



**EFFECTS OF CASH MANAGEMENT ON FINANCIAL PERFORMANCE OF SACCOS
IN PALLISA TOWN COUNCIL**

BY

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BU/UP/2023/1357

**A RESEARCH REPORT SUBMITTED TO BUSITEMA UNIVERSITY FACULTY OF
MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT FOR THE
REQUIREMENTS FOR THE AWARD OF DEGREE IN BUSINESS
ADMINISTRATION OF BUSITEMA UNIVERSITY.**

AUGUST, 2025

DECLARATION

I, **OKIKE JOHN MARTIN** do endorse that this research proposal is my own work which has never been submitted for examination in this university for academic qualification.

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APPROVAL

This research report is submitted to Busitema University as a partial fulfillment for the award of bachelors in Business Administration with my approval as the academic supervisor.

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Date 27/08/2025.....

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Academic Supervisor

DEDICATION

This work is dedicated to my Dad and Family, who provided moral support, encouragement, and understanding. To all of my friends, classmates, professors, and the Almighty God for His unending blessings, without which this job would not have been possible.

ACKNOWLEDGEMENTS

I am thankful to the Almighty God for giving me life, my Dad, Family and friends, the chance to attend school, and the guidance I needed to do my research and write this report.

I would like to express my sincere gratitude to my family for their wonderful financial, emotional, and social support during my study and the full course.

My supervisor, Mr. Isabirye, deserves a great deal of gratitude for helping me improve my performance and for guiding me in the right route throughout this report project.

My sincerest gratitude is sent to all of the BBA instructors at Busitema University who helped us along the way, as well as to my fellow students, whose encouragement helped to make my bachelor's program an exciting experience. I pray that God would bless you in all that you do.

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ACCRONYMNS AND ABBREVIATION

PDTILED	Pallisa District Trade Industry and Local Economic Development
PMVSCCS	Pallisa Market Venders Savings and Credit Cooperative Society
SACCOs	Savings and Credit Cooperatives

ABSTRACT

This study examined the effect of cash management on financial performance of SACCOS in Pallisa town council. The study was directed by the following objectives, which included examining the influence of the cash conversion cycle on financial performance, assessing the effect of cash planning on financial performance, and investigating the effect of cash controls on financial performance. The study utilized a cross-sectional research design and a quantitative technique. Data were gathered from 40 participants in from 10 active SACCOS in Pallisa town council. Data were collected using a closed-ended questionnaire, and data were analyzed using Statistical Packages for Social Sciences, yielding frequency tables, descriptive statistics (mean and standard deviation), reliability, validity, correlation, and regression results. According to the study's findings, the cash conversion cycle has a positive and significant effect on financial performance, as does cash planning and cash controls. The report proposes that efforts to improve financial performance be focused on cash management (cash conversion cycle, cash planning, and cash controls). Finally, the study recommends that, SACCOs should improve their cash conversion cycle (CCC) management by reducing the time required to convert resources into cash flows. This can be accomplished by promptly collecting receivables from members, arranging attractive credit terms with suppliers, and minimizing unnecessary delays in processing member loan repayments. In addition, they should adopt effective cash planning methods that connect predicted inflows and outflows with their strategic and operational goals by precisely estimating member contributions, loan disbursements, and operational expenses. Finally, SACCOs should implement cash budgets as a management tool to track and compare actual and planned cash flows, which allows management to discover deviations, impose financial discipline, and make timely adjustments to spending objectives, as these can ensure the best use of financial resources, resulting in increased profitability and long-term financial stability for the SACCO. The study finally concludes that all the facets of cash management such as cash conversion cycle, cash planning, and cash controls are essential for robust financial performance of SACCOS in Pallisa Town Council.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of study, statement of the problem, purpose of study, research objectives, research questions, scope of the study, significance of the study and the conceptual framework

1.1 Background of the study

Savings and Credit Cooperatives (SACCOs) also referred to as a cooperative financial institution whose ownership and members own control and they operate purposely with the primary objective of providing credits with lower interest rates and providing services to its members (Eton & Basheka, 2020). They are formed to promote financial inclusion, empower communities economically, and improve access to affordable credit (Neema & Nyakundi, 2023). The financial performance of SACCOs is critical to economic development to provide loans, mobilize savings, and sustain operations that support local entrepreneurship and household welfare, as well as fostering business sustainability by enabling members to invest in small businesses, agriculture, and education, which generates employment and reduces poverty (Musiita & Mutung, 2023). It should be noted that financially stable SACCOs can attract more members and savings, enhancing their capital base and resilience. The key financial performance indicators for this study will include profitability, sales growth, liquidity, capital adequacy, and solvency (Oynaka, 2020). In addition many studies have shown that financial performance of SACCOs can be achieved through cash management (Singh et al, 2012). Because cash management is key for timely loan disbursement, liquidity, and ensures the sales growth of the SACCOs. Effective cash management minimizes idle funds, reduces the risk of cash shortages, and enhances operational efficiency to make higher profits, improving investment decisions and interest income through better forecasting and allocation of available funds. This can be done through measurable constructs of cash planning, cash controls, and cash conversion cycle, that supports the long-term growth enhancing financial performance of SACCOs.

However, despite of increased access to financial credits, many cooperatives' societies in the emerging economies have exhibited declining financial performance of SACCOs for example, globally, a report from World Council of Credit Unions (WOCCU, 2022) states that despite the growth in membership of credit unions, many credit unions reported challenges related to loan delinquency rates, which averaged around 5% in many regions in the world. Similarly, credit unions in the UK, which operate similarly as SACCOs, have faced challenges related to financial performance. Despite efforts to enhance financial literacy and management practices, many credit unions still struggle with high default rates and low profitability (Mpofu, 2023). During the Eurozone crisis, many SACCOs in Southern Europe experienced liquidity issues and decreased member savings. For instance, SACCOs in Greece reported a 15% decline in member savings during the height of the Eurozone crisis, severely affecting their liquidity and profitability (Yakubu et al., 2023).

In Sub Saharan Africa, in Nigeria, many SACCOs in operate with low profitability margins, reporting an average return on assets (ROA) of less than 2% over a three-year period (Azeez et al., 2023) Also, SACCOs have experienced significant challenges with loan defaults, which can exceed 40% in some cases. This high default rate negatively impacts their profitability and liquidity, the liquidity ratios for some SACCOs in Nigeria have been reported below the recommended 1:1 ratio, indicating potential difficulties in meeting short-term obligations (Nwankwo, 2019).

In Kenya, the average the liquidity rates for SACCOs declined from 2.5% in 2020 to 1.6% in 2021, indicating performance challenges (SASRA, 2023). The non-performing loans in Kenyan SACCOs increased from 6.15% to 8.39% between 2019 and 2020 (Gachenga et al., 2023). Also, a study in Western Kenya found that the profit after tax for DT SACCOs declined from 13.68% in 2017 to 11.19% in 2020. 52% of DT-SACCOs in Kenya face illiquidity due to unmanageable loans and rising non-performing loans (Akuku et al., 2023).

