

**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATES STUDIES**



**FUND MANAGEMENT AND ITS UTILIZATION: THE CASE
OF ORGANIZATION FOR SOCIAL SERVICES (OSSA)**

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**ST. MARY'S UNIVERSITY
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**FUND MANAGEMENT AND ITS UTILIZATION: THE CASE OF
ORGANIZATION FOR SOCIAL SERVICES FOR AIDS(OSSA)**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY
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DECLARATIONS

I, hereby declare that the research entitled “Fund Management and its Utilization: The Case of Organization for Social services for AIDS” is my original work and is my own effort and study. It has been done by me independently except for the guidance and suggestion from my research advisor. It is presented here, in partial fulfillment of the requirements for the degree of Master of Business Administration.

Declared by:

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor.

Advisor:

Date _____

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ABSTRACT

The study was conducted on fund management and its utilization in the case of Organization for Social Services for AIDS(OSSA). Fund management and its utilization practice has got vital benefits for NGOs because it enables them to realize the main factors that hinders effective and efficient fund management and utilization practices which needs to be reduced. The gap identified in this research is the declining and fluctuating trends of fund utilization for the organization and the general objective of the study to assess fund management & its utilization, the study adopts descriptive research design and used mixed type of research approaches in which a combination of semi structured questionnaires, in depth-interviews and documentary were used as a means of data collection. Data were collected from 51 practitioners in all branches, sub branches including head office using the questionnaire. According to the results of this mixed research approach shows different kinds of internal and external factors influencing effective and efficient utilization of allocated fund. The findings of the study show that the organization is not financially sustainable because it is highly depending on one source of financing which is foreign donation, lack of monitoring & evaluation system, it utilizes its fund as proclamation 621/2009 and donor requirements. Besides the study recommends that the organization device strategy for fund sustainability by income diversification such as mobilizing local resources and involve in income generating activities (self-financing),the organization emplace a system for continuous monitoring evaluation system for the proper utilization of fund and continue its fund utilization practice as per the proclamation number 621/2009 and donor requirements and in addition the organization continue its fund management practice based on budget specification and as per financial grant agreement.

Key words; fund management, fund utilization

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List of Acronym

ACCA Association of Chartered Certified Accountant
AIDS Acquired Immunodeficiency Syndrome
CBO Community Based Organization
CRDA Christian Relief Development Agency
CSO Civil Society Organization
CUNA Change in Unrestricted Net Asset
EEA European Economic Area
EFY Ethiopian Fiscal Year
EPA Environmental Protection Agency
EU European Union
FHAPCO Federal HIV/AIDS Prevention and Control Office
HAPCO HIV/AIDS Prevention and Control Coordination Office
HIV Human Immunodeficiency Virus
HSDP Health Sector Development Program
IEC Information Education and Communication
MGDs Millennium Development Goals
MOFED Ministry of Finance and Economic Development
MOH Ministry of Health
MSc Master of Science
NFP Not for Profit
NGO Non-Governmental Organization
ODA Official Development Assistance
OECD Organization for Economic Cooperation and Development
OSSA Organization of Social Services for AIDS
PhD Doctor of Philosophy
PVO Private Voluntary Organization

RHAPCO Regional HIV/AIDS Prevention and Control Office
SIDA Swedish International Cooperation Development Agency
SNNP Southern Nation Nationalities People
SPSS Statistical Package for Social Science
SRF State Revolving Fund
UK United Kingdom
UNICEF United Nation Children Fund
VCT Voluntary HIV/AIDS Counseling and Testing

CHAPTER ONE

INTRODUCTION

1.1 Back ground of the study

Effective fund management is not only the result of a single action or decision that results in a successful program. Instead, program success depends on how a series of fund management questions are identified, answered, and revisited overtime. Important questions include are fund resources being utilized effectively? Is sufficient project assistance being made available? What is the sustainable funding level from the program? And so on. (United state Environmental Protection Agency, 2001).

Utilization of funds had been a challenge to both the donor community as well as the organization that are responsible for effective utilization of the funds. Therefore, there is need for institutions that are response for the management of these funds to come up with the right framework and procedures to ensure that funds given are utilized as expected and that the funds serve the purpose (Fowler, 1995).

Non-government organization (NGOs) are types of organizations those are geared toward the provision of some sort of benefits to the society and are citizen-based organizations. These organizations are mobilizing financial resources from various national and international voluntary agencies to work in a coordinated manner consistent with the requirements of the society (Mengesha ,2012).

Non-governmental Organization(NGOs) are playing an increasingly important role towards development of nations by providing a range of services, i.e. poverty alleviation through microcredit, employment, women empowerment, ensuring education and health, etc (Tabassum,2012).

