

Financial Management Practices of Basud Development Cooperative (BADEVCO)

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Abstract:- As one of the leading cooperative here in the Province of Camarines Norte, Philippines, Basud Development Cooperative had been a staple to ordinary Cam Norteñan home, products ranging from lending activities to the maintenance and provision of a mini-mart. With its ability to manage itself wholly in every essential aspect of its operation, the researcher extends his assistance by providing a fresh perspective on its current practices. This study mainly focuses on the following aspect: working capital management; social finances management; financial methods and sources; and financial organizations, and the impacts of those in the Financial Management Practices of BADEVCO. This study solely focused on the response of The Board of Directors and the accounting employees, as these personnel are responsible to in dealing with the problems mentioned on, BADEVCO may adopt and implement the suggested action plan designed by the researcher to further enhance their financial management practices and address problems encountered. It can help them adopt best financial management practices and best solution on the possible problems that may come along with their day-to-day operations. Future researchers may conduct further studies on financial management practices of specific businesses incorporating other variables not included in this study.

Keywords:- working capital, social finances Management, Financial Methods and Sources, and Financial Organization;

I. INTRODUCTION

This Basud Development Cooperative (BADEVCO) as subject of the study was founded in 1967 with only 25 members with the sole purpose of improving the lives of its members. Currently, it is a multi-purpose cooperative that offers services such as savings, credit, trading, housing, insurance, microfinance, and other social services. BADEVCO has been a symbol of socio-economic development not only in the province but throughout the Bicol Region since its inception. It is one of the most prominent cooperatives in the region. The slogan "Uplifting Lives" reflects its objective to improve members' quality of life by ensuring that its goods and services are wealth-building and of value. It has continued to meet its aim of providing internationally competitive products and services to its 26,989 members. Through the distribution of its net surplus, it has regularly shared its financial success with its member-owners throughout the years. For the year 2019, P8,211,630.95 has been set aside for interest on share

capital, and P3,519,270.41 has been set up for patronage reimbursement (BADEVCO, 2022).

Internal and external elements inside the cooperative such as financial management have significant impact in the sustainability of the cooperative. However, issues on financial management practices such as weak institutional governance, some discrepancies in the results of operations, remaining competencies, and financial attitudes of cooperative leaders and employees are observed. As to present, they never take risk on investing their idle cash to other investment earning such as government bonds, forex trading, and investments on property ways that can be done to retain their long-run operation to support not only the employees and Board of Directors but also to support their members, and encourage potential members to join.

Investing is an effective way to put their money to work and potentially build wealth. Smart investing may allow their money to outpace inflation and increase in value. The greater growth potential of investing is primarily due to the power of compounding and the risk-return tradeoff. According to Robert Kiyosaki, not anyone can generate investment income. One must first build the mindset of an investor to start generating investment income. Investment income generation starts with saving money which is as difficult as investing money. It takes maturity and perseverance to accumulate savings. Further, BADEVCO during the past years experienced difficulty in terms of handling their resources that resulted to numerous losses caused by mismanagement of resources, immediate change of the composition of management, and change in their policy. Hence, this present study focuses on the Financial Management Practices of Basud Development Cooperative (BADEVCO). It aims to describe how working capital, social finances, financial methods and sources, and financial organization can play an important role in planning and decision-making process particularly in the implementation of monitoring, and investment stages.

The purpose of this research is to quantitatively characterize the financial management practices of BADEVCO in Basud, Camarines Norte. The study's findings addressed the working capital management, social finances management, financial sources and methods, and financial organization.

A cooperative in the Philippines is an independent, duly registered group of people who share a common interest and have come together voluntarily to meet their social, economic, and cultural needs and aspirations by contributing fairly to the capital needed using their goods and services, and accept fair share of the risks and rewards

of the venture in accordance with the widely recognized cooperative principles. Their primary responsibilities are fundraising and marketing which are related and important activities. They serve as a supplier of household and agricultural supplies as well as a savings organization for its members. Most of these cooperatives have an agricultural foundation and focus. Similar to mutual finance organizations, the resources of cooperatives in the savings, loans, and marketing sectors come from member capital contributions as well as revenue from their credit, marketing, and other economic activities. The main goal of creating cooperatives as a sort of economic activity in an economy is to help people cooperate and advance as a group (Galang et al., 2020).

In addition, cooperatives are seen to be the greatest type of business because they can strike a balance between communal spirit and individual rights. The majority of cooperatives are formed as a result of some people's willingness to diversify their sources of credit, assist them in establishing their own marketing system, and have the chance to share equally in the cooperatives' profits and advantages (Castillo and Castillo, 2017).

Cooperative financial management demonstrates the presence of effective and efficient management of company operations. In fact, while administering cooperatives, certain issues develop that result in cooperatives being deactivated as in the case of Buleleng Regency (Sujana et al., 2020). According to statistics from the Buleleng Regency's Office of Cooperatives and Small and Medium Enterprises, the number of cooperatives reached 321 in 2017 with 38 cooperatives experiencing difficulties and ceasing to operate. Cooperatives have difficulties as a consequence of inadequate management which includes lax institutional governance, non-compliant annual member meetings, unaudited financial statements, and disparities between the outcomes of operations retained in Receivables Assets and Tax payments (RATs) and the financial accounts. Additionally, issues arise when regular operating standards are violated and the maximum loan limit is exceeded. Additional issues are discovered in human resource management, capital management, and marketing.

Launio and Sotelo (2021) have stated that mankind survives today through organizations whether they are factory workers, accountants, teachers, farmers, or even government dignitaries. They have committed their lives or parts of their identities to one of the vast, powerful, complex, and impersonal organizations to solve common problems. There are six basic forms of cooperatives in the Philippines namely credit, consumers, producers, marketing, service, and multipurpose cooperatives. In article 23 of the Cooperative Code of the Philippines (Cooperative Code R.A. 6938) defines each type of cooperative as a form of organization that meets the criteria for being a member of the Federation of Mutual Assistance Societies (FMS).

However, the financial performance of cooperatives is a crucial aspect of their development. It is the most accurate indication of a company's stability, profitability, and competitiveness. It is a smart business practice to do a frequent review of the company's financial performance. The relevance of financial reporting and financial analysis to the growth and development of business companies, on the other hand is emphasized. Financial reporting and analysis should be done on a regular basis to provide a clear view of the business's health (Nozawa, 2017).

Relative to this, financial management refers to how institutions manage revenues, costs, assets, obligations, and contingencies through procedures, systems, internal controls, and practices. This includes risk management and financial performance monitoring, as well as budgeting and reporting on these functions both internally and publicly. An organization's financial management culture begins with the activities of the executive director but it is completely realized in the architecture of the business process that the company uses. Financial management is one of the most fundamental roles of every company. It is the way to go, and it is the best practice for companies looking to give value to their stakeholders. Financial plans influence the treasury's cash flow and outflows. Some organizations have combined finance management and administration tasks resulting in titles such as Finance and Administration Manager (Chungyas and Trinidad, 2021).

Conclusively, BADEVCO should minimize its problems and control its scarce resources in the sense that it can help their existing members and future members. After identifying all possible issues which may arise upon this research, it should conduct or create monitoring plan accordingly to minimize the impact or wholly prevent those problems and maintain its standing as one of the most prominent cooperatives in Camarines, Norte.

This study determined the financial management practices of Basud Development Cooperative (BADEVCO) for the period 2021-2022.

II. REVIEW OF RELATED LITERATURE AND STUDIES

This chapter contains related literature and studies used as bases in the study which discuss concepts, theories, opinions, and studies that are deemed necessary in conducting this research from different sources including the unpublished theses, journals, articles, and other internet search engines.

The central aim of this chapter is to review the prior literature on financial management practices of Basud Development Cooperative with a view to determine if there are any significant gaps in the literature that need to be filled.

III. RELATED LITERATURE

The related literature focused on the financial management concepts and strategies used by cooperatives and entrepreneurs in their business operations. Several literatures that had relevance with the study were reviewed to give researchers comprehensive ideas and deeper insights on the problem under study.

A. Foreign

The following were selections of foreign related literature on financial management methods and strategies that had been taken or excerpted from various publications that were relevant to the topic.

Ammirato (2018) mentioned that cooperative financial institutions are different from shareholder-based banks in that they are shaped by four cooperative principles. The first one is self-help. Cooperatives are financial institutions that are owned and administered by their members with the intention of achieving certain economic and social goals. Next is identity. Most cooperatives serve the financial requirements of individual members, community organizations, and small businesses. Their membership is often focused on the local or regional level. Another one is democracy. Regardless of the number of shares owned, each member only gets one vote. This can be seen that the cooperative is vital in the development of economy due to their ability to mobilize savings and money that may be used as inputs in the creation of products and services for the less privileged sections of society. Cooperatives have the potential to contribute to rapid economic growth with the correct oversight and support from the government. According to Morunova et al. (2018), this lessens any member's or group of members' power to have a dominant influence on the institution's direction. The last one is cooperatives working together. Financial cooperatives are often modest when taken separately. Due to self-or regulatory-imposed restrictions on geographic growth, they do not normally compete with one another, instead have developed cooperative relationships that have allowed them to take advantage of size and scope economies. Cooperative banks have established illustrious central institutions and network partnerships across Europe. These networks may be basic or sophisticated multi-leveled structures and vary from loose affiliations to cohesive groupings.

According to Henock (2019) and Pokharel et al. (2020), a collective of member-owned financial intermediaries known as cooperative financial institutions also go by the title's cooperative banks, savings and credit cooperatives, and credit unions. Credit unions are relatively common whereas cooperative banks are the norm in many European countries. The institutional makeup, legal and regulatory environment, product offers, and corporate structures vary between nations, and especially between advanced and developing nations. In addition, cooperatives are seen as a driving force for the promotion of an economy and they contribute immensely to the economic development of any country. Lack of knowledge of financial management combined with the uncertainty of the business

environment often leads cooperative to serious problems regarding financial performances.

On the other hand, Esim and Katajamaki (2017) mentioned that as locally based organizations, financial cooperatives are in a good position to develop specialized local expertise via the development of connections between bank personnel and the neighborhood. These connections make it easier to obtain "soft information" that may be utilized to reduce screening and monitoring expenses and more easily provide credit to borrowers who are informationally opaque. Because they are at a competitive disadvantage when knowledge about specific investment projects is fundamentally soft, large, and complicated banks are not thought to participate in relationship lending. Transactional banking which is often linked to big, complicated institutions prioritizes "hard information" and is, thus better suited to borrowers with less opaque information. Information that can be easily measured, gathered objectively, and disseminated is referred to as "hard information."

According to McKillop et al. (2020), localism and cooperative ownership are favorably correlated with financial institutions' relational orientation. Loan rates for banks other than cooperative banks in Italy tend to rise throughout the course of a relationship. In comparison to their non-member peers, cooperative bank members are also shown to have better access to credit. In contrast to those at a community bank, de Oliveira Dias (2018) stated that low-income families with strong credit union affiliations are more likely to be approved for loans despite having poor credit.

As a result, Goglio and Kalmi (2017) stated that loan officers at smaller banks (Shinkin banks and credit cooperatives) in Japan provide more soft information. Contrary to popular belief, they do not find convincing evidence that loan officers at major banks are unable to generate soft data and perhaps underwrite relationship loans. Also, a lot of small mutual banks (credit cooperatives and savings banks) already use relationship lending techniques. However, as competition from outside the market grows, the mutual banks are forced to strengthen their ties with their customers.

Additionally, Shamsuddin et al. (2018) noted that since borrowers are connected to other members on a social and professional level via their shared identity, defaulting on loans may have significant informal penalties. This allows the use of social capital as "collateral" in lending which lowers the moral hazard. Third, depositors (as owners) are likely to keep their money in times of economic turbulence providing stability for retail financing. Fourth, because staff pay is not directly tied to business results or stock option plans, management may be more cautious than in institutions owned by shareholders.

According to Ganga et al. (2015), possibly, the cooperative structure has a lot of drawbacks as well. First, for many cooperatives, financial organizations transfer to reserves from earnings are the primary, if not the only,

source of capital creation. Secondly, cooperative entities are not subject to any (or little) market discipline regarding corporate ownership and governance since there is no externally held capital and no marketable ownership rights. Third, the one member, one vote principle may leave members with little motivation to participate in monitoring since their capacity for exerting control is limited, and their chances of earning incentives are slim. In certain situations, agency fees can be substantial which would have a negative impact on performance. For instance, managers can have more opportunities to spend money at their discretion and pursue managerial emoluments.

