

Members' Awareness in Financial Management and Financial Performance of Tarlac College of Agriculture-Faculty Association-Multipurpose Cooperative

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Abstract

It is recognized that cooperatives help uplift the lives of their individual members. In a broader sense, this is one of the many ways in which people join together to create a better quality of life for themselves. The financial performance of the cooperative is essential for it measures how profitable the organization is, in a specific period. In this context, understanding the relationship between financial performance and the management skills of its leaders is important for overall success. This study was conducted to determine the financial performance and level of awareness in the financial management of the officers and management staff of Tarlac College of Agriculture Faculty Association Multipurpose Cooperative (TCA-FA MPC) at Tarlac Agricultural University. A total of eight (8) officers and staff served as respondents in this study. The study used a descriptive research method to describe the level of financial management awareness of its officers and management staff. The preliminary information was gathered using a questionnaire distributed personally to the respondents. The study divulged that the management staff and officers are aware of the financial management practices of the cooperative. Additionally, the cooperative's financial performance is contingent upon the extent of awareness with financial management practice.

Keywords: financial management, financial performance, multipurpose cooperative, Tarlac Agricultural College



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INTRODUCTION

Business is a professional activity carried out by different enterprising entities or organizations. Different strategies are being performed to ensure income generation, sustain its operation, and continue providing goods and services to its customers/clients. All throughout, cooperatives are being scattered in different countries and various sectors of the economy to attain a profit. The International Cooperative Alliance (ICA) defined a cooperative as an independent group of individuals working together to address common needs and aspirations of the members in the areas of economics, society, and culture through a democratically owned business. Cooperative is voluntary-based, and they have

the full privilege to enter and to leave the organization as per the "user-control" principle, people who use the co-op (members) aid finance to the co-op and therefore recognize this organization in which the share is always equal in proportion.

In the Philippines, the idea of working together has been a part of the culture for a long time. This tradition, called "Bayanihan," is about helping each other with limited resources to reach common goals. Dr. Jose Rizal, inspired by cooperative ideas he saw in Europe, introduced this concept to the Philippines. While in exile in Dapitan in 1896, he set up a Marketing Cooperative for local farmers. With this effort, various bills for cooperatives were approved for the legality of cooperatives existing in the

Philippines. Republic Act No. 9525, or the Philippine Cooperative Code of 2008, is one of the examples which focuses in promoting the creation and growth of cooperative as a way to help its members to achieve a better life, by providing goods and services, and optimum social and economic benefits to its members. Republic Act No. 6939 existed to promote the viability of the cooperatives as a tool for equity, social justice and economic development that are defined along with their powers, functions and responsibilities. Today, in the majority of democratic countries, cooperative is one of the distinct forms of organization that are recognized. Supporters of the cooperative movement believe that cooperatives help people feel a sense of unity. They save resources by avoiding repeated efforts in a competitive world, encourage creativity, provide equal opportunities, and combine personal interests with a desire to help others in the group.

It is recognized that cooperatives help uplift the lives of their individual members. More broadly, this is one of the ways people come together to enhance their quality of life. Founders of cooperatives set up a special kind of business that gives them better access to important resources and allow them to make decisions about how the business is run.

Cooperative is often organized to encourage thrift and mobilize savings among the members for capital formation to provide loans, goods, and services. It was recognized because most of the people experience financial problems and become victims of unfair pricing practices while acquiring various services. Moreover, people are being deprived of acquiring quality services. To limit this problem, the cooperative was organized to continuously provide greater assistance/services and to serve the real and felt needs of its members, and the community as well.

In an organization, financial status is necessary to determine regularly. This is one way to measure the performance of the business and the management. A comprehensive analysis on the performance of resources in all areas

including assets, liabilities, equity, costs, revenue, and total profitability is likewise important. It refers to which the financial objectives of a specific business or a company have been accomplished and attained. As it pertains to calculating the monetary value of the outcomes of a company or firm's policies and operations. In addition, it can measure the operation's general financial health during a specific period which can be used to compare different companies' economic health (Schmidt, 2023). In internal users of a cooperative, financial performance is scrutinized to regulate the condition of the cooperative's well-being and standing in economic terms.

