

INTERNAL REVENUE GENERATION METHODS UTILIZED BY SECONDARY SCHOOL PRINCIPALS FOR RAISING FUNDS FOR SCHOOL MANAGEMENT IN ANAMBRA STATE

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Abstract

The main purpose of the study was to determine internal revenue generation methods utilized by secondary school principals for raising funds for school management in Anambra State. Three research questions guided the study. The descriptive survey research design was adopted for the study. The population of the study was 266 public secondary school principals in Anambra State. A validated questionnaire was used to collect data for the study. Application of Cronbach Alpha method on the instrument collected yielded reliability coefficient values of 0.87 and 0.85 for clusters 1 and 2 respectively with an overall reliability coefficient value of 0.86 mean was used to analyze data for the study. The findings of the study revealed that the findings of the study revealed that principals to a high extent use renting out school facilities and fundraising campaigns as internal revenue generation method for raising funds for school management in Anambra State. In contrast, principals to a low extent establish business ventures for internal revenue generation method for raising funds for school management in Anambra State. Based on these findings, the researcher recommended among others that the Post Primary School Service Commission (PPSSC) should organize training programme to educate secondary school principals on best practices and methods for implementing business ventures as a revenue generation method in secondary schools.

Introduction

Education is all deliberate and incidental efforts undertaken by a society to achieve specific objectives deemed beneficial to both the individual's personal development and the needs of the broader community. It is the process of gaining knowledge, skills, values, and attitudes through various instructional methods and learning experiences. Quality education involves not only the dissemination of knowledge but also the development of

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critical thinking skills, problem-solving abilities, and the nurturing of creativity and innovation among learners. The Federal Republic of Nigeria (FRN) (2013) stated that Nigeria's philosophy of education is based on a set of beliefs which one of it is that education is an instrument of national development and social change. In Nigeria, the education system is organized into distinct levels: basic education, secondary education, and tertiary education.

Secondary education in Nigeria is crucial as it serves as a bridge between basic education and higher education or vocational training. The objectives of the National Policy on Education for secondary education are to equip individuals for a productive life within society and to enable them to pursue higher education (FRN, 2013). According to these objectives, secondary education in Nigeria should cultivate in each child the knowledge, interests, values, habits, and abilities that will help them find their role in society and use it to shape both themselves and society towards more elevated goals. The principal is responsible for the realization of the goals of secondary education.

The principal serves as a central figure in educational institutions, wielding significant influence over all personnel and ultimately impacting the school's outcomes, whether positively or negatively. It's no surprise that the principal often bears the brunt of official blame when issues arise within the school (Amie-Ogan & Alabere, 2020). The principal holds the responsibility of leading the school professionally, collaborating with others to garner the commitment of the school community. Effective leadership involves fostering productive partnerships with staff to ensure effective cooperation and camaraderie. Similarly, Orhobo (2023) stated that the principals' are trained on managing school finances in areas such as budgeting, accounting, procurement and financial reporting skills. Principals' should have skills in management such as how to source for funds, budgeting skills, procurement skills, financial reporting and risk management (Njau et al., 2022). To plan school projects effectively, school heads should undergo financial training courses to warrant effective control and operation of physical resources. The funding of the education sector in Nigeria in the last 20 years has lagged some 15-20% suggested benchmark prescribed by the United Nations Educational, Scientific and Cultural Organization (UNESCO) (Amie-Ogan & Alabere, 2020). This has increased the call by researchers for principals take advantage of internal revenue generation sources (Nemes et al., 2019).

Internally Generated Revenue (IGR) refers to funds that are generated by the school and non-government sources. Internally generated revenue is also known as non-statutory sources of revenue (Amie-Ogan and Alabere, 2020). According to Erhagbe (2014) it is a combination of all non-governmental monetary accruals to the institution and may involve diverse strategies. Orhobo (2023) stated that internally generated funds are those funds that are realized through the efforts or operations of an entity itself. Nwakpa (2016) opined that internally generated revenue refers to all the money that are generated by the administrator from all the additional non-statutory sources of funding. This type of revenue is derived from the goods or services produced from the internal activities of an organization. This therefore implies that any formal organization that produces goods or services can generate revenue internally from these activities. This means that the funds gotten through internal generation are not realized through direct Government intervention. Amie-Ogan and Alabere (2020) averred that the purpose of internally generated revenue is to augment the often inadequate financial allocation from government in the case of public schools; and to minimize the frequency of loans and the loss of fund, the payment of interest on loans, in the case of private schools. The sources of this IGR vary such as: pupils' fees, proceeds from school activities, donations from individuals and charity organization, appeal to NGO, PTA, student activity funds and special revenue funds, fund raising activities, participation in business ventures, special events, lease income and gifts or grants etcetera (Amie-Ogan & Alabere, 2020). The present study focused on renting of school facilities,

