

## TRENDS, CHALLENGES, AND OPPORTUNITIES OF CAMIGUIN POLYTECHNIC STATE COLLEGE INCOME GENERATING PROJECTS

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### **Abstract**

Assessment is the evaluation or estimation of the nature, quality, or ability of someone or something. The main objective of the study is to assess the status of the existing IGPs of Camiguin Polytechnic State College, Balbagon, Mambajao, Camiguin. The study is a descriptive type of research. Secondary data were obtained. The gathered data were analyzed using simple percentages and comparative analysis. Interview was conducted to qualify the data gathered. The study covered the IGPs from CY 2017 to 2021 under non-agri business. There were five identifiable IGPs of the College, namely: Printing Services, Rental Services, Identification Card Services, Laminating Services, and Binding Services (Ring Binding). Between 2017 and 2021, the IGP's revenue trended downward. After the IGP temporarily ceased operations due to the COVID-19 epidemic, the College's income has been steadily declining. Further contributing to the downward trend in IGP revenue were factors like the decentralization of IGP operations like printing services and the delayed arrival and delivery of supplies and materials. The challenges encountered in the IGPs included the limited budget, inadequate working space for production operations, decentralized printing services, delayed arrival and deliveries of requested supplies and materials, and damaged and dilapidated rental facilities. As the College sets to escalate its production activities to boost added revenues to be reported in its coffers, there is a need to centralize its IGPs operations for proper accountability and improved reporting system on the results of the business operations.

**Keywords:** Assessment, trends, challenges, opportunities, Income Generating, Projects,

### **Introduction**

According to Chua, C. (2014), as institutions of higher learning, SUCs in the Philippines are focused on its four-fold functions which include instruction, research, extension, and production. These four-fold functions are the SUCs Key Result Areas (KRAs) which are the determinants in SUC levelling (DBM and CHED Joint Circular No. 1, s. 2016).

Production, being one of the four-fold functions among SUCs, plays a vital role as it subsidizes its operations in the delivery of quality instruction and service to its clientele. The enactment of Republic Act (RA) 8292, otherwise known as the Higher Education Modernization Act of 1997, explicitly provides that SUCs are encouraged to venture into Income Generating Projects (IGPs) to enhance limited resources and later be self-sufficient and autonomous.

The above provision answers one of the current challenges encountered among SUCs which is the diminishing subsidy from the government for the Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO). The limited budget setback may affect the quality of service that the college has to extend to its clientele particularly the students who are the end beneficiaries.

Accordingly, SUCS need to strengthen their fiscal capability as a consequence of the government budgetary cuts for public education (RA 8292). It is imperative for them to embark in a massive generation of added revenues through an intensified Income Generating Projects (IGPs) which are strategies to manage resources embodied in the Higher Education Modernization Act of 1997. Nazli (2018) suggested that schools could have to generate additional income. Blas (2019) emphasized that IGPs have to be strengthened in order to supply the inadequate school budget being given by the national government every year. Also, Chua, C. (2014) cited that production services are now being strengthened to augment the resources and revenues of a SUC.

It is clear that the significance of a sound management of IGPs to SUCs would eventually contribute to the realization of its goals to attain fiscal autonomy and flexibility in fund management, and to effectively carry on its mandate as a state institution of higher learning (CPSC IGP Manual). According to Guimbaolibot, J. (2020), to generate better and manage funds there is a need to intensify network from potential sources that will provide additional funding for projects and not rely solely from the government support. In fact, Keiyoro, P. (2017) said that financing of education has been a shared partnership between the government and other development partners. Thus, SUCs are expected to create wealth by investing in business, by building linkages and partnerships with technological enterprises or by creating new firms through academic entrepreneurship.

The study was based on RA 8292 encouraging SUCs to generate added revenues to boost its operations on instructional and physical development, expansion and strengthening research and extension undertakings, and compensating contract laborers. Besides, the CPSC IGP Manual states that IGPs training avenues to students on the development of entrepreneurial and managerial abilities as well as provide opportunities for faculty and staff to augment their income (CPSC IGP Manual). By assessing the existing IGPs of the College, the management may formulate policies contributing to the economic stability and future expansion of the production activities. Figure 1 shows the paradigm of the study.