Aris et al. (2018) mentioned that financial cooperatives provide a lot of potential advantages according to the aforementioned principles. First, as proprietors of the financial cooperative, saving members, and borrowing members are intrinsically linked to its success. This might lessen the rivalry between savers and borrowers who desire to get credit at the lowest possible cost which is evident in shareholder-based financial organizations (which want as high a return on savings as possible). Second, since membership is organized around a shared identity, often one that is based on locality, information asymmetry (also known as adverse selection) is lessened which improves lending choices because borrowers are less likely to understate risk.

According to Opatá (2014), the diverse operations of cooperatives which span practically all industries have greatly increased employment and the global economy. In certain rural places, the existence of cooperatives boosts commercial activity. However, the majority of cooperatives are founded in a very different commercial climate than what exists now. Despite considerable changes in the economic environment, some companies succeed while others struggle.

Cabrera et al. (2020) indicated that while some cooperatives manage, others decide that closing is the best course of action. Numerous studies have identified a number of issues as the causes of cooperative dissolution including inadequate education and training, insufficient and improper resource management, a small market and low business volume due to fierce competition, members' inactive participation and delinquency, lack of government support, ineffective strategies, poor service delivery, organizational program sustainability, and external relations. Finally, there are issues with management procedures that jeopardize the cooperative's performance.

Ghosh (2016) reported that in order to achieve certain objectives, an organization must plan, organize, staff, coordinate, and regulate its operations. The idea of "cooperative" management as a focus for management growth has not really evolved because of conventional knowledge. This is because, even though cooperative membership-based organizations may have similar values and principles, cooperative management works on its own as a technically skilled civil service that mostly or only works in functionally specific organizational and business contexts. Cooperative management is the process of

achieving cooperative goals while making use of the organization's personnel, financial, and physical resources. For cooperative management to work, members must be involved in a democratic way and keep an eye on the Board of Directors (BOD). There must also be a strong relationship between the members and the BOD, and between the BOD and the paid management.

According to Duguma et al. (2018), the importance of deposit mobilization in the operating activities of savings and credit cooperatives because interest and dividends are the main financial costs of these cooperatives. They must mobilize all deposits in order to cover all expenditures and improve efficiency in order to gain profit for the organization. The cooperative organization should hire board members with experience in business and management, so that they may offer strategies and policies that would increase the efficiency of these cooperatives' operations; hence increase revenues.

Chareonwongsak (2017) mentioned that monitoring activities and pursuing profitability, liquidity, and solvency are among the primary responsibilities of the financial management. Effective financial management is even more crucial in a sector plagued by such uncertainties since it may assist to lessen and minimize the financial harm brought on by these and other related situations. These variables can raise administrative and operating costs since cooperatives must engage experts whose skills are frequently more expensive than those of a standard employee.

However, Esnard et al. (2017) emphasized the significance of financial management and has drawn a connection between the lack of such practices and emergency situations in which organizations are often forced to seek outside assistance. Considering the use of financial management technologies, Valix et al. (2020) also clarified that financial statements are designed to meet the needs of a variety of consumers. It gives information on the company's business operations as well as critical input for strategic planning that may be utilized to take remedial action and make new operational, investment, and finance decisions.

Gordian et al. (2019) reported that cooperatives' growth frequently outgrows their members' finance capacity and retained revenues, necessitating the search for additional funding. As a result of these changes, the dilemma of how to get external money, or extra member capital while maintaining cooperative ideals has arisen. Options and structures that retain democratic control by guaranteeing that all or a majority of a cooperative enterprise's voting rights stay in the hands of its members are described as follows: (1) The formulation of a good capital plan or strategy as part of the overall strategic plan is the beginning point for cooperative leaders, as it is for company leaders. In the short term, capital alternatives may be limited by the legal framework. If this is the case, individual cooperatives and associations should make it a priority to persuade policymakers to adopt the necessary legislative changes to allow for a diverse range of capital options in the long run; and (2) Debt instruments are the

least contentious since they do not include voting rights and, in essence, are similar to bank debt and credit from other lenders which most cooperatives currently utilize. Cooperative leaders may learn from a variety of creative ideas now in use throughout the world.

Brightpearl et al. (2019) also mentioned that there are countless examples of minority interests being sold in holding company structures or subsidiaries while maintaining majority cooperative control from throughout the world. Cooperative Investment combines direct investment by one cooperative in another, a centralized finance mechanism that may access the capital market on behalf of member cooperatives, and funds created and managed by cooperative associations. A vital requirement for generating cooperative capital is an enabling legislative environment which is provided by policymakers. Providing cooperatives with a complete variety of alternatives helps them to pick the best method for themselves. Continuing to rely on the existing paradigm of nominal-value withdrawable shares with steady earnings.

To name a few, they also reported that there are financial objectives such as improving financial literacy, creating a budget, saving for retirement and other long-term plans, saving for short-term plans, paying off debt, improving credit, making more money, and so on. Long-term, short-term, and intermediate financial goals are the foundation of a holistic financial strategy. The finest financial goals are those that match with their principles, objectives and goals of the cooperative. Financial objectives are defined and quantifiable milestones that, when achieved, get you closer to their ideal future. However, resources should be managed properly for the operation of the cooperative to be successful.

B. Local

The researcher gathered the following local literature which posed topics and citations important to this investigation.

According to Valdez (2019), the Cooperative Code of the Philippines and Republic Act No. 6939 which cleared the way for the establishment of the Cooperative Development Authority respectively regulate cooperatives in the Philippines. Ramos (2018) explained that "the avowed objective of cooperative legislation is to support the establishment and expansion of cooperatives as a realistic instrument for increasing self-reliance and harnessing people's power towards the accomplishment of economic development and social justice".

Glova and Escresa-Guillermo (2021) explained that many nations have come to the conclusion that cooperatives are the best kind of company for the underprivileged especially in rural regions. The cooperative sector in the Philippines as in many developing countries is making important socio-economic contributions by assisting underdeveloped regions via sustainable development projects. Cooperatives are run similarly to other enterprises. They must be adequately managed and served a market in an efficient and successful manner because they care more

about the community than just their members. Cooperatives vary from corporate capitalism.

Because they offer as much potential as any other method for rural development, Velmonte (2020) described that cooperatives continue to be used in third-world countries. Dimas et al. (2021) explained that the cooperative sector is robust and active in many nations that have made economic development, and it has a considerable impact on the expansion of those nations' economies. The functioning of cooperatives has also assisted the economic health of rural areas and is specifically committed to long-term development.

According to Sarsale (2020), the reporting cooperatives had an aggregate ending balance of PhP97 billion in time/savings deposits, PhP71 billion in paid-up capital, and a net surplus of PhP13 billion in 2019, all of which contributed to the marginalized sector's participation in the financial market. The Philippines fell short of the MDG objectives and pledges by over 50% in reducing severe poverty. The Philippine financial sector's strength was demonstrated by a steady improvement in the banking industry's balance sheet, the issuance and listing of corporate bonds, and the active participation of medium and large cooperatives which account for 9% of the country's total registered cooperatives in the financial sector's strengthening.

Additionally, Gas-ib-Carbonel (2019) reported that the percentage of people living in extreme poverty has decreased from 33% in 1991 to 16%. However, Perez and Lopez (2020) mentioned that providing technical, financial, and institutional development assistance to micro and small cooperatives, of which agriculture and agrarian reform cooperatives make up a large portion is expected to help create rural and agricultural enterprises that will reduce extreme poverty in rural and remote areas. One of the key elements in the success of these businesses might be seen as proper cooperative management strategies. Cooperatives are not free from operating issues that call for urgent action to limit previous harm and negative impacts.

Meanwhile, Once et al. (2017) stated that cooperatives are the most suited means of addressing small borrowers in an efficient and equitable manner because of their very character and structure. Cooperatives provide a chance for local residents to take control of development and make it a meaningful notion at the community level. They have been concerned for some time that, despite their growing financial capacity, they are vulnerable to liquidity risk due to flaws in their financial structure. Cooperatives' low liquidity, lack of a backup mechanism for resolving liquidity issues, and use of reserve money, and other operational resources for working capital are all factors to consider.

While Parma et al. (2020) reported that most cooperatives have so much of their assets invested in loans receivable that they cannot escape the problem of late or non-payment of loans altogether. Liquidity refers to a company's capacity to fulfill fund claims and pay existing

commitments when they fall due. It involves having enough cash on hand to cover members' deposit withdrawals, loan requests, maturing loan obligations, and expenditures required to be paid. However, a coop member's withdrawals are frequently used to determine the coop's liquidity. If he/she withdraws from his/her account and receives cash rather than promises, he/she will assume the coop is liquid. He/she would feel certain that his/her next withdrawal will be handled smoothly.

However, Barbara (2019) stated that cooperatives in the Philippines are traditionally agricultural, reflecting the country's rural economy. More than half of them are now multi-purpose cooperatives (MPCs) with 7.6 million members. Cooperatives in the credit, service, consumer, and producer sectors account for the majority of the remaining cooperatives. As a result, managers of diverse cooperatives must be alert to any circumstances that might place them in a precarious position. To deal with the difficulties and dangers that can arise at any moment, they might benefit greatly from understanding the fundamental management principles. The management functions of planning, organizing, leading, and regulating must be used to run cooperatives well.

According to CDA (2021), cooperatives have the ability to mobilize savings and money that may be used as inputs in the creation of products and services for the less privileged sections of society. They can contribute to rapid economic growth when properly monitored and supported by the government. While cooperative development was initially legislated as a community development tool in and of itself in the Philippines, the members of the community of interest are small or almost no-capital-smallholder farmers, women, small and medium entrepreneurs or common interest groups, not necessarily the surrounding community.

Still, Deriada (2015) emphasizes the need of knowing cooperative decision-making, as well as how cooperative enterprises are handled, and how they vary from other forms of businesses. Both the component and the basic operating principles are addressed in this structure. Hence, a cooperative's success depends on how it handles its initial sources of funding, its ability to self-finance, the soundness of its personnel and memberships, the participation of its members, the stability of its operations, the prevalence of peace and order, the strength of its connections, and its ability to adapt to its environment.

Llanto (2016) explained that the credit cooperative is a community-based and grassroots financial institution that operates in both rural and urban regions, offering a variety of financial services not accessible through standard lending banks. Cooperatives follow the rules set out by the law and adhere to certain moral standards. They share a number of management methods that are similar to and different from one another in this regard. Also, cooperative values are universal standards that cooperative members, cooperative leaders, and cooperative staff members should uphold and use to guide their actions and thought processes. When referring to the planning, organizing, directing, and

regulating operations in cooperatives, management practices relate to their actions, attitudes, and conduct in these areas. Management techniques are a reflection of their own standards and more effective methods to use cooperative resources for the progress and increased advantages of all members.

IV. RELATED STUDIES

The works of previous foreign researchers that have been reviewed provided insights, ideas and materials that made this study more comprehensive and informative.

A. Foreign

Some international authors' researches were gathered and examined as a way to back up the findings of the current investigation.

The study of Bretos and Marcuello's (2017) titled "Revisiting Globalization Challenges and Opportunities in the Development of Cooperatives" revealed that financial cooperatives, by their function in mobilizing savings and issuing credit, play a critical role in creating social capital and local economic growth in many countries, especially given their overarching aim to promote the welfare of local stakeholders.

The study of Fusco and Migliaccio (2019) on "Cooperatives and Crisis: Economic Dynamics in Italian Context" showed that the local cooperative banks in Poland have been shown to lend to small enterprises more than major domestic and foreign-owned banks. This study showed that a cooperative role in the society is vital especially to its members and potential members.

In the study conducted by Soni and Saluja (2017) about "Development of Cooperative Movement in Planned Economy", they found that the cooperative is the life blood of the economy, and the mechanism for any development programs. Cooperative credit structure has ups and downs. Since independence, the cooperative movement has recorded substantial progress. The emerging need of the economy in the new competitive and deregulated financial environment, cooperative institutions have re-oriented their policies by drawing up their prospective mission and strategy, so as to make them globally competitive.

Moreover, in the study conducted by Errasti et al. (2017) titled "The Viability of Cooperatives: The Fall of the Mondragon Cooperative" showed that during the crisis period from 2008 to 2011, there was a comprehensive examination of the effect among stakeholder banks which found that cooperative banks continued to buffer the impact of tighter monetary policy on their lending, whereas savings banks did not.

In the study "Financial Management System Necessary for every Cooperative" conducted by Wenmin (2017) posited that the building blocks to achieve the best financial management practices is to have a good financial planning, accounting records, financial monitoring, and internal control. Different methods should be used to

stimulate interest and to grasp the different learning styles towards good practices for cooperative.

