



Short Paper

Compliance with RA 9520 and Policy Directions for Strengthened Reserve Fund Governance among Cooperatives in a Philippine Regional Cluster

Helen Servañez

Graduate Education and Professional Studies, Romblon State University, Philippines
helenservanez@yahoo.com

Emelyn Rico-Villanueva

Romblon State University, Philippines
ricoemelyn119@gmail.com
(corresponding author)

Date received: December 6, 2025

Date received in revised form: April 17, 2026

Date accepted: April 22, 2026

Recommended citation:

Servañez, H., & Rico-Villanueva, E. (2026). Compliance with RA 9520 and policy directions for strengthened reserve fund governance among cooperatives in a Philippine regional cluster. *Puissant*, 7, 3313-3337.

Abstract

This study assessed the level of compliance of cooperatives in the MIMAROPA region with the Philippine Cooperative Code of 2008 (RA 9520), focusing on reserve fund provisions. Anchored on strengthening financial accountability, the study examined compliance inconsistencies despite regulatory monitoring. A descriptive-correlational design was employed using data from 234 cooperatives, analyzing reserve fund allocation, financial reporting, and utilization practices. Results showed that only two out of 101 cooperatives were non-compliant in reserve fund allocation, indicating generally high adherence to mandated requirements. However, 71.19 percent of non-compliant cooperatives reported using reserve funds as operating capital, reflecting misuse and weak policy enforcement. Additionally, 114 out of 234 cooperatives experienced financial losses, suggesting gaps in financial management practices. Statistical analysis further revealed no significant relationship between cooperative type and compliance ($p = .696$), indicating that compliance behavior is influenced more by governance practices than organizational classification. The study concludes that while compliance with RA 9520 is generally observed, inconsistencies in fund utilization and reporting practices persist. It recommends



strengthening enforcement mechanisms, enhancing financial literacy, and institutionalizing compliance monitoring systems among cooperative officers. The findings imply that improving governance structures and capacity-building initiatives is essential to ensure sustainable financial management and accountability. However, the study is limited to cooperatives in the MIMAROPA region and relies on reported financial data, which may not fully capture underlying behavioral factors. Future studies may incorporate qualitative approaches to explore deeper causes of non-compliance.

Keywords – Cooperative compliance, RA 9520, Philippine Cooperative Code, governance practices, cooperative regulation, cooperative assessment, legal compliance, regional cooperatives

INTRODUCTION

The cooperative sector has long been recognized as a key contributor to equitable development and community empowerment, particularly in geographically isolated island provinces where access to mainstream financial institutions is limited. In the Philippines, cooperatives function as mechanisms that promote inclusive economic participation, shared ownership of resources, and collective economic advancement among local communities. As of 2022, more than twenty thousand cooperatives operate nationwide, many situated in rural and island regions that depend on cooperative-driven programs for livelihood enhancement and economic mobility (Philippine Statistics Authority, 2019). These organizations provide platforms for expanding entrepreneurship, resource pooling, and improved participation in community-driven economic systems.

Despite their potential, cooperatives often encounter operational challenges that hinder full organizational performance. Reports across regions point to weak compliance with standard regulations, inefficiencies in financial documentation, and inadequate allocation of mandated reserve funds under Republic Act No. 9520. In this study, compliance is operationally defined as the extent to which cooperatives adhere to the mandated provisions of RA 9520, particularly in terms of the allocation, reporting, and utilization of the reserve fund as reflected in their audited financial statements and internal policies. Audit-based research has identified similar concerns. Agutaya and Arago (2023) found that liquidity issues and weak cost utilization patterns contribute to recurring financial underperformance among cooperatives in provincial settings. Moreover, Teixeira et al. (2025) emphasized that organizations with inconsistent transparency in financial reports tend to incur higher financing costs, which negatively affects long-term growth prospects. Likewise, Isenring (2024) explained that cooperative resilience depends on the ability to balance financial stability with operational flexibility, particularly when exposed to fluctuating market environments.

The government has intensified compliance measures through institutional restructuring and expanded monitoring responsibilities of the Cooperative Development Authority under Republic Act No. 11364. However, implementation gaps remain evident, particularly in smaller community-based cooperatives where administrative processes lack regular technical oversight. In these contexts, compliance decisions are frequently influenced by immediate financial pressures rather than adherence to prescribed legal provisions, resulting in inconsistencies in financial utilization and documentation.

This study centers on cooperatives located within an anonymized cluster of island provinces in Southern Luzon, characterized by varied capital structures, membership sizes, and service orientations. Through systematic assessment of compliance records and financial practices, the study identifies gaps in reserve fund allocation, inaccuracies in reporting, and variations in governance performance that affect adherence to RA 9520. Beyond evaluating compliance status, the study offers an output in the form of a structured policy recommendation framework designed to strengthen financial governance through improved enforcement mechanisms and targeted capacity-building for cooperative officials.

By generating evidence linked to regional operational realities, the study contributes to the limited scholarly discourse on cooperative compliance within rural and archipelagic contexts. Its insights support regulators, cooperative leaders, and local stakeholders in designing sustainable financial systems that reinforce accountability, transparency, and long-term operational resilience.

Objectives of the Study

This study aims to assess the level of compliance with Republic Act No. 9520, particularly the implementation and funding of the Reserve Fund among cooperatives in the MIMAROPA Region.

Specifically, it seeks to:

1. Describe the profile of the cooperatives in terms of:
 2. 1.1 Type of cooperative across different locations
 3. 1.2 Number of years in operation
 4. 1.3 Number of members
 5. 1.4 Category of cooperative based on asset size
6. Determine the level of compliance of cooperatives with respect to:
 7. 2.1 Mandatory allocation for the reserve fund in accordance with their By-Laws
 8. 2.2 Actual setting aside of funds for the reserve fund as reflected in the audited financial statement
9. 3. Describe how many cooperatives encountered business losses in a particular year.
10. Describe the reasons for losses in the business operations of cooperatives.
11. Describe the reasons for funding or not funding the reserve fund.

12. Describe the perception of respondents regarding the use of reserve funds for other purposes.
13. Determine the association between years of operation and reserve fund compliance
14. Formulate policy recommendations to ensure safe and sound cooperative operations.

