CHAPTER EIGHT

SCHOOL FINANCE

INTRODUCTION

No school can survive or carry out its functions effectively without adequate finance (monetary resources). Money is needed to pay teachers and non-teaching staff, erect and maintain buildings, provide teaching equipment, furniture and fittings and keep day-to-day services going. In Nigeria, the provision of education in formal schools is an expensive venture. According to Ozigi (1977) education generally accounts for a good proportion of state and Federal government budgets averaging 25 — 40 per cent in the past ten years.

A substantial proportion of the financial resources devoted to education sector is spent in the school system. Expenditure on schools continue to rise as a result of the rapid expansion in school enrolment and the number of school units in the country. Increasing expansion in school population means increasing resource needs, the most paramount of which is finance. Hence, school finance is about the most basic of all the problems confronting school system.

HISTORICAL BACKGROUND OF SCHOOL FINANCE

The early schools (mostly primary and secondary) in Nigeria, especially those established between 1843 and 1882 were exclusively financed by the christian missionaries and emigrant businessmen. Most of the funds that accrued to the missionaries came from contributions from overseas countries, charity donations and Sunday service collections from christian adherents. According to Fafunwa (1974) the colonial government did not consider eduction a priority public service to be given the natives hence it failed to engage in its funding at that time.

It was not until 1877 that the idea of grants-in-aid to voluntary agencies which started work in the 1840s in Lagos colony dawned on the colonial government authorities. But the grant was only two hundred pounds (£200) to each of the three missionary bodies — the Anglican Church Missionary Society, the Roman Catholic Mission and the Wesleyan Methodist Mission. Colonial government contribution to educational institutions started in 1882 when the first educational ordinance for the total finance and maintenance of schools established by the government was made. It also set up a central board of education which was charged amongst others with the responsibility of recommending schools for grants-in-aid. Before any aid was given, the Education Board must be satisfied with the way the schools were managed, the condition of the school buildings, certification of the teachers, presentation of the specified percentage of pupils for the annual examination conducted by the inspector of schools.

In the words of Adesua (1981) "grants were awarded at the rate of two shillings each individual passes at the annual examinations in the prescribed subjects". They were also made for general excellence for each pass, for average attendance, for good organisation and discipline. The total amount for grants-in-aid to educational institutions increased from £1,673 in 1891 to £3,400 in 1895.

The 1926 ordinance laid down new guidelines for grants-in-aid, for it categorised schools into A, B, C, and D statuses. Each category would reflect the level of efficiency and tone of schools which would in turn influence the amount of grant-in-aid to be given (Udoh and Akpa, 1987).

The 1944 ten-year educational development plan marked a major milestone in the financing of education in Nigeria, for it provided for increased subventions to the missionaries and other voluntary schools from the colonial government. It equally increased financial aid to the Native Administrations to assist them expand educational services in their areas.

With the advent of regional self government in the 1950s, the regional governments were to formulate their own educational policies and system of financing them. In 1955, the Western Region introduced Universal Primary Education (UPE) and the Eastern Region followed in 1957. According to Aghenta (1990) the coming of the UPE in the two regions at the time redeemed parents and guardians from the shackles of school fees. Besides, it opened schooling avenues for children who would not have gone to school under the former conditions. While the UPE in the Westrn region survived up to the 1960s, that in the Eastern region was abandoned shortly after its inception due to economic setbacks. There was no formal UPE scheme in the Northern region but evidences abound of a highly subsidized primary education sub-system. About 1969/70, a registration fee of three pounds (£3) was charged by the former Mid-Western region and this prevented many pupils from attending primary schools.

Education finance notwithstanding, the financial allocation to schools and other educational institutions became the single largest item in the budgets of former regional governments between 1955 and 1966/67. During the period, the Eastern and Western regions spent between 35 and 49 per cent of their annual recurrent budgets on education while the Northern region spent about 20 and 26 per cent (Ojo, 1988). For the whole country, there was an increase in the recurrent expenditure on education from about 16% in 1955 to 23% in 1960 before declining to 21% in 1966/67 due to the Nigerian civil war.