The study of Bontis et al. (2018) titled “Intellectual Capital and Financial Performance in Social Cooperative Enterprises” found that during the financial crisis, cooperative banks in Germany and other European nations loaned proportionately more than other banks. The study disclosed that data indicate a comprehensive financial management practice to survive in every financial crisis.

According to Haberly et al. (2019) in their study “Asset Management as a Digital Platform Industry: A Global Financial Network Perspective” revealed that credit unions also extend their small company lending activity in areas where bank consolidation has had a large impact, implying that credit unions are better able to resist macroeconomic shocks to their balance sheets. They also discovered that, when banks reduce business lending during times of economic difficulty, credit unions do the reverse.

However, Nufus et al. (2020) in their research “Analysis of Financial Performance: Case Study of PT. X Employee Cooperative” showed that the level of health, growth and business prospects of the Board of Directors as well as the employees of the PT. X. Cooperatives are in the category of “moderately healthy”, its evidence on the common size analysis of the balance sheet and operating result for the period 2014-2018. The study disclosed that good financial practices have a vital role in building a sustainable cooperative.

On the other hand, in the work of Humphries et al. (2020) “Searching for Win-Win Forest Outcomes: Learning-by-Doing, Financial Viability, and Income Growth for a Community-Based Forest management cooperative in the Brazilian Amazon” revealed that financial cooperatives appear to play an essential role in the well-being of households and the economy as a whole. The study disclosed that cooperative banks appear to help regional economic growth in France.

Also, Mitchell’s (2017) study on “Fiscal Leanness and Fiscal Responsiveness: Exploring the Normative Limits of Strategic Non-profit Financial Management” found out that cooperative banks play an essential role in encouraging regional economic growth in Italy. It was demonstrated that cooperative banks serve a significant role in reducing income gaps in local areas.

Goglio and Alexopoulos’s (2017) study titled “Credit unions and co-operative banks across the world ” showed that financial cooperatives are very sensitive to local economic requirements due to their membership-based governing structure. The study disclosed that the historical evolution of a cooperative has characterized the different patterns with regard to national peculiarities, and disclosed that the performance measurement of financial cooperatives determined financial management practices, and how the economic financial crises have impacted their success due to poor financial management practices.

B. Local

This portion of the research summarizes the findings of previous relevant investigations done in a local location.

According to Masicat’s (2016) study "Batangas Heavy Fabrication Yard Multi-Purpose Cooperative: Basis for Business Operation" found that it performs well in terms of its management, marketing, finances, facilities and technology, and delivery services. The study disclosed that there are problems like over-investment, ineffective leadership of the management team and Board of Directors, inadequate source of funds, income of the cooperative affected by negative issues, and mismanagement of funds by the officers. The study further disclosed that the type of membership influences the members assessment on the type of delivery services. Moreover, age contributes to the assessment of the business operation in terms of management and delivery services. The study also proposed measures to enhance the business operation of the cooperative.

Bundoc’s (2017) study "The Management Practices of Multipurpose Cooperatives in the First District of Ilocos Sur, Region 1" revealed that the majority of officers and employees of multi-purpose cooperatives are middle-aged. The multifunctional cooperatives' management procedures follow a pattern of planning, organizing, directing, and controlling at a very high level.

Anoos et al. (2020) in their study titled “Financial management of micro, small, and medium enterprises in Cebu, Philippines” showed that the financial management system was moderately practiced. It was concluded that the MSMEs management does not practice the generally accepted standards on the financial management and control of the business which poses some threats on its sustainability considering that their predominant size, the volume of assets, and revenue earned is low.

The study of Tsai’s (2017) “Household Financial Management and Women’s Experiences of Intimate Partner Violence in the Philippines: A study Using Propensity Score Methods” found that the Philippine Cooperative Code of 2008 is a comprehensive document that tries to capture the people's perspective on every important subject, as it symbolizes the movement's short and long-term goals. Efforts to alter the 1990 Cooperative Code began as early as 1998.

Garcia’s (2017) study “Profitability and Efficiency Evaluation of the Financial Management of a Socio-Economic Intervention” revealed that given the numerous challenges that cooperatives have faced on various platforms, the new code encourages specialization by expanding the number of types of cooperatives from six to fourteen, categorizing them as advocacy, agrarian reform, cooperative bank, dairy, education, electric, financial service, fishermen, health service, housing, insurance, transport, water service, and worker cooperatives.

Velmonte's (2020) study titled "Contributions of Cooperatives to Economic Development" revealed that only finance, consumers, producers, marketing service, and multi-purpose cooperatives are included in the original Cooperative Code. With the cooperatives' success, they will be tasked with a variety of tasks including executing a social audit to remind them of their basic obligations to their members and the community, as well as forming representative assemblies and subsidiaries to focus on specific commercial activities.

Jimenez et al. (2020) in their research "Multidimensional Poverty Among Calamansi Farmers in Oriental Mindoro, Philippines: Does Cooperative Membership Matter?" showed that the large cooperatives must hire gymnasiums for their annual general meetings which must draw at least ten thousand members. The election of cooperative leaders is automated well in advance of the country's national election.

Mirasol and Garcia's (2020) study titled "Assessing the Performance of Cooperative Banks in the Philippines: Data Development Analysis" showed that the cooperatives' rising popularity necessitates their being more public-facing which necessitates providing education and training to its members, elected and appointed representatives, managers, and staff. Members should be more committed as a result of this.

The study of Rivera (2019) on "Greater access to finance as driving factor for sustainable development among tourism-related SMEs in the Philippines: An empirical framework" revealed that the Philippines was the first Asian country to implement the FOCCUS (Finance Organizations Achieving Certified Credit Union Standards) cooperative branding approach. A system-wide logo and uniform print images are at the heart of the branding. The WOCCU, the worldwide credit union system's apex body sponsored Mindanao-based cooperatives with a Credit Union Empowerment and Strengthening Concept (CUES) model.

Ramos's (2018) study titled "Performance of multi-purpose cooperatives in the City of Tarlac" revealed that the financial statements of a cooperative have impact on determining the financial management practices of a cooperative since it is the foundation of good financial practices. The study further disclosed that the cooperative's good financial practices are measured through its liquidity, profitability, and solvency.

Llanto and Rosellon (2017) as cited by Bouman's study (2019) on "Financial Landscapes Reconstructed: The Fine Art of Mapping Development" found that there is a call for a lack of reliance on international and government loans, adequate institutional capital, competitive market pricing, and capable and well-trained employees. A total of 32 cooperatives were involved in the initiative.

In the study of Sarsale's (2020) "Measuring Financial Health of Selected Cooperatives in an ASEAN Province Using Altman Model", it showed that the cooperatives' diverse commercial operations have produced additional job prospects for thousands of people looking for work, and

cooperative services particularly to the disadvantaged sector continue to play a critical role in the country's economic progress. However, the number of active cooperatives is decreasing since several have been dissolved, restricting the cooperative sector's yearly development.

Lab-Oyen's (2018) study "Issues and Challenges Confronting Cooperatives" revealed some of the issues and challenges that micro and small cooperatives face. They have little operating capital which is one financial factor. Cooperatives want to supplement their limited resources that can invest in savings and time deposits but they cannot because the law requires it to be for a specific purpose in accordance with the cooperative's articles and by-laws, or the unrelated earnings will be considered taxable. Lab-Oyen stated that several personnel lacked awareness of accounting issues.

According to Castillo and Castillo's (2017) study titled "Cooperatives in the Socio-economic Development of the Philippines", it revealed that cooperatives have been the government's policy vehicle for fostering social justice and economic growth. The policy is clearly stated in the 1987 Philippine Constitution and the enabling legislation established by the Philippine legislature at the turn of the century.

The research of Velmonte (2020) "Contributions of Cooperatives to Economic Development" found that cooperatives implement participatory development projects to alleviate poverty and improve the poor's quality of life. Cooperatives must promote and recruit additional individuals to join their movement. Those that want to invest in savings and time deposits to supplement their meager resources are unable to do so because the law stipulates that such investments must be made for a specific purpose in accordance with the cooperative's articles and by-laws or else, the unrelated earnings will be deemed taxable.

V. SYNTHESIS OF THE STATE-OF-THE-ART

Research issues were examined in the review of related studies. The insights drawn from the review conducted revealed that the undertaken study possessed similarities as well as differences.

Bretos and Marcuello's study (2017) posited a relationship with the present study because the former also examined the financial management practices of cooperatives in terms of the viability of cooperative based on their strengths and possible weaknesses under globalization the role of cooperative in promoting the local development and stability of local communities and the tensions and potentialities that internalization entails for cooperatives. However, they varied in the scope of the study since the former dealt not only to specific entity but also includes the government laws relative to cooperative specifically on sustainability while the present study focused only on working capital management, social finances management, financial methods and sources, and financial organization of a particular entity.

The study conducted by Fusco and Migliaccio (2019), Bontis et al. (2018), Goglio and Alexopoulos (2017) and Errasti et al. (2017) were similar to the present study since the four studies also dealt with the financial management practices to survive financial crisis, and to cater all stakeholders. However, they varied in the scope and type of industry because the previous studies focused on cooperative banks' financial management practices while the current study focused on a particular entity which is the Basud Development Cooperative specifically its financial management practices in terms of management of working capital, and social finances, financial methods and sources, and financial organization.

In the same manner, the researches done by Soni and Saluja (2017) and Wenmin (2017) on Development of Cooperative Movement in Planned Economy, and Financial Management System Necessary for every Cooperative respectively were similar to the present study because they focused on cooperative development for long-term involvement in the community. As to differences, the present study dealt with the financial management practices of specific industries while the previous studies targetted the development and financial management system for every cooperative.

The study conducted by Humphries et al. (2020), Nufus et al. (2020), Haberly et al. (2019), and Mitchell (2017) showed similarities in the present study assessed financial management practices of the cooperative for its long-term sustainability. However, they varied in the scope and type of industry involved because the previous studies focused on health and growth of various cooperatives while the present study focused on specific industries.

The study conducted by Bundoc (2017), Anos et al. (2020), and Velmonte (2020) were similar to the study because the studies dealt with the financial management practices of a cooperative particularly on addressing the importance of having good financial management practice. However, the previous study focused on other industries like MSMEs and other types of cooperative while the present study focused on the financial management practices of a multi-purpose cooperative.

Further, the study conducted by Castillo and Castillo (2017), Llanto and Rosellon (2017), Lab-Oyen (2018), Rivera (2019), Sasale (2020), Mirasol and Garcia (2020) focused on the reality that employers and Board of Directors of a cooperative should be trained since based on the study, success of a cooperative has impact on economy's development. It was similar in the sense that the present study focused on achieving awareness of Basud Development Cooperative in their financial management practices through training and development.

However, they are different in the sense that the previous studies were conducted to various cooperative, and discussed the issues and challenges of cooperatives, cooperative's structure, and challenges in bank loan approval in the national or domestic settings while the current study determined the financial management

practices of Basud Development Cooperative (BADEVCO) for the period of 2021-2022. Finally, the study conducted by Masicat (2016), Tsai (2017), Garcia (2017), Ramos (2018), and Jimenez et al. (2020) were similar to the present study since they shared with the same objectives that a cooperative had a vital role in economic development.

They differ from the subject of the study wherein the previous researches attributed on the gap between the identified stakeholder of the cooperative to enforce the financial measure that affected their financial management practices while the present study dealt with the financial management of Basud Development Cooperative in terms of working on management of capital, and social finances, financial methods and sources, and financial organization.

All gathered local and foreign related studies generally investigated on the financial management and sustainable development of a cooperative. There were also few studies that examined the financial management practices of a cooperative. Majority of the researches tackled the sustainable development of a cooperative and its impact to the economy when they grew and managed properly.

This further strengthened the claim that there were no specific studies that focused on financial management practices of BADEVCO. However, the study of Bretos and Marcuello (2017) posited a relationship with the present work because the former also examined the financial management practices of a cooperative in terms of viability of cooperative based on their strengths and possible weaknesses, under globalization, the role of cooperative in promoting the local development and stability of local communities and the tensions and potentialities that internalization entails for cooperatives. With the aforementioned gaps in prior studies, there were many areas in financial management practices which were still unresolved. Using the reviewed studies, it was clear that the understanding of financial management practices still seemed evasive along with the various aspects that the researcher of the current study was interested in, thus, decided to work on. It was all for the enhancement of Basud Development Cooperative financial management practices in terms of working capital management, social finances management, financial methods and sources, and financial organization that this study was pursued despite the limitations faced by the researcher.

