

Operation Management of Income Generating Projects: A Case of Nueva Ecija University of Science and Technology

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Abstract: *The study focused on the operation management of income generating projects at Nueva Ecija University of Science and Technology. It specifically described the core business functions, namely organizational management, marketing, production/technical, and financial aspects. This study used the descriptive survey method, utilizing both quantitative and qualitative descriptions of data. Interviews, questionnaires, and observations were used to determine the existing income-generating projects on each campus and the operation management of the university's IGP. Statistical methods used were frequency, percentage, and weighted mean. The respondents who gave their time and effort for this study were six IGP officials. The study revealed that the President has overall control of the management of the IGP of the university with the help of the IGP Committee. In terms of pricing, the cost plus method was used, which was set by the IGP officials. The majority of the IGP's sources of income came from leasehold of stalls and space like canteens, KIOSKS, and other facilities of the university like gymnasiums, audio-visual rooms, sound systems, auditoriums, training center halls, and training center rooms. In terms of technical/production manpower, the university is the primary provider. The supply officer was in charge of the mechanism for procuring materials and disposing of supplies. Capitalization is essential for souvenir products and RTW/Garment from a financial standpoint. Financial statements are generated on a semi-annual basis, and collection reports are issued on a monthly basis, using cash from a separate trust fund for funding IGP projects. The university's most profitable IGP is rents and leaseholds. It is strongly recommended that the University consider discussing financial reports on IGP projects at each campus during their year-end meetings in order to be transparent and encourage other faculty and staff to support the IGP projects. Finally, the research must be reproduced in order to confirm the findings and offer more exact descriptions and assessments of various existing IGP initiatives on each campus, which will be used as inputs in the planning and decision-making of the IGP head and officials.*

Keywords: Operation management, Income generating projects, financial statements, Nueva Ecija University of Science and Technology

1. Introduction

State Universities and Colleges are sponsored by the federal government and managed by their own charter. They can provide education to even the poorest students without relying on the federal government. The autonomy and academic freedom of state universities and colleges are guaranteed by their charter. They can design their own curricula, launch competitive programs, and award their own degrees (Alvaran, 2012). The Commission on Higher Education guarantees that State Universities and Colleges (SUCs) comply with the Higher Educational Modernization Act of 1997 (Republic Act 8292), which mandates a standard makeup of SUC Governing Boards, with CHED serving as Chairman.

Aside from their responsibility of providing public education, research, and extension, their fourth function is currently production or income generation. State colleges and universities are critical partners in addressing local and global concerns like food security (Sapitula, 2012) and climate change (Queberin et al., 2005).

Section 4 of the Higher Education Modernization Act (Republic Act No.8292) states that the SUC's governing board has the authority to enter into joint ventures with business and industry for the profitable development and management of the college or institution's economic assets, with the proceeds to be used for the college or university's development and strengthening. Another power of the governing board is to privatize management of non-academic services such as health, food, building or

grounds or property maintenance, and similar objectives where it is most beneficial to the institution. This act provides SUC Presidents with considerable flexibility and influence in order to achieve fiscal autonomy and carry out their short and long-term development strategies (Alvaran, 2012). (Sapitula, 2012,).

By 1999, the National Government had begun to experience the effects of a growing financial deficit, and the SUC allocation for MOOE and Capital Outlay had been gradually cut. NEUST University President, Dr. Gemiliano Calling saw the necessity to grow the IGP operation at that time in order to earn more revenue for the university. During this time, the RTW/Garments production center was also established and put into service. Since then, the institution has been the only supplier and distributor of students' PE, NSTP, and athletic uniforms. On July 4, 2002, the NEUST Board of Regents passed Resolution No.32, s. Effective January 1, 2002, the Income Generating Program was changed to a division known as Corporate Business Affairs Office, whose chief would be entitled to a RATA division.

CHED MEMORANDUM ORDER NO.20 s supports the utilization of income produced funds. Policies and Guidelines for the Use of Income, Special Trust Fund, and Receipts and Expenditures of State Universities and Colleges, published in 2011. (SUCs). National Budget Circular No.331-A of December 23, 1982, National Budget Circular No.331 of November 27, 1980, and Commission on Audit Circular No.84-239 are the

guidelines utilized in reporting requirements for agricultural production and manufacturing.

Since the 1990s, public colleges have been engaged in revenue-generating operations. Their foundation was intended to protect institutions from the effects of the government's reduction in university funding (Nyang'au, 2008) and (Malate, 2009). Income-generating projects are established for a variety of reasons, including to supplement the university's instructional, research, extension, and development programs, to provide opportunities for students to earn while they learn, to provide opportunities for faculty to earn additional income, and to assist government livelihood programs (CLSU UBAP, 2013).

Business enterprises or income-generating projects require proper management and decision-making since they affect the enterprises or project's performance and long-term viability (Domingo, F. D., 2003). Organization and management aspects, operation aspects, marketing functions, and financial aspects (Domingo, 2003) are all part of the management practices of a company enterprise. (Alvaran, 2002) discovered in his research that selecting proper IGPs necessitates matching expertise and specialty to ensure success and profitability, as well as people with entrepreneurial, management, accounting, skills, and marketing experience.

IGP Directors or Accounts and Relation Officers, IGP Officials, Deans/Directors, and IGP Coordinators were the responders for the assessment of business management function of existing income-generating projects. This study will assist them in evaluating current policies and regulations pertaining to their own income-generating projects, strengthening their research and development, identifying additional benefits and uses for income-generating projects, and developing strategies for identifying, funding, and implementing income-generating projects.

