

**ASSESSMENT OF BUDGETARY INFLUENCE ON ORGANIZATIONAL  
PERFORMANCE OF NONPROFIT ENTITIES IN RWANDA  
A CASE STUDY OF RWANDA PENTECOSTAL  
CHURCH ASSOCIATION**

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**A Thesis**

**Presented to the School of**

**Postgraduate Studies and Research**

**Kampala International University**

**Kampala, Uganda**

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**In Partial Fulfillment of the Requirements for the Degree**

**Master of Business Administration**

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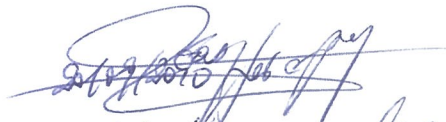
**By:**

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**September, 2010**

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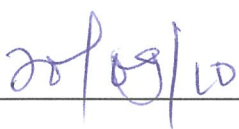
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## APPROVAL SHEET

This dissertation entitled" Assessment of budgetary influence on organizational performance of nonprofit entities case study of Rwanda Pentecostal church association" prepared and submitted by GASANA HERMAN PHILEMON in partial fulfillment of the requirements for the degree of Master of Business Administration has been examined and approved by the panel on oral examination with a grade of PASSED.

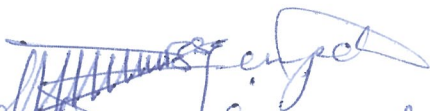
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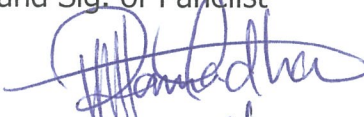
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## **DEDICATION**

This piece of work is hereby dedicated to my wife NIYOKWIRINGIRWA Denyse, my lovely daughters ISIMBI GASANA Sabine and ISARO GASANA Sabrine, to the Pastor NSABIMANA Philippe for their encouragement during my academic struggle, and whose unfading Love, guidance and commitment to my education has been incomparable in making this thesis a reality.

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## **LIST OF ACRONYMS**

**KIU** : Kampala International University

**RPCA:** Rwanda Pentecostal Church Association

**www** : World Wide Web



## **ABSTRACT**

This research report entitled "Assessment of Budgetary Influence on Organizational Performance of Nonprofit Entities in Rwanda" is a result of research carried out in Rwanda Pentecostal church association. The objectives of the study were to find out the budget control in terms of meaning, objectives and advantages, determine the budgeting process and examine the budget administration and its influence on organizational performance at RPCA.

This study employed research methodology, where descriptive research design was used because the respondents were given an opportunity to answer and explain the issues they were familiarly with. Stratified random sampling and judgmental method were used as sampling procedures. The population was one hundred five (105). The sample size included ninety seven (97) of respondents.

The findings show that an organization can meet its overall objectives with proper budget system, this means budgeting (budget preparation), budgetary control (use of budgets to control) and budget administration; Otherwise it cannot meet its objectives. The findings show that RPCA had not proper budget system which caused some problems.

The research findings revealed that budget influences the organizational performance because the performance of any organization's operation is the result of budget system, therefore the budget has the vital important on organizational performance. Researcher recommended RPCA to put in place the following: Following the budget, including budget controller into budget committee, budget manual and allowing equitable participation among stakeholders in budgeting operation.

# **CHAPTER ONE**

## **THE PROBLEM AND ITS SCOPE**

### **1.0 Introduction**

This chapter looks at background of the study, problem statement, objectives of the study, research questions, scope of the study, significance of the study, conceptual framework.

### **1.1 Background of the study**

Budget in the 21<sup>st</sup> century is considered in order to incorporate the image, vision, and mission of organization. It is a tool that helps management toward overall goal of organizational performance sustainability and a pivot on which other factors revolve.

Donald et al. (2004) affirms that budgets are both planning and a control technique. During planning, they coordinate all the functions within the firm and provide management with a detailed statement of future operating results.

According to Garrison et al, a budget is a detailed plan for the acquisition and use of financial and other resources over a specified time period. The act of preparing a budget is called budgeting. The use of budgets to control a firm's activities is known as budgetary control.

Horngren & Foster(1997), state that budgeting is becoming increasingly important, growing in prominence in the operations of both for profit and not for profit organizations. Because of perpetual changing technology and management information systems globally, academicians, strategists and stakeholders are being challenged to consider budgeting as a contemporary factor on which other organizational factors cluster.

According to Williamson (2002), budget and budgetary control are a set of knowledge and skills from we can derive significant benefit no matter whether we are the largest organization in the world or the poorest individual. The act of budgeting imbues us with a sense of discipline that we cannot gain from anywhere

else. The budget system is a feed forward in that by using it we attempt to anticipate what we will do, what is going to happen during the budget period. A budget is a statement setting out the monetary or numerical aspects of an organization's plans for the coming year.

Pandey (1998), states that budgeting is a management tool; it is a way of managing. Budgeting is a feed-forward process; it makes an evaluation of the variables likely to affect future operations of an organization. It predicts the future with reasonable precision and removes uncertainty to a greater extent. Budgeting facilitates control by providing definite expectations in the planning phase that can be used as a frame of reference for judging the subsequent performance. Undoubtedly, budgeted performance is a more relevant standard for comparison than past performance, since past performance is based on historical factors, which are constantly changing.

Pandey (1998), states that a primary responsibility of the staff organization is to assist line executives in preparing budgets by providing data and technical advice and coordinating the budgets of various departments.

He also affirms that a joint effort of all managers is needed to prepare budgets. All should participate in setting goals, developing plans and formulating policies.

Pandey (1998), states that a budget preparation is a line function while the organization and administration of budgeting is a staff function. The line executives have the responsibility of deciding what the plans (budgets) are to be. It is not the function of the staff organization to decide what the plans are to be for areas of responsibility other than its own.

Hilton et. Al (2003), argue that a budget committee, consisting of key senior executives often is appointed to advise the budget director during the preparation of the budget. The authority to give final approval to the master budget usually belongs to the Board of Directors, or the Board of Trustees in many non-profit organizations. Usually a board has a subcommittee whose task is to examine the

proposal budget carefully and recommend approval or any changes deemed necessary.

Thompson, et al. (1995). State that shifting resources from one area to support new strategies and priorities which called budgets reallocations. Units important in the old strategy may now be oversized and overfunded. Units that now have a bigger and more critical strategic role may need more people, new equipment, additional facilities, and above- average increases in their operating budgets. Strategy- implementers need to be active and forceful in shifting resources, downsizing some areas, upsizing others, and amply funding activities with a critical role in the new strategy. They have to exercise their power to allocate resources to make things happen and make the tough decisions to kill projects and activities that are no longer justified. The essential condition is that the funding requirements of the new strategy must be drive how capital allocations are made and the size of each unit's operating budgets. Underfunding organizational units and activities pivotal to strategic success can defeat the whole implementation process.

According to Garrison & Noreen (2002), budget influences by bringing an efficiency and improvement in the working of the organization. It is a way of communicating the plans to various units of the organization, by establishing the divisional, departmental, sectional budgets, exact responsibilities are assigned. It thus minimizes the possibilities of buck passing if the budget figures are not met and it is a way or motivating managers to achieve the goals set for the units. It serves as a benchmark for controlling on-going operations and it helps in developing a team spirit where participation in budgeting is encouraged, reducing wastage and losses by revealing them in time for corrective action. It serves as a basis for evaluating the performance of managers and a means of educating the managers.

According to Owler and Brown (1999), significant of budgets is shown in manner that the budgeting permits to focus management attention on significant matters through budgetary reports; thus, it facilitates management by exception and thereby saves management time and energy considerably. Management is enabled to direct much attention on weak and or non performing areas. Budgetary control encourages planning, coordination, performance measurement and corrective action.

**Planning,** almost everyone makes plans. Shortly after waking up each morning, most people think about what they will do during the day. This thinking ahead is a form of planning. Likewise, most business managers naturally think ahead about how they will conduct their business. Unfortunately, the planning is frequently as informal as making a few mental notes. The problem with this type of planning is that it lacks the capacity for effective communication. The business manager knows what she wants to accomplish, but her superiors and subordinates have no knowledge of these objectives. The budget formalizes the manager's plans in a document that clearly communicates objectives to both superiors and subordinates.

**Coordination,** in certain situations, an action that is beneficial to one department may be detrimental to another department. The budgeting process forces departments to coordinate their activities to ensure the attainment of the objectives of the firm as a whole.

**Performance measurement,** budgets represent a specific, quantitative statement of management's objectives. As such, budgets represent standards that can be used to evaluate performance.

**Corrective action,** budgeting provides advance notice of shortages, bottlenecks or other weaknesses in operating plans.

According to Williamson (2002), the following level of budget shows its benefits: Many of us prepare budgets on a personal level: how much is my income for the month?; how much am I going to spend?; and, most importantly, is there anything left over? It seems true, however, that many businessmen do not prepare budgets for their businesses. Thus, even though managers prepare budgets for their relatively simple lives, when it comes to the much more complex situation of their business, they prefer to let cash inflows and outflows look after themselves.

Pandey (1998), states that the beneficiaries of budgetary are the stakeholders, employees, members, Government, and the rest of society where the organization operates.

According to NAF. (2006). States that the indicators of budget depend on the organizational structure, style of management, financial management system, financial management skills, management information system and employee consideration are the major one which have direct implication in an effective budgeting process.

## **1.2 Problem statement**

The nonprofit organization is one of the many organizations that need budget for their operations. Operating successfully one or more activities or operations in the organization needs a budget; this shows that organizational performance is a result of budget.

There was no proper budget system, particularly in relation to budget administration at RPCA between 2006 and 2009, as pointed out by employees of the organization. This scenario seems to adversely affect organizational performance, which evidence is unfinished construction projects (primary school, rehabilitation of main hall, churches) and salary problems. These problems affect the image of organization entirely.

This study looked at budget and how this influences organizational performance. The comprehensiveness of the study of RPCA was representative of entire nonprofit entities in the country.

## **1.3 Purpose of the study**

This study necessitated by the fact that the stakeholders and association's members are referring to budget information for decisions making and evaluate the performance of the organization.

Therefore, a research on this subject was necessary to be carried out in order to assess the budgetary influence on organizational performance among the nonprofit organizations in Rwanda.

## **1.4 Objectives of the study**

1. Find out the budget control in terms of meaning, objectives and advantages in relation to organizational performance at RPCA.

2. Determine the budget preparation (budgeting) process in order to increase organizational performance at RPCA.
3. Examine the budget administration and how it influences on organizational performance at RPCA.

### **1.5 Research questions**

1. What are the meaning, objectives and advantages of budget control in relation to organizational performance at RPCA?
2. What is the budget preparation (budgeting) process in order to increase organizational performance at RPCA?
3. How is the budget administered and influenced organizational performance at RPCA?

### **1.6 Scope of the study**

The study focused on assessing the influence of budget on organizational performance (non financial performance) of nonprofit organization taking reference of RPCA as case study. The research was limited to assessing the budget phenomenon of RPCA between 2006 and 2009. It is the period during which RPCA experienced unfinished projects and salary problems pointing to poor organizational performance as a result of poor budget system.

Geographically, RPCA operates in whole country, so the study was carried out in Kicukiro district; this is the one among thirty (30) districts of Rwanda and known the organization problems as cited above.

### **1.7 Significance of the study**

The study was urgent and critical in assessing the budget process towards organizational performance of RPCA.

It is useful for all the staff, members and the community around RPCA; it is also useful to establish why budget can be used to improve organizational performance.

The findings of the study present the benefits to RPCA, a number of stakeholders and other non profit entities in Rwanda and the rest of world:

The RPCA evaluate their branches though the use of findings carried out by this study in order to know the performance of the projects taken and the whole organization in general.

The association's members can ascertain the organizational performance through budget in order to make wise and proper decisions on their association.

This study helps to eliminate the devil imagination among the RPCA's members about the cause of some problems as cited in problem statement of the study.

Civil society can provide necessary professional advice not only to RPCA but also to all organizations in the field.

Future researchers can use the study in widening the scope and faculty of knowledge on performance improvement of nonprofit organizations.

## **1.8 Theoretical framework**

This study was based on the planning and control theory of Fayol as advanced by Welsch et.al (2001). This theory states that the future destiny of the enterprise can be manipulated; hence it can be planned and controlled by management. A budget is expressed in quantitative and money terms. Budgets need to be prepared and approved in advance of the period in which they are to be used. Budgets can include some or all of income, expenditure, and the capital to be employed. Moreover, a budget can be drawn up for an entire organization, any segment of the organization such as a department or sales territory or division, or for a significant activity such as the production and sale of a specific product. We should also add that a budget can include non monetary as well as monetary information in it.

They continue to maintain that budgets can be prepared for and used by anyone and anything. That is, we can prepare and use personal budgets and organizations, ministries and non profit making organizations can all use them. Budgets, by definition, have to be prepared in advance; and for this reason, they are often referred to in terms of their being part of a feed forward system. Feedback is a term frequently heard both in accounting and ordinary use. Feed forward, on the



other hand tends to be less frequently heard, yet this word incorporates the most important aspect of budgeting: looking at situations in advance, thinking about the impact and implications of things in advance, and attempting to take control of situations in advance.

Donald et al. (2004) affirms that budgets are both planning and a control technique. During planning, they coordinate all the functions within the firm and provide management with a detailed statement of future operating results.