In Uganda, SACCOs have struggled with low financial performance associated with limited access to finances, inadequate liquidity and non-performance loans which affected the profitability provision of public services, and low sales growth (Ishengoma and Kappel, 2021), leading to performance and service delivery. According to a report released by the Project for Financial Inclusion in Rural Areas showed that 148 (32%) of the 460 SACCOs supported under the program

across the country in rural areas collapsed, while 227(49%) are grappling with low liquidity, sales growth, with low profit generation (PFIRA Report, 2022). In Pallisa town council, there are 40 registered SACCOs, however, these SACCOs have exhibited prevalence of low liquidity, indicated by a high debt-to-equity ratio and inability to cover long-term obligations. Additionally, persistent liquidity issues were revealed, such as inadequate cash flow to meet short-term member withdrawals thus highlighting operational inefficiencies to achieve efficient financial performance (PDTILED Report, 2023).

In addressing the issue of poor financial accountability, this study will be guided by Agency theory, as proposed by (Jensen & Meckling, (1976), which states that shareholders who are the principals of the entity hire agents to carry out the work and delegate decision-making authority on their behalf (Clarke, 2003).

Numerous studies have shown that cash management directly influence financial performance (Neema & Nyakundi, 2023). This is because cash management maintains optimal liquidity to meet short-term obligations by reducing idle funds, minimizes borrowing costs, and enhances investment opportunities through cash conversion cycle, cash planning, and cash controls, as a result, it improves profitability, liquidity, and financial stability (Eton & Basheka, 2020). However, these studies have been from outside countries and from different regions and sectors not from Uganda. Based on such studies, it is challenging to address the issue of SACCOs' financial performance in Uganda, particularly in the Pallisa district. This study aims to determine how cash management affects SACCOs' financial performance in the Pallisa district and town council.

1.2 Problem Statement

Savings and Credit Cooperatives (SACCOS) are prominently the growing financial institutions globally and in Uganda, they act as financial intermediaries that channel savings into loans as well as providing employment and savings opportunities to the people, especially in the rural areas in order to deliver more efficient and sustainable services (Madinah, 2020). However, despite the governments' effort to provide subsidized funding of cooperatives all over the country through subsidized loans (UBOS, 2021) a significant number of SACCOs in Uganda have suffered declining financial performance. According to a report released by the Project for Financial Inclusion in Rural Areas showed that 148 (32%) of the 460 SACCOs supported under the program across the country in rural areas collapsed, while 227(49%) are grappling with low liquidity, sales

growth, with low profit generation (PFIRA Report, 2022). In Pallisa town council, the financial performance of the SACCOs has been declining from the year 2021 to 2024. The profit after tax in 2021 was 18.7% out of 21.3% in 2020; in 2022 it was 16.5%; in 2023 it was 13.5%, and in 2024 it was 12.4% (PDTID Report, 2023) such a declining trend is worrying since primarily the aim of any business is to increase profit. Not only did these SACCOs register lower profitability but also lowered its liquidity and sales potential to perform financially. In addition, according to the report of Auditor General for FY2021/22, 35 of 80 SACCOs had inadequate funding to bolster their liquidity and sales levels yet most of these were from Pallisa town council (AG Report, 2022). These could be due to poor cash management in terms of cash management cycle, cash planning and cash controls in place to enhance financial performance. Arising from the above, this study therefore, seeks to further investigate on the effect of cash management on financial performance of SACCOs in Pallisa town council.

1.3 Purpose of the study

The study aims to examine the effect of cash management on financial performances of SACCOs in Uganda in Pallisa town council.

1.4. Objectives of the study

- i. To establish the effect of cash conversion cycle on financial performance of SACCOs.
- ii. To assess the effect of cash planning on financial performance of SACCOs.
- iii. To examine the effect of cash controls on financial performance of SACCOs.

1.5 Research questions

- i. What is the effect of cash conversion cycle on financial performance of SACCOs in Pallisa town council?
- ii. What is the effect of cash planning on financial performance of SACCOs in Pallisa town council?
- iii. What is the effect of cash controls on financial performance of SACCOs in Pallisa town council?

1.6 Scope of the study

The study will consist of the content scope, geographical scope, and the time scope.

1.6.1 Content Scope

The study considered effect of Cash management on financial performance of SACCOs with considerations of cash conversion cycle, cash planning and cash controls on how they will influence the financial performance of SACCOS in terms of profitability, liquidity, and sales growth.

1.6.2 Geographical Scope

The study concentrated in the SACCOs in Pallisa town council. This is because, they are registered member based micro finance institutions developed to meet financial services to encourage lower-income people to engage in economic activity, strengthen comprehensive regulatory and supervisory frameworks and also strategic towards building public confidence in raising savings. However, the geographic limitation is due to the existence of poor financial performance among these SACCOs attributed to ineffective cash management to achieve financially measurable proxies of solvency, liquidity and profitability.

1.6.3 Time Scope

The literature from the previous five years, starting in 2020 and ending in 2024, served as the study's foundation. This period was taken into consideration since it illustrated some of the study's findings on the financial performance problems of SACCOs in Pallisa town. Additionally, a thorough cross-sectional research study was conducted during this time to allow for the collection and analysis of quantitative data in order to produce an accurate description of the actual state of affairs and viewpoints regarding the cash management and financial performance of SACCOS.

1.7 Significance of the study

To the government: The study enlightened the LG with better solutions to stimulate local economies through providing avenues that reduce poverty as well-managed SACCOs can reduce the burden on state financial institutions by providing alternative sources of credit and financial services to the public.

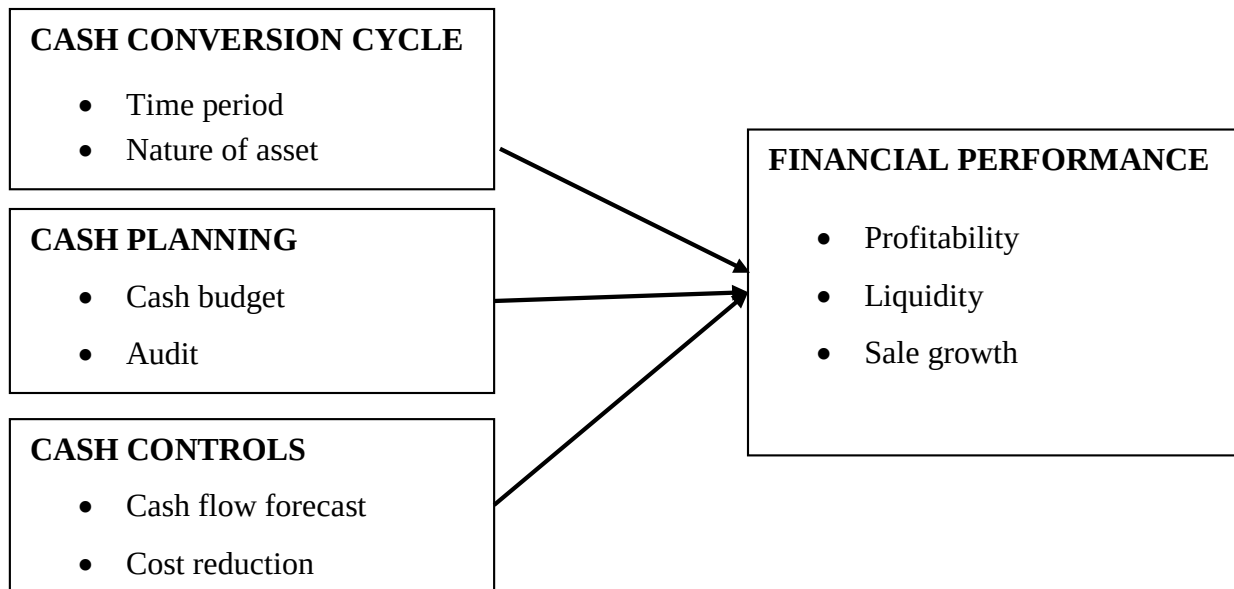
To the practitioners: The study benefited the Practitioners with knowledge on how to better understand the interconnectivity of cash management procedures and how they affect SACCO's financial performance, by providing optimal liquidity for meeting member demands and operational needs through effective cash flow planning and control to reduce risks of insolvency and enhance the SACCO's ability to invest surplus funds profitably.

