

EXPLORING STRATEGIES TO FUND AND MANAGE SCHOOL
DEVELOPMENT FUNDS IN PUBLIC SECONDARY SCHOOLS IN THE
KHOMAS REGION IN NAMIBIA

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APPROVAL PAGE

This research project has been examined and is approved as meeting the required standards for partial fulfilment of the requirements of the Masters of Business Administration (Finance).

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DECLARATIONS

I, Anna, M.J. Balhao, declare hereby that this study is a true reflection of my own research, and that this work, or part thereof, has not been submitted for a degree in any other institution of higher education.

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DEDICATION

I dedicate this Thesis to my husband, Riaan, and my children, Elzanne, Phillip and Jaco, for all their support.

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Above all, I want to thank my Heavenly Father for being my everlasting, faithful guardian, without which I would not have been able to succeed with this degree.

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.

ABSTRACT

Since Independence the government of the day strives towards quality education for all. Educational financial constraint issues came to the fore, when the announcement was made by the Minister of Finance that the paying of compulsory school fees for secondary education will be abolished as from the beginning of the 2016 academic year.

Although about 25% of the National Budget is for education, only about 20% of that amount is for education resources and day-to-day expenses. This required that schools should find alternative funds to finance the School Development Fund, since various authors indicated that funds supplied by government are just not enough for effective and efficient education delivery.

The study therefore aims to identify financial sources and financial management strategies to fund School Development Funds. The study will also investigate to what extent public secondary schools are aware of these resources and if the human resources have the necessary expertise to manage the School Development Fund effectively.

The qualitative research design was used. Three public secondary schools, excluding special schools, from the twenty seven registered schools in the Khomas Region were selected. One school each was randomly selected from the low income group,

the average income group and the high income group, using the maximum variation sampling method, whereby financial information from previous years was used.

The major findings of this study were that principals do not have the financial knowledge and skills to find or efficiently manage various financial resources, like sponsors, donors, alumni, crowd funding, thrift shops, On-Line-Landing-Pages and investments, as well as investing these funds for sustainable income, which is available for effective education delivery.

The study recommended that persons with due knowledge should be appointed at schools and that their job descriptions extended in order to take advantage from the various financing sources obtainable by schools. Secondly, principals should receive in-depth financial training and have more authority in the financial decision making by using an effective School Management Model. Lastly, management of school buildings and facilities should be part of the Ministry of Education, Arts and Culture who should decentralise the control there-of.

Key words: Sources of funds, Management models for school finance management.

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LIST OF ACRONYMS

CEO	Chief Executive Officer
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
ECEC	Early Childhood Education and Care
GDP	Gross Domestic Product
ICT	Integrated Computer Technology
LMS	Local Management System
MoE	Ministry of Education, Arts and Culture
NGOs	Non-Government Organisations
NPM	New Public Management
OCLP	Online Campaign Landing Page
OECD	Organisation for Economic Co-operation and Development
PFI	Private Financial Initiative
PPP	Public Private Partnership
PTAs	Parent Teacher Associations
SBM	School Based Management
SDF	School Development Fund
SIB	Social Impact Bond
SOPs	Standard Operating Procedures
SSA	Sub-Saharan Africa

CHAPTER 1

INTRODUCTION

1.1 Background

Since Namibia became Independent in 1990 the government of the day strived toward education for all. “Th[i]s desires [are] affirmed in Article 20 of the Constitution of the Republic of Namibia (“The Constitution”), adopted in 1990, which made full provision for education and access to quality and free education for all children in Namibia” as a right. However, the educational system still faced various challenges of which insufficient funding plays a major role in acquiring the goals the country want to achieve in education. These goals include quality education and maximum enrolment of learners which are not hampered by the financial or social status of parents (Government of the Republic of Namibia, 2002). “Educational reform is needed to expand enrolment in secondary schooling in affordable ways” (World Bank, 2008, p. 1). That should be obtained without sacrificing the quality of education.

To the understanding of the research money is meant to be equally divided, per learner, for primary and secondary learners and this money is centrally managed by the regional office to provide for books, payment toward amenities, like water and electricity and provide for teaching and learning resources.

Teaching and learning resources used by secondary education, like books are more expensive relative to primary education which leaves secondary education in dire need of funds to provide adequately for teaching and learning resources. Nomura &

Nomura and Bruneforth (2011) affirms that expenses for secondary education is 'much higher' than for primary pupils in Sub-Saharan Africa (SSA). The European Commission/EACEA/Eurydice/Eurostat (2014) concurs that different unit costs for pre-primary and higher levels are quite usual.

In the State of the Nation Address 2015 by his Excellency Dr. Hage G. Geingob, our Honourable President declared that "this year, we are going to introduce free secondary school education." Although the National budget for Education increased with 10% from the Budget 2014/2015, it is for the whole Education and not only for secondary education. This means that with the current inflation rate of 2.9% the purchasing power of schools will not increase drastically.

Deficiencies which occur due to the loss of household contributions might not be covered by government spending. However the World Bank (2008) states that the providing of schooling without financial contribution from parents/ guardians might not be the best decision for lower-secondary education.

All things considered the study takes note of Ikela (2012) who stated that the government should give grants or subsidies to cover the rising financial needs of schools to replace the income which schools will have to go without if SDF is abolished.

According to the World Bank (2008) problems exist in setting up 'financing mechanisms' to replace the fees that parents were paying which lead to school asking

parents to contribute financially. They further maintain that poor management of school funding, by principals, lead to less community involvement. This creates the dilemma of schools either not having enough funds for efficient teaching and learning, resulting in poor learning outcomes or turning to parents for financial contributions. The Albert Shanker Institute (2012) argues that “schools and districts with more money clearly have greater ability to provide higher-quality, broader, and deeper educational opportunities to the children they serve” (p. 18). The European Commission (2014b) states that educationists are continuously looking for methods to ensure sufficient funding for schools and encouraging the efficient use of resources. They, therefore, announced the importance for research for educational funding. In order to deploy financial resources structural reforms might be needed in education systems (European Commission, 2014b). Therefore the limited resources in public secondary schools lead to public outcry for proper financial management strategies of School Development Fund (SDF), to increase available funds for teaching and learning.

Adeyemi (2011) insists that since developed countries are fully financed by taxation other sources should be explored. When compulsory school fees for secondary schools are abolished and these schools will be funded from taxation only, alternative funding to supplement public funds for public secondary schools will be required to assist with teaching and learning resources in secondary schools. Finn (2011) declared that there is an enormous problem to find fresh alternatives for funding and not keep relying on the same old methods.

The New Zealand Ministry of Education (2014) indicates that many countries are not funded by governments alone, but also get community support, however, warns that sustainable quality and equal opportunities should not be affected by funding of education. Unfortunately the SDF is, up to date, mostly financed by household income. Nomura & Wolff (2011) state that household contributions in secondary schools (including private schools) in Sub-Saharan African (SSA) countries amounts to between 41% and 46%. They further states that “...private contribution to education remains a neglected area of research and policy” (p. 90). Parents do not need to be the main/ only providers of SDF in public secondary schools. Although a report on education in Ireland stated that “it is important to draw parents more fully into the school decision making process” because when parents become more involved with their children’s education, they are normally more willing to contribute toward their children’s schooling, financially or in kind (House of Commons, 2005, p. 6).

1.2 Statement of the problem

Education in Namibia is under immense pressure to deliver decent results. However results are poor to some degree due to limited funding towards conducive teaching and learning resources. Financial challenges experienced by public secondary schools were quoted as follows: The Ministry of Education (2000) claims that the funds apportioned by the government to schools ‘will never be enough to carry out planned activities effectively.’ Tjitemisa (2015) concurs that school budgets are insufficient for all learners’ needs. She further states that not only do supplies from government arrive late at schools but they are completely insufficient. Hancox

(2010) states that role players in education, like teachers, parents and learners, interpret SDF and school fees as one and the same thing. Hindle (2007) concurs that the matter of school fees are ‘complex and often misunderstood’.

According to the Albert Shanker Institute (2012) schools can spend more productively, when they have more resources. In the budget review (2014) by Price Waterhouse Coopers it was indicated that the education sector receives about 24% of the national budget. However 80% of this goes towards salaries, thus only 20% is available for other education needs like capacity building, education materials, equipment and other day-to-day expenses (Progress with a Purpose, 2014).

This limited funding for teaching and learning resources might be defrayed by identifying viable sources of funds and implementation of proper financial management strategies to finance and manage the SDF properly so that learners can get the utmost benefit from such fund. This has prompted the study to explore viable financial resources to fund and manage SDF and in so doing propose a wider context to the SDF as a fund which can be used to improve secondary educational enrolment and results. The extent of this research did not include the integration and implementation of financial resources, which go beyond the identification of funding.

1.3 Questions of the study

- (i) What source of funding is available to finance School Development Fund?

- (ii) To what extent are public schools aware of these sources and do they have the necessary expertise to generate and manage funds by using these sources?
- (iii) What financial management school models can be used to manage School Development Fund effectively?

1.4 Significance of the study

The findings of this study benefited the Ministry of Education, Arts and Culture (MoE), Regional offices, parents sponsors, principals, members of staff and other stakeholders of education considering the lack of finances at secondary schools, for mainly, teaching and learning materials. The abolishment of compulsory 'school fees', for secondary schools, justify the need for more effective and efficient sources of funding and the management thereof. Thus, the identified sources of funds, sustainable for schools can contribute towards the availability of teaching and learning aids in secondary schools.

The MoE and Regional offices were introduced to sources of funds not yet explored in Namibia, however effectively used globally, as well as, the effective use of local sources. The findings of the research may contribute towards and/or influence law and policies changes regarding funding for secondary education.

Principals and stakeholders like, parents, school boards and members of staff will be guided on how to generate funds for the schools to meet immediate needs for teaching delivery. These stakeholders will have a better understanding of their role and responsibility of generating funds for schools.

The study also uncovered extraordinary sources of finances unknown to Namibia which other researchers may further explore. These sources proved viable for educational needs elsewhere globally. Positive findings on future research on implementation and integration will contribute to more efficient and sustainable sources of funding for secondary schools in Namibian.

1.5 Limitations of the study

Although the study reached its aims it faced some unfavourable limitations:

- The credibility of a single participant as source of reliable information was questionable since the interview was not taken seriously and answers might have indicate a favourable scenario rather than reflecting certain facts.
- Although many resources are available on funding and managing schools as such are mostly available on web resources and therefore the validity of some sources might be compromised. This was combatted by cross referencing literature with as many as possible different sources.
- Some schools were not willing to share financial information in order to select the sample from the entire population. The sample was thus selected from participating schools only.
- One of the sample schools did not have financial personnel, other than the principal due to resignations and vacancies that were not filled yet.

1.6 Delimitations

The study was conducted at public secondary schools in the Khomas Region only and results should not be generalised to all the public secondary schools in other

regions, since they might face different challenges and opportunities. The aim of the study included the finding of sources for funding of School Development Funds and not defending or supporting abolishment of compulsory school fees which is also understood as the abolishing of the School Development Fund.

1.7 Definition of Terms

Act: Namibia Education Act 16 of 2001

Board: School Board as prescribed in the Namibia Education Act 16 of 2001

Funds: Refer to all monetary resources which can be used in education delivery

Financial management strategies: “Financial management means seeing to it that the school has the funds it requires to meet its goals and that such funds are used for the purposes for which they were meant” (Ministry of Education, 2000).

School Development Fund: As described in the Namibia Education Act 16 of 2001

School fees: Monetary contribution made by households

Teaching and learning materials: Refer to all resources needed in the effective and efficient and quality education delivery

1.8 Conclusion

In this chapter the background to the problem of limited funds to reach the objective of quality Education for All was discussed. The statements of the problem, research questions, significance, limitation and delimitation of the study were also discussed. The last part of the chapter describes applied definitions of key terms used in the study. The next chapter will review the literature regarding sources of funding and financial management strategies.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The Namibia Education Act 16 of 2001 hereafter referred to as ‘Act’ provide for a School Board hereafter referred to as ‘Board’ and a School Development Fund. This Fund was mainly financed by “school fees” and can be used by the Board to their discretion within the guidelines of this Act. Although these monies might help schools to provide for education needs, schools struggle to provide effectively for teaching and learning resources. Since the aim of this research is to enhance education through improved provision of teacher and learning resources using an effective school development fund the following distinction should be clearly understood.

Funds for education might potentially be divided in three categories namely Property funding, Teacher’s salaries and Operational funding (New Zealand Ministry of Education, 2014). Property funding (for all capital works) and Teacher salaries are for the account of the Namibian Ministry of Education and are not considered in this study. The European Commission (2014b) concurs that there can be different authorities responsible for funding depending on the type of resource (staff, capital goods, operational goods and services). Operational funding, for the purpose of this study, is for the account of the SDF and should be used for the purposes as described by the Act.

In so doing the research aims to contribute towards education especially to boost provision for teaching and learning aids supporting better results at secondary level.

Therefore this chapter will initially cover the purpose, constitution, establishment and management of the SDF as currently approved by the Act.

It will further cover:

- Why era of change in school funding?
- Who should be responsible?
- Sources of funds
- Management and Management systems
- Control of funds

2.2 The School Development Fund

2.2.1 Purpose

The SDF is approved by the Act. It is currently largely funded by household income mostly known as school fees, which was generally compulsory for all learners in secondary education. Learners can apply for full or partial exemption, but due to stigmatisation many learners rather quit school at senior secondary level or at the age of sixteen when compulsory education ends, due to the lack of funds. The Act prescribes the purpose of this fund as to:

- (a) “Provide, develop and improve reasonable and necessary facilities at school; and
- (b) Uplift and improve educational, sport and cultural activities at school” (p. 19).

[or]

“Specific donations to the Fund may be utilized in a manner as agreed to between the Fund management and the donor” (p. 22).

2.2.2 Constitution of Fund

The Fund consists of:

- (a) Moneys appropriated by Parliament for the Fund;
 - (b) Moneys donated or accruing to the Fund from any source; and
 - (c) Interest derived from the investment of moneys standing to the credit of the Fund
- (pp. 19 – 20).

2.2.3 Establishment and managing of the fund

The Board, with the permission of the majority of parents, may establish such a fund at the school. The Chairperson of the Board should open a bank or savings account in the name of the school for the SDF. The treasurer of the Board should manage and control the SDF and keep books of all accounts.

2.3 Why era of change in school funding?

A need for augmentation of the SDF arose after the Hon. Calle Schlettwein, Minister of Finance, announced free secondary education in the budget statement for the 2015/2016 financial year (Namibia Budget Statement, 2015, p. 18). The study interprets this announcement as the termination of all compulsory household contributions toward SDF, thus understood as ‘free education’.

Udu and Nkwede (2014) state that “inadequate funding has resulted to poor infrastructural facilities, teaching/learning facilities; library, research, etc. are also in very short supply” (p. 192). The Albert Shanker Institute (2012) concludes that additional funds are needed, firstly to supplement insufficient government funds. Secondly to implement teaching and learning activities. Thirdly to create opportunities for other stakeholders to become involved in education through partnerships. Therefore the question could be asked if SDF should be abolished altogether and in doing so create a situation of cut off one's nose to spite one's face, constituting that the government cut income which schools might collect from various sources.

The World Bank (2008) states that SSA countries lack learning materials and is short in supplying textbooks to secondary school systems. They further state that investments should be developed to provide sufficient and affordable learning materials. The Millennium Challenge Corporation (2008) concurs that education in Namibia faces challenges because of shortages in resources ‘(e.g. books and equipment)’. Effective funding can ‘improve access to and management of textbooks’ using a reformed ‘textbook acquisition process’ and ‘monitoring textbook supply and demand’. Furthermore they list more (financial related) gaps in the education sector in keeping with the overall mission of the Ministry of Education (MoE).

- Inadequate classroom facilities
- Lack of classroom furniture and equipment
- Shortage of computers and Internet access

- Lack of security
- Lack of reliable transport and funding to carry out administrative duties
- Delays in funding from MoE (p. 21).

The Office of the Auditor-General (2007) is of the opinion that late delivery of furniture and school material influence effective teaching and learning. The study concludes that general shortages of teaching- learning materials could lead to ineffective teaching and learning in secondary schools. The World Bank (2008) suggests that shortages should be addressed by reallocation of resources otherwise secondary educational can only be sustainable if 5% of the GDP is allocated to secondary education.

The importance of adequate financing of education cannot be over-stressed. Ozigi (1977) as cited in Adeyemi, (2011) argues that no organisation can effectively carry out its functions without the necessary funding. The research concurs with New Age International (n.d.) that effective ‘finance’ is the “provision of funds as and when needed” (p. 2).

According to Gao (2010) there is a need for change in funding education projects ‘especially in underdeveloped countries’, because contribution by government and Non-Government Organisations (NGOs) are not sufficient and therefore education projects face strained budgets. Due to shortages in budgets policy makers should consider reforms like textbook revolving funds, investments in durable teaching-

learning materials and more effective distribution methods to provide incentives to deliver materials to schools (World Bank, 2008).

Therefore the study strenuously disagree with abolishing SDF in its totality because it will become clear as this Thesis progresses that the SDF funded through various sources and effective management strategies can assist schools with improved teaching and learning resources and thus allow for quality education for all and alleviate identified shortcomings.

This sentiment is shared by Irina Bokova, Unesco Director-General, as cited in Gao (2010) stating “we cannot afford to create a lost generation of children deprived of their change for education that might lift them out of poverty” (p.1).

2.4 Who should be responsible?

Nomura (2011) states that “in most countries of the world, education is largely funded by the government” (p. 19). Sanyal and Martin (1997); World Bank (2007); Gao (2010) are of the same opinion that the government is primarily responsible for the fundamental funding of education. However, Sanyal and Martin (1997) and World Bank (2007) claims that these funds are not enough for effective teaching and learning and therefore additional funding should be obtained.