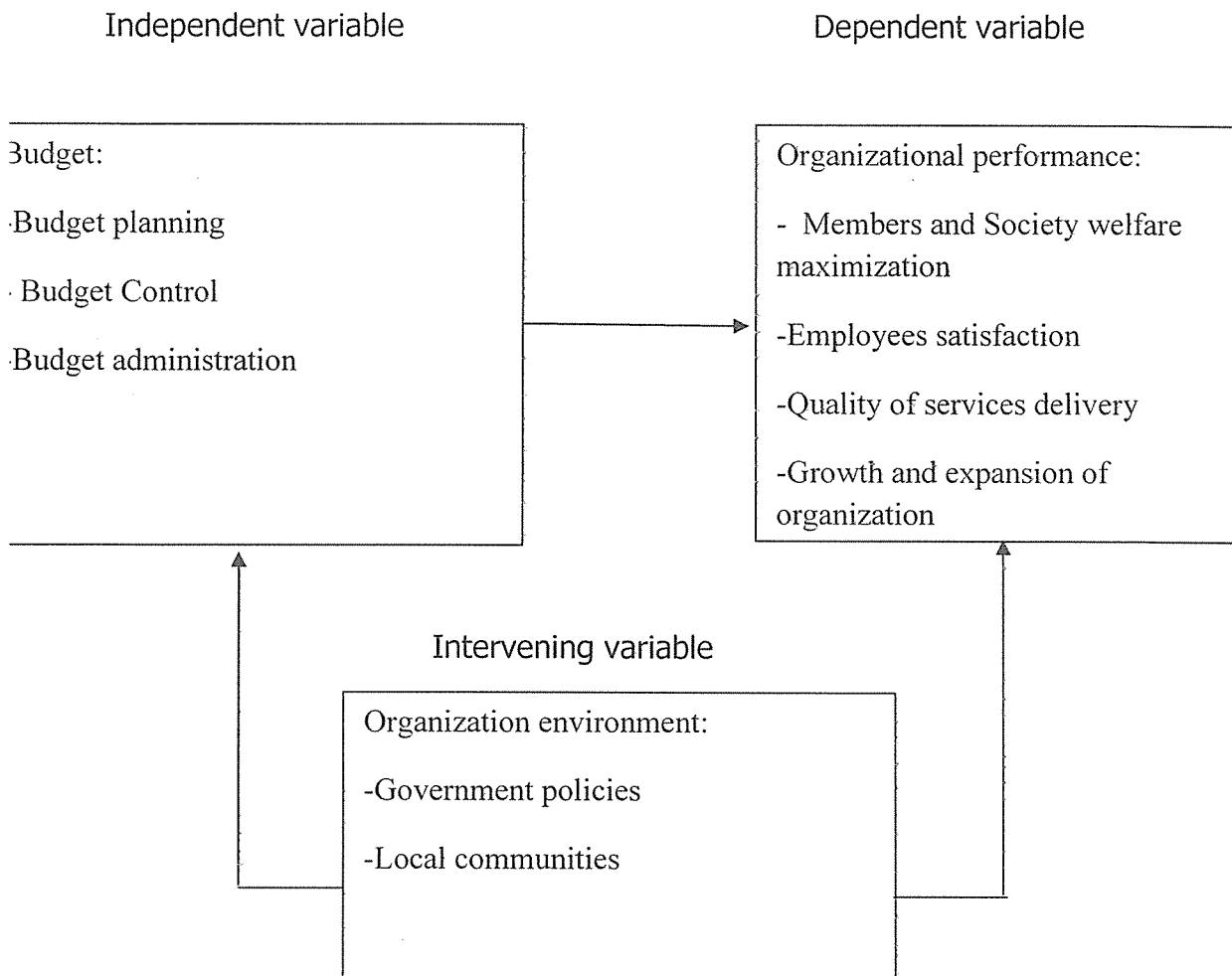
According to Garrison et al, a budget is a detailed plan for the acquisition and use of financial and other resources over a specified time period. The act of preparing a budget is called budgeting. The use of budgets to control a firm's activities is known as budgetary control.

Gomez et. al (2002), state that planning is a process that helps management set objectives for the future and map out activities and means that will make it possible to achieve those objectives. The purpose of the elements of planning is to provide a blueprint for management action.

In the words of Griffin (2002), Strategic plans are the plans developed to achieve strategic goals. More precisely, a strategic plan outlining decisions of resources allocation, priorities, and action steps necessary to reach strategic goals. These plans are set by the board of directors and top management; generally have an extended time horizon and address questions of scope, resource deployment, competitive advantage, and strategy.

## 1.9 Conceptual framework

Figure 1.1: Conceptual framework



Source: Author, 2010; after adaptation of theories given above

In this Conceptual framework, Budget is the independent variable, the organizational performance is the dependent variable and an organizational environment is an extraneous variable. This depicts that under proper budget, RPCA is likely to achieve its overall goal, but also an environment must be suitable to the organization's operations.

## 1.10 Operational Definitions of Key Terms

- **Budget:** is a detail plan, expressed in quantitative terms, that specifies how an organization will acquire and use resources during a particular period of time.

- **Budgeting:** comprises the procedures used to develop a budget and have five primary purposes: planning, facilitating communication and coordination, allocation of resources, managing financial and operational performance, and evaluating performance and providing incentives.
- **Budgetary control:** It is a continuous process that helps in planning, coordination and controlling of business decisions. A budget is a means and budgetary control is the end-result. The budgetary control system assists an organization in setting up the goals and efforts are made for its achievements.
- **Budget Planning:** It is a plan that identifies the financial resources required to achieve programmatic objectives. Once constructed, this plan assists staff and board in managing the organization both programmatically and financially throughout the year.
- **Budget administration:** It is generally the guidelines of budgets, which concerned to offer technical advice, to receive and coordinate individual budgets, to suggest changes, to reconcile divergent views, to coordinate budgetary activity, to approve budgets with or without revisions and to scrutinize budget reports later on.
- **Budget manual:** it is a document which indicates who is responsible for providing various types of information, when the information is required, and what form the information is to take.
- **Organizational structure:** Organizational structure is the formal system of task and job reporting relationships that determines how employees use resources to achieve organizational goals

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.0 Introduction**

This chapter looks at the understanding of budget in relation to organizational performance, Budget preparation process in order to increase organizational performance, budget control, budget administration to meet the organizational performance, and organizational performance.

#### **2.1 Budgetary control**

##### **2.1.1 The meaning of budgetary control**

According to Pandey(1998), a budget is a comprehensive and coordinated plan, expressed in financial terms, for the operations and resources of an enterprise for some specific period in the future. It is a plan of management's intentions of attaining specific objectives. The two aspects of every operation are; revenues and expenditures. The budget must plan for and quantify revenues and expenses related to a specific operation. Planning should not only be done for revenues and expenses, but the resources necessary to carryout operations should also be planned. The planning of the resources will include planning for assets and sources of funds.

He continues to maintain that for operational purposes, a budget is always quantified in financial terms. Initially the budget may be developed in terms of varieties of quantities, but finally they may be expressed in the money unit. But a coordinated and comprehensive budget is expressed in the some common denominator; the money unit undoubtedly serves as the common denominator. A budget's meaningful only when it is related to a specified period of time; the budget estimates will be relevant only for some specific period.

Garrison & Noreen (2002), argue that a budget is a detailed plan outlining the acquisition and use of financial and other resources over some given period. It represents a plan for the future expressed in formal quantitative terms.

### **2.1.2 Objectives of budgetary control**

According to Williamson (2002), budget and budgetary control are a set of knowledge and skills from we can derive significant benefit no matter whether we are the largest organization in the world or the poorest individual. The act of budgeting imbues us with a sense of discipline that we cannot gain from anywhere else. The budget system is a feed forward in that by using it we attempt to anticipate what we will do, what is going to happen during the budget period. A budget is a statement setting out the monetary or numerical aspects of an organization's plans for the coming year.

He further argues that the budgetary control is a continuous process that helps in planning, coordination and controlling of business decisions. A budget is a means and budgetary control is the end-result. The budgetary control system assists an organization in setting up the goals and efforts are made for its achievements. It enables economies in the enterprise. The main objectives of budgetary control are as follows: It is essential for planning, controlling and also acts as an instrument of coordination, it coordinates the actions of various departments, it makes a prediction about capital expenditure for future and it helps in amending deviations from the established standards.

Khan & Jain (2001), state that budgets are an important tool of planning. Budgets as a tool of planning, is closely related to the broader system of planning in an organization. Planning involves the specification of the basic fundamental policies that will guide it. A budget is a comprehensive and coordinated plan expressed in financial terms, for the operations and resources of an organization for some specific period in the future.

According to Owler and Brown (1999), a budget is a plan quantified in monetary terms, prepared and approved prior of time, usually showing planned income to be generated and or expenditure to be incurred during that period and the capital to be employed to attain a given objective.

Hilton et al (2003), argue that a budget is a detailed plan, expressed in quantitative terms, that specifies how an organization will acquire and use resources during a particular period of time.

### **2.1.3 The advantages of budgetary control**

Pandey (1998), states that budgeting is a management tool; it is a way of managing. Budgeting is a feed-forward process; it makes an evaluation of the variables likely to affect future operations of an organization. It predicts the future with reasonable precision and removes uncertainty to a greater extent. Budgeting facilitates control by providing definite expectations in the planning phase that can be used as a frame of reference for judging the subsequent performance. Undoubtedly, budgeted performance is a more relevant standard for comparison than past performance, since past performance is based on historical factors, which are constantly changing.

He continues to maintain that budgeting improves the quality of communication. An organization objectives, budget goals, plans, authority and responsibility and procedures to implement plans are clearly written and communicated through budgets to all individuals in an organization. This results in better understanding and harmonious relations among managers and subordinates. And also budgeting helps to optimize the use of organization's resources (financial and human); it aids in directing the total efforts of an organization into the most profitable channels. There are a number of advantages to budgeting and budgetary control: Compels management to think about the future, which is probably the most important feature of a budgetary planning and control system. Forces management to look ahead, to set out detailed plans for achieving the targets for each department, operation and (ideally) each manager, to anticipate and give the organization purpose and direction, promotes coordination and communication, clearly defines areas of responsibility. Requires managers of budget centers to be made responsible for the achievement of budget targets for the operations under their personal control, Provides a basis for performance appraisal (variance analysis). A budget is basically a yardstick against which actual performance is measured and assessed. Control is provided by comparisons of actual results against budget plan. Departures from budget can then be investigated and the reasons for the differences can be divided into controllable and non-controllable factors, enables remedial action to be taken as variances emerge, motivates employees by participating in the setting

of budgets, improves the allocation of scarce resources and economizes management time by using the management by exception principle.

According to Horngren & Foster (1997), planning should be a watchword for business managers and for every individual as well. Too often, "executives practice management by crisis". Everyday problems interfere with planning. Operations drift along until the passage of time catches the firms or individuals in undesirable situations that should have been anticipated and avoided. Budgets compel managers to look ahead and be ready for changing conditions. This forced planning is the greatest contribution of budgeting to management.

They maintain that budgeting involves coordination which is meshing and balancing of all factors and all of the departments and functions so that the company can meet organizational objectives.

According to Hilton et al (2003), any organization to be effective, each manager throughout the organization must be aware of the plans made by other managers. The budgeting process pulls together the plans of each manager in an organization. Budgeting is thus a vehicle through which communication is channeled throughout the organization. An organization's resources are limited, and budgets provide one means to allocate resources among competing uses.

Saleem (2001), states that budgeting increases the morale and thus, the productivity of the employees by seeking their meaningful participation in formulation of plans and policies, bringing a harmony between individual goals and an organization objectives more effectively.

## **2.2 Budget preparation (budgeting) processes**

Pandey (1998), states that a primary responsibility of the staff organization is to assist line executives in preparing budgets by providing data and technical advice and coordinating the budgets of various departments.

He also affirms that a joint effort of all managers is needed to prepare budgets. All should participate in setting goals, developing plans and formulating policies.

According to NAF. (2006). A budget is a plan that identifies the financial resources required to achieve programmatic objectives. Once constructed, this plan assists staff and board in managing the organization both programmatically and financially throughout the year. Establishing a schedule of key action and decision points in the process allows adequate time for information gathering and decision making. How long the process should take and who should be involved varies depending on the management style and complexity of the organization. Typically the budgeting process should begin at least four months before the end of the fiscal year to ensure the budget is approved by the Board before the start of the new year. The following points are necessary in budget preparation:

### **2.2.1 Keys to a successful budgeting process**

1. Clearly identify programmatic objectives that are aligned with the mission and strategic plan.
2. Determine the financial resources needed and available to achieve program goals.
3. Involve staff and board members in the process to improve accuracy of information and commitment to the plan.
4. Document! Don't rely on memory. Write down assumptions and formulas. This will be very important in managing the budget throughout the year.
5. Customize your process. The steps each organization takes will be somewhat different.

### **2.2.2 The budgeting process**

#### **Step 1: Planning the Process**

Identify who will coordinate the budgeting process and which staff, board members and committees need to be involved; Agree upon key definitions, assumptions and document formats; Set timelines and key deadlines; Determine and schedule any training or key meetings.

#### **Step 2: Communicating about the Process**

Clearly communicate responsibilities, expectations and deadlines to everyone involved. Explain and distribute forms and assumptions.

#### **Step 3: Programmatic Goal Setting**



Determine program goals and objectives; Project staffing requirements and salary and benefit assumptions based on program goals; Get board agreement on goals and assumptions.

#### Step 4: Information Gathering

Research and gather information about income and expenses based on program goals and assumptions; Construct budget details by program; communicate regularly to avoid duplication of effort and to share information and assumptions.

#### Step 5: Compilation and Revision

Have one person compile all information, review it for consistency and redistribute to everyone involved; Leave plenty of time for review and revisions.

#### Step 6: Committee Review

Have the finance committee and other appropriate staff and board committees review a budget draft and key assumptions; Be sure to allow enough time between committee meetings and the final approval deadline to address questions and recommendations and make revisions.

#### Step 7: Final Approval

Distribute information to the board prior to the board meeting, including budget draft, program goals and other supporting information; Have program and development committees play a role in making an informative presentation to the board based on the opportunities, challenges and resources behind the budget numbers; Have the finance committee or treasurer present the budget proposal to the board.

#### Step 8: Implementation and Management

The real work begins once the budget is approved: Communicate budget, program goals and timelines for the next year to staff; Review actual income and expense compared to the budget on a monthly basis; Update and revise the budget as there are changes during the year. Depending on the significance of changes, the board may need to approve revisions.

### **Example of Budget preparation schedule**

July/August Step 1: Planning the Process Executive Director meets with financial staff and finance committee to plan budgeting process and set timelines. Budget worksheet and template formats updated.