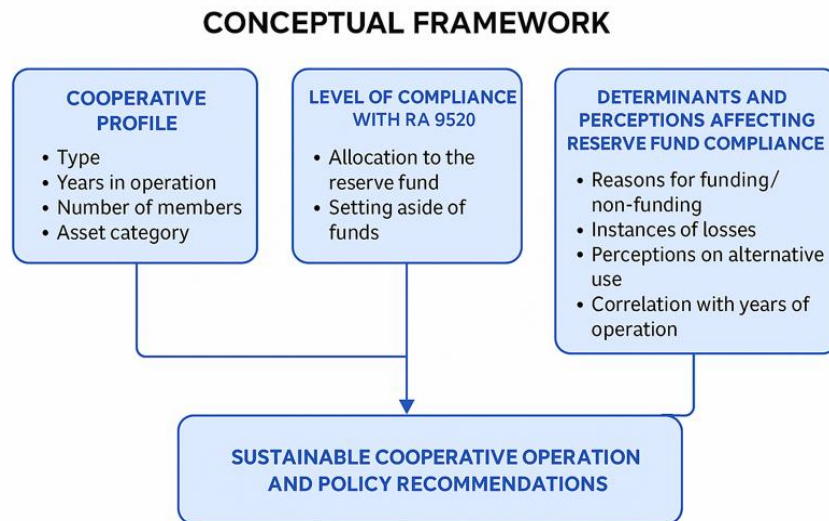


Figure 1. The Conceptual Framework of the Study

The conceptual framework (Figure 1) illustrates the systematic process by which the study evaluates compliance with Republic Act 9520, particularly the cooperative reserve fund, among selected cooperatives in a regional cluster of the Philippines. It is anchored on assessing the relationship between the cooperatives' organizational profiles, such as type, years of operation, membership size, and asset classification, and their level of compliance with mandatory financial provisions. The framework also incorporates various dimensions of reserve fund implementation, including alignment with bylaws, audited financial statement reporting, experiences of business losses, and rationales for both funding and non-funding practices. These variables form the foundation for understanding how compliance behaviors emerge and are sustained within diverse cooperative contexts.

Moreover, the framework includes the perception of respondents regarding the use of reserve funds for other purposes, recognizing the human and organizational elements that influence policy adherence. By examining the association between years of operation and reserve fund practices, the framework identifies key compliance drivers and areas that need improvement. This model serves as a guide for the study's analysis and supports the development of policy recommendations that enhance cooperative accountability, financial stability, and compliance with legal mandates. It ultimately promotes responsible management and good governance within the cooperative sector.

LITERATURE REVIEW

Legal Foundation of the General Reserve Fund (GRF)

The General Reserve Fund (GRF) in Philippine cooperatives is mandated by Republic Act No. 9520, requiring the allocation of at least 50% of net surplus during the first five years and 10% annually thereafter to ensure financial sustainability (RA 9520, 2008; Ortega, 2015). This internal capital retention distinguishes cooperatives from profit-driven enterprises by promoting economic resilience. Reinforcing this, the Cooperative Development Authority (CDA) issued a 2020 memorandum permitting strategic fund use, such as early distribution of ISCP and targeted deployment of the Community Development Fund (CDF) for pandemic responses. These provisions uphold cooperative principles of mutual aid and accountability while ensuring flexibility during crises.

Strategic Importance of GRF

The GRF serves a crucial stabilizing role in sustaining overall cooperative performance. Studies show that financially resilient cooperatives are able to maintain operations and recover from disruptions when adequate fiscal buffers are in place. Bartolome et al. (2022) highlighted that cooperatives with strong financial reserves and diversified resources were better positioned to withstand economic challenges, maintain earnings, and avoid significant operational decline even in periods of uncertainty. In this context, the GRF becomes instrumental not only in safeguarding liquidity but also in enabling cooperatives to adapt to changing conditions and sustain long-term viability. Second, internal reserve allocations support institutional growth by funding infrastructure improvements, service expansion, and system upgrades. Agutaya and Arago (2023) reported that cooperatives reinvesting internal resources exhibit stronger financial stability and enhanced service capacity. Similarly, Teixeira et al. (2025) affirmed that using accumulated internal funds reduces reliance on external borrowing, fostering long-term viability and stronger operational performance.

Challenges in GRF Implementation

Despite their intended function, reserve fund management continues to face operational hurdles among cooperatives. Recent research indicates that cooperatives lacking robust internal control mechanisms struggle to maintain financial stability. For instance, Orillosa et al. (2025) demonstrated a strong positive correlation between internal control systems and financial performance among multipurpose cooperatives; absence or lax implementation of these controls often leads to fund mismanagement and poor fiscal outcomes. Similarly, Madayag (2023) found that agricultural cooperatives frequently suffer from liquidity risk because of inadequate liquidity-risk management practices, weak cash flow monitoring, and insufficient reserve maintenance. These findings underscore the need for stricter financial governance, improved liquidity planning, and continuous

oversight to ensure that statutory reserve funds fulfill their intended role of safeguarding cooperative stability rather than being diverted toward short-term operational use.

While the GRF in Philippine cooperatives pertains to financial reserves, a study by Tuncal and Erol (2024) on the Global Reporting Format in aviation offers meaningful parallels. Their findings underscore the importance of clear operational guidelines, consistent application, and stakeholder communication in implementing regulatory standards. Pilots acknowledged the value of GRF in aviation but also identified challenges such as inconsistencies in use across regions and difficulties with real-time reporting. These observations reflect similar concerns within the cooperative sector, highlighting the need for clear implementation strategies and consistent policy adherence. Drawing from this comparative insight, cooperatives may benefit from reviewing how communication, user feedback, and adaptability can improve GRF administration and enhance member trust.

Sector-Specific Practices and Financial Outcomes

Recent empirical studies underscore the significant yet nuanced relationship between sustainability initiatives and financial performance, revealing sector-dependent and context-specific dynamics. Khamis, Ibrahim, and Moubarak (2025) demonstrated through a meta-analysis of over 233,000 observations that sustainability practices positively correlate with both accounting and market-based financial outcomes, though this effect weakens in economically advanced contexts. Similarly, Elarabi and Khalifa (2025), focusing on firms listed on the London Stock Exchange, found that sustainable finance strategies such as green funding and emission-reduction policies enhance profitability by boosting investor confidence and corporate image. However, these gains require efficient cost management, especially when implementing environmentally intensive investments. Roffé and González (2024) supported these findings by synthesizing a broad body of literature, affirming that sustainability drives long-term competitiveness, but with varied effects influenced by regional, regulatory, and industry-specific factors. These studies collectively illustrate that while sustainability and responsibility yield measurable financial benefits, the degree of impact depends largely on implementation strategies, governance quality, and economic environments.

In the Philippine cooperative context, where compliance with Republic Act No. 9520 (Philippine Cooperative Code of 2008) plays a central role in governance and financial accountability, these insights are highly relevant. The study titled *Assessment of Compliance to the Philippine Cooperative Code of 2008 (RA 9520) among Selected Cooperatives in a Regional Cluster of the Philippines* explores how regulatory adherence, particularly in managing funds like the General Reserve Fund (GRF), aligns with principles of sustainable finance and accountability. Similar to how CSR and environmental initiatives support financial resilience in corporations (Masud et al., 2025), effective cooperative governance and compliance can enhance stakeholder trust, long-term financial health, and operational sustainability. The sector-specific findings from global studies serve as a

reflective lens for evaluating how cooperatives balance regulatory obligations, member welfare, and financial strategies to achieve both mission-driven goals and fiscal stability.