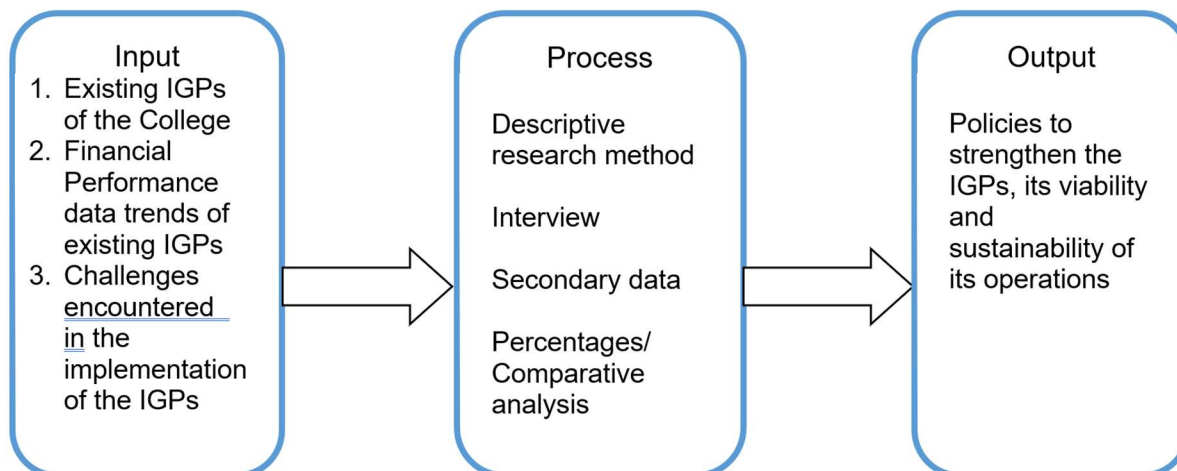


Figure 1. Paradigm of the study

The main objective of the study was to assess the status of the existing IGPs of Camiguin Polytechnic State College, Balbagon, Mambajao, Camiguin. Specifically, it answered the following questions, to wit: (1) What are the Income Generating Projects (IGPs) of the College? (2) What are the data trends and financial performance of the IGPs? and (3) What are the challenges encountered by the College of the IGPs?

### Methodology

The study is a descriptive type of research. According to Prado, N., et.al. (2010), descriptive research is concerned with the conditions or relations that exists, opinions that are held, processes that are going on, effects that are evident, or trends that are developing. It primarily draws attention to the present although it often considers past events and influences as they relate to current conditions (Best and Kahn, 1998).

The researchers requested the management, particularly the College Accountant, to provide relevant information to be utilized in the study. The other secondary data were obtained from Annual Audit Report (AAR) of the College posted in the Commission on Audit (COA) website, and pertinent financial reports of existing IGPs of the College. The gathered data were analyzed using simple percentages and comparative analysis. An interview with the production personnel was conducted to qualify the data gathered. The study covered the IGPs from CY 2017 to 2021 under non-agri business.

### Results and Discussion

#### 1. What are the Income Generating Projects (IGPs) of the College?

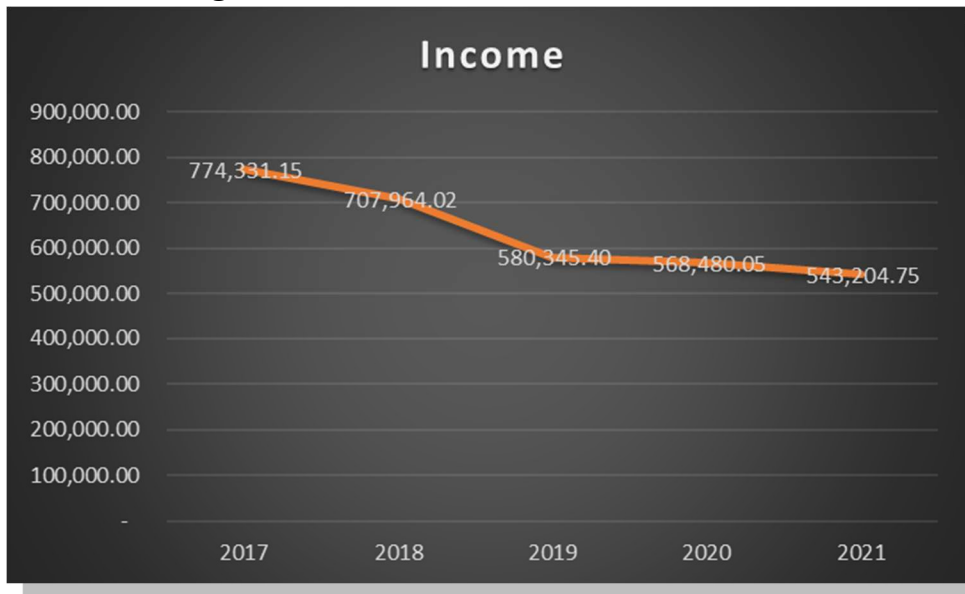
Records showed that the existing IGPs of the College included Printing Services, Rental Services, Identification Card Services, Laminating Services, Binding Services (Ring Binding). These can be verified on the report of State Colleges and Universities Levelling Key Result Area (SL KRA)

