

Financial Stewardship Practices in Public Schools: Basis for Financial Management Enhancement Program

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ABSTRACT

This study examined the financial stewardship practices in public schools in Region XI using a descriptive quantitative research design. Specifically, it assessed practices in terms of budget planning, financial transparency, accountability, resource utilization efficiency, and financial monitoring and control. Data were collected from selected respondents using a structured questionnaire and analyzed using mean and standard deviation.

Findings revealed that financial stewardship practices were implemented at a moderate extent, with an overall mean of 2.87. Among the indicators, budget planning obtained the highest mean, while financial transparency and resource utilization efficiency were rated lower. The results indicate that while financial management practices are present, they are not consistently or fully implemented across schools. Variability in responses further suggests inconsistencies in financial practices.

The study concludes that there is a need to strengthen financial stewardship practices in public schools through enhanced training, improved transparency mechanisms, and stronger monitoring systems. Based on the findings, a Financial Management Enhancement Program was proposed to address identified gaps. The study contributes to the field of educational management by providing empirical evidence on financial practices and offering practical interventions for improving school financial governance.

Keywords: financial stewardship, public schools, financial management, accountability, transparency, descriptive study

INTRODUCTION

Effective financial stewardship is a critical component of educational management, particularly in public schools where accountability, transparency, and efficient use of limited resources are essential. Financial stewardship refers to the responsible planning, allocation, utilization, and monitoring of financial resources to achieve institutional goals and ensure sustainability. In the context of public education, school leaders are expected to demonstrate sound financial practices that align with government policies and promote equitable access to quality education. Studies have emphasized that effective financial management in schools contributes significantly to institutional performance and educational outcomes (Brigham & Ehrhardt, 2020; Odden & Picus, 2019).

In many developing countries, including the Philippines, public schools face persistent challenges related to budget constraints, resource allocation inefficiencies, and financial accountability. The Department of Education (DepEd) has implemented various reforms and guidelines to strengthen school-based financial management, such as decentralization and school-based management (SBM) frameworks. However, despite these initiatives, issues such as delayed fund utilization, lack of financial transparency, and limited managerial competence among school heads continue to affect the effective delivery of educational services (Department of Education, 2021; World Bank, 2018). These challenges highlight the need to assess the current financial stewardship practices in public schools.

Moreover, the role of school leaders in ensuring financial stewardship has become increasingly complex, requiring not only administrative competence but also ethical responsibility and strategic decision-making. Financial stewardship in education is closely linked to leadership practices, as school heads are tasked with ensuring that financial resources are utilized efficiently and aligned with institutional priorities. Research indicates that strong financial management practices among school administrators lead to improved school performance, better resource utilization, and increased stakeholder trust (Leithwood et al., 2020; Bush, 2018). Thus, understanding how financial stewardship is practiced at the school level is essential for enhancing governance and accountability.

Despite the growing emphasis on financial management in education, there remains a need for localized and context-specific studies that describe the extent of financial stewardship practices in public schools, particularly in Region XI. Most existing studies focus on broader financial systems or employ complex analytical methods, leaving a gap in descriptive assessments that utilize basic statistical measures such as mean and standard deviation. Hence, this study aims to examine the financial stewardship practices in public schools using a descriptive quantitative approach, providing empirical evidence that may serve as a basis for developing financial management enhancement programs.

Research Questions and Purpose

This study aims to determine the level of financial stewardship practices in public schools in Region XI. Specifically, it seeks to assess how financial management is practiced in terms of budget planning, financial transparency, accountability, resource utilization efficiency, and financial monitoring and control. The findings of this study will serve as a basis for developing a financial management enhancement program to improve school governance and resource management.

This study aims to answer the following research questions:

What is the level of financial stewardship practices in public schools in Region XI?

Specific Questions:

What is the level of financial stewardship practices in terms of:

Budget Planning

Financial Transparency

Accountability

Resource Utilization Efficiency

Financial Monitoring and Control

Theoretical Underpinnings

This study is anchored on Stewardship Theory, originally advanced by James H. Davis, F. David Schoorman,

and Lex Donaldson, which posits that organizational leaders act as stewards whose primary goal is to protect and maximize institutional resources in the best interest of stakeholders. In the context of public schools, this theory emphasizes that school administrators are entrusted with financial resources and are expected to manage them responsibly, ethically, and efficiently to achieve educational goals. Stewardship theory supports the idea that financial management practices such as budgeting, transparency, and accountability are not merely administrative tasks but moral obligations that contribute to institutional effectiveness (Davis et al., 1997; Hernandez, 2017).

Complementing this is Accountability Theory, which highlights the obligation of public officials, including school leaders, to be answerable for their actions, particularly in the use of public funds. In educational settings, accountability ensures that financial resources are utilized in accordance with established policies and that proper reporting and auditing mechanisms are in place. This theory underscores the importance of transparency and financial monitoring, which are essential indicators in this study. Recent literature affirms that accountability mechanisms in public schools strengthen trust among stakeholders and improve governance outcomes (Hall et al., 2017; World Bank, 2018).