In Namibia the SDF was established and has been granted permission by the Act, for this purpose. It was customarily funded through compulsory parent contributions, which lead to learners leaving school when parents could not afford these funds. As

mentioned previously, compulsory contributions to secondary schools are not allowed, since the commencing of the 2016 academic school year. Ikela (2012) declares that provision should be made for enough learning and teaching materials if compulsory contributions to SDF are abolished and that the lost income from SDF should be replaced, possibly through government subsidies or grants.

Further *Parents must pay* (2015) notes that Namwandi advises that the responsibility of education in Namibia should be shared. They suggest it should be done through innovative, cost effective practices to encourage the sense of responsibility among the citizens of the country. *Teamwork important for education* (2015) reports on the //Kharas Educational Conference where the Deputy Minister of Education, Arts and Culture, Anna Nghipondoka explains that education should be a collective responsibility and not a 'one-man' show referring to efforts, resources and ideas, sharing ownership and accountability. Ms Nghipondoka further states that all citizens should take responsibility and work together in order to affect a constructive outcome of schooling.

Maiyashi, (2003) as cited in Adeyemi (2011) states that "good education funding is necessary for economic growth" therefore he suggests that "the government should let the people realize that it cannot do it alone" (p. 301). In view of these arguments we could contest the ability of schools to rely on government grants alone and still be effective. Wylie and King (2004) concede that it is possible 'provided they were creative' and added that schools which were effective had good financial management. Wylie and King (2004) determine that most schools which only

operates on government funding are lacking financially and that these schools, over time, will not be able to offer sport and cultural activities, while their ICT programmes will not be able to run due to lack of money to update programs and maintain equipment. Schools will experience severe complications to meet education and assessment requirements through cut back of programmes.

With reasonable certainty it could be concluded that although government money might pay for the most basic education, alternative funds, which should also be the responsibility other than the government, is needed for effective education. Wylie and King (2004) is of the same mind since they found that schools whom could not generate “additional external revenue could not maintain their existing programmes, ... if they had to manage on their government funding alone” (p. x).

The Albert Shanker Institute (2012) concurs that a school having access to more finances can be more fruitful. Therefore the reform of funding SDF will boost school finances. Effective and sustainable funding will contribute towards higher enrolment and improved results because of the opportunity to improved quality of teaching and learning as a result of a wide-range of teaching and learning prospects which can then be provided (Ministry of Education, 2000; Post Primary Teachers’ Association, 2012; Albert Shanker Institute, 2012). Therefore it turns out that to be successful, secondary education should be a shared responsibility, through unique financial provision, of all role players in order to provide effective teaching and learning to all secondary learners in Namibia.

2.5 Sources of funding

Secondary schools in Namibia launch various kinds of sport and cultural days to enhance their funds. These days are predominantly supported by parents and guardians who already carry the burden of supporting their child's education.

“Many schools have unusual sources of income: fees, interest on investment, local education foundations, booster clubs, private-public partnerships, and even advertisements on school buses, customized or personalized license plates, parking fees, and nonmonetary incentives” (Howell & Miller, 1997, p. 45). They additionally disclose that these funds are not enough and more imaginative ways should be found to generate more sustainable funds. The World Bank (2008) concurs that “this type of funding can enhance facilities and learning quality,” but also warns that “its limits should be recognised” (p.144).

Considering these the paper concurs with Adeyemi (2011) who states that “it is pertinent to suggest other sources of financing education in [Namibia]” (p. 301). Since fees cannot always be paid by household income new measures, to pay fees in different ways, should be found (Mendelsohn, 1999).

The study found that although many secondary schools launch activities to generate income for the schools, the activities are mostly limited to the parties interested in the school, like parents/ guardians, learners and teachers. These activities generally do not generate enough revenue to cover the growing financial needs of teaching and learning. Many households cannot afford paying fees and quality of teaching and

learning may deteriorate if more innovative methods of funding are not found and introduced to cover the costs of these needs.

2.5.1 Taxation

Education, worldwide, is first and foremost accepted to be the responsibility of each government. Namibians are of the same belief. Thus referring to government responsibility in Namibia means that education expenses are budgeted and paid for from the National Budget. However, Alexander (1995); Odden and Allen (1996) as cited in Howell and Miller (1997) revealed that “recent experience indicates that less money is generated for schools when the state is the primary source of revenue” (p. 48).

2.5.1.1 Property Taxes

Therefore taxation on property can be an important source of funding for education (Howell and Miller, 1997). Although properties are taxed in Namibia, this revenue is for the account of the different Municipalities. In the United States of America, property tax is primarily funding schools in many states (Howell and Miller, 1997). According Vaizey (1962) as cited in Adeyemi (2011) “property tax is an important source of educational finance [especially] in countries with a decentralized educational system” (p. 294). This implies that some taxes raised on property could be earmarked for SDF. Penrose (1998) identifies that treasuries is not in favour of ‘earmarked taxation’ due to constraints on financial policies and it need high-level administration ‘which are lacking in most developing countries.’ It can also bring up other difficulties like “enormous inequities in per-pupil funding and in local tax

rates” due to financial inequalities in various municipal contingencies (Howell and Miller, 1997, p. 42). Namibian municipalities’ revenue will be affected negatively, if some funds are channelled towards education, which they might eventually decide to channel towards communities and thus increase living costs through increased tariffs on water, electricity, services and taxes.

The European Commission (2014b) discovered that in many countries different levels of authorities are involved in education. The study does not recommend direct involvement of municipalities in teaching and learning activities. Municipalities can share the financial responsibility by subsidising amenities like water and electricity.

2.5.1.2 Subsidies

Other Early Childhood Education and Care (ECEC) member countries prefer to pay subsidies towards ECEC making indirect payments to families through tax relief, allowances or vouchers (European Commission/EACEA/Eurydice/Eurostat, 2014).

2.5.1.3 Tuition tax credits/ Tax relief

Organisation for Economic Co-operation and Development (OECD) (2012) and Post Primary Teachers’ Association (2012) suggest that parents should be allowed to subtract educational expenses from taxable income, make as voluntary ‘donations’.

European Commission/EACEA/Eurydice/Eurostat (2014) concurs although they state that the very poor families will not benefit from this type of funding, since they do not earn enough to pay taxes. If parents were allowed to deduct ‘donations’ made to SDF from their taxable income and thus pay less tax, more parents would be

willing to contribute. This will enhance the purchasing power of schools to provide necessary resources.

2.5.1.4 Additional forms of Taxation

According to Adeyemi (2011) the government can also consider “education tax, development levy, taxes from lotteries to finance education” (p. 301). Although these taxation methods can boost funding for SDF it needs additional research.

2.5.1.5 Special Education Grants

The Post Primary Teachers’ Association (2012) states that special grants should be obtained to cover challenging learning and behaviour difficulties at schools. These grants could for example cover the maintaining of ICT resources, which might otherwise not be available for teaching and learning at many secondary schools.

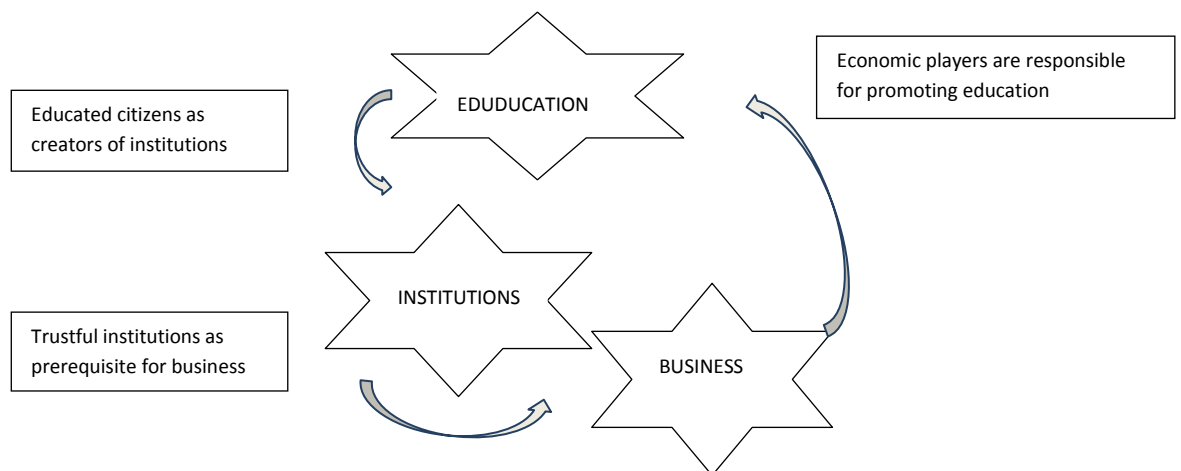
2.5.2 Corporate Social Responsibility (CSR)

Corporate social responsibility is widely defined as a moral obligation or responsibility of companies to contribute towards social benefit beyond their own financial interest and any legal requirements (Kilcullen & Kooistra, 1999; Piacentini et al., 2000; McWilliams and Siegel, 2001; Commission of the European Communities, 2002 as cited in Dahlsrud, 2006).

Reyes (2002) as cited in Mazurkiewicz (2001) maintains that companies should be involved in communities in which they operate. CFA (n.d.) states that “businesses should be actively concerned with the welfare of society at large” (p. 17). He

suggested that oligopolistic firms, who have ‘profits above normal levels’ should ‘engage in community projects’. Meuleman (2008) defines oligopolistic firms as “a market characterised by a small number of organisations who realise that they are independent ...” and therefore “... makes them behave more empathy and moderation than in open markets” (p. 15). Gao (2010) concurs that the business community should play an active role in optimizing education and alternatively identifies multi-national companies as another resource because of the mutual reliant relation between stakeholders.

Gao (2010) illustrates this in the following graph:



He further states that globalization opens the markets for free trade and multi-national companies which has enormous wealth, ‘outstripping that of many countries’. Therefore they are responsible for social progress of which education is no exception. Gao (2010) claims that “if the business community is seen as responsible for changing the circumstance, providing extra financial support is needed” and thereby supports what society benefits from (p. 10). According to Porter

and Kramer (2006) as cited in Dahan & Senol (2012) successful businesses need a healthy society, which can be achieved through contribution in a CSR program.

Kaplan Inc. as cited in Gao (2010) a United States of American company declares that the goal of SCR for them is to bring ‘development to the country’ and thereby ‘improve the quality of life’ for the younger generations.

Even supposing CSR is a voluntary action; it occurs in many countries that CSR is driven only by law. Mazurkiewicz (2001) states that “even if necessary laws do exist, many governments including in developed countries do not have political will or effective instruments to enforce them” (p. 15). The need for and contributions from private organizations towards SDF should be clearly outlined and necessary sustainable guidelines should be put in place for business organizations who contribute.

Gao (2010) however, identifies challenges for CSR, like assessment of social impact and accountability for businesses because financial contribution towards education requires investor’s approval. Investors look for good returns on investments, therefore social causes should appeal to them. He states that it explains why traditional philanthropists are reluctant to support costly educational projects. On the other hand, Taylor (2010) states that in a well prepared CSR program the benefits are more than the costs. Although some firms contribute money towards some public secondary schools in Namibia, they are inhibited by market forces and their ultimate profit or wealth maximization goals. Therefore effectively planned CSR programs

should be incorporated in Namibian business organizations to ensure they become more active in assisting the financing of SDF and not merely making limited contributions to boost their corporate image.

Another challenge for CSR activities is the question of how to determine the value of the money and resources which companies have contributed. Even though companies like to be associated with CSR, no company will 'accept invisible outcomes' (Gao, 2010). It is therefore clear that transparency is needed when and if money is contributed towards SDF. Transparency should ensue through proper management strategies.

Horoszowski (2015) states that more than 80% of the consumers in the United States of America expect companies to improve the society and those companies should give financial support towards development. He further states that consumers will even be willing to pay more for commodities when companies contribute towards communities. In another survey done in the United States of America, reported by Gao (2010), 77% of the parents think businesses should provide additional resources. He suggests that globalization urges the business world toward responsibilities which have been traditionally held by governments and is of the opinion that 'the most obvious input from business for education is money' (p. 9). A study by Nielsen (2014) states that "fifty-five percent of global online consumers across 60 countries say they are willing to pay more for products and services provided by companies that are committed to positive social and environmental impact (para. 1). A study from Cone Communications (2013) similarly shows that "90 percent of shoppers

worldwide [are] likely to switch to brands that support a good cause” (para. 8). These results reflect the sentiments of more than 10,000 citizens in 10 of the largest countries in the world by GDP. Therefore the study concludes that through CSR companies is a sustainable method of funding SDF and that these companies will clearly benefit by contributing.

2.5.3 Sponsorships

Corporate sponsorships are financial support for an activity or event in exchange for publicity/ recognition for the organization. The level of recognition will depend on the purpose of the sponsor, since some organisation may not be looking for attention. Through adequate planning and managing sponsorships can become highly sustainable funding for SDF whereby organizations can also get recognition.

Wylie and King (2004) state that “the impression was that school boards had moved from an active role in fundraising through activities that took a lot of time for small net gain, to concentrating on a few irregular activities that were profitable or seeking sponsorship from outside organizations” (p. 55). Indeed it is arguable that such sponsorship is once off and not sustainable funding for SDF. The competitive business environment makes the securing of sponsorships deals very difficult. It needs a lot of networking of contracts and the expertise of the applicants. Therefore schools mostly attract support for extracurricular activities, in order for the business to gain advertisements through the sponsorship (Post Primary Teachers’ Association, 2012).

Sponsorship agreements for contribution to SDF should be negotiated through a long term partnership between schools and business organisations. It can either be done in cash or in-kind. “Prioritisation and trade-offs might then be made between these aspects of school provision, and the additional teachers, support staff, and curriculum resources” (Wylie and King, 2004, p. x). However sponsorships can also have negative impact on poorer families. “If the school has ‘preferred suppliers’ as part of a sponsorship deal, parents might be charged more for items which could be purchase cheaper elsewhere” (Post Primary Teachers’ Association, 2012, p. 5).

2.5.4 Donations

Donations differ from a sponsorship in the sense that it is a gift rather than aiming for the benefits which can be gained from it and can be made by an individual or an organization. Adeyemi (2011) concurs that donations can also be from parents/ teacher association or from alumni associations. A report by Knowhow-Nonprofit (n.d. a) states that donations are made for the following reasons: philanthropy, affinity, social recognition and mutual benefit.

As mentioned previously business organisations sometime contribute towards charity and development of communities. Scilly (n.d.) states that ‘they make an effort to benefit society’ and further said organisations do it through donation of services and/ or money which she refer to as the philanthropic responsibilities of organisations. Philanthropic can be described as a ‘charitable giving to human causes on a large scale’. Philanthropy should be more than just a charitable donation; it is an effort undertaken by an individual or organisation based on an altruistic desire to improve

human welfare. Wealthy individuals sometimes establish foundations to facilitate their philanthropic efforts.

An example of this is The Xerox Foundation's "Xerox Employee Matching Gifts Program" in which Xerox matches its employees' contributions to higher education institutions. This method could be used for contributions towards SDF, whereby voluntary contributions from parents could be matched by their employers, possibly to a limited amount.

Gao (2010) and Ellis and Jackson (2013) conclude that it is inadequate and ineffective to see philanthropy and donations as just 'sign-and-send-the-check'. Therefore funding towards SDF through donations should go hand in hand with potential business models in order to serve educational needs, with the assistance of the donor organizations. Gao (2010) further states that due to the complex nature of teaching and learning, "merely donating laptops is far from empowering the undereducated population" (p. 14). He added that therefore assistance with capable teachers and teaching methods are needed to deliver in an interactive and stimulating way and thus the difference between education and other business or philanthropy work.

Although various cases exist whereby companies donated goods to secondary schools in Namibia, it is not always clear if these companies assist schools beyond these donations. In order to effectively benefit SDF supportive roles should be established between donors and schools. *Corporate donate mobile school laboratory*

(2015) reports on the donation of a mobile science laboratory and quoted Job Tjiho, the Foundation's executive director, who has said that "it's a school on wheels, fully equipped with teaching equipment, educational material, library, teachers, digital technology and work space" (para. 3).

The view of this paper is that donor relations are important and should be developed. Poderis (2008) agrees that relationships with donors are the 'heart and soul' of fundraising efforts and therefore weak relationships yield weak fundraising outcomes. He further states that good relationships with donors motivate their commitment to a steady flow of continued income and that donor loyalty is a critical element of fundraising and therefore relationships should be cultivated to strengthen connections with donors. According to Knowhow-Nonprofit (n.d. a) serious donors need to feel ownership and want to know the future plans of the school to improve teaching and learning at the school. Therefore schools should not only find donors but build strong relations for sustainable donations from donors.

Strong relations could also benefit schools in the 'know-how' because principals and administrative staff might not always have the necessary skills in managing the finances. According to Gao (2010) "students, schools, and the general public can benefit from the experience and expertise that corporations bring to the table, particularly if the groups work together to make sure the right needs are being met on both ends" (p. 10). School management might lack the necessary skills to find and develop good relations with possible donors.

2.5.5 Payment in-kind

These are defined as making a payment in goods or services, rather than cash.

According to Mendelsohn (1999) “the notion that school fees have to be paid in cash places major constraints on the ability of parent to pay school fees” (p. 15). The decision to abolish compulsory school fees in secondary education created major constraints on SDF. However, it will become clear that cash contributions towards SDF are not the ultimate way to assist schools. If the ‘parent-community’ can take the burden of expenses, which is normally taken care of by the SDF, schools can go a long way in providing more effective for teaching and learning needs.

Mendelsohn (1999) states that, depending on local circumstances and the means of parents, parents can contribute towards SDF through commodities and labour or ‘even other novel creative methods’. The Government Gazette, Republic of South Africa (2004) concurs that regardless of the level of poverty of the community, the school community can contribute with “functions such as cleaning, removal of litter, maintenance of grounds, minor painting and repairs, and replacement of light-bulbs” (p. 32).

Mendelsohn (1999) reflects on the high demand for education in Namibia, therefore parents made payments in form of building classrooms after collecting building materials. In-kind contribution is thus a long-standing tradition ‘but the tradition has not been extended or exploited to the benefit of schools receiving in-kind payments’ for SDF.