2. Problem Definition

The study focused on the assessment of Nueva Ecija Universities of Science and Technology income generating projects. It specifically sought to provide answers to the following questions.

1. Describe the Organization and Management structure of IGP.
 - 1.1 Overall operational control; and
 - 1.2 Number of person in the position.
2. How the pricing management be describe in terms of.
 - 2.1 Product/Service; and
 - 2.2 Pricing method and setting; and
 - 2.3 Prices of existing IGP?
3. Describe the Production and Technical Aspect of IGP.
 - 3.1 Sources of manpower;

- 3.2 Submission and approval of proposed projects; and
- 3.3 Procurement of materials.

4. Describe the financial aspect of IGP.

- 4.1 Capitalization;
- 4.2 Sources of capital;
- 4.3 Frequency of preparation of financial and collection reports;
- 4.4. Income.

3. Methodology / Approach

The study relied heavily on descriptive research, with the survey instrument serving as the major data collection method. When the goal of the research is to discover traits, frequency, trends, and categories, descriptive research is a good choice, according to (Nassaji, H., 2015). The researchers designed a structured questionnaire to address the aforementioned questions. The researcher planned and prepared the amended questionnaire. Suggestions for enhancements and alterations were made, and the system was put through its paces and tested by a group of selected graduates.

All authorities of the income-generating project, as well as 6 (six) IGP officials (Budget Officer, Supply Officer, Auditor, Infrastructure and Development Officer, Legal Officer, and Accounts Relation Officer) participated in this study. Academic Extension Campuses were left out of the survey because the University's mandate only included academic duties. The University officials had no influence over income-generating ventures on the Academic Extension Campuses. Also, the Fort Magsaysay Campus was left out due to a lack of students, and it turns out that there aren't many existing income-generating initiatives to analyze.

Permission to conduct the research was sought from the University's President's Office. The researcher personally administered the questionnaires with the support of the various Deans and Directors. The goal of the questionnaire and how to reply to it were explained to the respondents.

All of the information acquired through the questionnaire was carefully tallied, tabulated, summarized, and recorded. The statistical methods utilized were frequency, percentage, and weighted mean.

4. Results and Discussions

1.0 Organization and Management

Table 1: Distribution of Respondents for Overall Operational Control

Overall Control	f	%
President	3	60
Project Manger	-	-
IGP Committee	2	40
IGP Coordinator	-	-
Total	5	100
Distribution of	f	%

Respondents for Proposal Submission		
IGP project Manager	4	80
Dean of the College	-	-
Department Chairman	1	20
Total	5	100
Distribution of Respondents as to Approval of Proposal	f	%
President	4	80
IGP head	-	-
VP for Business and Finance	-	-
IGP Committee	1	20

Table 1 shows the distribution of overall operational control of income-generating projects. Based on the table, for overall control of IGP projects, three or 60%, answered the President, and two or 40%, answered the IGP Committee. For the submission of project proposals, four or 80% of the IGP Project Managers submit the proposal for the project, one or 20% of the department chairman submits the proposal. For the approval of the project proposal, four out of five, or 80%, said the President approves the proposal, while one, or 20%, said the IGP Committee approves the proposal.

According to the results, the president has overall leadership of the IGP operation. Respondents regarded the President as having final approval for the implementation of each IGP project with the assistance of committee members. Section 2 of CHED Memorandum Order No.20 SUC is defined as the main campus, satellite or branch campuses, external campuses, and any other extension immediately under the control of the President or his properly authorized representative or designee, according to the 2011 definition. This gives the President the authority to manage and control all resources required to implement rules and regulations that are not in conflict with the law and are necessary to carry out the university or college's activities (Section 4, RA No.8292). In his research, (Domingo, 2011) mentioned that under Board Resolution No.32, s.2002, in relation to the CBAO, the President provides the vision and overall direction of the program and oversees the overall implementation of policies as approved by BOR.

The proponent submits the plan to the Deans and Directors of the concerned institution or campus, who then forward it to the Office of the President for consideration by IGP officials during their meeting. Before the project is implemented, the management undertakes the planning. To be able to establish the viability of a project, you must first prepare a project proposal or feasibility study. The management has a solid foundation on which to decide whether the project should be pursued or abandoned. Production is one of the university's quadrifocal functions. However, the IGP Committee would have to deliberate before it is approved. The quantity of capital required the project's funding source, and the method by which it will be funded.

Table 2: The Distribution of Respondents for the Number of Persons in the Position

No. of Personnel	Managerial	
	F	%
4 or more	-	-
3	-	-
2	1	20
1	4	80
0	-	-
Total	5	100
Technical		
4 or more	1	20
3	1	20
2	2	40
1	1	20
0	-	-
Total	5	100
Administrative		
4 or more	2	40
3	-	-
2	1	20
1	2	40
0	-	-
Total	5	100
Laborers		
4 or more	2	40
3	-	-
2	2	40
1	-	-
0	1	20
Total	5	100

This merely serves to demonstrate that the President retains the right to approve and make the ultimate choice on any initiatives that the University will employ as resources. The President exerts his rights and authority; consequently, the project cannot be implemented without his consent. Furthermore, the institution is adhering to the criteria specified in the Ched Memorandum No.20 series of 2011, which states that the Head of Agency is responsible for controlling and managing the university's resources. As a result, the President has the authority to make decisions about what, when, where, and how the project will be carried out.