To academicians; The study added to the growing corpus of information and may serve as a foundation for more research on SACCO financial performance and cash management. . This will act as a source of reference, and the generation of new ideas for the better and more efficient financial management.

1.8 Conceptual Framework

Figure 1: The conceptual framework.

CASH MANAGEMENT



SOURCE; Adopted and modified from: Aguilar et al. (2024); Eton et al. (2019).

The conceptual framework above signifies that with existence of an effective cash management practices in place in form of proper cash planning, cash budgeting and effective cash control, there will be high financial performance of SACCOs in terms of high levels of profitability, liquidity and solvency of the cooperatives and thus efficient service delivery and development.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The chapter provides an overview of the existing research and literature in the field of study. It also examines the impact of cash management on SACCOs' financial results.

2.1. Theoretical Review

According to the agency theory put forward by Jensen and Mackling (1976), the entity's proprietors, the shareholders, employ agents to perform tasks and assign them decision-making authority (Jensen & Meckling, (1976). However, the theory assumes that the agents can be self-interested thus, rational actors, having divergence in goals and information asymmetry leading to agency costs (Clarke, 2003). Agency theory is a principle that is used to explain and resolve issues in the relationship between business principles and their agents. Managers are agents for the owners and are obliged to represent their best interests. The principal may occasionally assign the agent certain responsibilities. Because the agent and the principle have differing perspectives on risk, agency conflict may result from this premise of the agency relationship, the shareholders may be willing to tolerate greater risk than the managers because of the desire for greater rewards. Managers who don't see the same gains from risky moves may be more cautious.

As SACCOs aim to ensure their long-term viability by maximizing investment operations, including those involving securities (Bashir & Mwambia, 2022), they will need to grow by expanding their income sources, such as through short-term securities investments. This can be through first by satisfying the self-interest of the agents, through providing financial incentives such as rewards, recognition as the trade-off process. Additionally, SACCOs should strive to promptly pay their operational expenses to prevent accumulation over time (Morwabe & Muturi, 2019). By doing so, they attract depositors, loan clients, and investors. It is crucial for Sacco management to develop strategies to increase income streams, thereby improving internal funding and reducing reliance on external borrowing for recurring expenditures and thus, enhancing financial performance.

2.2.0 Empirical Review of Literature

This section discusses the review of relevant literature according to the goals of the study and then highlights the knowledge gaps.

2.2.1. Cash Conversion Cycle and financial performance.

According to Hanafi (2024), the cash conversion cycle is a cash journey, from cash issued to cashback again (receivables paid). The Cash Conversion Cycle provides an extensive analysis of operating capital. The Cash Conversion Cycle is a comprehensive measure of working capital and the average time a company takes to acquire and sell its inventories, collect and collect receivables, and pay its debts (Hanafi, 2021).

Kivuva's (2024)), in his study "Cash management practices and growth of SMEs in Machakos Township" found out that Entities with low annual gross profit, because the shorter the CCC, the more efficient the company manages its cash flow and the more cash available, and the easier it is to pay the company's bills cannot manage to have significant levels of bad debts and therefore must have a strict cash management cycle and those with high profit margins may afford having significant levels of bad debt provisions. Therefore, the study suggested that a firm must check on its financial flows to maintain a healthy cash flow by making sure the debtor's payment time is shorter than the creditor's. The main goal of keeping debtors is to boost sales to both current and potential clients, which will raise the company's profit.

Mathuva (2015), studied "The Influence of Managing Working Capital on Corporate Profitability Components." According to him, among other ways, credit management is carried out through the creditors' collecting period. He discovered that a company's profitability increases with a shorter collection time.

Wanyama (2024), carried out a study on influence of cash management cycle on financial performance of SACCOs in Hoima District. According to the study, financial performance and the cash management cycle were positively correlated. According to the study, prompt asset management in terms of in terms of asset base is essential for efficient resources necessary to support the Sacco's operations. The study concluded that SACCOs should adopt use of basic cash conversion management tools to develop better corporate asset that contributes directly to the bottom line in achieving efficiency.

In the study of Shah (2019), on the impact of accounts receivables turnover and cash conversion turn over on financial performance of cooperatives, it was found out that cash conversion cycle has a positive significant impact on the financial performance. According to the study's findings, maintaining administrative control over stock inventories, payables, and receivables while focusing on the cash conversion cycle creates liquidity and profitability. Hossain (2020) in his study in, added that inventory stock management surely requires liquidity from management and enhanced profitability to achieve maximum financial performance of the firm.

2.2.2 Cash Planning and Financial Performance

According to Pandey (2007) cash planning is a technique used to plan and control the use of cash. It entails creating forecasts for cash inflows and outflows to provide insight into future financial needs. Consequently, business management must establish monthly spending plans and collection schedules from creditors to ensure the company's financial requirements are fulfilled.

Extant literature suggests that there is a positive link between cash planning and Financial Performance (Kyenze & Aluoch, 2022; Matianyi & Ndirangu, 2019; Mbabu et al., 2024; Musiita et al., 2023).

In respect to studies by Mbabu et al., (2024) in Kenya on the effect of cash management on the financial performance of tier one Deposit-Taking SACCOs in Kenya. Using a descriptive research approach with stratified sample. The study discovered that good cash planning positively affected the financial performance of these SACCOs. They recommended enhancing cash management practices and developing comprehensive cash management policies. This according to Kyenze and Aluoch, (2022), who analyzed cash management practices across SACCOs in Nairobi found out that there was a strong positive correlation between cash planning practices and financial performance. The study stressed the importance of cash budgeting and liquidity management in sustaining financial stability and maximizing financial performance. In addition, a study by Matianyi and Ndirangu, (2019), in Kenya, investigated the influence of cash management practices on the financial performance of deposit-taking SACCOs in Kakamega County where cash planning was one of the objectives of the study. A descriptive study design was used, along with stratified random sampling. The link between cash planning and financial performance was discovered to be considerable. According to the study's findings, financial performance is significantly impacted by cash planning techniques.