Possible arguments against in-kind payment according to Poderis (2008) are firstly that only ‘out-of-pocket’ payments, for which the owner can show receipts, are tax-deductible donations. Secondly what will be the amount that an in-kind donor can deduct from taxable income? Lastly some in-kind gifts are not acknowledged by schools or at least not equally to cash donations.

2.5.6 Staffing in-kind

Often secondary schools do not have an adequate amount of teachers either through vacancies or unnecessary teacher absenteeism. Schools, sometimes, fill these vacancies with money from the SDF, if money is available. Alternatively education delivery is lacking throughout these times at schools. According to Gao (2010) it is difficult to fill a position on a volunteer-base, since teaching needs highly qualified resources which ‘requires specific skills and knowledge’. He therefore proposes that “companies can share its most valuable resources by involving employees to such projects” (p. 9). Reyes (2002) as cited in Mazurkiewicz (2001) concurs that company’s fail to capture the most valuable contributions that they should make, referring to the sharing of human capital. On the other hand parents can become involved in the system and help with supervising of classes and monitoring teachers’ attendance ensuring effective performance in the classrooms (World Bank, 1999).

2.5.7 Alumni

According to Ward (2014) public schools miss out on fundraising opportunities that could potentially raise millions of dollars annually because they fail to ask former pupils for money. Only a few schools ask for money, so far, but more schools tend to

go this way using social media, 'helped by the nowhere to hide,' to track down former pupils. He says that schools should organize slightly more exclusive groups for example all ex-pupils who have achieved something in sport. He stated that in return for ex-pupils donations they get to meet up with all other ex-pupils like themselves which cut across ages. Further he suggests that schools arrange nice dinners for these pupils who then will give money for free.

The Post Primary Teachers' Association (2012) states that schools have a considerable difference in capacity to raise funds using 'past-pupil networks'. They suggests that a well-established Alumni/Trust/ Past Pupils Association with a wide network of contacts should be set up to raise substantial amounts of money.

Alumni can be used by schools to not only raise substantial amounts of money but maintain a sustainable income, either in cash or in-kind, for the SDF. Ex-pupils can alternatively get involved in the teaching and learning program of the school, saving expenses for the SDF.

The following report clearly illustrates that all schools should and could pursue this method of financing. *Former learners* (2015) reported that a gala dinner was recently held, attended by about 200 former learners, at A. Shipena Secondary School, Katutura, Windhoek. An amount of N\$50 000 was raised and the school management, teachers and alumni will have a joint planning meeting which aims to find strategies to provide quality education for all learners.

2.5.8 Parent Teacher Associations (PTAs)

Adeyemi, (2011) and Post Primary Teachers' Association (2012) suggest that parent teacher associations should make donations towards school funds. The Post Primary Teachers' Association (2012) further suggests that the PTAs should have gala days and sales of products to 'lessen the burden on families'. The Government Gazette (1998) concurs that it is the responsibility of the school governing bodies to improve the quality of education by raising additional funds. They further state that fundraising by parent bodies can enable schools to add to the schools' resources and expand the range of activities the school can offer. According to the British Broadcasting Corporation (2015) PTA's are known for and should hold and support fundraising in schools. These fundraisers normally take place through events and the money is often spent on 'fun things' that make learning more interesting and exciting. They further state that all parents are automatically members of PTA's.

The Government Gazette (1998) however, states that governing bodies should not charge school fees to fulfil their responsibilities in raising supplementary resources. The Act prescribes the forming of Boards, whom have similar functions as PTA's. It is clear to the study that Board members in Namibian secondary schools must become more involved in raising funds in order for schools to provide for more 'interesting and exciting' learning as well as quality education.

2.5.9 Communities

The argument of why communities should be involved in education is addressed by Baker (2012) who states that businesses operate in communities and therefore should

contribute meaningful towards this community. North Central Regional Educational Laboratory (n.d.) concurs that new sources of funding of education is needed to jumpstart the reorganization of education, as well as, reform the ways in which education is delivered. When education is neglected, companies cannot have a competitive workforce.

UNICEF (2007) claims that community members can raise resources and contribute financial support and organize fund-raising activities, campaigning for improved funding to provide for improved school facilities. The World Bank (2008) concurs that community support can expand access to secondary education of such community. Wylie and King (2004) state that “in most countries schools are not funded by their governments alone but also gain resources and support from their local communities” (p. 74). World Bank (2008) concurs that contributions from communities can be encourage but that is should be carefully managed. According to World Bank (1999) schools lack resources and education delivery and therefore a collaborative model should be adopted in which the community supports the government in education. Wylie and King (2004) states that schools consequently rely on money raised from businesses. This support mainly involves ICT equipment and property development.

The belief of this study is that communities should launce innovative fundraising activities which entirely benefits secondary education, since the government should not be exclusively responsible for delivery of secondary education. It is arguable that these community activities should not only raise funds for SDF but also raise

awareness of the communities' responsibility to become involved in funding and improving education delivery through involvement, donations or in-kind.

He further states that some schools approach the community organizations for funding of sport uniforms and school trips. Some schools indicate that if they want anything extra, community contributions is the only way to make it possible. Schools seem to put effort in community fundraising, because they see it as essential to provide for good teaching and learning environments. If schools were not supported by the community they would have to cut back on curriculum resources, therefore gaining these funds from the community allows schools to use their government operational funding more effectively and directly towards learning needs (Wylie and King, 2004). Mendelsohn (1997) states that "many schools are in desperate need of renovation, and that the training and use of community members to do renovation work would also help develop a culture of maintenance" (p. 34).

An overall program should be developed on how communities should support schools (Mendelsohn, 1997). Secondary schools should collaborate on programs to gain support from communities, whereby whole communities can be involved but not exploited.

UNICEF (2007) states that "efforts to promote community involvement should include poor and marginalized households, and particular efforts may be required to achieve that goal" (p. 93). However, Wylie and King (2004) states that some schools are under the impression that monetary contributions mostly come from 'low socio-

economic families' and therefore the school community are not sure if they should pursue this route of funding. It would be ideal to raise substantial amounts from few sources, but more often smaller amounts are raised from a number of approaches (Wylie and King, 2004). Therefore, according to the World Bank (1999) "community participation in education requires communities to have financial knowledge to handle funding transferred from outside" (p. 12).

As previously stated in this report, Wylie and King (2004) emphasize good relations and personalized approaches build over time so that the community sees that their money was well spent and can share in the pride of what has been achieved.

Community members often have resources like time, facilities and special skills which they might be willing to put forward to assist schools in-kind or by funding SDF. However community members want to know that funding are well managed and used cost-effectively. The paper therefore suggests that support-programmes whereby communities are involved are established for effective support and guidance from communities.

2.5.10 Non-Government Organisations (NGOs)

According to Ulleberg (2009) "... non-government organisations have become the main service providers in countries where the government is unable to fulfil its traditional role. In the education sector many non-government organisations have moved beyond 'gap-filling' initiatives into capacity building activities" (p. 9). They have grown into the voice of the society and therefore the shift from limited services

to capacity development. Most NGOs perceive themselves as catalyst for change and therefore take on the role of change in education. Ulleberg (2009) confirms that “for sustainable change, action and invention need to change” (p. 20).

According to *What non-government organizations help fund schools?* (n.d.) most NGOs are non-profit organisations and that their aim is to help other organisations. This can include helping schools with teaching and learning through funding SDF. The question, ‘Does aid work?’ was raised by Oxfam (n.d.) as cited in Godrej (2014) and they argue that “increased aid by rich countries will help people lift themselves out of poverty and make it a thing of the past” (para. 12).

The study comes to the conclusion that NGOs are not necessarily donors of money but aim to aid those in need and therefore the schools must scrutinise NGOs who would be willing to get involved in raising sustainable funds towards SDF.

2.5.11 Decentralised funding

According to the Ministry of Regional, Local Government and Housing (1997) decentralizing management of schools can open opportunities for regional offices to generate funds for local schools from local sources.

The schools in the Khomas Region are mostly in the city, therefore local sources like, property tax, turnover tax on businesses, payroll tax, abattoir fees, dog tax and informal trade license fees might possibly use funds towards these school. These methods of funding however will need more research.

2.5.12 Fundraising

These are organised activities planned by the school itself to generate income. Funds for these activities come through generous contributions of business organisations, stakeholders, private individuals, well-wishers, NGOs, charitable foundations, community groups, learners, parents and many others (Ministry of Education, 2000).

Although ‘fund-raisers’ are not unknown in Namibia, secondary schools do not exert themselves to generate funds through these activities. Some of the schools have one or more of these activities on their annual calendar, but it raises its own difficulties for schools, such as the arranging and managing of these activities. Another argument is that in our schools, these ‘fund-raisers’ are mostly supported by the stakeholders, who are already burdened with the funding of learners’ in schools. The schools, with the support of their Boards and communities, should explore ways and means to generate funds more efficiently through various activities.

2.5.13 Crowd funding

Crowd funding is a method of raising funds by raising small amounts of money from many people, who are part of the general public instead of traditional investors, through the internet using specific websites and social media (Prive, 2012; Riddell, 2013 and Fundable, 2016). There are different kinds of crowd funding according to Fundable (2016) and defines donation-based crowdfunding as a fundraiser without financial returns for the investors.

Crowd funding is not only a flexible method of fundraising but also makes it possible to reach more investors by using internet as platform, which can reach the global community, for a fundraising campaign (Clifford, 2013; Fundable, 2016). They further claim that the campaign can be promoted by social media, like Facebook and Twitter, email newsletters and by using effective online marketing techniques. These techniques save time and costs, as well as, being transparent and keeping investors informed, which tends to make them more willing to donate (Clifford, 2013; Provini, 2014 and Fundable, 2016).

Funds obtained from crowd funding can be used by teachers to buy teaching and learning materials for their classrooms instead of spending out of their own pockets (Clifford, 2013). She further states that teachers and learners can create a 'wish list' which parents, PTAs and communities can assist with by sharing it on the campaign web page. Riddell (2013) suggests that donors can 'adopt-a-classroom' and thereby become a partner who 'earmark' their donation and know exactly how the money is used. He further states that the donor can become involved in class activities and learners will be able to prepare proper thank you messages for the donor.

Crowd funds can be used for a shared purpose in schools. Schools can launch entrepreneurial activities and project-based learning, whereby learners can be taught about financial responsibilities and developing an 'entrepreneurial mind set' as well as creating self-employment for school leavers, while the school generates revenue (Clifford, 2013 and Provini, 2014).

Crowd funding is an exceptional method of funding to financially contribute towards SDF. Firstly social media, which is widely used in Namibia, can be used and therefore large numbers of people can be reached. Secondly, parents, guardians, communities, business organisations, non-government organisations, alumni, School Boards and all other stakeholders can be involved to share in the responsibility of secondary education. Lastly, since crowd funding are not limited to the amount of money contributed and can be even donation-based people of all social-economic communities can contribute financially towards education.

2.5.14 Lotteries

Although money made from lotteries are often classified as ‘dirty money’ it has to go somewhere because lotteries have to give it away (Wylie and King, 2004). Money generated by lotteries could be successfully channelled towards SDF since the purpose of lotteries is normally for the use of community projects. According to Howell and Miller (1997) less than 2% of secondary spending during 1993 in the USA came from lottery funds although they generated over \$9.6 billion after paying out prizes and administrative costs. A possible argument is that some of this money comes from poor households. Countering this argument is that these households will spent this money on lotteries or alternative entertainment irrelevant of where the money is going and furthermore a very small cut of the lottery money will eventually go towards SDF of a specific school.

2.5.15 Cost recovery and cutting cost

The World Bank (2008) and the New Zealand Ministry of Education (2014) suggest that schools may sell goods, like uniforms and stationary on a semi-commercial basis. Although it is usual for schools to only recover their costs it is acceptable to generate small profits whereby the surplus could be used to enhance student learning. They further suggested that schools should rent school facilities and allow for private tutoring, although this should be done under required regulations. According to the World Bank (2008) this is an insecure income base for core finances, but can produce a useful income. Selling uniforms and stationary could have a negative impact on poor families if these could be bought at lower prices at alternative suppliers.

The renting of facilities can contribute towards improved teaching and learning resources if rental fees can pay for the supplying and upkeep of teaching and learning resources, for example ICT equipment in classes. On the other hand if proper control is not enforced, renting could lead to damages of property.

The World Bank (2008) proposes that cost could also be cut through structural changes, like the introduction of double shifts to reduce cost constraints on schools and withdrawing subsidies for non-essential boarding through progressive transition to day schooling.

Penrose (1998) suggests that textbook funds should be implemented in order to recover costs and improve on the quality use of the books. Pinter (n.d.) concurs that

“textbook rental schemes are simple in concept.” She explains that sufficient funds are initially made available to cover the needs of the schools regarding number of learners and subjects, and then books are rented to learners who return it at the end of the year (Pinter, n.d.). This concept can even be applied whereby the major part of the rent is returned to the learners, if books are returned in the original condition.

Schools often have to replace text books due to loss or damage to books. If learners share in the cost of their text books, more books, in good condition, will be returned to schools, for repetitive use in the schools.

More resources are needed and often shortages occur because of wastage. Mendelsohn (1997) and Fischer (n.d.) therefore suggest that the Ministry should seriously improve efficiency and cut down on the indirect cost of schooling. *Saving water and electricity in schools* (2016) notes that “all learners and teachers in all schools need to become more aware of the amount of water and electricity wasted throughout the year” (para. 17). He further states that schools should invest in water sensors which could regulate water usage and stop wastage (“Saving water and electricity”, 2016).

The research suggests that schools should benefit from saving on the costs of amenities and indirect costs of education delivery. Such benefits can be the providing of additional teaching and learning material for schools or the allowing of special requests from schools, like ICT equipment for classes. However more research is needed on the possible implementation of such ‘cost-saving-benefit’ program.

2.5.16 Outside the box

Generating funds for SDF may take more than just searching for and accepting contributions from parents, business organisations, government grants and financial strategies. Extra ordinary actions could be undertaken to raise funds and awareness for the needs for education in secondary schools. This is illustrated by the active action of the Nelson Mandela Metropolitan University (NMMU) Vice-Chancellor Prof Derrick Swartz, who climbed Mount Fuji in Japan on 7 August [2015] to raise funds for academically-deserving but financially-needy students at NMMU' (Nelson Mandela Metropolitan University, 2015). The paper is of the opinion that more giving, like this, rather than asking will momentarily contribute towards funding SDF.

2.5.17 Online Campaign Landing Page (OCLP)

The popularity of social media and internet creates the opportunity for SDF to fundraise through OCLP. The name comes from internet users who 'land' on this page by coincidence. This fundraising effort is made online only. This size of gift does not require a lot of consideration by donors because of the little impact it will have on their budget. Donors normally act on impulse and should not be impeded (Patterson, 2015). This method could open the door for funding throughout the world and not limit it to local sources; however knowledge and technical skills will be needed for the successful launching of such an activity.

2.5.18 Bargain purchases

A bargain purchase is when financial assets are acquired for less than fair market value or when a non-profit, like public schools receive discounts additional to which is available for normal retail, on purchases. The amount less than the fair market value is considered a donation (Hood, 2013 and Figueredo, 2014). According to Figueredo (2014) bargain purchases could be realized where contractors would charge a certain rate for public schools, but add another discount as part of its community outreach or commitment to the school.

Since SDF are sometimes used to provide for financial assets, such as teaching and learning, sport equipment and maintenance bargain purchases can be obtained. Although bargain purchases can hold enormous advantages for donors and public schools, it is very complicated and needs highly qualified personnel (Hood, 2013).

2.5.19 Thrift shops

Thrift shops are retail shops, also known as charity shops, which could be profit bearing or non-profit organisations that sell, normally, used goods with the purpose to raise money for charity. Inventory is mostly made up from donations. The inventory can include items such as clothes, household appliances, books, toys and furniture which are sold at bargain prices, often as low as half or one-third of the retail price (Stokes, 2012).

The Charity Retail Organization (n.d.) states that although the main purpose of thrift shops is to collect money for charity, they also bring value to the communities such

as training and guidance for volunteers. It can also be incorporated in the Entrepreneurship curriculum whereby entrepreneurial mindsets are developed. The learners, parents, teachers and the community can learn about responsibility and also be involved in providing for education delivery.

2.5.20 Technology

According to Thompson (n.d.) schools can reduce their costs while increasing efficiency by ‘adopting technology-facilitated strategies.’ She claims that saving of cost can occur by facing out the use of traditional text books, reducing of teaching and learning materials, such as printed paper copies, by using online portals, social media and emails. Thereby schools can find opportunities to reallocate funds because of savings due to the use of technology and become more efficient.

Thompson (n.d.) suggests that various sources should be exploited to find funding for using technology in teaching and learning. Therefore, finding donors, schools should not concentrate on the obtaining of technology as such, but the advantage of ICT in learning for a future workforce by developing human capital and ultimately contributing to economic growth. She further suggests that acquiring technology could be done by involving parents by asking them to contribute towards ‘mobile resources’ through affordable methods like small regular payments.

2.6 The importance of cost sharing to improve the quality of education

“...cost-sharing involves changes to the share of public and private funding as income source ... as opposed to state funding: (European Commission, 2014a, p. 8).

According to Johnstone and Marcucci (2014) cost-sharing is a fact and also a worldwide policy shift of the cost of instruction. It is not only the responsibility of the Government (taxpayer), supported by parents, students, and philanthropists, alone anymore.

A further argument is that quality of education may improve in the provision of inputs such as textbooks. It is reasonable to believe that availability of inputs enhances quality, given that other variables are favourable, like competent teachers. Therefore cost-sharing in the form of textbook funds might result in better quality education (Penrose, 1998). A study by the European Commission (2014a) highlights that firstly different levels of jurisdiction may be granted to schools in order to find private funding. Secondly schools should be allowed to change their academic profile to enhance their opportunities to generate private income. Therefore new parameters should be set for sharing of cost, as indicated by various sources mentioned in this study, to improve the quality of education in secondary schools through adequate provision of teaching and learning materials.

