	1.96	1
Overspending on certain items while underspending on essential needs	1.89	2
Allocating funds to activities outside approved program Priorities	1.77	3
Utilizing budget for non-allowable expenditures	1.74	4

Allocating funds to activities outside approved program priorities obtained a mean of 1.77 and rank third, indicating that schools largely adhere to approved plans, with only minor deviations observed. Utilizing the budget for non-

allowable expenditures has the lowest mean of 1.74 and rank fourth, showing that such violations are rare, though isolated cases may still pose risks during audits. These compliance challenges highlight that schools generally observe proper fund utilization practices, yet continued vigilance is necessary to ensure strict adherence to approved targets and allowable expenditures.

Compliance challenges on financial management capacity are enumerated in Table 6. In fact there are 4 issues identified.

Table 6 Compliance Challenges on Financial Management Capacity

Indicators	Mean	Rank
Neglecting to train staff on financial policies and reporting Procedures	2.07	1
Delaying the consolidation of financial records	2.00	2
Failing to prepare accurate financial forecasts and	1.81	3.5
Overlooking reconciliation of cash advances and disbursement	1.81	3.5

Based on the data, neglecting to train staff on financial policies and reporting procedures obtained a mean score of 2.07 and rank first. This suggests that most schools provide sufficient orientation, although occasional gaps in staff training may still affect compliance. Delays in consolidating financial records registered a mean of 2.00 and rank second, indicating that while some postponements occur, schools generally succeed in completing record consolidation on time. Both the failure to prepare accurate financial forecasts and the oversight of reconciling cash advances and disbursements recorded a mean of 1.81 and rank third. These concerns appear relatively uncommon, yet they underscore the importance of maintaining vigilance to safeguard financial accuracy and accountability. Overall, these compliance challenges highlight that schools largely adhere to financial management practices, though consistent monitoring and capacity-building remain essential to prevent lapses. Looking at the operational challenges relative to MOOE liquidation, Table 7 manifests the issues in terms of resource allotment and fund releases.

Table 7 Operational Challenges on Resource Allotment and Fund Releases

Indicators	Mean	Rank
Postponing program implementation activities resulting from late allocations	2.15	1
Overlooking compliance with financial reporting standards because of fund constraints	2.12	2
Delaying submission of supporting receipts due to inadequate receipts due to inadequate resources	2.04	3
Failing to reconcile liquidation documents within	1.92	4

Table 7 highlights the compliance challenges in program implementation linked to fund allocations. Postponing program activities due to late fund releases has

the highest mean score of 2.15, suggesting that while delays are experienced, schools generally succeed in carrying out programs despite funding constraints. Overlooking compliance with financial reporting standards because of limited resources registered a mean of 2.12 and rank second, indicating that schools typically meet reporting requirements, though occasional lapses may occur when funds are insufficient. Delaying the submission of supporting receipts due to inadequate resources obtained a mean of 2.04 and rank third, showing that most schools provide receipts on time, though some difficulties in completing documentation remain. Failing to reconcile liquidation documents within the prescribed period recorded the lowest mean of 1.92 and rank fourth, implying that reconciliation is generally observed, with only minor lapses noted. Overall, these compliance challenges are evident but not widespread, reflecting that schools largely comply with MOOE liquidation requirements, while consistent monitoring remains necessary to minimize audit risks.

In addition, operational challenges on documentation and procurement were stated in Table 8. Evident in the Table the issues on the said area.

Table 8 Operational Challenges on Documentation and Procurement

Indicators	Mean	Rank
Delaying submission of procurement-related vouchers because of prolonged approval processes	2.12	1
Postponing liquidation of expenditures caused by delayed fund releases and procurement bottlenecks	2.04	2.5
Overlooking completeness of supporting documents under constrained resources and workload	2.04	2.5
Failing to consolidate liquidation records due to excessive documentation requirements	1.88	4

Table 8 outlines the operational compliance challenges faced by schools. Delaying the submission of procurement-related vouchers due to prolonged approval processes obtained the highest mean score of 2.12, indicating that while approval delays affect submission, schools generally manage to comply. Postponing the liquidation of expenditures because of delayed fund releases and procurement bottlenecks has a mean of 2.04 and rank second, suggesting that although such delays occur, schools are still able to liquidate expenditures despite systemic constraints. Overlooking the completeness of supporting documents under limited resources and heavy workloads also recorded a mean of 2.04 and rank third, showing that schools usually meet documentation requirements, though occasional lapses may arise when workloads are heavy. Failing to consolidate liquidation records due to excessive documentation requirements has the lowest mean of 1.88 and rank fourth, implying that consolidation tasks are generally completed, though the burden of paperwork can sometimes lead to minor lapses. Overall, these compliance challenges are evident but not widespread, reflecting that schools largely adhere to liquidation requirements, while vigilance is still needed to address occasional delays and documentation issues.