September Step 2: Communicating about the Process Staff meeting held to communicate process, responsibilities and deadlines to all participants. Report made to board about process, timelines and assumptions.

Step 3: Programmatic Goal Setting Board and committees review strategic goals and identify priorities; Staff meet within programs/departments to brainstorm and plan for programmatic goals for next year.

September/October Step 4: Information Gathering Managers draft program or department budgets based on plans and assumptions.

November Step 5: Compilation and Revision Designated coordinator compiles information to prepare an initial organizational budget draft. Managers review and revise initial draft.

Step 6: Committee Review Finance committee meets to review budget draft and assumptions and make recommendations.

December Step 7: Final Approval Board meeting held and budget proposal and programmatic and fundraising assumptions are presented for approval.

December/January Step 8: Implementation and Management Staff meeting held to discuss budget, program goals and timelines for New Year.

### **2.2.3 Master budget preparation**

Pandey (1998), argues that a comprehensive budgeting involves the preparation of a master budget with a complete package of the component budgets. The three important component budgets include: operating budgets, financial budgets, and capital budgets.

Garrison & Noreen (2002), state that a master budget is a network consisting of many separate budgets that are independent.

According to Edmonds et al(2002), the master budget consists of a series of detailed schedules and budgets that describe the company's overall financial plans for the accounting period. The three major budget categories are: operating budgets, capital budgets and financial statement budgets. The budgeting process normally begins with the preparation of the operating budgets. Preparation of the

master budget begins with the sales forecast. The detailed budgets for inventory purchases and operating expenses are developed on the basis of projected sales.

They continue to state that an operating budget is prepared by individual sections within a company and becomes part of the company's master budget.

According to Hilton et al (2003), a master budget or profit plan is a comprehensive set of budgets covering all phases of an organization's operations for a specified period of time.

Horngren and Foster (1997), state that the preparation of the master budget involves preparing necessary schedules, namely, sales budget, production budget, direct material budget, direct labor budget, factory overhead budget, ending inventory budget, cost of goods sold budget, and marketing and administrative expenses budget, budgeted income statement, the cash budget, and budgeted balance sheet.

### **Direct material budget**

Garrison and Noreen (2002), argue that the direct materials budget details the raw materials that must be purchased to fulfill the production budget and to provide for adequate inventories. The required purchases of raw materials are computed as follows:

Total raw material needs = raw materials needed to meet the production schedule + desired ending inventory of raw materials.

Raw materials to be purchased = total raw materials needs – beginning inventory of raw materials

According to Pandey (1998), after having prepared the production budget, the materials usage and the purchasing budget can be easily constructed. The material usage depends upon the level of production and levels of beginning inventory and desired ending inventories. The units to be purchased can be determined as follows:

$\text{Purchases(units)} = \text{budgeted usage} + \text{desired inventory(materials)} - \text{beginning inventory(material)}.$

### **Direct labor budget**

According to Pandey (1998), the direct labor schedule can also prepared from data given in the production budget. The direct labor hours to be spent depend on the units to be produced and the labor hours required per unit of production.

Garrison & Noreen (2002), state that to compute the direct labor requirements, the number of units of finished product to be produced in each period(month, quarter, and so on) is multiplied by the number of direct labor hours required to produce a single unit. Many different types of labor may be involved. If so, then computations should be by type of labor needed.

Hilton et. Al(2003), affirm that the direct labor budget shows the number of hours and the cost of the direct labor to be used during a budget period.

### **Marketing and administrative expense budget**

According to Garrison & Noreen (2002), the selling and administrative expense budget lists the budgeted expenses for areas other than manufacturing. In large organizations, this budget would be a completion of many smaller, individual budgets submitted by department heads and other persons responsible for selling and administrative expenses. For example, the marketing manager in a large organization would submit a budget detailing the advertising expenses for each budget period.

They continue to state that the selling and administrative expense budget contains a list of anticipated expenses for the budget period that will be incurred in areas other than manufacturing. The budget will be made up of many smaller, individual budgets submitted by various persons having responsibility for cost control in selling and administrative matters. If the number of expense items is very large, separate budgets may be needed for the selling and administrative functions.

## **Cash budget**

Garrison & Noreen (2002), agree that a cash budget pulls together much of the data developed in the previous steps. The cash budget is composed of: receipt section, the disbursement section, the cash excess or deficiency section, and the financing section. The cash excess or deficiency section is computed as follows:

Total cash available before financing = cash balance in the beginning + receipts

Over disbursements = total cash available before financing – disbursements.

Higgins (2004), confirms that the cash budget is a list of all anticipated receipts and disbursements of cash over the forecast period. It can be thought of as a detailed cash flow forecast in which all traces of accrual accounting have been eliminated.

According to Hilton et al(2003), a cash budget details the expected cash receipts and disbursements during a budget period.

## **2.3 The budget administration and its influence.**

### **2.3.1 Budget committee**

Pandey (1998), states that a budget preparation is a line function while the organization and administration of budgeting is a staff function. The line executives have the responsibility of deciding what the plans (budgets) are to be. It is not the function of the staff organization to decide what the plans are to be for areas of responsibility other than its own.

He also affirms that the administration of budgeting may be delegated to a budget committee. The member of a budget committee consists of executive from each department. The budget director is the overall in-charge of the budget committee. The overall director may be the controller or the chief accountant or an independent person. Sometimes the membership of the budgets committee may be confined to the budget director, the financial manager, the managing director, and the economist. The major functions of the budget committee are: To provide general guidelines for preparing budgets, to offer technical advice, to receive and coordinate individual budgets, to suggest changes, to reconcile divergent views, to coordinate

budgetary activity, to approve budgets with or without revisions and to scrutinize budget reports later on.

He also states that a budget committee in fact, is a management committee. It brings together activities of all departments in coordinated way and controls those activities in an effective manner.

According to Garrison & Noreen (2002), a standing budget committee will usually be responsible for overall policy matters relating to the budget itself. This committee generally consists of the president, vice presidents in charge of various functions and the controller. Difficulties and disputes between segments of the organization in matters relating to the budget are resolved by the budgets committee.

### **2.3.2 The Budget approval**

The budget committee approves the final budget and receives periodic report on the progress of an organization in attaining budgeted goals. The operating budgets are ordinarily set to cover a one year period.

Hilton et. Al (2003), argue that a budget committee, consisting of key senior executives often is appointed to advise the budget director during the preparation of the budget. The authority to give final approval to the master budget usually belongs to the Board of Directors, or the Board of Trustees in many non-profit organizations. Usually a board has a subcommittee whose task is to examine the proposal budget carefully and recommend approval or any changes deemed necessary. By exercising its authority to make changes in the budget and grant final approach, the Board of Directors or the Board of Trustees can wield considerable influence on the overall direction the organization takes.

They further continue to state that to communicate budget procedures and deadlines to employees through the organization; the budget director develops and disseminates a budget manual. The budget manual indicates who is responsible for providing various types of information, when the information is required, and what form of information is to take.

## 2.4 Organizational Performance

The term 'organizational performance' is used comfortably in three time-senses-the past , present, and the future. In other words, performance can refer to something completed, or something happening now, or activities that prepares for new needs.

Total quality management also is intended as a holistic approach affecting every aspect of the organization with a view to building into everything that is done – it is the philosophy of the way the organization is managed. ( Wilkinson et al.1998; cited in Derek et al.2002).

Dale and Cooper(1992); cited in Derek et al.(2002). State that many organizations claim total quality management is their primary business strategy in influencing competitive performance.

According to Garrison and Noreen (2002), a budget is a step taken by organizations to achieve their desired objectives. This process is generally called planning. An organization is accomplished through the preparation of a number of budgets, which when brought together, form an integrated business plan known as the master budget. The master budget is an essential management tool that communicates management's plans throughout the organization, allocates resources, and coordinates activities.

Edmonds et. al (2000), state that an area of planning that is associated with financial matters is commonly called budgeting; which involves coordinating the finances of all areas of the business. The planning or budgeting area of an organization is responsible for the objectives an organization achieves.

Ezell (2005). States that an "Organizational Performance" is a broad construct which captures what agencies do, produce, and accomplish for the various constituencies with which they interact. The dimensions of organizational performance are the following:

**Output,** this is the quantity of services delivered; it is usually expressed in units such as number of cases/clients seen, number of hours of treatment and a measure of effort in each service or in any activity. The "Efficiency" is concerned with the

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relationship between output and input. Whereas the "target efficiency" the degree to which your program served the intended clients.

**Employee Satisfaction**, is the extent to which workers are satisfied with their work and conditions in the agency. An Employee satisfaction is multi-dimensional so an aspects of Employee Satisfaction are : Relations with superiors, relations with colleagues, pay and other benefits, job content & responsibilities (e.g., autonomy, interest, enthusiasm, pleasantness), degree of participation in decision making, work conditions (e.g., noise, safety, office space, etc.), and convenience factors (e.g., hours, location, parking, etc.).

**Service Quality**, the extent to which service techniques and methods are competently delivered. Quality is usually established by comparing the characteristics of service delivery to standards and the standards are based on what is believed to result in satisfactory outcomes. The service quality considerations are: Timeliness of service delivery, training & qualifications of staff, caseloads or client : staff ratios, salary, accessibility of services and presence/Absence of necessary services

**Resource acquisition & domain maintenance**, the extent to which needed resources are obtained. It involves the developing new client markets, acquiring grants and contracts, growth of agency budget, preventing cutbacks, attract new clientele, build political support and establish legitimacy and credibility.



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## **CHAPTER THREE**

### **METHODOLOGY**

#### **3. 0 Introduction**

This chapter includes various methodologies that portray how the study was carried out. It presents the methods, techniques and procedures that were used in order to gather the required data for the study, it comprises of several sub sections such as: Research design, sources of data, sampling procedures, data collection methods and instruments, method of data analysis and presentation, research procedures, ethical consideration and study population.

#### **3.1 Research design**

According to Ghosh(1999), a research design is a plan of the proposed research work; it is an arrangement of conditions for collection and analysis of data in manner that aims at making the research relevant.

This study employed descriptive research method to assess the influence of budget on organizational performance at RPCA. This design was considered because it is easy to collect the original data from the population. This design was used by selecting a representative sample in entire organization that included: Members of staff, Volunteers and committees 'leaders.

#### **3. 2 Source of data**

Hair et al.(2003). Stated that there are two general sources of data, which include primary data and secondary data.

Researcher used both primary data and secondary data as source of data; Primary data included data collected from the field by the researcher during the field study in RPCA. While secondary data included information that existed. This information was obtained from organization under study, for example the budget documents and as well as from other document related to the topic of study.

### **3.3 Study Population**

According to Kakoza (1996), a population is a group or category of human beings, animals, or others which have one or more characteristics in common as the population of the universe.

The research was carried out by using a population of 105 People in order to collect data and to assess the influence of budget on organizational performance. This population was chosen because it had all necessary information needed and more focused to the areas of my study. So the research did not necessarily reach the whole number of association's members.

### **3.4 Sampling Procedure**

Stratified random sampling, takes into considerations the heterogeneousness of the population to be sampled. (Amin, 2005).

Judgmental sampling, in this type of sampling the researcher uses his/her own judgment or common sense regarding the participant from whom information will be collected. (Amin, 2005).

Stratified random sampling helped the researcher to divide a research population of one hundred five (105) into three strata comprised nine (9) staff members, fifty eight (58) volunteers and thirty eight (38) committees 'leaders. This technique was used because the research population was heterogeneous.

Judgmental method was used to decide the appropriate strata of respondents in interview and which for questionnaires. In regarding of this study, a researcher judged to collect the information from staff members by using the interview and the information from volunteers and committees' leaders by using the questionnaires.

### **3.5 Sample size**

The sample size from each stratum is proportional to the size of the stratum, and it is generally desirable to have minimum of between 30 or 50 participants in research (Amin, 2005).

In this study the researcher used the stratified random sampling which helped in dividing the research population into strata and determining the sample size of respondents. Research population was one hundred five (105); and the sample size included ninety seven (97) respondents comprised of nine (9) staff members, fifty two (52) Volunteers and thirty six (36) committees' leaders. This sample size was taken because it is greater than the fifty (50) respondents considered by author (Amin,2005), and the researcher found that ninety seven (97) respondents in this research were more sufficient and had all information required in the study.

**Table 3.1: Sample size frame**

The strata of population	Population	Sample size	Percentage (%)
Members of staff	9	9	100%
Volunteers	58	52	90%
Committees 'leaders	38	36	95%
Total	105	97	92%

Source : Author, 2010

### **3.6 Study areas**

On the basis of this research, there is great need to undertake a study of Rwanda Pentecostal Church Association (RPCA) budget strategies and to assess how this helps management in organizational performance sustainability. The thrust of this study is to assess the budget appropriate to RPCA and whether there is effectiveness influence on organizational performance. Affirmatively, it is significant to understand the theoretical framework of budget and worth still to validate this with organizational performance at RPCA.

RPCA operates in Rwanda since 1949, with the following objectives: Relief for the poor, the distressed or the underprivileged, advancement of religion, advancement of education or science and health care projects. It works in all districts of Rwanda and encounters many projects like nursery and primary schools,

high schools, university, clinic, hospital and churches. In its starting to operate in Rwanda, RPCA used budget system for its administration.

The study was carried out in Rwanda country, Kigali city, Particularly in Kicukiro district. RPCA operated in Kicukiro district since 1999 on the branch name "RPCA Gikondo". The researcher's interests for choosing Kicukiro district is that: The branch operates in Kicukiro district is the one which suffers more problems highlighted in the problem statement of the study. Therefore, the findings helped the researcher to assess effectively the budgetary influence on organizational performance at RPCA.

### **3.7 Data collection methods and instruments**

According to Amin(2005), research instruments are those tools that the researcher uses to collect the data of his/her study. During the period of data collection, a researcher will provide the respondents with necessary information; the confidentiality of data will be assured.

The researcher used interview, questionnaire and documentary analysis. In this process of collecting primary data and secondary data, the selection of these tools was guided by the nature of data that was required, as well as by the objective of the study. The primary data included data that was collected during the field study at RPCA by use of the interview and questionnaire while the secondary data contained information from documentary, especially the budget of RPCA:

#### **3.7.1 Interview**

According to Kothar,(2003), oral interview is the conducting of a research by asking oral questions by the researcher to the respondent and the answers are recorded by the researcher or some one else the researcher has entrusted to carry out the research.