In a study by Musiita et al., (2023) in Bushenyi District, Uganda using a cross-sectional survey, the findings revealed a statistically significant positive correlation between cash ratios, liquidity ratios, and financial performance, suggesting that improved cash planning positively impacts financial performance.

Given the above literature, the study identifies a contextual gap as the majority of the studies that were carried out on financial performance of SACCOs were from countries outside Uganda and some partly from different regions of the country but not in the Eastern region and in the context of Pallisa town council. Due to the aforementioned lack of literature, this study seeks to be undertaken at Pallisa town council SACCOs utilizing a cross-sectional research methodology and a quantitative approach to reconcile earlier findings and so add a shroud to the existing literature.

2.2.3 Cash Control and Financial Performance

Wilson and Hill (2022) define cash control as the internal regulation of cash and cash- related policies in an organization. Thus, an organization needs to implement sufficient controls to safeguard against theft or misuse of cash. These control measures involve separating responsibilities, ensuring proper authorization, maintaining adequate documentation and records, enforcing physical controls, and conducting independent performance checks. Effective management of cash receipts and disbursements helps minimize errors, theft, and fraud.

Existent poetry suggests that there is a positive effect between cash control and financial performance (Joseph & Mokono Abuga, 2023; Muriithi, 2022; Sora et al., 2023).

In respect to a study by Muriithi, (2022) Kenya on the relationship between cash control practices and the financial performance of SACCOs in Nairobi. Utilizing a case study design and a sample of 50 SACCOs, data were collected through questionnaires. The findings indicated that effective cash control mechanisms, including cash receipts and disbursement controls, significantly improved financial performance. The study concluded that implementing robust cash control procedures is essential for enhancing SACCOs' financial stability.

A similar study by Ochieng and Okwiri (2022) in Kenya on how cash control systems impact the financial performance of deposit-taking SACCOs in Kisumu County. A hybrid method was, used with managers. The study revealed that strong cash controls, particularly in monitoring cash flows and budgeting, led to improved profitability and reduced operational risks. The authors recommended that SACCOs invest in training staff on cash control policies.

A correspondingly study by Joseph and Abuga, (2023), on the influence of cash flow management on the financial performance of Java SACCO in Nairobi City County. Examining secondary data from the SACCO's financial reports from 2013 to 2022 using a causal research methodology. The results showed that cash flow management for financing, operating, and investing together accounted for 62.9% of the variance in Java SACCO's financial performance. The study found that cash flow management practices have a major impact on SACCOs' financial performance. Similarly, a study by Sora et al., (2023) in Imenti North Sub-County which explored the influence of cash flow management strategy on the financial performance of SACCOs in Imenti North Sub-County. Financial performance and cash flow management technique were revealed to be significantly positively correlated by the study. It recommended that SACCOs establish or strengthen their investment departments to diversify income sources and improve overall financial performance.

Given the above fiction, majority of the studies that were carried out considered cash inflow forecast as a dimension of cash controls to predict financial performance, ignoring the predictive power of cost reduction in enhancing financial performance. Due to the aforementioned scarcity of literature, this study seeks to be undertaken in SACCOs within Pallisa town council using a cross-sectional research design and a quantitative technique to challenge the previous findings and therefore add a pall to the existing literature.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the research design, the study population, the sample size, sampling methodologies, data analysis techniques, validity and reliability, and ethical issues.

3.1 Research Design

A research design as the blue print (action plan) of the whole research process (Cresswell, 2014). The study used a quantitative methodology and a cross-sectional research design. Because a cross-sectional design allows data to be collected from a large number of individuals at one time, it was used in this study. This made it possible to analyze quantitative data and guarantee a thorough and accurate examination of the phenomenon without influencing the results (Khanday, 2019).

3.2 Study Population

Population refers to the set or group of all the units on which the findings of the research are to be applied (Rafiq, 2023). It's a set of all the units which possess variable characteristics under study and for which findings of research can be generalized. According to the district commercial officer Pallisa, the number of SACCOs in Pallisa Town council is 40. The target population of the study consisted a total target population of 40 SACCOS in Pallisa town council. These were chosen because of the evident aspects of poor financial performance in terms of profitability, liquidity, and sales growth.

3.3 Sample Size

A sample is described as a subset of elements drawn from a larger population (Willie, 2023). A representative sample size of 144 respondents from 36 SACCOs generated from the population target of 40 SACCOs in Pallisa town council, was determined using Krejcie & Morgan (1970) table of sample size determination as in appendix II. These respondents entailed the employees that formed the unit of inquiry for the study. This included; managers, cashiers, Loan officers, and board chairs. This method of sample size determination was used because provides a systematic approach that draws a sample size needed for the study.

3.4 Sampling method

Sampling refers to the collection of units chosen from the universe it represents (Kothari, 2004). The study used selective random sampling method which entails selecting subjects of the study at random on the fact that all subjects of the study population have equal chances of being selected in the sample (Cresswell, 2014). The researcher applied a simple random sampling method to select a sample size of 36 SACCOs from the targeted population of 40 which formed the unit of analysis for the study while the responses from 144 employee participants formed the unit of inquiry for the study. This included; managers, cashiers, Loan officers, and board chairs.

3.5 Data Sources

The researcher used primary data source since it considered a quantitative approach. Primary data refers to the original data source that is collected firsthand by the researcher for a specific research objective (Ajayi, 2023). The primary data was used to gather information from respondents using a questionnaire tool. The data source was necessary since it produced results that were reliable and free from bias to conclude (Kombo & Tromp, 2019).

3.6 Data Collection Tool

Data collection is the method through which desired information from the specific population is gathered and presented in a conventional way that it is relevant to answering the research questions (Ayu & Dewi, 2021). The study based on the questionnaire method of data collection to collect data from the SACCOs' respondents. This involved setting a well-established list of questions in an organized way that will guide in a process of collecting data. The questionnaire had three sections (A) included the respondent's demographic information, section (B) captured responses about the independent variable (Cash management) and section (C) captured the information about the dependent variable (Financial performance) in accordance with the objectives of the study. Close-ended questionnaires were used to enable the respondents to tick the appropriate answer anchored on a 5-point Likert scale ranging from 1 = strongly disagree, 2 = disagree, 3 = not sure, 4 = agree, 5 = strongly agree.

3.7 Data collection Procedure

Data Collection Procedure refers to the systematic process researchers follow to gather information relevant to their study (Sharma, 2023). To conduct the questionnaire to the desired respondents,

the researcher sought permission from Busitema University and then to the SACCO administration office for approval. The researcher then used three research assistants to aid the distribution of the questionnaires to the participants and after the respondents have completed the questionnaires, the required raw data will be gathered for analysis. A 5-point Likert scale was used to create the questionnaire. Responses to questionnaire items are measured using this scale. This scale was chosen to make sure that respondents don't lean toward a neutral response but instead make a firm decision. Because they are less expensive than alternative methods and provide consistent data collection, questionnaires were used in this investigation.