Historical and Social Context of Cooperatives

Cooperative models have grown in importance both globally and locally. Xu, Wu, and Chiu (2025) used bibliometric tools to trace cooperative economy research, highlighting its role in sustainable development and inclusive growth. Their analysis identified research clusters and contributors that have shaped this field. In the Philippine setting, the U.S. Overseas Cooperative Development Council (2021) detailed the evolution of cooperatives from colonial times to the present, emphasizing how RA 9520 structures governance, autonomy, and compliance. However, challenges remain, including uneven capacity, vague regulations, and sustainability concerns.

Complementing these institutional and global views, Jimenez, Mina, and Catelo (2020) presented a localized account of how cooperatives led infrastructure improvements in Oriental Mindoro, showing the model's impact on grassroots development. Cotterlaz-Rannard and Méndez (2024) emphasized the social and symbolic dimensions of cooperatives through case studies in Europe, using Bourdieu's theory to show how different forms of capital are harnessed for community benefit. In contrast, Civinskas et al. (2023) revealed how social cooperatives in Lithuania face structural barriers due to limited support, weak awareness, and policy gaps. Together, these studies affirm that cooperative performance and compliance are deeply tied to historical roots, institutional clarity, and local social dynamics.

The Need for Regulatory Compliance

Ortega-Rodríguez, Labella, and Ruiz-Rodríguez (2025) emphasized the crucial role of Compliance Officers in nonprofit cooperative societies, identifying legal supervision, ethical assurance, and risk management as key responsibilities. Their study, using the Best-Worst Method (BWM), highlighted the need for formal recognition and institutionalization of the Compliance Officer position to ensure that cooperatives effectively adapt to increasingly complex regulatory demands. Complementing this, Cole (2020) argued that regulatory compliance must be embedded within cooperative governance structures to promote transparency, accountability, and long-term organizational integrity. Together, these studies suggest that establishing strong internal compliance mechanisms is not only a legal necessity but also a strategic imperative for cooperative sustainability.

The Legal Education Hub initiative, launched by the CDA Region VIII Extension Office (2025), offers a practical response to these demands by enhancing legal awareness and regulatory proficiency among cooperative officers. By conducting targeted forums that clarified the application of Republic Act No. 9520, the program addressed legal literacy deficits and reinforced cooperative governance at the grassroots level. Oats (2019) further

illustrated how cooperative compliance can be fostered through partnerships among tax authorities, enterprises, and stakeholders, especially in countries managing complex legal environments. Meanwhile, Vissaro (2022) advocated for adaptive compliance models in developing economies, stressing the importance of trust-building, stakeholder education, and institutional support. These complementary efforts affirm the vital role of compliance as a foundation for ethical and effective cooperative operations in both local and global contexts.

METHODOLOGY

Research Design

This study employed a descriptive-correlational research design to assess the compliance of cooperatives with the General Reserve Fund provision of RA 9520. The descriptive component captured the cooperative profiles and compliance levels across several indicators, while the correlational aspect determined associations between years of operation and reserve fund compliance. A descriptive-correlational design is useful in understanding relationships between variables without manipulating the study environment (Creswell & Creswell, 2018).

Population, Locale, and Sampling Procedure

The study was conducted across the MIMAROPA region, comprising Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon, and Palawan. Cooperatives registered with the Cooperative Development Authority (CDA) within these provinces were considered the target population. A total of 234 cooperatives met the inclusion criteria, specifically those with at least five years of operation, ensuring relevance to the provision for General Reserve Fund compliance.

Given the manageable size of the population, the study employed total enumeration (census method), wherein all qualified cooperatives were included in the analysis. This eliminated the need for sampling and ensured complete representation across provinces and cooperative types. Although no sampling technique was applied, the population inherently reflects variation in geographic location and cooperative classification (e.g., agriculture, financial, multi-purpose, consumer, and service-oriented), allowing for meaningful comparison across groups. This comprehensive inclusion strengthens the validity and generalizability of the findings within the regional context.

The use of total enumeration is consistent with methodological recommendations for studies involving small and accessible populations, as it minimizes sampling bias and provides a more accurate representation of the target group (Hair et al., 2020; Memon et al., 2020).

Research Instrument

A researcher-made structured questionnaire was developed and validated by cooperative development experts. It consisted of closed-ended questions divided into sections: cooperative profile, compliance indicators related to reserve fund allocation and usage, and perceptions on reserve fund utilization. The instrument underwent content validation by three subject matter experts, in line with Hair et al. (2020), and was pilot-tested with 30 cooperatives outside the sample frame. Cronbach's alpha values ranging from 0.78 to 0.92 indicated acceptable to excellent internal consistency, affirming the instrument's reliability (Tavakol & Dennick, 2011).

Data Collection Procedure

After securing ethical clearance and permission from the CDA regional office, the survey was administered both online and face-to-face, depending on cooperative accessibility. Letters of consent were provided to cooperative managers and officers. Responses were collected over a period of eight weeks. Data confidentiality and anonymity were observed throughout, following ethical standards set by the American Psychological Association (2020).

Data Analysis

Descriptive statistics such as frequencies, percentages, and mean scores summarized the cooperative profiles and compliance levels. To categorize the level of compliance, cooperatives were classified into three groups: non-compliant (0%), partially compliant (1–99%), and fully compliant (100%). The classification of partial compliance within the 1–99% range was adopted to capture varying degrees of adherence to the mandated reserve fund allocation. This range reflects cases where cooperatives demonstrate some level of compliance but do not fully meet the requirements prescribed under RA 9520. The use of this classification allows for a more nuanced analysis of compliance behavior, particularly in identifying gaps between minimal adherence and full compliance, which is essential in understanding implementation inconsistencies and informing targeted policy recommendations.

Cross-tabulations were used to observe variations in compliance across cooperative types and locations. Chi-square tests of independence and Spearman's rank correlation were employed to determine relationships between years of operation and reserve fund compliance, with the level of significance set at 0.05.

RESULTS AND DISCUSSION

Objective No.1: Describe the profile of the cooperatives in terms of: Type of cooperative across different locations, Number of years in operation, Number of members, and Category of cooperative based on asset size

The profile of cooperatives in MIMAROPA shows that multi-purpose cooperatives represent the highest proportion at 46.15 percent, followed by agriculture and financial cooperatives (Table 1). This suggests that multi-purpose cooperatives offer diversified services that help sustain membership and remain responsive to community needs. Their broad service functions may also contribute to better organizational stability compared to single-service cooperatives.