Financial management of NGOs is similar with the commercial sector in many respects; however, certain key differences shift the focus of NGOs financial manager. For-profit oriented enterprise focuses on profitability and maximizing shareholder value. NGO's primary goal is not to increase shareholder value; rather it is to provide some socially desirable need on an ongoing basis. NGOs generally lack the financial flexibility of a commercial enterprise because it depends on resource providers that are not engaging in an exchange transaction. The resources provided are directed

towards providing goods or services to a client other than the actual resource provider. Thus, NGOs must demonstrate its stewardship of donated resources for a specific purpose must be used for that purpose. That purpose is either specified by the donor or implied in the NGO's stated mission (Blackbaude, 2004).

The term, "non-governmental organization" or NGO, came into use in 1945 because of the need for the UN to differentiate in its Charter between participation rights for inter-governmental specialized agencies and those for international private organizations. At the UN, virtually all types of private bodies can be recognized as NGOs. They only have to be independent from government control, not seeking to challenge governments either as a political party or by a narrow focus on human rights, non-profit-making and non-criminal (Mengesha,2012).

An increased attention to the nonprofit organization resulted due to, the profit oriented business exploiting the environment and ignoring human rights for some time. Simultaneously, the state has received a lot of critique for being too bureaucratic and thus too ineffective to be able to solve all public needs. However, the increased attention has been followed by a greater pressure on the organizations(NGOs) to fill the shortcomings of private and public sector and they now have to face the demands on being able to show what they accomplish (Larsson and Kinnunen,2007). As (Andersen and Fagerhaug,2007) cited in Larsson and (Kinnunen,2007) the key reason for measuring performance is the pressure from different stakeholders. According to Association of Chartered Certified Accountant (ACCA), (2006/2007) not for Profit (NFP) organizations can measure financial performance in many aspects of its operation. This implies that to determine performance, individuals or firms may build many indicators lists/methods; however, the performance measurement indicators must reflect both quality and costs.

According to the National Council on Governmental Accounting Statement No1 (NCGAS1), entitled governmental accounting and financial reporting principles, a fund is defined as: a self-balancing set of accounts recording cash and other financial resources, to other with all related liabilities and residual equities or balances, and change there in, which are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitation.

When it comes to organization for social Services for AIDS (OSSA), its two objectives are preventing and control the spread of HIV/AIDS and care & support (OSSA, 2012) and therefore, the organization has an obligation to act accordingly.

The studies conducted by (Cairns et.al, 2005), (Larsson and Kinnunen,2007), (Zimmerman and Steven,2006), in different economies regarding fund management and its utilization are not conclusive and it is different to the context of Ethiopia, due to socio economic, political and cultural difference. The research conducted by (Belay,2008) again are not inclusive to the entire Non-government organizations (NGOs) except and, an attempt to show the fund management and its utilization in Tigray HAPCO and it doesn't necessarily mean the finding in Tigray HIV/AIDS Prevention and Control Office (HAPCO's) applies to OSSA, due to their geographical location difference and their scope of involvement in the country and it focused on one region context only.

The studies conducted in advanced, emerging and developing economy doesn't necessarily apply to Ethiopian context due to socio economic, political and cultural difference. Besides, the studies conducted in Ethiopia again are not inclusive to the entire NGOs, except, an attempt to show the fund management and its utilization in Tigray HIV/AIDS Prevention and Control Office(HAPCO) which is government organization and the study has focused on one region context and even it is not implementer organization rather transfer funds to the implementer organizations. The study in Tigray HAPCO identified major findings: implementing organizations misunderstand the objectives of HIV/AIDS fund, weak capacity in implementation, lack of political commitment & leadership.

(Hendricks, 2008), studied on governance and financial sustainability of NGOs in South Africa identified the factors that affects source and sustainability of funds in which NGOs are required to diverse their income through fundraise, generate an income (self -financing) and mobilize local resources from the state, the public and from private sectors to become sustainable.

(Flower ,1995). Fund utilization had been a challenge to the non-government organizations. The organizations are responsible for effective of funds and he identified the factors for effective and efficient utilization of funds in which the organization are expected to work on the right procedure, rules, regulations, requirements of government and donor organizations.

Therefore, the study attempts the practice of fund management and its utilization of funds in organization for social services for AIDS(OSSA) in which the organization exists in all region of Ethiopia.