establishing of business ventures and funding raising campaigns as internal revenue generation measures by principals in secondary schools.

Renting out school facilities such as classrooms, halls, playgrounds, and other amenities during non-school hours or vacant periods can be a potential source of internal revenue generation for secondary schools. This practice has been explored by various researchers. According to Oke et al. (2017), renting school facilities to community organizations, businesses, or individuals for events, meetings, or activities can provide a steady stream of income for schools. They highlight the importance of establishing clear policies, pricing structures, and maintaining a balance between generating revenue and minimizing disruptions to the school's secondary educational functions. Apie and Moses (2019) stated that renting of school facilities can be an effective strategy for supplementing limited government funding. However, he cautioned that proper management, maintenance and accountability measures should be in place to ensure the sustainability and ethical use of these resources. Similarly, establishing business ventures is seen as another IGR source.

Secondary schools can explore establishing small-scale business ventures as a means of generating internal revenue. These ventures can range from operating school canteens, bookstores, or producing and selling educational materials or souvenirs. Nye and Kpeh (2019) emphasized the importance of aligning business ventures with the school's mission, involving stakeholders in the decision-making process, and ensuring proper financial management and accountability. Igbineweka and Enowoghomwenma (2017) analyzed the impact of school-based enterprises on educational finance and found that when well-managed, these ventures can contribute to bridging funding gaps and supporting school improvement initiatives. Same thing can be said of fundraising campaign.

Fundraising campaigns, such as organizing events, soliciting donations, or seeking sponsorships from local businesses or organizations, can be a viable internal revenue generation measure for secondary schools. Nye and Kpeh (2019) examined the role of fundraising in public schools and found that successful campaigns can provide additional resources for various educational programs, facilities, and initiatives. Nwakpa (2016) emphasized the importance of developing a strategic plan, fostering community engagement, and maintaining transparency in the utilization of funds raised. Amie-Ogan and Alabere (2020) suggested focusing on building strong relationships with stakeholders, leveraging existing social networks, and aligning fundraising efforts with the community's priorities. However, these views have not been empirically proven to be the internal revenue generation methods utilized by principals for raising funds for school management in Anambra State. It is against this background that the researcher empirically investigated internal revenue generation methods utilized by principals for raising funds for school management in Anambra State.

Statement of the Problem

Despite the importance of secondary education in Nigeria, its funding has fallen below expected standard in Anambra State. This situation has led to inadequate facilities and resources in secondary schools. The scarcity of funding has resulted in classrooms devoid of essential furniture like chairs and desks. Students are often forced to sit on the floor or improvise with makeshift seating arrangements, hampering their ability to concentrate and participate actively in lessons. This situation not only undermines the quality of education but also poses potential health risks, as prolonged sitting on hard surfaces can lead to discomfort and physical strain. Another glaring manifestation of the funding crisis is the overcrowding of classrooms. With limited resources to construct additional learning spaces or hire more teachers, many secondary schools in Anambra State are forced to accommodate an overwhelming number of students in a single classroom. This overcrowding creates an environment that is not conducive to effective learning, as teachers struggle to manage large classes and provide individualized attention to students. The prevailing conditions in these secondary schools appear to be a direct

consequence of the poor funding from the government. As public secondary schools, these schools heavily rely on government allocations to maintain their operations and ensure the provision of quality education. However, the lack of adequate financial resources has led to a deterioration of infrastructure, scarcity of essential learning materials, and overcrowded classrooms, ultimately compromising the educational experience of students. It is against this background that the researcher empirically investigated internal revenue generation methods utilized by principals for raising funds for school management in Anambra State.