VI. STATEMENT OF THE PROBLEM

Specifically, the study sought answers to the following questions:

- What is the demographic profile of the respondents in terms of:
 - age;
 - sex;
 - length of service in BADEVCO; and
 - educational attainment?

- What are the financial management practices of Basud Development Cooperative (BADEVCO) in terms of:
 - working capital management;
 - social finances management;
 - financial methods and sources; and
 - financial organizations?
- Is there a significant relationship between the demographic profile of the respondents and the financial management practices of BADEVCO?
- What are the problems encountered in the financial management practices of BADEVCO?
- What intervention may be developed to enhance the financial management practices of BADEVCO?

VII. HYPOTHESIS

The study was based on the following hypothesis:

- There is no significant relationship between the demographic profile of the respondents and the financial management practices of BADEVCO.

VIII. SCOPE AND LIMITATION OF THE STUDY

This study was limited and focused on determining the Financial Management Practices of the Basud Development Cooperative, Basud Camarines Norte for the period 2021-2022.

The respondents of this research study were the officers of the cooperative, accounting employees, and the Board of Directors (BODs) since they were knowledgeable in terms of the objectives of this study. They were the key drivers to the success of BADEVCO's operations and maintenance of financial management practices. The specific areas which the researcher looked into were demographic profile of the respondents, financial management practices of the BADEVCO, problems encountered in financial management, significant relationship between demographic profile of the respondents and financial management practices of the cooperative, and relationship between the financial management problem and financial management practices of the cooperative. The results of the study were utilized to propose an intervention material to enhance the financial management practices of BADEVCO.

The research was limited to understanding of the financial management practices of BADEVCO using the descriptive quantitative research method, and a survey questionnaire as the data gathering tool. Forty-eight (48) respondents were selected purposely using total enumeration.

This research was objectively focused on the description of the financial management practices of BADEVCO and did not focus on the earnings and surplus income of the cooperative.

IX. THEORETICAL FRAMEWORK

This study was anchored on Pecking Order Theory by Myers (1994) and Stewardship Theory by Donaldson and Davis (1989) which focused on the working capital structure of the business and management of such. The theory seeks to inform what should be the normal acceptable financial management practices of capital structure to implement. They are not only concerned about what is currently happening now but they are also concerned of what will happen in the future. It states that managers follow a hierarchy when considering sources of financing. In here, the managers display the following preference of sources to fund investment opportunities such as first, through the company's retained earnings, followed by debt, and choosing equity financing as a last resort.

Company managers typically possess more information regarding the company's performance, prospects, risks, and future outlook than external users such as creditors and investors. In the context of this theory, retained earnings financing comes directly from the company and minimizes information asymmetry. As opposed to external financing such as debt or equity financing where the company must incur fees to obtain external financing, internal financing is the cheapest and most convenient source of financing.

When a company finances an investment opportunity through external financing debt or equity, a higher return is demanded because creditors and investors possess less information regarding the company as opposed to managers. In terms of external financing, managers prefer to use debt over equity, the cost of debt is lower compared to the cost of equity.

The issuance of debt often signals an undervalued stock and confidence that the board believes the investment is profitable. On the other hand, the issuance of equity sends a negative signal that the stock is overvalued and that the management is looking to generate financing by diluting shares in the company.

When thinking of this theory, it is useful to consider the seniority of claims to assets. Debtholders require lower return as opposed to stockholders because they are entitled to a higher claim to assets in the event of a bankruptcy. Therefore, when considering sources of financing, the cheapest is through retained earnings, second through debt, and third through equity.

Stewardship theory is a part of corporate governance which include governance of capital structure. Simply, in this theory, managers who are left on their own will act as responsible stewards of the assets they control, and describes the existence of a strong relationship between satisfaction and organizational success. Good stewards work collectively rather than individually, and are not instrumentally motivated. Stewardship theory basically argues that a steward recognizes that individualistic, opportunistic, and self-serving goals will be met if work is done for the greater good of the organization.

They are motivated by intrinsic rewards such as trust, reputational enhancement, reciprocity, discretion and autonomy, level of responsibility, job satisfaction, stability and tenure, and mission alignment. Fundamentally, this theory relies significantly on the principal's and steward's initial trust disposition. Motivational support is positively linked to stewardship behavior. The interpersonal relationship within the stewardship concept builds mutual trust between the leader, and the follower through relational leadership behaviors. Other than that, contextual support positively could influence the creativity and linked to stewardship behavior, and to motivational support as well.

The present study is anchored on Pecking Order, and Stewardship theories. Both theories attack different aspects vital to the Basud Development Cooperative's (BADEVCO) management. The Pecking Order Theory focuses on the working capital management, social finances management, finances methods and sources, and financial organization, all of which fall under the capital structure of the cooperative which is the main concern of the theory. On the other hand, the management of capital structure is of the Stewardship Theory. Both theories make use of the help of the Board of Directors, the principal and steward, and the employees of BADEVCO. Pecking Order Theory is used to bring the best decision or proper financial management of capital structure of the cooperative which is necessary for BADEVCO while the Stewardship Theory is the guide to measure and assess the financial management of the Board of Directors and its accounting employees. Both theories are necessary to strengthen the present study. For the financial management practices, the Stewardship Theory is applied since it entirely measures how the principal, Board of Directors and its Stewards, the employees of the cooperative act for the benefit of the entire organization.

BADEVCO wants to establish the best financial management practices that they can use, as to the various variables identified such as working capital management, social finances management, finances methods and sources, and financial organization. This is where the Pecking Order Theory responds to it. These four variables have different importance, and use for the entity, and plays vital role in the financial operations and decisions of BADEVCO.

This implies that the extent of proper financial practices or effectiveness of those variables have huge impact to the success of the business. In order to measure or prove that these financial management practices are at their best, it is necessary to look over the performance of the

cooperative. In relation to this, Stewardship Theory is connected to the study as it emphasizes that every person or departments in cooperative puts performance on a daily basis. This business is sized up using the Stewardship Theory, identifying two important variables such as principal and steward. Therefore, this is the basis in assessing the existing financial management practices of BADEVCO whether they are effective or not, and whether they are suitable and appropriate for them.

However, the working capital management falls under the internal financing mentions in the Pecking Order Theory while the social finances managements fall under the external financing, specifically the equity financing; hence, the other variables which are financial methods and sources fall under the external financing which is equity financing. Lastly, the financial organization falls under the principal and steward since under Stewardship Theory management of financial organization is one of its vital roles, and at the same time, the management of financial management practices of BADEVCO.

The goal of financial management practices is to establish a guideline that the management of Basud Development Cooperative can use to maximize the company's limited resources and concentrate on its organizational structure which aids in the balance-keeping of its financial resources. The theory suggests the maintenance or the balancing relation of four variables in the financial management practices of BADEVCO.

Figure 1 shows the relationship of the theory to the variables of this present study. They represent internal and external financing which are all of the same size since both factors are essential in keeping the cooperative afloat and operational. The first variable, the retained earnings under Working Capital Management is placed on the very top considering that the Pecking Order Theory's concept displays preference to sources of fund investment opportunity, internally first through retained earnings, followed by external financing through debt and equity financing under social finances management, and finances methods and sources as last resort. However, financial organization as one of the variables of this present study fall under principal and steward since they are the ones who managed the financial operations of the business including its capital structure. All stated variables in this framework are carefully considered, and it is important to carefully understand the process to ensure enhanced Financial Management Practices of BADEVCO.

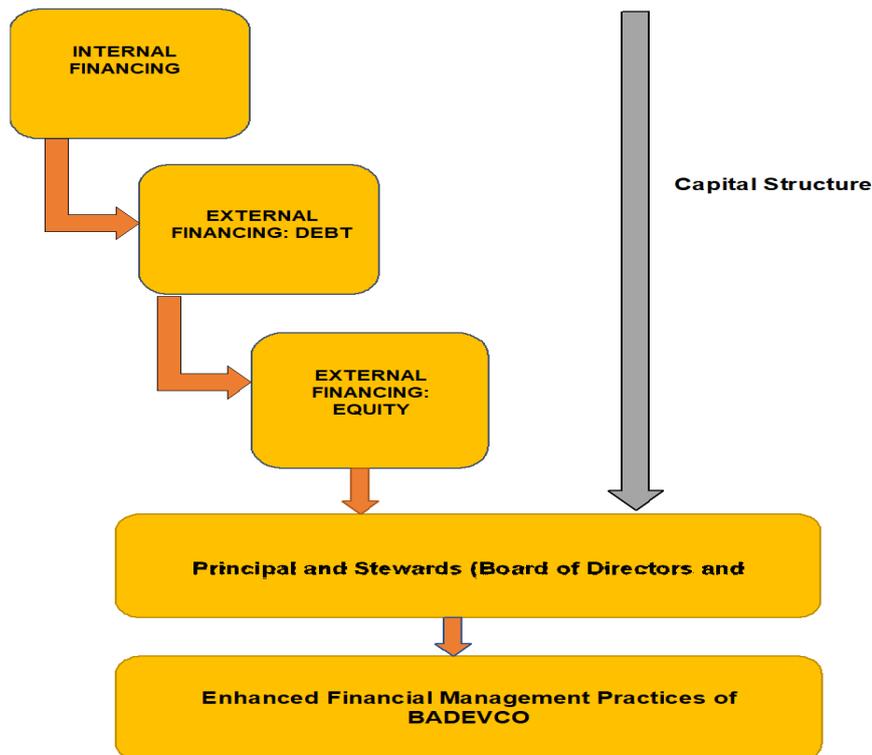


Fig. 1: Theoretical Paradigm of the Study

X. CONCEPTUAL FRAMEWORK

The conceptual framework served as the complete roadmap of the study. The central focus of this research was to determine the financial management practices of Basud Development Cooperative (BADEVCO) in terms of working capital management, social finances management, financial methods and sources, and financial organization. The outline of the conceptual framework of this study was based on the identification of independent variables and dependent variables.

The independent variables were the 1) demographic profile of the respondents in terms of age, sex, length of service in BADEVCO, and educational attainment; 2) financial management practices in terms of working capital

management, social finances management, financial methods and sources and financial organization; and 3) problems encountered in the financial management of BADEVCO. It was considered vital and relevant in this study to determine and establish the possible significant relationship between the demographic profile of the respondents and the financial management practices of BADEVCO.

Finally, after analyzing the independent variables, the researcher came up with the developed intervention material to enhance financial management practices of BADEVCO as an output of the study. Figure 2 represents the Conceptual Paradigm of the Study.

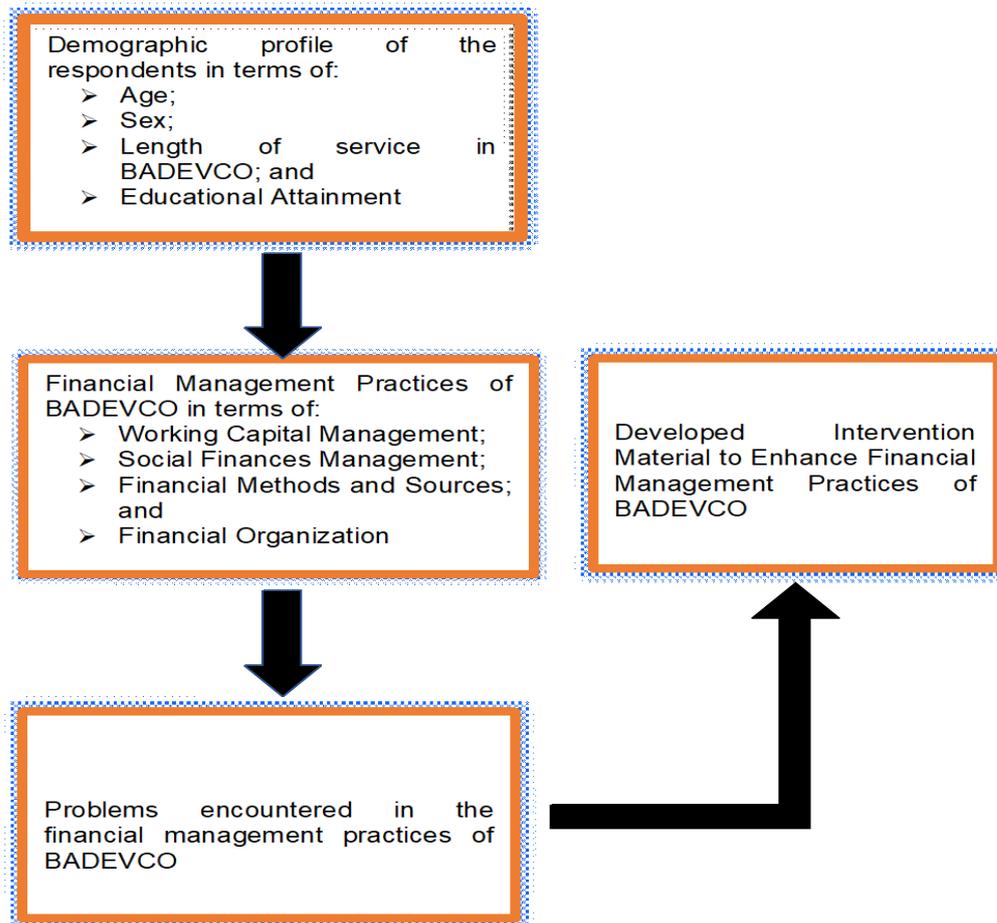


Fig. 2: Conceptual Paradigm of the Study

XI. DEFINITION OF TERMS

The following significant terms or words used and integrated in this study were conceptually and operationally defined for clearer and better comprehension of the concepts and inputs of this research.