In the 1970s and 1980s education had continued to be the single largest item of expenditure in state budgets. For instance, in 1971/72 it ranged between 25% for Lagos State and 46% each for Kwara and Western States. Between 1979 and 1988, it ranged between 30% in Cross River State to 40% in Lagos and Bendel States.

In 1976 the UPE was introduced for the whole states of Nigeria. It should be noted however that only tuition was free while parents and guardians were responsible for the provision of books, uniform, seats, transport, midday meals and other expenses. Despite the wide publicity given to UPE, it was discovered, before long, that some states were still charging fees at the primary schools. In view of the fact that by the late 1980s most states could not finance UPE scheme, the Federal Government of Nigeria introduced an annual grant of ₦800 million to the states for subsdizing primary education. To ensure that the money is judiciously utilised by the states to improve the standard of primary education, the National Primary Education Commission was created by Decree No. 31 of 1988 to work through the Primary Schools Management Boards in the states to cater for primary schools.

In 1989 and 1990 Federal Government budgets, the sums of ₦1.07 billions and ₦1.46 billions were allocated to primary education in Nigeria. The financing of primary education is now shared by the Federal government, State governments and Local Government Councils. The parents/guardians however bear the burden of private financing which constitutes about 50% of the cost of primary education (Aghenta, 1990).

(2) SOURCES OF SCHOOL FINANCE

Primary school financial resources are many and varied. In Nigeria some of these resources have been well exploited while others are yet to be thoroughly explored. In this section we shall identify and discuss the sources of funds which can be profitably utilised for financing education at the primary school level under two major headings — government and non-government sources.

GOVERNMENT SOURCES

The main government sources of education finance are annual budgetary allocation and the use of specific tax revenues.

a) Budgetary Allocation

Annual budgetary provisions for education constitute the major source of financing education not only at the primary school but even at the secondary and tertiary educational levels. Usually at the beginning of every financial year, various governments — Federal, State and in recent times the Local Government Councils — announce the expected total revenue and expenditure for the year based on estimates of the income accruing to them. In the annual budget, the estimated expenditure is based on the expected revenue. However, in some cases, the actual revenue may be more or less than the amount initially estimated and this will necessarily affect expenditure. In such a situation, the budget has to be reviewed so as to either increase or reduce the expenditure on various sectors of the economy.

In Nigeria thẹ annual budgetary allocation to the education sub-sector (primary schools inclusive) is not fixed but a variable proportion of the total revenue of the government concerned. As a result of this government financing strategy, the funds allocated to educational institutions flunctuate significantly from year to year.

A number of factors are responsible for the variability of the amounts spent on education. First, there is the general feeling that earmarked revenue (fixed revenue) for education is naturally not desirable because it introduces undue rigidity in the allocations of the budget.

Second, is the problem of competition among various ministries for the national cake. The priority hitherto granted to education is now beig shared by some new areas such as health, urban and rural development, housing and defence which are emerging as consumers of public funds. Their claim that they too contibute to social and economic growth cannot be dismissed easily.

Third, ministries such as those of Works and Housing, Agriculture and Transport are often dubbed as "Visible Sectors" and as a result attract more funds than education. These new "consumers of funds" believe that they have more bargaining power than Ministry of Education because their areas of need are visible for all to see. In fact, it is easy to appreciate their prudent expenditure from their landmarks on the physical and social environment in which they operate.

Fourth, education is traditionally a public good. The justification for government intervention in the procurement of this public good has been the presence of externalities. Benefits from education do not accrue individually or separately to the individuals but rather indivisibly to society as a whole.

The above reasons notwithstanding, education still commands some influence and is often given substantial amounts due to the fact that virtually every family in Nigeria has got a child or ward in an educational institution.

