

PLANNING GUIDES FOR EFFECTIVE FINANCIAL RESOURCES MANAGEMENT IN PUBLIC SECONDARY SCHOOLS

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ABSTRACT: The paper discussed planning guides for effective financial resource management in public secondary schools. Planning guides are intended to lead secondary school principals through a strategic process to identify the most effective and efficient ways to address the challenge or focus on the management of their school's financial resources. The paper revealed that planning guides for finance is the first phase of effective financial resource management, which means management of total cash flows which are needed to provide the necessary funds, predict the overall inflow and outflow of funds, to perform financial control not only on the current but on the future financial of the school. The paper illustrates that the planning guides for finance in secondary schools are performed to predict future financial results and to determine the secondary school's best way to manage the financial resources for the achievement of its short-term and long-term goals. The paper also revealed that planning guides for secondary school principals are setting a budget, cash flow forecast, expenditure, income and keeping records. The paper concluded that planning guides for effective financial resource management in public secondary schools rest upon the principal; this means that the effectiveness of the school financial system is dependent on the planning guides employed by the principal who is the chief manager of the secondary school. Among all the paper suggested that the government and heads of schools should establish clear financial reporting and accounting procedures to ensure transparency and accountability in financial management

Keywords: Planning Guides, Financial Resource, Management.

Reference to this paper should be made as follows:

Anah, O. E. (2024). Planning guides for effective financial resource management in public secondary schools. *International Journal of Leadership, Quality Education and African Development*, 1(2), 184-192.

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INTRODUCTION

Planning for effective financial resource management understands financial guides that bring about effective financial resource planning. The administration of secondary school rests upon the principal (Nwankwoala, 2016), this means that the effectiveness of the school system is dependent on how well and best the school administrator blends the conceptual skills, human relation skills, management strategies as well as the technical skills effectively and efficiently in the realization of optimal educational results. Consequently, a principal is the change agent that harnesses other resources for production function (Umar, 2019). Resources are very important in an organization, no organization cannot without resources. Human resources, material resources, machines and all type of resource cannot be properly managed without financial resources and funds. These funds can be allocated from federal, State or private sectors, to be properly managed to avoid waste funds and resources.

Resources refer to materials, services, staff, or other assets that are transformed to produce benefits and, in the process, may be consumed by firm, or organization. It is a productive factor required to accomplish an activity. These factors include land, labour and capital. Resources within the school environment are referred to as variables which makes the

school system functional. School resources are basically the resources designed to serve specific purpose in the school for educational effective instructional delivery. The resources in the school include staff personnel, finance, physical facilities, time and students that are available in the school system that makes for effective management of the school. Resources in the hand of a school principal remain the key elements that sustain the school system; besides, they are used to achieve educational goals. These resources which are inputs make the school functional and help in bringing out or directing the development of the school. Principal resource includes human resources, school plant resources, time resources, finance resources etc. (Usman, 2016; Odok, et al., 2023).

The employment of financial resource appears to be of cardinal consideration based on the popular dictum that money answers all things and that one is already dead without money. This follows that with money all goals of public secondary education will be attained, on the other hand, secondary school cannot thrive to attain its goals without money. In all this suggests the need for adequate financial resource provision to attract sufficient, manpower and material resources for the advancement of secondary education. The socio-economic and political values and provisions of schools grow alongside enrolment to increase the need for adequate funding of secondary education, inability to realize funding expectations has raised concerns about the quality of senior secondary school education.

As opined by Kirui et al. (2022), the attainment of secondary school effectiveness can be influenced by the effective financial resource management of the principal, who serves as the manager of the school. Financial resource management entails the principal financial resource management activity carried out in a school. Financial resource management is the process of planning, organizing, controlling and monitoring the financial resources of the school to achieve its objectives. Planning as defined by Agabi in Adiele, et al. (2021) is the process of deciding the specific actions to be taken to optimize the use of limited organizations' resources geared towards desirable and special goals attained. As observed by Lawakasana and Getange (2017) financial resource management is the usage of financial estimates which affect the financial condition of the business of the school. Financial resource management enables the school to plan, to use projects, future financial realizations of capital, property and necessary stuff for maximization of the return of investments (Korir, 2018).