3.8 Data Analysis Techniques and Methods

Data analysis as the processes that ensure the accuracy of data and their conversion from raw form into classified forms appropriate for analysis (Alem, 2020). Subsequent to data collection, the information was compiled, processed, and analyzed using the Statistical Package for Social Sciences (SPSS). Descriptive statistics were used to present this, usually including linear regression, partial correlation (Pearson correlation coefficient), frequencies, and demographic information. Regression analysis was used to ascertain the predictive capacity of the independent factors (cash management) on the dependent variable (financial performance), while correlation analysis was utilized to ascertain the strength and direction of links among the study variables.

3.9 Reliability and Validity

Reliability.

It is a measure of the degree to which a research instrument yields consistent results or data after repeated trials, thus giving its accuracy or precision (Noble & Smith, 2025). The research instrument based on Cronbach's Alpha pilot test to examine on the reliability of the study. A pilot test was conducted to adhere to the fundamentals described by Cooper and Schindler who defined pilot test as a tool that should be administered so as to detect weakness in the research design and the instruments (Cooper & Schindler, 2014). The test was given to the respondents who filled the questionnaires and the results were computed consistently. The results thus were used on Cronbach's alpha methodology which defines the average of measurable items and its correlation. It is put as $\alpha = Np / [I + p(N-1)]$. The reliability coefficients in all variables was expected to be an adequate if they all indicated alpha coefficients of above 0.70 (Olmsted, 2024).

Validity is the degree to which a test measures accuracy and meaningfulness of inferences that are based on research results (Andersson & Boateng, 2024). Validity therefore was determined with content validity tests. Content Validity Index (CVI) is the degree to which an instrument has an appropriate sample of items for the construct being measured and is an important procedure in scale development (Andrew, 2024). The appropriate recommendation for the scales with excellent content validity shall be composed of CVI of 0.75 and above. The characteristics and qualifications of the experts, process and main results of content validity evaluation were measured and defined by; $C.V.I = \text{No of items rated relevant} / \text{Total number of items}$.

Table 3.1: Reliability and Validity of result

Variables	Item	Cronbach's Alpha	CVI
Cash conversion cycle	9	.722	.733
Cash planning	11	.775	.783
Cash control	8	.705	.715
Financial performance	16	.740	.730

Source: Primary Data (2025)

3.10 Ethical Considerations

Ethical considerations refer to are fundamental guidelines that ensure the rights, dignity, and well-being of participants are protected throughout the research process (Mirza & Bellalem, 2023). The subject of the examination will be taken into consideration, and ethical considerations were deemed crucial throughout the study. Therefore, the researcher received consent from the SACCO executives to collect field data as well as an endorsed introductory letter from the Busitema University faculty of management sciences. The participants were given a clear explanation of the goal and kept free from undue influence in order to get their informed permission, and they were free to agree or decline. Assuring the participants that their identities would remain confidential in accordance with the principle of anonymity, the researcher also made sure that the study was primarily conducted for academic purposes, that the research was rigorously considered, and that the participant's information were kept confidential.

CHAPTER FOUR:

ANALYSIS, DATA PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

The analysis, data presentation, and interpretation of the results are presented in this chapter. The research objectives were to determine how the cash conversion cycle affected financial performance, how cash planning affected financial performance, and how cash controls affected financial performance.

4.1 Response rate

Out of the 144 questionnaires distributed, 120 were returned at unit of inquiry. This make up a response rate of 83.3%. Also, out of the 36 selected SACCOs in Pallisa town council, all participated in the study at unit of analysis level. This represented an overall successful response rate of 100%. According to Babbie (2004) affirmed that the response rate of 50% is acceptable to analyze and publish, 60% is good and 70% is very good.

The data for the demographic characteristics of the respondents were analyzed at unit of inquiry level, while the Pearson product moment correlation and the linear regression were analysed at the unit of analysis level at 36 SACCOs in Pallisa town council. These were achieved through the managers, cashiers, loan officers, and the board chair. These were deemed to have the required knowledge regarding matters of financial performance of SACCOs.

4.2 Demographic information

The preliminary section of this study was done through administering of a questionnaire. Frequency tables were used to present gender, level of education, age bracket, position held, and years the SACCO has been in operation. These were presented in form of frequencies and percentages as reflected below:

4.2.1 Gender of respondents

Table 4.2: Showing Gender of respondents

		Frequency	Percent
Valid	Male	74	61.7
	Female	46	38.3
	Total	120	100.0

Source: Primary Data, (2025)

From table 4.2 above, it is clear that majority of the respondents were males (61.7%) as compared to females who were (38.3%). This implies that men perform better on average in certain tasks compared to women. For instance, in convincing stringent people to save in the SACCOS, and also doing hard work.

4.2.2 Level of education of respondents

Table 4.3: Showing level of education of respondents

		Frequency	Percent
Valid	Primary	9	7.5
	Ordinary level	20	16.7
	Certificate level	44	36.7
	Diploma	34	28.3
	Degree	13	10.8
	Total	120	100.0

Source: Primary Data, (2025)

From the table above, it is clear that the majority of respondents (44, 36.7%) had attained a certificate, followed by those with a diploma (34, 28.3%), those with ordinary level education (20, 16.7%), were followed by those with degree holders (13, 10.8%), while (9, 7.5%) had only primary education. The majority holding professional certificates suggests they possess sufficient skills and knowledge to effectively apply cash management practices, thereby potentially enhancing the financial performance of SACCOs.

4.2.3 Age

Table 4.4: Showing age bracket of respondents

		Frequency	Percent
Valid	20-29	35	29.2
	30-39	60	50.0
	40-49	15	12.5
	50-above	10	8.3
	Total	120	100.0

Source: Primary data, (2025)

From the table 4.4 above, it is evident that the majority of respondents (60, 50.0%) were aged between 30–39 years, followed by those aged 20–29 years (35, 29.2%), 40–49 years (15, 12.5%), and a smallest proportion (10, 8.3%) were aged 50 years and above. The dominance of respondents in the 30–39 age bracket suggests that most participants are in their prime working years, a stage often associated with high productivity and active engagement in financial decision-making, which could positively influence the cash management practices and financial performance of SACCOs.

4.2.4. Position held

Table 4.5: Showing position held

		Frequency	Percent
Valid	Manager	20	16.7
	Cashiers	35	29.1
	Loan officers	50	41.7
	Board chair	15	12.5
	Total	120	100.0

Source: Primary data, (2025)

From the table 4.5 above, it is clear that the majority of respondents (50, 41.7%) were loan officers, followed by cashiers (25, 29.1%), managers (16.7%), and lastly, the board chairs (15, 12.5%). The high representation of loan officers indicates that most respondents are directly involved in credit operations, a core component of SACCO activities. This suggests that insights into cash management and financial performance are largely drawn from individuals with hands-on experience in loan administration, which is crucial for ensuring effective cash flow and sustainable financial outcomes.

