



ISSN: 2230-9926

Available online at <http://www.journalijdr.com>

**IJDR**

**International Journal of  
DEVELOPMENT RESEARCH**

*International Journal of Development Research*  
Vol. 3, Issue, 10, pp.066-069, October, 2013

### **Full Length Research Article**

## **MANAGEMENT OF SCHOOL FUNDS BY SECONDARY SCHOOL PRINCIPALS: IMPLICATIONS FOR EFFECTIVE JOB PRODUCTIVITY**

**\*Angie Oboegbulem**

Department of Educational Foundations, University of Nigeria, Nsukka

#### **ARTICLE INFO**

##### **Article History:**

Received 21<sup>st</sup> July, 2013  
Received in revised form  
19<sup>th</sup> August, 2013  
Accepted 24<sup>th</sup> September, 2013  
Published online 04<sup>th</sup> October, 2013

##### **Key words:**

Productivity,  
ANOVA,  
Management Board,  
Administrative practices.

#### **ABSTRACT**

This study investigated the management of school funds by secondary school principals for effective job productivity in Imo State. Three research questions and three null hypotheses were formulated to guide the study. A 24-item researcher developed questionnaire was administered and retrieved from 591 teachers, 60 principals and 59 bursars selected through proportionate stratified random sampling technique from the three education zones (Owerri, Mbaise and Orlu) to establish how secondary school principals manage funds for effective job productivity in Imo State. Descriptive statistics and a one-way ANOVA were employed for data analysis. Result of the study showed that issuing receipts for all monies collected from parents, students and members of the community; rendering financial reports to the Post Primary School Management Board; involving sectional and departmental heads in budget preparation, among other, are ways principals in Imo State secondary Schools Manage funds. The implications of these findings as they relate to administrative practices are highlighted.

Copyright © 2013 Angie Oboegbulem and Joseph C. Onuoha. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

#### **INTRODUCTION**

Management implies judicious use of all available resources for the attainment of defined goals. Management of funds therefore deals with the provision, custody and disbursement of the financial resources needed for the running of public or government established institutions. Management of funds in educational organization like secondary schools has been a very sensitive and controversial issue. This is because it exposes the strengths and weaknesses of those entrusted to manage the funds. The National Policy on Education (FRN, 2004) acknowledges education as a vehicle for national development. The achievement of educational goals of any nation depends largely on adequate financial support. The funding and prudent management of scarce resources in secondary schools are crucial issues, which should be handled with all amount of seriousness. The principal of secondary school is therefore the fundamental element on which the resource of school organization depends. Effective financial management is necessary in his institution to avoid financial mismanagement. Where the principal is weak and ineffective in managing the resources of the school, success will be very difficult to achieve. Ezeocha (1990:17) includes financial

management as one of the tasks of school principals and stated that "whether a school principal has a bursar or not, he has the duty of seeing that adequate financial provision is made in the school budget". He noted that effective school management demands that budget proposals be prepared before any new session. Ozigi (1981) had said that the greatest problem facing the educational institution is inappropriate management of funds. Some critics have argued that the introduction of illegal levies by school principals brings untold hardship to many parents leading to declining in students' population. This, by implication, affects the achievement of educational objectives as outlined in the National Policy on Education. The principals of secondary schools have major roles to play in school administration. None of these roles is as sensitive and involving that of the financial manager of the school. In recent times, some principals of secondary schools have been accused of embezzlement of school funds, imposing unauthorized levies, diverting school funds to private use, abandonment of vital projects in pretence that they lack funds. Ogbonnaya (2000) observed that poor management of funds in post primary schools has created a lot of lapses, which have affected the achievement of desired educational goals. The principals on their own part blame the government for poor funding of secondary schools, inadequate supply of capital equipment and instructional materials, among others. In Imo State, secondary school principals have been indicated for

**\*Corresponding author:** Joseph C. Onuoha  
Department of Social Science Education, University of Nigeria,  
Nsukka

poor and inefficient management of funds in their schools. There has been accusation of diversion of funds, misappropriation and imposition of unauthorized levies. For instance, the secretary of the Post Primary Management Board in different zones in Imo State had, during the annual conference of principals in the zone held in March 2004/2005, accused the principals on overspending, inflating figures, collusion with school bursar, lacking skills or proper accounting and not generating enough funds in their schools. Based on the forging, the author investigated the management of funds by secondary school principals in Imo State.