Planning guides are intended to lead secondary school principals through a strategic process to identify the most effective and efficient ways to address the challenge or focus on the management of their school's financial resources. Vesna et al. (2017) opined that planning guides for finance are the first phase of effective financial resource management, which means management of total cash flows which are needed to provide the necessary funds, to predict the overall inflow and outflow of funds, to perform financial control not only on the current but on the future financial resource of the school. The planning guides for finance in secondary schools are performed to predict future financial results and to determine the secondary school's best way to manage the financial resources for the achievement of its short-term and long-term goals.

The planning guides for finance resources in the school is a task which determines in which way the school is going to achieve its strategic goals. Usually, the school principal prepares plan guide for finance after the establishment of the vision and the goals that it would like to achieve by its operation. The planning guides for finance are essential determining factor whether the school will be able to accomplish its objectives. The planning guide in the school are setting a budget, cash flow forecast, expenditure, income and keeping records. This is the focus of this paper to ensure effective financial resource management in public secondary schools.

THEORETICAL FRAMEWORK

Theory of Planned Behaviour (TPB)

The theory of planned behaviour (TPB) was propounded by Ajzen (1991). This theory is a widely accepted socio-psychological model and is used frequently by many scholars to explain human behaviours, across the various disciplines including communication. According to the theory of planned behaviour model, the most proximal determinant of a person's behaviour is their intention to perform the behaviour. Behavioural intention then is influenced by three direct determinants; attitudes, subjective norms and perceived behavioural control (Uju, 2021). As a general rule, the more positive the attitudes and subjective norms with respect to behaviour, and the greater the Perceived Behavioural Control (PBC), the stronger should be an individual's intention to perform the behaviour under consideration. Under conditions of volitional control, it has been found that the intention to perform is the strongest predictor of its actual performance.

This theory is related to the present study in the sense that effective financial resource management is planned by the secondary school principal in Delta State. Setting a budget, cash flow forecast, expenditure, income and keeping records can also be seen or referred to as behaviour is determined by the intention of the secondary school principal in Delta State. As a general rule, the more the secondary school principal in Delta State shows positive behaviour by setting a budget, cash flow forecast, expenditure, income and keeping records, the more effective the principals' financial resource management, but if the secondary school principal in Delta State shows negative behaviour such as non-setting a budget, poor cash flow forecast, not planning for expenditure, not planning for income and not planning for keeping records the more there will be ineffective financial resource management.

CONCEPTUAL CLASSIFICATIONS

Financial Resource Management

Financial resource management means planning, organizing, directing and controlling of financial activities, such as procurement and usage of organization's assets. The financial resource management applies the general management principles on the organization's financial resources (Vesna, et al., 2017). The financial resource management includes:

Investment decisions: investments in basic assets (capital) and investments in current assets – working capital

Financial decisions: decisions relating the increase of funds from different sources, time of financing, costs for the assets and the return of those assets,

Dividend decisions: allocation of net profit in two categories; dividends for shareholders and remaining profit.

Financial resource management is related to procurement, allocation and control of financial resources. The objective of financial resource management is: regular and appropriate provision of funds, to provide regular return to the shareholders, depending on the capacity of earning, market price of the shares and shareholders' expectations, to provide optimal usage of the funds. Since the assets are provided, they should be used maximum with lowest costs, to provide

investment security that is to invest assets in secure undertakings and thereby provide an appropriate rate of return, to plan the whole capital structure to maintain a balance between debts and capital value. Financial resource management has the function of estimating the requirements for capital which the company needs. That depends on the expected costs and profit and future programs and policies.

The capital estimation should be performed in a way that will increase the company's earning capacities. Once the assessment is made, the capital structure in the short-term and long-term, as well as the borrowings and capital value should be determined. Then, it is followed by the selection of asset sources, which may be shares and bonds, bank loans, loans from financial institutions, and public deposits in the form of bonds. Financial resource management means making decisions for allocation of the assets in profitable undertakings and in secure investments with regular returns of investment. Financial source management also includes deciding cash management, payment of salaries, electricity costs, repayment of loans, maintaining inventory, and procurement of raw materials. The last activity of financial management is financial control which may be realized through various techniques, such as relationship analysis, financial forecasting and cost and profit control.