2.6.1 Partnerships

Earlier in this report it was indicated that education should be a shared responsibility therefore building partnerships to provide for education is not only a viable option but could be an integral part of providing funds for SDF. The World Bank (2014) established that the 'unmet demand for education coupled with shrinking government budgets' lead to innovative partnerships with the private sector. The rationale behind the involvement of the private sector is to expand equitable access and improving of

learning outcomes, especially in in low-income countries where the government cannot afford schooling for all. This is underlined in the Act 84 of 1996, School Act of South Africa which provides for a partnership between learners, parents and government to manage the funding of schools to the benefit of all learners.

The Ministry of Education (2000) claims that the provision of supplementary funding allows for other stakeholders to become involved in education, thereby creating opportunities to build partnerships between the school and the community. The World Bank (2008) is of the opinion that private contributions open new opportunities in Sub-Sahara Africa for financing education.

The Premier of the Western Cape Province, Helen Zille, supports this viewpoint, as she called on the business community to enter into partnership with the government to extent education, especially in rural areas, when she opened a mobile library at Rawsonville, which was sponsored by members of the community (eNCAeNuus, 2015).

Equal partnerships create the opportunity for schools to enter into Public Private Partnerships (PPP). CIPS (2007) defines PPP as “a means of bringing together the public and private sectors to work together in long term partnerships to best utilise the assets and skills of both sectors, with the aim of creating better value for the money for the tax payers” (p. 1). According to Ismail (2009) and United Nations (2014) equal partnerships are based on sharing of ‘skills, awareness, knowledge and

experience' when communities and neighbourhoods come together and identify issues of common concern with the aim to create better value for taxpayers' money.

This type of partnership involves flexible methods of financing (Whitfield, 2001). PPP is a contractual agreement between public and private where they share in delivering a service or facility for the use of the general public. UNICEF (2007) states that Public Private Partnerships can play an "important role in capacity-building because they create opportunities to develop skills in fund-raising" (p. 90).

Namibian secondary schools have a niche for PPP to help schools with skills and knowledge in providing for SDF. This equal opportunity of contributing open to various stakeholder widen the use of Public Private Partnership by the government to improve education in secondary schools, especially "when the scale and the level of resources required for projects mean they cannot be undertaken solely through conventional public expenditures or procurement" (United Nations, 2014, p. 167). In the light of schools complaining of shortage of resources, like text books, PPP could be used to help schools to provide adequate learning and teaching resources.

"Collaboration can be a smart way to access necessary but non-core services that are ably provided by another organization" (WNC Non-profit Pathways, 2012, para. 20). According to the World Bank (2014) opportunities for 'developing innovative partnerships with the private sector' arise through unmet demands for education and shrinking of government budgets. "The main rationale for Public-Private Partnership programs is the potential role of the private sector for expanding equitable access and

improving learning outcomes. In low-income countries excess demand for schooling results in private supply when the state cannot afford schooling for all” (World Bank, 2014, para. 14).

Although private contributions open the door for effective contribution towards funding SDF it needs extensive management which is also in line with the national educational goals to meet the Namibian goal of equal education for all. A transparent, fair and financially sustainable governmental framework, which coincides with national development goals and which can be regulated and monitored should be implemented. (World Bank, 2008; Parliament of Australia, 2011 and United Nations, 2014). Therefore planning and management is becoming a marketable commodity in education especially in developing countries. Large companies roam the globe to provide education planning services and policy analysis services by asking the right questions (Mendelsohn, 1997). Secondary schools should enter into PPP to support them with the SDF by gaining skills and knowledge on financing and acquiring of teaching and learning resources to improve learning outcomes.

According to the Millennium Challenge Corporation (2008) SchoolNet Namibia, a local, hands-on ICT deployment, training and supporting organization already provides internet services to about 300 schools, at a flat-rate 24/7, in partnership with local telecommunication agencies and solar-powered school computer laboratories. This proves that secondary schools can enhance SDF through well-organized partnerships.

2.6.2 Private Finance Initiative (PFI)

“Private Financial Initiative is a particular method of financing private investment which requires the private sector design, build, finance and operate facilities” (Whitfield, 2001, p. 3).

According to McCabe, McKendrick and Keenan (2001) the scope of PFI broadened from private sector investment into capital intensive public activities. They also claims that schools proved a fertile area for PFI because government wants to improve the quality of education and the environment in which it is delivered. Butler and Stewart (1996) as cited in McCabe, McKendrick and Keenan (2001) state that one of the many advantages of PFI is that is can overcome the problem of scarcity of government funds.

The argument against the use of PFI for SDF might be that PFI it is mostly used for major capital investments and SDF cannot be classified in this category. Since SDF, according to the Act, might be used for the provision, development and improvement of necessary facilities at schools and/ or to uplift and improve educational, sport and cultural activities at schools. Therefore schools might use SDF for capital improvements and/ or maintenance at the cost of providing teaching and learning resources. Schools should therefore use PFI to fulfil capital needs, like maintenance costs and thus authorize SDF for teaching and learning resources only.

Siddiqi (2015) states that a medium term budget framework could be devised, through PFI, with scope of infrastructure maintenance and to minimize leakage of

resources and cost overruns. CIPS (2007) concurs that the private sector would be responsible for maintenance upkeep of buildings and therefore carrying the cost of maintenance. According to Siddiqi (2015) PFI can range from concessions and PPPs to equity investments, syndicated loans and infrastructure bonds and thus allow for supplying of public services.

To the paper's point of view maintenance of facilities as an element of effective education delivery does not receive the necessary attention, mainly due to the lack of funds. She reasons that firstly, schools do not have the financial means to attend to maintenance of facilities, because maintenance comes at the cost of other educational needs and therefore only major maintenance like toilets are sometimes attended to. Secondly, although Ministerial policies are in place for maintenance of facilities at schools, they are not efficiently applied. Therefore alternative funding should be obtained, for maintenance, to improve the quality of education delivery. This can be obtained by sharing the costs of maintenance through PFI and PPP and thus sharing the responsibility of education delivery with the private sector.

2.6.3 Households as source of funding

The abolishment of compulsory school fees was received, by many, with delight, but the question arising was twofold: Was the joy because learners could now complete their secondary education and possibly qualify for tertiary education or was it only because of the financial responsibility which was transferred from households to the government budget? A study done by Devereux and Eiseb (1994) as cited in Mendelsohn (1999) was found that parents blame the cost of schooling for children

not attending school. A survey done by Mendelsohn (1999) found that only 1% of school drop-outs were due to financial constraints. In both scenarios SDF can contribute towards the education needs of learners, with possible assistance from parents disquieted by the quality of their child's education.

It is indeed arguable if parents should contribute towards learner education. Complementary opinions exist on contributions, by households, towards learner education. Mendelsohn (1997) argues that some of the educational costs should be charged to the account of the parent(s) due to the difficulties experienced on financial sustainability.

The Ombudsman (2012) argues that a parent who is a farm labourer and a parent who is a CEO of a company cannot be dealt with in the same manner, when expecting financial contribution for SDF and is of the opinion that 'the rich should subsidise the poor'. Hindle (2007) concurs that the country is not in the position to subsidise free-education for the very rich. He stated that funds should be shifted from the rich to the poor by charging the rich compulsory school fees and protecting the poor from exclusion. The World Bank (2008) declares that those who can afford to pay must be charged fees while subsidies and scholarships should be provided for low-income household students. The European Commission/EACEA/ Eurydice/ Eurostat (2014) state that fees can be reduced according to needs-based criteria, such as family income and the number of children in the family.

Mendelsohn (1999) argues that most parents routinely spend more on luxuries than the much lower amount charged by schools for fees. He additionally states that government funding is not enough and the shortfall should be filled by other stakeholders. He suggests that schools become more autonomous in the spending of funds but that such funds should be privately generated.

Heneveld and Craig (1996) as cited in World Bank (1999) recognize parent and community support as one of the key factors to determine school effectiveness in Sub-Saharan Africa. One of the key categories they identify was financial and material support to the school.

Parents could be asked for voluntary contributions to cover the continuous increase in educational costs which is not covered by limited government contributions. It is important that parents in developing countries participate financially in their child's education.

In New-Zealand where "compulsory education is legally free", "most schools do ask parents for voluntary donations" (New Zealand Ministry of Education, 2014). The schools recognise the importance of these donations from parents and therefore the money is used directly for their children or 'tangible capital projects'. Wylie & King (2004) concur that money received from voluntary contributions by parents plays a small but important role in school fund raising; therefore this money could be used for activities which appeal to parents. "To maintain or increase parental donations,

schools told parents what their money covered, and spent it on things that were directly related to student learning “ (Wylie & King, 2004, p. 54).

Hanse Himarwa was quoted emphasising that “if parents have to contribute that should be voluntary”. “The parents can make voluntary contributions to schools, obviously, because there are so many programmes and so many activities for which we will need surplus money” (“Free secondary school education in 2016”, 2015, para. 11). Tjitemisa (2015) quoted Mr Kandetu saying that “...buying stationery is voluntary and no parents are forced” (para. 9). If and when parents can afford stationery and are willing to contribute, it will lift the financial burden of the government and make education resources more readily available to all secondary school learners.

Financial participation should not only be seen as monetary contribution but also payments in-kind. “Parents who do not have money could take some grain from their mahangu storage, help repair broken furniture or make any contribution in kind. This will then be considered payment.” (“Parents must pay”, 2015, para. 7). Mendelsohn (1999) is of the opinion that “the notion that school fees have to be paid in cash places major constraints on the ability of parent to pay school fees” (p.15). He therefore suggests payment other than cash, which varies from commodities, labour or even other creative methods.

According to Mendelsohn (1999) parents might understand free education as the government provides teachers and facilities. However the government provides

limited aids, materials and stationery which are complemented by SDF. Sport and cultural activities are not funded by the government. Ombudsman (2012) argues that teaching and learning facilities at schools should be improved and it is in line with parents' duty through financial contribution to SDF. European Commission/EACEA/Eurydice/ Eurostat (2014) state that most schools charge 'activity fees' and that schools can support students who cannot afford these fees.

Although 'fee-free' education was announced by abolishing compulsory contributions towards SDF, parents/ guardians should not distance themselves from their child's financial education needs. In their expectations for their children's efficacious education parents should assist towards effective and efficient education delivery in cash or in-kind, relating parents' capabilities.

2.7 Investments

Investors most commonly probe methods with high financial gains, but in the case of funding public schools, only social gains could be obtained since these schools are non-profit return markets. Social investments can diversify an investment portfolio and the gains should be measured in social returns or lower financial returns on their investments. (Bugg-Levine, Kogut, & Kulaitilaka, 2012 and Williams, 2013). Bugg-Levine, Kogut, & Kulaitilaka (2012) declare that social returns and financial returns should be disentangled allowing investors to determine appropriate balance between charitable and non-charitable capital and thereby the companies can use the financial markets to the fullest with a hugely expanded range of investment opportunities.

Bugg-Levine, Kogut and Kulaitilaka (2012) claim that social enterprises like public schools can have a larger universe of investors, such as venture capital firms, banks, mutual funds and bond funds, than conventional firms, when they treat charitable donation as a form of capital which seeks social returns and not financial returns. The access to these resources will make ‘financial-engineering tools’ available which will transfer risk and returns become available allowing [public schools] to obtain capital.

2.7.1 Corporate Social Investment (CSI)

Khoza (n.d.) claims that Corporate Social Investment should be more than merely a charitable donation, but rather a genuine, long term partnership which is sustainable and meaningful to both parties involved. He, therefore, states that it should be more than mere “financial support but also time, commitment, passion and sustainability that make CSI work” (para, 5).

Although Social Corporate Responsibility and Social Corporate Investment are sometimes used as interchangeable terms, there is a clear distinction between these terms which should be considered in investments. According to Ajai (n.d.); Hanks (2009) and Brown (2006) CSR is when organizations use social actions, such as donations and sponsors, to generate money and CSI is when organisations spend money, without expecting returns and therefore CSI is only a small component of CSR. While CSI focus on the broader CSR has become more involved with sustainable development, PPPs, governance and skills training (Hamann, 2009:438; 443; Hamann, *et al*, 2005: 5-13; Sonnenberg and Hamann, 2006 as cited in Hinson and Ndhlovu, 2011).

Hinson and Ndhlovu (2011) states that CSI can bring benefits to firms, like good reputation and credibility while Hanks (2009) states that CSI could be criticized for being simply an ‘expenditure’ rather than an ‘investment’ to the company which fails to generate returns for either the community or the company.

In the research opinion, finding funds for the SDF, social funding, like, quasi-equity debt, pooling and social impact bonds should be deliberated for sustainable income for SDF since “social investment is any investment activity which has an expectation of both a social outcome and a financial return, which would usually be below market rate” (Knowhow-Nonprofit, n.d. b).

2.7.2 Quasi-Equity Fund

Quasi-equity fund is also known as revenue participation investment, where financial returns are calculated on the investee’s future revenue and if future revenue is not achieved, a lower or possible zero financial return is paid. It fills the gap between debt and equity and risk are equally shared by investor and investee (Knowhow Nonprofit, n.d. b; Cheng, 2008 and European Commission, 2011).

2.7.3 Pooling

Pooled investment fund, also known as collective investment schemes, is where many individual people, such as two or more friends or even colleagues put sums of money together for the purpose of co-investment managed by professionals, diversifying investment by spreading it over various investments at lower risk and

lower trading cost per dollar of investment enjoying economics of scale (“What are pooled investment funds?”, n.d. and Orfano, 2010).

Orfano (2010) and Uncle Pipeline (2015) state that pool funds are ‘unit trusts, meaning investors deposit funds into the trust in exchange for ‘units’ of funds, similar to a mutual fund and that pool funds can be managed by a mutually accepted individual or business as determined in a trust indenture.

Orfano (2010) and Hanks (n.d.) outline the following advantages to investors:

- Smaller investors get opportunities to invest in financial tools which are usually only available for large investors
- Investors save on transaction costs
- Investments are managed by professionals

What are pooled investment funds? (n.d.) adds-on that these funds are normally actively managed therefore the fund-manager searches the market for the best possible profit generating investments which can give investors ‘better-than-average growth’ or get ‘steadier returns’ than by simply following all markets.

However, Orfano (2010) and Hanks (n.d.) warns that investors should be aware of the pitfalls of pool funds like:

- As described it is a pool of people who will have different goals and acceptable levels of risk for investment

- Some advantages went begging due to the time it take to obtain consensus from the members

2.7.4 Social Impact Bonds (SIB)

Social Impact Bonds are a relative new investment product and bring fresh sources of funding whereby an innovative and effective method of transferring risk is used while promoting social benefits and financial returns are possible for organisations that face government funding cuts (Liang, Mansberger, Frank and Spieler, 2014 and Loder, 2011). According to Brest & Born (2013) an investor can generate revenue as well as making a difference by sacrificing some financial gain while achieving social impact. They further state that investors can obtain economies of scale through the fund managers and other intermediaries by providing technical assistance.

Azemati, Belinsky, Gillette, Liebman, Sellman, & Wyse (2013) state that funds are raised from independent commercial or philanthropic investors in exchange for payments from the government if the performance target for set program has been met. These funds are used to contract service providers to meet performance targets. Azemati, et.al. (2013) add that this ‘money-back guarantee’ is very attractive to governments and thus contribute to the success of SIB.

According to Loder (2011) SIB must proof that this channel of funding is more efficient with improved outcomes because the state can also fund the same solutions at a lower cost. He further stated that SIB involves complex negotiation and relationship management skills and therefore intermediaries are needed to manage

SIB. “Given the high levels of activity and interest in SIBs internationally, we expect them to evolve quickly, with variants becoming a mainstream financing instrument” (Loder, 2011, p. 47). The research is consistent with Loder (2011) that although SIB has considerable potential for funding SDF many details should be work out and needs further research.

2.8 Management of School Development Fund

Schools must implement financial plans; keep accounts and do recording, as well as protecting the learning environment from losses, damage and fraud, through internal rules (European Commission/EACEA/Eurydice/Eurostat, 2014). They also warn that when schools do not have proper financial plans in place, the schools will not achieve required objectives and results. A research by Sexton (2004) found that if the principal shows strong leadership qualities, the resources of the school was managed efficiently and financial control was done effectively. Effective planning and control of SDF requires that the headmaster should be well trained in financial management. Inefficient and ineffective management of SDF will serve little purpose even though more funds might increase enrolment of learners in schools (World Bank, 2008).

2.8.1 Who should be responsible?

Currently, the School Board may establish a SDF and should open an account as prescribed in the Act. The treasurer of the Board, under the supervision of the Board should control and manage the SDF and keep books of accounts. The treasurer may never be authorized to withdraw any money from the SDF. Any withdrawal should be done with the signature of the principal and the chairperson or by any two other

persons authorized by the Board. The financial statements of the SDF must be audited by an auditor appointed by the Board (Namibia Education Act, 2001).

According to the Western Cape Educational Department (n.d.) “the school governing body should be responsible for the controlling of school finances, through a financial officer assisted by a financial committee which must include the principal, educators, parents and co-opted members” (p. 4). This system is in accordance with the current system used in Namibia public Secondary Schools and limits decision making. Non-delivery of resources can often not be followed up because it is controlled by the regional office who does not readily know delivery dates. Furthermore this Board may lack the knowledge and skills to properly manage the funds or be too distanced from the direct contact of the schools.

Mestry (2013) suggests that the Board should take charge of the SDF since the principal of the school has a dual role, a member of the Board and an employee of the Ministry of Education, therefore should not be solely accountable for the efficient and effective management of the SDF. Sexton (2004) and Torfaen County Borough Council (2015) however indicate that financial planning and monitoring is the responsibility of the principal of the school, although the principal may delegate some of the responsibilities such as the monitoring of the resources. As a result Sexton (2004) finds that principals spend ‘too much time on administration and financial matters’. He therefore suggests that principals should delegate financial tasks to financial managers, which will allow more time for the headmaster to raise finances.

Levačić (1998) proposes that the Deputy Principal should be in charge of curriculum management, while the Principal are mainly involved in financial management. According to European Commission/ EACEA/ Eurydice/Eurostat (2014) the expertise of the wider community can ensure better use of resources. Therefore, school staff members, parents and the community should play a role in the governance of SDF.