4.2.5. Years the SACCO has been in operation

Table 4.6: Showing the years the SACCO has been in operation

		Frequency	Percent
Valid	Less than 4 years	5	13.9
	4-8 years	8	22.2
	9-12 years	13	36.1
	13- above years	10	27.8
	Total	36	100.0

Source: Primary data, (2025)

From the table above, it is evident that the majority of SACCOs (36.1%) had been in operation for 9–12 years, followed by those operating for 13 years and above (27.8%), 4–8 years (22.2%), and a smaller proportion (13.9%) with less than 4 years in operation. The predominance of SACCOs with many years in existence suggests that most have established systems and experience in financial management, which may positively influence the effectiveness of their cash management practices and overall financial performance.

4.3 Findings from the objectives

Table 4.7: Correlation analysis results

	(1)	(2)	(3)	(4)
Cash Conversion Cycle (1)	1			
Cash Planning (2)	.467**	1		
Cash Controls (3)	.679**	.719**	1	
Financial Performance (4)	.861**	.515**	.665**	1

****.** Correlation is significant at the 0.01 level (2-tailed). N=36

Source: Primary data, (2025)

4.3.1 Cash conversion cycle and financial performance

Table 4.7 shows that the cash conversion cycle improves financial performance in SACCOS ($r = 0.861$, $p < 0.01$). This demonstrates that advances in the cash conversion cycle are connected with changes in financial performance.

4.3.2 Cash planning and financial performance

The financial performance of SACCOS is positively impacted by cash planning, according to the results in Table 4.7 above ($r = 0.515$, $p < 0.01$). This demonstrates that improved cash planning is linked to improved financial performance.

4.3.3 Cash controls and financial performance

Table 4.7 shows a positive correlation ($r = 0.665$, $p < 0.01$) between cash controls and financial performance. This demonstrates that improved cash management provide a significant boost to financial performance.

4.4 Regression Analysis

4.4.1 Regression analysis of cash conversion cycle and financial performance.

Table 4.8: Regression analysis of cash conversion cycle and financial performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.584	.238		2.458	.019
	Cash Conversion Cycle	.788	.080	.861	9.868	.000
		R=.861	R ² =.741	Adj.R ² =.734	F=97.384	.000
a. Dependent Variable: Financial Performance						

Source: Primary data, (2025)

According to the results in table 4.8 above, the cash conversion cycle accounts for 73.4% of the variation in financial performance ($\text{Adj.}R^2 = 0.734$; $p < 0.01$). A good and significant relationship between the research variables of cash conversion cycle and financial success ($F=97.384$; $p < 0.01$) further supports these findings. Additionally, the table displays a standardized beta coefficient of ($\beta = 0.861$; $p < 0.01$), indicating that financial success is significantly predicted by the cash conversion cycle.

4.4.2 Regression analysis of cash planning and financial performance.

Table 4.9: Regression analysis of cash planning and financial performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.585	.377		4.204	.000
	Cash Planning	.412	.117	.515	3.505	.001
		R=.515	R ² =.265	Adj.R ² =.244	F=12.288	.000
a. Dependent Variable: Financial Performance						

Source: Primary data, (2025)

According to the results in Table 4.9 above, cash planning causes a 24.4% variance in SACCOS financial performance (Adj.R² = 0.244; p<0.01). A favorable and significant relationship between the research variables of cash planning and financial performance (F=12.288; p<0.01) further supports these findings. A standardized beta coefficient of ($\beta = 0.515$; p < 0.01) is also displayed in the table, indicating that cash planning has a push effect on financial performance.

4.4.3 Cash controls and financial performance

Table 4.10: Regression analysis of cash controls and financial performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.367	.300		4.563	.000
	Cash Controls	.527	.102	.665	5.193	.000
		R=.665	R ² =.442	Adj.R ² =.426	F=26.966	.000
a. Dependent Variable: Financial Performance						

Source: Primary data, (2025)

According to the results in Table 4.10 above, cash controls cause a 42.6% change in financial performance (Adj.R² = 0.426; p<0.01). The favorable and significant impact of cash restrictions on financial performance is further supported by these findings (F=26.966; p<0.01). A standardized beta coefficient of ($\beta = 0.665$; p < 0.01) is also displayed in the table, indicating that cash controls serve as a ploy to improve financial performance.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.0. Introduction

This section addresses the study's findings, conclusions, recommendations, limitations, and areas for future research.

5.1.0 Discussion of the Study Findings

5.1.1. Cash conversion cycle and financial performance

The study aimed to investigate the impact of the cash conversion cycle on financial performance. The studies revealed that the cash conversion cycle has a favorable and significant impact on financial performance. These results are consistent with earlier studies of Kivuva's (2024) in Machakos Township who affirmed that Entities with low annual gross profit was as a result of the shorter cash conversion cycle and suggested that a firm must check on its financial flows to ensure the debtors' payment period is shorter than the creditor's payment period for sound cash flow. This was in line with the study by Wanyama (2024) who posits that timely management of assets in terms of asset base is essential for efficient resources necessary to support the Sacco's operations, the study further concluded that SACCOs should adopt use of basic cash conversion management tools to develop better corporate asset that contributes directly to the bottom line in achieving efficiency. Similar results are in a study by Hossain (2020) who suggests that inventory stock management surely requires liquidity from management and enhanced profitability to achieve maximum financial performance of the firm.

The results put out that enhancement in the financial performance of SACCOs is made possible by efficient cash conversion cycle management, which is influenced by cash flows. are handled within the entity. This arises as a result of paying loans on a quarterly and annual basis, which allows the SACCO to retain funds longer for productive use, alongside timely reconciliation of cash inflows that ensures accurate tracking and prompt detection of discrepancies. Offering both short- and long-term credit periods further enables the SACCO to balance liquidity needs with income growth from interest, while Cash resources are promptly provided to support operations ensures uninterrupted service delivery to members. Moreover, a cash operating cycle that yields returns in the short run increases the frequency of loan turnovers and boosts revenue. Together,

these practices contribute to efficient liquidity management, improved loan recovery, and optimal utilization of financial resources, which ultimately enhance the SACCO's profitability and sustainability.

Lastly, the findings also confirm that augmentation in the FP of SACCOs is supported by the nature of assets available to the entity, which strengthens its ability to meet operational and financial obligations. This arises from the SACCO's possession of adequate cash resources that are not limited, ensuring flexibility in meeting both expected and unexpected financial needs. Having sufficient liquid assets enables the SACCO to meet daily demands without disruptions, while the availability of both fixed and current assets provides a balanced foundation for operational stability and income generation. In addition, the ability to convert extra or unused items into cash ensures that idle resources are transformed into productive capital. Collectively, these asset management practices enhance liquidity, optimize resource utilization, and create a resilient financial position, thereby improving the SACCO's capacity to generate revenue and sustain long-term growth

5.1.2 Cash planning and financial performance

The study examined how cash planning affects financial success was the aim of the study. The results demonstrated that cash planning significantly and favorably affects financial success. These findings align with previous research conducted by Mbabu et al., (2024) in Kenya who carried out research on how cash management affected the tier one deposit-taking SACCOs' financial performance and confirmed that efficient cash budgeting had a favorable impact on these SACCOs' financial performance. The study still recommended enhancing cash management practices and developing comprehensive cash management policies. This was in congruence with, a study by Kyenze and Aluoch, (2022) in Nairobi who emphasized that cash budgeting and liquidity management are crucial for maintaining financial stability and optimizing financial performance.