Table 2 illustrates the number of individuals employed in management, technical, administrative, and laborer jobs. As can be seen from the table, managerial positions have one occupant (40%), while technical positions have two occupants (20%). Two, or 40%, of technical posts had two occupants, one, or 20% had one, and four or more inhabitants. Two, or 40%, of laborer roles have four or more occupants, while the remaining 40% have one.

Organizing is a management function concerned with the best use of resources and processes in order to meet goals (Zheng, W., 2010). Organizational design determines work specialities, departmentalization, line of command, span of control, centralization, decentralization, and formalization.

The Account and Relation Officer, or in other SUC IGP Director terms, is a managerial job in the CBAO structural design based on an unstructured interview. She is in charge of the marketing centers at the General Tinio and

Sumacab Campuses and reports directly to the President, who is in charge of the University's IGP projects. Projects that require technical understanding determine the technical position. The administrative job falls to the IGP Coordinator, who is also the point of contact for the IGP Director/Account Relation Officer. The labor force consists of garment sewers, student helpers, and record clerks.

With ten sewers, one button holler, and two master cutters, the outfits required more than two staff. "Two personnel," remarked the other two, referring to the student assistant who helps the IGP director or another campus coordinator with inventory management and product sales.

NEUST believes that the area of duty, power, and expertise of each employee is determined by the organization. The person in control is in charge of issuing commands. As a result, occupations in the administrative, managerial, technical, and worker categories must be divided. Each department head can choose the scope of responsibility because their specialization determines which department they will be allocated to.

2.0 Market and Marketing

Table 3: Distribution of Pricing Method Used and Price Setting Decision

Pricing Method Used	f	%
Cost plus method	5	100
Odd even pricing	-	-
Value Pricing	-	-
Total	5	100
Distribution of the Price Decision Setting	f	%
President	-	-
IGP official	3	60
VP for Business and Finance	-	-
IGP head	2	40
Total	5	100

Table 3 displays the respondents' pricing methods and price setting. As gleaned on the table, five out of ten IGP officials (or 100 percent) utilize the cost plus approach for pricing, and three out of ten IGP officials (or 60 percent) decide on price setting, while two out of ten IGP heads decide on price setting.

The commodities were priced using the cost plus method of pricing. Using a cost-plus-pricing method, the price will be computed as the sum of the operational costs and predicted profit margins (Xian Lin, L. et al., 2015). The cost of souvenirs such as umbrellas, mugs, cups, bags, meals, and so on is sometimes increased by 5% to 10%, according to the leaders of income-generating firms. P. E. uniforms, for example. Uniforms are not cheap. The cost of production determines the price of jogging pants and T-shirts. The contract stipulates that rent will rise by 5% each year.

Because the University's IGP projects, such as souvenirs, and, P. E uniforms. Because shirts and foodstuffs are merchandising products, the cost plus approach of pricing is appropriate. It's computed by adding the cost of the

acquired item per unit to a profit margin for each. The cost of T-shirts plus the cost of the print, to which the mark-up will be added, is the total cost of completed items, including the cost of the print.

The IGP head is the one who prepares the price lists based on the cost of an item plus the additional percentage of the mark-up price determined by the IGP authorities, as well as the setting of prices for animal auctions. Prices are set based on an agreed-upon price set by IGP officials. It is more valid if all members of the committee agree on the price levels.

Table 4: Price Distribution for Stalls/Lease Space on the Ground Floor, Canteen Main and Canteen Small

Amount	Ground Floor	
	F	%
5,000 – 10,000	-	-
10,001 – 15,000	5	100
15,001 – 20,000	-	-
20,001 – 25,000	-	-
25,001-30,000	-	-
Not Applicable	-	-
Total	5	100
Canteen Main		
5,000 – 10,000	-	-
10,001 – 15,000	-	-
15,001 – 20,000	-	-
20,001 – 25,000	5	100
25,001-30,000	-	-
Not Applicable	-	-
Total	5	100
Laborers		
5,000 – 10,000	5	100
10,001 – 15,000	-	-
15,001 – 20,000	-	-
20,001 – 25,000	-	-
25,001-30,000	-	-
Not Applicable	-	-
Total	5	100

Table 4 shows the distribution of prices for stalls/space for lease on the ground floor, canteen main, and canteen small. Based on the table, five, or 100% of the prices for stalls/space for lease in the canteen on the ground floor, Canteen main, and Canteen small are 10,001–15,000, 20,001–25,000, and 10,001–15,000, respectively.

Based on an unstructured interview, the stall/space on the ground floor is known as the LTC stall and is located in front of PJG Hospital. There are 13 stalls with goodwill provided. The canteen is located at the Gen. Tinio Campus, and the canteen small is located in Food Court I and II at the Sumacab Campus. The food court has ten stalls, which are all occupied. Food Court II has 12 stalls, but only five are occupied. Other stalls are still under construction. Food Court I is located at the Sumacab Campus near the Education Building, while Food Court II is located near the ILCO and USG Offices at the Sumacab Campus. Goodwill is provided by the tenants for the building as pot/seed money for the space rented. It is a non-refundable and non-transferable deposit as long as the tenant wants to renew the contract, but it will be forfeited once they no longer renew the contract. This is applicable only to LTC stalls in front of PJG Hospital and to San

Isidro Campus stalls located at the front of the school. In late 2014, it was also applicable to food court number 2 located in the closed gym, International Linkages Coordination Office and USG Office in Sumacab Campus. For the LTC Stall, the goodwill money is 100, 000, and for the Food Court number 2, it is 50, 000. The amount of goodwill collected from tenants is deposited in a separate account. The amount collected could be used for specific projects approved by the Board of Directors. The funds cannot be utilized for other projects since they have been appropriated from the start.

