

A Feasibility Study of Manual Liquidation Processes as Basis for an Automated Liquidation Reporting System

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Abstract:

Manual fund liquidation and financial reporting processes remain widely practiced in many academic institutions, often relying on handwritten records and spreadsheet-based documentation. While these methods support basic financial monitoring, they frequently lead to inefficiencies, calculation errors, delayed reporting, and inconsistent record management. This study aimed to evaluate the feasibility of existing manual liquidation processes as a basis for developing an automated reporting system. A descriptive–evaluative research design was employed to examine current procedures, operational issues, and user readiness for automation. Data were collected through survey questionnaires with respondents consisting of the department council treasurer, department council auditor, section treasurers, and section auditors from the Information Technology Department of Madridejos Community College. The study concludes that implementing an automated fund liquidation reporting system can significantly improve the efficiency, transparency, and reliability of financial management process.

Keywords: Fund Liquidation Process, Automated Financial Reporting, Feasibility Study, Accounting Information Systems, Financial Management System, User Readiness

I. INTRODUCTION

The study entitled “A Feasibility Study of Manual Liquidation Processes as Basis for an Automated Reporting System” examines existing manual liquidation practices to determine their suitability for system automation. Liquidation processes are essential for ensuring transparency, accountability, and proper management of financial resources within organizations [7]. However, many institutions continue to rely on manual documentation and spreadsheet-based reporting, which may lead to delays, inaccuracies, and inefficiencies in financial record management [3]. Prior studies indicate that automated accounting and reporting systems improve processing speed,

accuracy, and data management compared with manual approaches [4][8]. Despite these advantages, successful automation requires careful assessment of existing workflows and organizational readiness [5][6]. This study therefore evaluates the feasibility of current manual liquidation processes to identify operational gaps and determine system requirements that can support the development of an effective automated liquidation reporting system.

1.1 Objectives of the Study

The general objective of this study is to evaluate the feasibility of the current manual liquidation processes as a basis for the development of an automated fund liquidation and reporting system. Specifically, it aims to:

1. Determine the demographic profile of the respondents in terms of:
 - a. Year Level
 - b. Section
 - c. Role in Fund Liquidation
 - d. Years of Experience in Liquidation
2. Identify and describe the procedures involved in the current fund liquidation and financial reporting process, including:
 - a. Fund collection
 - b. Expense recording
 - c. Preparation of liquidation reports
 - d. Review and approval of reports
 - e. Excess fund management and record filing
3. Assess the issues and limitations encountered in the current fund liquidation process, as perceived by the respondents, in terms of:
 - a. Efficiency
 - b. Accuracy
 - c. Reliability
 - d. User Satisfaction
4. Determine the level of user readiness for an automated fund liquidation and reporting system, based on the following indicators:
 - a. Performance Expectancy
 - b. Effort Expectancy (Ease of Use)
 - c. Reliability and Quality Expectation
 - d. Facilitating Conditions
 - e. Behavioral Intention to Use the System
5. Identify the preferred system features and requirements for the development of an automated fund liquidation and reporting system in terms of:
 - a. Recording of collected funds and expenses
 - b. Automatic computation of financial totals and balances
 - c. System-generated financial reports
 - d. Error handling and notification mechanisms
 - e. Storage, retrieval, and access control of financial records
 - f. System usability and user support features

II. METHODOLOGY

This study utilized a descriptive–evaluative research design to examine the feasibility of existing manual liquidation processes as a basis for developing an automated reporting system. The descriptive approach was used to document the current procedures involved in fund liquidation, while the evaluative component assessed issues related to efficiency, accuracy, and operational feasibility. Data were gathered through survey questionnaires from respondents directly involved in financial liquidation activities. The participants included the department council treasurer, department council auditor, section treasurers, and section auditors from the Information Technology Department of Madridejos Community College (MCC). The collected data were analyzed to determine existing limitations and to identify potential system requirements for automation.

III. RESULTS

Profile Category	Classification	No. of Respondents	Percentage
Year Level	1st Year	10	37.04%
	2nd Year	6	22.22%
	3rd Year	7	25.93%
	4th Year	4	14.81%
Total Respondents		27	100%
Section	North	5	18.52%
	South	4	14.81%
	East	5	18.52%
	West	1	3.70%
	Northeast	3	11.11%
	Northwest	4	14.81%
	Southwest	2	7.41%
	Southeast	3	11.11%
Total Respondents		27	100%
Role in Liquidation	Department Council Treasurer	1	3.70%
	Department Council Auditor	1	3.70%
	Section Treasurer	16	59.30%
	Section Auditor	9	33.30%
Total Respondents		27	100%
Years of Experience	Less than a year	8	29.60%
	1–2 years	11	40.70%
	3–4 years	6	22.20%
	5 years or more	2	7.40%
Total Respondents		27	100%

Table 1. Demographic Profile of the Respondents of the Study

Table 1 summarizes the demographic profile of the respondents in terms of year level, section, role in liquidation, and years of experience. The majority of respondents are 1st year students (37.04%), mostly coming from the North and East sections (18.52% each). In terms of role, most respondents serve as Section Treasurers (59.30%) and Section Auditors (33.30%), indicating that they are directly involved in handling financial transactions and liquidation activities. Additionally, most respondents have 1–2 years of experience in liquidation (40.70%), suggesting that they possess sufficient familiarity with the current process to provide relevant insights for the study.