The outcomes of the results suggest that enhancement in the financial performance of SACCOs is strongly as result of effective cash planning practices, particularly through the preparation and implementation of cash budgets. This arises from the deliberate setting aside of funds to cater for unexpected expenses, ensuring that unforeseen financial demands do not disrupt operations. The preparation of budgets serves as a vital tool for monitoring business performance, while adherence

to these budgets during implementation promotes financial discipline and reduces wastage. Avoidance of non-business expenses further safeguards resources for productive use, and the regular review of budgets allows for timely adjustments in response to changing conditions. The effectiveness of budget plans enhances decision-making, improves control over cash flows, and supports the efficient allocation of resources, which collectively strengthen the SACCO's financial stability and long-term profitability.

Lastly, the findings assert that the enhancement in the financial performance of SACCOs is reinforced by robust audit practices that ensure transparency, accuracy, and accountability in financial management. This arises from the presence of well-established internal cash monitoring policies, which provide a structured framework for overseeing all financial transactions. The retention of duplicate copies of receipts and invoices supports proper bookkeeping and strengthens the reliability of financial records. Regular management reviews of cash payment reports help detect unusual expenses early, while consistent checking of cash flow statements guards against errors and potential fraud. Furthermore, maintaining fairness in opinions on the organization's financial statements fosters trust among members and stakeholders. Collectively, these audit practices promote sound financial governance, safeguard assets, and enhance the credibility and sustainability of the SACCO.

5.1.3 Cash controls and financial performance

The study aimed to investigate the impact of cash controls on financial performance. The findings demonstrated that cash controls have a favorable and significant impact on financial performance. These results are in line with scholars like Muriithi, (2022) in Kenya who posit that effective cash control mechanisms, including cash receipts and disbursement controls, significantly improved financial performance and concluded that implementing robust cash control procedures is essential for enhancing SACCOs' financial stability. Similarly, according to a study by Ochieng and Okwiri (2022) in Kenya, who mention that strong cash controls, particularly in monitoring cash flows and budgeting, led to improved profitability and reduced operational risks and further recommended that SACCOs invest in training staff on cash control policies.

The results postulate that enhancement in the financial performance of SACCOs is supported by strong cash control mechanisms, particularly through effective forecasting and adherence to

financial procedures. This arises from the consistent preparation and proper maintenance of cash flow statements, which provide clear insight into the organization's liquidity position. Regular cash forecasts enable the SACCO to plan effectively for meeting financial targets, ensuring that resources are aligned with both operational and strategic goals. The practice of receipting all cash received and depositing it in the bank on a regular basis safeguards funds and reduces the risk of loss or misuse. Furthermore, strict adherence to established financial controls ensures accountability and promotes efficient use of resources. Together, these practices enhance financial discipline, improve liquidity management, and strengthen the SACCO's capacity to achieve sustainable growth and profitability.

Lastly, the results suggest that enhancement in the financial performance of SACCOs is driven by effective cost reduction strategies that promote efficiency and safeguard resources. This arises from the strict requirement that all cash payments be made only with proper authorization, which minimizes the risk of unauthorized or wasteful spending. Adhering to established operational procedures further ensures that resources are utilized efficiently and unnecessary costs are avoided. Proactively reminding customers about their accounts before they fall due helps prevent the occurrence of bad debts, protecting the SACCO's revenue base. In addition, banking all cash received rather than spending it at the source reduces opportunities for impulse or unplanned expenses, thereby strengthening financial discipline. Collectively, these measures optimize resource use, reduce financial leakages, and contribute to the SACCO's profitability and long-term sustainability.

5.2. Conclusion

Based on the study's results, we provide the subsequent recommendations to improve financial performance.

We conclude that cash management metrics of cash conversion cycle, which is divided into phases and asset types are a prerequisite for effective and improved financial performance.

Secondly, the study concludes that cash planning characterized with cash budget and audit to ensures transparency, accuracy, and accountability in financial management which in turn boosts financial performance.

Thirdly, SACCCOs adoption effective cash control mechanisms branded with cash flow forecast and cost reduction to bolster financial performance.

Lastly, SACCO owners through training of employees as this is a positive a mechanism of acquiring more knowledge of convincing people to save in the SACCO.

5.3 Recommendations

SACCOs should improve their cash conversion cycle (CCC) management by reducing the time required to convert resources into cash flows. This can be accomplished by promptly collecting receivables from members, arranging attractive credit terms with suppliers, and minimizing unnecessary delays in processing member loan repayments. A shorter CCC ensures that SACCOs maintain liquidity, decrease financing costs, and have enough capital to reinvest in productive activities, hence increasing profitability and financial viability.

In addition, SACCOs should adopt effective cash planning methods that connect predicted inflows and outflows with their strategic and operational goals. By precisely estimating member contributions, loan disbursements, and operational expenses, management can predict prospective financial shortages or surpluses and take proactive steps to balance them. This planning method improves operational efficiency, reduces liquidity concerns, and enables SACCOs to capitalize on investment opportunities that boost financial performance.

Furthermore, SACCOs should implement cash budgets as a management tool to track and compare actual and planned cash flows. Regularly developing and analyzing cash budgets allows management to discover deviations, impose financial discipline, and make timely adjustments to spending or income objectives. This not only encourages accountability and transparency, but also ensures the best use of financial resources, resulting in increased profitability and long-term financial stability for the SACCO.

5.4. Limitations of the study

The researcher never used a moderation or mediation variable to assess the impact of cash management on financial performance in SACCOS.

The study collected data using a closed-ended questionnaire graded on a five-point Likert scale, with respondents responding solely to specific and structured questions. As a result, the qualitative

perspectives of respondents on cash management and financial performance in SACCOs were not acquired.

The study was solely conducted at SACCOS, leaving out other microfinance institutions that could have supplied valuable information to the researcher.

5.5. Areas of Further Research

Further studies ought to be executed on cash management and financial performance in other microfinance institutions and deposit taking institutions for comparison of results since this study looked at only SACCOS.

Secondly, other studies to be conducted using a longitudinal and a qualitative approach to allow collection of qualitative data over times.

Finally, other studies to be conducted using mediation variable of attitude to money in association between cash management and financial performance in SACCOS.

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FACULTY OF MANAGEMENT SCIENCES

Date: 04/05/2021

To: THE CHIEF ADMINISTRATIVE
OFFICER PAULISA

Dear Sir/Madam,

RE: ORIKE JOHN MARTIN

On behalf of Busitema University, Faculty of Management Sciences, please allow me extend my appreciation to your organization for the continued support and commitment to providing services to our community. The Faculty looks forward to continuously partner with your organization in pursuance of excellence of our students by exposing them to practical learning experiences.