2.8.2 Benefits of good financial management of the SDF for the school

According to Knowhow-Nonprofit (n.d. a) schools can gain the following benefits from effective management of SDF:

- Make effective and efficient use of resources
- Achieve objectives and fulfil commitments to stakeholders
- Become more accountable to donors and other stakeholders
- Gain the respect and confidence of funding agencies, partners and beneficiaries
- Prepare for long-term financial sustainability.

Therefore, according to the Ministry of Education (2000) and Your article library (n.d.) the following actions should be taken by the principal and other persons involved in managing of the SDF:

- Seek non-governmental financial resources to ensure availability of sufficient funds to ensure sufficient teaching and learning resources,
- Link the school with other stakeholders like parents, non-government organisations involved in education, donors and sponsors,

- Be ultimately accountable for all financial transactions,
- Allocate funds prudently and effective utilisation,
- Determine the school budget after thorough consultation with staff members and coordination of all education requirements of the school,
- Ensure the regular release of financial statements and
- To generate and build-up surplus funds for sustainability

2.8.3 Challenges and strategies for effective financial management of SDF

Schools face challenges like administrative incompetence and lack of effective financial management skills. Wekhuyi (2014) concurs that “many principals lack financial management skills hence training programmes needed to be initiated to train the teachers on how to handle finances ...” (p.2). Atieno and Simatwa (2012) conclude that teachers must be introduced to sound financial management strategies and attend in-service financial management courses, before they can be promoted to the position of principal of a school.

All staff members involved with SDF should get proper financial training, which could also be through CSR assisted training. Ismail (2009) states that organizations can, through community development, empower staff members of schools with the needed skills to effectively manage SDF. Reyes (2002) as cited in Dahlsrud (2006) states that CSR should be more than just generous ‘charitable contributions’ but could also assist with management strategies. Levy (2003) as cited in Meuleman (2008) states that “the core belief of New Public Management (NPM) is that incorporating efficiency principles, procedures and measures from the private sector,

and market mechanisms leads to better performance of public administration” (p. 27). The paper concludes that training is needed for all staff concerned with SDF and that schools could benefit immensely from making use of private sector training.

Effective financial management for SDF can be accomplished through in-depth training for the relevant staff members or alternatively the division of duties for financial management and ‘curriculum’ management. Hough (1994) and the Centre for policy studies (n.d.) state that schools must ensure that they have skilled personnel to run their financial management systems in order to maximize education delivery. They further state that it should be accomplished by a comprehensive training program at both national and regional level. UNESCO (1990) as cited in Wekhuyi (2014) argues that principals should be properly trained in financial skills as not to be overwhelmed by their task as financial manager of the school.

Government Gazette, South Africa (1998) proposes that at least one highly-skill financial administrator should also be appointed at schools. When capable financial personnel are assigned at schools, schools can become progressively more responsible for the financial management of the SDF, whereby the purchasing of teaching and learning resources and the direct payment of services.

Schools will then be able to determine the effectiveness of resources, as well as, directly deal with suppliers (Government Gazette, South Africa, 1998 and World Bank, 2008). This can lead to the obtaining of more cost effective resources. Direct contact with suppliers can eliminate long waiting times for deliveries and immediate

follow-up of non-deliveries or late deliveries of teaching and learning resources. Levačić (1998) concurs that schools could obtain cheaper and higher quality services being able to choose their own suppliers, pay promptly and get discounts for this and thereby saving money which can then be used for more and better teaching and learning resources.

2.9 School Management Models

2.9.1 Decentralised management

Decentralisation in education will give more responsibilities to schools and empower them to make decisions within the school. In African countries decentralisation may lead to inadequate finances, resulting in parents forming school councils to raise revenues to provide for resources. They, however, indicate that funds which are raised locally can lead to inequality in spending per learners (State University, 2015). Management procedures should be carefully performed when funds for SDF are managed locally, so that some learners are not wrongfully disadvantaged.

According to Mosteller (1995) as cited in North Central Regional Educational Laboratory (2000) schools will need assistance in the organisation of teaching and learning resources when schools are given more autonomy to manage these resources, especially planning a financial strategy over a longer period of time for the school. He further stated that increased autonomy, initially, often result in changes which fulfil adult needs instead of improving learner achievement.

Schools can gain the following advantages from a decentralised SDF:

- North Central Regional Educational Laboratory (2000) maintains that centralized needs are not communicated effectively to parents and communities, who are a strong ally in new funding to improved learner achievement. Decentralising the SDF can therefore gain parent and community support in raising funds.
- Decentralisation will be more cost effective for schools, assuming that a direct relation between revenue and expenditure will result in less wastage and more responsibility (CIPS, 2007).
- Decentralisation will have the potential of improve accountability due to the closeness of the society (CIPS, 2007; UNESCO, 2009 and State University, 2015).
- Cost recovery will be more feasible for schools and local people will have access to decision-making who could act better according to their own priorities (CIPS, 2007).

Lwendo (2009) argues that a decentralized SDF can also have various barriers, like ‘insufficient human and financial resources, low level of accountability, corruption, patronage and central resistance’. Therefore financial management systems for SDF should promote accountability and value for money, using incentives to manage the fund efficiently and effectively (World Bank, 2008).

Although decentralised SDF faces challenges, it has multiple advantages for the schools. However, strict regulatory methods should be developed and implemented if decentralised SDF funding is implemented.

2.9.2 Charter system

Schools can be managed more autonomously by introducing a charter system. The Centre for Public Education (2012) defines a charter school as “a non-religious public school operating under a contract, or ‘charter’ that governs its operation” (para, 2).

A charter school is funded by government money and may receive additional support through philanthropic funding and business donations therefore adequate funding of schools are left to business interest (Post Primary Teachers’ Association, 2012; National Education Policy Centre, 2012 and Georgia Department of Education, 2015). Even though these schools are funded by tax money they are allowed to get private funding through the Board of Directors. Public schools may (and do) receive private contribution but a study by Taylor (2011) as cited in National Education Policy Centre (2012) found that charitable donations to public school are on average \$15 per learner, compared to charter school who received \$448 per pupil. Therefore the system does not only allow for possible inflow of funds but also allow for experts to manage these funds resulting in more funds received.

These schools are managed by an independent “autonomous non-profit board of directors” (Georgia Department of Education, 2015, para. 3). The Board of Directors has more flexibility in managing the school but higher level of accountability is required. “Charter schools typically select governing board members who have expertise in areas that would enable them to make informed decisions on all aspects of operating a school such as education, law, finance, marketing, non-profit

management or any other background that is critical to the vision of the school” (Georgia Department of Education, 2015, para. 28). A financial system whereby the school personnel, under the management of the principle, assisted by a Board of Directors, selected from parents could be used.

According to the State of Victoria (2013) this strategy helps schools to match their resources allocated to their needs and goals by relating funding to actual cost of teaching and learning. Further the State of Victoria (2013) claims that this system addresses inequities, like rural and urban schools, between schools. A typical ‘charter’ school is provided with a cash budget, responsible to pay for cleaning materials, utilities and teaching and learning materials and personnel cost is outsourced to a payroll service (State of Victoria, 2013).

There is no discrimination in allowing learners into a charter school and charter schools may not charge tuition fees and it might be less costly than public schools (National Education Policy Centre, 2012). They however, state that no clear evidence was found between revenue and spending at public schools and charter schools and those schools in a higher poverty category spend, on average, only slightly more than schools in lower poverty category.

According to Hurley (n.d.) as cited in State of Victoria (2013) “the introduction of the new funding model has necessitated the employment of high quality non-teaching staff” (p. 19). The State of Victoria (2013) suggests that training programs should be

used for school principals and business managers, involved with the SDF, to reinforce knowledge and keep the system consistent.

2.9.3 Local Management System (LMS)

Management of SDF can be performed by different systems. According to Levačić (1998) LMS allows principals and governing bodies of schools to determine how to manage the finances of schools but that the main elements of education, like curriculum implementation and assessment, are still a centralized function of the government therefore LMS is a more general model of School-Based Management

Schools are funded through a devolved budget (Sexton, 2004). Devolution of finances means that responsibility and accountability are moved from a higher level to a lower level, in this case from central government to local governments and schools.

LMS can improve performance because school principals can link resources to performance and they become more accountable (Sexton, 2004). This system allows principals to prioritise the teaching and learning needs of the school and provide accordingly, resulting in learning outcomes improving in the school. Since direct intervention of principals can improve learning outcomes, principals become more responsible in their decisions making.

LMS will increase workloads at school considerably, especially the administrative burden (Sexton, 2004). Levačić (1998) is of the opinion that LMS has its biggest

effect on governing bodies, principals and finance personnel members, while teachers have no involvement in the strategic financial decision making. The National College for Teaching and Leadership (n.d.) adds that LMS will increase the need for someone with sound financial management skills at schools and that proper financial regulations should be in place for school so that money from SDF can be managed 'honestly, reliable and efficiently.' Bullock and Thomas (1997) as cited in to Levačić (1998) report from a survey of 160 schools over three years that over 90% of head teachers 'welcomed the responsibility and flexibility' of LMS. Levačić (1998) warns that LMS should be actively applied toward improvement of teaching and learning and not only to increase the surplus of finances at schools.

A principal quoted by Sexton (2004) states that "overall school performance has definitely been improved by LMS" (p. 57). "We acknowledge the views of school principals and teachers who believe that LMS has enabled them to meet local needs and that there have been more resources spent in the classroom" (House of Commons, 2005, p. 12). Levačić (1998) concurs that LMS provide school manager the means to allocate resources better through the flexibility allowed by LMS, hence possibility of improved school effectiveness.

2.9.4 School Based Management (SBM)

SBM is when the management of the school is not directly under the jurisdiction or control of the government. It is the decentralization of school authority, responsibility and decision-making of school operations towards the principal, teachers, parents, school community members and sometimes even learners within a

central set of policies. This authority could be over one or more of the following relevant activities: budget, allocation, textbook and other educational material procurement, infrastructure improvement (Cranston, 2001; Education and Manpower Bureau, 2006; Shoraku, 2008 and World Bank, 2014).

The World Bank (2007) states that schools' funds are expected to come from government and fees charged which is allocated equally per-head. Morishita (2007) as cited in the World Bank (2007) states that funds can also come from 'outside' namely communities, NGOs and private companies. The World Bank (2009) suggests that such grants should be allocated on a per-learner funding and money should be paid into a school bank account. This should only be for operational funding of schools. According to Shoraku (2008) government contributions can be block grants according to the number of learners

Shoraku (2008) however warns that principals should be competent enough, be able to exercise leadership, be team players and need to develop their knowledge and skills in management. The self-managing schools are still part of the system 'operating within a centrally determine framework of authorities and responsibilities' and are accountable for its performance through public audits (Education and Manpower Bureau, 2006).

SBM will give principals and school management the opportunities to make tailored financial decisions for the school, in line with predetermined guidelines. A possible contradictory argument is that principals then will need more advanced financial

knowledge and management skills. Additional human resources which are needed for SBM could be covered by parents who do volunteer work or donate money for this purpose.

School Based Managed schools is not independently managed but operates within central determined framework of authorities and responsibilities and is therefore publicly accountable through audited accounts by a certified public practicing accountant (Education and Manpower Bureau, 2006). Most SBM projects are done through school board committees which raise funds, raise endowments, approve budgets and examine monthly financial statements (World Bank, 2009). These projects help to involve parents in school management, when becoming custodians of funds received and making financial decisions.

The State of Victoria (2013) argues that the greater budget control allows principals to be innovative and entrepreneurial. It further argues that it ensure that schools become part of the larger community and are able to tap into external ideas. Bell et al (1996) as cited in Cranston (2001) notes that principals must collaborate with teachers and need good interpersonal skills such as communication, negotiation, consultations, persuasion and conflict resolution. According to Leigh (n.d.) as cited in the State of Victoria (2013) schools can hire expert financial advice and the teachers can concentrate on improve student learning.

The World Bank (2009) states that weak accountability in schools leads to school failures. Therefore decision making power should be transferred to local

stakeholders. According to the World Bank (2014) and the Education and Manpower Bureau (2006) SBM leads to improved accountability of principals, teachers and parents. Cranston (2001) states that SBM should increasingly involve communities and parents, therefore the role of principals will also adjust accordingly, from the traditional principal role. SBM further allows for better adaption to local conditions in decision-making. Due to the financial flexibility of SBM control mechanism are required to prevent malpractices (Education and Manpower Bureau, 2006). Therefore they suggest school reports and school functions should be arranged to report financial performance of schools to stakeholders. Shoraku (2008) suggests that the SBM system produce counter result to equality because enough revenues can be devoted to disadvantaged remote areas. However when schools are allowed to finance themselves schools in prosperous areas can collect more money from the community and local private organizations.

The State of Victoria (2013) declares that in-depth financial training is crucial to the success of SBM. In order for school board committees to be able to participate in school management, short courses should be offered to train them (World Bank, 2009). Cranston (2001) states that principals should commit to skills development of parents and teachers.

The World Bank (2009) outlines the following advantages for SBM:

- Input from parents being in-kind or cash
- More cost effective use of resources due to localizing of needs

- Higher quality education due to more effective and transparent use of resources
- Higher community participation result in open and welcoming school environ improving learning results
- Improved learner performance saving money on number of learners who need to repeat
- World Bank’s World Development Report (2004) as cited in the World Bank (2007) add-on that SBM increase flow of resources and increases the access of education for the poor, and

The World Bank (2007) and Cranston (2001) added that SBM in addition provide:

- More transparent management, reducing opportunities for corruption
- Provide opportunities to stakeholder to increase management skills because lack of skills was identified by Cranston (2001) as one of the reasons why parents do not want to get involved at schools.

The State of Victoria (2013, 58) established that the benefits of SBM “outweighs the potential economies of scale of a centralized education system”.

2.10 Control and management procedures of funds

Although the finding of sufficient funds, additional to government contributions, is an enormous challenge to a school community, it is equally important that these funds should be properly managed and controlled through various strategies. Principals and financial personnel need to understand how to operate SDF and need

key knowledge to manage SDF effectively and efficiently. Lohrey (2016) emphasizes that the more a manager knows about financial practices like financial reporting, the better his position will be to ensure that a business is protected from fraud and abuse of resources.

Strong Standard Operating Procedure (SOPs) such as receiving cash and reconciliations are necessary to combat incorrect recording and the loss of cash due to theft and maintain reliable bookkeeping and accounting procedures (Government Gazette, South Africa 1998; Visa Score, 2012 and Lohrey, 2016). Schlapia (2014) concurs that SOPs should be clearly defined and described in detailed instruction in order to reduce errors and wasting time which will reduce costs.

She outlines the following steps for the drawing-up of an effective SOP:

- Identify the person who will be in charge of each specific task, and when and where each task should be completed and what resources are needed.
- Identify the qualifications are needed to complete the task
- Draw up step-by-step instructions to complete the task

The importance of such a well-planned and lay-out SOP cannot be overstated. The International Records Management Trust (1999) claims that “the ability to establish who did what, when, why and how is a powerful means of deterring individuals from engaging in fraud or corruption, thus enforcing accountability” (p. 10).

It is important to tighten responsibility and accountability when the SDF find more methods to increase the funds available for schools. According to the International Records Management Trust (1999) it is possible through well managed, unbiased record keeping. The International Records Management Trust (1999) states that when more activities are exploited to generate funds, the risks, such as fraud and theft will increase and therefore tight regulatory control is needed.

Lohrey (2016) states that strong internal controls, such as transaction authorization and documentation requirements increase accountability and decrease risks associated with financial practices. Horvat (n.d.); National College for Teaching and Leadership (n.d.) and the International Records Management Trust (1999) concur that an internal control system with sound financial principals should be set-up to ensure honestly, reliably, legality of actions, transparency, efficiency and effectiveness. The International Records Management Trust (1999) add that financial systems are subjected to accounting and auditing standards, therefore the financial staff should get support and training from other stakeholders, such as government, schoolboards and corporate support.

Records should be neatly organized for proper auditing, as required by the Act. The International Records Management Trust (1999) states that auditing was traditionally to monitor performance, involving reporting and what systems and controls were in place. Since SDF is largely depending on external corporate support for funding, “the auditors will become increasingly interested in issues like corporate governance of

public [schools], ethical management, risk management and accountability (International Records Management Trust, 1999).

The development and availability of electronic medium, lead to the increase use of computers for recording in Namibian public Secondary schools. Electronic medium presents its own challenges for control and recordkeeping at schools. The International Records Management Trust (1999) identifies three main areas where problems arise due to automation of records. First, electronic records need maintenance or information can become inaccessible. Secondly the controls of access to records are of utmost importance, otherwise information may be inappropriately tampered with. Thirdly are the control measures that are put in place to protect official records, because computer records can be easily altered without it being immediately apparent.

The International Records Management Trust (1999) prescribes that records should be kept safe to prevent unauthorized access, tampering or loss of information. They further advice that it is important that all financial records should be properly labeled and stored securely, including measures like locked doors and cabinets when records are not in use.

2.11 Conclusion

This chapter presented the views of the Education Act on School Development Fund. It further presented the need for change in funding School Development Fund. The literature review highlighted various sources of funds and investment which can be

used for sustainable contributions towards School Development Fund. The chapter also reviewed how such funds can be managed by schools using different management models. Lastly it reviewed the need for good control and management procedures for School Development Fund

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter describes the methods that were used in the present study to collect and analyse the data. The chapter addresses the research design, sample and sampling procedures, the research instruments, data collection procedure, the methods of data analysis and ethical considerations.

3.2 Research design

The qualitative research design was used given the nature of the study. It can answer questions like ‘how’ and ‘by whom’. It covers different ‘perspectives’ and can draw an in depth observation on matters concerned (Patton & Cochran, 2002).