- **Cooperative.** According to McKillop et al. (2020), this refers to a financial institution that is involved in mutual assistance working toward a common goal. In this study, it is identified as the Basud Development Cooperative Development (BADEVCO).
- **Financial Management Practices.** According to Musah et al. (2018), this refers to the discipline dealing with the financial decisions for long- and short-term goals to ensure the return on capital that exceeds the cost without taking excessive financial risk. In this study, it refers to the different practices and strategies used by BADEVCO in terms of working capital management, social finances and management, financial methods and sources, and financial organization.
- **Financial Methods and Sources.** According to Chiz et al. (2019), this refers to the conventional ways to fund a business. In the current study, it refers to different practices and strategies used by BADEVCO in terms of mandatory withholding of interest on share capital, and other funds that support their corporate social responsibility.

- **Financial Organizations.** According to Chantias et al. (2019), this refers to an institution (public or private) that collects funds (from the public or other institutions), and invests them in financial assets. This is synonymous to financial institution. In the current study, it refers to different practices and strategies used by BADEVCO in terms of accountability, and recording job rotations and duties and responsibilities of officers and accounting employees.
- **Social Finances Management.** According to Gorosh (2018), this is an approach to managing investments that generate financial returns while including measurable positive social and environmental impact. In the current study, it refers to different practices and strategies used by BADEVCO in terms of managing investments through a full range of investment strategies and innovative financial instruments aligned with clients’ impact investments objectives.
- **Working Capital Management.** According to Sensini (2020), this is a business strategy designed to ensure that a company operates efficiently by monitoring and using its current assets and liabilities to their most effective use. In this study, it refers to the different practices and strategies used by BADEVCO in managing working capital in terms of decision making, measuring short-term financial stability, conducting surprise cash counts and its survival strength, and financial health through short term liquidity.

XII. MATERIALS AND METHODS

This study utilized the descriptive-correlational method of research to gather information as to the demographic profile of the respondents as well as to the financial management practices of Basud Development Cooperative (BADEVCO) along with working capital management, social finances management, financial methods and sources, financial organization, and the problems encountered in the financial management practices of BADEVCO.

Descriptive research is a method that explains the feature of population studied. It aims to gather measurable data on a population sample in order to conduct statistical analysis. The purpose of descriptive research is to precisely and thoroughly characterize a population, circumstance, or phenomena. It can provide answers to what, where, when, and how but not to why. On the other hand, correlational research is a technique approach that focuses on the relationship of variables. A questionnaire was used to understand the financial management practices of BADEVCO and determine what intervention may be developed to enhance the financial management practices of the cooperative.

A. Population, Sample Size, and Sampling Technique

Forty-eight (48) respondents from BADEVCO were chosen using purposive sampling via total enumeration. They were males or females; officers from 2021 to 2022; Accounting and managerial employees from 2021 to 2022; and Board of Directors from 2021-2022.

B. Description of the Respondents

The respondents of the study were the forty-eight (48) BADEVCO officers, Accounting and managerial employees, and Board of Directors from 2021 to 2022 who had sufficient knowledge about financial management practices of the cooperative.

The Accounting staff as respondents included the accountant and bookkeeper. On the other hand, the managerial employees were the Board of Directors which included the Chairman.

C. Research Instrument

The main data gathering tool that was used in this study was questionnaire.

It consisted of parts one, two, and three. The first part is concerned with the demographic profile of BADEVCO respondents in terms of age, sex, length of service, and educational attainment. The second part points the financial management practices in terms of working capital, social finances, financial methods and sources, and financial organization. The third part of the questionnaire was about the problems encountered in the financial management practices of BADEVCO.

In the first part, the respondents checked their appropriate age range, sex, length of service, and educational attainment. In the second part, the respondents checked the parameters using the 5-point Likert Scale with 5

= Strongly Agree (SA) 100% compliance on the given indicator, 4 = Agree (A) 80%-90% compliance on the given indicator, 3 = Neither Agree nor Disagree (NAD) 50%-70% compliance on the given indicator, 2 = Disagree (D) 10%-40% compliance on the given indicator, 1 = Strongly Disagree (SD) 0% compliance on the given indicator. On the other hand, in the third part, the respondents checked as many as they can as to the problems encountered in the financial management practices of BADEVCO. The questionnaire was prepared incorporating the problems cited. It was finalized with the assistance of the research adviser, and thesis committee.

D. Data Gathering Procedure

Before conducting the data gathering process, a letter of permission to conduct the study, and written requests duly signed by the adviser were forwarded to the Officer-in-Charge (OIC) of BADEVCO for approval and recommendation. Once approval was sought, the meeting with the Chairman of the Board of Directors was held in order to explain the purpose of the study, and how the survey would be facilitated.

A dry-run was conducted in order to pilot-test the self-made questionnaire from a different cooperative in Camarines Norte. From the retrieved piloted survey, reliability testing was done via Cronbach Alpha in which the final version of the survey was drafted and approved by the adviser. The thirty-two (32) respondents in the dry-run were the accounting employees, and Board of Directors from different cooperatives in Camarines Norte. Moreover, in the final data gathering phase which was conducted in BADEVCO, the final survey was utilized. The questionnaires that were distributed were supplemented with an explanation from the researcher to let the subjects understand the nature and purpose of the study. Upon completion of the questionnaires, the retrieval from forty-eight (48) respondents was done immediately. Confidentiality of the subjects was maintained. The data were forwarded to the statistician for processing and interpretation of the results.

E. Statistical Treatment of Data

Descriptive and correlational statistics were primarily used to analyze quantitative results. Descriptive statistics were used to define the variables. Correlational techniques were facilitated to demonstrate statistically how closely two variables were associated. Various statistical tools were employed by the researcher to transform the data gathered into valuable information. The statistical tools employed were the frequency and percentage, weighted mean, frequency and ranking, and Pearson Correlation Coefficient.

The frequency and percentage were used to determine the demographic profile of the respondents. Weighted mean was used to determine the financial management practices of Basud Development Cooperative (BADEVCO) in terms of working capital, and social finances; financial methods and sources; and financial organizations.

On the other hand, frequency and ranking were used to determine the problems encountered in the financial

management practices of BADEVCO while Pearson Correlation Coefficient was used to determine the significant correlation between the demographic profile of the respondents, and the financial management practices of BADEVCO.

XIII. RESULTS AND DISCUSSIONS

The findings of the study were ascertained through the application of appropriate statistical tools such as frequency, percentage, weighted mean, and ranking.

The central objective of this study was to determine the financial management practices of BADEVCO in terms

of working capital, social finances, financial methods and sources, and financial organization.

A. Demographic Profile of the Respondents

Tables 1 to 4 show the demographic profile of the BADEVCO respondents in terms of age, sex, length of service, and educational attainment.

Age. Table 1 shows the frequency and percentage of age of the respondents. It can be gleaned that in terms of age, majority of the respondents were aged 40-49 years with 16 samples or 33.3% of the total population. On the other hand, there were only 7 samples who were less than 30 years old or 14.6% of the total population.

Age	Frequency	Percentage (%)
Below 30	7	14.6
30-39	12	25.0
40-49	16	33.3
50 and above	13	27.1
Total	48	100

Table 1: Age Profile of the Respondents

The data implied that most of the respondents aged 40-49 and those 50 above included the cooperative’s Board of Directors and founders respectively. The rest were aged 30-39 and below 30 included rank and file employees, supervisors, and managers. Successful aging in the workplace was significantly related to older workers’ intentions to stay. Managers may provide a wide range of organizational support, and enhance successful aging in the workplace for older workers (Cheung, F. and Wu, A.M.S. 2013).

In this regard, Angora (2020) stated that business was considering individuals aged below 30 and 30-39 years for they saw them in the category of productive employees

who could advance the business. Additionally, Elona et al. (2016) stated that in terms of getting employed, younger people who were in the age bracket aged below 30 and 30-39 years had higher chances of getting hired because they tend to be more energetic to do work and have a higher endurance to work longer than older people.

Sex. Table 2 shows the frequency and percentage of sex of the respondents. It can be gleaned that in terms of sex, majority of the respondents were females with 30 samples or 62.5% of the population. On the other hand, there were 18 male respondents or 37.5% of the population.

Sex	Frequency	Percentage (%)
Male	18	37.5
Female	30	62.5
Total	48	100

Table 2: Demographic Profile of the Respondents in Terms of Sex

The highest data in Table 2 implied that Basud Development Cooperative (BADEVCO) was practicing gender equality in terms of employment. It meant that in terms of employment, both sexes had equal opportunity. The data also implied that most types in the area were fit for female workers such as service activities, wholesale and retail trade, and accommodation and food service.

Similarly, David et al. (2018) found that female-dominated industries were service activities, retail trade, and accommodation and food service activities. They added that women who were in the workforce were more likely than men in white collar occupations such as in clerical works.

The lowest data showed that women outnumbered male employees as it was revealed that 37.5% of the male respondents served as employees for BADEVCO specifically in Accounting Office, and Board of Directors. This was relative to the fact that the sex ratio at birth of men to women was 97 males per 100 females as explained in a study of Chao et. al. (2019).

Length of Service in BADEVCO. Table 3 shows the frequency and percentage of length of service in BADEVCO. It can be gleaned that in terms of length of service in BADEVCO, majority of the respondents had been in the service for 3-4 years with 25 samples or 52.1% of the total population. On the other hand, there were only 11 samples who answered that they spent 1-2 years of service which was 22.9% of the population.

Number of Years	Frequency	Percentage (%)
1-2 years	11	22.9
3-4 years	25	52.1
5 years and above	12	25.0
Total	48	100

Table 3: Demographic Profile of the Respondents in Terms of Length of Service

The length of service profile implied that majority of the respondents had rendered 3-4 years of service which signified that most employees specifically in the Accounting Department of Basud Development Cooperative (BADEVCO) had not been employed by the cooperative that long, were still young, and just starting their career. The data also showed that the common tenure of employees on average was about 3-4 years. This was consistent with the Bureau of Labor Statistics (2021) data which revealed that the median number of years that wage and salary workers had been with their current employer was 4.1 years in January 2021.

The lowest data on the table showed that there were still employees who chose to stay with the cooperative for above 5 years, though there were better offers and opportunities from other cooperatives. This was because when employees found contentment or a sense of

belongingness at their job, they would no longer look for another one.

Similarly, Mohammad (2017) affirmed that employees who received personal, and who felt engaged and respected, stayed in business even when they received better offers from competitors. He also stated that job satisfaction and company environment were some of the core reasons that motivated an employee to stay in an organization.

Educational Attainment. Table 4 shows the frequency and percentage of the demographic profile of the respondents in terms of education attainment. Majority were college graduates obtaining a frequency of 25 or 52.1% of the population whereas, there were no respondents that were in the high school level, high school graduates, with units in doctorate, and had doctorate degrees.

Educational Attainment	Frequency	Percentage (%)
College Level	8	16.7
College Graduate	25	52.1
With Units in Masters	10	20.8
Master’s Degree Holder	5	10.4
Total	48	100

Table 4: Demographic Profile of the Respondents in Terms of Educational Attainment

The highest data implied that most employees of Basud Development Cooperative specifically the accounting employees, and Board of Directors were educated. It meant that the cooperative had a high regard for education. It also implied that BADEVCO preferred to hire college graduates as reflected by 52.1% on the above data, and meeting the minimum requirement for hiring employees.

It was a written policy of Basud Development Cooperative (BADEVCO) that members of the Board of Directors must be composed of college graduates for the reason that they could effectively manage, and apply their knowledge to make proper decisions in running the cooperative, and that they can make better and sound decision for the betterment of the organization.