1.2 Back ground of the organization

More than two decades have elapsed since Organization for Social services (OSSA) became an indigenous pioneer organization in the fight against HIV/AIDS. It was in May 1989 where the birth of OSSA was initiated by participants of the different religious organizations and international agencies of the National AIDS Conference held in Addis Ababa to take a historic responsibility to forge a united and concerted force to prevent and control the alarming spread of HIV/AIDS and to holistically address the unprecedented social and economic impacts of the pandemic facing the country. Following the legal formation in 1990, OSSA in a responsive manner has exerted strenuous efforts in the prevention and control of HIV/AIDS and care and treatment of people affected by the virus. Religious and non-religious organizations, funding agencies and partners stood alongside OSSA and harmoniously fought against the wide spread of HIV/AIDS. (Strategic plan 2014-2018)

1.3 Statement of the Problem

NGOs are types of organizations those are geared toward the provision of some sort of benefits to the society and are citizen-based associations. These organizations are mobilizing financial resources from various national and international voluntary agencies to work in a coordinated manner consistent with the requirements of the society. ‘Non-Governmental Organization’ in the narrower sense can be defined ‘self-governing, private, not-for-profit organizations that are geared to improving the quality of life for disadvantaged people’ (Lewis, 2009)

In the last decade, NGOs have become more important, and their influence in the globalized world has grown significantly (Rugendyke, 2007; Sayer, 2007; Millar et al, 2004). NGOs are often described as the “third sector”, when compared to the government (the public sector) and businesses (the private sector).

There are studies on fund management and its utilization conducted by (Cairns et.al, 2005), (Zimmerman and Stevens, 2006), (Larsson and Kinnunen, 2007), (Ljubljana, 2010), (Hendrickse, 2008), (Ghimire, 2005), (Johnson, 2009), (Tabassum, 2012), Andarge, 2010, and Belay, 2008) shows some evidence on related issues from different economies perspectives.

(Cairns et.al, 2005), conducted the research to show the effectiveness of nonprofit managers towards performance evaluation. According to him, in U.K and North America the subject is highly topical.

(Zimmerman and Stevens, 2006), studied on his research conducted on the use of performance measurement in South Carolina two-third of the respondents used nonprofits performance measurement. Although the above two studies were good attempt in performance evaluation, it tried to show from management perspective only.

(Larsson and Kinnunen, 2007), conducted a study in advanced economy, Swedish; to convey understanding of the country’s civil society organization experience of performance measurement from the perspective of the management only but it didn’t see in finance perspectives.

In advanced economy, Ljubljana, (2010), also conducted a study to evaluate the contribution of NGO funds to the NGO sector in the beneficiary state in European Economy Area (EEA). Although the study covers the wider area of EEA and Norway, it focused on program evaluation rather than evaluating fund management and its utilization.

(Hendricks, 2008), studied on governance and financial sustainability of NGOs in South Africa and he identified that NGOs are required to fundraise and to generate an income to become sustainable. In general, NGOs have commonly could raise revenue through the state, the public

and the private sector on an international, national, or local level. He stated, in South Africa sources of funding ranges from individual giving, corporate social investment, government funding, foreign donor funding, funding from grant-making foundations to national funding agencies.

(Ayele, 2008), conducted a study related to the roles, contributions and challenges of NGOs in Ethiopia. Under this study, he tried to indicate the place of NGOs and identified their major contributions in food security and democratization process in Ethiopia and the challenges they encountered in their operation. In this investigation, researcher noted the major contribution of NGOs, like reducing involuntary mass migration and huge loss of lives and properties famine, food security, health and education, capacity building, infrastructure development, microfinance, and Democratization.

(Belay, 2008) investigated fund management and its utilization in Tigray HIV/AIDS Prevention and Control Office (Tigray HAPCO). In this study, researcher found that the fund from international organization is main source of HAPCO's fund. This fund is managed by using tools. Besides, he noted that the key fund utilization techniques. In addition, researcher stated some factors that can influence the fund management and utilization.

The studies conducted in advanced, emerging and developing economy doesn't necessarily apply to Ethiopian context due to socio economic, political and cultural difference. Besides, the studies conducted in Ethiopia again are not inclusive to the entire NGOs, except, an attempt to show the fund management and its utilization in Tigray HIV/AIDS Prevention and Control Office(HAPCO) which is government organization and the study has focused on one region context and even it is not implementer organization rather transfer funds to the implementer organizations. The study in Tigray HAPCO identified major findings: implementing organizations misunderstand the objectives of HIV/AIDS fund, weak capacity in implementation, lack of political commitment & leadership.

In the case of OSSA, the fund utilization has fluctuating trends and the fund has declining trend over the last five years as it is exhibited from OSSA Audited financial statement 2011-2015.

Therefore, this study attempted on fund management and its utilization in organization for social services for AIDS(OSSA) in which it exists in all regions in Ethiopia.

1.4 Objectives of the study

1.4.1 General objective

The general objective of this paper is to assess fund management and utilization of funds of OSSA.