3.3 Population

In this research, the population were all principals and personnel members involved with the School Development Fund, of all 27 public secondary schools registered in the Khomas Region, excluding schools which only accommodate learners with special needs. The research chose secondary schools in Khomas Region because the compulsory payment of school fees was abolished for public secondary schools, commencing 2016 academic school year. Besides, most schools in the Region are located in the urban area of the Region which consists of various socio-economic neighbourhoods and can provide diversity to the study.

3.4 Sample and sampling procedures

In qualitative studies, the aim is not to be representative of the population. “The validity, meaningfulness and insights generated from such studies have more to do with the information richness of the cases selected, and the analytical qualities of the researcher than with the sample size” (Hardon, Hodgkin, & Fresle, 2004, p. 64).

Therefore, the research used purposive sampling with the maximum variation strategy. Maykut & Morehouse (2000) state that it is useful to use this strategy ‘when the sample size is very small’ (para. 2). “When using a maximum variation sampling method, the researcher selects a small number of units or cases that maximize the diversity relevant to the research question” (Cohen and Crabtree, 2006, para. 2).

Therefore the sample comprised of only three secondary schools, one financially strong, one financially average and one financially struggling in order to maximise the variation representative of the population. Financial information regarding School Development Funds, from the previous year was collected from the schools. The schools were divided in three groups, of which one school from each group were randomly selected

3.5 Research instruments

Documents were used because it contains first-hand information, provided background information and brought up issues not noted by other means (Department of Health and Human Services, 2009). In-depth, interviews were conducted with principals of schools and all administrative personnel involved with

the School Development Fund of the school. “This type of interview is used to explore in detail the respondent’s own perceptions and accounts” (Patton and Cochran, 2002, p. 11).

The interviews were carried out in the mother tongue of the respondents wherever the interviewer could comply. This was done by the study to flush out procedural, emotional, and factual details surrounding funding and managing the School Development Fund. According to Goodson and Phillimore (2012) interviewing in the respondent’s mother tongue, rather than in English enhances interview interaction.” The respondent built ‘trust and confidence’ establishing an individual report which helped the respondent to share richer and more detailed information (Brown, 2010 and Goodson and Phillimore, 2012). The data was later translated into English.

Interviews were done at the convenience of the respondents, at the schools. The principal and financial personnel of each school were done consecutively on the same day. A voice recorder and handwritten notes were used to record the conversations during the interviews. The reason for using a voice recorder was to help the researcher to return to the ‘live’ interview to confirm facts. The researcher got permission from the respondents to use the voice recorder to record the interviews.

In this research, unstructured interviews, also known as ‘discovery interviews’ were used to collect data. According to Mcleod (2014) these interviews are informal and more like ‘guided conversation, than strict structured interviews. It contains open-

ended-questions in no specific order, where questions were added or missed as interview progress. Although it was time consuming it allowed the respondents to talk in-depth, using their own words and thoughts on the situation.

During interviews, “unfortunately, individuals may reveal information that they believe is socially acceptable rather than a true representation of their experience” (Arhar, Holly, & Kasten, 2001; Patton, 1987) as cited in (McClure, 2002).

3.6 Research Procedure

A letter was written to the Permanent Secretary of the Ministry of Education requesting permission to conduct the study in secondary schools in the Khomas Region. The letter stated the purpose and the significance of the study. Written permission was obtained from the Permanent Secretary of the Ministry of Education to conduct the study in secondary schools in the Khomas Region.

A letter was also written to the Regional Director of Education for the Khomas Region seeking permission for the study and written permission was also obtained from the Regional Director of Education for the Khomas Region for the same purpose.

Letters were also hand-delivered to the principals of the participating schools with copies of both permission letters from the Permanent Secretary and the Director. All three principals gave written consent to the study.

The researcher made appointments with schools, well in advance. Financial personnel were briefed on the reason for the study and were asked to feel free to participate. All participants were assured that the information was for research purposes only. To ensure reliability and validity of the interviews information from principals was compared to the information obtained from the staff involved with the SDF.

3.7 Data analysis

The data from interviews were transcribed and coded into a few important groups of key categories. From those categories, themes which could be interpreted and discussed were identified through further analysis. That was necessary because free flowing conversation and open ended questions were used in the interviews

The information was cross-checked between the different respondents from the same school. This was done to evaluate for validity and reliability. The researcher probed and confirmed information with the respondents and asked for clarification to verify the researcher's understanding of data.

3.8 Ethical considerations

Before starting with the interviews the researcher briefly explained the aim and objectives of the study to all the respondents. The respondents were given consent letters to read and sign to indicate their willingness to take part in the research. All respondents were assured of confidentiality and that their responses would only be used for this research. To ensure anonymity schools were coded as high, average and

low income group and no names were required. Participation in this study was voluntary as no one was forced to take part. The research participants were assured that refusing to participate or withdrawing from the study would have no adverse effect on them. Data was stored in a locked cabinet in the researcher's office and will be destroyed after five years.

3.9 Conclusion

This chapter focused on the research methodology used to collect the data from the respondents. The research design, population, sample and sampling procedures, research instruments, data collection procedures, data analysis and ethical considerations were discussed. The next chapter presents the results of the study.

CHAPTER 4

PRESENTATION OF RESEARCH RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the results and discuss the outcome of the study conducted in the public secondary schools in the Khomas Region. Reports and documents were reviewed to find sources of funding and models to manage SDF.

The results are presented in accordance with the research question, namely:

- (i) What source of funding is available to finance School Development Fund?
- (ii) To what extend are public schools aware of these sources and do they have the necessary expertise to generate and manage funds by using these sources?
- (iii) What financial management school models can be used to manage School Development Fund effectively?

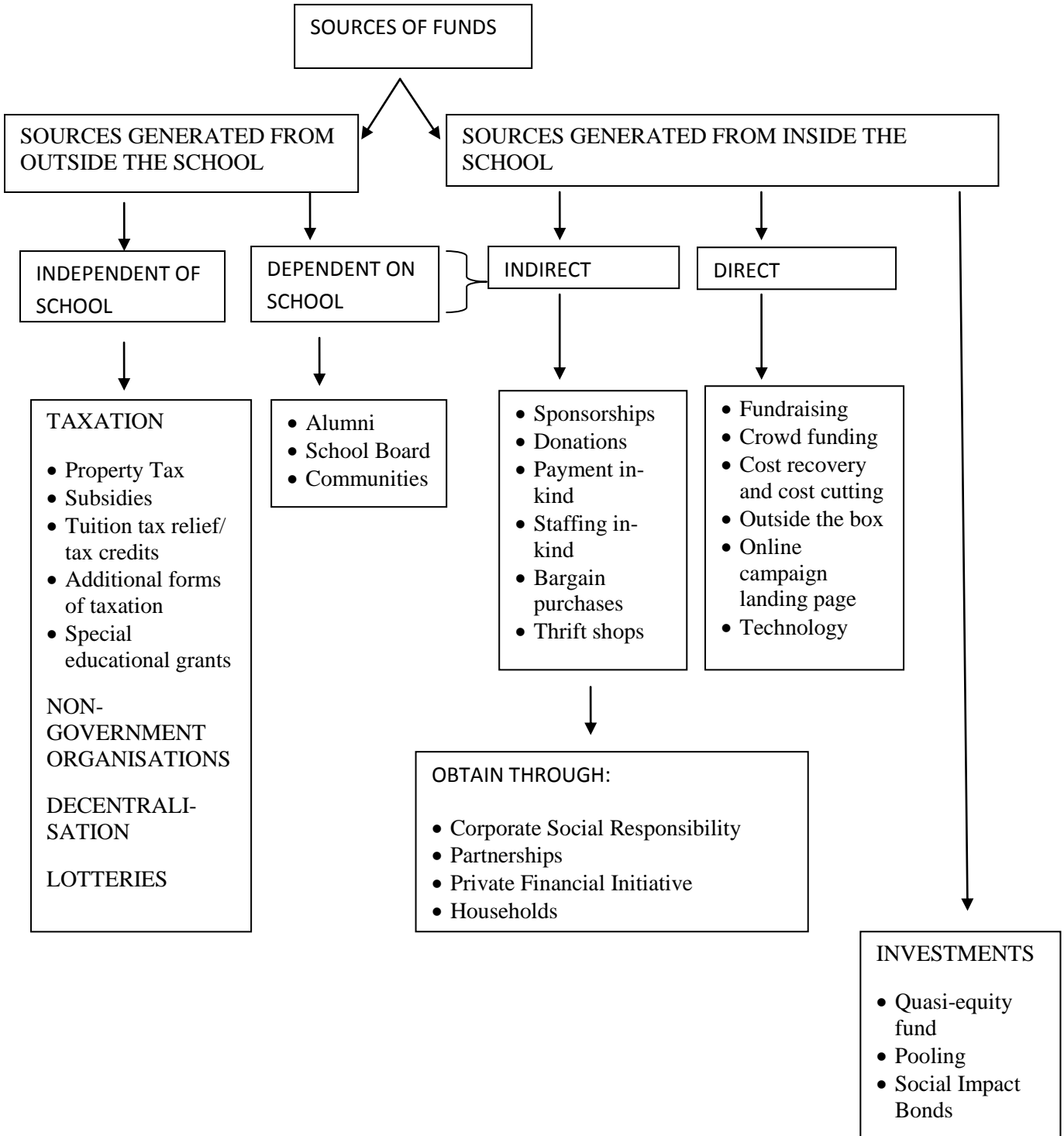
The researcher conducted interviews with the principals of three schools, as well as the financial personnel of these schools. The maximum variation sampling method was used to get the largest amount of information. The data regarding sources of funds, obtained from documents and reports, is presented first followed by interviews with principals and financial personnel.

4.2 Sources of funds

Recent literature reveal various sources of funds which can be used to generate funds for School Development Fund.

Diagram 1

In the diagram below the researcher illustrates the different sources of funds.



Sources of funds can be divided in two basic origins. Funds generated from outside the school and funds generated from inside the school.

4.3. Sources from outside the school

Funds from outside the school can be divided in two groups, namely the group which generate sources totally independent from the schools. These funds include Taxation, Non-government organisations, Decentralisation and funds from Lotteries. Schools do not have any influence on decisions regarding these funds and policy changes are needed to introduce these methods of funding for School Development Fund. The second group from outside is the groups dependent on the schools like Alumni, School Boards and Communities.

4.3.1. Sources independent of school

These are sources which can be used to raise funds standing independent of the existence of any school.

4.3.1.1 Taxation

Various kinds of taxation were identified to source funds for School Development Fund, although further research are needed to determine which of these funds will be the most appropriate to use for School Development Fund in public secondary schools in the Khomas Region.

The following kinds of taxation were identified:

- Property Tax

Information regarding the ownership of property, by parents/ guardians, was limited. Two principals said that although they do not have substantial proof, many of the learners dwell in rented houses and that some learners even dwell in squatter camps. Therefore taxation on property should be extended to all property owners, but if the distribution of funds is limited to the communities it generates from, some schools will still receive fewer funds.

- Subsidies

According to the principals the schools receive a fixed amount per learner to cover the cost of education delivery. Such a subsidy was also addressed by Ikela (2012). From the interviews it was found that the government budget took over some costs of the schools, like vehicle licence cost and that the government store provides additional copy paper to schools. The principals unanimously agree that this subsidy is not enough to meet the needs of the learners.

Although the two principals, one from the average and one from the lower income group, recognise that their school is better off since the abolishment of the compulsory school fees by households and fixed subsidies are received from the government budget. This finding was unexpected and suggests that the abolishment of compulsory school fees was not an unhealthy decision by the government. The principals, however emphasize that School

Development Fund is still needed to supplement these subsidies to provide effective education for all. According to the Albert Shanker Institute (2012) and the World Bank (2008) funds are needed to supplement government subsidies and to provide sufficient teaching and learning materials as Sanyal and Martin (1997) and World Bank (2007) claim that funds from the government are not enough for effective teaching for all.

- Tuition tax relief/ tax credits

Tax relief/ tax credits can only be approved by the Taxation Act, but could be considered by the relevant authorities. Individuals, not limited to parents and guardians, might be willing to donate money to schools in order to gain tax relief/ tax credits. However, poorer families will not benefit from tax relief/ tax credits according to European Commission/EACEA/Eurydice/Eurostat (2014) because they do not earn high enough taxable income to pay taxes.

- Additional forms of taxation

Only the government can make decisions on forms of taxation. Adeyemi (2011) recommends that it should be considered too add to school funds.

- Special educational grants

According the principals, schools receive additional grants since the abolishment of compulsory fees, which included payment for provision of security at schools and internet connection.

4.3.1.2 Non-government organisations

The average income school is a member of UNESCO, whereby funds are sometimes allocated towards School Development Fund.

The principal from the low income group said the school are in partnership with Germany, who donated chairs for the school hall, as well as funds for education delivery. The German partners also visited the school on their own cost.

The German-partnership proves the statement by Oxfam (n.d.) as cited in Godrej (2014) that ‘rich’ countries commit to help countries to uplift themselves out of poverty. According to Ulleberg (2000) some Non-Government organisations aim to traditionally contribute towards filling gaps and capacity building. The main finding in this study is that these partnerships exist more often with previously disadvantaged schools which mostly designate under lower income schools.

4.3.1.3 Decentralisation

A decentralised system is in use whereby the Ministry of Education is divided in Education Regions, of which the Khomas Region is covers the central parts of the country. The principals confirmed that they have to interact with the Region office for assistance and that all materials, like books, desks and chairs are distributed from the Regional office.

Although the schools received stationery from the Regional government store, it was not enough. According to one principal it only covers 85% of the needs of the

learners. Furthermore, two of the principals said they had to wait up to four weeks, for the stationery. The only principal who stated that stationery was 'on time', added that he followed up the stationery order at the government store, weekly and that the school even collect the materials themselves, from the government store. This finding was consistent with the report by Tjitemisa (2015) stating materials received from the government is just not enough and often late.

The research did not determine if these Regional offices may generate funds which can be distributed to schools. This could however be followed up and researched.

The Ministry of Regional, Local Government and Housing (1997) identifies the following methods that funds can be generated by decentralisation in different regions:

- Livestock levy
- User charges
- Grazing fees
- Property tax
- Commercial farmers and other land user's tax
- Royalties from natural resources and Permission to Occupy
- Forest product levies
- Compounded animals levy
- Turnover tax on business
- Toll gate fees
- Payroll tax
- Abattoir fees

- Dog tax
- Community water management fees
- Informal trade license fees and tax collection (p. 8).

4.3.1.4 Lotteries

Lotteries can only be approved by the government but it is worth investigating the financial value they can have towards contributions to School Development Fund.

4.3.2 Sources dependent on schools

These funds can be raised from sources which depend on the existence of the school.

4.3.2.1 Alumni

Contradictory information was obtained from the principals regarding the benefits of Alumni for the schools. One principal compared his school to other 'older schools with big traditions' and said that he belief his school is not yet at this point where an Alumni organisation will play a big role in funding School Development Fund. He said that his prime purpose, as principal, is to deliver effective education and that he therefore does not pursue Alumni to fund SDF but agrees that alumni could form their own trust to contribute towards the School Development Fund. Another principal said the school has an Alumni organisation which organise functions, like gala dinners to generate funds for the school. The other principal said the school has a 'kind-off' Alumni organisation but he was unsure what role they really play in the generating of funds.

This study was consistent with Ward (2014) stating that schools generally do not pursue this effective method of raising funds. The Post Primary Teachers' Association (2012) stated that although schools have different capacity in raising funds from former learners, all schools should have an Alumni association which can assist schools.

4.3.2.2 School Board

The school in the higher income group has an active School Board, meets the requirements of the Act, oversees the School Development Fund, although the school does not expect specific fundraising activities from the Board. The school from the average income group has a 'helpful' School Board who helps the school to raise funds from time to time. The school in the low income group has very little support from the School Board. The principal feels that parents with knowledge and skills who will be able to assist the school are not willing to serve on the School Board.

This result speculates that schools which are supported by an active School Board are doing significantly better financially, although they do not necessarily generate funds which could contribute to teaching and learning at schools. The Government Gazette (1998); Post Primary Teachers' Association (2012) and British Broadcasting Corporation (2015) advocate that the School Board should actively generate money for School Development Fund using various activities.

4.3.2.3 Communities

The principals said that the immediate community of the schools are not contributing funds towards the schools. One principal added that his school sometimes get small donations from two business organisations in their community; the school however often make use of them for fuel and other small services. Mendelsohn (1997) and Wylie and King (2004) agree that community must support the government in funding schools to ensure effective education delivery.

The World Bank (1999) has identified the following ways through which community can contribute financially towards education delivery:

- Raising money for schools
- Constructing, repairing, and improving school facilities
- Contributing in labour, materials, land, and funds
- Recruiting and supporting teachers
- Monitoring and following up on teacher attendance and performance
- Forming village education committees to manage schools
- Garnering more resources from and solving problems through the education bureaucracy
- Providing security for teachers by preparing adequate housing for them
- Handling the budget to operate schools (p. 9).

4.4 Sources from inside the schools

Since the abolishing of compulsory school fees by the Minister of Finance, a fixed amount per learner is paid to schools to meet the schools' educational requirements.

Two principals, the low and average income group, said that their schools are in a better financial position since. The funds are however not enough for effective and efficient education delivery according to them. The principals said they do not know alternative methods of generating funds, but also said they are not actively working towards finding alternative sources of funds.

The government is the main and sometimes the only provider of funds towards education in public secondary schools. It however is not enough to meet all education needs in schools and should therefore be augmented with additional funds. It concurs with studies by Sanyal and Martin (1997) and World Bank (2007). The findings in a study by Wylie and King (2004) and the Albert Shanker Institute (2012) agree that the government only pays for the most basic needs in education and therefore additional funds are needed to maintain and improve the quality of education in public secondary schools.

4.4.1 Indirect sources

Many sources, either directly or indirectly, were identified which schools can use to generate funds for the School Development Fund. These sources can also be utilised by the groups dependent on schools for generating funds. Some funds are referred to as indirect because schools can obtain them through Corporate Social Responsibility of organisations, Public Private Partnerships, Private Financial Initiative and Households.