For instance, between the midfifties to the mid sixties, the Federal Government aggregate expenditure on education increased at a faster rate than the Gross Domestic Product (GDP) and overall government expenditures. According to Becker (1985), the annual compound growth rate of expenditure on education during the 1960—1966, for example, averaged 15 per cent as compared with GDP annual growth rate of 15.5 per cent which the rate of increase is overall expenditure was 10.5%.

At this juncture one may ask the question, how did the capital resource allocation to education feature in comparison with other sectors of the economy? The Third National Development Plan provides the asnwers as follows:

During the First Development Plan (1062—68) education accounted for 10.3% of the total planned public sector investment of ₦1.4 billion and ranked 5th in sectoral allocation. In the Second National Development Plan, the education sector was given a higher emphasis as it absorbed 13.5% of the ₦2 billion total planned public sector investment, thereby coming second only to the transport sector. However, the degree of emphasis exhibited by planned capital expenditure may be more apparent than real since they may present a distorted view because of varying rates of fulfilment in the different sectors. During the first plan period, for instance, there was 65.2 per cent fulfilment of planned investment in the education sector compared with 79.3 per cent fulfilment of aggregate planned public investment in the economy. During the second plan period, the fulfilment rate in education sector was 64%. A look at the figures for the actual expenditures on sectoral basis shows that education maintained the 5th and 2nd positions during the first and second plan periods respectively.

In the Third Plan (1975 — 1980), the relative position of the education sector in resource allocation dropped to the 5th after transport, manufacturing, defence and mining as it absorbed only 7.5% of the nominal public sector capital expenditure of ₦32.9 billion. Thus the allocation to education dropped from 13.5% to 7.5% of overall planned capital expenditure when the second and third plans are compared. Although the 6% drop was rather on the high side, some drop would be justified on the ground that other sectors of the economy need to be developed. This is because the achievements of the educational system can be negated if they lead to mass unemployment and under-employment caused by low absorptive capacity of the economy for trained manpower.

Hence the emphasis placed on other sectors (except for defence which is not a productive sector) during the third plan can be justified in the sense that to make educational development more meaningful, other sectors should also be developed. Afterall, Callaway and Musone (1968) have noted that the effect of formal education will be more or less effective depending on whether its share of the expenditures is consistent with its significance in relation to other development needs (such as improving health, agriculture and manufacturing industry).

Be that as it may, primary education which forms the base of the educational pyramid needs to be sufficiently financed from the public purse, for any education acquired at this fundamental level should be seen as a necessity rather than a luxury. A reasonable proportion of the annual budgets of various tiers of government should as a matter of fact be alloted to primary education. Since the 1980s the States and federal budgets have fallen into the general pattern of spending on the average about 2.91% of the Gross National Product (GNP), or 16% of the current public spending, whereas Ghana, Liberia, Cote D'Ivoire and Togo spend over 4% of their GNP or over 30% of their public spending on education

(World Bank, 1986).

(b) **Special Taxes**

Prominent amongst the special taxes which are often used in advanced and developing countries alike are earmarked taxes and fixed surcharges on industrial profits (Zymelman, 1977).

i) **Earmarked Taxes** — These are specific taxes whose revenue is for financing education e.g. Taxes on property (land, houses, estates) have been used for funding education in the United States of America (U.S.A.) and Britain. Property tax may be defined as a tax on all tangible wealth with exchange value. Whether in feudal or modern times, society has accepted as a logical base taxation and it is a highly important means of production. Property tax contributes a sizeable proportion of the revenue needed to finance education at the grassroot and over the years, it has proved in most countries to be an efficient and effective source of revenue due to the following factors.

First, tax on land and immovable property is difficult to evade and it is relatively easy to administer. Local tax authorities can easily identify home and estate owners and tax them accordingly.