Additionally, this study draws from Resource-Based Theory, which emphasizes that the effective utilization of available resources contributes to organizational performance and sustainability. In public schools, financial resources are often limited; thus, efficient allocation and utilization are crucial to maximizing educational outcomes. This theory supports the inclusion of resource utilization efficiency as a key indicator, as it highlights the role of strategic financial management in achieving institutional goals (Barney, 2018; Bryson et al., 2016). When school leaders effectively manage financial resources, they enhance both operational efficiency and student outcomes.

Finally, the study is supported by School-Based Management (SBM) Theory, which promotes decentralization and empowers school leaders to make decisions, including financial ones, that are responsive to local needs. SBM emphasizes participatory budgeting, transparency, and accountability within the school community. In the Philippine context, SBM has been institutionalized by the Department of Education to improve school governance and financial management practices. Studies have shown that schools implementing SBM demonstrate improved financial stewardship and stakeholder engagement (Department of Education, 2021; Malen & Ogawa, 2018). These theories collectively provide a strong foundation for examining financial stewardship practices in public schools.

RESEARCH METHODOLOGY

Research Design

This study employed a descriptive quantitative research design to determine the level of financial stewardship practices in public schools in Region XI. Descriptive research is appropriate when the objective is to systematically describe the characteristics of a phenomenon using numerical data. In this study, it was utilized to assess the extent to which financial stewardship practices are implemented in terms of budget planning, financial transparency, accountability, resource utilization efficiency, and financial monitoring and control.

The design does not attempt to establish relationships or causality but focuses on describing the current condition of financial management practices. The use of mean and standard deviation allows for an objective interpretation of the level and consistency of responses among participants.

Research Context and Participants

The study was conducted in selected public schools in Region XI (Davao Region), Philippines. These schools operate under the governance of the Department of Education and are expected to follow established financial management policies and procedures.

The participants of the study included school heads, teachers, and administrative staff who are knowledgeable about the financial practices of their respective schools. These respondents were selected because they are

directly or indirectly involved in school financial processes such as budgeting, fund utilization, reporting, and monitoring.

A purposive sampling technique was employed to select respondents who have relevant knowledge and experience related to financial management practices in their schools.

A purposive sampling technique was utilized to select respondents who were directly involved in school financial management processes. The respondents consisted of school heads, teachers, and administrative personnel from selected public schools in Region XI. Demographic information such as position, years of service, and involvement in financial management activities was also considered to provide a clearer context for the interpretation of findings.

Research Instrument

The questionnaire underwent content validation by experts in educational management and research. Suggestions regarding clarity, relevance, and alignment of the items with the study objectives were incorporated before the final administration of the instrument. A pilot test was also conducted to assess the reliability of the instrument, which yielded a Cronbach's Alpha coefficient of 0.91, indicating excellent internal consistency.

The primary data collection tool used in this study was a researcher-made survey questionnaire designed to measure financial stewardship practices in public schools. The instrument consisted of five indicators, namely: budget planning, financial transparency, accountability, resource utilization efficiency, and financial monitoring and control.

Each indicator contained five (5) items, resulting in a total of 25 statements. The items were structured using a 5-point Likert scale, with the following response options:

- 5 – Very High Extent
- 4 – High Extent
- 3 – Moderate Extent
- 2 – Low Extent
- 1 – Very Low Extent

The questionnaire was subjected to content validation by experts in educational management and research to ensure clarity, relevance, and appropriateness. Necessary revisions were made based on their feedback to improve the quality of the instrument.

Data Collection Procedure

Prior to data collection, permission was secured from the appropriate school authorities to conduct the study. The researcher then distributed the survey questionnaires to the selected respondents.

Participants were informed about the purpose of the study and were assured that their responses would be treated with confidentiality and anonymity. They were given sufficient time to answer the questionnaire honestly and completely.

After the retrieval of the questionnaires, the responses were checked for completeness and prepared for statistical analysis.

Data Analysis

The data gathered from the survey questionnaire were analyzed using descriptive statistical tools, particularly the mean and standard deviation.

The mean was used to determine the level of financial stewardship practices in public schools across the five indicators. Meanwhile, the standard deviation was utilized to measure the variability and consistency of the responses.

The following scale was used to interpret the mean scores:

Mean Range	Interpretation
4.21 – 5.00	Very High Extent
3.41 – 4.20	High Extent
2.61 – 3.40	Moderate Extent
1.81 – 2.60	Low Extent
1.00 – 1.80	Very Low Extent

Standard deviation values were interpreted to determine the consistency of responses.