Table 9 presents the other operational compliance challenges encountered by schools. Failing to process liquidation reports on time due to the lack of non-teaching staff had the highest mean score of 2.04, indicating that while staffing shortages occasionally cause delays, schools generally comply with reporting timelines. Postponing liquidation compliance tasks because of heavy workloads registered a mean of 1.92 and rank second, suggesting that although workload pressures sometimes affect timeliness, most schools are still able to complete compliance tasks. Overlooking accuracy in documentation requirements under staffing constraints recorded a mean of 1.88 and rank third, showing that errors in documentation are relatively rare, though they highlight the need for continued attention to detail.

Table 9 Operational Challenges on Staff and Financial Management Capacity

Indicators	Mean	Rank
Failing to process liquidation reports on time due to lack of non-teaching staff	2.04	1
Postponing liquidation compliance tasks due to workload	1.92	2
Overlooking accuracy in documentation requirements under staffing constraints	1.88	3
Delaying procurement and payment procedures because of staffing constraints	1.85	4

Delaying procurement and payment procedures due to limited personnel has the lowest mean of 1.85 and rank fourth, implying that schools usually complete procurement and payment processes despite staffing constraints, though minor lapses may still occur. Overall, these compliance challenges are minimal, reflecting that schools largely adhere to MOOE liquidation requirements, while support mechanisms remain necessary to ease workload and staffing pressures.

C. How These Challenges Affect the School Financial Operation

➤ *Disrupting the Timely Allocation of School Funds*

Participant 1 shared that the lack of non-teaching staff often causes delays in processing liquidation reports, which in turn postpones the release of new funds needed for school operations. Participant 2 explained that heavy workloads sometimes force them to postpone compliance tasks, disrupting the timely allocation of resources for essential programs. Participant 3 noted that staffing constraints occasionally lead to overlooked documentation accuracy, resulting in audit queries that slow down fund releases. Participant 4 emphasized that procurement and payment procedures are delayed when staff are insufficient, creating bottlenecks that affect the availability of funds for school needs. Participant 5 highlighted that these challenges collectively disrupt the smooth flow of financial management, showing how staffing limitations directly hinder the timely allocation of school funds.

➤ *Delaying Some PPAs Implementation*

Research Participant 2 shared, “Because our liquidation reports were submitted late due to incomplete receipts, the Division Office withheld the release of funds, and this caused us to postpone the scheduled repair of classrooms.” Participant 5 explained, “The prolonged approval of procurement vouchers delayed our compliance, and as a result, the purchase of instructional materials for the reading program had to be moved to the next quarter.” Participant 6 noted, “Misclassification of some expenditures triggered audit queries, which stalled the release of additional funds, forcing us to delay the planned training sessions for teachers.” Participant 7 emphasized, “The excessive documentation requirements slowed down the consolidation of liquidation records, and this backlog disrupted the timely implementation of our school feeding program.” Collectively, these narratives highlight how compliance challenges in MOOE liquidation directly result in delays to important school programs, projects, and activities, affecting both operations and student support.

➤ *Weakening Compliance with DepEd Financial Standards and Audit Requirements*

Participant 2 claimed, “Because our liquidation reports were often delayed due to procurement bottlenecks, we struggled to meet DepEd’s financial standards, and this weakened our audit performance.” Participant 3 explained, “Incomplete supporting documents caused repeated audit queries, and these lapses made it difficult for us to fully comply with DepEd’s reporting requirements.” Participant 5 noted, “Misclassification of expenditures outside approved MOOE categories led to audit findings, showing that our compliance with financial standards was not consistently strong.” Participant 7 emphasized, “The lack of staff training on financial policies resulted in errors in documentation, which negatively affected our compliance ratings during audits.” Participant 8 shared, “Delays in consolidating liquidation records due to excessive paperwork weakened our ability to present accurate reports, which auditors flagged as a compliance issue.” Participant 9 added, “Overspending on certain items while underspending on essential needs disrupted our financial balance, and this mismanagement reflected poorly in audit performance.” Collectively, these narratives highlight how select compliance and operational challenges—such as delays, documentation gaps, misclassification, and staffing constraints—directly weaken adherence to DepEd financial standards and compromise audit outcomes.