Second, it is relatively simple in raising revenue. Third, property tax is popular among countries under the influence of the British tradition of property taxation. Proterty tax is used more by local authorities (for funding say primary education) than central government, because jurisdictions are clearer in the former.

Fourth, revenues from this form of tax are known to have a high "GNP elasticity" — tax revenue by more than one per cent when there is one per cent increase in GNP.

Property taxes may be imposed on actual owners or users of property. The amount of tax levied on property is usually determined not just by physical unit per se but by the rental value. In most cases property tax from a house can be collected through a tenant paying monthly rent. Such a tenant is asked to withhold payment of a certain percentage of the rent (considered as tax revenue) from the landlord and pay it to the government treasury. Nigeria is blessed with a variety of housing property from which local government authorities can generate some funds for financing primary schools in their domains.

b) **Fixed Surcharges** — A fixed surcharge can be made on the profits accruing to industrial or commercial enterprise. This source of revenue which has never been adopted for education funding in Nigeria could be profitably explored. France appears to lead other countries in this system of education financing. Profits by oil companies and banks can be gainfully taxed and revenues derived used for primary school funding.

NON—GOVERNMENT SOURCES OF FINANCE

Since the Structural Adjustment Programme (SAP) was launched in Nigeria in 1985, the FGN has often urged the citizens not to rely solely on the government for such things as provision of food, ed, the organisation of the pupils, the choice of materials, equip ment, teaching media, the operation and maintenance of plant ar the rest.

In the words of Hill and Colmey (1964), the school budget the basic device for developing and carrying out an education plan. As a tool for educational leadership, one can use budge preparation procedures to broaden participation in school ad ministration.

(b) Purpose of Budgeting

A major purpose of budgeting is to find the most profitab course through which the efforts of the school may be directed attaining the primary service objectives — teaching and learning Budgeting assist the management in holding the school as near as possible on a charted course. Numerous policies are often mad in schools as to the policies to be followed and strategies to be us ed in executing policies. Such decisions concern, for instance, th categories of teachers to be recruited, number of pupils to be ad mitted, text books to be recommended for pupils, nature of pupi exercise books to be bought, agricultural activities to be embark upon by the school, new crop varieties and seedlings to be pur chased and cultivated and the expected volume of crop yields dur ing the course of the year. Questions such as which policies ar methods should be selected in order to achieve optimum resul should be tackled.

Although, as a social system, schools may not often be able t raise monetary profits from their budget activities, they should b able to choose a combination of policies and methods which hold promise for the future of the school system and the individual members.

In sum, the following points constitute the main reasons why schools prepare budgets (Akanni, 1987).

i) **To base action upon thorough investigation, study and research**: Budgets tend to bring the school administrators to an early study of their problems and instills into the school organisation the habit of careful study before decision as to what action to take. This involves intensive study of the various resources and needs of the schools.

ii) **To enlist the assistance of the entire organisation in determining the most profitable course**: When budgeting is undertaken in an ample time, and on regular schedule, there is full opportunity to enlist the assistance of teachers, vice headmasters, students and school community leaders. The final plan should be expressive of the sound judgment of the entire organisation.

iii) **To serve as a declaration of policies**: Uncertainty often restricts the enthusiasm and energy of an organisation. The budget procedure provides a vehicle through which basic policies are periodically examined, restated and set forth as guiding principles for the school as a whole.

iv) **To define objectives**: People like to follow a leader when they realise that he has a sensible plan of action and definite objectives in mind. School objectives should be clearly stated and to a certain degree should stand as goals of attainment for the whole school.

v) **To stabilize employment** – No employer of labour can for long disregard the welfare of his employees. The responsibility to workers must be balanced with the responsibility to those authorities, that established the school. The school programme must consider the stability of employment of teachers and other staff.

vi) **To make effective use of physical facilities:** During the course of planning the excess cost of idle capacity will be revealed.

vii) **To co-ordinate and correlate human effort within the school:** In many schools there is a definite lack of co-ordination of effort among the teachers, pupils and school administrators. It is important that the efforts of all human elements of the school are properly trained and co-ordinated in order to secure the power of united action.

viii) **To direct capital and effort into the most profitable channels by means of a balanced and unified programme:** Before spending money serious study should be given to the amout which can be profitably spent, where it will come from; how it should be spent and what results may be reasonably expected. A certain amount of funds must be directed towards plant and equipment.

ix) **To reveal weaknesses in the school:** As budgets are made and the responsibility for their execution delegated, weaknesses in the organisation will be revealed.

