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Characterization of Performing and Less Performing Campus Income Generating Projects of Surigao Del Sur State University, Philippines

Melisa Q. Tantoy

Instructor, College of Business and Management,
Surigao Del Sur State University, Main Campus, Tandag City, Surigao Del Sur, Philippine

Abstract:

The purpose of this study is to determine the performing and less performing campus Income Generating Projects (IGPs) of Surigao del Sur State University. This study used the descriptive survey method through a researcher-made questionnaire. It considered the estimated annual net income, total assets, financial management team: IGP Director, IGP Head, IGP Bookkeeper, and IGP Cashier/Worker, and financial statements: income statement, statement of changes in equity, statement of financial position, and statement of cash flows. A structured interview was also done to validate the answers of the respondents and to pinpoint the challenges and other factors affecting campus IGPs performance. The campus IGPs have the complete financial management team but some of the campuses did not prepare complete financial reports. Those who executed the bookkeeping management efficiently and are in feasible business location have higher estimated annual net income and total assets.

Keywords: Characteristics, performing, less performing, income generating projects

1. Introduction

Characterizing the performance of campus Income Generating Projects (IGPs) of Surigao del Sur State University (SDSSU) is a tool to determine its capacity to sustain and to come up with a sound economic decision for the greater advantage of IGPs. SDSSU is funded by the national government but the budget allocation is not adequate causing distress in accomplishing its functions. The University utilized its resources to a gain ful Income Generating Projects to generate supplementary revenue. IGPs performance should be satisfactory and it can be properly tracked through efficient recordkeeping system and monitoring of the factors affecting it.

According to Murage & Onyuma (2011), Kenyan Universities' financial performance and budget of Income Generating Units are analyzed using financial ratios, examining the financial statement elements to evaluate its performance. The public Universities of Sub-Saharan African countries have identified income generating activities as a means to supplement the financial needs, shaping the necessity of a well-tracked business operations with the goal of continuous profitability and stability through bookkeeping and financial management (Gebreyes, 2011). Recordkeeping is an indispensable management tool, a necessary tool for satisfactory management (Village Group Training, 1994).

There is a need to determine the performance of University's campus IGPs as a basis of measuring its growth, capacity to sustain, and for decision-making intents. Income Generating Projects should be strengthened to minimize the affliction of financial crisis faced. The mentioned studies marked the pronounced role of recordkeeping as one of the factors that will help IGPs operations to sustain leading to the attainment of SDSSU mission, vision, and goals.

The study sought to seek information concerning the performance of the campus IGPs and the factors affecting it. Moreso, that the operation of IGPs were established years back in 2003. The approximate 15 years of existence of IGPs has been due for evaluation. Hence, the Researcher took the challenge in conducting the said study for the strengthening of IGP operation.

2. Theoretical and Conceptual Framework

This study is anchored to Decision Usefulness Theory of accounting of G. Staubus (1999). The theory explains that accounting is a procedure of providing the information relevant to the makers of decisions. IGP Director and Heads will not only monitor business transactions but also will make the most brilliant decision that will bring higher advantage to the business profitability as one of the indicators of success. Realizing the target net profit and expansion plans are the goals to be attained. Recording of business transactions is emphasized in the Decision Usefulness Theory of Accounting.

The study used the characteristics of campus IGPs of SDSSU regarding the estimated annual net income, total assets, financial management team and financial reports prepared to find out the performance and growth of IGPs through the years since its implementation. The findings in the study will serve as benchmark data for a possible improvement of the campus IGPs operations.

3. Statement of the Problem

This study focused on the characterization of performing and less performing Campus IGPs of Surigao del Sur State University based on the following variables: a.) estimated annual net income per year, b.) total assets, c.) financial management team, d.) Financial statements prepared, and e.) Other factors affecting its performance.

4. Research Design and Methods

In this study, a descriptive survey method was used intended to provide a representation of a situation, to justify existing practice, to make judgments and to develop theories (Burns and Grove, 2007). A validated researcher-made questionnaire was used. The questionnaires went through test-retest reliability to slacken the source of measuring errors like presumption in collecting data. A structured interview was also conducted to validate the answers of the respondents and to gather information regarding challenges faced by campus IGPs, the assistance needed, and other factors affecting IGPs operations.

The complete enumeration method was employed for the fixed number of respondents like the IGP Director, IGP Heads, IGP Bookkeepers, and IGP Cashier/Worker of SDSSU six campuses, all the samples were taken as respondents.

The respondents' answers were tallied and organized according to the criteria specified in the questionnaire. The statistical treatments used to answer the problems were the following; frequency counting, and percentage.

The herein parameters were used for this study to determine the challenges faced by IGPs in bookkeeping management.

Scale	Range of Weighted Mean	Adjectival Rating	Interpretation
4	3.26-4.00	Strongly Agree	The indicators are remarkably performed, observed and encountered.
3	2.51-3.25	Agree	The indicators are performed, observed and encountered.
2	1.76-2.50	Disagree	The indicators are slightly not performed, observed and encountered.
1	1.00-1.75	Strongly Disagree	The indicators are frequently not performed, observed and encountered.

Table 1

5. Results and Discussion

The presentation, analysis, and interpretation of data are discussed in this section in tabular and textual form.