➤ *Disrupting the Alignment of Budget Utilization with Planned Timelines*

According to Participant 4, “Delayed LR due to incomplete supporting documents, the release of funds did not arrive as scheduled, and this disrupted the alignment of our budget utilization with the planned timelines for school activities.” Participant 2 explained, “The prolonged approval of procurement vouchers slowed down our compliance, and as a result, the funds intended for instructional materials were not utilized within the planned period, causing delays in program implementation.” Participant 6 noted, “Misclassification of expenditures triggered audit queries that

stalled fund releases, which meant that our budget utilization could not follow the original schedule, and several projects had to be postponed.” Collectively, these narratives emphasize that compliance challenges such as documentation lapses, procurement delays, and misclassification directly disrupt the alignment of budget utilization with planned timelines, affecting the timely execution of school programs and activities.

➤ *Delaying the Release of Subsequent MOOE Tranches and Program Funding*

According to Participant 10, “The consolidation of liquidation records was delayed due to excessive documentation requirements, the Division Office withheld the release of the next MOOE tranche, which in turn stalled the funding for our planned school maintenance activities.” Participant 12 affirmed, “The prolonged approval of procurement-related vouchers slowed down our compliance, and this directly caused a delay in the release of program funding, leaving us unable to implement scheduled projects on time.” Together, these narratives emphasize how operational challenges such as documentation burdens and procurement bottlenecks disrupt compliance processes, ultimately resulting in delays in the release of subsequent MOOE tranches and program funding critical to school operations.

➤ *Overburdening Teaching Personnel with Administrative and Financial Tasks*

Participant 9 claimed, “Lack non-teaching staff to assist with financial reporting, teachers are often tasked to prepare liquidation documents, which takes away valuable time that should have been devoted to lesson planning and classroom instruction.” Participant 10 explained, “The excessive documentation requirements and delays in procurement approvals force teaching personnel, to handle administrative and financial tasks beyond primary role, leaving overburdened and struggling to balance compliance with teaching responsibilities.” These narratives emphasize how compliance operational challenges—such as staffing shortages, documentation burdens, and procurement delays—directly overburden teachers with administrative and financial duties, weakening their focus on instructional work.

D. Strategies Employed by the School Heads to Address the Challenges

➤ *Reinforcing Timely Compliance Through Consistent Communication with Responsible Personnel*

Most of the respondents explained that one effective strategy they employed to address compliance challenges was reinforcing compliance through consistent communication with responsible personnel. They shared that regular reminders and updates helped ensure that deadlines were met and documentation requirements were properly observed. They also emphasized that open communication channels with finance staff and school heads reduced errors and clarified responsibilities in liquidation processes. Overall, they agreed that consistent communication strengthened accountability and improved adherence to DepEd financial standards.

➤ *Setting Regular Check-ins to Review MOOE Spending*

The research participants affirmed that another strategy they employed to address operational challenges was through setting regular check-ins to review MOOE spending. They shared that these scheduled reviews allowed them to closely monitor fund utilization and immediately correct any discrepancies. They emphasized that consistent check-ins also promoted transparency and accountability among personnel responsible for financial management. Overall, they agreed that this practice strengthened operational efficiency and ensured that school funds were aligned with planned priorities.

➤ *Providing Basic Orientation and Mentoring on Essential MOOE Guidelines*

Research participants expressed that issues on MOOE liquidation were effectively addressed through the strategy of providing basic orientation and mentoring on essential MOOE guidelines. They explained that regular orientation sessions helped clarify allowable expenditures and documentation requirements, reducing errors in reports. Mentoring also ensured that school heads and staff gained confidence in handling financial tasks, which minimized delays in liquidation. Participants emphasized that this strategy promoted consistency and accountability, as personnel became more familiar with DepEd standards. Overall, they agreed that orientation and mentoring strengthened compliance practices and improved the timeliness and accuracy of MOOE liquidation.

➤ *Prioritizing Essential PPAs*

Prioritizing essential programs, projects, and activities is a practical strategy to address issues in MOOE liquidation because it ensures that limited resources are directed toward the most urgent and allowable expenditures. By focusing on priority needs such as classroom maintenance, instructional materials, and student support, schools minimize the risk of misclassification and audit disallowances. This approach also helps align spending with DepEd guidelines, reinforcing compliance with financial standards. When essential activities are prioritized, delays in liquidation are reduced since documentation and reporting become more streamlined and manageable. It further promotes accountability, as personnel can clearly justify expenditures based on approved priorities. Overall, prioritizing essential programs and activities strengthens financial management practices, ensuring that MOOE funds are utilized effectively and liquidation requirements are met on time.