Conditions Essential To Successful Budgeting

A number of conditions must be fulfilled in a school system in order to foster a successful budget programme. Four of such conditions are discussed below.

a) **Sound organisation:** No budget can be successfully developed except the establishment concerned is properly organised. Sound organisation consists of an intelligent grouping of tasks, a co-ordination of the work of groups, the establishment of definite lines of authority and responsibility in the execution of tasks and a procedure for effective enforcement of assigned responsibilities.

b) **Satisfactory Accounting:** To a considerable extent, the future programme of a school system will be guided by her past experience. The accounting records must reveal past operations in all the necessary relationships. The records must show sources of revenues and systems of expenditure. The records must reveal the cost of executing certain programmes, the results and the efficiency of individual and functional performance. Important trends should be shown in both operating and financial relationships. The information should provide the data in such a form as to assist management in reaching sound decisions.

Proper accounting should incorporate the concept of responsibility accounting. This could be achieved by recording transactions or events in such a way as to identify them with individual in the organisation who controls the activity and who is to be held accountable for it.

The chart of accounts should conform to the organisation chart. School plans must be developed by appropriate responsibility centre. Actual performance must be rendered in a parallel structure so as to permit comparison of planned and actual results.

c) **Research and Analysis:** Several elements of a budget are based on historical data. Relevant data based on past experience are often used in budget development. It is not only Important to know what has been attempted and accomplished but also what should be accomplished in the present and the future.

Such an approach calls for an attitude of continual search for newer and better methods. Each individual participant must be made aware of the need and advantage of a budgetary control system to him and to the system as a whole. It is only when such understanding is reached that necessary co-operation is easily secured. While the procedural aspects of the budget may be delegated to some key school personnel, the final executive force necessary to motivate action should come from the school administrator or other top education administrators.

Budget Preparation

In public schools (those financed by the government) the ultimate responsibility for budget preparation rests with the Ministry of Finance. The Ministry has financial experts who know all the budgeting procedures. They write out the details of expected revenue and expenditure. The Finance Ministry takes the responsibility of co-ordinating the budgets of various ministries (e.g. those of education, health, agriculture and so on) and statutory corporations and prepares a government budget. Each ministry also has its own finance or accounts department which is responsible for the preparation of its own budget. Directly under the Ministry of Education are various educational institutions such as schools and colleges.

School administrators have the responsibility of preparing the budgets of their own schools. It is the central duty of the school administrator (headmaster) to develop a financial plan that should serve the purposes of the school system within the limits of the available resources.

There are usually instructions about how and when budgets should be submitted to the Ministry of Education by school heads. As a matter of fact, the school administrator is supposed to furnish certain details of school finance to be incorporated in the budget of Ministry of the Education. Unless correct information is supplied by schools and other educational institutions, it would not be possible for the Ministry of Education to prepare a successful budget.

At the school level, the headmaster should enlist the support of the bursar (where there is one) and other key members of staff in budget preparation. Wide participation by staff in appropriate areas usually leads to better financial planning. A hypothetical school budget is illustrated in Figure I below.