The Tarlac College of Agriculture-Faculty Association Multipurpose Cooperative (TCA-FAMPC) was organized and registered to the Cooperative Development Authority (CDA) under the cooperative law (R.A. 6938 and R.A. 6939) in the year 1998 and has its Amended Registration under R.A. 9520 (New Cooperative Code of the Philippines) in 2014 with Registration No. 9520- 03008381-1. The TCA-FAMPC started with 24 faculty members and aimed to be a financial arm to support the members' financial needs. As of the present time, the cooperative has less than 100 faculty members who continuously participate in the capital build-up as the source of funds that is used for lending services. The cooperative is categorized as a small cooperative based on the SMEs assets category since it has a total asset of P9,238,508.43 according to the 2022 financial statement.

Observing the earnings and the performance of the cooperative is crucial because this will enable the management to decide what action to take. This is important to ensure the continuity and stability of its operations. The goal statement of the cooperative expresses what to achieve which will serve as a basis in analyzing its performance. The value of investor-oriented stakeholders rests on the profits utilized to reward investors and reinvest in profitable assets that will provide future profits. Hence, the relationship between the level of awareness of the officers and management staff in financial management and

the financial status of the cooperative is essential to determine the basis for the formulation of plans and programs as well as crafting appropriate policies for the cooperative to ensure the sustainability, and improvement of its operations while maximizing the potential profit generation, thus, this study was proposed.

Statement of the Problem. The general problem of the study was to determine the financial performance of Tarlac College of Agriculture Faculty Association Multipurpose Cooperative (TCA-FAMPC) at Tarlac Agricultural University and the level of awareness in the financial management of its officers and management staff.

LITERATURES

Financial Performance. Financial performance quantifies an organization's operations output in monetary terms, allowing management, board, government, and public to make decisions based on cooperatives' financial success (Chungyas, 2021).

Financial statements offer a clear picture of a business's financial status and activities. Financial performance evaluates a company's position in terms of assets, liabilities, equity, costs, revenue, and profitability. It shows how well a company uses its resources to earn income and indicates its long-term financial stability. This literature review focuses on research about the financial performance of faculty cooperatives—organizations run by educators aimed at boosting their economic well-being. It analyzes various business-related formulae and sources to determine the success of these cooperatives. Consequently, according to (Wuryani & Yuninigsih, 2019), cooperative management effectively improves financial performance by encouraging active participation from cooperative members, leading to increased profits and business results reports in yearly member meetings.

According to Chungyas and Calara, (2018), financial performance signals members to withdraw or increase share capital and helps

management improve specific business parts. On the other hand, Yenesew, (2014), states that measures include profit after tax, return on assets, return on equity, earnings per share, and market value ratios.

Anand (2017) found that financial performance was positively related to the size and age of the cooperatives, while Munguti (2014) found that the cooperative with higher asset quality, capital adequacy, and operational efficiency had better financial performance. Zhang et al. (2023) found that cooperatives with higher levels of capital investment, labor productivity, and technological innovation had better financial performance, while Murithi et al. (2018) found that cooperatives with better governance structures and financial management practices had better financial performance. Wayessa et al. (2021) found that financial performance is positively related to the size of the cooperative, its member's education level, and the level of government support. Ghosh and Ansari (2018) found that cooperative banks with strong governance structures and supportive regulatory environments tend to perform better.

Cammayo (2021) found that cooperatives have a high risk of failure and may need to be liquidated due to several factors. These include insufficient operating capital, heavy reliance on borrowed funds, absence of a development plan, budget, and operational policies, poor internal relationships, lack of networking or alliances, and a high rate of overdue loans or low receivable turnover.

Ramos (2018) assessed the financial status and performance of multi-purpose cooperatives in Tarlac, Ethiopia, highlighting the challenges posed by socioeconomic policies adopted by various governments, highlighting the ongoing cooperative development movement.

Anuran and Bagsit's (2016) study on Sorosoro Ibaba Development Cooperative's financial performance reveals that its success is influenced by liquidity, asset management, and profitability. Despite a decline in gross and net profit, sales and cost of sales improved.