The University considers the amount of students enrolled at these campuses. Because the Sumacab and Gen. Tinio campuses have the biggest number of students, renters of the facilities should expect frequent clients for whatever items they sell on their leased facilities. As a result, customers may be confident. It is an obvious opportunity for IGP officials to construct additional space/stalls on campuses with significant enrollments. Prospective tenants will be interested in available apartments even if the space is not advertised.

The price for stalls/space for lease in small stalls, Cyber Space, Kioks and the BOT Scheme is 2, 501–3, 000 for small stalls and 25, 000–30, 000 for Cyber Space. Kioks and BOT schemes do not exist anymore.

Based on an unstructured interview, these small stalls are located near the USG office in the Gen. Tinio Campus. It has five stalls already occupied. The four stalls offer different finger foods like squid balls, kikiam, chicken skin, kwek-kwek and the like. They also offer drinks and burgers. The one stall occupied by Cakeland offers their products. KIOKS tenants have already transferred to the food court in Sumacab.

Cyberspace stalls are located at the LTC building. There is no existing BOT scheme stall located in front of the open court at the Sumacab Campus. Their contract has already expired. The spaces occupied by tenants are now converted into marketing centers in the Sumacab Campus.

The number of enrollees at the Gen. Tinio Campus is now at 7, 372. These enrollees cannot be accommodated by the canteen, so an additional four small stalls were established to meet the demand of students. Since Gen. Tinio Campus has limited space to use for the establishment of new stalls, profits and revenues in terms of rental/leaseholds are not maximized, while revenues in terms of ID production, souvenir items, and book distribution are the only IGPs that can be maximized in earning capability.

Cyberspace is placed in the University's LTC. It is an opportunity to rent out the area and generate money. Because the Gen. Tinio Campus provides the BSIT course, it is an excellent option for a tenant who wants to open a computer store. Because of the restricted space on the Gen. Tinio Campus, business is not an option. It is possible at the Sumacab Campus, but tenants are apprehensive to lease because, in addition to the other canteen, two food courts have been created.

Table 5: Distribution of Rental Fees Per Hour for Facilities

Amount	Gymnasium	
	F	%
100 – 500	5	100
501 – 1, 000	-	-
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	5	100
Audio Visual Room		
100 – 500	5	100
501 – 1, 000	-	-
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	5	100
Sound System		
100 – 500	5	100
501 – 1, 000	-	-
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	5	100
LCD Projector		
100 – 500	-	-
501 – 1, 000	-	-
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	-	-
Auditorium		
100 – 500	5	100
501 – 1, 000	-	-
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	5	100
Training Center Hall		
100 – 500	5	100
501 – 1, 000	-	-
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	5	100
Training Center Hall		
100 – 500	-	-
501 – 1, 000	5	100
1, 001 – 1, 500	-	-
1, 501 – 2, 000	-	-
Total	5	100

Table 5 shows the distribution of rental fees per hour of facilities. Based on the table, five or 100% answered that the rental for the gymnasium, audio-visual room, sound system, auditorium in Sumacab, and Training Center Hall per hour is 100-500. the training center room, five out of ten (or 100%) answered that the rental fee for the training center room is 501–1, 000.

Based on an unstructured interview, the gymnasium in Gen. Tinio Campus, which is called DAGRHM, is a covered gymnasium with bleachers on the sides and a stage. It is well lit at night and seats 500 people. The audiovisual room is located at the Gen. Tinio Campus beside the College of Arts and Sciences. A letter of request addressed to the President is required. Upon approval, a day before the event, the bill must be paid. The combo provides the sound system. Rental of an LCD monitor is not applicable as an income-generating project. An LCD monitor can be borrowed from different colleges and campuses without charge. Faculty are allowed to use

the LCD in their classroom discussions as long as it is available for use. The auditorium is located on the second floor of the College of Education. It has a seating capacity of 100–200 people. The training hall is known as the Nieto Hall and is located at Sumacab Campus. Its function room is almost 300 sq. m. Event organizers must submit a letter stating the number of hours requested for the event and will be billed upon approval of the request. A day before the event, the bill must be paid.

Table 6: Distribution of Rental Fees Per Orchestra and Band

Amount	Orchestra		Band	
	f	%	f	%
10, 000 – 15, 000	-	-	5	100
15, 001 – 20, 000	5	100	-	-
20, 001 – 25, 000	-	-	-	-
25, 001 – 30, 000	-	-	-	-
Total	5	100	5	100

The Rico Fajardo Hall, which is located on the Sumacab Campus, houses the training center. It has 23 rooms. 21 rooms have four to six occupants per room, while two rooms are twin-sized rooms. The rental per room is P800 per room. The space availability in Sumacab Campus is suited to established buildings and facilities, which could be used as income-generating projects since it has a total land area of 10 hectares. The facilities are mostly offered on a per-hour basis to regulate and monitor maximum earning opportunities.

Table 6 shows the distribution of rental fees for the orchestra and band. Based on table five, or 100%, the rental fee for an orchestra is \$15, 001-20, 000. While for the band, five, or 100%, the rental fee for the band is 10, 000–15, 000. The bus is also five or 100% answered that the rental fee is not applicable.

Based on an unstructured interview, the orchestra refers to COMBO. While the band refers to the Brass Band, The policy regarding the rental of combos is the same as for the band. Aside from the rental fee, the lessee will cover the food and transportation costs. The bus is not for hire. There is no vehicle used for IGP purposes. The vehicle was already sold.