In support, Garcia and De Guzman (2020) stated that Filipinos had high regard for education because it was an integral part of their values orientation. They found that Filipino parents viewed education as part of a legacy that they could leave to their children, and as a tool to escape poverty. In addition, Fuller and Raman (2017) found between 2007 and 2010 job postings that listed a Bachelor’s degree requirement as a condition of employment. They also found that cooperatives believed that applicants with college degree were more job-ready than those without a degree. The data with the least number of respondents implied that master’s degree holders employed in cooperatives were very

rare. The 10.4 percent was composed of all the Board of Directors of the cooperative. By analyzing professions, it was discovered that individuals with a higher degree of education and greater access to financial information demonstrate better financial management techniques. Thus, it was demonstrated that increased exposure to issues linked to finance and economics during specialized courses had a positive impact on day-to-day financial activities.

Educational attainment was an important determinant of economic and social successes. Despite a robust literature examining the impact of schooling on earnings, substantially, less evidence existed regarding the link between educational attainment and other employment-related outcomes including benefits such as paid vacation, sick days, insurances, and retirement plans along with factors like job security, flexibility, and safety which were difficult to quantify that benefits influence individuals’ employment decisions (Oreopoulos and Salvanes, 2011). Given the substantial costs of higher education, prospective students needed information regarding the likely outcomes of educational attainment including non-pecuniary benefits.

B. Financial Management Practices of Basud Development Cooperative

Tables 5 to 8 show the financial management practices of Basud Development Cooperative (BADEVCO) along with working capital management; social finances

management; financial method and sources; and financial organization.

Working Capital Management. Table 5 shows the financial management practices of Basud Development Cooperative along with working capital management which got the overall weighted mean of 4.35. “The cooperative decides on the level of credit to be given to the clients, as well as how much credit should be demanded from the suppliers” obtained the highest weighted mean of 4.50. “The cooperative indicates short-term survival strength and financial health through short-term liquidity that will impact

the companies’ ability to attain attractive long-term financing” got the second highest from the four indicators which obtained 4.35 weighted mean. “The cooperative conducts cash counts bi-monthly to determine and validate that all collections are recorded and deposited” was the third highest from the indicators which obtained the weighted mean of 4.33, and the cooperative measures the short-term financial stability as it indicates if the company will be able to live up to its short-term commitment” obtained the lowest weighted mean of 4.21.

Indicators	Weighted Mean	Interpretation
	4.50	SA
The cooperative decides the level of credit to be given to the clients, as well as how much credit should be demanded from the suppliers.		
The cooperative measures short-term financial stability as it indicates if the company will be able to live up to its short-term commitment.	4.21	SA
The cooperative conducts cash counts bi-monthly to determine and validate that all collections are recorded and deposited.		
The cooperative indicates short-term survival strength and financial-health through short-term liquidity that will impact the companies’ ability to attain attractive long-term financing.	4.33	SA
	4.35	SA
<i>Over-all Weighted Mean</i>	4.35	SA

Table 5: Financial Management Practices of Basud Development Cooperative along with Working Capital Management

Legend:

4.21-5.00 Strongly Agree (SA)	100% compliance on the given indicator
3.41-4.20 Agree (A)	80%-90% compliance on the given indicator
2.61-3.40 Neither Agree nor Disagree (NAND)	50%-70% compliance on the given indicator
1.81-2.60 Disagree (D)	10%-40% compliance on the given indicator
1.00-1.8 Strongly Disagree(SD)	0% compliance on the given indicator

Out of the four indicators, “the cooperative decides the level of credit to be given to the clients as well as how much credit should be demanded from the suppliers” got the highest weighted mean. Generally, this implied that cooperatives put emphasis on how much credit to be given to the clients, and funds be demanded from the suppliers or lenders. Specifically, deciding on how much credit to be given to the clients and funds to be demanded from the supplier is vital to the success of the Basud Development Cooperative (BADEVCO) as it may result in minimizing losses, proper management of cash, meeting any regulatory requirement as stated in the cooperative code.

The finding was supported by Mwebsa (2018) who agreed that good decision in relation to credit granting

sourcing of financing was essential to decision making, enables the business organizations to plan properly, and also check for misappropriations of limited resources.

“The cooperative indicates short-term survival strength and financial health through short-term liquidity that will impact the company’s ability to attain attractive long-term financing” got the second highest result. This implied that the BADEVCO was more focused on short-term liquidity rather than long-term liquidity or solvency. Focusing on short-term liquidity could help the cooperative meet its long-term debts due to the fact that it can easily convert the available resources that fall under the liquidity ratio. This was supported by the study of Hayes (2022) which shows that liquidity describes the degree to which an

asset can be quickly bought or sold in the market at a price reflecting its intrinsic value. Cash is universally considered the most liquid asset because it can most quickly and easily be converted into other assets. Tangible assets such as real estate, fine art, and collectibles are all relatively illiquid. Other financial assets ranging from equities to partnership units fall at various places on the liquidity spectrum.

“The cooperative conducts cash counts bi-monthly to determine and validate that all collections are recorded and deposited” was the third highest indicator. This implied that the conduct of cash count bi-monthly by BADEVCO enabled the deposit of cash intact in respective bank accounts, thus, it lessened the anomaly that may arise due to the fact that cash was prone from any misappropriation. This was supported by the study of Eillen (2019) which showed that cash counts were effective in maintaining the cash intact, and validating any misappropriations and all cash funds should be counted simultaneously, or, if only one accountant was on the job, all funds should be controlled to avoid substitution to cover shortages.

On the contrary, “the cooperative measures short-term financial stability as it indicates if the company will be able to live up to its short-term commitment” got the lowest weighted mean. This implied that BADEVCO focused on

short-term financial stability which gave the cooperative ability to navigate daily financial shocks while still making progress toward long-term financial objectives since it affected their future and stability in the long-run. The study conducted by Luster (2018) stated that cooperatives should focus on long-term commitment or financial stability rather than short-term commitment or stability since they affected profitability and shareholders' wealth.

Social Finances Management. Table 6 shows the financial management practices of BADEVCO along with social finances management which got the over-all weighted of 4.26. “The cooperative managed investments that generated financial returns while including measurable positive social and environmental impact” obtained the highest weighted mean of 4.42. The cooperative launches innovative financial instruments, and design financial products that align with clients’ impact investment objectives” was the second highest from the four indicators which obtained 4.35 weighted mean. “The cooperative has a full range of investment strategies and solutions across asset classes that can provide an array of risk-adjusted returns tailored to investor intent” obtained the lowest weighted mean of 4.02.

Indicators	Weighted Mean	Interpretation
	4.42	SA
1. The cooperative manages investments that generate financial returns while including measurable positive social and environmental impact.		
2. The cooperative has a full range of investment strategies and solutions across asset classes that can provide an array of risk-adjusted returns tailored to investor intent.	4.02	A
3. The cooperative launches innovative financial instruments and design financial products that align with clients’ impact investment objectives.		
	4.35	SA
<i>Over-all Weighted Mean</i>	4.26	SA

Table 6: Financial Management Practices of Basud Development Cooperative along with Social Finances Management

Legend:

4.21-5.00 Strongly Agree (SA)	100% compliance on the given indicator
3.41-4.20 Agree (A)	80%-90% compliance on the given indicator
2.61-3.40 Neither Agree nor Disagree (NAND)	50%-70% compliance on the given indicator
1.81-2.60 Disagree (D)	10%-40% compliance on the given indicator
1.00-1.80 Strongly Disagree (SD)	0% compliance on the given indicator

In terms of Social Finances Management, “the cooperative manages investments that generate financial returns while including measurable positive social and environmental impact” got the highest among the indicators which obtained the weighted mean of 4.42. This result implied that the respondents had overseen assets that produced financial returns while also having quantifiable benefits for the environment and society. Generally, the cooperative should measure their investment that produces higher return since it helps the cooperative program for the community as well as the members. In the study of Obabuyi (2013), it stated that the companies’ ability to perceive different key drivers of investment will surely increase the possibility of maximizing shareholder wealth. The results also implied that the respondents considered the different factors that may influence their investments. The second indicator was that the cooperative launched innovative financial instruments and designed financial products that aligned with clients’ impact investment objectives obtained having weighted mean of 4.35. This implied that the respondents took good care of their members since they did the alignment of investment on the needs of their clients.

In the study of Chan (2019), alignment between business strategy and clients’ needs was widely believed to improve the business performance. Also, in the study of Keisling (2011), it stated that the alignment was achieved when interactants were cooperative in the project of creating interaction, and alignment must continually maintain interaction. This also implied that the cooperative was concerned on the cooperative members’ investments as well as their investments since the cooperative objective was maximizing shareholders wealth. The last indicator along with social finances management was “the cooperative has a full range of investment strategies and solutions across asset classes that can provide an array of

risk-adjusted returns tailored to investor” which obtained the weighted mean of 4.02. This implied that the respondents had a strategy that could solve their idle assets, and provide compensated earnings due to risk expenses incurred. In the study of Benaroch et. al (2014), it showed that proper management of investment through extensive strategies would surely help the business operations. Business strategies should include investments, and risk management activities, and assess performance for these components including service efficiency, and assess performance for these components. Thus, it also implied that the cooperative was observed in risk management. In the study of Cabrera (2019), risk management was any uncertain event or condition that might affect the business. He stated also that a risk management plan outlined potential threats to an organization as well as the precautions that its personnel should take to keep such threats at a manageable level. To address various risks, a business would have a variety of risk management plans in place.

Financial Methods and Sources. Table 7 shows the financial management practices of Basud Development Cooperative along with financial methods and sources obtaining the overall weighted mean of 4.31. “The patronage refund payable is practiced by the cooperative” obtained the highest weighted mean of 4.42. “The due to Union or Federation is the amount set aside for education and training fund of organization apex” got the second highest from the four indicators and obtained 4.33 weighted mean. “The mutual benefits and other funds payable are allotted for members’ welfare and benefits like loan protection, hospitalization, death provision for accidents not taken from net surplus” obtained weighted mean of 4.31 while “the interest on share capital/payable determined at the end of fiscal year” gathered the lowest weighted mean of 4.17.

Indicators	Weighted Mean	Interpretation
The interest on share capital/payable is determined at the end of fiscal year.	4.17	A
The patronage refund payable is practiced by the cooperative.		
The due to Union or Federation is the amount set aside for education and training fund of organization apex.	4.42	SA
The mutual benefits and other funds payable are allotted for members’ welfare and benefits like loan protection, hospitalization, death provision for accidents not taken from net surplus.	4.33	SA
	4.31	SA
<i>Over-all Weighted Mean</i>	<i>4.31</i>	<i>SA</i>

Table 7: Financial Management Practices of Basud Development Cooperative along with Financial Methods and Sources

Legend:

4.21-5.00 Strongly Agree (SA)	100% compliance on the given indicator
3.41-4.20 Agree (A)	80%-90% compliance on the given indicator
2.61-3.40 Neither Agree nor Disagree (NAND)	50%-70% compliance on the given indicator
1.81-2.60 Disagree (D)	10%-40% compliance on the given indicator
1.00-1.80 Strongly Disagree(SD)	0% compliance on the given indicator

In terms of Financial Methods and Sources, “the patronage refund payable practiced by the cooperative” obtained the highest weighted mean of 4.4. “The due to Union or Federation is the amount set aside for education and training fund of organization apex” got the second highest from the four indicators and obtained 4.33 weighted mean. “The mutual benefits and other funds payable are allotted for members’ welfare and benefits like loan protection, hospitalization, death provision for accidents not taken from net surplus” obtained the weighted mean of 4.31” while “the interest on share capital/payable determined at the end of fiscal year” obtained the lowest weighted mean of 4.17. The study of Mishler (2019) stated that meeting mandatory obligations gave satisfaction to those who received the benefits and gave their best in terms of performance that would benefit the company. All of the indicators along with financial methods and sources were mandatory. This also implied that the respondents were considering not only the welfare of BADEVCO but the welfare of the members as well.

Financial Organization. Table 8 shows the financial management practices of Basud Development Cooperative along with financial organization obtaining the overall weighted mean of 4.30. “Job rotation program of the Board of Directors are practiced such as the requirement of the presence and direct observation of a second person in the performance of important tasks and functions” obtained the highest weighted mean of 4.46. “The accountable officer of the cooperative is bonded with updated recording in the coop book of accounts” arrived at 4.40 weighted mean. “Recording of transactions are updated and placed in a fireproof steel cabinet together with the account record which are maintained and updated, secured, electronically stored, and properly filed” obtained the weighted mean of 4.38. “Specific individuals are equally accountable for the physical protection of the items and record involved (operation of the vault and handling of cash and vital documents)” obtained the weighted mean of 4.19 while “duties and responsibilities of officers and Accounting employees are practiced wholeheartedly” obtained the weighted mean of 4.10.