➤ *Coordinating Closely with Finance Staff to Immediately Prepare Documents*

Participants explained that coordinating with finance staff was a strategy they applied to immediately prepare documents and mitigate MOOE liquidation challenges. They shared that close collaboration allowed them to quickly gather receipts and supporting records, reducing delays in submission. Participants emphasized that this coordination clarified responsibilities and minimized errors in documentation. They also noted that working directly with finance staff ensured compliance with DepEd standards and improved audit readiness. Overall, they affirmed that

immediate coordination strengthened efficiency and helped address recurring issues in MOOE liquidation.

➤ *Requesting Temporary Assistance from Available School Staff*

Research participants affirmed that requesting temporary assistance from available staff was a strategy they employed to address both compliance and operational challenges in MOOE liquidation. They shared that assigning support staff to help with documentation reduced delays in preparing liquidation reports and ensured accuracy in submissions. This temporary assistance also helped ease the workload of teaching personnel, allowing them to focus more on instructional responsibilities while still meeting financial requirements. Participants emphasized that the added support improved timeliness in consolidating records and processing procurement-related documents. Overall, they affirmed that mobilizing available staff provided practical relief and strengthened both compliance with DepEd standards and operational efficiency in managing school funds.

E. Proposed Enhancement Strategy to Ensure Seamless School-Based MOOE Liquidation Process

➤ *Rationale*

Efficient and timely MOOE liquidation is essential for sustaining school operations, ensuring compliance with financial policies, and maintaining uninterrupted program implementation. However, schools often face challenges such as delayed liquidation reports, weak monitoring systems, late fund allocations, and insufficient finance staff. These issues disrupt financial flow, hinder program execution, and increase the risk of audit findings. A structured strategy is needed to streamline processes, strengthen accountability, and support staff capacity to ensure seamless MOOE liquidation. This rationale is consistent with DepEd Order No. 13, s. 2016 and DepEd Order No. 008, s. 2019, which emphasize proper utilization, monitoring, and reporting of school MOOE funds in line with COA Circulars on financial accountability.

➤ *Goal*

To establish a simplified, timely, and well-coordinated school-based MOOE liquidation system that ensures compliance, transparency, and uninterrupted implementation of school programs. This goal aligns with DepEd Order No. 029, s. 2022, which highlights the importance of monitoring and evaluation frameworks in ensuring transparency and accountability in school operations.

➤ *Objectives*

- Improving the timeliness of liquidation report submission through clear schedules, monitoring tools, and coordinated workflows.
- Strengthening MOOE fund utilization monitoring by using simple tracking forms, regular check-ins, and shared accountability among committees.
- Enhancing staff capacity and support systems to address workload gaps caused by limited finance personnel and late fund releases.

These objectives reflect the principles outlined in DepEd Order No. 008, s. 2019 and COA Circulars, which call for systematic monitoring and timely reporting to safeguard financial integrity.

IV. CONCLUSIONS

- The selected elementary schools are predominantly non-central lead by school heads, with designated finance officers and AO II to support financial operations.
- The compliance challenges in MOOE liquidation include the delays in reporting, insufficient monitoring of fund utilization, and inadequate staff training on financial policies, while, the operational challenges in MOOE liquidation are the delayed program implementation due to late resource allocations, postponed submission of procurement vouchers, and untimely processing of liquidation reports caused by limited staff capacity.
- The compliance and operational challenges hinder the efficiency of school financial operations, resulting in delays, weakened compliance, misaligned budget utilization, and added administrative burdens on teaching personnel.
- The school heads address compliance and operational challenges by strengthening accountability measures, enhancing monitoring practices, providing capacity-building support, and maximizing collaboration with available personnel.
- The proposed enhancement strategy promotes a more seamless school-based MOOE liquidation process by streamlining timelines, strengthening monitoring, enhancing preparation, optimizing personnel support, and building basic financial capacity among staff.

RECOMMENDATIONS

- Employ full-time financial staff to assist the school head in managing school financial resources.
- Strengthen periodic monitoring through School Program Implementation Review and Plan Adjustment (SPIRPA) by conducting simple quarterly review workshops to ensure timely reporting, proper fund utilization, and improved documentation practices.
- Implement a streamlined financial workflow by conducting monthly coordination meetings between finance staff and teaching personnel to align budget utilization, improve compliance, and reduce administrative delays.
- Maintain the sustainability of the strategies by institutionalizing quarterly joint review and training sessions that reinforce accountability, strengthen monitoring systems, and foster continuous collaboration among school heads, finance staff, and teaching personnel. Adopt the proposed model to ensure timely, efficient, and well-supported school-based MOOE liquidation.
- Adopt the proposed enhancement strategy to ensure timely, efficient, and well-supported school-based MOOE liquidation.

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