3.0 Production and Technical Provision

3.1 Sources of manpower

Table 7: Distribution of Respondents According to Sources of Manpower

Sources	Manpower	
	F	%
Hire from outside source	-	-
Hire from available/qualified faculty/staff	5	100
Part Time	-	-
On Call Basis	-	-
Total	5	100
	Shortage of Manpower	
Hire from outside source	5	100
Hire from available/qualified faculty/staff	-	-
Part Time	-	-

On Call Basis	-	-
Total	5	100
	Project Analysis	
Hire from outside source	-	-
Hire from available/qualified faculty/staff	-	-
Part Time	-	-
On Call Basis	5	100
Total	5	100
	Project Manager	
Hire from outside source	-	-
Hire from available/qualified faculty/staff	5	100
Part Time	-	-
On Call Basis	-	-
Total	5	100
	Engineer/Veterinarian	
Hire from outside source	-	-
Hire from available/qualified faculty/staff	5	100
Part Time	-	-
On Call Basis	-	-
Total	5	100

Table 7 shows the distribution of sources of manpower. Based on the table, five or 100% of the available manpower within the university. In the event of a labor shortage, hire five or all of your employees from outside sources. In the selection of project analysts, five or 100% are on a call basis. In the selection of a project manager, either five or one hundred percent of the faculty or staff will be designated as project manager. selection of project engineer/veterinarian and other professional services, five or 100% pool-qualified faculty from where they select for project engineer/veterinarian and other professional services are considered.

The IGP's goal is to make the most of its human and non-human resources. As a result, in-sourcing is the primary source of manpower. Exploiting the potential of faculties who are both accessible and eager to take on the challenge. In this method, SUC can develop an IGP initiative without relying on outside funding or private practitioners who charge fees. The President will appoint the IGP Coordinator at his discretion. Deans and directors have the authority to assign employees they believe are trustworthy. Student assistants are employed and compensated on an hourly basis for the recording, inventory, and selling functions. Faculty for animal projects will be chosen based on their area of expertise and experience.

When there is a workforce deficit, it is often necessary to hire from outside sources. Only in the clothing segment, where vast quantities must be produced quickly, is it possible to hire from outside sources. In the garment section, there are only a few regular sewers. Subcontracting is used by the institution to avoid having to hire more people, which saves money on labor and overhead costs. ID card production is also outsourced, which means the university leases the ID card machine. The lessor is responsible for providing and maintaining it. In terms of income distribution, if the ID costs P70, the lessor's and university's portions will be P40 and P30, respectively. The labor will be billed to the University.

Project analysts with expertise in project planning and implementation are hired as the need arises. In the development of the ecopark, the expertise of an architect and engineers is solicited.

Hiring through outsourcing is prohibited as much as possible since honoraria or professional fees will be levied to the university, reducing the project's generated income. Using qualified faculty's potential will improve their knowledge and expertise in their field of specialization. A faculty member will be appointed as a project manager as much as possible in order to utilize all resources, such as assets and people. As a result, it is envisaged that the job will be filled by a member of the university's faculty or staff. Another advantage is that the pay of the employees will not be taken from the project's revenue. Because the salaries of the project's employees are difficult to calculate, it's difficult to estimate the project's real income.

While IGP personnel do not have their own plantilla position, when they are executing their duty as project leader or IGP persons, their plantilla position is the same as that of professor or staff. Faculty who will be given more work are also granted a lighter teaching load at several state colleges and universities so that they can perform efficiently on the projects they are assigned.

Being an IGP personnel is merely an added obligation for the faculty members who will be chosen to manage the project. Their designation will be carried out regardless of their rank. They are only assigned a lighter teaching burden as IGP staff. As a result, any IGP professional can join the faculty or staff of a university.

3.2 Supplies

Table 8: Distribution of Respondents for Supplies Procedure

Person Responsible for procurement	f	%
Supply Officer	3	60
IGP Coordinator	2	40
Total	5	100
Requisition of Materials	f	%
Project Manger	5	100
Chairman of the Department		
Total	5	100
Basis for Procurement	f	%
Budgeted plan	5	100
Requisition Submitted by project Manager		
Total	5	100
Inspection of Materials/Supplies/Inputs/Equipments	f	%
Required	5	100
Not Needed		
Total	5	100
Approval of Emergency Procurement	f	%
Project Manager		
Supply Officer		
Chairman of the Department		
Accountant/Budget Officer/President	5	100
Total	5	100

Table 8 shows the distribution of supply procurement responsibility. Based on the table, three, or 60%, answered

it is a responsibility of the supply officer, while five, or 100% of the respondents, answered that the project manager should request materials. The budgeted plan should be the basis for procurement; it is required for all inputs (e. g., materials, supplies, equipment, etc.).

The procurement process begins with the IGP Coordinator's requisition, which is filed and processed by the Supply Officer based on an unstructured interview. His job is to canvass, find suppliers, and place orders. "Head of procuring entity" is defined as 1) the head of the agency or his duly authorized official for national government agencies; 2) the governing board or its duly authorized official for non-government owned and/or controlled corporations; and 3) the local chief executive for local government units, according to Republic Act No.9184 Section 5 (j). The head of any decentralized unit in a decentralized procurement department, office, or agency shall be regarded the head of the purchasing entity, subject to the constraints and authority assigned by the procuring entity.

The President of the University allocates a position for a Supply Officer, who is in charge of all material, supply, and equipment procurement for the university. He should also retain all records related to bidding, including advertisements for bidding, invitations to bid, abstracts of bids, purchase orders, inventory of stored inputs, and a list of equipment and machinery in his capacity as Supply Officer. The university recognizes the need of having a supply officer who will be in charge of procuring the university's supplies and materials.