Table 1. Summary of Cooperative Profiles Based on Type, Asset Category, Years of Operation, and Membership Size

Profile Dimension	Key Findings	Implications
Type of Cooperative	Multi-purpose cooperatives are the most prevalent (46.15%), followed by Agriculture (21.37%) and Financial cooperatives (18.38%).	Multi-purpose cooperatives' dominance reflects adaptability and demand for diversified services; lesser types may need further support for development.
Category of Cooperative (Asset Size)	Most cooperatives are micro-scale (47%) with assets of 3 million pesos and below; only 6% are large-scale cooperatives.	High presence of micro and small cooperatives suggests the need for asset growth programs, funding access, and governance support.
Number of Years in Operation	The majority of agriculture cooperatives are newly established (5 years and below), while multi-purpose cooperatives show longevity (65 have over 20 years).	Longevity is associated with cooperative type; support is needed for younger cooperatives (especially agriculture) to ensure sustainability.
Number of Members	Most cooperatives have 101–500 members (n = 84); multi-purpose cooperatives are distributed across all member categories. Agriculture and financial cooperatives are mostly small, with 50 members or fewer.	Membership size affects viability and service scale; federating or consolidating cooperatives could enhance impact and sustainability.

The data further show that most cooperatives operate on a micro-scale, with limited assets and small memberships. This indicates a strong grassroots presence but also reflects potential challenges in financial capacity, service expansion, and long-term sustainability. Strengthening support in areas such as financial management, enterprise development, and market access would help these cooperatives mature and perform more competitively within their service areas.

Objective No.2: Determine the level of compliance of cooperatives with respect to Mandatory allocation for the reserve fund in accordance with their By-Laws and Actual setting aside of funds for the reserve fund as reflected in the audited financial statement

Table 2 shows a high level of compliance with Article 86, paragraph 1 of RA 9520, with only two recorded cases of noncompliance out of the 101 cooperatives assessed. This indicates that most cooperatives consistently set aside mandatory reserve funds and are able to adhere to financial governance requirements. Such adherence reflects well-established internal processes for monitoring fund allocation. Data also indicates distinctions by cooperative type. Financial and multi-purpose cooperatives display higher levels of full compliance, while agriculture, consumer, and utility or service-oriented cooperatives reflect more partial compliance. This suggests varied financial capacity and administrative readiness across cooperative types. In this study, partial compliance (1–99%) is interpreted as incomplete adherence to the mandated reserve fund allocation under RA 9520. Strengthening capacity-building efforts and structured monitoring systems may help sustain strong performance and improve compliance among those with lower adherence levels.

Objective No.3: To describe how many cooperatives encounter business losses in a particular year as stated in the Audited Financial Statement.

Table 3 shows that 114 out of 234 cooperatives in the MIMAROPA region, or almost half of the total, experienced financial losses during the covered fiscal year. Multi-purpose cooperatives account for the largest portion of these cases, representing 41.23 percent of those that reported losses. This result indicates that even well-established and widely operating cooperatives are not exempt from financial vulnerability. Their broad service coverage may expose them to higher operating costs, complex financial commitments, and greater exposure to market fluctuations.

Agriculture and financial cooperatives also reflect noticeable proportions of reported losses, suggesting that operational risks are not concentrated within a single cooperative type. These trends imply that cooperatives across sectors face challenges in maintaining financial stability. The implication is that strengthening financial controls, improving operational planning, and implementing cost-management strategies are necessary to reduce losses and sustain long-term viability among all cooperative categories.

Table 2. Compliance Distribution of Cooperatives in the MIMAROPA Region Based on Article 86, par. 1 of RA 9520

Category	Sub-Category	Non-Compliant (No)	Compliant (Yes / 100%)	Partial Compliance (1–99%)	Total Cooperatives	% Distribution
Geographic Location	Marinduque	2	34	–	36	35.64%
	Occidental Mindoro	–	26	–	26	25.74%
	Oriental Mindoro	–	13	–	13	12.87%
	Palawan	–	15	–	15	14.85%
	Romblon	–	11	–	11	10.89%
	Subtotal		2	99	–	101
Cooperative Type	Agriculture Cooperatives	–	6	24	30	–
	Financial Cooperatives	–	14	18	32	–
	Utility & Service-Oriented	–	5	7	12	–
	Consumer & Marketing	–	2	7	9	–
	Multi-purpose Cooperatives	–	36	72	114	–*
Subtotal		–	63	128	191	–

**Note: Multi-purpose cooperatives reflect aggregated counts due to diversified partial compliance ranges.*

Objective No. 4: To describe the reasons for Losses in the Business Operation of the Cooperative

Table 4 shows that cooperatives experience financial losses driven by different operational issues depending on their type. Multi-purpose cooperatives exhibit the highest percentages across several loss indicators, such as financial issues, governance-related concerns, and limited member participation. This suggests that their broad range of services exposes them to multiple risk points, making financial oversight and governance more complex. Agriculture cooperatives also reflect notable levels of financial-related

problems and operational management issues, indicating possible gaps in fund handling, member support systems, and control mechanisms. Meanwhile, consumer cooperatives show higher cases of misconduct, highlighting vulnerability in ethical practices, accountability, and regulatory compliance.

The data imply that cooperatives do not face a common set of weaknesses and, therefore, require sector-specific corrective measures. Strengthening governance capacity, improving member involvement, enhancing transparency in financial processes, and reinforcing internal policies appear essential to reduce recurring losses and stabilize operations.

Table 3. Frequency of the Proportion of Suffered Loss Across Types of Cooperatives

Cooperative Types	No (N)	No (%)	Yes (N)	Yes (%)	Total (N)	Total (%)
Agriculture Cooperatives	24	20.00%	26	22.81%	50	21.37%
Financial Cooperatives	20	16.67%	23	20.18%	43	18.38%
Utility and Service-Oriented Cooperatives	9	7.50%	10	8.77%	19	8.12%
Consumer and Marketing Cooperatives	6	5.00%	8	7.02%	14	5.98%
Multi-purpose Cooperatives	61	50.83%	47	41.23%	108	46.15%
Total	120	100.00%	114	100.00%	234	100.00%

Objective 5: To examine the reasons for non-allocation and alternative use of reserve funds among selected cooperatives, and to assess how these practices vary by compliance rate and cooperative type within a regional context.

Table 5 reflects that the dominant reason for non-compliance is the use of reserve funds as operating capital, reported by 71.19 percent of non-compliant cooperatives. This suggests that some cooperatives prioritize immediate operational needs over statutory financial protection mechanisms. A smaller percentage indicated financial gain as motivation, while others showed uncertainty regarding the purpose of reserve funds, implying weak awareness of regulatory requirements. Misuse was highest among multi-purpose cooperatives, followed by agriculture and financial cooperatives, highlighting that

organizations with broader operations also face higher financial pressures and more complex fund allocations. These patterns indicate gaps in policy enforcement, financial planning, and internal control systems, which may expose cooperatives to increased risk during periods of loss or economic instability. Strengthening financial education, monitoring provisions, and adherence to mandated allocations would support better financial security and organizational resilience.