This technique was employed to collect primary data from RPCA's staff members by using semi- structured questions in the interview guide. The researcher conducted the interviews by asking oral questions one by one of the RPCA's staff members because the researcher founded that this respondents' category obtained the key information of the study. In this study the researcher found it necessary to

employ the questions related to budget and its influence on organizational performance because the answers to these questions helped the researcher to provide the answers to those matters.

### **3.7.2 Questionnaire**

The questionnaire is a carefully designed instrument for collecting data in accordance with specifications of a research questions and hypothesis (Amin, 2005).

All questionnaires were supplied to RPCA'volunteers and to the committees'leaders. Questionnaires were structured and self administered; this helped the researcher to get necessary data from respondents. To obtain quantitative and qualitative information, questionnaires have been used because of their importance in providing specified information. The researcher and research assistants guided some respondents through the process of filling questionnaires.

### **3.7.3 Documentary technique**

This technique was employed to collect secondary data from RPCA, the researcher read the document related to budget, particularly the "annual budget" which shows for each year the budget preparation at RPCA, and then we proceeded with the analysis of the information and making the comparison with other findings of the study. This technique helped in assessing the influence of budget on organizational performance.

## **3.8. Data collection procedures**

Research topic was handed and approved by the supervisor and the school of post graduate studies. Thereafter the researcher obtained an introductory letter to the field of the study for data collection. Data from primary source was collected, sorted, organized, tabulated, and edited to reveal frequencies, percentage, and compared with other relevant notes for final analysis and interpretation.

## **3.9 Data interpretation, analysis and presentation**

After collecting data, processing of data commenced by checking the administered questionnaires for mistakes, then, extraction of initial summaries,

sorting, recording and finally interpreting the data. For interpretation and analysis the researcher used descriptive analysis where simple computer package such as Ms Excel, Ms Word, and for presentation of findings a researcher used the distribution tables, frequencies, means, percentages, pie charts and bar graphs.

### **3. 10 Ethical consideration**

Bearing in mind the ethical issues, the researcher provided the respondents with the necessary information as regards the main purpose of the research, expected duration and procedures was followed, and was in position to keep privacy and not disclose the confidentiality of respondents and researcher responsibility.

#### **3.11 Validity and reliability of research instruments**

In order to produce findings that are in agreement with theoretical values, the researcher assessed the validity of research instrument and both questionnaires and interview guide were pre-tested from the respondents. The Content Validity Index (CVI) was calculated from the formula below:

N: total number of items

n: number of items declared valid in the questionnaire

$$\text{CVI} = n/N$$

$$= 14/19 (0.736) \text{ for the questionnaire}$$

$$= 14/19 (0.739) \text{ for the interview guide}$$

Since the contents validity index of both instruments were greater than 0.7, both instruments were valid and ready for data collection.

Amin (2005), views test-retest reliability or stability reliability as degree to which scores on the same test by the same individuals are consistent overtime.

The reliability of the questionnaires and interview guide was tested using Test-retest reliability.

Twenty three (23) questionnaires were distributed to twenty three (23) respondents who were more considered than other respondents and after 1 week

the researcher distributed the same questionnaires to the same people and responses provided were always the same. While for interview guide, the researcher used three (3) interviews guide to three (3) respondents.

### 3.12 Measurement of the research variables

The likert scale was used because it eased quantitative analysis (Saunders et al, 2003). The variables of the study included budget as independent variable, organizational performance as dependent variable and organization environment as intervening variable. The Budget was measured against organizational performance. A five point likert scale was used to gauge the various elements of the variables: Strongly agree, agree, not sure, disagree and strongly disagree with representing rankings of 1, 2, 3, 4 and 5 respectively against positive statements was stated under the three variables. The researcher combined strongly agree and agree into one category, then strongly disagree and disagree were gathered into another category. These groups of responses were used to calculate the mean, standard deviation and correlation .Excel was employed in that calculation. This result was helped the researcher to measure the budgetary influence on organization performance at RPCA.

**Table 3.2: Measurement of Variables**

Descriptive Statistics					
	N	Minimu m	Maximu m	Mean	Std. Deviation
Agree	97	0	96	52.64	38.520
Disagree	97	0	82	32.57	33.021
Not Sure	97	3	38	14.79	9.133

Source: Primary Data 2010

Pearson Correlation Coefficient				
		Welfare	Staff satisfaction	Quality service
Budget Planning	R	0.65	0.72	0.56
	N	97	97	97
Budget control	R	0.61	0.55	0.514
	N	97	97	97
Budget Administration	R	0.678	0.514	0.634
	N	97	97	97

Source: Primary Data 2010

The result shows that 52.6 % of responses were accepted that budget influences the organizational performance, 32.6 % of response were not accepted on the statement while Average percentage of 14.8% of response were not sure. This result from descriptive statistics shows that budget influences the organizational performance and also the result from Pearson correlation coefficient shows that budget influence is correlated to organizational performance.

### 3.13 Limitations to the study

The researcher encountered a number of limitations to the study among which include:

The relevant document was denied for photocopying for further consultancies, for example the annual budget documents because of the management behavior about unrevealing the budget document out of organization.

Negative attitude and lack of cooperation from some respondents constituted another limitation to the study in collection of data about research.

This presented a challenge to the reliability of findings. However, the researcher used both the introductory letter from the University Authorities and pledging confidentiality of all information given to reduce the mistrust from the respondents.



## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

#### 4.0 Introduction

This chapter looks on the points of presentation, analysis and interpretation of the research findings from field concerning on: Assessment of budgetary influence on organizational performance at RPCA. In this research, more effort has been put onto interpretation to highlight the existing gaps and show whether it can be filled in to achieve an effective performance in organization.

#### 4.1 Respondents' Profile

**Table 4.13: Showing the respondents' profile**

The strata of population	Population	Sample size expected	Sample size participated	Percentages (%)of the participated
Members of staff	9	9	8	89
Volunteers	58	52	50	96
Committees leaders	38	36	36	100
Total	105	97	94	97

Source: Primary data, 2010

Questionnaires were distributed to respondents that included Volunteers and Committees' Leaders. 88 questionnaires were distributed but 2 questionnaires were not answered because two volunteers were in the training at period of data collection, therefore the research was carried out on 86 questionnaires answered and returned which representing 98% of questionnaires. These questionnaires were structured, where the respondents were required to tick against the most appropriate alternative.

Interview was used to the staff members by using the semi-structured questions. The interview was carried out on 8 out of 9 staff members because one of them was in annual day off at the period of interview. These 8 staff members interviewed representing 89% of respondents for interview.

The 86 questionnaires answered and returned, and 8 respondents interviewed formed 94 respondents out of 97 respondents expected as sample size of research because of the three persons were not participated in responding. These 94 respondents representing 97% of expected sample size.

## 4.2 Respondents identification

### 4.2.1 Respondents' age

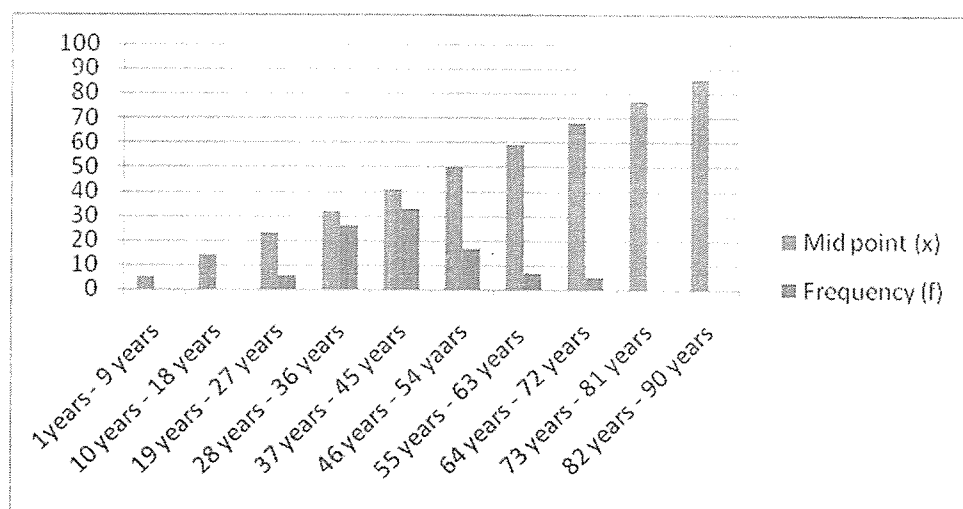
**Table 4.2: Showing the respondents' age**

<b>Age bracket</b>	<b>Mid point (x)</b>	<b>Frequency (f)</b>	<b>Fx</b>	<b>Percentages (%)</b>
19 years – 27 years	23	6	138	6
28 years – 36 years	32	26	832	28
37 years – 45 years	41	33	1353	35
46 years – 54 years	50	17	850	18
55 years – 63 years	59	7	413	8
64 years – 72 years	68	5	340	5
<b>TOTAL</b>		<b>94</b>	<b>3926</b>	<b>100</b>

Source: Primary data, 2010

<b>AVERAGE of respondents' age</b>	<b>42</b>
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**Figure 4.12: Showing the respondents' age**



Source: Primary data, 2010

The study established that 35%, 28%, 18%, 8%, 6% and 5% of respondents were respectively between 37 – 45 years, 28 - 36 years, 46 - 54 years, 55 - 63 years, 19 - 27 years and 64 - 72 years, and an average of respondents' age was 42 years. These results mean that more respondents were mature and this guaranteed the validity of information acquired by the researcher.

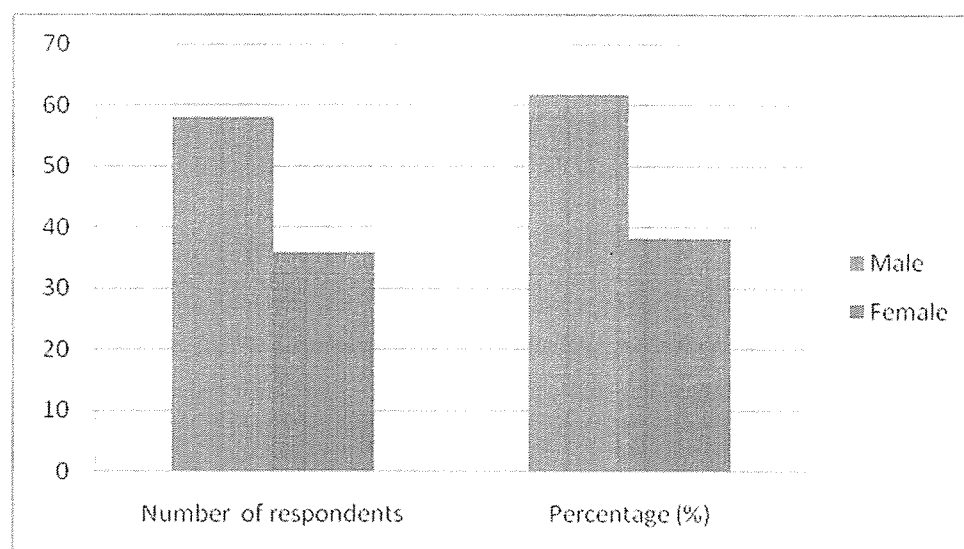
#### 4.2.2 Statement of respondents' gender

**Table 4.35: Showing the respondents' gender**

Respondents	Frequency	Percentage (%)
Male	58	62
Female	36	38
Total	94	100

Source: Primary data, 2010

**Figure 4.23: Showing the respondents' gender**



Source: Primary data, 2010

The research revealed that 62% of respondents were males while 38% were females. The result shows that greater participation number in the research were the males and can also justify that the males occupied greater number in RPCA administration and management.

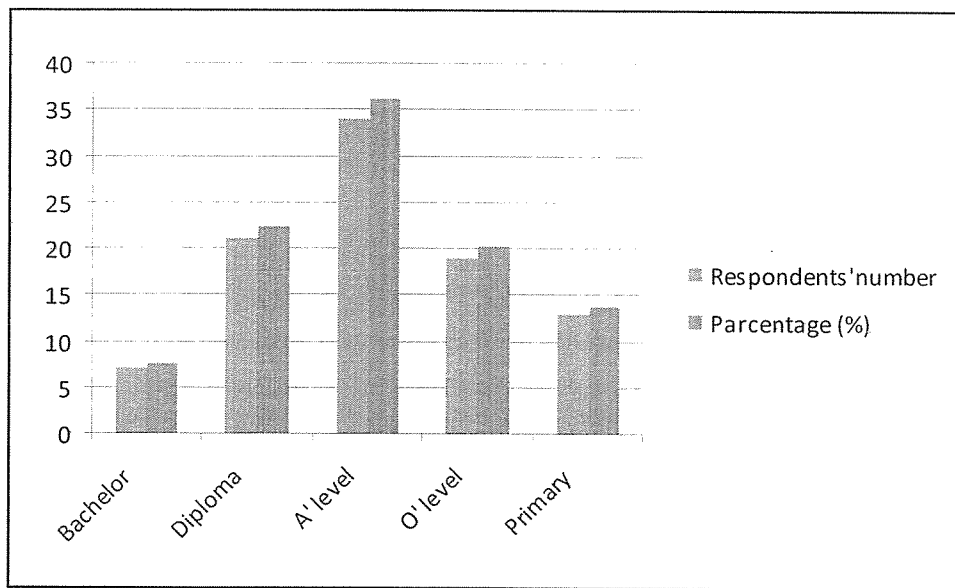
#### **4.2.3 Respondents' education level**

**Table 4.4 6: Showing the respondents' education level**

Education level	Frequency	Percentage (%)
Bachelor	7	8
Diploma	21	22
A' level	34	36
O' level	19	20
Primary	13	14
Total	94	100

Source: Primary data, 2010

**Figure 4.3: Showing the respondents' education level**



Source: Primary data, 2010

The research established that 36%, 22%, 20%, 14% and 8% of respondents had respectively A'level, Diploma, O'level, Primary and Bachelor. The results indicate that more respondents were educated and also the organization was managed by educated persons. This information served as a guarantee of information validity.

