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## MODULE FIVE

### UNIT ONE

#### Sources of School Funds

##### Introduction

For any school to operate effectively it must have funds. In most countries education in schools is funded by the government, but in some countries schools are heavily dependent on funds obtained from other sources. In this unit we set out to identify the wide range of sources of funds available to school managers.

Individual study time: 3 hours

##### Learning outcomes

By the end of this unit you should be able to:

- identify different possible sources of school finance
- understand and apply the appropriate knowledge and skills to mobilise funds for your school.

##### Sources of funds

Sources of school funds can be classified into three major categories namely: parents, government, and community groups.

##### Parents

###### *Activity 1.1*

Explain why parents contribute to the financing of your school and list as many ways as you can in which they do so.

20 minutes

##### Comments

Contributions by parents may become necessary due to the inability of government to meet even basic school financial needs. This is so in many developing countries. But even in countries where governments can afford to provide good buildings, qualified teachers and a wide variety of resources, parents may still wish to contribute money for even more resources, such as transport and computers, and pay for educational visits, because they want their children to enter adult life having obtained the best possible education. In rather crude terms they want them to be at the front of the queue for good jobs.

Your list of ways parents contribute probably included:

- paying official tuition fees
- paying PTA contributions
- paying a specific fee for a building project such as houses for teachers
- parents may also give their time and skills to a range of activities from building work to coaching at sports
- paying teachers for additional lessons and coaching, special duties, general welfare
- paying for resources, such as textbooks, exercise books and writing materials, school uniforms, desks and chairs, library and sports contributions
- paying for the children's welfare, such as transport money, school meals, caution money.

### ***Activity 1.2***

- (1) Are parents in your school generally willing or unwilling to help financially?
- (2) Is it always the same group of parents which is supportive? Do some parents withhold help and, if so, why?
- (3) What do you do in your school to encourage more parents to help?

20 minutes

### **Comments**

We should not assume that all parents are able to make the same contributions, whether financial, in kind or in time, to the school. Income levels in both urban and rural areas are likely to vary considerably, as will the size of each family. A sensitive approach is required by a school head, first to differentiate between families, and second to make provisions for children and parents who are facing difficulties with payments. On the one hand you will need to set ambitious targets to raise funds for your school, on the other you will need to accept that not everyone will be able to contribute to the same extent.

In encouraging parents to contribute you will need to target your efforts on those who have the means but may not have the will. To cater for the poorer families you may need to set up a special support fund to help pay such things as the fees of children who show special promise.

### ***Activity 1.3***

- (1) Does the government allow you to raise money for your school? What limits, if any, does it set on your fund raising activities?
- (2) If you are allowed to raise money, list the money generating programmes in your school.

20 minutes

### **Comments**

In a few countries governments set severe restrictions on the funds a school may raise, even though the governments themselves are unable to provide for basic needs. In countries where governments have more realistic policies some rules and

regulations will be set to ensure that there are limits and that fund-raisers and fund-holders are held accountable.

A school may engage in several money generating programmes to raise funds to help it run more effectively. Such programmes may include:

- farming
- workshops, such as craft work or carpentry
- creative activities, such as concerts.

There is always a danger of trying to undertake too many money generating activities at the same time. You should distinguish between:

- regular fees or contributions required from all parents
- voluntary collections for special, targeted fund raising activities.

### **Central government**

#### ***Activity 1.4***

Consider and list the different government financial contributions to your school.

15 minutes

### **Comments**

Government assists schools financially in several different ways. These may include:

- paying grants to schools
- paying teachers' salaries
- assisting schools to establish money generating projects by providing technical assistance including materials and equipment
- financing the construction and rehabilitation of school plant

The government also makes indirect contributions to each school through, for example, training teachers, preparing syllabuses and materials and providing inspectors.

### **Local authorities**

#### ***Activity 1.5***

How do local authorities help with school finances? Identify different ways in which your local authority provides financial assistance to your school.

15 minutes

### **Comments**

In many countries primary education is a service transferred to local authorities. Each authority is given the responsibility for locating and opening schools, and for providing physical structures, classroom facilities and office equipment to schools. Funds are generated from locally raised revenues. Local authorities often face difficulties in ensuring that all local taxes are paid in full and on time, because they lack sufficient trained staff and because taxpayers may not regard local government with the same respect as central government.

## **Community groups**

### ***Activity 1.6***

Consider community groups in your area and identify different ways in which they contribute financially to your school.

15 minutes

### **Comments**

Community groups are often among the key sources of funds to schools. They are mobilised to carry out given tasks by leaders in the community, such as local chiefs. There are many schools in developing countries that have been built by community groups. Your findings might include:

- mobilising community groups in development projects
- community leaders playing the leading role in mobilising the masses to participate more effectively in school projects
- fund raising for individual schools in an area
- involving community groups and former students in self-help projects for the purpose of generating funds
- levying education taxes on members of the community.