Dimas et al.'s (2022) study reveals that conservative legislation in the Philippines restricts cooperatives from issuing non-redeemable shares, which can be traded at market price. The more profitable cooperatives encounter, the higher their financial performance.

Financial Management. Financial management ensures excellent performance by creating a business plan and maintaining operational order. It provides data for long-term vision, investment decisions, and insights into funding, liquidity, profitability, and cash flow (mutu, 2023). It involves defining quantifiable objectives for an organization and strategically utilizing available resources to achieve superior outcomes. It ensures efficient asset utilization and supports long-term vision (Mutua, 2013, as cited in Fatima et al., 2019).

Financial performance provides insights into a company's health, including its financial situation, management effectiveness, and future prospects (Kenton, 2024).

Mang'ana et al. (2023) found that efficient management of working capital and financing significantly boosts the financial and operational performance of the agro enterprises studied. In contrast, accounting methods, financial reporting, and capital budgeting have a limited impact on the performance of agri-SMEs.

Financial management involves efficiently and effectively managing funds to achieve specific objectives. It enables organizations to optimize resource utilization. Understanding factors influencing saving behavior is crucial for long-term financial sustainability (Contreras et al., 2021).

Financial Literacy. Life goals such as savings for good debt management, education or retirement and entrepreneurialism can be supported by a solid foundation in finance literacy. Acquiring knowledge of how to draw up a budget, plan for retirement, managing debt and controlling spending are among the main aspects of financial literacy (Fernando, 2024).

Cooperatives. Cooperatives are viewed as tools for reducing poverty, according to this idea. If government aid is administered via cooperatives. The Republic Act 6939, which was the basis for this strategy, to provide loans to financially sound farmer cooperatives. Except for those who belong to cooperatives, individuals are not eligible to receive financial aid. In the early to mid-1990s, as a result, there were far more cooperatives than there are today (Tan, 2013).

The major purpose of establishing a cooperative is to aid people who reside in rural areas and are from lower socioeconomic classes. Cooperatives have historically proven challenging to maintain in the Philippines. While some cooperatives succeed spectacularly, others fall short for a variety of reasons (Jocson, n.d.).

In the Philippines, cooperatives account for a sizable percentage of micro, medium- sized, and small businesses. There were 24,652 cooperatives registered in 2014 with the Cooperative Development Authority (CDA) of the Philippines. At least 290,662 direct and indirect jobs are produced by the cooperative industry. Philippine employment (CDA 2014). The validity of development, when it was discovered that cooperatives carry out efforts aimed at fostering sustainability for its participants and their communities. (Quilloy, 2020).

Performance measurement involves evaluating an organization's effectiveness in meeting client criteria and efficiency in using resources to satisfy consumers, based on factors like return on investment, return on assets, and value added (Berhanu et al., lab 2019).

Research indicates that cooperative effectiveness is influenced by strategic planning, member participation, human capital, structural capital, and relational capital, as highlighted by Khan (2019).

Lab-oyen (2018) identified several challenges faced by micro and small cooperatives in the Philippines, including a lack of operating capital, which limits their financial resources.

Additionally, they cannot invest in savings or time deposits due to legal requirements that require them to be for a defined purpose, or unrelated profits may be taxable.

Yuvaraj and Biruk (2020) found that the financial health and liquidity position of Gohe cooperatives' saving, and credit accounts were unsatisfactory.

WOCCU's proposed standards suggest the union may struggle to fulfill deposit withdrawal requests due to insufficient liquid reserve funds. Successful cooperative start-ups require a visionary leader, a group with shared interests, and a market for their service or product. Establishing by-laws, incorporating, and understanding feasibility are crucial for a cooperative's success (www.cooperativefirst.com, 2018).

Moradi and Nematollahi (2016) found a positive relationship between investment and employment in cooperative enterprises, with significant differences in financial performance across various sectors based on invested capital.

METHODOLOGY

Research Design. The study used a descriptive research method to describe the cooperative's financial performance and the level of awareness of its officers and management staff. The descriptive method is designed to gather information about the present condition. The method describes the nature of the situation as it exists at the time of study and explores the causes of particular phenomena. In this study, working capital management practices, accounting, financial reporting system and analysis, capital structure (financing), and capital budget practices were used to define financial management, while net surplus ratio, return on equity, return on assets, the amount allocated for interest in the capital, and the amount allocated for patronage refund defined the cooperative financial performance.

