The legal responsibility of teachers
(Imparting more than ABC to students)

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Introduction

It is an open secret that a teacher does not just impart knowledge and values. A teacher cannot limit her role as a dispenser or facilitator of knowledge. Neither can she disassociate her personal life, that is, the way she lives, with her role as a teacher. In and out of the classroom, a teacher “must display exemplary behavior” and “observe a high standard of integrity”. As aside from personal conduct that should be beyond reproach, a teacher assumes a legal responsibility when a pupil or student is placed under her care and custody. This article examines what precisely is the responsibility required by law of a teacher.

A legal understanding of the child

Both under the Family Code and the Special Protection of Children Against Abuse, Exploitation and Discrimination Act, a child refers to a person below eighteen (18) years of age. Aside from age, an older person may legally still be a child if she is “unable to fully take care of herself or protect herself from abuse, neglect, cruelty, exploitation or discrimination because of a physical or mental disability or condition”. There is the legal idea that a child is incapable to act because she is not of a required age or that she is incapable to do so, not due to her age, but because of a physical or mental disability.

The Family Code, as amended by Executive Order No. 227 on July 17, 1987, lowered the adult age from 21 to 18 years of age. Prior to July 17, 1987, the law considered a twenty year old as legally incapable to act. However, with the amendment, there was apparently a legislative recognition of the legal capacity to act at a lower age of 18 years. The lowering of the majority age could also be explained by the fact that political maturity was recognized much earlier when 18 years olds were given the right to vote by the Constitution on Feb. 2, 1987.

As could be seen from legislative enactments, it is not an individual’s outlook or personal maturity that will determine whether, as a minor, she could make an independent decision without being exploited. The contrary argument can be raised that some older persons act more like a child and they will not be protected by the law or the court for bad or foolish transactions they enter into.

Under the law, a child’s capacity to act is limited. She can not give a valid consent to a contract. She can not administer or manage her property. She can not sue on her own. She can not enter into a valid marriage. In all legal transactions, except marriage, the minor can legally act only through her parents or a guardian appointed by the court. In the case of marriage, not even parental consent will validate a marriage entered into by a person less than 18 years of age.

On the other hand, even while a child’s capacity to act is limited, her fitness to be subject of legal relations may not be so limited. A child can acquire rights either vested by law or contract entered into in her behalf. Minority is not a hindrance in the exercise of the rights of a child done by or through the parents or a guardian. In other words, the correlative obligation imposed by a right should not be ignored simply because the right pertains to a child. The obligation must in all cases be complied with.

Relationship of a pupil or a student to a school

A child who enrolls in a school is either a pupil if she attends a school of elementary level under the supervision and tutelage of a teacher, or a student if she regularly attends an educational institution of secondary or higher level. A student can either be a high school or a college student, but a pupil is always an elementary student.

Upon admission to a school, there is a contract that exists between the school and the pupil or student as represented by the parents or guardian if she is a minor. This contract lasts until graduation such that a school cannot bar re-enrollment of students.
the pupil or student except in cases of academic delinquency, violation of school rules and regulations, the closure of a program or course of study by the school or the closure of the school itself. The contract protects the right of a pupil or student to stay in school much more than the right of a school to refuse re-enrollment to an admitted student. While the school has no unilateral right to terminate enrollment; on the other hand, a pupil or student is "entitled to transfer to another school, provided he has no unsettled obligations with the school he was enrolled in".  

The contract between a school and pupil or student is "imbued with public interest". In the case of Phil. School of Business Administration v. Court of Appeals, 205 SCRA 729, 733-734 (1992), the Supreme Court describes this contract as follows:

When an academic institution accepts students for enrollment, there is established a contract between them, resulting in bilateral obligations which both parties are bound to comply with. For its part, the school undertakes to provide the students with an education that would presumably suffice to equip them with the necessary tools and skills to pursue higher education or a profession. On the other hand, the students covenants to abide by the school's academic requirements and observe its rules and regulations.

Institutions of learning must also meet the implicit or "built-in" obligation of providing their students with an atmosphere that promotes or assists in attaining its primary undertaking of imparting knowledge. Certainly, no student can absorb the intricacies of physics or higher mathematics or explore the realm of the arts and other sciences when bullets are flying or grenades exploding in the air or where there looms around the school premises a constant threat to life and limb. Necessarily, the school must ensure that adequate steps are taken to maintain peace and order within the campus premises and to prevent the breakdown thereof.