According to the principals CSR support does not exist effectively in Namibian education. All the principals recall some sponsors mainly for activities like price giving and field camps, where the businesses gained some mileage from the media covering of these activities. The principals indicate that they are not actively involved in searching for possible long time sponsors and donors. They get small, once-off donations from time to time, mostly for an identified activity at the school, like sport days.

The financial personnel are currently not involved in sponsors and donors and do not have any responsibilities to raise funds for SDF according the interviews conducted with them. The findings show that few specialist organised CSR programmes exist in the supporting of education delivery in public secondary schools. The study reveals that the schools do not do networking and do not have long standing relationships with their donors and sponsors. According to Gao (2010) and Knowhow-Nonprofit (n.d. a) it is important to continuously find and approach sponsors, as well as building relationships for sustainable contributions from sponsors and donors.

These sources are:

- Sponsorships

Since businesses want recognition for sponsorships, it is accepted that they are best for the use in extracurricular activities at schools.

- Donations

Organisations make donations for the following reasons: philanthropy, affinity, social recognition and mutual benefit. Donations should be more than just signing a cheque. It should be accompanied by assistance and guidance (Gao, 2010). Lastly, all donors, big and small, should be properly recognised, because good relationships are the ‘soul’ of giving. Small donors can become major donors through building good relations.

The schools have not yet asked for any voluntary donations from parents offering various reasons, like we first want to determine our financial position in the new era of education, the school is not sure if parents get the communication and lastly that parents still feel intimidated if asked for money, thus are not willing to make voluntary donations.

The principal from the high income group said that some parents express concern on quality of education since the abolishment of compulsory school fees and proposed voluntary financial assistance. The school did not take up the propositions of these parents yet.

An implication of these findings is that parents are willing to participate financially, with in-kind or voluntary cash donations, in their child’s education although this funding option was not yet investigated properly by schools. Further studies are required to establish the loyalty of parents towards education delivery and the willingness to making voluntary donations.

Good relations are the ‘soul’ of good and long term donators. Therefore the paper agrees that the following steps by Knowhow-Nonprofit (n.d. a) should be followed to find donors and build good relations.

Step 1 - Identify potential donors

Step 2 - Research potential donors

Step 3 - Plan for potential donors

Step 4 - Involve the donor

Step 5 - Ask the donor, by telling them what their gift could achieve and be willing to answer lots of questions from possible donors

Step 6 - Close the agreement by meeting with Trustees/ Finance Director/ Chief Executive

Step 7 - Thank the donor without delay to build relations for possible future Donations

- Payment in-kind

Stakeholders do not always have to give money but can contribute in various ways to support directly or indirectly towards SDF like knowledge, expertise and professional services. Saving on the use of external services will allow for more funds available for education delivery.

In-kind contribution (n.d.); Grantspace (n.d.) and Providing In-Kind Support (n.d.) identify the following ways that business organizations can contribute in-kind towards SDF:

- Goods, like computers, software, furniture and equipment, stationary, furniture, filing cabinets, shelving, fax machines, printers, photocopiers, telephones, books, appliances, food or drink, building supplies
- Services, like copy services, administrative support, professional services
- Expertise, like strategic planning, expertise in the form of staff time
- Cost reduction by suppliers
- A grocer providing soft drinks and food supplies, which the school can sell.

One of the principals said his school received a once-off in-kind donation from a parent. Another principal said extra-classes are offered in-kind to the learners. He expressed the need of training for the teachers during these sessions. He further stated that the school has to hire a professional accountant to assist the school.

Although in-kind donations do not receive equal 'cash-value' recognition according to Poderis (2008) it is an effective method to fill needs for teaching and learning at schools. Although one principal indicates that he does not want any assistance from outside to help the school to raise funds for SDF, the remaining principals indicate that it is a definite requirement that the schools get assistance from specialised persons from outside to raise and manage funds for the school.

The principal from the low income group says the school hire a private person to assist in financial management and record keeping. The principals agree that it might be difficult for the Ministry of Education to provide such a specialised

persons to each school, they are non the less convince that schools need persons with specialised knowledge and skills to raise funds for SDF. According to the principals their main responsibility are to teach and not finding funds using all kinds of business principles. Therefore even though many sources may exist, they are not really aware of them, neither do they have any knowledge of them. The principals fervently expressed that it is not their responsibility to explore and integrate financial sources in schools.

As further discussions will proof, lack of training in financial skills for principals influence schools' efficiency and therefore assistance should be obtained. The paper agrees with the South African Government Gazette (1998) which proposes that at least one financially skilled person should be employed by schools.

As indicated by a respondent, it might be difficult for the government to fulfil this need of schools; there are however other solutions for schools. Firstly, schools can obtain in-kind advice. As suggested by Reyes (2002) as cited in Dahlsrud (2006) and Ismail (2009) business communities can empower schools by assisting in sharing financial strategies with schools. Secondly, business organisations can share the skills of financial personnel members with schools to assist schools as suggested in studies by Reyes (2002) as cited in Mazurkiewicz (2001) and Gao (2010). Thirdly, decentralized management can be introduced whereby schools can be guided by local conditions and direct decision making. Unless carefully monitored, according to Lwendo (2009), decentralising can raise its own difficulties, like insufficient commitment and accountability and corruption.

- Staffing in-kind

One principal stated that the school sometimes approach parents who are paid accordingly, to assist in the school with invigilation. Although teaching is a specialised career, organisations can assist schools with ‘human capital’.

- Bargain purchases

Bargain purchases need highly qualified personnel and could be done collectively with Private Financial Initiative and/ or Public Private Partnerships but are warded off by the following findings from the interviews by the researcher with the principals.

The interviews determined that the school buildings are under treasury instruction and belong to the Ministry of Works. Although the European Commission (2014b) indicated that different authorities can be responsible for funding of education, interviews with the principals indicated various challenges as a result of this current provision of school buildings.

Firstly, many organisations and private peoples are interested in renting buildings and facilities at schools, whereby the schools can earn income, however, it is not allowed according to treasury rules. The principal from the higher income group stated that the school get various offers to put up bill boards on the school grounds, due to the geographic location of the school, but the Ministry of Works does not allow it and even if it was allowed the income will be that of the Ministry of Works

and not for the school. The other schools alternatively rent out their sports fields and school hall, after permission was granted from the Ministry of Works.

The World Bank (2008) believes that renting of facilities can be a useful, although uncertain, income for schools, but due to treasury rules it is not possible for public secondary schools. Income generated by renting facilities must be paid to the Ministry of Works, although allowances were made to some of the schools for renting of buildings and facilities.

Secondly, the principals are in accord that it is difficult to manage the maintenance to buildings due to the division of power between the two Ministries. The principals emphasized that no maintenance, especially the upkeep of restroom facilities, is available for schools and thus negatively influence the delivery of education in their schools. The interviews revealed that extensive amounts of money are used from the SDF for the upkeep of these facilities.

Instead of using SDF towards maintenance, PFI programmes can be introduced for the maintenance at schools for buildings, thereby overcome the problem of scarcity of government funds according to Butler and Stewart (1996) as cited in McCabe, McKendrick and Keenan (2001). The paper agrees with McCabe, McKendrick and Keenan (2001) that education is a fertile area for PFI due to extensive need for maintenance which will improve education delivery.

Lastly all principals stated that the Director of Education is positive and willing to grant permission for funding through using of buildings and facilities and therefore policy changes might advantage education delivery. Renting of buildings and facilities will need extensive control to prevent fraud.

A study by Gao (2010) recommends policy changes to fund education projects, especially in developing countries.

- Thrift shops

This is retail shops which ordinary sell donated goods either new or second hand.

The Charity Retail Organization (n.d.) outlines the following guidelines to operate thrift shops effectively:

- These shops are mostly run by a manager assisted by volunteers.
- Thrift shops can obtain tax concessions
- Volunteers receive training in retail to guide them in sales techniques and displays
- Some donations are unsaleable, but could be sold to recycling companies
- Goods from donations should be cleaned before they are put on display for sale

4.4.2 Direct Sources

- Fundraising

From the interviews with the principals the study deduces that the schools are not highly committed into fundraising activities, although one of the principal acknowledges that some fundraising activities are held by the School Board.

According to the Ministries of Education (2000) and Ayson (2010) these ‘fund-raisers’ can include activities such as:

- Sponsored walks,
 - Competitions/ quiz evenings/ spelling competitions
 - Festivals/ galas / school fairs
 - Raffles
 - Cake sales,
 - Auctions
 - Christmas dinner / dances
 - Advertising (includes payment to distribute pamphlets etc.)
 - Parent evenings
- Crowd funding

Donation crowd funding is the raising of funds from the general public, instead of traditional investors, whereby social media can also be used. Investors do not expect financial returns but it has advantages to include the investors in activities of the school for which the money was ‘earmarked’. Households can be approached for voluntary donations which can contribute towards crowd funding. In this way parents

with the financial means can assist SDF. Such voluntary donations are supported by Hindle (2007) and the World Bank (2008) state that 'rich' people who can afford education should not be subsidised by the government, especially in developing countries.

- Cost recovery and cost cutting

As discussed prior in this report, cost recovery is hampered by Treasury rules, which prohibits schools to use buildings and facilities for income purposes through cost recovery. Mendelsohn (1997) and Fischer (n.d.) suggest that some shortages at schools are because of wastage.

One respondent said that the school has enough text books, but he contributes it to outstanding management of text books at the school. Due to the textbook management structures books can be used for more than the required life span and damaged text books or text books not returned by learners must be replaced by the learners. Another respondent stated that the school does not have enough textbook, although his school also has a recovery policy on damaged and non-returned textbooks. He contributes the problem of textbooks to the lack of knowledge of learners to properly take care of textbooks and therefore the life span of the text books are only two years and not five, as prescribed by the Ministry of Education, and thus not replaced often enough. The research supports Pinter (n.d.) and Penrose (1998) who suggest that textbook funds were learners share the cost of textbooks, will improve the quality use of the text books and more books will be returned in a good condition and books can be used efficiently over longer periods.

All the principals state that resources like chairs and desks are enough, although one principal said the SDF was used to fill up some shortages. The study differs with the findings of a study done by the Millennium Challenge Corporation (2008) stating that classroom facilities like chairs and desk are not enough.

Two of the principals say that their schools have an enormous shortage of teaching-learning materials, like posters, for the class rooms. One principal states that teachers sometimes provide some of the teaching-learning materials for their class rooms from their own pockets. The other principal states that companies ‘hand-out’ education materials and that they make use of these opportunities to provide for class room needs for materials.

Score (2013) proposes the following methods for cutting of costs:

- Earning of discounts as loyal customer when purchasing office supplies and teaching and learning materials. Schools can negotiate with suppliers for discounts, whereby they will exclusively make use of this supplier.
- Decreasing postage cost by making use of encrypted emailing services. Instead of using traditional mail for report cards, school can make use of technology

Cutting of administrative cost, using bulk buying or make use of online purchasing services at eBay, uBid, Yahoo Auctions or Amazon. Since the principals said that the SDF is mainly used for the leasing cost of photocopy machines, photocopy paper, water for sports fields, teaching and learning

aids, maintenance of vehicles and some maintenance to buildings, especially the ablution blocks. The results are broadly consistent with a study by Mendelsohn (1999) which notes that some educational costs, like sport and culture, are not covered by the government

Since the School Development Fund is largely responsible for copy paper and teaching and learning aids, it is possible that some of these materials can be bought online at cheaper prices. Schools should also have more awareness for the saving of water and electricity costs as agreed by *Saving water and electricity in schools* (2016). The paper further supports the viewpoint of Mendelsohn (1997) that the community should get more involved with renovation work and thereby ‘develops a culture of maintenance’.

- Cutting telephone charges by making use of Skype and WhatsApp calls or using toll free numbers when possible.
 - Barter. In exchange for cheap supply of materials schools might be willing to do promotions for the suppliers, in the community the school serves.
- Outside the box

Schools can take more active action to generate funds for the School Development Fund. A memorable example of such active action can be seen by the action of the Vice-Chancellor of the Nelson Mandela Metropolitan University, who climbed Mount Everest to raise funds for the less fortunate students (Nelson Mandela Metropolitan University 2015).

- Online Campaign Landing Page

Acknowledging the popularity of social media, it is possible to raise funds from a very wide pool of people. All principals confirmed that their schools have computers and internet. Internet is supplied by the government. The bigger challenge is that an Online Campaign Landing Page needs persons with skills and knowledge according to Patterson (2015). The principals and other financial personnel lack the necessary skills and it was inconclusive if the schools have academic personnel with the necessary knowledge and skill to manage an online campaign.

The study therefore suggests that the following guidelines by Claire (2013) are followed for a successful online small gift fundraising, using online donations.

- Request must be perceived as more than reasonable.
- Small donors must be made to feel like a big shot.
- The ‘Ask’ must be targeted towards a specific goal –donors would possibly be more eager to donate small amounts for different projects.
- Requests must be targeted to someone with affinity for the cause.
- The ‘Ask’ must trigger impulse giving.
- Donors must be able to respond easily and quickly.
- Organizations must be able to secure contact information.
- Promotional platforms of choice must reach your target audience.
- The school must have an acknowledgement and reporting system in place to close the loop and assure the donors feel good about their gift.
- The campaign must be inexpensive to implement.

- Technology

According to Thompson (n.d.) school can save funds and improve the quality of education delivery through the use of technology. He outlines the following affordable strategies to acquire the necessary technology and saving money, in the secondary schools, which suit their needs:

- Bundled service agreements with organisations in order for schools to obtain equipment and services at below market value prices.
- Consortium buying whereby schools can aggregate purchasing power thus negotiating most favourable terms.
- Leasing (or financing) which can spread the cost over the life time of the equipment.
- Family purchase programs whereby government give loans and possible tax relieve to make it affordable for families.
- Bring your own device initiatives, whereby learners are encourage to supply their own equipment, like iPhone or computer to use in the class.

This finding suggests that using the technology approach could be beneficial but more research is needed to determine the possibility of successful implementation of technology as major teaching and learning resource in public school in the Khomas Region.

4.4.3 Investments

The research identified a further source which can be used from inside the school, namely Investments. Only one school has some funds invested on a fixed deposit, which the principal states are for special needs in the school. The following are however special investment funds which can be used to fund SDF.

4.4.3.1 Quasi-Equity Fund

Since schools are not independently owned this investment is not available for funding SDF since government property cannot be financed by equity and debt. Policy changes could however be researched for the funding of SDF.

4.4.3.2 Pooling

As Pooling is a collective investment schemes, households through voluntary contributions can share with public investors to fund SDF.

4.4.3.3 Social Impact Bonds

This is ideal funding for SDF, although it is a relatively new method of investment, because it has an innovative way of transferring risk and financial returns for organisations faced by government financial cuts. Furthermore improved quality education for all has high social impact, which could be used to the financial benefit of schools. Brest & Born (2013) agree that investors can generate funds with Social Impact Bonds as long as some of the financial gains are sacrificed to achieve social impact. According to Azemati, et.al. (2013) it is attractive to the government and thus attractive for funding SDF. Loder (2011) insists that it is used successfully

internationally and therefore can become a ‘mainstream’ of funding. It should be researched and conceivably implemented to fund SDF of public secondary schools.

4.5 Expertise, knowledge and skills of principals

The participating principals have been principals for between seven and fifteen years. They claimed to all understand the Education Act; especially part vi, which deals with the requirements of the SDF. The understanding of the Act was mainly obtained through self-study. Two of the three principals indicate that they were assisted by additional materials and ‘workshops’ attended which was conducted by the Ministry of Education. The ‘workshops’, however, was for general training of principals and not specific related to the presentation and training of the Act. One principal states that he only gains in-depth understanding of the Act through communication to other principals at these ‘workshops’. The announcement of the Minister of Finance regarding the abolishment of compulsory ‘school fees’ resulted in abolishment and obliteration of SDF by the principals at the schools.

This study makes a contradictory finding regarding the claim of principals of their understanding of the Act. The research concludes that the principals have conceptual understanding of the Act. It is evident for the reason that the principals perceive SDF and ‘school fees’ as the same thing, as determined by Hancox (2010), resulting in schools obliterate SDF and ceases to generate opportunities to fund SDF. They overlook the part of the Education Act which allows for donations and money from other sources, like interest from investments, towards SDF (Namibia Education Act 16 of 2001).

From the interviews it was evident that the principals do not have any official financial training. One principal indicates that he received some training, but he is not convinced that it was on the level which is needed for a principal. The other two principals made it very clear that they do not have the financial knowledge and lack the financial skills to be responsible for the generating of funds and the sustainable managing of the SDF. One participant stated that training for principals by the Ministry of Education are lacking, to such an extent that reporting of school finances, to the Ministry of Education, was extended to a later unannounced date.

These findings are consistent with studies by Atieno and Simatwa (2012) and Wekhuyi (2014) which propose that prospective principals should undergo in-depth financial training before they can be promoted to the position of principal. It is important that principals have the financial knowledge and skills to reach the full potential of schools for efficient education for all. Studies by the European Commission/EACEA/Eurydice/Eurostat (2014) and the World Bank (2008) confirms that schools will not achieved required results, even if more funds are available, when principals are not trained in financial management.

The required level of training for principals in financial management strategies according to UNESCO (1994) and the Centre for policy studies (n.d.) can be obtained through comprehensive regional and national level. The research therefore advices that newly appointed principals should enter into a ‘National Principal Qualification’ program which includes intensive financial training for principals.

4.6 School Management Models

Schools need proper financial plans to achieve required objectives and results. (European Commission/EACEA/Eurydice/Eurostat, 2014). Since this study only concentrates on the management strategies of School Development Fund, the study only investigates the financial management strategies of the following school management models.

4.6.1 Decentralised management

Principals will be given more autonomy to manage the resources, but will need assistance. This model can often lead to the fulfilling the needs of the teachers and not the learners.

Advantages like higher parental and community involvement, better cost recovery, as well as more effective cost management was identified. This will help finding and implementing sources as previously discussed in this report. However, the World Bank (2008) and Lwendo (2009) warn against ‘insufficient human and financial resources, low level of accountability and corruption’.