### Research Questions

Three research questions guided the study:

- What are the ways principals manage funds in secondary schools in Imo State?
- What factors affect the financial management practices of principals in the State?
- What strategies are employed by the school principals in the management of funds?

### Hypotheses

- There is no significant difference ( $P < 0.05$ ) among the mean rating of principals, teachers and bursars with regard to the ways principals manage funds.
- There is no significant difference ( $P > 0.05$ ) among the mean score of principals, teachers and bursars with regard to the factors affecting the financial management practices of the principals.
- There is no significant difference ( $P < 0.05$ ) among the mean score of principals, teachers and bursars with regard to the strategies employed by the principals in the management of funds.

### METHODOLOGY

The study was a survey design. It investigated the ways principals of secondary schools in Imo State managed the funds, allocated to the school. The population for the study was in three categories consisting of all the teachers in senior secondary schools, all the principals and all the bursars in the three education zones in Imo State who have had ten years and above teaching experience. In each of the three education zones (Owerri, Mbaise and Orlu), twenty secondary schools were selected through proportionate stratified random sampling from the list of secondary schools in the zone. This gave a total of 60 secondary schools. In the next category ten senior secondary school teachers in each of the sampled school were randomly selected making the total number of teachers 600. Finally, each substantive principals and bursar in the 60 selected schools also formed part of this study. On the whole, the sample of the study consisted of six hundred (600) teachers, sixty (60) principals and sixty (60) bursars. Thus the sample size was seven hundred and twenty (720). The instrument was a 24-item questionnaire titled Management of School Funds for Effective Job Productivity Questionnaire (MOSFFEJPQ). It comprised two parts. The first part sought demographic information on name of school, status of respondents whether a principal, bursar or teacher, and teaching experience. The second part comprised twenty-four

items arranged in three clusters according to the research questions. The instrument was built on a four-point modified Likert-type scale of Strongly Agree (4), Agree (3), Disagree (2), and Strongly Agree (1). The instrument was face-validated by experts in relevant fields in the Department of Educational Foundations, University of Nigeria, Nsukka. These experts carefully scrutinized the items in the instrument and made some modifications. After the modification, the instrument was pilot-tested using two hundred and forty research subjects comprising 200 hundred teachers, 20 principals and 20 bursars. Using Cronbach Alpha, a reliability coefficient of the entire clusters yielded a coefficient of 0.70-0.73. Seven hundred and fifty copies of the instrument were distributed to the principals, bursars and teachers in the 60 secondary schools randomly selected from a list of all the secondary schools in the three education zones in Imo State. Three research assistants were employed who helped in retrieving and collating the instrument. Out of a total of 720 questionnaire distributed to the different categories of respondents, 710 were retrieved giving a very high response rate of 98.6%. Means were used in answering the three research questions. A mean of 2.50 was adopted as a benchmark for the acceptance of an item; while the one-way ANOVA was used in testing the hypotheses.

### RESULTS

The findings are presented according to the research questions.

**Research Question One:** What are the ways principals manage funds in secondary schools in Imo state?

Table 1 presents the view of the respondents on the ways principals managed funds. A look at the table reveals that apart from items 5 and 7, which recorded an overall mean scores below 2.50 (1.74 and 2.41 respectively), all the other items were highly rated by principals, bursars and teachers above the cut-off point of 2.50. though item 7 scored below the cut-off point, the mean score (3.10) of the teachers' was above the cut-off point.