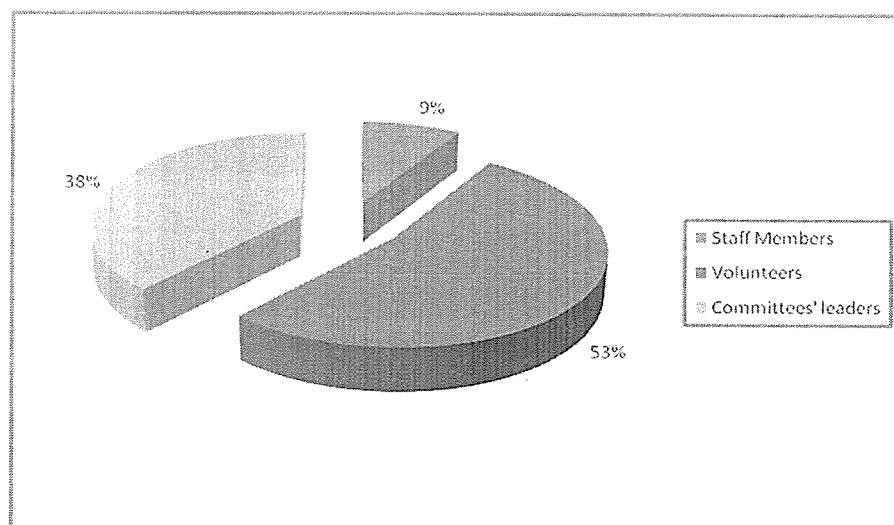
#### 4.2.4 Respondents' category

**Table 4.57: Showing the respondents' category**

Respondents' categories	Frequency	Percentage (%)
Staff Members	8	9
Volunteers	50	53
Committees' leaders	36	38
Total	94	100

Source: Primary data, 2010

**Figure 4.4 5: Showing the respondents' category**



Source: Primary data, 2010

The study found out that 53% of respondents were volunteers, 38% of respondents were committees' leaders and 9 % was staff members. This result shows the percentage of each respondent's category in whole sample size of respondents to the research.

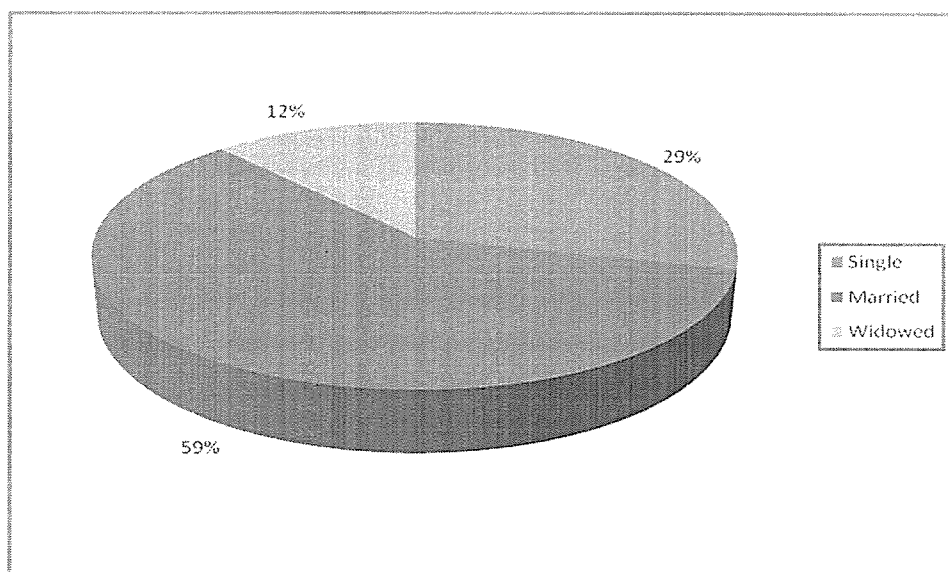
#### **4.2.5 Respondents' marital status**

**Table 4.68: Showing respondents' marital status**

Marital status	Frequency	Percentage (%)
Single	27	29
Married	56	59
Widowed	11	12
Total	94	100

Source: Primary data, 2010

**Figure 4.5 6: Showing respondents' marital status**



Source: Primary data

The research revealed that 59% of respondents were married, 29% were single, and 12% were widowed. This shows that greater numbers of respondents were married. This information served as evidence to the validity we attribute to the research.

### **4.3 Respondents' view about budgetary control on organization performance**

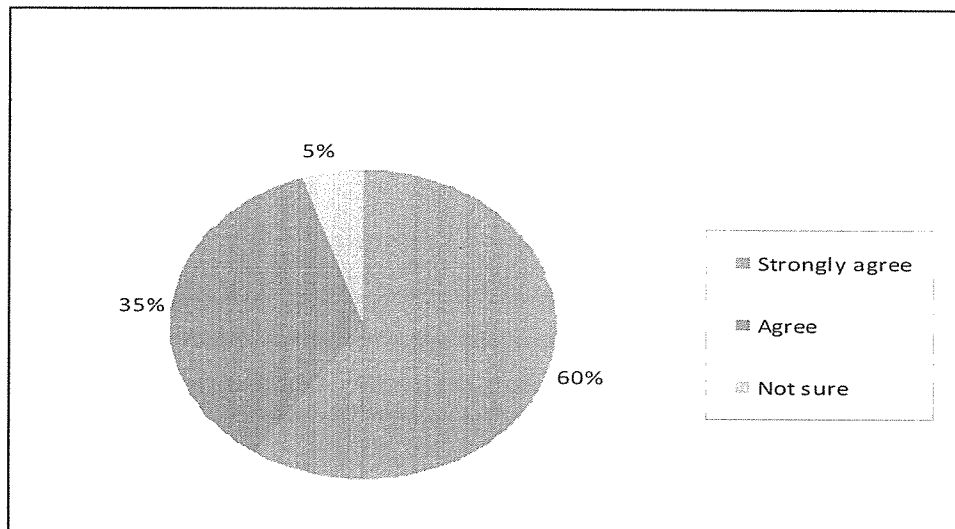
#### **4.3.1 Respondents' view about the meaning of budgetary control**

**Table 4.79: The respondents' view on the meaning of budgetary control**

Factors	Frequency	Percentage (%)
Strongly agree	56	60
Agree	33	35
Not sure	5	5
Total	94	100

Source: Primary data, 2010

**Figure 4.67: The respondents' view on the meaning of budgetary control**



Source: Primary data, 2010

The research established that 60% of respondents were strongly agreed on the statement, 35% of respondents were agreed on the statement and 5% of respondents were not sure on the statement. This shows that 95% of respondents understood deeply or had the knowledge on the meaning of budgetary control. This indicates that RPCA management through Top managers educate the staff members, volunteers and committees leaders about the meaning of budgeting. These responses elicited from the study were a main tool in assessing the influence of budget on organization performance at RPCA. This is in accordance with Pandey(1998), who affirms that a budget is a comprehensive and coordinated plan, expressed in financial terms, for the operations and resources of an enterprise for some specific period in the future.



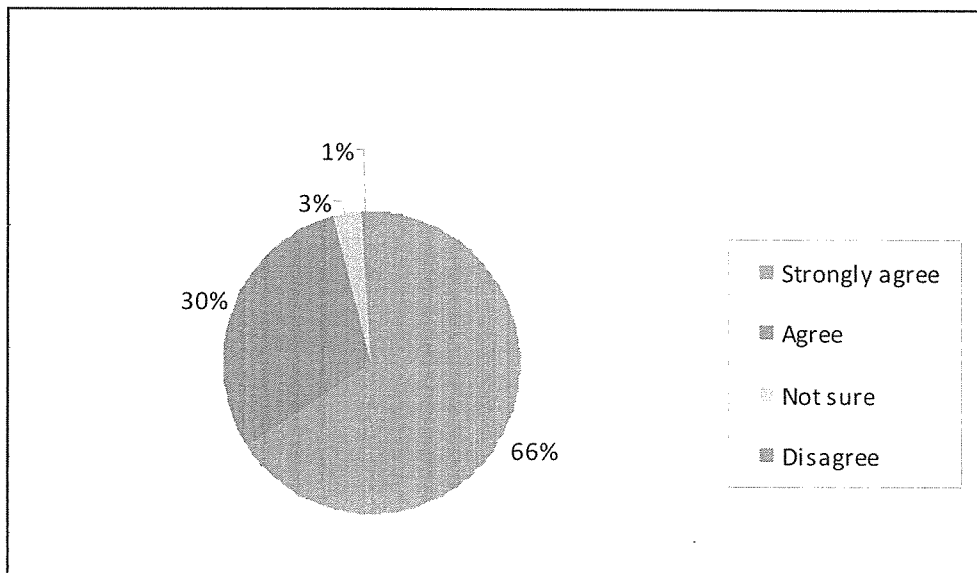
#### 4.3.2 Respondents' view about the influence of budget on organizational performance

**Table 4.810: Respondents' view about the influence of budget on organizational performance**

Factors	Frequency	Percentage (%)
Strongly agree	62	66
Agree	28	30
Not sure	3	3
Disagree	1	1
Total	94	100

Source: Primary data, 2010

**Figure 4.78: Respondents' view about the influence of budget on organizational performance**



Source: Primary data, 2010

The results of the study show that 66% of respondents strongly agreed that budget has the influence on organizational performance, 30% of respondents agreed on the statement, 3% of respondents were not sure on the statement and 1% of respondents disagreed on the statement. These results indicate that 96% of respondents affirm that budget plays an important influence on organizational performance.

This response of the study was a vital tool in assessing the influence of budget on organization performance at RPCA. This is in accordance with Donald et al(2003) who affirm that budgets are both planning and a control technique. During planning, they coordinate all the functions within the firm and provide management with a detailed statement of future operating results.

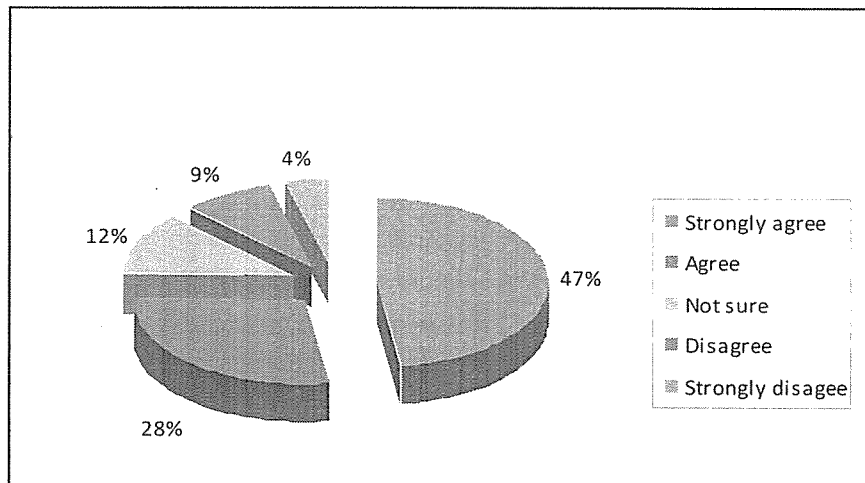
#### 4.3.3 Respondents’ knowledge about advantages of budget control in the organizational performance.

**Table 4.911: Respondents’ knowledge about advantages of budget control in organizational performance.**

Factors	Frequency	Percentage (%)
Strongly agree	45	47
Agree	26	28
Not sure	11	12
Disagree	8	9
Strongly disagree	4	4
Total	94	100

Source: Primary data, 2010

**Figure 4.89: Respondents’ knowledge about advantages of budgetary control in organizational performance**



Source: Primary data, 2010

The research exposed that 47% of the respondents strongly agreed that budgetary control has advantages in organization, 28% of respondents agreed on the statement, 12% of the respondents were not sure on the statement, 4% of the respondents strongly disagreed on the statement and 9% of respondents disagreed. This point out that 76% of staff members, volunteers and commitees’leaders accepted budgetary control has advantages in the organization. This is accordance with Pandey(1998), who confirms that budget predicts the future with reasonable precision and removes uncertainty to a greater extent. Budgeting facilitates control by providing definite expectations in the planning phase that can be used as a frame of reference for judging the subsequent performance.

This information was pivotal in assessing the influence of budget on organization performance at RPCA.

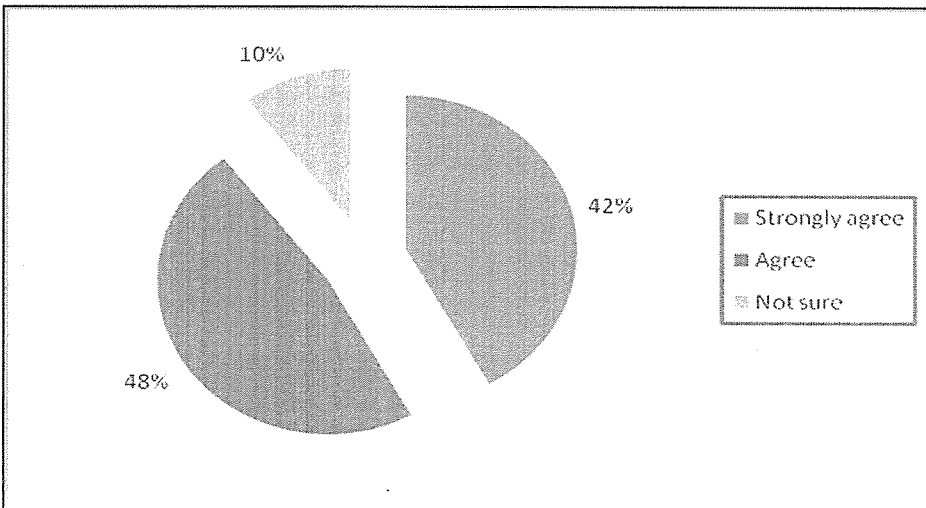
#### 4.3.4 The budgetary control is a tool on organizational performance at RPCA.