Characteristics	Indicators	Frequency	SDSSU Campuses	Percentage
Estimated Annual Net Income per Year	P100,001-P500,000	3	San Miguel, Tagbina, Cagwait	50%
	P500,001-P1,000,000	1	Cantilan	17%
	More than P1,000,000	2	Tandag, Lianga	33%
	Total	6		100%
Total Assets	Less than P100,000	1	San Miguel	17%
	P100,001-P500,000	1	Cagwait	17%
	P500,001-P1,000,000	2	Tagbina, Cantilan	33%
	More than P1,000,000	2	Tandag, Lianga	33%
	Total	6		100%
Financial Management Team	IGP Head	6	All Campuses	100%
	IGP Bookkeeper	6	All Campuses	100%
	IGP Cashier/Worker	6	All Campuses	100%
Financial Statements Prepared	Income Statement	6	All Campuses	100%
	Statement of Changes in Equity	6	All Campuses	100%
	Balance Sheet	6	All Campuses	100%
	Statement of Cash Flows	3	Tandag, Lianga, Cantilan	50%

Table 2: Characteristics of IGPS Performance

Table 2 showed the characteristics of IGPs performance in terms of estimated annual net income per year, total assets, financial management team. The results reveal that majority of the campuses have yielded income from IGPs of

P100,000-P500,000 or 50% of the respondents composed of San Miguel, Tagbina and Cagwait campus. Cantilan campus generated P500,001-P1,000,000 or 33% while Lianga and Tandag campus generated more than P1,000,000. Most of the respondents have total assets of P500,001-P1,000,000 or 66% consist of Tandag, Lianga and Cantilan campus. San Miguel, Cagwait and Tagbina have P100,000-P500,000 or 34%. There was a complete financial management team each campus composed of IGP Director, IGP Head, and IGP Bookkeeper however, the IGP bookkeepers did not concentrate on IGP matters alone. The IGP bookkeepers are also the bookkeeper of the entire campus transactions. That is why some of the recording steps specifically, the preparation of posting of accounts and adjusting entries were not done on a timely basis. Some of the campuses don't have a complete set of financial statement specifically the statement of cash flows for they find it tough to prepare. Only Tandag, Lianga, and Cantilan campus have the complete set of financial reports. This implies that campuses with complete financial management team and complete set of financial statements are the performing campus with performing IGPs and the rest are less performing.

The following are additional information gathered from the interview conducted: 1.) San Miguel campus has two types of IGPs: Canteen and Livelihood Assistance Project (LIAP). They cannot push through the agricultural business due to geographical location and safety threats. 2.) Cagwait campus is placed in a location that is not feasible to prospective clients. They only have canteen and LIAP. 3.) Tagbina campus has the agribusiness and booklets. They have scuffles in sustaining the agribusiness due to management issues. 4.) The IGPs of Cantilan campus are LIAP, uniform, booklets, and canteen operating for a relative period and the geographical location is feasible for business undertaking. 5.) Lianga Campus has fish and dried fish production, uniform, booklets, LIAP, and canteen. These projects are sustainable over time. The demand is high and are feasibly situated. 6.) Tandag Campus, the main campus has the following IGPs: commissary, booklets, canteen and computer laboratory. It is located at the heart of the province of Surigao del Sur and has the highest number of students and clientele.

This represents that the geographical location, number of IGPs, management of business operations, environmental and safety threats affect the performance and sustainability of IGPs.

Indicators	Mean	Adjectival Rating
Categorizing Business Transactions	3.17	Agree
Maintaining Business Records	3.17	Agree
Sufficient Knowledge in Bookkeeping Management	3.17	Agree
Internal control (segregation of duties)	3.17	Agree
Cash Flows Management	3.17	Agree
Accounts Receivable Management	3.33	Strongly Agree
Inventory Management	3.33	Strongly Agree
Accounts Payable Management	3.33	Strongly Agree
Financial Ratio Analysis	2.50	Disagree
Financial Reporting Policy Adopted	3.17	Agree
Over-all Mean	3.15	Agree

Table 3: Perceived challenges Faced by IGPS Bookkeeping Management

Table 3 depicts the perceived challenges faced by the campus IGPs in bookkeeping management.

It declares that the respondents agree that they are facing challenges in accounts receivable management, inventory management, and accounts payable management but they disagree on financial ratio analysis. In general, they agree that they are facing struggles in bookkeeping management.

The implication is that, although respondents are efficient in recording and preparing reports, they are tested in some bookkeeping management skills/tasks like knowledge in bookkeeping, segregation of duties (the IGP bookkeeper does not concentrate on IGP alone), and management of accounts: accounts receivable, inventory and accounts payable. The financial reporting policies adopted may not be clear and consistent which caused failure to attain uniformity in managing the accounts.

6. Conclusions

Based on the findings, the following conclusions were drawn:

The campus IGPs with multiple projects, complete set of business records and financial reports yielded higher net income and total assets. Therefore, there is a necessity to maintain a good bookkeeping management to properly track IGPs operation and make effective economic decision for its greater advantage.

Some of the campuses are less performing due to the location that is not feasible and accessible to target clients and are facing safety threats. Therefore, there is a weak tie up between campuses. A campus that is not feasibly located can be a raw material supplier of other campuses.

There are aspects of bookkeeping management where the respondents have considered those as a challenge due to insufficient knowledge and training on bookkeeping management and lack of concentration on IGP matters. The IGP bookkeeper is the bookkeeper of the entire system leading to overlapping of tasks.

The bookkeeping management practices significantly contribute to the success and sustained the growth of IGPs therefore; maintaining a well-organized and firm bookkeeping management is required to attain sustainability.

The performing campus IGPs are Tandag, Lianga and Cantilan campuses while San Miguel, Cagwait and Tagbina campuses are less performing.

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