It's a University requirement that every student must carry out research and write a report in order to satisfy the requirement for the award of a Bachelor's Degree. The purpose of this letter is therefore to humbly request you to allow our fore mentioned student, who is in year of study on a programme of Bachelors of Business Administration / Bachelor of Public Administration and Management of Busitema University, to carry out research by way of collecting data in your esteemed organization.

We look forward to your supportive and positive response to our request above.

Yours faithfully,


Esuku Joseph

+256772181090/+256701181090: espk007@gmail.com.
Ag. HOD (Economics & Management).



Permission granted

FOR CHIEF ADMINISTRATIVE OFFICER
04/08/2021

APPENDICES

APPENDIX I. QUESTIONNAIRE

Dear Respondent,

I am Okike John Martin, a student at Busitema University working toward a bachelor's degree in business administration, with registration number BU/UP/2023/1357. I'm conducting research for the Pallisa Town Council on the cash management and financial performance of SACCOS. The data collected for this research study will be used for academic reasons and will be kept completely anonymous and confidential. To help me complete this duty, I respectfully ask that you take a few minutes out of your hectic day to complete this form.

Thank you.

SECTION A: DEMOGRAPHIC INFORMATION

A1. Gender

Male	Female
1	2

A2. Age Bracket

20-29	30-39	40-49	50-above
1	2	3	4

A3. Level of Education

Primary	Ordinary level	Certificate level	Diploma	Degree
1	2	3	4	5

A4. Position Held

Manager	Cashiers	Loan officers	Board chair
1	2	3	4

A5. SACCO details

a) Name of the SACCO

b) Period of existence (years)

Less than 4 years	4-8 years	9-12 years	13- above years
1	2	3	4

SECTION B: THE EFFECT OF CASH MANAGEMENT ON FINANCIAL PERFORMANCE OF SACCOS IN PALLISA TOWN COUNCIL.

Kindly tick according to your levels of opinion. Rate your response on a five-point scale where; key: 1=strongly disagree, 2=disagree, 3=not sure, 4=agree and 5=strongly agree.

CASH CONVERSION CYCLE						
	Time period (TP)	SD	D	NS	A	SA
TP1	In our business, we pay our loans in quarterly and annually basis	1	2	3	4	5
TP2	There is timely reconciliation of cash inflow in our entity	1	2	3	4	5
TP3	Our entity offers both short term and long-term credit period	1	2	3	4	5
TP4	We timely provide cash resources to support Sacco's operations	1	2	3	4	5
TP5	Cash operating cycle yields returns in short run	1	2	3	4	5
	Nature of asset (NA)	SD	D	NS	A	SA
NA1	The SACCO's existing resources are not limited in terms of cash	1	2	3	4	5
NA2	Our SACCO has enough liquid assets to meet the daily demands	1	2	3	4	5
NA3	Our entity has both fixed and current assets for its daily use	1	2	3	4	5
NA4	We often turn extra items not needed into cash	1	2	3	4	5
CASH PLANNING						
	Cash budget (CB)	SD	D	NS	A	SA
CB1	We set aside money for unexpected expenses of our SACCO	1	2	3	4	5
CB2	We prepare budgets to help monitor business performance	1	2	3	4	5
CB3	We stick to prepared budgets during the implementation	1	2	3	4	5
CB4	We avoid non-business expenses	1	2	3	4	5
CB5	We regularly review the budget to see if adjustments are needed	1	2	3	4	5
CB6	Our budget plans are effective	1	2	3	4	5
	Audit	SD	D	NS	A	SA
AD1	Internal cash monitoring policies are well established	1	2	3	4	5
AD2	All duplicate copies of receipts and invoices are retained for proper book keeping	1	2	3	4	5
AD3	Management reviews cash payment reports to check unusual expenses	1	2	3	4	5
AD4	Cash flow statements are always checked to guard against errors and fraud	1	2	3	4	5
AD5	Opinions on the financial statement of the organization are always fair	1	2	3	4	5
CASH CONTROLS						

	Cash flow forecast	SD	D	NS	A	SA
CF1	Cash flow statements are always prepared and maintained well	1	2	3	4	5
CF2	Our business always carries out cash forecasts to meet the targets.	1	2	3	4	5
CF3	The cash from our organization are receipted for and have been deposited in the bank regularly	1	2	3	4	5
CF4	Financial controls adopted are properly followed	1	2	3	4	5
	Cost reduction	SD	D	NS	A	SA
CR1	Cash is paid out only with proper authorization.	1	2	3	4	5
CR2	We reduce our costs by following procedures laid down in our business	1	2	3	4	5
CR3	Customers are always reminded about their accounts before they fall due to avoid bad debtors	1	2	3	4	5
CR4	All cash is banked and not spent on source to reduce unnecessary expenses	1	2	3	4	5
	FINANCIAL PERFORMANCE					
P	Profitability	SD	D	NS	A	SA
P1	Our entity has grown significantly in terms of operating profits	1	2	3	4	5
P2	The profits from our entity are higher compared to the liabilities	1	2	3	4	5
P3	The profit of our entity has been increasing over time	1	2	3	4	5
P4	The revenue of our entity often exceeds the expenses it incurs	1	2	3	4	5
P5	Lowering the cost of producing our products increases our profits	1	2	3	4	5
L	Liquidity	SD	D	NS	A	SA
L1	Our SACCO has enough cash to cover its day-to-day expenses daily	1	2	3	4	5
L2	Our SACCO avoids situations that could lead to financial problems.	1	2	3	4	5
L3	Our SACCO is financially secure and steady	1	2	3	4	5
L4	Our SACCO does not face the risk of going bankrupt	1	2	3	4	5
L5	Our SACCO can quickly convert its assets into cash if needed	1	2	3	4	5
L6	This business carefully plans for funding liquidity management.	1	2	3	4	5
S	Share capital growth	SD	D	NS	A	SA
S1	Our SACCO's Share capital level has been growing over time.	1	2	3	4	5
S2	Gaining new members increases our sales	1	2	3	4	5
S3	Our SACCO generates sufficient cash through Share capital that meet immediate obligations.	1	2	3	4	5
S4	Our SACCO continues to increase its Share capital despite having competition.	1	2	3	4	5
S5	Our SACCO meets its Share capital targets consistently.	1	2	3	4	5

Thank you for your kind feedback and time.

APPENDIX: III

ACTIVITY	MAY	JUNE	JULY	AUGUST
Problem identification				
Problem statement formulation				
Proposal formulation				
Proposal defense				
Proposal submission				
Data collection and analysis				
Report writing and submission				

APPENDIX IV: BUDGET

Item description	Estimated costs
Transport to the field sites	100,000
Printing of questionnaires/Tools	150,000
Consent forms and stationery	50,000
Data entry/ transcription	200,000
Binding of final reports	50,000
Printing of proposal copies	100,000
Contingency (10% of known costs)	65,000
Total	715,000

Appendix II: KREJCIE AND MORGAN (1970) TABLE

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970