Location of the Study. The study took place at Tarlac Agricultural University (TAU), where the

TCA-FA MPC operates. TAU is situated in Barangay Malacampa, Camiling, Tarlac, Philippines, approximately 30 kilometers from Tarlac City. Camiling serves as the commercial hub of the region and is adjacent to the province of Pangasinan. It acts as a gateway to central and western Pangasinan via Romulo Highway (formerly Highway 13). The area is also known for its renowned "chicharon Camiling" and its green native rice cake, "nilubyan."

Respondents and Sampling Procedures. The respondents in this study were the Board of Directors (BODs), Secretary, Treasurer, and Management Staff of the cooperative. A total of eight (8) officers and staff served as respondents in this study. With the small number of respondents, a complete enumeration was applied.

Instrument. The questionnaire was the primary instrument used in the study. It was designed to determine the financial performance of the cooperative in terms of net surplus ratio, return on equity (ROE), return on asset (ROA), the amount allocated for interest on capital per share, and the amount allocated for patronage refund. The questionnaire was also used to determine the level of awareness of the financial management of the cooperative's officers and management staff.

The instrument covered three parts. Part 1 was the profile of the cooperative, such as the number of years in operation, number of members, number of services implemented, amount of income being generated, and amount of assets generated. Part 2 collected information on the financial performance of the cooperative for three consecutive years, while Part 3 of the instrument consisted of questions to determine the level of awareness of officers and management staff in financial management.

Some of the questions on Part 1 were based on the study of Totaan (2020) titled "Attributes and Management Performance of ARBOs in the Province of Tarlac", while Part 2 and 3 questions were from the study of Berhanu et al. (2019) titled "A Study on the Financial Performance of

Multipurpose Cooperative Unions of Tigray” and from the study of Mang’ana, K.M., et al. (2023) titled “Financial management practices and performance of agricultural small and medium enterprises in Tanzania.” Some changes were made to ensure that the instrument satisfies the objectives of the study. Cronbach alpha was performed to determine its reliability. The computed coefficient of Cronbach alpha is 0.9 (Excellent).

Financial Performance Analysis. To measure the financial performance of the cooperative, the net income ratio, return on equity (ROE), and return on asset (ROA) were explored. The amount allocated for interest on capital and the amount allocated for patronage refund were also determined.

Net surplus is used to measure the profitability of the cooperative and is primarily used for internal comparison. The net income ratio is computed by dividing the net surplus by the total revenues. A higher percentage means the cooperative was able to keep lots of profit compared to the operation’s expenses (Freshbook, 2023). Return on equity is a financial ratio that measures a company's profitability by calculating the return generated on the shareholders' equity. It indicates how efficiently a company is utilizing its equity to generate profits.

An ROE of 10% or higher is generally considered a positive sign, as it suggests that the company is generating a satisfactory return for its shareholders. A higher ROE indicates that the company is effectively utilizing its equity to generate profits and create value.

Statistical Treatment. Weighted mean was used to describe the awareness in financial management of the respondents.

RESULTS

Level of Awareness in the Financial Management of the cooperative’s officers and management staff in terms of Accounting Information System and Financial Reporting Practices. Table 1 shows the 4.8 overall

weighted mean on the level of awareness in financial management officers and management staff in terms of accounting information systems and financial reporting practices.

Table 1
Level of awareness in financial management practices of the officers and management staff in terms of accounting information systems and financial reporting practices.