Within communities there may be individuals who also decide to help one or more schools on a significant scale. Sometimes business people wish to be seen as philanthropists and may contribute in the same way as community groups. Such contributions should be welcomed, but because of the idiosyncracies of individuals a system of accountability needs to be enforced particularly where business people operate schools for profit.

## **School facilities**

### ***Activity 1.7***

Consider the situation in your school and identify different ways in which the facilities might be used to generate funds.

15 minutes

### **Comments**

Through proper management, and if government regulations allow, school plant may generate substantial funds. Ways of doing this may include:

- hiring school facilities to the community, for example, halls, vehicles, playgrounds
- engaging in money generating projects such as livestock farming, running a canteen and operating workshops.

## **Pupils**

### ***Activity 1.8***

Identify and list different ways your pupils might be involved in generating school funds.

15 minutes

### **Comments**

Pupils may be good sources of school funds if they can see the benefit both for themselves and their school. Developing this resource depends on the good management of the school head and staff. The following ways of involving your pupils may be considered:

- generating funds through such activities as agriculture, keeping poultry, pigs and cattle, making crafts and bee keeping
- fund raising activities, for example, music, dance, drama, games and sports, exhibitions, charity walks and jumble sales.

### **Foundation bodies**

#### **Activity 1.9**

- (1) Does your school belong to any Foundation?
- (2) If so, identify different ways in which the Foundation body assists your school.

15 minutes

### **Comments**

Schools may be founded by religious or charitable bodies, which are non-governmental organisations (NGOs). Each has specific objectives in opening and operating the school which usually involve the spiritual and moral well-being of the children. These Foundation bodies give financial support to their schools in various forms, such as land and buildings, equipment and personnel. A trust fund may be established, where money is invested in stocks and shares and the interest generated provides operating funds for the school.

### **Fund raising**

#### **Activity 1.10**

- (1) Make a list of the methods you use to raise funds in your school.
- (2) What additional ways might you introduce?

20 minutes

### **Comments**

Which of the following did you include?

**Sponsored walks:** Where individuals are sponsored to walk certain distances to raise funds for particular school programmes.

**Trusts from charitable organisations:** Where materials and funds set aside by individuals or organisations are donated to run a school programme.

**Through fund raising representation:** By this method an influential and knowledgeable person is selected to visit people or organisations that have been selected by the fund raising committee to seek financial assistance. The representative must be well conversant with the purpose to which the funds will be used.

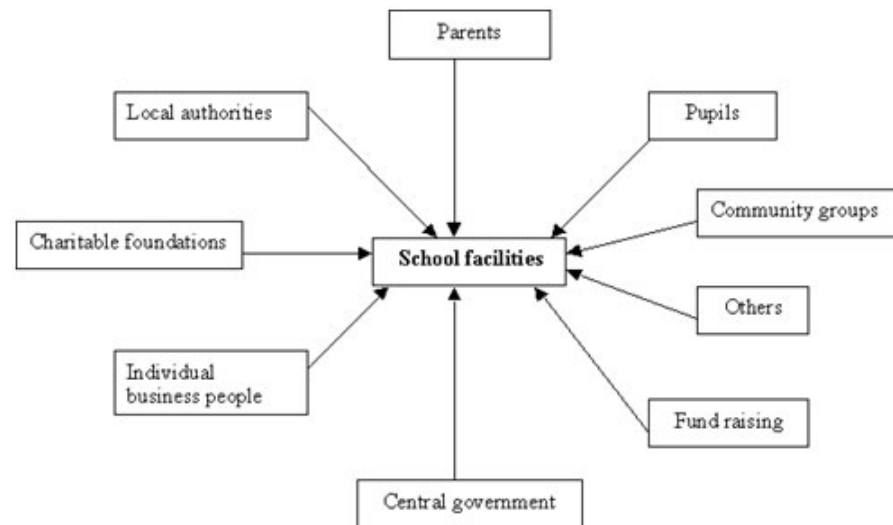
**Fund raising agents:** A group of people interested in raising funds for the school, allocate themselves areas of operation. Then each person approaches individuals for financial assistance. The group must have a co-ordinator to oversee collections and any other activities involved.

**Minor fund raising:** Fund raising in the form of a fete, festival or entertainment organised for the purpose of raising funds.

**Raffles:** The school acquires a few valuable articles, such as a car, motorcycle and TV sets, ideally through donations. These articles are then given to the winners of a lottery. If many tickets are sold through this method then quite large sums may be raised.

### Summary

In this unit we have considered the following major sources of school funds: parents, government and community groups. Fund raising may appear as a diversion from the main purpose of schooling. It can be applied in an educative way if the pupils are involved in each aspect of an event and topics for language, mathematics and crafts can easily be identified. Given that many schools are seriously short of funds, no school head can afford not to be involved in such work. 'Nothing ventured, nothing gained' should be the motto of all school heads. School heads, as managers/planners, should be encouraged to explore all the possible and feasible sources of funds for the benefit of their schools.



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