In this contract, the school assumes the responsibility of creating and maintaining a safe learning environment by removing hazards in the premises and securing the safety of its students or pupils.

The teacher is not a party to this contract. However, the teacher has her own responsibility because of the fact that a pupil or a student will be placed under her care and custody.

**The teacher's duty to be diligent**

In law, any person is duty bound to observe diligence. A person becomes liable for her lack of care or diligence, or her negligence, if her lack of care causes damage to another person. The liability is imposed even if the person did not willfully or maliciously intended harm to happen. Of course, an intentional act also produces liability and this obligation is accepted without difficulty due to willfulness of the actor. However, the obligation arising from negligence, or the legal concept of quasi-delict, needs to be discussed.

The law provides for quasi-delict as follows:

Whoever by act or omission causes damage to another, there being fault or negligence, is obliged to pay for the damage done. Such fault or negligence, if there is no pre-existing contractual relation between the parties, is called a quasi-delict.  

The basis of liability is negligence and the key to understanding negligence is "reasonable foresight of harm". There is no one measure of diligence because the care required to prevent a foreseen harm depends on circumstances and on the nature of the obligation. However, the degree of diligence is taken from that expected of a "good father of a family". In short, while the care or precaution may vary; the care or precaution to take in a particular situation is that what a reasonable and prudent man would have done under the circumstances, that is, the "diligence of a good father of a family".

The test of negligence is expressed by the Supreme Court in this question:

Would a prudent person, in the position of the person to whom negligence is attributed, foreseen harm to the person injured as a reasonable consequence of the course about to be pursued ?

Thus, if that prudent person foresaw harm, there is a duty on him to refrain from that course or to take precaution against its mischievous results.

The obligation arising from liability is demandable not only for one's acts or omissions, but also for those of persons for whom one is responsible. This is now the case of teachers.

**A teacher's liability for negligence**

A teacher is liable for negligence in not observing the proper precaution in the care and custody of pupils or students assigned to her. Under the Family Code, a teacher is given special parental authority over the pupil or student while under her supervision, instruction or custody. The teacher is considered not having substitute but only a special parental authority. Unlike the repealed provision of the Civil Code, only the following persons in the order indicated shall exercise substitute parental authority: (1) surviving grandparents; (2) oldest brother or sister, over 21 years of age, unless unfit or disqualified; and (3) child's actual custodian, over 21 years of age, unless unfit or disqualified. The teacher is thus omitted and a teacher cannot be said to be a substitute parent.

Nonetheless, when the parent places the child under the effective authority of a teacher, the latter and not the parent should be answerable for the torts committed while under her custody. At that point, the teacher could already exercise her authority over the child under her supervision, instruction or custody authority. With the disciplinary authority given to the teacher, she assumes respon-
Illustarive case
Drowning at a picnic

Ferdinand was then a freshman student of Section 1-C at the St. Francis High School who wanted to join a school picnic undertaken by Class I-B and Class I-C at Talaan Beach, Sariaya, Quezon. The school principal, Mr. Benjamin Illumin, had knowledge of the picnic even from its planning stage and had even been invited to attend the affair. However, the school principal did not express any prohibition against undertaking the picnic, nor did he prescribe any precautionary measures to be adopted during the picnic. The class adviser of I-C, Miss Connie Arquio, invited fellow teachers Tirso De Chavez and Luisito Vinas, both PE instructors and scout masters who have knowledge in First Aid application and swimming. Aside from these three teachers of the school, three other school teachers, namely, Nida Aragones, Yoly Jaro and Patria Cadiz came to the picnic. However, Nida Aragones and Yoly Jaro came to the picnic site after the drowning incident because they had to attend to the entrance examination being conducted by the school.

During the picnic and while the students, including Ferdinand, were in the water, one of the female teachers was apparently drowning. Some of the students, including Ferdinand, came to her rescue, but in the process, it was Ferdinand himself who drowned. His body was recovered but efforts to resuscitate him ashore failed. He was brought to a certain Dr. Luna in Sariaya, Quezon and was later transferred to the Mt. Carmel General Hospital where he was pronounced dead on arrival.

The parents of the late Ferdinand sued the school, its representatives, spouses Ferdinand Nantes and Rosario Lacandula, its principal Benjamin Illumin and the six named teachers who were at the picnic site for damages. The parents contended that the defendants failed to exercise proper diligence of a good father of the family in preventing their son’s drowning.