The internal auditing department inspects the materials purchased based on the delivery receipt. Before being passed to the department that requested it, the quantity, size, color, and amount are all inspected. When ordering and receiving orders, the University follows correct accounting procedures. Checking all deliveries received by the authorized person and signing the delivery receipt only after all deliveries have been examined is a mandatory accounting practice. As a result, if the checker's signature is missing from the delivery receipt, it is assumed that the package was not checked.

The project manager should be in charge of making input requests for the projects. He can forecast the project's consumption because he is the project manager. A copy is sent to the Deans and Directors to keep track of the project's progress. Before being distributed to the department that requested it, all material purchases are subject to inspection by the internal auditing department upon delivery. Emergency procurement will not be permitted unless the Accountant, the Budget Officer, and the President have all given their approval.

Control was implemented by the institution using accounting procedures. Since the project manager makes a proposal called a "Project Feasibility Study, " which discusses the management and organizational issues, production and technical aspects, financial aspects, and marketing aspects of the proposed project.

To be accepted, projects must be realistically feasible. As a result, the Project Manager's requested and signed purchase should be based on the predicted production plan provided in the proposed project. The actual consumption of each project is compared to the budgeted plan at the project's completion to determine the project's performance. It will be used as a guide to see if the project is on track to fulfill its planned cost. In addition, the materials acquisition process should be well-documented.

4.0 Financial Aspects

4.1 Capitalization

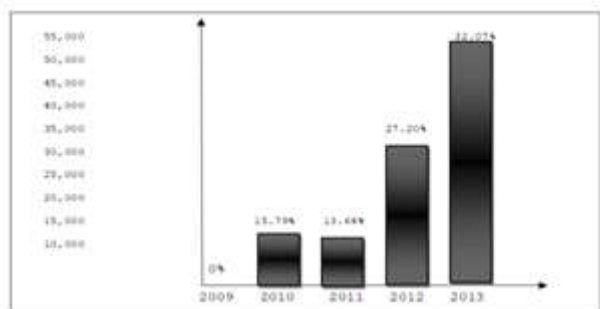


Figure 1: Souvenir Items Capitalization

Figure 1 shows the distribution of capitalization of different income-generating projects of the university during the past five consecutive years. Souvenir items posted a yearly increase in capital from 2009, which was 95,000, and in 2013, they posted 210,000. A 15.79% increase in 2010 was posted, which is 15.79% higher than the 2009 capitalization until it reached P511,000 in 2013, which is 32.07% higher than the 2012 capitalization as shown in Figure 2. The RTW/Garments section shows a yearly increase in capitalization as well, with 4,100,000 in 2009 and 5,300,000 in 2013. There was an increase of Php 200,000, which is 4.79% higher than the 2009 capitalization. In 2013, it reached Php 200,000. This is 3.92% higher than the 2012 capitalization shown in Figure 4. While in book distribution, ID production, rental/leasehold, printing services, groceries, rice, and agricultural products show zero capitalization.

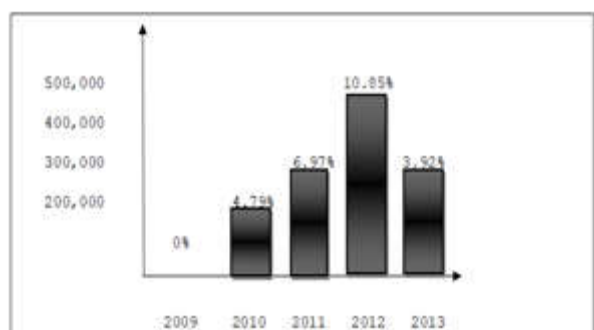


Figure 2: RTW/Garments Capitalization

The rise in capital was attributable to an increase in demand for products such as t-shirts, pins, key chains, and paper bags, according to unstructured interviews. Because of the rising demand for the product, the capitalization of the RTW/Garments area also increased.

Because book distribution is on a consignment basis, the institution will only sell the books and return the unsold ones, there was no capitalization.

The Corporate Business Affairs Office does not monitor or control the manufacturing of identification cards. It is directly under the University's Trust Fund, as defined by Section 4 of CHED Memorandum Order No.20 series of 2011, or the SUC Special Trust Fund, Fiduciary Fund, and other fiduciary funds' fund structures. The general income for use in operations is provided by special trust funds such as tuition fees, service income, and other income, college-wide common funds (e. g., Common Administrative Fund, Faculty Development Fund, SUC-wide Committee Fund), and other funds that may be created to serve a college-wide activity. Under section 3, "other income" is defined as a collection that cannot be classified under any of the identified categories of receipts and collections.

Table 10: Distribution of Respondents for Source of Funds

Person Responsible for procurement	f	%
Regular Trust Fund		
Special Trust Fund	5	100
Own Funds		
External Source		
Total	5	100

Table 10 shows the distribution of sources of funds. Based on the table, five, or 100%, answered that the sources of funds come from the Special Trust Fund.

The initial development cost for agricultural operations shall be charged to the national agricultural, fisheries, and other national schools' normal operating and maintenance fund (Fund 101), and to the Special Account under the General Fund (Fund 101) in the case of state universities and colleges (National Budget Circular No.331-A, 4.2.1). State colleges and universities, as well as national agricultural, fishery, and vocational schools, may use interest income from bank deposits and net profit from agricultural and manufacturing operations to build working capital, according to National Circular No.331-A, 5.5-5.6. Because all IGP collections are charged to the Special Trust Fund, the Special Trust Fund covers all initial development expenditures.