Planning Guides for Effective Financial Resource Management

There are various planning guides for effective financial resource management in public secondary schools which include setting a budget, cash flow forecast, expenditure, income and keeping records:

Setting a budget: As defined by Vesna, et al. (2017) a budget is a detailed statement of what your business expects to spend and receive in every area of your business over a specific period, typically a year. According to Cumbria County Council (2024), budgeting is a process of preparing a statement of the anticipated income and the proposed expenditure. It is an act of target setting. The essence of this target setting is to prevent wastage to its barest minimum. This affirmation made Oboegbulem and Kalu, (2013) budgeting prevents wastage or reckless spending of funds provided for various educational services. Vesna, (2017) defines a budget as a detailed statement of what your business expects to spend and receive in every area of your business over a specific period, typically a year.

A budget should detail every item of income and expenditure that is due to occur (you may wish to lump smaller details under broader titles i.e. under the budget line 'Consumables' you could include the cost of food, milk, sundries etc.). Educational institutions design programmes and courses of study. Such programmes as opined by Akinsolu (2008) can effectively be implemented only with the availability of funds. Onuma (2016) added that there is a significant relevance between financial allocation and school effectiveness as a result of financial allocation to education which invariably improves school effectiveness. This is critical especially now that the government budget for education lies far below the UNESCO guideline of 26%. It therefore remains that the total allocation to education in Nigeria is below the international best practice and therefore not likely to meet the demands of the education industry. The process of budgeting is complex and involves the efforts of the principal and other members of the school management team to make, if efficient and productive, this is because the process involves various steps including the source(s) of funding the budget, forecasting school needs, allocating funds to specific projects/programmes among others.

Without a budget, the school will not know whether it can continuously cover its costs. Equally, if the budget is not updated regularly with actual figures compared against the original

estimation principals will have no idea whether things are on track and will not be in control of the school. This regular monitoring allows principals to make changes and implement strategies as and when needed. When setting the budget principals should use the previous year's budget figures as the base for their estimations and then adapt these in line with inflation, as well as also taking into consideration any plans that may/will change the picture e.g. growth, addition/reduction of hours occupied, extra/less staff, lower birth rate etc. The ability of a school principal to prepare and control the budget serves as a guide for effective financial resource management of the school. This is because every school programme for a fiscal year would have been adequately forecast and planned, and funds for their implementation monitored, when a principal is not able to effectively prepare and control the budget following the specified steps, the outcome will be ineffective financial resource management.

Cash flow forecasting: A cash flow forecast is designed to show the flow of money into and out of a school on a timely basis (i.e. when cash will be spent or received). Cash is the lifeblood of every business or school and many businesses fail not because they are not profitable but because they do not have enough cash available. The time you spend working out your cash needs and monitoring your cash flow is time well spent. This is because a cash flow forecast allows a setting to: Find out when you might not have enough cash before you run out, enabling you to put plans in place to address these shortfalls. This is by far the most important reason for a cash flow forecast. Find out when you might make extra cash and plan efficient uses for it. Make sure you have enough cash for any essential purchases.

Ascertain the impact of potential changes on the business. Cash movements in a school will happen daily; receiving payments from parents, paying bills, purchasing goods such as markers and use of petty cash. As the picture will change so quickly it is important to review these figures regularly. By doing this it will not only save time in the long run but will also enable the school principal to make management decisions quickly and efficiently based on sound evidence. The initial establishment of a cash flow may take some time, but once established updating any changes (such as increasing/decreasing students' numbers) or cash movements will be a quick and easy task.

Expenditure: When secondary school principals consider expenditure; costs can fall into one of two categories 'fixed' and 'variable'. Fixed costs - are costs that generally remain the same and have to be paid irrespective of the number of students in the setting. As these costs generally remain the same from session to session they can be budgeted for by the principal. Variable costs - are costs that will increase/decrease depending on the number of students attending the school. These costs can be harder to budget for the principal, especially if occupancy levels change significantly throughout the session. The biggest expenditure for most schools is the buying of instructional materials.

Income: When predicting income, it is helpful for secondary school principals to display the different sources separately. Income sources may include; fees, free entitlement payments, any grants to be received and for the voluntary sector any fundraising/donations likely to be raised. Principals should try to ensure all levels of income are both realistic and achievable. Principals should use various sources of information to aid these calculations i.e. last sessions' figures, numbers on role, previous trends, budget forecast, etc. For new principals it is also important that a number of forecasts are produced based on different levels of occupancy so that it displays the impact of each scenario on the school.