Fig. I — A SCHOOL BUDGET

(A) REVENUE

S/N	ITEMS	Actual 1986/97	Estimate 1987/88	Approved 1987/88
1	Staff Salaries	₦200,000	250,000	225,000
2	Staff Allowances	15,000	18,000	16,000
3	Office & Administrative Expenses	10,000	15,000	12,000
4	Transport & Travelling	30,000	36,000	31,000
5	Capital Grant	350,000	360,000	300,000
6	Maintenance of Plant and Equipment	12,000	14,000	13,000
7	PTA Levies	11,000	10,000	10,500
8	Examination Levies	9,000	8,500	8,700
9	Motor Vehicle Maintenance	3,000	4,000	3,500
10	In-Service Courses	2,500	3,500	3,200
	TOTAL =			

(B) EXPENDITURE

	ITEMS	Actual 1986/87 ₦	Estimate 1987/88 ₦	Approved 1987/88 ₦
1	Staff Salaries	198,000	195,000	210,000
2	Staff Allowances	14,000	13,000	13,000
3	Transport and Travelling	25,000	24,000	24,000
4	Office Administrative Expenses	10,000	8,000	7,500
5	Maintenance of Pupils	20,000	18,000	17,000
6	Motor Vehicle Maintenance	2,500	3,000	2,800
7	In-Service Courses	2,400	2,600	2,400
8	Maintenance of Buildings/Grounds	4,500	5,000	4,500
9	School General Labour	7,000	8,000	7,500
10	School Board/PTA Expenses	8,00	6,00	5,00
	TOTAL =			

ASPECTS OF A SCHOOL BUDGET

A typical school budget shows amongst others the details of the following:

a) **Revenue:** School revenue is income accruing to the school. The major source of revenue to public schools is the annual budgetary allocation by the government. However, other sources are important as supplements and they include proceeds from sale of school products and services such as agricultural products, fine art works, school magazines, dramas, cultural displays and the like.

b) **Expenditure:** This refers to the items of expenses during the budget period. Hence annual expenditure covers expenses which occur over a year period in the budget. There are two components of the expenditure in the budget. First, the recurrent expenditure which refers to expenses which occur every year. It includes items as staff salaries and allowances, purchase of equipment, maintenance of plant, travelling and transport expenses and expenditure on pupils first aid treatment and uniforms. These and other related items have to be paid for each year.

Second, is capital expenditure which refers to expenses which do not occur yearly and which are made on relatively durable items such as classroom buildings, machinery, laboratories and library block.

c) **Allocation** — Allocation refers to the amount of money assigned to each item of expenditure. The total vote for the school represents the total amount of money given to the institution to spend on various items. For instance, allocations are made separately on such items as staff salaries, teaching equipment, electricity and water, maintenance of pupils and travelling.

BUDGETARY CONTROL

Budgetary control is a system of controlling and monitoring costs which include the preparation of budgets, co-ordinating the departments, establishing and allocating responsibilities, comparing actual performance with that budgeted, either to be able to take the action necessary to succeed those objectives or to see where revision is necessary. According to Anao (1989), it requires that plans be made in advance of a period and evaluated in terms of costs and revenues, and after execution, that the actual revenues earned and costs incurred be measured and compared with the earlier plan (Anao, 1989). Where deviations exist, they are properly investigated and thereafter significant measures are instituted to correct performance or revise the plans for the ensuing period in order to achieve more realistic levels.

In order to make comparison possible, however, it is proper that plans be set up and the subsequent performance measured in terms of the same factors. The rates and factors which may apply in the school setting include the following:

i) Salary and wage rates with respect to each grade of employee.
ii) Percentage allowance to be added to cover personnel costs on such issues as leave transport grant and housing allowance.
iii) Standard prices of materials and equipment to be acquired during the plan period.
iv) Cost per square meter of land with respect to new classrooms to be constructed.

The application of the unit rates with respect to the respective quantities in each of the above cases would lead to the computation of aggregate and unit costs per student. The regular computation and dissemination of budget rates and factors such as those indicated above can help in the task of financial planning by schools. It could also facilitate inter-school comparison and co-ordination by the school authorities. It can assist in identifying causes of unsatisfactory performance in some years.