In the trial of the case, the teachers admitted that some parts of the sea where the picnic was held are deep. They did not make an actual and physical observation of the water before they allowed the students to swim. The supposed lifeguards (De Chavez and Vinas) of the children did not even actually go to the water to test the depth of the particular area where the children would swim. The lifeguards were somewhere and as testified to, they were having a drinking spree.

Waiver and teacher’s liability for negligence

In the case of an off-campus, school sponsored activity, the school almost always requires a waiver to be signed by the parent or guardian of the pupil or student. The waiver can go to the extent of relieving the school or its teacher of “any responsibility” in case of “any untoward incident that may happen to my son/ daughter during the duration of his/her activity”. In less absolute terms, one school requires a parent to sign a permit slip where the parent will not hold the school or its representative(s) “responsible for any untoward incident that may happen beyond their control”.

The fact that the parents allowed their child to join the activity, or even signed a
waiver for this purpose, does not mean that the teacher(s)-in-charge were already relieved of their duty to observe the required diligence of a good father of a family in ensuring the safety of the children. The waiver not to hold the school or its teachers responsible for negligence is not valid because the waiver is contrary to public policy. In short, a teacher can still be made to answer for damages by the parent of the pupil or student in case she failed to exercise the proper diligence to prevent harm or injury to the pupil or student.

At best, what the waiver can bring about is a reminder to the teacher of his duty of diligence.

The disciplinary authority of a teacher

Another area of concern, if not, a reminder, is the prohibition of corporal or bodily punishment by a teacher on a pupil or student. To administer corporal or physical punishment is a crime. A teacher is not exempted from criminal liability for bodily harm inflicted on pupils as punishment for misconduct. The rod should not only be spared, but already thrown out of the classroom.

Reference to the meaning of “child abuse” under the Special Protection of Children Against Abuse, Exploitation and Discrimination Act discloses that maltreatment of a child may be a criminal offense. This law defines child abuse as including among others: (1) psychological and physical abuse, neglect, cruelty, sexual abuse and emotional maltreatment; or (2) any act by deeds or words which debases, degrades or deems the intrinsic worth and dignity of a child as a human being.

In fact, the power of a parent to punish their children moderately under the Civil Code had been repealed by the Family Code. There is now a requirement for the parent or for the individual, entity or institution exercising parental author-

ity to petition the court where the child resides, for an order providing for disciplinary measures over the child. In the proceedings, the child shall be heard and he shall be entitled to the assistance of counsel either of his choice or appointed by the court.

The academic decision of a teacher

On the matter of evaluation of students, a teacher has the freedom to make her independent assessment without outside interference. The final grade or rating given to a student should be based solely on his scholastic performance. The academic judgment of a teacher will be respected even by the courts so long as there is no marked arbitrariness or grave abuse of discretion in its exercise. The non-interference extends to academic decision on promotion of students to a higher grade level or to the granting of honors to graduates.

It is important, however, that the academic rules on disqualification, promotion, or honors be clearly stated and made known to the pupils or students and their parents. Equally important is the consistent application of the academic rules by the teacher to avoid a charge of arbitrariness.

Conclusion

To be a teacher is not an easy job. It is an undertaking akin to a calling or a vocation. In imposing responsibilities, the law reflects simply the work of a true teacher. For even without the legal responsibilities, a true teacher will have that concern and care for the pupils or students under her custody. To a true teacher, the legal responsibilities become superfluitics.

Notes

1 See, Santos v. National Labor Relations Commission, 287 SCRA 117 (1998) where a married teacher was terminated from employment because of immoral act of engaging in extra-marital relationship with another married teacher.
2 Executive Order No. 209, as amended (1987)
3 Rep. Act No. 7610 (1992) 4 Id, Sec. 3 (a)
5 Constitution, art. V, sec. 1.
6 Civil Code, art. 1327.
7 Family Code, art. 225.
8 Rules of Court, Rule 3, sec. 5.
9 Family Code, art. 5.
10 Family Code, art. 35, par. (1).
11 See, Non v. Dames II, 185 SCRA 535 (1990)
13 Id, sec. 71.
14 Footnote 11.
15 Civil Code, art. 2176.
16 Civil Code, art. 1173.
17 Picart v. Smith, 37 Phil. 809
18 Id
19 Civil Code, art. 2180.
20 Family Code, art. 218.
21 Civil Code, art. 394.
22 Family Code, art. 216.
23 Dissenting opinion of Mr. Justice JBL Reyes in Exconde v. Capuno, 101 Phil. 843 cited in Palisoc v. Brillantes, infra.
24 Family Code, art. 218.
25 See, Palisoc v. Brillantes, 41 SCRA 548
26 Family Code, art. 219.
27 Lifted from the case of St. Francis High School v. Court of Appeals, 194 SCRA 341 (1991) but the presentation of the facts was altered for purposes of discussion.
28 St. Francis High School v. Court of Appeals, supra.
29 Civil Code, art. 6.
30 See, Revised Penal Code provisions on physical injuries and ill treatment by deed.
32 Civil Code, art. 316.
33 Family Code, art. 223.
34 Manual of Regulations for Private Schools (1992), sec. 79.
35 San Sebastian College v. Court of Appeals, 197 SCRA 138 (1991)
36 University of San Carlos v. Court of Appeals, G.R. L-79237, Oct. 18, 1988
Activity-based costing