3.4.a., otherwise known as the “Number of Viable Demonstration Projects”. This indicates that the foregoing IGPs are operational since CY 2017 up to present.

2. What is the financial performance and data trends of the total IGPs?

Figure 2 presents the annual consolidated IGPs of the College. It can be observed that the total income trend of the IGPs is decreasing since 2017 until 2021. In fact, 2017 as a base year, there was a decrease of (8.57%) in 2018, (25.05%) in 2019, and continued to decrease in 2020 and 2021 with (26.58%) and (29.85%) respectively.

**Figure 2. Annual consolidated IGPs of CPSC**



A casual interview with the Project Manager for Non-Agri Business revealed that before 2016, the printing services were centralized in the production office. Printers available to the faculty and staff were at least no photocopier, and all printing and photocopying services of the different institutes and offices of the College were administered in the production office, he added. However, eventually, things changed. The different institutes managed the said services at their end through their respective printers and photocopier. Besides, other offices in the College were provided by a photocopier leading to the withdrawal of the said services in the production office.

The said undertaking resulted to a decentralized photocopying and printing activities. Instead of availing the printing services in the production office, the faculty and staff resorted to print in their respective institute and office; thus, supposed receipts of services were not recognized as this may lead to detrimental to the government. The procurement of the said printing machines can be vouched to the Department of Budget and Management (DBM) report of the budget officer and the related corroborating and underlying accounting records of the accountant. Quain, S. (2019)

said that the main disadvantage of a decentralized organization is that there is a lose control over the day-to-day activities of a company. Different agenda may create a schism between the main goal of the organization from diverse ends coming from beings that they want to advance, he added. The Commission on Audit (COA) explicitly cited that the amount of collections due to the government shall be remitted or deposited in tact to the Authorized Government Depository Bank (AGDB) within the next banking day from the collection or within the time period as may be prescribed (COA Circular No. 2021-014, dated December 22, 2021). Also, where collection is minimal and daily deposit thereof becomes costly and impractical, it shall be deposited at least once a week, or as soon as the collections reach P10,000.00 (Revised Cash Examination Manual of 2013). This is to safeguard government assets and the protection as well to government employees against legal penalties since according to the Government Accounting and Auditing Manual, Volume 2 (1992), the agency head of the government either national government/government-owned or controlled corporations is immediately and primarily responsible for all government funds and property pertaining to his agency. Likewise, persons entrusted with the possession or custody of the funds or property under the agency head shall be immediately responsible to him without prejudice to the liability of either party to the government.

On the other hand, the COVID-19 pandemic has impacted negative results not only to business worldwide, but to the College in particular. It resulted to loss of revenue and profitability crunches, prolonged collection periods, problems in logistics, delayed or cancelled projects and disrupted supply chains and access to labor (Hidalgo, A., et.al., 2021). Also, it directed some managers to close their businesses in compliance with government regulation, while others voluntarily closed their businesses despite eased community quarantines (Worldbank, 2021). It can be seen in Figure 1 that the income of the IGPs of the College decreased continuously in 2020 and 2021. Interview revealed that the College temporarily shut down its operations due to the suspension of classes in adherence to community quarantine as implemented by the government. In fact, no collection of fees among the rental facilities of the College, such in business learning centers and mini stalls; no sales on t-shirts and uniforms; and no service income in photocopy, risograph, lamination, and graduation pictorial services; since classes were conducted purely online.

### 3. What are the challenges encountered by the College of the IGPs?

Interview revealed that there were challenges encountered relating to the IGPs of the College. In as much as the production personnel wanted to expand and venture the IGPs, yet, it was not materialized due to limited budget which is moderate enough in running the operations of the existing IGPs. Having sufficient funding enables the business to seize any chances that present itself, such as investing in new goods and services that might spur business expansion (Portercapital, 2021). The setting inhibits the ability to procure assets and resources needed for business expansion and venture; thus, it resulted to an obstacle of doing business and growth opportunities.