Table 11: Distribution of Frequency of Preparation of Financial Statements and Collection Reports

Frequency of Preparation	Financial Statements		Collections Report	
	f	%	f	%
Once	-	-		
Monthly	-	-	5	100
Quarterly	2	40	-	-
Every end of Semester	-	-	-	-
Semi Annual	3	60	-	-
As the need arises	-	-	-	-
Total	5	100	5	100

Table 11 shows the frequency of the preparation of the financial statements and collection reports. As derived from the table, three, or 60%, prepare financial statements

on a semi-annual basis, and two, or 40%, prepare financial statements on a quarterly basis. While collecting reports, five or 100 percent on a monthly basis.

This means that the university prepared the financial report on an interim basis. Interim reports are summary statements that are usually prepared in a semi-annual format (Darjezi, J., et al.2013). National Budget Circular No.331-A of December 31, 1982, under Section 8 states that

"State Universities and Colleges, national agricultural, fishing, and vocational, and other schools concerned shall submit to the National Accounting Office, Office of Budget Management, a copy furnished to the OBM Regional/District Offices, the Monthly Report of Income, Quarterly Report of Expenditures, Honoraria/Wages Schedule, Income and Operation Statement, Report on Availment of Net Profit/Interest Income, Trial Balance, and Bank Statement."

Because the majority of the university's IGP products are primarily non-consumable items, the financial report was prepared on a semi-annual basis. The university will find it more convenient to prepare it twice a year, consolidate it at the end of the year, and submit the report to the Commission on Audit once a year. They have a separate account for agricultural production. At the end of each project, financial statements should be reconciled. The sales from each college are collected on a monthly basis. The IGP Coordinator or Contact Person for each campus transmits these to the Marketing Center. The Academic Extension Campus operates on a walk-in or cash-only basis.

As a result, management relied on financial statements to determine which projects should be continued and which should be terminated. Cash remittance to the marketing center is done every month as regular university practice for cash management. The cash were put at the Philippine Landbank, and the university has a separate account for the IGP. The Commission on Audit Circular No.2000-002, section 1, explains the logic and objective of the circular. SUCs are also entitled to deposit in any recognized government depository bank, according to Section 4 (d) of Republic Act No.8292, the Higher Modernization Act of 1997. (AGDB). The Land Bank of the Philippines, which is the university's depository bank, is part of the government bank. This demonstrates that the university adheres to the rules.

A financial report should be presented to accounting and the commission on audit. The accounting office will prepare the financial report, along with supporting documentation, for the internal auditor or commission on audit to review for fairness and reliability of the amount. The Commission on Audit attests to the report based on the university's compliance with the Income Generating Project's reporting procedures.

Better internal controls, stronger financial systems, and more accurate and timely financial information have all

been realized in the financial management sector (Naval, R., 2012). Financial reports are provided to the various departments that demand financial statements in accordance with the requirements of various authorities such as the National Accounting Office, Office of Budget Management, and others. It also demonstrates that the university is open and transparent in its financial reporting on each initiative.

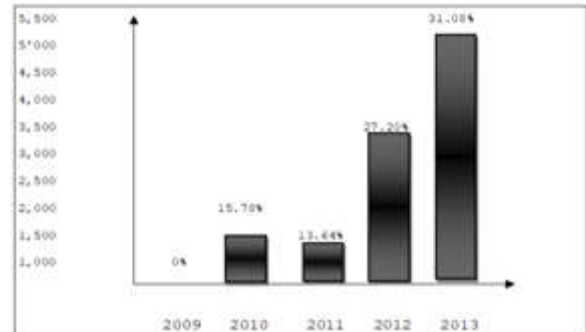


Figure 3: Distribution of Net Income for Souvenirs Items

Figure 3 shows the distribution of net income from the different IGP projects of the university. Souvenir items show a yearly increase in net income. In 2009, they posted Php 9, 500 until they reached Php 21, 000 in 2013. As compared to income in 2009, 2010 income increased by PHP 1, 500, which represent 15.78% higher than 2010 net income, while in 2013 it increased by PHP 5, 100, which represents 31.08% higher than the 2012 income.

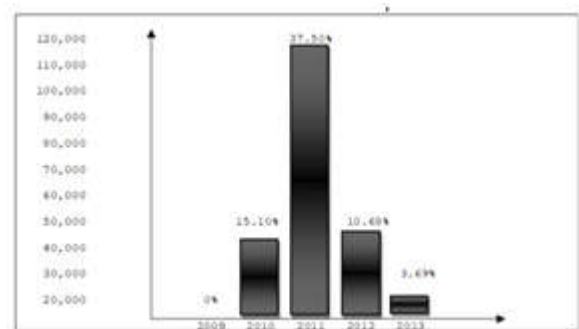


Figure 4: Distribution of net income for Book distribution Items

Figure 4 shows the distribution of net income for book distribution. As shown in the graphical illustration, shows a yearly increase in net income; 2009 posted 278, 000 until it reached Php 505, 000 in 2013. As compared to the income in PHP 2009, 2010 increased by PHP 42, 000, which represents 15.10% higher than 2009 income, while 2013 increased by PHP 18, 000, which represents 3.69% higher than 2012 income.