A challenge to manufacturing firms

By Helen A. Bernados
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Introduction

In order to stay competitive, companies think of innovative strategies to attract customers. Add-ons are offered to allure customers to buy their products. Most successful fastfood chain stores like Mc Donald’s and Jollibee, package their products in such a way that customers would keep on coming back and repeat their orders. Buying a combo meal will be cheaper than buying each of the items individually. Should customers choose to opt for a bigger size of french fries or softdrinks, all they have to do is to add a minimal amount and they would get a bigger size. Aside from that, customers are entitled to get give-aways usually in the form of toys. If they are not free, customers are given the opportunity to buy them at a much cheaper price. These give-aways come in different styles urging customers to make a repeat order to complete the collection of styles and choices. Every month or at periodic intervals different choices are offered following the seasonal trend.

But some other companies like Pizza Hut apply traditional strategies. Waiters welcome their customers and help them get seated. Menus are offered to them and orders are delivered without asking them to fall in line, as some others would require their customers.

Continuous quality efforts are done by companies, not only the food-chain business, to stay competitive and to enhance revenue. Innovative strategies are being done and applied to businesses. One such strategy is activity-based management, a process that focuses on the management of activities to improve the value of the product offered to customers and which makes use of activity-based costing.

Activity-based costing

Activity-based costing (ABC) is a household name for Western manufac-
turing firms. Because consumers would always aim to buy products at the least cost, more and more companies clamor for accurate costing of their products. This costing methodology assigns costs to activities in an operation. Using ABC helps companies to assign accurately overhead costs to products and services that consume them. Activities that cost more are paid attention to in order to reduce costs.

Very few companies in the Philippines are using ABC costing, maybe because most accounting managers and educators have little understanding of this costing method.

One major concern of managers is product cost determination. Although considered an accounting function, product costs affect decisions on corporate strategy.

Costs are incurred because companies engage in various activities that consume or use up company resources. Because companies add a certain mark-up on cost to arrive at the selling price, it should be concerned on whether customers perceive an equitable relationship between selling price and value (Barfield, 1997). In order to improve the value received by a customer and the resulting profit gained by providing this value, management focuses on activities incurred during the production or performance process. This process is called activity-based management (ABM).

See ACTIVITY-BASED next page
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Included in activity-based management are the following:
- Activity analysis
- Cost driver analysis
- Activity-based costing
- Continuous improvement
- Operational control
- Performance evaluation
- Business process reengineering

Companies that make use of the above concepts are assured of the following:
- More efficient production
- More accurate cost
- More effective control and evaluation performance.

Due to advances in computerized systems, technological innovation, international competition, and automation, the amount of direct labor used in many industries is now greatly reduced. When factory overhead costs of selected plastic manufacturing firms are compared to direct labor costs, they are 208% to 250% of direct labor costs (Bernados, 1999).

In such study made by Bernados on selected plastic companies, it revealed that plastic manufacturing firms on the average incurred the following elements of manufacturing costs in percentage as shown in Table 1.

Correlation between direct labor and overhead no longer exists. Therefore, it is impractical to continue using plant-wide predetermined overhead rates based on direct labor costs. Using direct labor costs as basis would result to significant product cost distortions.

Because the products or services are performed by activities, costs incurred use resources in doing the activities. ABC recognizes this causal relationships of cost drivers to activities and is therefore more appropriate (Barfield et al. 1997). ABC can be used in conjunction with either a job order or a process costing system and by companies engaged in manufacturing, merchandising and service.

firms.