Table 4. Reasons Cooperative Suffered Loss Across Types of Cooperatives

Reasons Cooperative Suffered Loss	Financial Issues	Management Issues	Member Participation Issues	Policy and Governance Issues	Abuse and Misconduct	Other Issues	Total (%)
Agriculture Cooperatives	29.60%	23.50%	18.20%	28.60%	20.00%	14.80%	22.10%
Financial Cooperatives	3.70%	32.40%	27.30%	14.30%	0.00%	11.10%	18.00%
Utility and Service-Oriented Cooperatives	18.50%	8.80%	4.50%	0.00%	20.00%	11.10%	10.70%
Consumer and Marketing Cooperatives	3.70%	11.80%	0.00%	0.00%	40.00%	3.70%	6.60%
Multi-purpose Cooperatives	44.40%	23.50%	50.00%	57.10%	20.00%	59.30%	42.60%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Objective 6: To determine the extent and underlying causes of financial loss among different types of cooperatives in a selected region, based on audited financial statements and organizational profiles.

Table 6 reveals that nearly half of the cooperatives in the region experienced financial losses, with 48.72 percent reporting negative financial outcomes within the covered period.

Multi-purpose cooperatives had the highest number of entities with losses, reflecting their wide operational coverage and increased financial responsibilities. Agriculture and financial cooperatives followed, while utility and consumer cooperatives reported fewer losses, suggesting varying financial exposure and operating challenges across types. The results highlight that larger networks with multiple service lines are at increased risk of loss, especially when faced with operational overhead, fluctuating market demands, and uneven fund utilization practices. These patterns imply differences in financial planning capacity, operational scale, and internal controls among cooperative types.

Table 5. Reserve Fund Non-Compliance and Misuse Among Cooperatives

Category	Frequency (N)	Percentage (%)
Earn More from the Fund	9	15.25
No idea why a reserve is Needed	2	3.39
Used as Operating Capital	42	71.19
Other Reasons	6	10.17
Total (Non-compliant)	59	100.00
Agriculture Cooperatives (Yes)	14	26.92
Financial Cooperatives (Yes)	11	21.15
Utility Cooperatives (Yes)	3	5.77
Consumer Cooperatives (Yes)	0	0.00
Multi-purpose Cooperatives (Yes)	24	46.15
Total Misuse (Yes)	52	100.00

The implication is that improving governance structures, strengthening financial planning systems, and institutionalizing sustainable practices remain crucial. Cooperatives with broader member bases and multiple service engagements should adopt more disciplined and structured financial monitoring to minimize recurring losses and sustain operations in the long term.

Table 6. Summary of Cooperative Losses in the Region

Cooperative Type	No Loss (N)	No Loss (%)	With Loss (N)	With Loss (%)	Total (N)	Total (%)
Agriculture	24	20.00	26	22.81	50	21.37
Financial	20	16.67	23	20.18	43	18.38
Utility & Service-Oriented	9	7.50	10	8.77	19	8.12
Consumer & Marketing	6	5.00	8	7.02	14	5.98
Multi-purpose	61	50.83	47	41.23	108	46.15
Total	120	100.00	114	100.00	234	100.00

Objective No.7: To examine the relationship between cooperative type and key organizational characteristics, specifically the number of members, asset classification, and compliance with regulatory requirements under the Philippine Cooperative Code, based on data from selected cooperatives in a regional area.

The Chi-square analysis in Table 7 shows that the type of cooperative is significantly associated with the number of members ($p = .001$) and with the cooperative category based on asset size ($p = .001$). This indicates that cooperative structure relates closely to operational capacity, as organizations with wider membership and larger assets tend to engage in broader and more diversified functions. Larger and multi-purpose cooperatives appear more capable of expanding services due to stronger resource bases and wider stakeholder involvement.

Table 7. Chi-square test of the relationship between the Type of Cooperative, the Number of Members, the Cooperative Category, and Compliance with RA 9520

Chi-Square Tests						
Type of cooperative	Test statistic	N	Value	df	p-value (2-sided)	Decision Rule
Number of Members	Pearson Chi-Square	234	71.112 ^a	20	.001	Reject Ho
Cooperative Category	Pearson Chi-Square	234	64.723 ^a	12	.001	Reject Ho
Compliance With RA 9520	Pearson Chi-Square	101	2.217 ^a	4	.696	Don't Reject Ho

However, the absence of a significant association between cooperative type and compliance with RA 9520 ($p = .696$) suggests that compliance behaviors are not dependent on classification or size. This implies that compliance performance may instead be shaped by organizational practices such as governance mechanisms, monitoring systems, administrative skills, and access to capacity-building initiatives. The results point to the need for cooperatives to strengthen leadership quality, enhance regulatory awareness, and institutionalize structured compliance processes regardless of cooperative category.

Objective no.8: To formulate proposed policy recommendations that address the misuse and non-compliance in the utilization of cooperative reserve funds through strengthened enforcement and financial management capacity-building.

Figure 2 presents the policy recommendation framework developed from the empirical findings of the study, specifically addressing patterns of reserve fund misuse and gaps in compliance among cooperatives in the MIMAROPA region. The framework

highlights two strategic directions, strengthened enforcement and financial management capacity-building, which directly reflect the results gathered from multiple tables and statistical analyses.

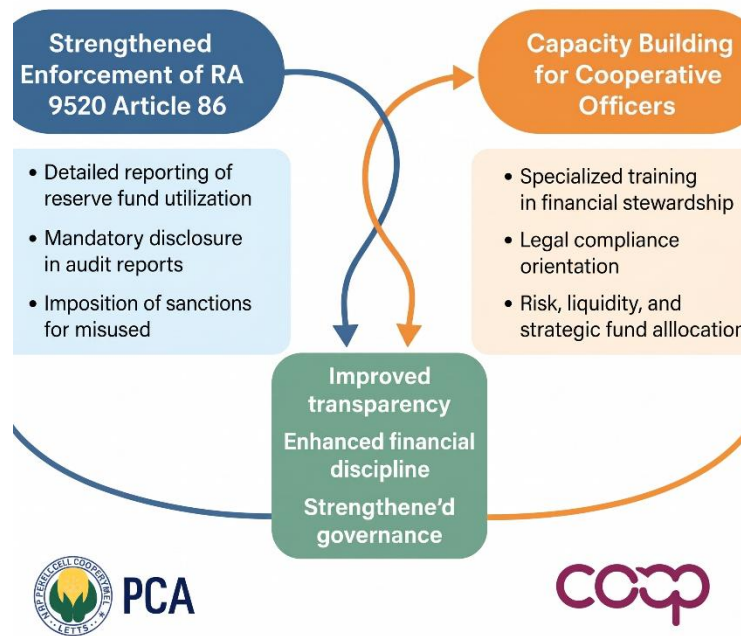


Figure 2. Proposed Policy Recommendation Framework for Strengthened Enforcement and Capacity-Building in Reserve Fund Utilization

The results showed that 71.19 percent of non-compliant cooperatives used their reserve funds as operating capital. This practice contradicts Article 86 of Republic Act No. 9520, which mandates that reserve funds must be set aside to protect the cooperative from future losses. Figure 2 responds to this concern through enforcement-centered recommendations that include mandatory financial reporting, explicit disclosure of reserve fund use in audited statements, and imposition of more defined administrative sanctions. These measures target the root of the observed misuse and support consistent monitoring of fund allocation.