**Research Question Two:** What are the factors affecting the financial management practices of principals?

Table 2 shows the summary of the responses on the factors affecting the financial management practices of principals. Items 1,2, 3,4,6 and 7 were rated highly above 3.00 far above the cut-off point of 2.50. Only item 5 recorded overall mean score below the cut-off point of 2.50. This shows that generally, majority of the respondents agreed with the factors affecting the financial management practices of principals, but disagreed with item 5 that constant levying of students without approval from P.T.A or government was one of the factors affecting the financial management practices of principals. However, the mean score for teachers on item 5 was above the cut-off point (3.02). This indicates that while the principals and bursars disagreed with item 5, teachers agreed with it.

**Research Question Three:** What are the strategies employed by the principals in the management of funds?

As can be seen from Table 3, all the 7 items no the strategies employed by the principals in the management of funds were

**Table 1: Mean (x) scores of the ways principals manage funds**

Items	Principals N=60-X	Bursar N=59-X	Teachers N=591-X	Overall X	SD
Involvement of heads in budget preparation	3.35	3.20	3.11	3.22	0.45
Insurance of receipts for payment	3.92	3.86	2.90	3.56	0.42
Expenditure based on approved estimate	3.25	3.29	2.75	3.10	0.54
Funds spent in line with planned objectives	3.28	2.97	2.31	2.85	0.64
Mismanagement of money meant for school	1.22	1.80	2.19	1.74	0.55
Capital expenditure based on approval	3.08	.86	2.66	2.87	0.38
Records of items of expenditure not carefully kept	1.98	2.14	3.10	2.41	0.47
Directives and instruction on financial matters are given by the head	2.98	3.07	3.31	3.12	0.52
All monies collected are lodged into the bank	3.32	3.36	3.11	3.26	0.54
Financial reports to Post Primary School Management Board	3.55	3.24	3.02	3.20	0.43
Grand X -	2.97	2.9	2.85	2.93	

**Table 2: Mean score of the factors affecting the financial management practices of principals**

Items	Principals N=60-X	Bursar N=59-X	Teachers N=591-X	Overall X	SD
Inability to take accurate account of money	3.32	3.32	3.23	3.29	0.45
Diversion of school funds to private ventures	3.35	3.29	3.83	3.49	0.44
Improper budgeting	3.28	3.15	3.66	3.36	0.43
Inability of the school heads to account for all monies	3.42	3.46	3.61	3.50	0.50
Spending money and leaving students without approval	2.15	2.25	3.02	2.47	0.51
Inaccurate accounting of school monies	3.40	3.42	3.61	3.48	0.49
Inappropriate allocation of funds	3.52	3.59	3.68	3.60	0.49
Grand X	3.21	3.21	3.52	3.31	

**Table 3: Mean score of strategies employed by the principal in the management of funds**

Items	Principals N=60-X	Bursar N=59-X	Teachers N=591-X	Overall X	SD
All monies are paid to school bank account.	3.78	3.66	3.87	3.77	0.52
Bursars have separate register for easy auditing	3.35	3.66	3.88	3.63	0.43
School heads have duplicate copy of approved cheques	3.72	3.25	3.68	3.55	0.45
Voucher raised are thoroughly crosschecked before endorsement	3.85	3.03	3.72	3.59	0.39
Regular check on Bursar to minimize fraud	3.82	3.03	3.89	3.58	0.38
Receipts for fees are not postponed	4.00	3.86	3.67	3.31	0.17
Supervision of receipts for proper recording	3.32	2.93	3.67	3.31	0.46
Grand X	3.69	3.35	3.8	3.62	

**Table 4: F-test analysis of the mean score of the ways principals manage funds**

Variable	N	X	SD	df	df2	Calculated F-value	Critical F-value	Significance	Result
Principal	60	2.97	0.43						
Bursar	59	2.98	0.49	2	707	0.837	2.90	0.05	H <sub>0</sub> Accepted
Teacher	591	2.93	0.60						

**Table 5: F-test analysis of the mean scores of factors affecting the financial management practices of principals**

Variable	N	X	SD	df	df2	Calculated F-value	Critical F-value	Significance	Result
Principal	60	3.69 <sup>b</sup>	0.37						
Bursar	59	3.35 <sup>c</sup>	0.43	2	707	61.38	2.90	0.05	H <sub>0</sub> Accepted
Teacher	591	3.81 <sup>c</sup>	0.32						