Keeping Records: Keeping accurate accounting records is an essential part of financial resource management, not only could it possibly save the school principal money on his/her accountancy fees but it is also a legal requirement placed upon schools. The school principal has to plan on how to keep up-to-date and accurate records of income and expenditure. The school principal requires such financial records and related paperwork to be kept for a minimum of six sessions from the end of the last school financial year that they relate to. Supporting paperwork should be kept along with accounts books (either paper or on computer). Some of the paperwork required to be kept include: Invoices raised by the school for rent and details of any grant funding. Paperwork supporting any other income sources. Receipts for anything purchased by the school. Invoices for costs such as rates, and electricity. Invoices for repairs. Invoices or receipts for any travelling expenses. Details of wages paid to labourers, any other deductions or payments.

Relevance of Planning Guides in Financial Management

Planning guides encourage the effective and efficient utilization of financial management to achieve organizational goals (Nwankwoala, 2016; Owchondah, 2020). Financial planning guides such as setting a budget, cash flow forecast, expenditure, income and keeping records are essential parts of good financial management. Planning guides such as keeping records are relevant to financial management because they help in estimating the financial resources needed for the year ahead; account for the school's spending make suitable plans for the school expansion and so on. Planning guides help principals protect school funds from possible loss and careless expenditure for education objectives through operation budget budget-related report processes, it provides systematic ways to relate expenditure to the attainment of educational objectives through the operation of budget and related report and processes (Nwosu & Ozioko, 2020).

Planning guides such as setting a budget, cash flow forecast, expenditure, income and keeping records are relevant because it help principals manage school finances by providing an objective method of appraisal of the performance of school personnel in attaining school objectives, protecting the image and reputation of the officer who collects and disburses school finances and forms a sound foundation for improved administrative decision for preparation and revision since enough data have been provided. Even though principals can delegate the function of collecting, and keeping school accounts to bursars, it is their responsibility to ensure a proper accounting system and judicious use of allocated revenues.

Challenges Hindering Planning Guides for Effective Financial Resources Management

There are a few challenges hindering planning guides for effective financial resources management in public secondary schools:

Lack of Transparency and Accountability: Inadequate financial reporting and lack of accountability can hinder effective financial management.

Insufficient Funding and Budgetary Constraints: Limited financial resources and budgetary constraints can make it difficult to plan and manage financial resources effectively.

Inadequate Financial Management Skills: School administrators and staff may lack the necessary financial management skills and training to effectively plan and manage financial resources.

Corruption and Mismanagement: Corruption and mismanagement of financial resources can undermine planning guides and hinder effective financial management in public secondary schools.

CONCLUSION

Planning guides are intended to lead secondary school principals through a strategic process to identify the most effective and efficient ways to address the challenge or focus on the management of their school financial resource. Planning guides for finance is the first phase of effective financial resource management, which means management of total cash flows which are needed in order to provide the necessary funds, to predict the overall inflow and outflow of funds, to perform financial control not only on the current, but on the future financial of the school. The planning guides for finance in secondary schools are performed to predict future financial results and to determine the secondary school's best way to manage the financial resources for the achievement of its short-term and long-term goals. The planning guides for finance are essential determining factors in whether the school will be able to accomplish its objectives. The planning guide in the school is setting a budget, cash flow forecast, expenditure, income and keeping records. There are various planning guides for effective financial resource management in public secondary schools which include setting a budget, cash flow forecast, expenditure, income and keeping records.

Suggestions

Based on the discussion in this paper, the following suggestions are made:

- Government and heads of schools should establish clear financial reporting and accounting procedures to ensure transparency and accountability in financial management.
- Government and heads of schools should develop a strategic budgeting process that prioritizes needs and allocates resources effectively, and explore alternative funding sources to supplement limited budgets.
- Government and heads of schools should provide school administrators and staff with training and capacity-building programs to enhance their financial management skills and knowledge.
- The government and heads of schools should establish robust internal controls and monitoring mechanisms to prevent corruption and mismanagement of financial resources and ensure that financial transactions are properly authorized and recorded.

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