



**STRATEGIC FINANCIAL MANAGEMENT AND FINANCIAL
SUSTAINABILITY OF NON-GOVERNMENTAL
ORGANISATIONS IN IGANGA DISTRICT**

**BY
KATAGAYA SANDRA
BU/UP/2020/2615**

**A RESEARCH PROPOSAL SUBMITTED TO THE FACULTY OF
MANAGEMENT SCIENCES, DEPARTMENT OF ECONOMICS
AND MANAGEMENT IN PARTIAL FULFILLMENT FOR
THE REQUIREMENT OF AWARD OF A DIPLOMA
IN BUSINESS ADMINISTRATION OF
BUSITEMA UNIVERSITY**


MARCH-2023

DECLARATION

DECLARATION

I, Katagaya Sandra, registration number BU/UP/2020/2615 hereby declare that the contents submitted in this work for the partial fulfillment of the requirements for the award of a diploma of Business Administration of Busitema University, are entirely my own and have not been submitted to any institution of learning for any award.

Name..... KATAGAYA SANDRA

Signature..... 

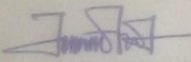
Date..... 21/03/2023

APPROVAL

APPROVAL

This is to certify that this research proposal entitled "strategic financial management and financial sustainability of NGOs in Iganga district Uganda" has been prepared by Katagaya Sandra under my supervision and is now submitted with my approval.

Mr. EMUSUGUT DESTERIO

Signed.....

Date.....21/03/2023

DEDICATION

This research is dedicated to my Mother Mrs. Namugabwe Harriet and my father Mr. Kafute Ngobi Livingstone, and to my beloved sisters Katagaya Shillah and Kulwenza Lydia and brothers Katagaya Stuart and Katagaya Shadrack.

ACKNOWLEDGMENT

Work of this nature can only be accomplished with support and guidance. I therefore wish to extend my sincere gratitude and appreciation to my supervisor Mr. Emusugut Desterio whose devotion time and corrections for improvement at different stages of my research made this work better than I would have managed on my own. I cannot forget to acknowledge the inspiration from my Father Kafute Ngobi Livingstone and mother Namugabwe Harriet.

It was because of his encouragement that I decided to enroll for this course. And to my classmates and my friends Kanyago Rita, Kibumba Jonathan, Omal Wyclife and Sanyu Jovia Havisham that have been instrumental in one way or the other for my academic progress. I thank my respondents in advance for the time they will take to share regarding my study questions and to all well-wishers and my friends who support me spiritually, morally and financially. Be blessed.

TABLE OF CONTENTS

DECLARATION.....	i
APPROVAL.....	ii
DEDICATION.....	iii
ACKNOWLEDGMENT.....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
LIST OF ABBREVIATIONS.....	ix
INTRODUCTION.....	1
1.0Introduction.....	1
1.1 Background of the Study.....	1
1.2 Statement of the problem.....	3
1.3 Purpose of the study.....	3
1.4 Research objectives.....	3
1.5 Research questions.....	4
1.6 Scope of the Study.....	4
1.6.1 Content Scope.....	4
1.6.2 Geographical scope.....	4
1.6.3 Time scope.....	4
1.7 Significance of the study.....	4
1.8 Conceptual framework.....	5
1.9 Operational definition of terms and concepts.....	6
CHAPTER TWO.....	7

LITERATURE REVIEW	7
2.0 Introduction	7
2.1 Theoretical Review	7
2.2 Empirical Review of Literature	8
2.21 Financial planning and financial sustainability	8
2.22 Fundraising and Financial Sustainability	10
2.23 Internal Control and Financial Sustainability	12
CHAPTER THREE	16
METHODOLOGY	16
3.0 Introduction	16
3.1 Research design	16
3.2 Study population	16
3.3 Determination of Sample Size	17
3.4 Sampling techniques and procedure	17
3.4.1 Purposive sampling	17
3.4.2 Simple random sampling	17
3.5 Type of data	18
3.6 Data collection methods	18
3.7 Data collection instruments	18
3.7.1 Questionnaire	18
3.9 Procedure of data collection	19
3.10 Data analysis	19
3.10.1 Quantitative data analysis	19
3.10.2 Qualitative data analysis	19
3.8 Quality control	19
3.8.1 Validity	20
3.8.2 Reliability	20
3.11 Limitations of the study	20
3.12 Ethical considerations	21
REFERENCES	22
APPENDICES	28
Appendix 1: Study Questionnaire	28

LIST OF TABLES

Table 1: TABLE 1 SHOWING SAMPLE SIZE	17
--	----

LIST OF FIGURES

Figure 1 CONCEPTUAL FRAME WORK	5
--------------------------------------	---

LIST OF ABBREVIATIONS

NGOs	Non-Government Organizations
USA	United States of America
POS	Public Order Security Act
ED	Executive Director
IV	Independent Variable
NPO	Nonprofit Organizations
PIU	Project Implementation Unit
SFM	Strategic Financial Management
SPSS	Statistical Package for Social Sciences
UK	United Kingdom
UMI	Uganda Management Institute
UNDP	United Nations Development Program
US\$	United States Dollars

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study, significance of the study, conceptual framework and then operational definition of key terms and concepts.

1.1 Background of the Study

Financial sustainability is the availability of financial and non-financial resources, ability to meet operational costs and continuance of the project with or without external donor support (Kasolo, 2017). Financial sustainability has affected many NGOs in Uganda including those from Iganga District. To support the statement (Etal, 2022) reports that financial sustainability among NGOs does not happen overnight but it is an endless story reflected in terms of community activities. The scholar adds that financial sustainability for NGOs rotates around all stakeholders in the environment where it operates (Wambui & Njuguna, 2016) noted that financial sustainability strategies for an NGO need to be directed towards areas of strategic direction, spiritual, moral values, governance, financial resources, and external relations.

From a global perspective, most NGOs depend entirely on donor funding, and the unavailability of such funding negatively affects operations in the communities they serve (Elayah & Schulpen, 2016). It is evident that dynamics or constant threats for instance covid-19 pandemic in the world economy resulted into credit crunch that affected NGOs making them dependent on external financial support. Therefore, ensuring financial sustainability for NGOs has come into focus in the current and recent years. In the past, the pinch caused by inadequate financial resources was less felt since there were enough resources to fund organizational projects and programs (Syahria, 2019). Varghese and Ajukurian, (2021) stated that Non-Governmental Organizations in Central Asia are unable to sustain and finance their activities. They accrue the financial unsustainability of the NGOs to decreased donor funding, decreased allocations for the region, donor focus on new markets and decreased amounts for the social programs. Issack, (2022) reported that 52% of NGOs in USA experienced cuts in funding due to the economic down turn in the country. NGOs in