**Table 4.1012: Respondents’ knowledge about the budgetary control as a tool on organizational performance.**

Factor	Frequency	Percentage (%)
Strongly agree	36	42
Agree	41	48
Not sure	9	10
Total	86	100

Source: Primary data, 2010

**Figure 4.910: Respondents’ knowledge about the budgetary control as a tool on organizational performance.**



Source: primary data, 2010

The results of this study show that 42% of respondents strongly agreed about that the budgetary control is a tool on organizational performance, 48% Of respondents agreed about the statement and 10% of respondents were not sure about the statement. This results find out that 90% of respondents accepted that budgetary control is a tool on organizational performance. This is in accordance with Pandey (1998), who states that budgeting is a management tool; it is a way of

managing. Budgeting is a feed-forward process; it makes an evaluation of the variables likely to affect future operations of an organization.

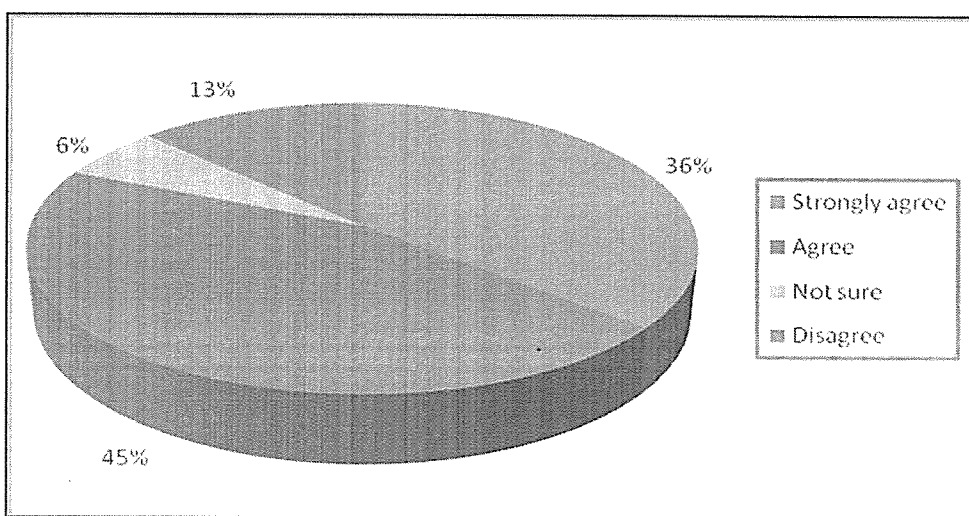
#### 4.3.5 They know that budgetary control helps the organization to meet its objectives.

**Table 4.1113: Respondents’ knowledge about the budgetary control helps the organization to meet its objectives.**

Factor	Frequency	Percentage (%)
Strongly agree	31	36
Agree	39	45
Not sure	5	6
Disagree	11	13
Total	86	100

Source: Primary data, 2010

**Figure 4.1011: Respondents’ knowledge about the budgetary control helps the organization to meet its objectives.**



Source: Primary data, 2010

The study established that 36% of respondents strongly agreed that budgetary control helps the organization to meet its objectives, 45% of respondents agreed on the statement, 6% of respondents were not sure on the statement, and 13% of respondents disagreed on the statement. This results show that 81% of respondents accepted that budgetary control helps the organization to meet its

objectives. This is in accordance with Williamson (2002), who states that budget and budgetary control are a set of knowledge and skills from we can derive significant benefit no matter whether we are the largest organization in the world or the poorest individual

#### **4.4 Respondents' knowledge about budget preparation at RPCA**

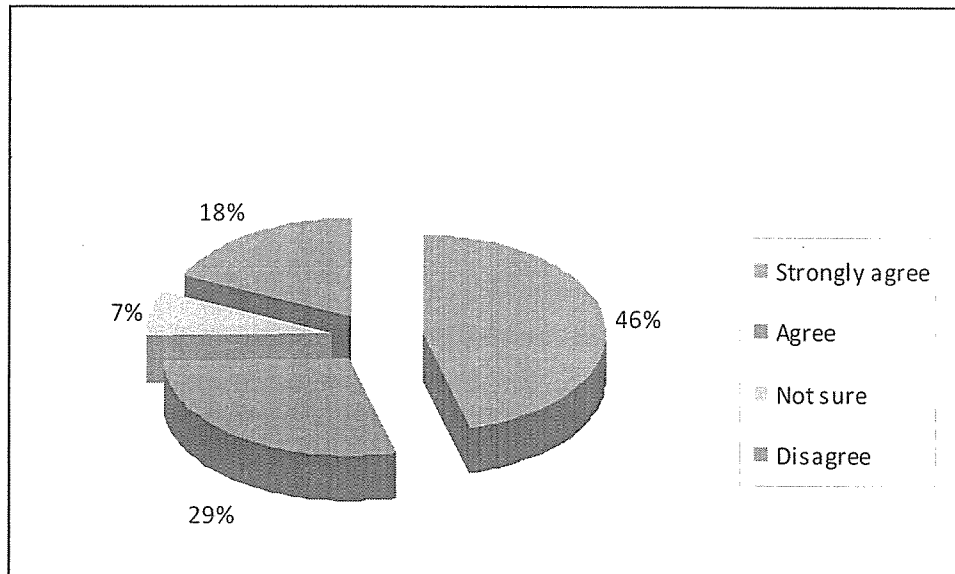
##### **4.4.1 Respondents' view about RPCA prepares a master budget.**

**Table 14.12: Respondent about RPCA prepares a master budget.**

<b>Factors</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Strongly agree	43	46
Agree	27	29
Not sure	7	7
Disagree	17	18
Total	94	100

Source: Primary data, 2010

**Figure 4.12: Respondents' view about RPCA prepares a master budget**



Source: Primary data, 2010

The study established that 46% of respondents strongly agreed about RPCA prepared a master budget, 29% of respondents agreed about the statement, 7% of respondents were not sure about the statement, while 18% of respondents disagreed about the statement.

This result shows that 75% of respondents accepted that RPCA prepared a master budget. This is in accordance with Garrison & Noreen (2002), who stated that a master budget is a network consisting of many separate budgets that are independent.

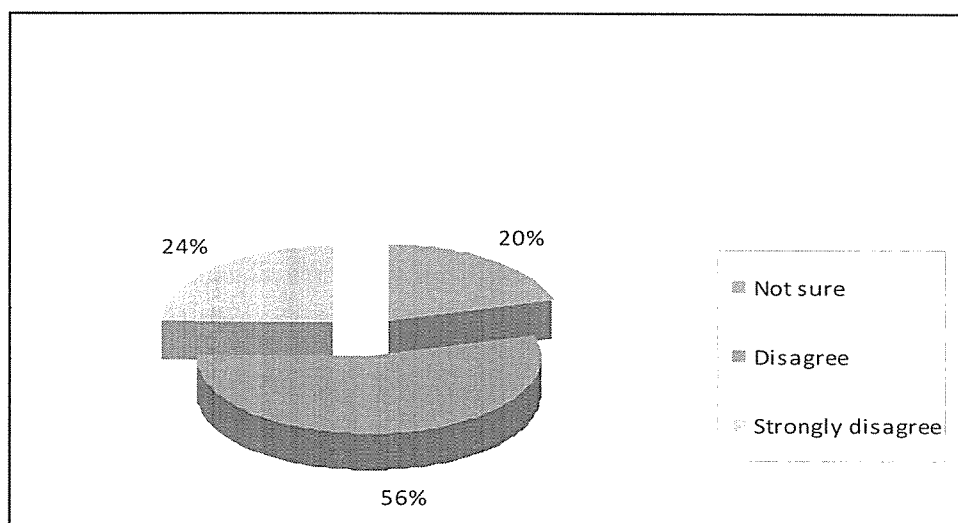
#### 4.4.2 Respondents' view about an equitable allowing of staff members, committees 'leaders and volunteers in budget preparation.

**Table 4.1315: Respondents' view about an equitable participation in budget preparation**

Factors	Frequency	Percentage (%)
Not sure	19	20
Disagree	52	56
Strongly disagree	23	24
Total	94	100

Source: Primary data, 2010

**Figure 4.1213: Respondents' view about an equitable participation in budget preparation**



Source: Primary data, 2010

The research found out that 20% of respondents were not sure about an equitable allowing of staff members, volunteers and committees' leaders in budget preparation, 24% of respondents strongly disagreed on the statement and 56% of respondents disagreed on the statement. This indicates that participation in budget committee was not equitable at RPCA. This is in contradictory with Pandey (1998), who states that a primary responsibility of the staff organization is to assist line executives in preparing budgets by providing data, and technical advice and coordinating the budgets of various departments.



He also affirms that a joint effort of all managers is needed to prepare budgets. All should participate in setting goals, developing plans and formulating policies.

The results assisted the researcher to understand how budget committee was formed at RPCA.

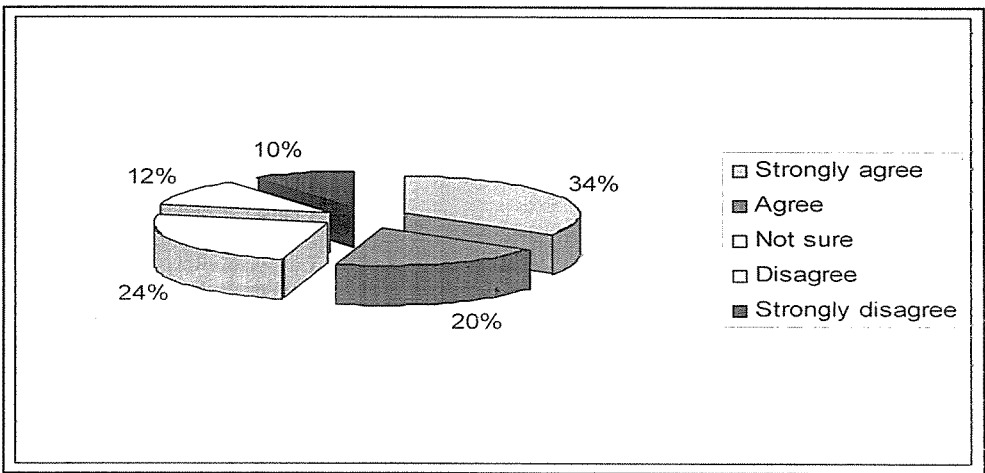
#### 4.4.3 Respondents’ view about RPCA prepares a cash budget

**Table 4.16: Showing the response about RPCA prepares a cash budget**

Factors	Frequency	Percentage (%)
Strongly agree	32	34
Agree	19	20
Not sure	23	24
Disagree	11	12
Strongly disagree	9	10
Total	94	100

Source: Primary data, 2010

**Figure 4.14: Showing the response about RPCA prepares cash budget.**



The study found out that 34% of respondents strongly agreed on the statement, 20% of respondents agreed on the statement, 24% of respondents were not sure about the statement, 10% of respondents strongly disagreed on the statement and 12% of respondents disagreed about the statement. The results show

that 54% of respondents accepted that RPCA prepares a cash budget for cash inflows and cash outflows. This is in accordance with Higgins (2004), confirms that the cash budget is a list of all anticipated receipts and disbursements of cash over the forecast period. It can be thought of as a detailed cash flow forecast in which all traces of accrual accounting have been eliminated.

This information found out that RPCA prepares a cash budget but some respondents didn't have any information to its preparation.

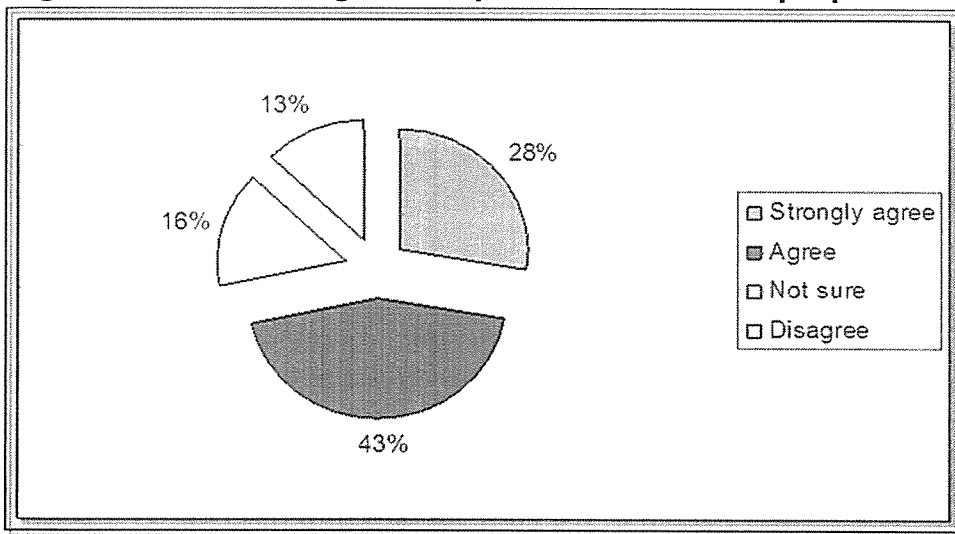
#### **4.4.4 Respondents' view about RPCA prepares an operating budget.**

**Table 4.17: Showing the response about RPCA prepares an operating budget.**

<b>Factors</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Strongly agree	26	28
Agree	41	43
Not sure	15	16
Disagree	12	13
Total	94	100

Source: Primary data, 2010

**Figure 4.15: Showing the response about RPCA prepares an operating budget.**



Source: Primary data, 2010

The research revealed that 28% of respondents strongly agreed about that RPCA prepared an operating budget, 44% of respondents agreed about the statement, 16% of respondents were not sure about the statement and 13% of respondents disagreed about the statement. This result shows that 72% of respondents accepted that RPCA prepared an operating budget. This is in accordance with Pandey (1998), who argues that a comprehensive budgeting involves the preparation of a master budget with a complete package of the component budgets. The three important component budgets include: operating budgets, financial budgets, and capital budgets.

This information helped in assessing the influence of budget on organizational performance at RPCA.