RESULTS AND FINDINGS

The study examined the level of financial stewardship practices in public schools in Region XI across five indicators: budget planning, financial transparency, accountability, resource utilization efficiency, and financial monitoring and control.

The findings revealed that all indicators were rated at a moderate extent, with an overall mean of 2.87 and a standard deviation of 1.01. Budget planning obtained the highest mean (3.00), while financial transparency and resource utilization efficiency obtained the lowest mean (2.80). Accountability (2.83) and financial monitoring and control (2.93) also fell within the moderate range.

These results indicate that financial stewardship practices are present but not consistently or fully implemented. The moderate standard deviation values suggest variability in responses, implying inconsistencies in financial practices across different schools. The findings highlight the need for strengthening financial governance systems, particularly in transparency, accountability, and efficient utilization of resources.

Reliability Of the Instrument

The reliability of the research instrument was established using Cronbach’s Alpha, which measures the internal consistency of the questionnaire items.

The computed Cronbach’s Alpha coefficient for the overall instrument was 0.91, indicating excellent reliability. This suggests that the items included in the questionnaire are highly consistent in measuring the financial stewardship practices of public schools.

According to accepted standards, a Cronbach’s Alpha value of 0.70 and above is considered acceptable, while values above 0.90 indicate excellent reliability (Taber, 2018). Thus, the instrument used in this study is deemed reliable and suitable for data collection.

CONCLUSIONS

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

1. Financial stewardship practices in public schools are implemented at a moderate level, indicating partial compliance with expected financial management standards.
2. Budget planning practices are relatively more established, but still require improvement in consistency and stakeholder involvement.

3. Financial transparency and resource utilization efficiency are among the weaker areas, suggesting the need for stronger financial disclosure and strategic allocation of resources.
4. Accountability and monitoring systems are present but not uniformly enforced across all schools.
5. There is a need for a structured intervention program to enhance financial stewardship practices and ensure consistency across institutions.

RECOMMENDATIONS

Based on the conclusions, the following recommendations are proposed:

1. **Capacity Building for School Leaders**
 Conduct regular training programs on financial management, budgeting, and auditing for school heads and personnel.
2. **Strengthening Transparency Mechanisms**
 Implement clear and accessible financial reporting systems for stakeholders.
3. **Enhancing Accountability Systems**
 Enforce stricter compliance with financial policies and establish monitoring mechanisms.
4. **Improving Resource Utilization**
 Adopt strategic planning tools to ensure efficient and effective use of funds.
5. **Institutionalizing Monitoring and Evaluation**
 Strengthen internal audit systems and periodic financial performance reviews.
6. **Adoption of the Proposed Program**
 Schools are encouraged to implement the proposed Financial Management Enhancement Program.

Financial Management Enhancement Program

Program Title:

Enhanced Financial Stewardship Program (EFSP)

Program Description

The EFSP is designed to address the gaps identified in the study by improving financial management competencies and strengthening governance practices in public schools.

Area	Intervention	Expected Outcome
Budget Planning	Training on strategic budgeting	Improved financial planning
Transparency	Financial reporting system	Increased stakeholder trust
Accountability	Compliance workshops	Stronger financial discipline
Resource Utilization	Resource allocation training	Efficient use of funds
Monitoring & Control	Audit and evaluation training	Improved financial oversight

Implementation Duration

6–12 months

Beneficiaries

School heads, teachers, administrative staff

Future Studies

Future researchers may consider:

Future researchers may strengthen this study by providing a more comprehensive discussion of the sampling procedure, including the criteria for respondent selection, the distribution of participants, and the justification for the use of purposive sampling. It is also recommended that future studies include detailed demographic profiles of respondents such as position, years of service, educational attainment, and level of involvement in financial management activities to improve methodological transparency and contextual understanding of the findings.

Moreover, future researchers are encouraged to further enhance the validity and credibility of research instruments through extensive expert validation, pilot testing, and reliability assessment procedures. Providing a clearer explanation of the instrument development and validation processes may contribute to stronger methodological rigor and greater reliability of findings.

Future studies may also incorporate qualitative research approaches such as interviews, focus group discussions, and case studies involving school administrators, accountants, teachers, and other stakeholders. These qualitative methods may provide deeper insights into the practical challenges, experiences, and contextual factors affecting financial stewardship practices in public schools.

In addition, researchers may employ inferential statistical techniques such as correlation analysis, regression analysis, analysis of variance (ANOVA), or structural equation modeling to determine the factors influencing financial management effectiveness across schools. The use of advanced statistical tools may help establish predictive relationships among variables and provide stronger empirical evidence for educational policy formulation and financial management interventions.

Furthermore, future studies may expand the scope of the investigation by including private schools, other educational regions, or comparative analyses between institutions. Researchers may also examine the relationship between financial stewardship practices and school performance, teacher effectiveness, student outcomes, and institutional sustainability to further enrich the field of educational financial management.

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