STATEMENTS	MEAN	VERBAL DESCRIPTION	QUALITATIVE DESCRIPTION
1. I am aware that accounting information is a system that the cooperative uses to collect, store, manage, process, retrieve, and report its financial data.	5	Fully Aware	Possess proficiency and knowledge of financial management practices
2. I am aware that the accounting information system produces accurate and timely information that may be used for decision-making and financial reporting	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
3. I am aware that the accounting information system provides a snapshot of the cooperative financial status.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
4. I am aware that the accounting information system is inherently forward-looking.	4.625	Fully Aware	Possess proficiency and knowledge of financial management practices
5. I am aware that the accounting information system has the ability to automate and streamline reporting, generate advanced modeling, and allow data mining.	4.625	Fully Aware	Possess proficiency and knowledge of financial management practices
Average Weighted Mean	4.8	Fully Aware	

Level of Awareness in the Financial Management of the cooperative’s officers and management staff in terms of Working Capital Management Practices. Table 2 presents the level of awareness of the officers and members in the financial management practices in terms of working capital management.

Table 2
Level of Awareness in the Financial Management of the cooperative’s officers and management staff in terms of Working Capital Management Practices.

STATEMENTS	MEAN	VERBAL DESCRIPTION	QUALITATIVE DESCRIPTION
1. I am aware that working capital management practices manage the procurement and inventory.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
2. I am aware that working capital management practices monitor the coop’s assets and liabilities and settle obligations on time.	5	Fully Aware	Possess proficiency and knowledge of financial management practices
3. I am aware that working capital management practices improve the receivable processes.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
4. I am aware that working capital management practices manage debtors or borrowers efficiently.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
5. I am aware that working capital management practices monitor and control the cost of operation.	4.625	Fully Aware	Possess proficiency and knowledge of financial management practices
Average Weighted Mean	4.85	Fully Aware	

Level of Awareness in the Financial Management of the Cooperative's Officers and Management Staff in terms of Capital Structure Management or Financing Practices. Table 3 presents the level of awareness in the financial management of the cooperative's officers and management staff in terms of capital structure management or financing practices.

Table 3
Level of awareness in the financial management of the cooperative's officers and management staff in terms of capital structure management or financing practices.

STATEMENTS	MEAN	VERBAL DESCRIPTION	QUALITATIVE DESCRIPTION
1. I am aware that capital structure management practices will ensure financing of their overall cooperative operation and growth.	5	Fully Aware	Possess proficiency and knowledge of financial management practices
2. I am aware that capital structure management practices help to identify the sources of funds including short-term and long-term debt, members' equity, cooperative reserves, and others.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
3. I am aware that capital structure management practices help to make sure it has enough capital to pursue its strategic objectives and to weather any potential cash flow shortfalls along the way.	4.75	Fully Aware	Possess proficiency and knowledge of financial management practices
4. I am aware that capital structure management practices ensure the available funds are used effectively.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
5. I am aware that capital structure management practices help officers of the cooperative in the decision-making process according to the type of capital structure the organization wishes to achieve.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
Average Weighted Mean	4.88	Fully Aware	

Level of Awareness in the Financial Management of the Cooperative's Officers and Management Staff in terms of Capital Budgeting and Non-assets Management Practices.

Table 4 presents the level of awareness in the financial management of the cooperative officers and management staff in terms of capital structure management or financing practices. It shows that the average weighted mean as computed is 4.85 with verbal interpretation of fully aware and possessing proficiency and knowledge of financial management practices.

Table 4
Level of awareness in the financial management of the cooperative's officers and management staff in terms of capital structure management or financing practices.

STATEMENTS	MEAN	VERBAL DESCRIPTION	QUALITATIVE DESCRIPTION
1. I am aware that capital budget management practices help to determine the value of a potential investment project using common approaches to project selection such as payback period (PB), internal	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
2. I am aware that capital budget management practices are important because a sizable volume of money is at stake, affecting the cooperative's profitability.	5	Fully Aware	Possess proficiency and knowledge of financial management practices
3. I am aware that capital budgeting management practices allow the officers to evaluate and rank the profitability of projects or investments that demand a significant amount of capital.	4.75	Fully Aware	Possess proficiency and knowledge of financial management practices
4. I am aware that capital budget management practices help to calculate the annual cash flow received from the project.	4.75	Fully Aware	Possess proficiency and knowledge of financial management practices
5. I am aware that capital budgeting management practices establish and define the correct budget level.	4.875	Fully Aware	Possess proficiency and knowledge of financial management practices
Average Weighted Mean	4.85	Fully Aware	

DISCUSSION

Financial Performance of the Tarlac College of Agriculture-Faculty Association-Multipurpose Cooperative (FPTCA-FAMPC). The main objective of this study is to determine the level of awareness of the cooperative officers and staff in financial management. It is crucial in managing the operation because it leads to effective financial decision-making, ensuring cooperative sustainability and growth, efficient use of resources, managing the risk, and having member confidence and trust.