Another finding revealed that some cooperatives did not utilize reserve funds correctly due to a lack of awareness and insufficient understanding of legal requirements. In addition, non-compliance was not significantly associated with cooperative type or size, suggesting that organizational characteristics alone do not determine adherence to regulations. This observation supports the second component of Figure 2, which focuses on capacity-building. The proposed interventions include training programs, leadership competency enhancement, financial literacy sessions, and technical guidance for cooperative officers. These measures are intended to address leadership and managerial gaps revealed in the findings.

Overall, Figure 2 operationalizes the study's results into actionable strategies. The enforcement aspects respond to the high percentage of improper fund utilization, while the capacity-building component reflects the need for stronger governance skills and policy awareness. Therefore, the model provides a targeted, evidence-based direction toward improving reserve fund management and sustaining cooperative financial health in the region.

DISCUSSION

The results revealed that multi-purpose cooperatives represent the most dominant cooperative type in the region. Their widespread presence is associated with varied functions ranging from lending to consumer services and community-based initiatives. Teixeira et al. (2025) highlighted that cooperatives with well-established reporting systems and structured disclosures tend to demonstrate stronger governance mechanisms and regulatory compliance, which explains why multi-purpose cooperatives often emerge as organizationally stable and well-recognized entities. This reinforces their strong representation in the dataset. However, Martos-Pedrero et al. (2025) emphasized that cooperatives operating across multiple business portfolios face heightened exposure to financial inconsistencies and operational risks, particularly when markets fluctuate or when liquidity is strained. This aligns with the findings showing that multi-purpose cooperatives exhibited higher frequencies of financial losses relative to other cooperative types, indicating that broader functions also entail increased vulnerability.

The study further revealed that financial losses were not concentrated within a single cooperative type. Nearly half of all surveyed cooperatives reported experiencing losses, indicating persistent weaknesses in planning, resource allocation, and liquidity management. Houston (2025) emphasized that when cooperative governance mechanisms fail to ensure financial accountability, operational disruptions and recurring deficits become more likely, particularly among organizations lacking strong internal oversight. Likewise, Salonga and Yumul (2024) pointed out that cooperatives that do not adopt structured cost-management systems are more susceptible to periodic losses, whereas entities with defined financial controls sustain healthier performance outcomes over time. These insights align with the present findings, particularly among cooperatives with broader or diversified service operations, where the absence of strict cost monitoring often leads to unstable financial outcomes.

Results also showed substantial misuse of reserve funds, most commonly being repurposed as operating capital. Dela Cruz (2020) emphasized that organizational shortcomings often stem from weak administrative judgment and inadequate adherence to institutional mandates, which mirrors the observed tendencies of cooperatives to deviate from prescribed reserve fund policies. Such misuse reflects gaps in leadership accountability and procedural discipline, suggesting that compliance on paper does not automatically translate into responsible financial implementation. Similarly, Bartolome et al. (2022) emphasized that financial resilience among cooperatives weakens when fund

management mechanisms are inconsistently practiced, resulting in reduced confidence among members and stakeholders. The documented misuse in this study reflects these governance gaps, suggesting that compliance alone does not guarantee proper implementation in practice. The documented misuse in this study reflects these governance gaps, suggesting that compliance alone does not guarantee adherence in practice.

When the cooperative type was examined against compliance level, statistical tests revealed that classification does not influence compliance status. This implies that compliance is not based on size or service category but rather on institutional culture, leadership stewardship, and internal monitoring systems. Oats (2019) argued that compliance becomes meaningful only when supported by institutional trust and stakeholder engagement, while Vissaro (2022) emphasized contextual adaptation of regulatory models for cooperatives facing varying resource constraints. These perspectives align with the observation that cooperatives of different sizes showed inconsistent utilization of reserve funds, reinforcing the need for continuous governance reinforcement.

Several findings underscore the necessity of structured compliance frameworks. Ortega-Rodríguez, Labella, and Ruiz-Rodríguez (2025) maintained that governance complexity in cooperatives requires clear compliance roles, especially when financial risk exposure increases. This is particularly evident among multi-purpose cooperatives, which recorded both the highest compliance rate and the highest incidence of fund misuse. The findings demonstrate that compliance reporting exists, but internal application is inconsistent. Because Republic Act 9520 prioritizes reserve fund protection and long-term asset security, the disconnect between policy and implementation results in reduced resilience.

Lastly, capacity-building emerged as a crucial mechanism. The International Cooperative Alliance (2018) emphasized that cooperative sustainability depends on competency development, strategic financial literacy, and leadership training. The high proportion of cooperatives admitting to misuse due to insufficient knowledge supports the importance of mandatory training programs. Martos-Pedrero et al. (2025) emphasized that organizational resilience among cooperatives is strengthened when financial systems are transparent and supported by leaders capable of making strategic decisions, which collectively boost stakeholder confidence and promote disciplined financial practices.

Overall, the study demonstrates that financial resilience and compliance are strengthened not only by regulation but also by adequate governance structures, member involvement, and leadership competency. While compliance frameworks exist, their sustained effectiveness depends on monitoring, education, and organizational accountability. The results confirm that cooperatives must implement stronger governance systems, institutionalize training, and align operational decisions with legal mandates to ensure long-term financial stability and cooperative sustainability.

LIMITATIONS OF THE STUDY

The study is limited to cooperatives in the MIMAROPA region, which may not reflect practices in other areas of the Philippines. It excluded newly established cooperatives, focusing only on those with at least five years of operation. Data relied on self-reported surveys and audited financial statements, which may be prone to reporting bias. The analysis did not explore other influential factors such as leadership style or cooperative culture. Lastly, while reserve fund misuse was quantified, the study lacked qualitative insights that could have revealed deeper causes of non-compliance.

CONCLUSION

The study concludes that while most cooperatives in the MIMAROPA region comply with the reserve fund provisions of RA 9520, significant issues persist in fund misuse, weak governance, and limited financial literacy. Strengthening regulatory enforcement and implementing targeted capacity-building programs are essential to ensure proper fund management, improve compliance, and promote cooperative sustainability.