Indicators	Weighted Mean	Interpretation
The accountable officer of the cooperative is bonded with updated recording in the coop book of accounts.	4.40	SA
Recording of transactions are updated and placed in a fireproof steel cabinet together with the account record which are maintained and updated, secured, electronically stored, and properly filed.	4.38	SA
Duties and responsibilities of officers and accounting employees are practiced wholeheartedly.		
Job rotation programs of the Board of Directors are practiced such as the requirement of the presence and direct observation of a second person in the performance of important tasks and functions.	4.10	A
Specific individuals are equally accountable for the physical protection of the items and records involved (operation of the vault and handling of cash and vital documents).	4.46	SA
	4.19	A
<i>Over-all Weighted Mean</i>	<i>4.30</i>	<i>SA</i>

Table 8: Financial Management Practices of Basud Development Cooperative along with Financial Organization

Legend:

4.21-5.00 Strongly Agree(SA)	100% compliance on the given indicator
3.41.4.20 Agree (A)	80%-90% compliance on the given indicator
2.61.3.40 Neither Agree nor Disagree (NAND)	50%-70% compliance on the given indicator
1.81-2.60 Disagree(D)	10%-40% compliance on the given indicator
1.00-1.80 Strongly Disagree(SD)	0% compliance on the given indicator

Out of five indicators, “job rotation program of the Board of Directors are practiced such as the required of the presence and direct observation of a second person in the performance of important tasks and functions” obtained the highest weighted mean. This implied that the respondents observed the two-person knowledge approach which was a safeguard to avoid the withholding of information from an important transaction. This also implied that the cooperative observed job rotation as means to implement proper segregation of duties among Board of Directors. In the study of Roque (2021), one important internal control was the separation of duties which prevented employees from being able to commit fraud or errors while also covering them up upon performing their regular duties. Of the five indicators, the second highest was “the accountable officer of the cooperative is bonded with updated records of the coop book of account”. This implied that the accountable officer properly performs his/her functions for the cooperative. In the study of Roque (2021), it stated that one important internal control to hold a person accountable for his/her acts must be properly bonded. His study was affirmed by Cabrera (2019) which stated that an officer to be held liable should be bonded.

The third highest among the indicators was “the recording of transactions is updated and placed in a fireproof steel cabinet together with the account record which are maintained and updated, secured, electronically stored and properly filed”. This implied that the cooperative's record was properly sealed and filed. The safeguarded record of the cooperative and keeping accurate and up-to-date records was vital to the success of any business. This was supported by Adamu (2020) that the business must realize that records kept would be one of the most important management tools it possesses. Therefore, it should be allocated due importance. Many business owners invest a lot of time and effort in running their business, and yet fail to realize the importance of maintaining good documentation. Out of the five indicators, specific individuals were equally accountable for the physical protection of the items and records involved (operation of the vault and handling of cash and vital documents) got the fourth highest result. This implied that the respondents secure properly the confidential record of the cooperative and secure it from any theft, robbery, and unauthorized use. This was supported by a study wherein it stated that safeguarding confidential records should be observed properly by any business since this will give the company a favorable trust from the clients or members (Luster, 2021).

The last indicator among the five was “duties and responsibilities of officers and Accounting employees are

practiced wholeheartedly”. This indicator got the lowest weighted mean. This implied that the cooperatives should give full attention to their officers and accounting employees since low and high performance of the cooperative employees will surely affect their day-to-day operations. Business operations with motivated employees and managers will create impact to the society, and to the business around their premises. This was supported by Valahian (2016) that society since ancient times faced a weak involvement of human resources in organizations. Therefore, motivating employees became today an important objective for organizations that wanted to remain viable on the market today. Motivation of human resources in the organization would bring extra performance to the manager who hoped to reach the organization's goals.

C. Significant Relationship Between the Demographic Profile of Respondents and Financial Management Practices of BADEVCO

The study also aimed to determine if the demographic profile of the respondents and their financial management practices have a significant relationship. Using Somers' Delta Correlation Coefficient d and Contingency Coefficient C as statistical tools, Table 9 shows the results of the tests. It can be observed from the table that age profile has no significant relationship in the financial management practices along working capital management (-0.057 , p -value= 0.614); social finances management (0.025 , p -value= 0.802); financial methods and sources (0.173 , p -value= 0.099); and financial organization (-0.101 , p -value= 0.181). The p -values of the indicators are all greater than 0.05 (p -values >0.05), thus, the variables are not significantly correlated.

Likewise, the sex profile of the respondents and their financial management practices were also tested. From the table, it can be inferred that all indicators obtained no significant relationship (p -values >0.05) except for the practices along with financial organization (0.278 , p -value= 0.045).

Furthermore, the length of service of the respondents and their financial management practices also obtained the same results in the sex profile as reflected in the table. Again, the aforementioned profile and the financial management practices along working capital (0.051 , p -value= 0.694); social finances management (0.089 , p -value= 0.493); and financial methods and sources (-0.124 , p -value= 0.303) garnered no significant relationship at 0.05 significant level. However, it was along financial organization (0.197 , p -value= 0.022) where the length of service obtained a significant relationship

Financial Management Practices	Profile							
	Age		Sex		Length of Service in BADEVCO		Educational Attainment	
	Test Statistics	p-value	Test Statistics	p-value	Test Statistics	p-value	Test Statistics	p-value
1. Working Capital Management	-.057	.614	.202	.361	.051	.694	.177	.166
2. Social Finances Management	.025	.802	.181	.442	.089	.493	.165	.193
3. Financial Methods and Sources	.173	.099	.044	.762	-.124	.303	-.046	.692
4. Financial Organization	-.101	.181	.278*	.045	.197*	.022	.056	.434

Table 9: Test for Significant Relationship Between Demographic Profile of Respondents and Financial Management Practices of BADEVCO.

*Significant at 0.05 level

Finally, the demographic profile of the respondents in terms of educational attainment and their financial management practices gained no significant relationship. Their practices along with working capital management (.177, p-value=.166); social finances management (.165, p-value=.193); financial methods and sources (-.046, p-value=.692); and financial organization (.056, p-value=.434) got p-values greater than 0.05 (p-values>0.05), thus, the variables considered have no significant relationship.

Generally, the demographic profile of the respondents and their financial management practices were not significantly correlated. Thus, there was no significant relationship between the variables tested for significant relationship. The null hypothesis will not be rejected.

The results implied that the age of respondents got nothing to do with their financial management practices. This meant that age was not a cause to be left behind on financial management practices since even though age increases every year, it is not a reason to be non-financially knowledgeable. This was supported by Gaco (2020) stating that age was not a real cause to learn, improved life performance and old age, and young age were with the same perception. Their only difference was in making decisions which was said that old age was capable of making better decisions than young age.

On the sex profile of the respondents, it implied that males and females showed differences in financial management in which, overall, females demonstrate better financial management and better spending behavior while males have better savings behavior. In respect of gender matters, the findings emphasized that females had better financial management than male which was consistent with the findings of Hayhoe et al. (2020). Females' spending behavior was better than males while males have better savings behavior. These differences might indicate that females were more concerned with better cash flow management (Hayhoe, et al., 2020; Henry et al., 2020) while males were concerned about financial planning such as investment and savings.

Furthermore, in relation to the length of service of the respondents, this implied that years of employment experience possessed by employees of cooperatives had also been cited as an important factor affecting different aspects of cooperatives financial performance and sustainability. This took different dimensions in terms of initial experience, business type experience, and length of service on the job. Thapa (2017) found that there was a positive association between length of service and small business financial management success.

Lastly, on educational attainment, it implied that the respondents were attached to their financial management practices since they were concerned with the effective management of financial practices of BADEVCO. In the study of Hennock (2021), he stated that educational attainment referred to the highest level of education that a person had successfully completed. Successful completion of a level of education referred to the achievement of the learning objectives of that level, typically validated through the assessment of acquired knowledge, skills and capabilities. This also implied that most employees of Basud Development Cooperative specifically the accounting employees, and Board of Directors are educated. It meant that Basud Development Cooperative had a high regard for education and preferred to hire college graduates.

In support, Garcia and De Guzman (2020) stated that Filipinos have high regard for education because it is an integral part of their values orientation. They found that Filipino parents view education as part of a legacy that they can leave to their children, and as a tool to escape poverty. In addition, Fuller and Raman (2017) found that between 2007 and 2010, job postings listed a Bachelor's degree requirement as a condition of employment. They also found that cooperatives believed that applicants with college degree are more job-ready than those without a degree.

D. Problems Encountered in Financial Management Practices of BADEVCO

Table 10 breaks down eight (8) indicators/ problems encountered in Financial Management Practices of BADEVCO. According to the data gathered, most encountered problem was “poor financial control” given the

highest frequency of twenty-four (24) among all indicators. It was followed by inadequate management of cash with a frequency of twenty-three (23) while the third indicator “excess cash is not properly invested” got a frequency of twenty-two (22). “Inability to determine the appropriate capital composition for business” got a frequency of

nineteen (19) which was the third lowest among the 10 indicators while “lack of good estimation of capital requirement” came second to the last, with eighteen (18) frequency. The last indicator “poor capital composition” got only fifteen (15) frequency.

Indicators	Frequency	Rank
Inadequate management of cash		
Wrong investment of funds	23	2
Inability to determine the appropriate capital composition for business	20	5
Inability to determine the appropriate source of funds		
Poor financial control		
Poor capital composition	19	6
Lack of good estimation of capital requirement		
Excess cash is not properly invested	21	4
	24	1
	15	8
	18	7
	22	3

Table 10: Problems Encountered in Financial Management Practices of BADEVCO

Out of the eight indicators, “poor financial control” got the highest frequency while “inadequate management of cash” was the second. The “inability to determine appropriate sources of funds” arrived third. Thus, this implied that the cooperative was experiencing financial difficulty which meant that this was due to poor time management, poor debt management, defaulting loan payments, poor work ethics, failure to plan, and insufficient financial knowledge.

This was supported by Ansar et al. (2019) that lack of financial awareness was the primary cause of bad money management. For some inexplicable reasons, financial literacy skills were not taught in schools. Nevertheless, these were important for sound financial planning. Therefore, it was imperative that the respondents made effort to educate themselves on financial management.

On the contrary, the problems that were least encountered by BADEVCO were poor capital composition, lack of good estimation of capital requirement, and inability to determine the appropriate capital composition for business. This implied that BADEVCO was having issues regarding portfolio management. The portfolio perspective was the key fundamental principle to it. According to this implication, portfolio managers of Basud Development Cooperative needed to analyze the risk-return trade-off of the whole portfolio, and not of the individual assets in the portfolio. The individual investments carried an unsystematic risk which was diversified away by bundling the investments into one single portfolio.

This was supported by Cabrera (2021) that business investment was not just a key determinant of long-term growth, but also a highly cyclical component of aggregate demand. It was, therefore a major contributor to business cycle fluctuations.

E. Developed Intervention to Enhance the Financial Management Practices of BADEVCO

The cooperative plays a vital role in the economy and it is important that the Board of Directors, and its employees are well-equipped with knowledge and skills on how to sustain the success of their business. This can be attained through effective leadership and implementation of proper financial management practices. Even though the study shows that the financial management practices and demographic profile of the respondent have no significant relationship in totality among the indicators working capital management, social finances management, financial methods and sources, and financial organization, they are still necessary to properly address the problems encountered in their financial management practices. Specifically, the problems that the action plan would address are poor financial control, inadequate management of cash, and inability to determine appropriate funds.

In order to enhance the financial management practices of BADEVCO, and to address the problems encountered in it, a developed intervention in the form of action plan, and the matrix of activities were presented in Table 11. The proposed action plan included training about the results from highest to lowest indicators among working capital management, social finances management, financial methods and sources, and financial organization. The objective of the action plan is to ensure that BADEVCO is properly implementing the various indicators on financial management practices, and properly address the problems encountered in the financial management practices.

In the action plan, different training sessions were considered to enhance the financial management practices, and address the problems encountered in financial management practices of BADEVCO. Training was essential for the development of financial management abilities. In order to be effective, training programs must emphasize the development of specific skills at the

appropriate level. This argument also asserted that measuring self-efficacy was an essential training outcome. It was discovered that trainings led employees to believe that they knew more about the principles of sustainability of financial management (Pratiwi et al. 2019).