Net Surplus Ratio. For the last three years (2020, 2021, and 2022) of operation of the Tarlac College of Agriculture-Faculty Association Multipurpose Cooperative, 40%, 48%, and 56% respectively are the computed net surplus ratio. The healthy operation (rule of thumb) for the net income ratio can vary depending on the industry and specific circumstances. As a general guideline, a healthy net income ratio is typically considered to be around 10% or higher, (www.brex.com/journal/what-is-a-good-profit-margin). This means that a company's net income (profit) should ideally be at least 10% of its total revenue.

The result conforms to the study of G. Odulin (2019) entitled Analysis of the profitability and sustainability of Multipurpose Cooperatives that the cooperatives surpass their growth targets and have higher levels of profitability through delivery of various services and increases its membership

It implies that the financial performance of the cooperative is a positive sign because the income generated per year surpassed the standard ratio of the industry which is 10%. It indicates that the income generated is more than the operating expenses incurred, thus were able to expand services that give more encouragement to the members to support and patronize the projects of the cooperative. Moreover, a higher net income ratio indicates that a cooperative is generating a significant profit relative to its revenue, which is generally seen as positive. It suggests that the company is effectively managing its costs, operating efficiently, and generating a healthy return on investment.

Return on Equity. In the years 2020, 2021, and 2022, the return on equity ratio generated is 4%, 5%, and 6% respectively. Please see Attachment B for the details of the computation. This is lower as compared to the generally accepted guideline for a healthy ROE which is typically around 10% or higher. It indicates that the cooperative did not fully utilize the share capital of the members.

ROE ratios can differ greatly between industry groups or sectors. However, a common guideline for investors is to view a return on equity close to the long-term average as acceptable, while anything below 10% is considered weak (Fernando, 2024).

However, it's important to note that the ideal ROE can vary depending on the industry. Some industries naturally have higher or lower ROE due to their specific characteristics. For instance, industries with higher capital requirements, such as utilities or manufacturing, may have lower ROE compared to industries with lower capital requirements.

Return on Assets (ROA). Return on Assets is a financial ratio that measures a company's profitability to its total assets. It indicates how efficiently a company is utilizing its assets to generate profits.

The rule of thumb for ROA varies depending on the industry and specific circumstances, but a generally accepted guideline is that a healthy ROA is typically around 5% or higher (www.brex.com/journal/what-is-a-good-profit-margin).

Return on Assets. A higher return on assets or ROA indicates that the cooperative or company is utilizing its assets effectively and generating profits at a higher rate relative to its total assets. However, the computed ROA of the TCA FAMPC for the years 2020, 2021, and 2022 of the cooperatives is 3%, 4%, and 4% respectively which is lower than the standard rate of 5%.

The result of the study is contrast to the study of Munguti (2014) which examined the financial performance of Savings and Credit Cooperative Organizations (SACCOs) in Kenya. The study found that higher asset quality, capital adequacy, and operational efficiency had better financial performance.

It implies that the assets of the TCA-FA MPC are not fully utilized, thus income generated is limited. There is a possibility to generate more income when assets are completely maximized.

Amount allocated Interest on Capital. The cooperative is mandated to return the income to the members through interest on capital and patronage refund. The audited financial statement of the cooperative, it reflected that the interest on capital provided to its members is Php94,044.47, Php133,029.89, and Php167,992.48. It shows that the net surplus generated is increasing. However, the possibility of increasing this amount is high since the ROA and ROE reflected negative signs due to the underutilization of Assets and Share Capital (Equity). Formulation of appropriate strategies and marketing of the services is recommended.

Amount allocated for Patronage Refund. The cooperative was able to provide patronage refunds to its members in the last three years. The amount allocated as reflected in the audited financial statement was Php62,696.31 in 2020; Php88,686.59 in 2021, and Php111,995.00 in 2022. The amount of patronage refund depends on the income generation of the cooperative and the participation of the members to generate profit while strategizing to lessen expenditures.