Table 2. Summary of the Procedures Involved in the Current Fund Liquidation and Financial Reporting

	Process Stage	Key Activities	Percentage
1	Fund Collection	Collection of funds from students or participants	81.5%
2	Expense Recording	Initial recording of expenses and collection of receipts	66.7%
3	Preparation of Liquidation Report	Manual encoding of financial data and computation of remaining balance	70.4%
4	Review and Approval	Checking of computations and verification of supporting documents	77.8%
5	Excess Fund Management and Record Filing	Computation and identification of excess or remaining funds	70.4%

The summarized results indicate that the fund liquidation and financial reporting process involves five major stages: fund collection, expense recording, preparation of liquidation reports, review and approval, and excess fund management. Among these stages, fund collection (81.5%) and financial review through computation checking (77.8%) were the most commonly performed activities. Meanwhile, expense recording (66.7%) and preparation of liquidation reports (70.4%) were primarily carried out using manual methods. The process concludes with the identification and computation of excess funds (70.4%), which ensures that remaining balances are properly accounted for. These findings suggest that while the overall liquidation workflow is established, many activities are still performed manually, highlighting the need for a more structured and automated fund liquidation and reporting system.

Table 3. Summary of the issues and limitations encountered by the respondents in the current fund liquidation process in terms of these indicators:

Indicator	Mean	Interpretation
Efficiency	3.27	Moderate
Accuracy	3.34	Moderate
Reliability	3.45	High Issue
User Satisfaction	3.26	Moderate
Average	3.33	Moderate

The results show that the overall evaluation of the current liquidation process obtained an average mean of 3.33, which is interpreted as Moderate. Among the indicators, Reliability (3.45) recorded the highest mean, indicating that respondents perceive reliability as the most notable concern in the current financial management process. Meanwhile, Efficiency (3.27), Accuracy (3.34), and User Satisfaction (3.26) were all rated as moderate. These findings suggest that while the current process is somewhat functional, there are still notable issues that require improvement, particularly in ensuring reliable and efficient financial management.

Table 4. As perceived by the respondents, the level of user readiness for an automated fund liquidation and reporting system using Mc Call and Unified of Theory of Acceptance and Use of Technology (UTAUT).

Criteria	Mean	Interpretation
Performance Expectancy	3.80	Ready
Effort Expectancy (Ease of Use)	3.57	Ready
Reliability and Quality Expectation	3.61	Ready
Facilitating Conditions (Organizational and Technical Readiness)	3.57	Ready
Behavioral Intention (Adoption Readiness)	3.63	Ready
Average	3.64	Ready

The results indicate that the respondents demonstrate a high level of readiness for the proposed system, with an overall mean of 3.64, interpreted as Ready. Among the indicators, Performance Expectancy (3.80) obtained the highest mean, suggesting that respondents believe the system will significantly improve financial management tasks. Other indicators, including Effort Expectancy (3.57), Reliability and Quality Expectation (3.61), Facilitating Conditions (3.57), and Behavioral Intention (3.63), were also rated as ready. These findings imply that respondents are willing to adopt the proposed system and perceive it as beneficial, usable, and feasible for implementation.

Table 5. In terms of Recording of Collected Funds and Recording of Expenses features of the Proposed Automated Fund Liquidation and Reporting System

	System Feature	Percentage
1	Automatically total collected funds and expenses	74.1%
2	Allow manual entry of collected funds and individual expenses	70.4%
3	Allow attachment of receipt images for expense verification	59.3%

The results indicate that respondents prefer system features that support automatic financial calculations and structured recording of transactions. Automatic totaling of funds and expenses ranked first, followed by manual entry of financial transactions. The ability to attach receipt images was also considered important for verification and transparency. These findings suggest that the proposed system should combine automation with proper documentation of financial transactions.

Table 6. In terms of Automatic System Computations and Display of Financial Balances features of the Proposed Automated Fund Liquidation and Reporting System

	System Feature	Percentage
1	Automatic computation of total funds collected	88.9%
2	Automatic computation of total expenses	81.5%
3	Display balance after every financial entry	81.5%

The findings show that respondents strongly prefer automated financial monitoring within the system. Automatic computation of collected funds and expenses ranked highest, indicating the need to minimize manual calculations. Additionally, displaying balances after every entry allows users to monitor financial status in real time. These highlight the importance of integrating automated calculations and real-time balance updates in the proposed system.