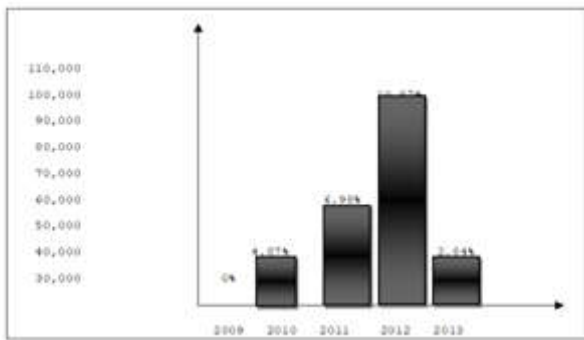


Figure 5: Net Income for RTW/Garments

Figure 5. shows the graphical presentation of the increase in the RTW/Garments section in a yearly increase in net income. In 2009, it posted Php 820, 000 until it reached Php 1, 060, 000 in 2013. As compared to the income in 2009, 2010 increased by Php 40, 000, which is 4.87% higher than the 2009 net income, while 2013 increased by Php 40, 000, which represents 2.84% higher than the 2012 net income.

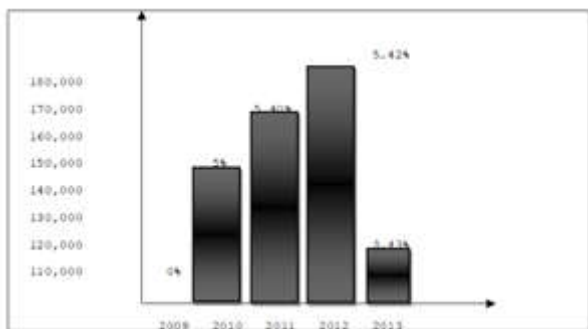


Figure 6: Net Yearly Increase of Net Income for Rentals/Leaseholds

Figure 6 presents the yearly increase in net income from rental and leasehold properties. In 2009, it posted Php 3, 000, 000 until it reached Php 3, 670, 000 in 2013. As compared to the income in 2009, 2010 increased by PHP 150, 000, which represents 5% higher than 2009 net income, while 2013 increased by PHP 120, 000, which is 3.43% higher than 2012 net income.

Printing services, food, agricultural products, and ID production brought in no income. Printing services do not generate revenue, groceries were only introduced in 2014, and agricultural goods are only used for research and training.

The university receives the most income through rentals and leaseholds. Renting out their facilities is something that all of the universities do. Sumacab campus has the biggest contribution. In comparison to General Tinio Campus, which has a limited number of leased facilities, it has all types of facilities for lease: training halls, training center rooms, food courts, auditoriums, and so on. Despite the fact that San Isidro, Atate, and Gabaldon Campuses all have approximately the same number of rental facilities, they all provide a minor amount of income, Sumacab Campus is regarded the university's development hub due

to the possibility to earn and the space available on campus.

Because there are four colleges involved, the Gen. Tinio Campus has the biggest contribution in terms of book distribution. Sumacab Campus is the next stop. When compared to Sumacab and Gen. Tinio Campuses, the San Isidro Campus contributes only a small portion of the total enrollment. Another factor is that teachers only forced students to purchase books in major topics. Because the number of students at Atate and Gabaldon Campus is so small, they can only make a small contribution. Because most products are only available when there are school activities and visits from other schools, souvenir items contribute the least to income.

Rental and leaseholds are the university's most profitable IGPs because they require no capital yet provide income. Because the Sumacab Campus has all of the facilities for rent or lease and has the most students, the total revenue earned from books, uniforms, and souvenir goods is more than on the Gen. Tinio Campus.

5. Conclusion

Based on the findings of the study, the researcher concluded that the President, with the support of the IGP Committee, has overall control over the university's IGP management. The cost plus technique was utilized for pricing, which was determined by IGP officials. Leasehold of stalls and space such as canteens, KIOSKS, and other university facilities such as gymnasiums, audio-visual rooms, sound systems, auditoriums, training center halls, and training center rooms provided the majority of the IGP's revenue.

In terms of technical/production manpower, the university is the primary provider. The supply officer was in charge of the mechanism for procuring materials and disposing of supplies.

Capitalization is essential for souvenir items and RTW/Garment from a financial standpoint. Financial statements are generated on a semi-annual basis, and collection reports are prepared on a monthly basis, using cash from a separate trust fund. The university's most profitable IGP is rentals and leaseholds.

According to the research, the university's income-generating programs are profitable. Different campuses have different capacities for being productive and contributing to the growth of revenue-generating projects on their campuses as well as the university's overall revenue. The government should follow the following recommendations to ensure proper monitoring and management of income-generating projects:

1. The study must be replicated in order to verify the findings and offer more accurate descriptions and assessments of various existing IGP initiatives on each campus, which will be used as inputs in the planning and decision-making of the IGP head and officials.

2. All university employees should be informed about IGP Projects in order to completely comprehend what an IGP is, as well as its value and contribution to the university.
3. Personnel involved in IGP operations should be offered benefits, such as incentives, to keep them motivated to become more productive.
4. To be transparent and encourage other faculty and staff to support IGP projects, each campus's year-end meeting should include a financial report on IGP projects.

6. Future Scope

The study about the operation management of income-generating projects of state colleges and universities is very timely with the permission from the Commission on Higher Education to boost the income-generating projects to support their operations. School administrators will gain knowledge of how other state colleges and universities establish, finance, and use income generated by income-generating projects. This research will help them evaluate the existing policies and regulations regarding their own income-generating projects, strengthen their research and development, identify some other benefits and uses of income-generating projects, and lastly, develop strategies for identifying, funding, and implementing income-generating projects.

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