On the other hand, the limited space of the production office emerged as one of the confronting concerns faced by the production personnel. Interview disclosed that the said office had an area of only 5x8 square meters where various production operations happened such as printing, binding, laminating, risograph/photocopying, and ID picture taking. Furthermore, aside as a production worksite, the said area served as an office of the production director, the project manager and his staff. The congested area may result to unprotected IGP equipment and facilities, following to failure of 5s in ISO certification. Accordingly, a well-designed workspace fosters a less stressful and more productive environment. Thus, it's crucial that employers take the physical work environment of their employees into consideration to function at their best since employees need to feel relaxed and at ease in their physical work environments (Kohl, 2019).

Also, the decentralized printing services transpired as one of the challenges faced in IGP operation, resulting to a decline in printing income. The procurement of photocopier machine/s aiding the photocopying undertakings of the College is commendable. However, the assignment of the aforesaid machine/s not in the production office may create a rivalry on the production undertakings of the College. This may lead also to unaccounted income; thus, falling short the supposed augmentation of the resources and revenues of the College which may weaken the SUC leveling. According to DBM and CHED Joint Circular No. 1, s. 2016, otherwise known as the FY 2016 leveling instrument for SUCs and guidelines for the implementation, production activities are part of the determination of SUCs level.

Moreover, interview bared that there was a delay in the delivery of the requested supplies and materials needed for production activities. The production office requested materials and equipment based on the Project Procurement Management Plan (PPMP), nevertheless, deliveries of the said requests were late and even sometime did not arrive. A further discussion found out that the cause of the delay brought by the unavailability of the supplies and materials requested in the locality. The procurement section had to secure and canvass in the mainland requiring an extended time processing. Besides, restrictions due to pandemic contributed also in the procurement process. Consequently, the arrival and delivery of the said requested supplies and materials were affected. The scenery resulted to a loss of potential income of the IGPs of the College since clientele were far more likely to elsewhere and resorted to avail the services of outside campus. Phillips, K. (2012) once said that delays and inaccuracies will have a disastrous impact on customer satisfaction, brand image, and bottom lines. Efficiency and accuracy are more critical than ever as consumer expectations rise in parallel, he added.

Finally, it was discovered that one of the difficulties encountered led to unsafe facilities such as guest and model homes, business learning center, and mini-stalls, which were caused by damaged and dilapidated rental facilities. As a result, the aforementioned facility needs repairs because some of its components were harmed as a result of normal wear and tear and the passage of time. In addition, a typhoon struck causing a severe damage. To make sure that facilities are operating at

peak performance, Gibson, M. (2022) said that maintenance helps workplace safety and keeps costs under control. Proper maintenance is not only beneficial to the building but also to the health and safety of your family, employees, customers, and others. Inspecting interior and exterior for cracks, leaks and other damage can help you keep everyone comfortable and prevent people from getting sick or injured (Robert Haine Co., Inc., 2021).

### Conclusions

1. There were five identifiable IGPs of the College, namely: Printing Services, Rental Services, Identification Card Services, Laminating Services, and Binding Services (Ring Binding).
2. Between 2017 and 2021, the IGP's revenue trended downward. After the IGP temporarily ceased operations due to the COVID-19 epidemic, the College's income has been steadily declining. Further contributing to the downward trend in IGP revenue were factors like the decentralization of IGP operations like printing services and the delayed arrival and delivery of supplies and materials.
3. The challenges encountered in the IGPs included the limited budget, inadequate working space for production operations, decentralized printing services, delayed arrival and deliveries of requested supplies and materials, and damaged and dilapidated rental facilities. As the College sets to escalate its production activities to boost added revenues to be reported in its coffers, there is a need to centralize its IGPs operations for proper accountability and improved reporting system on the results of the business operations.

### Recommendations

1. The College may venture other viable IGPs, if budget warrants, and has to plan post-pandemic solutions in the re-opening of all existing IGPs of the College.
2. The College may submit IGP proposals to other agencies for funding responding the scarce financial resources.
3. The management has to provide additional room/space for conducive production station/working area, and if budget warrants, allocate funds for repairs and maintenance of rental facilities to warrant that facilities are operating at peak performance.
4. The management may institute clear-cut communication and instruction pertaining to production policies ensuing a smooth implementation of production's vision and strategies.
5. The production office has to apply further profitability analysis in the calculation or assessment of profits and status of the IGPs of the College.

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