Table 7. In terms of System Generated Reports, Timing of Report Generation, and Review of Liquidation Reports features of the Proposed Automated Fund Liquidation and Reporting System

	System Feature	Percentage
1	Generate detailed reports of all financial transactions	74.1%
2	Generate summary reports of total funds and expenses	74.1%
3	Allow correction and resubmission of reports when errors are found	63%

The results indicate that respondents prefer comprehensive reporting features within the system. Detailed and summarized financial reports were ranked highest, suggesting the need for clear documentation of financial activities. Additionally, allowing correction and resubmission of reports ensures that financial records remain accurate before final approval.

Table 8. In terms of Error Handling, Storage of Records, and Accessing Records features of the Proposed Automated Fund Liquidation and Reporting System

	System Feature	Percentage
1	Notify users immediately when an error occurs	77.8%
2	Allow easy retrieval of records by date or activity	77.8%
3	Restrict access to authorized users only	66.7%

The findings reveal that respondents value system reliability and secure record management. Immediate error notifications and easy retrieval of financial records were the most preferred features. Limiting access to authorized users was also emphasized, highlighting the importance of data security and proper control of financial information.

Table 9. In terms of System Usability Features and Support Feature of the Proposed Automated Fund Liquidation and Reporting System

	System Feature	Percentage
1	Provide help or guide within the system	77.8%
2	Provide step-by-step process guidance	74.1%
3	Provide clear instructions and labels	70.4%

The results indicate that respondents prefer a system that is easy to learn and user-friendly. Built-in help guides ranked first, followed by step-by-step guidance and clear instructions. These findings suggest that the proposed system should prioritize usability and user assistance to ensure that users can effectively perform financial management tasks.

IV. DISCUSSION

The findings of the study indicate that the current fund liquidation and financial reporting process follows several established stages, including fund collection, expense recording, preparation of liquidation reports, review and approval, and excess fund management. Among these stages, fund collection obtained the highest percentage (81.5%), suggesting that this activity is consistently practiced and well understood by the respondents. This may be attributed to the fact that fund collection is typically performed at the beginning of financial activities and requires direct interaction with students or participants, making it more visible and routinely monitored. In contrast, expense recording obtained the lowest percentage (66.7%), implying that this stage may not be consistently documented or systematically implemented. This suggests that while funds are regularly collected, the recording of financial expenditures may rely on informal methods such as handwritten notes or personal records, which can lead to inconsistencies in financial documentation.

The evaluation of operational issues further showed that the overall performance of the current liquidation process was rated as moderate, with reliability identified as the most significant concern among the indicators. Respondents perceived that efficiency, accuracy, and user satisfaction were also moderate, indicating that although the existing process is functional, it still presents several

limitations in maintaining reliable financial records. The inconsistency observed in expense documentation may contribute to these reliability concerns, as incomplete or delayed recording of expenses can affect the accuracy of liquidation reports. Manual calculations and fragmented record-keeping practices may also increase the possibility of human errors during financial reporting. These findings highlight the need for a more structured and systematic approach to managing financial transactions within the liquidation process.

Despite the limitations of the current manual system, the results demonstrate that respondents exhibit a high level of readiness to adopt an automated fund liquidation and reporting system. Indicators such as performance expectancy, ease of use, reliability expectations, facilitating conditions, and behavioral intention were all interpreted as “ready,” suggesting strong acceptance toward system implementation. Respondents also showed clear preferences for system features that enhance transparency, automation, and efficient monitoring of financial transactions. These include automatic computation of funds and expenses, real-time balance monitoring, system-generated financial reports, and secure storage of financial records. Overall, the findings imply that implementing an automated system could address the weaknesses of the manual process while improving the efficiency, accuracy, and reliability of fund liquidation and financial reporting.

V. CONCLUSION

Based on the findings of the study, the current process of fund liquidation and financial reporting involves several key stages, including fund collection, expense recording, preparation of liquidation reports, review and approval, and excess fund management. While these processes are consistently practiced, many of the activities are still carried out manually, which may affect efficiency, accuracy, and reliability in financial management. The evaluation of the existing process showed a moderate level of performance, with reliability identified as the primary concern that

requires improvement. Furthermore, the respondents demonstrated a high level of readiness and willingness to adopt a proposed financial management system, indicating that they perceive it as beneficial and feasible for improving their current practices. The respondents also emphasized the importance of system features such as automated financial computations, real-time balance monitoring, comprehensive reporting, error detection, secure record storage, and user-friendly support tools. Overall, the findings suggest that implementing an automated liquidation reporting system can enhance the efficiency, transparency, and accuracy of fund liquidation and financial reporting.

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