Activity-based costing allocates overhead to multiple activity cost pools and assigns the activity cost pools to products by means of cost drivers. ABC allocates overhead in a two-stage process as follows (Weygandt, 1999):

FIRST STAGE: Overhead is allocated to activity cost pools like ordering materials, setting up machines, etc.

SECOND STAGE: The overhead allocated to the activity cost pools is assigned to products using cost drivers which represent and measure the number of individual activities undertaken or performed like the number of purchase orders, number of setups, etc.

Table 1. Selected Plastic Manufacturing Firms' Elements of Manufacturing Costs in Percentage, For 1996 and 1997

<table>
<thead>
<tr>
<th>Elements of Costs</th>
<th>1996</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct materials</td>
<td>63%</td>
<td>65%</td>
</tr>
<tr>
<td>Direct labor</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Factory overhead</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Limitations of activity-based costing
- ABC requires a significant amount of time and cost to implement.
- ABC does not conform specifically to generally accepted accounting principles. An example is when some non-product costs like research and develop-

Very few companies in the Philippines are using ABC costing, maybe because most accounting managers and educators have little understanding of this costing method.
Table 2. Difference between traditional costing and activity-based costing

<table>
<thead>
<tr>
<th></th>
<th>TRADITIONAL COSTING</th>
<th>ACTIVITY-BASED COSTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead allocation</td>
<td>• Uses volume-based costs.</td>
<td>• Uses activity cost pools</td>
</tr>
<tr>
<td>Overhead rate</td>
<td>• Uses a single plantwide overhead rate or several departmental overhead rates based on output volume</td>
<td>• Uses the identified cost drivers that measure each activity's contribution to the finished products</td>
</tr>
<tr>
<td>Bases used</td>
<td>• Direct labor cost • Direct labor hours • Machine hours • Materials cost • Units of production</td>
<td>• Frequency of set ups per machine • Machine hours for machining • No. of inspections for inspecting</td>
</tr>
<tr>
<td>Tracing of costs</td>
<td>• Factory overhead costs are assigned to departments</td>
<td>• Factory overhead costs are assigned to homogeneous cost pools or activity centers</td>
</tr>
<tr>
<td>Measurement of cost</td>
<td>• Understates complex low-volume products and overstates high-volume products</td>
<td>• Presents a more accurate measurement pattern of overhead consumption.</td>
</tr>
</tbody>
</table>

- Arbitrary allocations may still continue – Even though more overhead costs can be assigned directly to products through multiple activity cost pools, certain overhead costs remain to be allocated by means of some arbitrary volume-based cost driver such as labor or machine hours.

Steps in the development of ABC system

STEP 1: Identify the major activities that pertain to the manufacture of specific products and allocating overhead costs to activity cost pools.

STEP 2: Identify the cost drivers that accurately measure the activities concerned.

See ACTIVITY-BASED next page

Activity-based costing leads to enhanced control over overhead costs because overhead costs can be traced directly to activities. Thus, this would improve product costs for managerial decision-making.

Companies may be discouraged from using ABC because of the higher cost of identifying multiple activities and applying numerous cost drivers.
ACTIVITY-BASED...
from previous page

sumed.

STEP 3: Assign overhead costs for each activity cost pool to products or services using the cost drivers.

Value-added activities and non-value-added activities in ABC

Value-added activities increase the worth of a product or service to customers. They involve resource usage and related costs that customers are willing to pay for. They are the functions of actually manufacturing a product. Examples are engineering design, machining, assembly, painting, and packaging.

Non-value-added activities are production-related activities that simply add cost to, or increase the time spent on, a product without increasing its market value. Examples are the repair of machines; the storage of inventory; the moving or raw materials and finished products; building maintenance; inspections, and inventory control.

Identifying and labeling activities as value-added or non-value-added is part of the analysis of operations.

When does a company use ABC?

The presence of one or more of the following factors may make a company decide when to use ABC:

• Product lines differ greatly in volume and manufacturing complexity.
• Product lines are numerous, diverse, and require differing degrees of support services.
• Overhead costs constitute a significant portion of total costs.
• The manufacturing process or the number of products has changed significantly. Example is from labor-intensive to automated.

Conclusions

Based on the study, it can be concluded that:

• ABC costing is a new method of assigning costs.
• Drastic changes in the manufacturing environment are experienced by most companies due to advances in computerized systems and technology. It may be worth trying ABC costing.
• The traditional system of costing is not producing accurate product costs resulting to cost distortion.

• ABC costing may be resorted to by companies for more accurate product costing.

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