Research Questions

The following research questions guided the study:

1. To what extent is establishing business ventures an internal revenue generation method utilized by principals for raising funds for school management in Anambra State?
2. To what extent is fundraising campaign is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State?
3. To what extent is renting out school facilities an internal revenue generation method utilized by principals for raising funds for school management in Anambra State?

Research Method

Descriptive survey research design was adopted for the study. The study was carried out in Anambra State. The population of the study comprised all 266 public secondary school principals in Anambra State. A structured questionnaire was used to collect data for the study. The instrument was titled “Questionnaire on Internal Revenue Generation Methods Utilized by Secondary School Principals for School Management (QIRGMUSSPSM)”. The instrument contains 18 items. The instrument was structured on a 4- point rating scale of Very High Extent (VHE), High Extent (HE), Low Extent (LE) and Very Low Extent (VLE). The instrument was validated by three experts in the Department of Educational Management and Policy and Educational Foundations, Faculty of Education, Nnamdi Azikiwe University, Awka. To ascertain the reliability of the instrument, it was pilot tested on 20 public secondary school principals in Enugu State. Application of Cronbach Alpha method on the instrument collected yielded reliability coefficient values of 0.87 and 0.85 for clusters 1 and 2 respectively with an overall reliability coefficient value of 0.86. The researcher administered the questionnaire to the respondents’ through on-the-spot completion and retrieval method was used by personal visits to the respondents on appointment. Out of the 266 copies of questionnaire administered, 247 copies (representing 93%) were retrieved and used for analysis with an attrition rate of only 7%. The data collected was analyzed using mean. In discussing the mean, any item with mean rating of 2.50 and above was regarded as high extent. Conversely, any item with mean rating below 2.50 was regarded as low extent.

Result

Research Question 1

To what extent is establishing business ventures an internal revenue generation method utilized by principals for raising funds for school management in Anambra State?

Table 1: Mean Responses on the Extent Establishing Business Ventures is an Internal Revenue Generation Method Utilized by Principals for Raising Funds for School Management (N=247)

S/NO	Item Statement	Mean	Decision
1.	Establishing a cafeteria or canteen	2.32	Low Extent
2.	Rebranding stationeries for pupils to purchase	2.12	Low Extent
3.	Establishing a poultry farm	2.10	Low Extent
4.	Operating a school bookstore selling textbooks, storybooks etc	2.41	Low Extent
5.	Providing transportation services for pupils	2.09	Low Extent
6.	Building stores for rent.	2.30	Low Extent
	Cluster Mean	2.22	Low Extent

Data in Table 1 reveals that the respondents rated items 1-6 as the extent establishing business ventures is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State with mean ratings ranging between 2.09 to 2.41. The cluster mean of 2.24 indicates that establishing business ventures is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State to a low extent.

Research Question 2

To what extent is fundraising campaign is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State?

Table 2: Mean Responses on the Extent Fundraising Campaign is an Internal Revenue Generation Method Utilized by Principals for Raising Funds for School Management (N=247)

S/NO	Item Statement	Mean	Decision
7.	Launching an annual fund giving where parents, alumni, and community members are encouraged to make monetary donations to support the school's operations	3.25	High Extent
8.	Organize events such as inter house sports	3.44	High Extent
9.	Seek financial support from local businesses	3.12	High Extent
10.	Seeking financial sponsorship from philanthropist	3.27	High Extent
11.	Soliciting donations from individuals who are passionate about education and the school's mission.	3.00	High Extent
12.	Promoting planned giving opportunities where supporters can make contribute to the school's endowment fund	2.89	Low Extent
Cluster Mean		3.16	High Extent

Data in Table 2 reveals that the respondents rated items 7-12 as the fund raising campaign is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State with mean ratings ranging between 2.89 to 3.44. The cluster mean of 3.16 indicates that fundraising campaign is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State to a high extent.

Research Question 3

To what extent is renting out school facilities an internal revenue generation method utilized by principals for raising funds for school management in Anambra State?