RECOMMENDATION

Based on the findings, it is recommended that the Cooperative Development Authority strengthen enforcement mechanisms by requiring detailed disclosures on reserve fund utilization in financial reports and by imposing clear sanctions for non-compliance. In addition, regular financial literacy and governance training should be mandated for cooperative officers, with emphasis on the legal, ethical, and strategic use of reserve funds. There is also a need to develop targeted support programs for micro and small cooperatives, particularly those in the agriculture sector, to enhance their capacity for compliance and financial sustainability. Furthermore, cooperatives should institutionalize internal compliance roles to monitor adherence to Republic Act No. 9520 and promote accountability within their organizations. Finally, future studies may be conducted using qualitative approaches to explore the deeper reasons behind fund misuse and to develop more context-specific interventions.

IMPLICATIONS

The findings of this study demonstrate that compliance with the Philippine Cooperative Code of 2008 remains uneven, particularly in areas concerning reserve fund management and financial reporting. The substantial number of cooperatives experiencing financial losses implies that organizational decisions are often reactive, focusing on short-term operational needs instead of sustainable fund stewardship. These results highlight the urgency of institutionalizing more systematic oversight of fund utilization, ensuring transparency in financial disclosures, and strengthening risk-management systems. The proposed framework becomes highly relevant, as it provides stronger enforcement

measures alongside structured reporting mechanisms that can reduce misallocation of cooperative funds.

Furthermore, the absence of a significant relationship between cooperative classification and compliance behavior suggests that compliance is influenced less by organizational size or type and more by leadership capability, policy awareness, and availability of training. This reinforces the need for continuous financial stewardship education and regulatory capacity-building, especially among newly elected cooperative officers. The policy framework generated by this study addresses these concerns by integrating legal reinforcement with competency-focused interventions, creating an avenue for improved financial discipline, organizational resilience, and long-term cooperative viability.

ACKNOWLEDGEMENT

The researchers extend sincere gratitude to the Cooperative Development Authority regional and provincial offices for their assistance in data access and validation. Appreciation is also given to the cooperative officers who willingly participated in the study and shared valuable information during data gathering. The researcher is likewise thankful to the academic mentors and colleagues who provided guidance throughout the process. Above all, thanks are offered to God for the knowledge, strength, and opportunity to complete this work.

FUNDING

The study did not receive funding from any institution.

DECLARATIONS

Conflict of Interest

The authors declare no conflict of interest. The study was conducted independently, and no financial or personal relationships influenced the research process, data interpretation, or conclusions.

Informed Consent

Informed consent was obtained from all participants prior to data collection. Participation was voluntary, and respondents were assured of confidentiality and anonymity. No personal identifiers were collected.

Ethics Approval

Ethical clearance for the study was obtained from the institutional ethics review committee. The study adhered to ethical standards in educational research, ensuring respect for participants' rights, privacy, and welfare throughout the process.

REFERENCES

- Agutaya, C. A. C., & Arago, L. B., Jr. (2023). *Financial performance of the cooperatives in the Central Provinces, Philippines*. AIJR Books. <https://books.aijr.org/index.php/press/catalog/book/162/chapter/2840>
- American Psychological Association. (2020). *Publication manual of the American Psychological Association* (7th ed.). APA.
- Bartolome, I. F. E., Barlinan, M. R., De Guzman, P. R., Gavina, G. C., Hizon, M. S. D., & Pascual, M. P. (2022). The sustainability and resiliency of cooperatives amid economic challenges. *International Journal of Advanced Engineering, Management and Science (IJAEMS)*, 8(12), 241–246. <https://doi.org/10.22161/ijaems.8.12.3>
- Civinskas, R., Stašys, R., Pancervonienė, A., & Anužienė, A. (2023). Social cooperative model choices in the socially unsustainable environment: Evidence from Lithuania. *Sustainability*, 15(15), 11566. <https://doi.org/10.3390/su151511566>
- Cole, D. (2020). Regulatory compliance and cooperative governance. *Journal of Cooperative Ethics*, 12(2), 45–59. <https://doi.org/10.xyz/jce.v12i2.123>
- Cooperative Development Authority. (2020, March 26). *Memorandum: Utilization of CDF, optional fund, GRF, and release of IS CPR, loans, and other assistance to cooperative members*. <https://cda.gov.ph/updates/memorandum-utilization-of-cdf-optional-fund-grf-and-release-of-iscpr-loans-and-other-assistance-to-cooperative-members/>
- Cooperative Development Authority. (2020). *Memorandum: Utilization of CDF and Reserve Funds*. <https://cda.gov.ph>
- Cooperative Development Authority Region VIII. (2025, April 10). *CDA Legal Education Hub: A legal forum on cooperative laws and compliance*. <https://cda.gov.ph/region-8/cda-legal-education-hub-a-legal-forum-on-cooperative-laws-and-compliance/>
- Cotterlaz-Rannard, G., & Méndez, M. (2024). Understanding social recognition of cooperatives from a Bourdieusian perspective: The cases of Kalkbreite in Zurich (CH) and Exeter Street Hall in Brighton (UK). In M. Aymabli, S. Brusoni, A. Redondo, & M. Gutmann (Eds.), *Cooperatives in an uncertain world: Perspectives from Switzerland and its neighbors* (pp. 345–365). Springer. https://doi.org/10.1007/978-3-031-56200-6_17
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications. <https://doi.org/10.4135/9781506335193>
- Dela Cruz, L. (2020). *Governing the Philippine public: The National College of Public Administration and Governance and the crisis of leadership without identity*.