4.6.2 Charter System

This model allows for a Board of Directors to manage the school. Although it will give the opportunity to get highly skilled persons to manage the school, it will require more research to measure the feasibility of this model in public secondary schools in Namibia.

The State of Victoria (2013) outlines the following advantages for the charter funding model for schools:

- Allowed schools to base resourcing decisions on the specific learning needs of their own students and in line with their own School Charter;
- Amalgamated separate resource allocations into a one-line budget;
- Gave schools effective control over their total budget; and
- Removed the restrictions and demarcations associated with separated funding (p. 22).

4.6.3 Local Management System

This model allows for principals and governing bodies to manage the finances while the other elements of education delivery, like curriculum implementation and assessment are still managed by the central government (Levačić, 1998). Schools are funded through a devolved budget. Principals can link resources to results, but the model also required high level of administrative involvement increasing the workload of financial personnel.

From the participating schools, only two schools currently have financial personnel dealing with SDF. In the other school, the post was vacant. The financial experience of the respondents varies between six years and eighteen months. Both respondents said that they have a lot of financial experience from their previous jobs but did not receive any training from the Ministry of Education for the managing of the SDF and only learn the regulations of receiving, banking and recording of SDF by doing the work.

The respondents agree that a person appointed in such position at schools should have financial knowledge and skills and that it is important that the person is properly trained. One respondent is of the meaning that the Ministry of Education must make provision for a trained accountant at the school to handle all financial matters which can include fund raising, while the other respondent said that sufficient experience is enough to fill this position.

Although the managing of the SDF is the responsibility of the School Board and the principal according to the Act, each school appoints a 'secretary' to deal with the SDF. This study has shown that although the respondents have the necessary experience from previous job positions, their tasks are limited to receiving, banking and recording of funds. The respondents suggest that their knowledge and skills from previous experience was on par and that they would have been able to fill the position of an accountant for the school, handling more tasks like generating funds which is in line with the proposal of the Government Gazette (1998) and the Western Cape Educational Department (n.d.) to appoint a specialised person to deal with the financial of the SDF. Schools can benefit from specialised financial management as described by Knowhow-Nonprofit (n.d. a). More research in this area is necessary before decision can be taken regarding the position and appointment of financial managers at schools, although the appointment of more financial personnel should be considered if the Local Management model is implemented at schools. The flexibility of LMS can improve the effective education delivery for all.

4.6.4 School Based Management System

In this model some of the decision-making authorities can be decentralised and under the jurisdiction of the principals of the schools. According the interviews with the principals, decisions regarding textbook and other educational material procurement and infrastructure improvement can improve education delivery at schools.

Shoraku (2008) however warns that principals should be competent enough, be able to exercise leadership, be team players and need to develop their knowledge and skills in management. This sentiment is shared by one of the participating principals who state that the idea of more authority of decision-making is ideal but he thinks that principals will not be able to handle the local management due to lack of knowledge and skills and therefore a lot of training is necessary in order for the schools to be successful.

As the report previously discussed principals do not have the necessary financial knowledge and skills. The financial personnel, appointed have some financial knowledge and skills but their tasks are limited to financial administrative duties. The research concludes that policies have to be reviewed whereby principals are trained and qualified financial personnel are appointed with a job description whereby they can be involved with the sourcing of funds and the management thereof. The principals are in accord that they are in favour of more authority on various financial decisions in their schools. They belief there will be many advantages for their schools and thereby improve effective and efficient education for all in their school.

They foresee the following advantages for their schools in the case of SBM:

- Improved time management.
- Saving delays from government store deliveries.
- It will allow the school to rent facilities.
- Cost recovery can be done.
- It will be easier to meet specific needs of each school.
- Schools will be able to negotiate prices with suppliers.
- It will be easier to follow up non-deliveries from suppliers.

The findings are consistent with the advantages which were found in a study by the World Bank (2009). Policies should be reviewed for the implementation of one of the above mentioned models, which is used successfully over many countries of the world. The State of Victoria, Australia, finds that the use of more localised management of funds have more advantages than disadvantages for the effective delivery of education for all (State of Victoria, 2013).

4.7 Control and safe keeping

Proper management and control of funds are just as important as the sourcing of funds. Interviews with financial personnel revealed that proper control and safe keeping of funds and records. They state that receipts with the school logo are issued for all funds received for SDF and funds are cross checked with a second person not involved with finances before it is banked. Bank reconciliations are done regularly and both schools meet the requirements of the Education Act regarding auditing of funds.

Payments from SDF are done per order forms which are control by the School Board and meeting the budget votes of the school. All records are kept in a safe, as well as funds which are not banked yet. The findings are consistent with the prescriptions by the International Records Management Trust (1999) on the control and safe keeping of records.

4.8 Final findings

Additional information comes from secondary sources which were reviewed during the literature review. The main limitation of this study is that the study reveals sources of funds and management models which can be used to deliver education effectively and efficiently for all. The study however did not research the possibility of policy changes and the implementation of sources and management models in public secondary schools in the Khomas Region.

The findings suggest that these approaches could be beneficial in public secondary schools in the Khomas Region, as well as other secondary schools in Namibia. The findings can thus contribute considerably to the delivery of education for all secondary learners in public schools in Namibia, resulting in improved examination outcomes.

4.8 Conclusion

Various sources of funds are available to fund public secondary schools. They can originate from either inside or outside the schools. These funds can be raised

indirectly through Corporate Social Responsible strategies, Public Private Partnerships, Private Financial Initiative and Households or directly from school activities. Principals and financial personnel need quality financial knowledge and skills, which is currently lacking. Principals can take more authority using a locally managed School Management Model.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study, the conclusion and the recommendations arising from the study.

5.2 Summary and conclusions

This study explored strategies to fund and manage School Development Funds in public secondary schools in Khomas Region in Namibia.

The study addressed the following questions

- (i) What source of funding is available to finance School Development Fund?
- (ii) To what extent are public schools aware of these sources and do they have the necessary expertise to generate and manage funds by using these sources?
- (iii) What financial management school models can be used to manage School Development Fund effectively?

In order to seek answers to the stated questions, this study utilized the qualitative research design. The study was carried out at three public secondary schools in the Khomas Education Region. The purposive sampling method with the maximum variation strategy was used to select the schools. Unstructured interviews were utilized to collect data from the participants.

The findings of this study can be generalised to all public secondary schools in the Khomas Education Region, since the findings indicated that schools in low-, average- and high-income groups are facing similar challenges. Although public secondary schools in other education region might face different challenges, many of the sources of funds in this study could be used by them.

The following were some of the major findings of this study:

Firstly, the principals have conceptual knowledge of the Act and apply it accordingly.

Secondly, although the principals have adequate experience as principals they lack financial knowledge and skills to generate funds for SDF. The principals do not receive additional financial training as principals. In varying degrees, their personal interest is the academic leadership at schools to deliver education, for all, effectively and efficiently instead of generating funds for the school.

Thirdly, a person with the necessary financial knowledge and skills should be appointed at schools to generate funds and record it, under the supervision of the principal. The current positions of financial personnel can be upgraded whereby their task should include sourcing and managing of funds.

Fourthly, although schools receive stationery from the Ministry of Education, it is not enough to meet educational needs and that it is not delivered on time. The

schools need additional funds to pay financial costs for copy machine, additional copy paper, watering sports fields and teaching and learning materials in class rooms.

Fifth, School Boards assist at varying degrees in funding and managing SDF.

Sixth, school buildings and facilities are under treasury instruction and belong to the Ministry of Works. This requires additional funds from the SDF for maintenance, since the lack of maintenance from the Ministry of Works influence education delivery negatively.

Lastly, the principals are interested in implementing a School Management Model, whereby they have more authority over the funding and management of education delivery at the schools. They foresee various advantages, like negotiations for better prices and better time management. It will however be important that principal receive due financial training to meet these requirements.

5.3 Recommendations

- Persons with due knowledge to fund and manage School Development Fund should be appointed at schools (Government Gazette, 1998). The tasks of these personnel should be extended to proper funding of the School Development Fund and the managing thereof.
- Principals should receive financial training before being promoted to the position of principal in order to oversee the financial management of the

schools. (Atieno and Simatwa, 2012; Unesco, 1990 as cited in Wekhuyi, 2014).

- School buildings and facilities should be removed from the treasury vote of Ministry of Works to the vote of Ministry of Education and decentralized to the management of the schools.
- A School Management Model, whereby principals have more authority over some decision-making, should be implemented (State of Victoria, 2013).

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APPENDIXES**Appendix A****Letter to the Permanent Secretary of Education**

Cell: 0813055076
Email: balhao@iway.na

P.O. Box 98207
PELICAN SQUARE
WINDHOEK

22 March 2016

Ministry of Education, Arts and Culture
Private Bag 13168
WINDHOEK

Dear Ms Steenkamp

RE: REQUEST FOR PERMISSION TO CARRY OUT MY MBA (FINANCE) RESEARCH IN SECONDARY SCHOOLS IN THE KHOMAS REGION.

The above bears reference.

I am a Master of Business Administration student at the Namibia Business School (University of Namibia). As partial fulfilment for my MBA studies, I am requested to complete a thesis in Financial Management. The above mentioned investigation is titled: "EXPLORING STRATEGIES TO FUND AND MANAGE SCHOOL DEVELOPMENT FUNDS IN PUBLIC SECONDARY SCHOOLS IN THE KHOMAS REGION, NAMIBIA"

This study will concentrate on sustainable methods to fund Secondary Schools and management strategies.

This study aims to outline a model for improved and quality education through sustainable and sufficient funding for secondary schools. A successful modelling of a funding and management model will meet the needs of quality accessible education to all. I believe my research will be beneficial to relevant stakeholders by outlining the challenges in devising a funding and management model and provide valuable data to possibly overcome these challenges.

I will make use of two instruments, namely interviews of principals and personnel involved with School Development Fund, to collect data. All data will be treated as confidential and the information will be used for the purpose of this study only. The purpose of my visits to the schools is to determine how schools currently fund and manage the School Development Fund and the possible shortcomings schools experience in managing the Fund. I furthermore seek to collect data on alternative

funding and management strategies to achieve short and long terms goals thereby securing a sustainable model.

The planned visits will take place during May 2016. School operations will not be disrupted.

Respecting your busy schedule, I trust that you will give this request favourable consideration at your earliest convenience.

Thanking you in anticipation

Mrs A. M. J. Balhao

Appendix B

Permission granted by Permanent Secretary of Education



REPUBLIC OF NAMIBIA

MINISTRY OF EDUCATION, ARTS AND CULTURE

Tel: +264 61 2933200
 Fax: +264 61-2933922
 Enquiries: C. Muchila
 Email: Cavin.Muchila@moe.gov.na

Luther Street, Gov. Office Park
 Private Bag 13186
 Windhoek
 Namibia

File no: 11/1/1

Ms Anna MJ Balhao
 Namibia Business School
 Windhoek

Dear Ms Balhao


SUBJECT: PERMISSION TO CONDUCT RESEARCH IN KHOMAS REGION

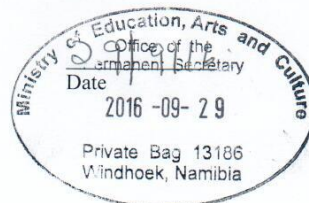
Kindly be informed that permission to conduct research for your Master's Degree in Business Administration in Khomas region is herewith granted. You are further requested to present the letter of approval to the Regional Director to ensure that research ethics are adhered to and disruption of curriculum delivery is avoided.

Furthermore, we humbly request you to share your research findings with the ministry. You may contact Mr C. Muchila at the Directorate: Programmes and Quality Assurance (PQA) for provision of summary of your research findings.

I wish you the best in conducting your research.

Sincerely yours


 Sanet L. Steenkamp
 PERMANENT SECRETARY



Appendix C

Letter to the Director of Education: Khomas Region

Cell: 0813055076
Email: balhao@iway.na

P.O. Box 98207
PELICAN SQUARE
WINDHOEK

25 April 2016

Khomas Educational Region
Ministry of Education
Private Bag 13186
Windhoek
Namibia

Dear Mr Vries

RE: REQUEST FOR PERMISSION TO CARRY OUT MY MBA (FINANCE) RESEARCH IN SECONDARY SCHOOLS IN THE KHOMAS REGION.

The above bears reference.

I am a Master of Business Administration student at the Namibia Business School (University of Namibia). As partial fulfilment for my MBA studies, I am requested to complete a thesis in Financial Management. The above mentioned investigation is titled: "EXPLORING STRATEGIES TO FUND AND MANAGE SCHOOL DEVELOPMENT FUNDS IN PUBLIC SECONDARY SCHOOLS IN THE KHOMAS REGION, NAMIBIA"

This study will concentrate on sustainable methods to fund Secondary Schools Development Funds and management strategies.

This study aims to outline a model for improved and quality education through sustainable and sufficient funding for secondary schools. A successful modeling of a funding and management model will meet the needs of quality accessible education to all. I believe my research will be beneficial to relevant stakeholders by outlining the challenges in devising a funding and management model and provide valuable data to possibly overcome these challenges.

I will make use of two instruments, namely interviews with principals and personnel involved with School Development Fund, to collect data. All data will be treated as confidential and the information will be used for the purpose of this study only. The purpose of my visits to the schools is to determine how schools currently fund and manage the School Development Fund. Therefore I will interview the principal and

all staff members involved with the School Development Fund finances, as well as, conducting a focus group discussion with the School Board. I furthermore seek to collect data on alternative funding and management strategies to achieve short and long terms goals thereby securing a sustainable model.

The sample of this study comprise of three schools, one financially strong, one financially average and one financially struggling. I kindly request information on the finances of the School Development Funds of the schools in order to select this sample. Only an estimation of the average amount of money the schools have on their School Development Fund during a month will be needed. Since this information is only needed to select the sample, no additional financial information needs to be shared and this information will only be used to select the said sample and will be highly confidential.

The planned visit to the schools will take place from 1 June 2016 to 10 June 2016. School operations will not be disrupted.

Respecting your busy schedule, I trust that you will give this request favourable consideration at your earliest convenience.

Thanking you in anticipation

Mrs A. M. J. Balhao
(0813055076)

Appendix D

Permission: Director of Education, Khomas Region



**REPUBLIC OF NAMIBIA
KHOMAS REGIONAL COUNCIL
DIRECTORATE OF EDUCATION, ARTS AND CULTURE**

Tel: [09 264 61] 293 4356
Fax: [09 264 61] 231 367/248 251
Enquiries: Ms TL Shivute

Private Bag 13236
WINDHOEK

27 April 2016

Ms A.M.J. Balhao
P.O. Box 98207
Pelican Square
Windhoek

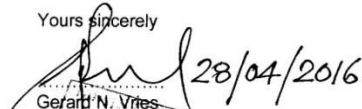
REQUEST FOR PERMISSION TO CARRY OUT MBA (FINANCE) RESEARCH IN SECONDARY SCHOOLS IN KHOMAS REGION

Your letter dated 20 April 2016 bears reference.

You are hereby informed that permission to conduct research for your Master in Business Administration Degree about "Exploring strategies to fund and manage School Development Funds in Public Secondary Schools" in three schools of your choice in Khomas Region is granted on condition that you observe the following:

- ❖ The Principal of schools to be visited must be contacted before the visit and agreement should be reached between you and the principal.
- ❖ The school programme should not be interrupted.
- ❖ Learners who will take part in this exercise will do so voluntarily.
- ❖ Khomas Education Directorate should be given a copy of your thesis and findings.

Yours sincerely


28/04/2016
Gerard N. Vries
DIRECTOR OF EDUCATION, ARTS AND CULTURE
PRIVATE BAG 13236 WINDHOEK
28-04-2016
DIRECTOR
KHOMAS REGION

Appendix E

Letter to the Principals

Cell: 0813055076
Email: balhao@iway.na

P.O. Box 98207
PELICAN SQUARE
WINDHOEK

10 June 2016

The Principal

Dear

Subject: Request for permission to carry out my MBA (Finance) study at your school.

The above bears reference.

I am a Master of Business Administration student at the Namibia Business School (University of Namibia). As partial fulfilment for my MBA studies, I am requested to complete a thesis in Financial Management. The above mentioned investigation is titled: "EXPLORING STRATEGIES TO FUND AND MANAGE SCHOOL DEVELOPMENT FUNDS IN PUBLIC SECONDARY SCHOOLS IN THE KHOMAS REGION, NAMIBIA

This study will concentrate on sustainable methods to fund Secondary Schools Development Funds and management strategies.

This study aims to outline a model for improved and quality education through sustainable and sufficient funding for secondary schools. A successful modeling of a funding and management model will meet the needs of quality accessible education to all. I believe my research will be beneficial to relevant stakeholders by outlining the challenges in devising a funding and management model and provide valuable data to possibly overcome these challenges.

I will make use of two instruments, namely interviews to principals and personnel involved with the School Development Fund, to collect data. All data will be treated as confidential and the information will be used for the purpose of this study only. The purpose of my visits to the schools is to determine how schools currently fund and manage the School Development Fund. Therefore I will interview the principal and all staff members involved with the School Development Fund finances. I

furthermore seek to collect data on alternative funding and management strategies to achieve short and long terms goals thereby securing a sustainable model.

The planned visit to the schools will take place from 13 June 2016 to 24 June 2016. School operations will not be disrupted.

Respecting your busy schedule, I trust that you will give this request favourable consideration at your earliest convenience.

Thanking you in anticipation

Mrs A. M. J. Balhao
(0813055076)

Appendix F

Guidelines for interviews

- Experience as a principal
 - Financial skills and knowledge
- Conceptual knowledge of Education Act financial issues
- School Development Fund at the school
 - Procedures
 - Main uses
 - Funds other than 'school fees'
- Fundraising
- Sponsors and Donors
- Private partnerships
- Textbooks, classroom furniture, other teaching and learning aids (availability and maintenance)
- In-kind donations
- Parents, alumni, community, School board or other organisations involved in funding
- Investment funds
- Knowledge on other methods of funding like, thrift shops, online landing page
- Financial control