Budgetary control is a good quality control mechanism which should be employed by all school administrators in that it helps to control specific operations or expenditure and it generally prevents waste in the system.

AUDITING

Earlier in this chapter, we observed that the financial and material resources allocated to schools are hardly sufficient to cater for their recurrent and capital expenditures. Hence, schools should not depend solely on government subvention but explore other rich avenues to generate money. Besides, school authorities have a duty to use prudently any amount of money or materials provided to them. Judicious use of funds and other resources can only be assured in a system that undertakes regular accounting and occasional auditing. Auditing as a term generally refers to the official examination of the accounts of an institution. In the school system, two types of auditing are important — financial auditing and educational auditing.

Financial auditing requires that evidence of spending money be made available for the analysis of financial efficiency (Omoregie, 1980). It incorporates periodic checks which are necessary for discovery of mistakes, losses or misuse of funds. The awareness that occasional audits are made on financial books of institutions tend to stimulate care and honesty on the part of those who are custodians of school money. Financial auditing therefore prevents or at least reduce the occurrence of losses and it helps to detect mistakes or fraud quickly with a greater chance of recovering lost or misused funds.

Educational auditing on the other hand is a technical activity which involves the application of critical, systematic analysis to the process of education production with the aim of verifying how efficiently or wastefully, it is being produced with the resources invested in it. Educational auditing requires production efficiency (Anderson, 1977).

The conceptual framework underlying the operation of educational auditing may be expressed as follows. First, that education is an industry in which production (processing of human beings) is tied strictly to time and in which each component activity must be continuously monitored for correspondence with its educational intention. Second, the records kept in schools (as daily attendance register, lesson plan; work book, mark book, and so on) are accounting materials which create a transactional image for the production process and provide materials for audit analysis.

The application of educational auditing helps to identify and eliminate wastage in the schooling process. Wastage in this context is an internal process affair and it embodies a shortfall between what was intended to be achieved and what was actually achieved. Wastage involves excess investment on what was intended in the effort to achieve the same result.

There is need for accurate financial audit of account books as well as the educational audit of all educational processes that go on in the school environment. Proper auditing calls for competent personnel to man the school bursary and also assist the school administrator in the efficient management of the entire school resources.

CONCLUSION AND RECOMMENDATIONS

It is clear from the foregoing that the bulk of the funds used for financing schools in Nigeria, comes from the budgetary allocations by Federal and State governments as well as provisions by the Local government councils. This is a welcome experience because the cost of providing education per child has risen in recent years and in a system where per capita income is relately low, most parents/guardians would not be able to bear the brunt of providing the total cost of their children/wards education, even at the primary school level.

It has however, been observed that the amounts of money which come through the budgetary allocations of the three tiers of government (federal, state and local) are hardly sufficient to cater for the recurrent bills of schools.

Consequently, it is hereby suggested that efforts be made by the local government authorities to use property taxes to supplement the funding of primary schools. Other sources of funds which can be judiciously exploited and properly utilised for school funding are endowment fund, development appeal fund, school business enterprises as agricultural and fine art productions and sale of services such as drama and cultural displays.

Much as the generation of optimum financial resources for funding schools are important, efforts should be made to incorporate into the system an efficient technique of managing funds. A good knowledge of budgeting and budgetary control is essential for the sound planning and control of financial resources. School administrators and their key officers should endeavour to have a reasonable working knowledge of the techniques of budgeting and financial control because they provide potent tools for justifying fund requests, for measuring financial effectiveness on a continuing basis, so that attention can be drawn towards areas that need careful monitoring in order to plug any avenues of wastage or possible fraud.

Education is a big and expensive business. It therefore requires expert hands to manage and administer its financial and related resources and records. Presently such expert hands are very scarce in our schools. There is therefore the need to recruit competent and committed personnel capable of working with the school administrator as a team, so that the overall task of school finance, budgeting and auditing will be greatly facilitated.

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