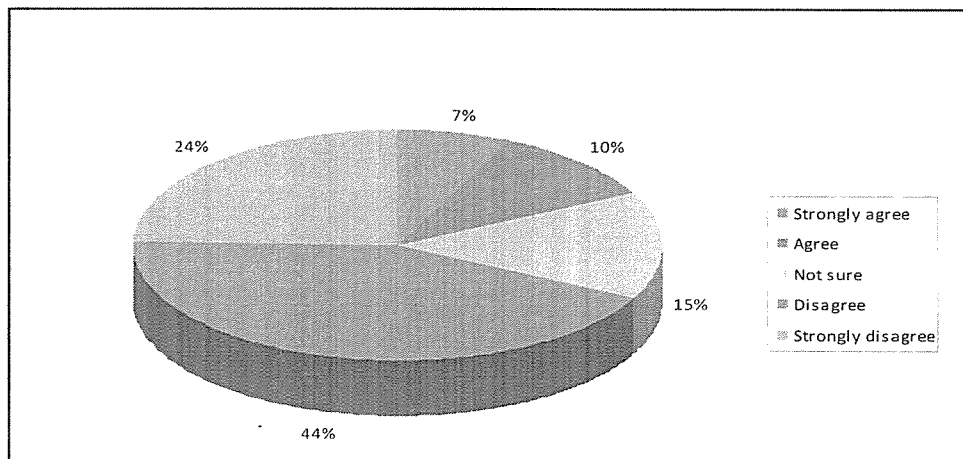
#### 4.4.5 Respondents' view about RPCA'budget committee follows the steps of conducting the budget preparation.

**Table 4.18: Respondents' view about RPCA' budget committee follows the steps of conducting the budget preparation.**

Factors	Frequency	Percentage (%)
Strongly agree	6	7
Agree	9	10
Not sure	13	15
Disagree	37	44
Strongly disagree	21	24
Total	86	100

Source: Primary data, 2010

**Figure 4.16: Respondents' view about RPCA' budget committee follows the steps of conducting the budget preparation.**



Source: Primary data, 2010

The research established that 7% of respondents strongly agreed about RPCA' budget committee follows the conducting of budget preparation, 11% of respondents agreed on the statement, 15% of respondents were not sure on the statement, 24% of respondents strongly disagreed on the statement and 43% of respondents disagreed on the statement. The result found out that 67% of respondents did not accept that RPCA' budget committees followed the steps of

conducting the budget preparation. This information is in contradictory with NAF.(2006), which establishes a schedule of key action and decision points in the process allows adequate time for information gathering and decision making. How long the process should take and who should be involved varies depending on the management style and complexity of the organization.

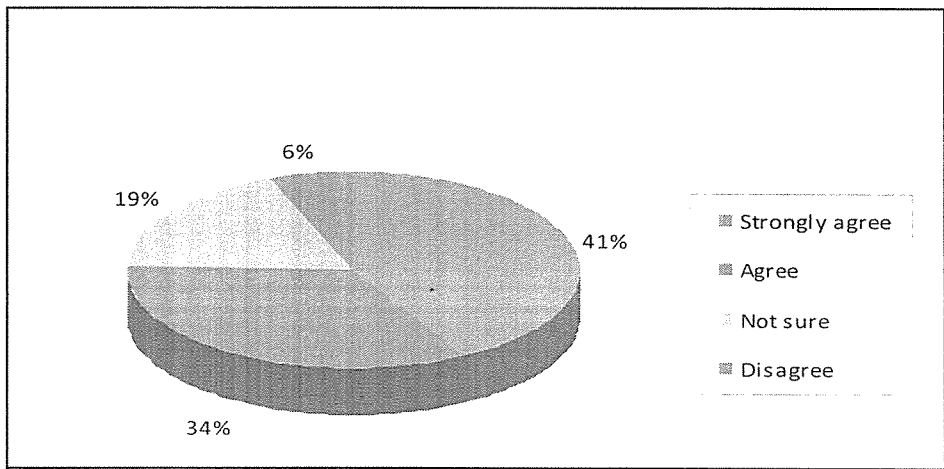
#### 4.4.6 Respondents’ knowledge about specific of budget period at RPCA

**Table 4.19: Respondents’ knowledge about budget period at RPCA**

Factors	Frequency	Percentage (%)
Strongly agree	36	41
Agree	29	34
Not sure	16	19
Disagree	5	6
Total	86	100

Source: Primary data, 2010

**Figure 4.17: Respondents’ knowledge about budget period at RPCA**



Source: Primary data, 2010

The study revealed that 41% of respondents strongly agreed that RPCA’ budget had a specific period, 34% of respondents agreed about the statement, 19% of respondents were not sure about the statement and 6% of respondents disagreed about the statement. This indicates that 75% of the respondents know that RPCA’

budget has a specific period. This is in accordance with Hilton et al (2003), who state that a master budget or profit plan is a comprehensive set of budgets covering all phases of an organization's operations for a specified period of time.

This information was very vital in assessing the contribution of budget period on organizational performance.

## 4.5 Respondents’ knowledge about the administration of budget at RPCA

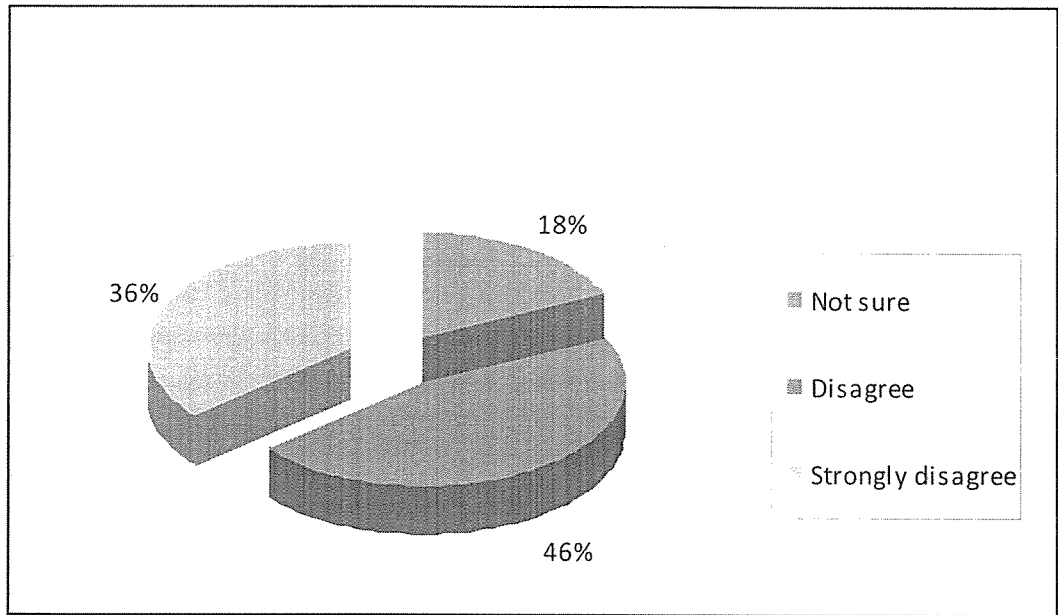
### 4.5.1 Respondents’ knowledge about RPCA has a manual budget in its administration of budget.

**Table 4.1820: Showing the response about manual budget at RPCA**

Factors	Frequency	Percentage (%)
Not sure	17	18
Disagree	43	46
Strongly disagree	34	36
Total	94	100

Source: Primary data, 2010

**Figure 4.1718: Showing the response about manual budget at RPCA**



Source: primary data, 2010

The study established that 36% of respondents strongly disagreed that RPCA has a manual budget, 46% of respondents disagreed on the statement and 18% of respondents were not sure on the statement. This shows that 82% of respondents know that RPCA did not have a manual budget in its budget administration. This is in contradictory with Hilton et. al (2003), who affirm that a budget manual indicates who is responsible for providing various types of information, when the information is required, and what form of information is to take. This information helped the researcher to assess the purpose of the budget problems at RPCA.

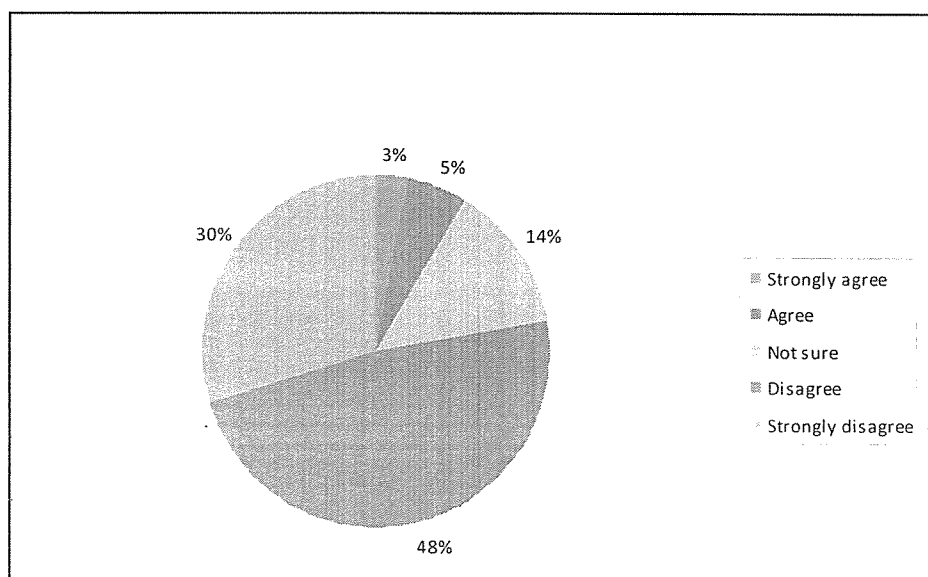
#### 4.5.2 The respondents' knowledge about budget was well implemented at RPCA.

**Table 4.219: Showing response about budget was well implemented at RPCA**

Factors	Frequency	Percentage (%)
Strongly agree	3	3
Agree	5	5
Not sure	13	14
Disagree	45	48
Strongly disagree	28	30
Total	94	100

Source: Primary data, 2010

**Figure 4.19: Response about budget was well implemented at RPCA**



Source: Primary data, 2010

The research revealed that 3% of respondents strongly agreed that budget was well implemented at RPCA, 5% of respondents agreed about the statement, 14% of respondents were not sure about the statement, 30% of respondents strongly disagreed and 48% of respondents disagreed about the statement. The



results found out that 78% of respondents did not agree that budget was well implemented at RPCA. This is in contradictory with

NAF .(2006), which states that implementation and management of budget is the real work which begins once the budget is approved: Communicate budget, program goals and timelines for the next year to staff; Review actual income and expense compared to the budget on a monthly basis; Update and revise the budget as there are changes during the year. Depending on the significance of changes, the board may need to approve revisions.

This shows information helped the researcher to understand the causes of budget's problems.

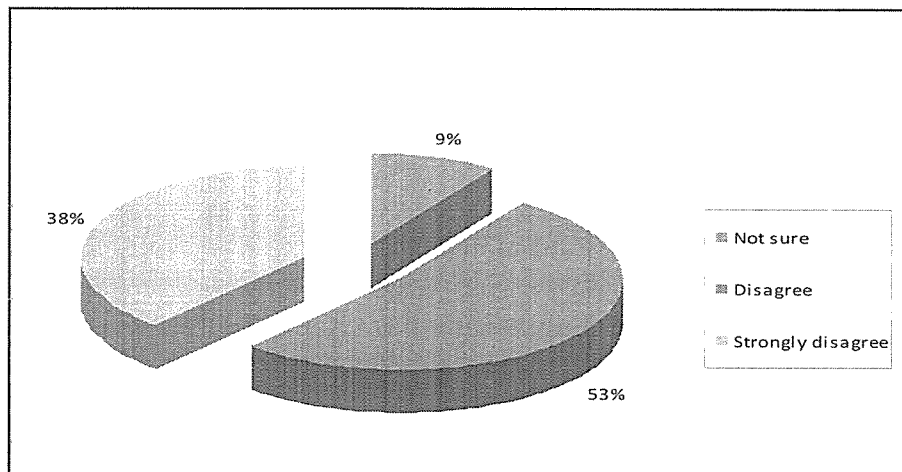
#### **4.5.3 RPCA had a controller for budget implementation**

**Table 4.22: Showing the response about RPCA had a controller for budget implementation**

<b>Factors</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Not sure	8	9
Disagree	45	53
Strongly disagree	33	38
Total	86	100

Source: Primary data, 2010

**Figure 4.1920: Showing the response about RPCA had a controller for budget implementation**



Source: Primary data, 2010

The study established that 38% of respondents strongly disagreed about that RPCA had a controller for budget implementation, 53% of respondents disagreed about the statement and 9% of respondents were not sure about the statement. This result shows that 91% of respondents illustrated that RPCA did not have a controller for budget implementation. This is in contradictory with Pandey (1998), who argues that the overall director may be the controller or the chief accountant or an independent person.

This information helped again an understanding of the researcher on budget problems' source at RPCA.

## 4.6 Qualitative analysis

### 4.6.1 Respondents' opinion about how budget administration at RPCA

The majority of the respondents in the interview about on how RPCA administered a budget agreed that a budget is administered by the budget committee charged with the preparation of budget and its revision when it becomes necessary, the budget was approved by the board of trustees before its implementation, while budget implementation is in the hands of the top administrator and chief accountant.

#### **4.6.2 Respondents 'view about the suggestion to overcome the challenges of budgetary implementation.**

The majority of respondents on the interview about the suggestions to overcome the challenges of budget implementation agreed that to overcome on these challenges, RPCA must follow the budget and put in place the budget manual, the controller (an independent or a member of budget committee) at most after four months. The respondents continue to argue that the considerations can be taken to these suggestions can bring an improvement of budgetary in order to increase the organizational performance.

#### **4.6.3 Respondents 'view about the necessity of budget system in organization.**

The majority of respondents in the interview know the necessity of budget system in organization and agreed that the achievement of organization 'objectives is a result of budget system. They continued to argue that an effective budget system requires many issues such as: better budget implementation, monitoring and evaluation on how budget was implemented and having a manual budget.