Level of Awareness in Financial Management of Cooperative Officers and Management Staff in terms of Accounting Information System and Financial Reporting Practices. The cooperative officers and management staff are fully aware that the accounting information is a system that the cooperative uses to collect, store, manage, process, retrieve, and report its financial data. They are also completely aware that the accounting information system produces accurate and timely information that may be used for decision-making and financial reporting which also gives them the full awareness that it provides a snapshot of the cooperative financial status.

Respondents also claimed to be completely aware that the accounting information system is inherently forward-looking, also, it can automate and streamline reporting, generate advanced modeling, and allow data mining. This indicated that the importance of an accounting system to manage the organization is vital and it leads to good performance.

According to the study conducted by Hunjra et al., (2010), there's a positive and beneficial association between financial management practices and organizational performance in Pakistan's corporate sector. The financial management practices include the capital structure management, working capital management and financial performance assessment with regards to the Pakistani's corporate sector. Similarly, this study showed that the complete awareness of the respondents in terms of financial management practices are affecting the cooperative's overall performance in a positive way, by being aware of how the management works in regard to their

accounting information system to obtain accurate financial data.

This implies that the officers and management staff of the cooperative are fully aware on the financial management practices, and it is reflected on the performance of the sustainability of the cooperative's finances.

Officer and management staff awareness of working capital management Based on the above weighted mean, the cooperative management scored 4.85, indicating that they are capable of keeping an eye on the cooperative's assets and liabilities, meeting deadlines, managing purchases and inventories, and keeping a close eye on operating expenses. This is consistent with the findings of Mandipa and Sibindi (2022), who claimed that the best working capital strategies greatly improve the financial performance of retail industry businesses. To maintain the cooperative's operational effectiveness and financial stability, officers' awareness is also crucial.

The management of capital structure received an average weighted mean of 4.88, indicating that some respondents have solid understanding of how to raise money for the cooperative's operations and growth through loans, member equity, cooperative reserves, and appropriate capital use. This understanding is comparable to the research conducted by Pandey and Sahu (2023), which demonstrated the importance of capital structure management techniques in raising operational effectiveness and reducing internal conflicts in order to improve financial performance.

Finally, with a weighted average of 4.875, cooperative executives are aware of the practices of capital budgeting and non-assets management. Officers are skilled in assessing possible investment opportunities, determining which large capital expenditures are essential, and selecting profitable ventures. The results align with the research conducted by Mollah, Rouf, and Rana (2021), which suggested that capital budgeting is a crucial procedure for optimizing a cooperative's earnings and

guaranteeing the members' long-term financial security.

Conclusion. According to the research findings, the programs and services provided by the cooperative are continuously patronized as they effectively address the actual and perceived needs of its members and accurately the yearly income generated. With that, the financial performance, specifically the net ratio over its 3-year operation indicates a positive sign. However, return on equity and assets reveals a negative sign due to insufficient usage of the resources of the cooperatives. The interest on capital and patronage refunds is provided to the members, and it will be sustained when the cooperative maximizes the opportunity to generate more income. Moreover, the financial performance of the cooperative relies on the level of awareness of financial management practices, which is reflected in the sustainability of the cooperative's finances. Lastly, in order to ensure continued profitability and viability, increasing the level of awareness on the financial management is needed, therefore maintaining the cooperative's financial performance.

Recommendation. It is recommended that the cooperative continuously provide services to meet the needs of its members, ensuring their active participation in income-generating activities and the overall sustainability of the cooperative. Additionally, they suggest conducting regular reviews and evaluations of the cooperative's financial performance. This will help determine its financial status, formulate strategies to enhance operations, and maintain financial health and profitability. Furthermore, the researchers encourage revisiting the loan policies and procedures to ensure that all members are well-informed about them. They also recommend updating these policies in relation to members' loan balances. Lastly, even though the officers and management staff are already knowledgeable about financial management practices, the researchers advise continuous updates of their knowledge and skills to keep pace with evolving financial management techniques.

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