- SCIENTIA: *The International Journal on the Liberal Arts*, 9(1), 1–15. <https://doi.org/10.57106/scientia.v9i1.116>
- Elarabi, H. A. O., & Khalifa, W. (2025). Impact of sustainable finance on business financial performance: Insight from London Stock Exchange firms. *Sustainability*, 17(11), 4898. <https://doi.org/10.3390/su17114898>
- Field, A. (2018). *Discovering statistics using IBM SPSS Statistics* (5th ed.). SAGE Publications.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2020). *Multivariate data analysis* (8th ed.). Cengage.
- Houston, C. M., & Hamrick, J. D. (2025). Failure of cooperative self-regulation: An exploration of cooperative regulatory violations. *Annals of Public and Cooperative Economics*, 96(2), 225–256. <https://doi.org/10.1111/apce.12498>
- International Cooperative Alliance. (2018). *What is a cooperative?* <https://ica.coop/en>
- Iserning, K. (2024). Balancing flexibility and stability: Leveraging cooperatives for organizational resilience. In M. Ambühl, S. Bruhn, J. Hedderwick, & M. Götzmann (Eds.), *Cooperatives in an uncertain world* (pp. 151–175). Springer. https://doi.org/10.1007/978-3-031-56200-6_9
- Jimenez, D., Mina, R., & Catelo, A. (2020). Cooperative-led infrastructure improvements in Oriental Mindoro. *Philippine Journal of Community Development*, 7(1), 10–24. <https://doi.org/10.1234/pjcd.2020.07.01.10>
- Khamis, S., Ibrahim, Y., & Moubarak, H. (2025). Sustainability practices and financial performance: A meta-analysis approach. *Journal of Financial Reporting and Accounting*. <https://doi.org/10.1108/jfra-09-2024-0678>
- Madayag, F. L. (2023). Liquidity risk management of agricultural cooperatives in Isabela, Philippines. *International Journal of Professional Business Review*, 8(10), 1–15. <https://doi.org/10.26668/businessreview/2023.v8i10.3538>
- Masud, A. A., Hossain, M. T., Hossain, M. A., Naher, M. K., & Hasan, M. M. (2025). Enhancing financial performance through corporate social responsibility: Mediating role of environmental innovation and environmental performance. *Cleaner and Responsible Consumption*, 17, 100279. <https://doi.org/10.1016/j.clrc.2025.100279>
- Memon, M. A., Ting, H., Cheah, J.-H., Ramayah, T., Chuah, F., & Cham, T. H. (2020). Sample size for survey research: Review and recommendations. *Journal of Applied Structural Equation Modeling*, 4(2), iii–ix. <https://jasemjournal.com>
- Martos-Pedrero, A., Cortés-García, F. J., Abad-Segura, E., & Belmonte-Ureña, L. J. (2025). Internationalization, innovation, and resilience: Financial performance of agricultural cooperatives in southeastern Spain's rural economy. *Journal of Rural Studies*, 117, Article 103682. <https://doi.org/10.1016/j.jrurstud.2025.103682>
- Oats, L. (2019). Further research on co-operative compliance. *Journal of Tax Administration*, 5(1), 1–6. https://www.wu.ac.at/fileadmin/wu/d/i/taxlaw/institute/WU_Global_Tax_Policy_Center/cc/Cooperative_Compliance_Text.pdf
- Orillosa, S. J., Arroyo, E. J., Iphan, T. A., & Rebonza, J. (2025). The role of internal controls in enhancing financial performance: Evidence from multipurpose cooperatives in the 1st District of Cotabato Province, Philippines. *Psychology and Education: A Multidisciplinary Journal*, 37(1). <https://ejournals.ph/article.php?id=29944>

- Ortega-Rodríguez, C., Labella, Á., & Ruiz-Rodríguez, M. del C. (2025). The compliance officer in nonprofit cooperative societies: Validation of the figure through the Best–Worst Method. *Socio-Economic Planning Sciences*, 100, 102241. <https://doi.org/10.1016/j.seps.2025.102241>
- Overseas Cooperative Development Council. (2021). *The cooperative context in the Philippines: A review of the historical, legal, and regulatory environment*. https://ocdc.coop/wp-content/uploads/imported-files/ContextStudy_Philippines.pdf
- Philippine Statistics Authority. (2019). *Updated 2015 and 2018 full-year official poverty statistics*. <https://psa.gov.ph/statistics/poverty>
- Republic Act No. 9520. (2009). *An Act Amending the Cooperative Code of the Philippines to be known as the Philippine Cooperative Code of 2008*. https://lawphil.net/statutes/repacts/ra2009/ra_9520_2009.html
- Republic Act No. 9520. (2009). *Philippine Cooperative Code of 2008*.
- Republic Act No. 11364. (2019). *An Act Reorganizing and Strengthening the Cooperative Development Authority*. <https://cda.gov.ph/wp-content/uploads/2023/08/Brochure-Salient-Provision-R.A-No.-11364-Brochure-pdf-1.pdf>
- Roffé, M. A., & González, F. A. I. (2024). The impact of sustainable practices on the financial performance of companies: A review of the literature. *Revista Científica Visión de Futuro*, 28(1), 221–240. <https://redalyc.org/ijournal/3579/357976095012/html/>
- Salonga, J. C., & Yumul, A. M. (2024). Cost-efficiency strategies in member-owned organizations: Drivers of long-term profitability. *Journal of Asian Economics*, 88, 101716. <https://doi.org/10.1016/j.asieco.2024.101716>
- Teixeira, B. de M., Macagnan, C. B., Justen, C. F., & Patiño-Galvan, I. (2025). Disclosure of sustainability practices in annual reports and the funding cost of cooperative financial organizations. *Journal of Risk and Financial Management*, 18(4), 205. <https://doi.org/10.3390/jrfm18040205>
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach’s alpha. *International Journal of Medical Education*, 2, 53–55. <https://doi.org/10.5116/ijme.4dfb.8dfd>
- Tuncal, A., & Erol, U. (2024). Analyzing the new Global Reporting Format from the pilot perspective. *International Journal of Aviation Science and Technology*, 5(2), 111–121. <https://doi.org/10.23890/IJAST.vm05is02.0204>
- Vissaro, D. (2022). Developing a cooperative compliance model for developing economies. In *Taxation in the Digital Economy* (pp. 82–106). <https://doi.org/10.4324/9781003196020-6>
- Xu, C., Wu, F., & Chiu, Y.-R. (2025). Advancements and trends in cooperative economy research—A knowledge map analysis based on CiteSpace and Bibliometrix. *Heliyon*, 11(1), e41095. <https://doi.org/10.1016/j.heliyon.2024.e41095>

Author's Biography

Ms. Helen S. Servañez is a graduate of the Master in Public Administration program under GEPS of Romblon State University and currently serves in the Cooperative Development Authority as Senior Cooperatives Development Specialist. Through her academic training and professional experience, she has developed strong competencies in public sector management, compliance monitoring, and cooperative support services. Known for her dedication, discipline, and collaborative work attitude, she continues to apply her expertise in promoting sound cooperative governance and contributing to the improvement of organizational systems within the sector.

Dr. Emelyn Rico-Villanueva is an accomplished educator, researcher, and academic leader who currently serves as Associate Professor V and Dean of the College of Education at Romblon State University. She earned her Ph.D. in Educational Management from the Philippine Normal University and has held key leadership roles, including Vice President for Academic Affairs and Director of the RSU Science High School. Her professional expertise spans instructional leadership, educational governance, and policy implementation, supported by a strong research background in educational management and higher education development. She has published six Scopus-indexed journal articles and serves as a reviewer for one Scopus-indexed journal, the *International Journal of Evaluation and Research in Education (IJERE)*, as well as two other peer-reviewed journals. Widely recognized for her academic excellence and leadership contributions, she continues to champion educational advancement through research, innovation, and dedicated public service.