#### **4.6.4. Respondents' view about budget influences organizational performance at RPCA.**

The majority of respondents accepted that budget influences the organizational performance, but the budget must be fully followed in its implementation. They finally stated that RPCA did not follow their budget between 2006 and 2009. This result helped also the researcher to know the cause of the unfinished projects and the salary problems at RPCA between 2006 and 2009.

#### **4.6.5 Respondents' view about the impact of environment on organizational performance.**

The majority of the respondents in the interview about the impact of environment on organizational performance agreed that organization achieves its objectives in case of environment are favorable otherwise organization cannot achieve its objectives. On the case of RPCA, the respondents continued to argue that the environment was favorable in all organization' activities.

#### 4.6.6. Documentary analysis

The research retrieved in RPCA's document the following figures which were concerned to the study:

**Table 4.23: Showing the total amount of the RPCA budget between 2006 and 2009**

<b>Budgeted Amount</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
a. Budgeted amount (Prevision amount)	25 956 456	26 117 938	26 790 371	36 058 063
b. Budget inflows (Realization amount)	26 105 854	21 611 508	28 588 692	36 573 636
c. Budget outflows (Utilization amount)	26 056 745	21 609 335	28 426 605	36 571 356
d. Difference (b-a)	149 398	- 4 506 430	1 798 321	515 573
e. Difference ( c-a)	100 289	- 4 508 603	1 636 234	513 293
f. Difference ( b-c)	49 109	2 173	162 087	2 280

Source: Secondary data, 2010

**Budgeted amount:** It is the amount That RPCA expected to use (expend) in its all operations over the years and also that amount are expected to inflows.

**Budget inflows:** It is the amount that RPCA collected which can called cash inflows in its all sources of funds over the year.

**Budget outflows:** It is the amount that RPCA expended which can called cash outflows in its operations over the year.

This information shows that RPCA has experience in expending the greater amount than the prevision, exception only for the year 2007 where RPCA was realized (cash inflows) the less amount than the budgeted amount (prevision amount).

'determining the budget preparation process in order to increase organizational performance at RPCA'.

The results show that the budget is administered as follows: The budget is prepared by the budget committee, approved by the board of trustees and implemented by administrator and chief accountant, the achievement of any objective in the organization is a result of budget system. This information was to respond to the study's objective about 'examine the budget administration and how it influences on organizational performance at RPCA'.

The respondents 'results show that RPCA did not follow the budget(the budget was not well implemented), have the budget manual for budget administration, lack of budget controller , and did not allow equitable participation among staff members, volunteers and committees' leaders. This information shows that the existed problems (unfinished projects and salary) are caused by the above questions by which the major is lack of proper budget implementation.

The research findings revealed that budget influences the organization because the performance of any organization's operation is the result of budget system, therefore the budget has the vital important on organizational performance.

### **5.3 Recommendations**

Based on the finding of the research, the following recommendations are considered necessary for budget system at RPCA:

According to pandey (1998), employees at all levels of an organization must take an active participation in the preparation of budgets. This reduces doubts and creates a sense of belonging among employees because they are considered the most important stakeholders of an organization. Therefore RPCA should bring on board representatives from all stakeholders to take part and be part of the organization. Some stakeholders feel the organization was facing problems of lack of understanding of the key budgeting issues around them.

RPCA should be able to put in place the budget manual which stipulates the whole necessities operations related to the budgets system in the organization.

RPCA should also include the budget controller in its budget committee or use an independent controller for controlling the budget implementation, budget preparation and budget administered in order to know if these activities are done accordingly to organization budget manual.

RPCA must follow the budget (in budget implementation) because the lack of this was the root cause of the existed problems in the organization; following budget can be guided by existing of budget manual and budget controller. So since a budget is a vehicle of the operations of an organization during a given period, proper implementation should be allocated to it. This will enable budgeters to think through what the organization intends to achieve within a specific period before operations officially take place and to guide the budget implementation process, so RPCA can achieve its overall objectives easily.

The organization should freely compare its budgeting with the budgeting of the other organization of its nature and get the information of budget system of the other organization. This information should help the organization in budget system improvement. In this order also the organization should take knowledge on how it can improve its budget system.

The organization should be able much more to increase budget education and communication to its all stakeholders much more that it has been to avoid the devil imagination on the causes of non achievement of some objectives within the organization.

The organization should be able to attract the new stakeholders for financing its unfinished projects in the last years. Accomplishment of these projects will help the ongoing of the organization, the welfare to its members, and rest of country.

#### **5.4 Areas for further researcher**

The researcher suggests the following areas for further research: Challenges of budgeting implementation on nonprofit organization, relationship between budgeting and organization profitability, the effect of monitoring and evaluation on budget implementation and organization performance, the impact of stakeholders towards budgeting effectiveness, ethical practice and budget preparation on organizational performance.

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## APPENDICES

### APPENDIX I: TRANSMITTAL LETTER



**KAMPALA  
INTERNATIONAL  
UNIVERSITY**

Ggaba Road, Kansanga \* PO BOX 20000 Kampala, Uganda  
Tel: +256 (0) 41 - 266 813 \* Fax: +256 (0) 41 - 501 974  
E-mail: admin@kiu.ac.ug \* Website: <http://www.kiu.ac.ug>

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**OFFICE OF THE DEAN  
SCHOOL OF BUSINESS AND MANAGEMENT**

**Date: 11<sup>th</sup> /03/2010**

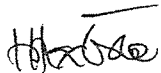
Dear sir/Madam;

**REF: INTRODUCTORY LETTER**

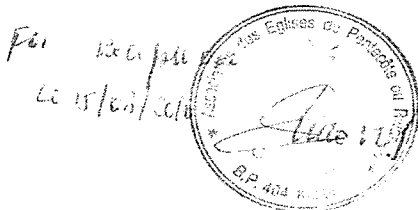
This is to certify that **GASANA HERMAN PHILEMON.REG:MBA/20011/82/DF** is a bonafide student of Kampala international university under the school of Business and Management. He is pursuing a Masters of Business Administration. He is in Second year First semester.

While with us, he is a diligent, cooperative and hard working student with great potential for growth and development. Please do render to him any necessary assistance and consideration.  
Thank you.

Yours faithfully,

*for* 

**DR. ANGELLITA P. CANENE  
ASS-DEAN SPGS SCHOOL OF BUSINESS AND MANAGEMENT**



## APPENDIX II: RESEARCH INSTRUMENT

### II.1 Questionnaires

Dear Respondent,

I am a university's student, undertaking a master degree in Business Administration. As part of the partial fulfillments of this course I am undertaking a study on "Assessment of budgetary influence on organizational performance of nonprofit entities in Rwanda " with a case study of RPCA.

#### Section I: Identification of respondents

##### I.1.What age bracket are you?

Under 19 years ☐

19 years – 27 years ☐

28 years – 36 years ☐

37 years – 45 years ☐

46 years – 54 years ☐

55 years – 63 years ☐

64 years – 72 years ☐

Above 72 years ☐

##### I.2.Which gender is you?

Male ☐

Female ☐

##### I.3.What is your education level?

Doctorate ☐

Master ☐

Bachelor ☐

Diploma ☐

A' level ☐

O' level ☐

O' level ☐

Primary ☐

None ☐

#### I.4 What is your position?

Staff Members

Volunteers

Committees' Leaders

#### I.5.What is your marital status?

Married

Single

Widowed

Divorced

### Section II: Questions of study

#### II.1 Understanding of budget control

Instruction:

Tick against the most appropriate alternative:

1. Strongly agree 2. Agree 3. Not sure 4. Disagree 5. Strongly disagree

#	The Questions	1	2	3	4	5
01	They understand the meaning of budgetary control at RPCA.					
02	They understand the purpose of budgetary control at RPCA.					
03	There are advantages of budgetary control at RPCA.					
04	The budgetary control is a tool on organizational performance at RPCA.					
05	They know that budgetary control helps the organization to meet its objectives.					

## II.2 Budget preparation processes

Instruction:

Tick against the most appropriate alternative:

1. Strongly agree 2. Agree 3. Not sure 4. Disagree 5. Strongly disagree

#	The Questions	1	2	3	4	5
01	RPCA prepares a master budget.					
02	RPCA prepares an operating budget.					
03	RPCA prepares a cash budget for cash inflows and cash outflows					
04	RPCA allows equitably and free participation of staff members, committees 'leaders and volunteers in budget committee.					
05	I understand that the budget committee of RPCA follows the conducting steps of budget preparation.					
06	A budget preparation refers to a specific period at RPCA.					

### II.3 Budget administration and its influence on organizational performance

Instruction:

Tick against the most appropriate alternative:

1. Strongly agree 2. Agree 3. Not sure 4. Disagree 5. Strongly disagree

#	The Questions	1	2	3	4	5
01	RPCA has a manual budget in its administration of budgetary.					
02	There are the challenges in budget implementation at RPCA.					
03	RPCA has a budget controller for budget implementation					

## II.2 Interview guideline

### Section I: Identification of respondents

#### I.1.What age bracket are you?

Under 19 years ☐

19 years – 27 years ☐

28 years – 36 years ☐

37 years – 45 years ☐

46 years – 54 years ☐

55 years – 63 years ☐

64 years – 72 years ☐

above 72 years ☐

#### I.2.Which gender is you?

Male ☐

Female ☐

#### I.3.What is your education level?

Doctorate ☐

Master ☐

Bachelor ☐

Diploma ☐

A' level ☐

0' level ☐

Primary ☐

None ☐

#### I.4.What is your marital status?

Married ☐

Single ☐

Divorced ☐

Widowed ☐

## **Section II: Interview guide to the study**

### **II.1: understanding the budget control**

1. What is the meaning of budget control at RPCA?
2. What is the purpose of budget control on organizational performance at RPCA?
3. What are the advantages of budget control on organizational performance at RPCA?

### **II.2: Budget preparation processes**

01. How the budget is prepared at RPCA?
02. Are you allowed to participate in budget preparation? Why and how?
03. How does RPCA prepare a master budget?

### **II.3: Budget administration and its influence on organizational performance**

01. Does RPCA have a manual budget in its budget administration?
02. In your opinion, state how the budget is administered at RPCA?
03. Does RPCA meet the challenges in budgetary implementation?
04. What is your suggestion to overcome the challenges of budgetary implementation?
05. How can you improve the budget system at RPCA?
06. In your understanding, it is necessary to have a budget system in organization?
07. Briefly, state how budget influences organizational performance at RPCA?
08. What is the impact of environment in the organization's operations?

**THANK YOU !**

**APPENDIX III: Sample size(s) required for the given  
population sizes (N)**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	256	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384



## APPENDIX IV: SLOVEN'S FORMULA OF SAMPLING

$$n = \frac{N}{1 + Ne^2} = \frac{105}{1 + 105(0.05)^2} = 83.16 = 83$$

N: Population under study

n: Sample size

e: degree of confidence level at 95% which equals to 5%

$$(n = N / 1 + N(e^2))$$

where n=simple size, N= Population, 1= Constant,  $e^2$ = level of significance = 0.05.

## RESEARCHER'S CURRICULUM VITAE

### PERSONAL DETAILS

Full names : Herman Philemon Gasana  
Date of birth : June 18<sup>th</sup> , 1978  
Place of birth : GISAGARA, SOUTHERN PROVINCE  
Place of residence : KICUKIRO, KIGALI TOWN  
Nationality : Rwandese  
Marital status : Married  
Contact : Mobile: +250 783 497 694  
E-mail : hpgasana@yahoo.com

### EDUCATION AND QUALIFICATION

#### - From 2009 - 2010:

Master's degree in Business Administration (MBA-Finance and Accounting) in Kampala International University.

#### - From January 2009:

ACCA 'S AFFILIATE

#### -From 1999 - 2003:

Bachelor's degree of Business Administration (BBA-Accounting) from Adventist University of Central Africa

#### -October 1999:

A' Level, ACEJ KARAMA, Option Commerce and accounting

### RESEARCH WORKS

-Research for the award of Master's degree in Business Administration

Topic: "Assessment of Budgetary Influence on Organizational performance of Nonprofit Entities : A case study of Rwanda Pentecostal Church Association"

-Research for the award of bachelor's degree

Topic: "Gestion des crédits bancaires : Cas de la banque populaire pour la promotion de la femme "

## **TRAININGS**

1999: Computer training (Programme Word, Excel)

2002: Training on HIV awareness

2005: Training on credit management by ADFINANCE.

2008: Three weeks of civic education for teachers "ITORERO" under the name "INDENGABAGANIZI ZA GASABO".

2009: -Training on Monitoring and Evaluation (Makerere University)

- Training of trainers (TOT) (Makerere University)

- Training on Peace management and conflict resolution (Makerere University)

- Seminar on behavior in Organization at individual level (Kampala International University)

2010: - Training on Financial management and accounting (Makerere University)

- Training on Project planning and management (Makerere University)

## **EXPERIENCES**

**2002- 2003:** Teacher at College ASPESKA- KARENGE (BICUMBI)

I taught the following subjects: Economics, Financial mathematics, taxation, accounting, principles of management

**2003- 2004:** Teacher at College Ingenzi de RUTONGO

I taught the following subjects: Economics, Financial mathematics, taxation, accounting, computer literacy (Word, Excel programs).

**2005-2007:** Consultant as independent Accountant at Cabinet Africain de Consultance (CAFRICO) , in the following areas:

Value added Tax(VAT), Professional Revenue Tax, accounting and other related services.

**2008:** Part-time teacher at SOS technical High school

- I taught the following subjects: Business communication Skills, Principles of management, Introduction to accounting

-Teacher at College Ingenzi de RUTONGO

I taught the following subjects: Economics, Financial mathematics, taxation, accounting, principles of management

### **OTHER SKILLS**

Computer literate : M.S word, M.S excel, M.S access, M.S power point, SPSS, Accounting package, SAGE SALI, Programs and specification, Computer maintenance.

### **SPOKEN LANGUAGES**

English : Good

French : Very good

Swahili : Good

Kinyarwanda : Mother tongue

I acknowledge that the information given above is true and correct to the best of my knowledge.

GASANA HERMAN PHILEMON