The action plan was divided into six levels. The first and second levels focused on the enhancement of the financial management practices of BADEVCO. The first level catered to the three indicators among working capital management, social finances management, finances methods and sources, and financial organization with the highest weighted mean while the second level focused on indicators having second to the lowest weighted mean. Third and fourth levels focused also on the enhancement of the financial management practices of BADEVCO. This catered to the indicator with lowest weighted mean which was interpreted as Agree.

Finally, the fifth and sixth tiers focused on the issues with BADEVCO's financial management procedures. There are eight challenges that BADEVCO frequently encounters, as shown in table 10, and an action plan was given to maximize and mitigate those issues. The sixth training was named Internal Control as Tool for Long-Term Commitment: Creating additional Rooms for Success. The fifth training was titled Training on Evaluating Past Investment and Possible Future Investment: Through Sustainable Development. These two courses dealt with the issues that BADEVCO's financial management procedures had. The Cooperative Development Authority and the Philippine Institute of Certified Public Accountants, which are regarded as the caliber in providing various services, will facilitate this, as they will with other variables in the study. The first and second level was expected to be done whole year 2023, with objectives to define and understand asset management in terms of the balance sheet, to create plans to enhance asset management and protect the cooperative's cash resources, and to create plans to enhance financial management and applying best practices in asset and cash management, understanding liability and equity

management from the standpoint of the balance sheet, and learning and implementing. The activities involved are "Training on effective Management of Financial Assets and Resources" and Management Review n the Financial Position of the cooperative: To aid and ensure sufficient cash for Optimal Operations". The agency involved are the Cooperative Development Authority, Philippine Institute of Certified Public Accountant with an expected output "Employees and board of Directors will show how important asset management is as a way to protect and secure the assets on the balance sheet" and Employees and Board Directors can examine equity management for the efficiency of the cooperative. This is an excellent addition to credit risk Management. The third and fourth level is expected to be done whole year 2023 with objectives to apply the cycle of accountability and the fundamental elements required to build an accountable organization. The activity is 'Accountability and Segregation of Duties: Building Responsible and Accountable Officer" and the same agency was involved. The expected of the second and third Level is "Employees and Board of Directors can create proper segregation of duties and required their officer accountable. The last levels are the fifth and sixth with objectives to evaluate possible short-term, investment and long-term investment and to create a program investment portfolio and long-term relationship among different lenders. The activities are "Training on Evaluating past investment and possible future investment: Through sustainable development" and "Internal control as tool for long-term commitment: Creating more rooms for success". The same agency was involved in level one to fourth. The expected output was "Employee and Board of Directors can make short-term and long-term investment that will benefit the entire operation of the cooperative" and "Employees and Board of Directors can create a committee and extensive policy to monitor their investments and internal control. All these levels should be conducted for the employees and the Board of Directors of the cooperative be committed to their work and implement best financial management practices.

Objectives	Activities	Agency Involved	Time Frame	Expected Output
First and Second Level				
To define and understand asset management in terms of the balance sheet, to create plans to enhance asset management and protect the cooperative's cash resources, and to create plans to enhance financial management	Training on effective Management of Financial Assets and Resources	Cooperative Authority National/Local Philippine Institute of Certified Public Accountant (PICPA) National/Local	January -June 2023	Employees and Board of Directors will show how important asset management is as a way to protect and secure the assets on the balance sheet.
Applying best practices in asset and cash management, understanding liability and equity management from the standpoint of the balance	Management Review on the financial position of the cooperative: To aid and ensure sufficient	Cooperative Authority National/Local	July - Decem ber 2023	Employees and Board of Directors can examine equity management for the efficiency of the

sheet, and learning and implementing liability management best practices for the cooperative	cash for Optimal Operations	Philippine Institute of Certified Public Accountant (PICPA) National/Local	cooperative. This is an excellent addition to credit risk management
Third and Fourth Level			
To apply the cycle of accountability and the fundamental elements required to build an accountable organization	Accountability and Segregation of Duties: Building Responsible and Accountable Officer	Cooperative Development Authority (CDA) National/Local Philippine Institute of Certified Public Accountant (PICPA) National/Local	Employees and Board of Directors can create proper segregation of duties and required their officer accountable
Fifth and sixth level			
To evaluate possible short-term investment and long-term investment	Training on Evaluating past investment and possible future investment: Through sustainable development	Cooperative Development Authority (CDA) National/Local Philippine Institute of Certified Public Accountant (PICPA) National/Local	Employee and Board of Directors can make short-term and long-term investment that will benefit the entire operation of the cooperative.
To create a program, investment portfolio and long-term relationship among different lenders	Internal control as tool for long-term commitment: Creating more rooms for success	Cooperative Development Authority (CDA) National/Local Philippine Institute of Certified Public Accountant (PICPA) National/Local	Employees and Board of Directors can create a committee and extensive policy to monitor their investments and internal control.

Table 11: Proposed Action Plan to Enhance the Financial Management Practices of BADEVCO

XIV. CONCLUSION

This study determined the financial management practices of Basud Development Cooperative (BADEVCO) for the period 2021-2022.

Specifically, it answered the following questions: (1) What is the demographic profile of the respondents in terms of age, sex, length of service in Basud Development Cooperative (BADEVCO), and educational attainment? (2) What are the financial management practices of BADEVCO in terms of working capital management, social finances management, financial methods and sources; and financial organizations? (3) Is there a significant relationship between the demographic profile of the respondents and the financial management practices of BADEVCO? (4) What are the problems encountered in the financial management practices of BADEVCO? and (5) What intervention may be developed to enhance the financial management practices of BADEVCO?

A descriptive survey method was employed to describe the demographic profile of the respondents in terms of age, sex, length of service in BADEVCO, and educational attainment. It was also used to describe the financial management practices of Basud Development Cooperative (BADEVCO) in terms of working capital management, social finances management, financial methods and sources, and financial organizations.

This study tested the hypothesis that there was no significant relationship between the demographic profile of the respondents, and the financial management practices of Basud Development Cooperative (BADEVCO). The respondents of this study were the forty-eight (48) employees, and Board of Directors of the cooperative. They were chosen using purposive sampling via total enumeration.

A. Findings

- Based on the data gathered, the findings of the study were as follows:
- On the demographic profile of the respondents, majority were aged 40-49 years having 16 samples or 33.3% of the total population. There were 50 and above with 13 samples or 27.1% of the population. There were 12 samples who were aged 30-39 years or 25% of the total population. On the other hand, there were only 7 samples who were less than 30 years old or 14.6% of the total population. In terms of sex, majority of the respondents were females with 30 samples or 62.5% of the population, whereas there were 18 male respondents or 37.5% of the population. In terms of length of service in BADEVCO, majority had 3-4 years of service with 25 samples or 52.1% of the total population. There were 12 samples who had 5 years and above with 25% of the total population. On the other hand, there were 11 samples who had 1-2 years of service corresponding to 22.9% of the population. Lastly, in terms of educational attainment, majority were college graduates with 25 samples or 52.1% of the population. There were 10 samples with units in Masters or 20.8% of the population. Also, there were 8 samples who reached college level, obtaining 16.7%. On other hand, there were 5 samples who were Masters degree holders corresponding to 10.4% of the population.
- Along with the Financial Management Practices of BADEVCO under Working Capital Management, the respondents got 4.50 weighted mean or eighty to ninety percent compliance on deciding the level of credit to be given to the clients, as well as how much credit should be demanded from the suppliers. In terms of Social Finances Management, the respondents had eighty to ninety percent compliance on managing investments that generate financial returns while including measurable positive social and environmental impact. This achieved the highest mean under the Social Finances Management indicator. Next, in terms of Financial Methods and Sources, the respondents had eighty to ninety percent compliance in the patronage of refund that was payable by the cooperative. This achieved the highest mean under the Financial Methods and Sources indicator. Lastly, in terms of Financial Organization, the respondents had eighty to ninety percent compliance with terms of the job rotation program of the Board of Directors that was practiced such as the required presence and direct observation of a second person in the performance of important tasks and functions. This achieved the highest mean under the Financial Organization indicator.
- The garnered values for working capital management in terms of age, sex, length of service in BADEVCO, and educational attainment were higher than the set p-value (0.05) which implied that there was no significant relationship between age, sex, and length of service in BADEVCO. The garnered values for social finances management in terms of age, sex, length of service in BADEVCO, and educational attainment

were higher than the set p-value (0.05) which implied that there was no significant relationship between age, sex, length of service in BADEVCO, and educational attainment profiles of the respondents, and the social finances management practices of BADEVCO. The garnered values for financial methods and sources in terms of age, sex, and educational attainment were higher than the set p-value (0.05). However, in terms of age ($p=0.036$), and length of service ($p=0.016$) in BADEVCO, achieved values were lower than the set p-values. These implied that there was no significant relationship between sex and educational attainment profiles of the respondents, and the financial methods and sources practices of BADEVCO. However, there was a significant relationship between age and length of service profiles of the respondents, and the financial methods and sources practices of BADEVCO. Lastly, the results showed that the garnered values for financial organizations in terms of age, sex, length of service in BADEVCO, and educational attainment is higher than the set p-value (0.05) which implied that there was no significant relationship between age, sex, length of service in BADEVCO, and educational attainment profiles of the respondents, and financial organization practices of BADEVCO.

- Most encountered problem was “poor financial control” getting the highest frequency of 24 among all indicators. It was followed by “inadequate management of cash” with a frequency of 23. The third indicator, “excess cash is not properly invested” with the frequency of 22. “Fourth was “inability to determine the appropriate source of fund” with the frequency of 21. The fifth indicator “wrong investment of funds got a frequency of 20, followed by the sixth indicator, “inability to determine the appropriate capital composition for business” obtaining a frequency of 19. Second to the last indicator “lack of good estimation of capital requirement” arrived at 18 frequencies, while the last indicator, “poor capital composition” got only a frequency of 15.
- The developed intervention to enhance BADEVCO's financial management practices was an action plan to implement financial management training on liability, and to determine appropriate source of funds.

B. Conclusions

The findings of this study resulted to the following conclusions:

- Majority of the respondents were aged 40-49 years, females, with 3-4 years of service, and were college graduates.
- Generally, the respondents strongly agree which implied that the cooperative had 80-90% compliance in deciding the level of credit to be given to the clients, as well as how much credit should be demanded from the lenders or other financial institutions. This achieved the highest mean under the Working Capital Management indicator, having the weighted mean of 4.50.
- There was no significant relationship between age, sex, length of service in BADEVCO, and educational attainment profiles of the respondents, and the working

capital management practices, social finances management practices, and financial organization practices of BADEVCO. There was also no significant relationship between sex and educational attainment profiles of the respondents, and the financial methods and sources practices of BADEVCO. However, there was a significant relationship between age and length of service profiles of the respondents, and the financial methods and sources practices of BADEVCO.

- The results also indicated that the main problem was poor financial control.
- The proposed intervention material to improve BADEVCO's financial management practices, and to address the problems encountered was an action plan.

C. Recommendation

On the basis of the findings and conclusions of the study, the following were highly recommended:

- BADEVCO may implement management oversight, and review the current and existing financial management practices, employees and process to provide feedback, and to improve overall business performance. It is also recommended that to address the expectations gap between financial management and employees in cooperative organizations, the Board of Directors need to hone the financial management practices of the employees. Further, to manage poor financial control, the different needs of the cooperative employees may establish financial management action plan for training, then have to be developed such as the one that is proposed.
- BADEVCO may provide an employee's guide that may accompany the cooperative's annual financial statements to explain the important issues and provide additional information on the cooperative's activities in terms of their financial performance, and business position in the industry.
- BADEVCO's Board of Directors may hire accounting employees who are
- capable, and with financial knowledge; and provide them with trainings on financial management, financial control, internal control, and interrelationship among lenders. Although it may incur them additional cost but it will definitely benefit them in the long run since it is the topmost problem encountered by most cooperatives. Further, the employees are one of the life bloods of the cooperatives and other businesses. Thus, it may help the cooperative to maintain and invest more on their *human resources*.
- The Board of Directors, and the accounting employees who are dealing with the problems mentioned in this study may adopt and implement the suggested action plan designed by the researcher to further enhance their financial management practices, and address problems encountered. It can help them to adopt best financial management practices and best solution on the possible problems that may come on their day-to-day operations.
- Future researchers may use other variables not mentioned in this study to further improve and maintain, not only BADEVCO's financial management practices

but also other cooperative financial management practices.

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