Table 3: Mean Responses on the Extent Renting Out School Facilities is an Internal Revenue Generation Method Utilized by Principals for Raising Funds for School Management (N=247)

S/NO	Item Statement	Mean	Decision
13.	Renting out the school fields for church crusades	3.46	High Extent
14.	Renting out the school classrooms to churches	3.44	High Extent
15.	Renting out classrooms during weekends to organisations offering tutoring services	3.48	High Extent
16.	Renting out the school fields for community league	3.24	High Extent
17.	Leasing school facilities for religious camps during holidays	3.33	High Extent
18.	Renting out school spaces as parking space for events	3.18	High Extent
Cluster Mean		3.36	High Extent

Data in Table 3 reveals that the respondents rated items 13-18 as the renting out school facilities is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State with

mean ratings ranging between 3.18 to 3.46. The cluster mean of 3.16 indicates that renting out school facilities is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State to a high extent.

Discussion

The finding of the study revealed that establishing business ventures is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State to a low extent. The finding of the study may have resulted because it's possible that some principals lack the training and entrepreneurial abilities needed to launch and run successful businesses. Lack of business experience might make it difficult for them to recognize good business prospects, create business strategies, and run these endeavors efficiently, which would discourage them from engaging in such activities. This finding is in disagreement with Nye and Kpee (2019) who reported that establishing business ventures was an internal revenue generation measure for managing schools. Amie-Ogan and Alabere (2020) reported that establishing business ventures such as school canteens, bookstores, and tutoring services was a common strategy adopted by school administrators to generate additional income. Similarly, Njau et al. (2022) identified the establishment of school-run enterprises as a prevalent means of generating internal revenue. Furthermore, Okoi et al. (2023) stated the significance of entrepreneurial activities initiated by school leaders to supplement government funding and enhance financial sustainability.

The finding of the study revealed that fundraising campaign is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State to a high extent. The finding of the study might have resulted because fundraising campaigns often involve the active participation of the local community, including parents, alumni, local businesses, and other stakeholders. In Anambra State, the strong sense of community and the recognition of the importance of education may lead to high levels of support for these campaigns. The finding of the study is in line with Amie-Ogan and Alabere (2020) who reported that engaging parents, alumni, and the community in fundraising activities are fund raising measures for managing schools. Nye and Kpee (2019) stated that fundraising campaigns complement facility rentals as they tap into the generosity of donors and supporters beyond rental income. Wakama and Ikechi (2019) suggested that schools that actively engage in fundraising campaigns alongside other revenue-generating activities may exhibit greater financial resilience.

The finding of the study revealed that renting out school facilities is an internal revenue generation method utilized by principals for raising funds for school management in Anambra State to a high extent. The finding of the study may have resulted because compared to other revenue generation methods, such as starting a business venture, renting out school facilities generally involves lower financial risk. The primary costs associated with renting facilities are maintenance and management, which are often manageable within the existing school budget. This finding is in agreement with Nye and Kpee (2019) who found that schools often engage in facility rentals as a means of generating internal revenue, particularly in areas where public funding is limited or unreliable. Similarly, Njau et al. (2022) stated that the widespread practice of renting out school facilities as a revenue-generating strategy, citing case studies where schools successfully utilized this approach to supplement their budgets. Furthermore, Wakama and Ikechi (2019) conducted a comparative analysis that revealed schools actively involved in facility rentals demonstrated greater financial sustainability compared to those that did not engage in such practices. This suggests that renting out school facilities is not only a common practice but also an effective strategy for managing primary school finances.

Conclusion

Based on the findings of the study, the researcher concludes that principals employ various internal revenue generation measures for managing primary schools in Anambra State. The findings of the study revealed that principals to a high extent use renting out school facilities and conducting fundraising campaigns as internal revenue generation method. In contrast, the establishment of business ventures as internal revenue generation method is utilised to a low extent. Therefore, it is crucial to implement strategies to enhance internal revenue generation methods in secondary schools.

Recommendations

Based on the findings of this study, the researcher proffers the following recommendations:

1. The Post Primary School Service Commission (PPSSC) should organize training programme to educate secondary school principals on best practices and methods for implementing business ventures as a revenue generation method in secondary schools.
2. Principals should continuously develop and promote school facilities rental avenues for raising funds. Schools can invest in improving the condition and attractiveness of their facilities to attract more renters.
3. Principals of secondary schools should read books and journals on alternative source of fund generation for school management.

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