Note: Superscript indicates significant difference

**Table 6: F-test analysis of the mean scores of strategies employed by principals in the management of funds**

Variable	N	X	SD	df	df2	Calculated F-value	Critical F-value	Significance	Result
Principal	60	2.97	0.43						
Bursar	59	2.98	0.49	2	707	0.837	2.90	0.05	H <sub>0</sub> Accepted
Teacher	591	2.93	0.60						

Note: Superscripts indicates significant difference

rated very highly above 3.30 far above the cut-off point of 2.50. This shows that the respondents agree with all the 7 items, which recorded overall mean scores above the cut-off point as strategies employed by the principals in the management of funds.

### Hypotheses

**H<sub>01</sub>:** There is no significant difference (P<0.05) among the mean rating of principals, bursars and teachers with regard to the ways principals manage funds.

Table 4 shows that the calculated F-value is 0.837 at 2 and 707 degrees of freedom and 0.05 level of significance. Since the calculated F-value is less than the critical F-value of 2.90, the first null hypothesis is accepted. Thus, there is no significant difference (P<0.05) among the mean ratings of principals, bursars and teachers with regard to the ways principals manage funds. Table 5 shows that the difference among the overall mean score of principals, bursars and teachers is significant with regard to the factors affecting the financial management practices of principals at 0.05 level of

significance. The table reveals that teachers strongly agree with the factors affecting financial management practices of principals more than the principals and bursars. With the calculated F-value of 61.38 at 2 and 707 degrees of freedom greater than the critical F-value of 2.90 at 0.05 level of significance, the null hypothesis is rejected. However, there is no significant difference in the agreement levels (mean scores) of the principals and bursars.

**Ho<sub>2</sub>:** There is no significance difference (P. 0.05) among the mean score of principals teachers and bursars with regard to the strategies employed by principals in the management of funds.

Table 6 presents the F-test analysis of the difference between the mean scores of principals, bursars and teachers in Owerri education zone, Imo State. The table also shows that table, the calculated F-value of 115.76 is greater than the table F-value of 2.90 at 0.05 level of significance. Thus, the null hypothesis of no significant difference is rejected. There is a significant difference between the respondents' opinions with regard to the strategies employed by the principals in the management funds.

### Conclusion

The outcome of the study has very important implications to education in general and socio-economic administrative practice in particular. The findings show that effective management of school funds by secondary school principals in Imo State should involve a harmonious relationship between the principals and the school bursar. This is because both are key-holders of financial management practices. Since no organization can thrive without money, the principals and bursars should be people with proven integrity so as to uphold

the trust rested on them by the general public. This implies that the state governments as the employer should provide secondary schools with appropriate money "safe" especially in the rural schools so as to limit bursars from the risk of keeping money in their private homes. The findings show that the success of any principals depends on his prudence and judicious ways of spending the school funds in line with the planned objectives. This by implication shows that the state government should used the forum of Association of Nigeria Conference of Principals (ANCOOPS) Imo State branch to organize seminars, workshops, conferences, to intimate principals on the diverse methods of managing funds in schools. The findings also have great implications for the school administrators and educational planners who are involved in financial management. Effective management of funds can be achieved if the principals supervise receipts to ensure proper recording of all income and expenditure and if all monies collected are paid into institutional account immediately after collection.

### REFERENCES

- Adesina, S. (1981). *Some aspects of school management*. Ibadan: Educational Industries.
- Ezeocha, P.A. (1990). *Educational administration and planning* Nsukka: Optimal Computer Solutions.
- Federal Republic of Nigeria (2004). *National policy on education* (4th Edition). Lagos: NERDC.
- Nwachukwu, N.C. (2004). Management of funds by secondary school principals in Imo State in the Nigerian principal. *Ancops Journal* 2(3) 62-70.
- Ogbonnaya, N.P. (2000). *Foundations of education finance*. Onitsha: Cape Publishers International.
- Ozigi, A.D. (1981). *A handbook on school administration and management*. Lagos: Macmillan.

\*\*\*\*\*