1.4.2 The Specific Objectives

1. To evaluate the utilization of allocated funds and its controlling & financial monitoring.
2. To examine source of fund and the financial sustainability
3. To identify factors that affects effective and efficient fund management & utilization of fund

1.5 Significance of the study

The findings of this research might be significant for organization for Social Services for AIDS to revisit and undertake corrective measures in fund management and fund utilization; it has also alarming role for the organization in indicating the main problems that tackled their fund management and its utilization. This research also initiate and help policy makers in indicating the main hindrance that affects fund management and its utilization for other similar nonprofit non-government organizations.

Furthermore, it provides as reference materials for researchers for further studies

1.6 Scope of the study

The scope of study is delimited on the evaluation of fund management and its utilization case of Organization for Social Services for AIDS (OSSA) in which it is operating in all region of Ethiopia. Therefore, it doesn't include another NGOs operating in Ethiopia due to the character of the subject matter which means excessive confidentiality.

1.7 Limitation of the Study

Researcher expects that the study may have some limitations due to the following reasons:

- Lack of adequate material and information for each fund
- Area farness branch and sub offices

1.8 Organization of the study

The study organize in five chapters. The first chapter deals with the introduction of the paper. The second chapter focuses on literature review. The third chapter is about methodology. The fourth chapter is about data analysis and interpretation. The last chapter, chapter five is about conclusion and recommendations.

CHAPRET TWO

REVIEW OF LITRATURE

This chapter highlight theoretical & empirical literature. In theoretical the following issues: the purpose, economic role, source, financial management, fund management and fund utilization. In empirical literature with the following issues: NGO fund management and its utilization in developed, emerging, developing economies and in Ethiopia are addressed.

2.1 Theoretical Literature

2.1.1 Non-Government Organization (NGO)

The history of non-governmental organizations may be traced back to at least from 1775 when people started grouping themselves to address issues on slave trade, peace movement, labor rights and humanitarian relief for war victims and refugees. According to Becker (2011), International non-governmental organizations have a history dating back to at least 1839. It has been estimated that by 1914 there were 1,083 NGOs.

Becker (2011), further states that, “Non-Governmental Organization” only came into popular use with the establishment of the United Nations Organization in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter for a consultative role for organizations which are neither governments nor member states. The term was used to distinguish between the participation of international private organizations and intergovernmental specialized agencies. NGOs; also known as Non-profit organizations (NPO) and Private Voluntary organization (PVO) are the most commonly used definitions of the term - interchangeably used. To this end, NGOs may be referred to mean Non-profit making organizations that are objectively constituted or any organization that is not founded by any treaty to address challenging issues in the society.

According to Ngumuta (2008), NGOs operate in all levels - grassroots, national, regional and international. They respond to emerging needs in the fields of health, education, refugees, environment, human rights, and other key aspects of development. For instance, in the recent past, NGOs have been endeavoring to address the Millennium Development Goals (MDGs) which includes eradication of extreme poverty and hunger, improvement of equity and access to basic education, promotion of gender equity and empowerment of women and reduction of child

mortality. Others include combating HIV and Aids, Malaria and other diseases, ensuring environmental sustainability and developing a global partnership for development.

The NGOs operate on set programs of activities that address their interests and have often partnered with schools to finance projects in the education sector. It remains unclear whether the two entities; NGOs and the public primary schools consult or plan together for the developmental projects they undertake in the institutions. A project requires careful planning in terms of scope, time and finance and therefore, involvement of all stakeholders in the planning process is paramount for the project to realize success. Schools often incorporate NGO funded projects (more than one project at times) even when the projects were not initially factored in the school development plans.

Worldwide, Non-governmental Organizations have played a leading role in attending to global problems especially in the developing countries. In the real world, there has been a huge change in emphasis, with increased involvement of private agencies in the delivery of education especially in regard to access equity and retention of learners in school. This has been particularly so in developing countries where NGOs now supplement and in some cases, have displaced the traditional role of the state. Other than NGOs, agencies such as national and international organizations have been very active in providing assistance for the improvement of human life.

2.1.1.1 International organizations

International organizations are made up of members from numerous countries and are sometimes called “multilateral” organizations. The membership is usually governments and includes international organizations such like the Council of Europe, the European Union(EU), the Organization for Economic Cooperation and Development (OECD), United Nations (UN) organizations, and the World Bank (Bassler and smit.1997).

International organizations often have large resources, technical expertise, and legitimacy with governments and any country partnering with them can yield a substantial co-funding, Professionalism, access, legitimacy, influence, and recognition from governments and the donor community. These organizations often play a leading role in donor coordination. Their staff are being increasingly encouraged and even required to cooperate with NGOs in the countries they serve. The NGOs get a substantial amount of fund from these organizations.

The funds have the capacity to empower the organizations to stamp their authority on the decisions to be made regarding the initiation of programs or project in the institutions and communities where NGOs partner with for development, (Ebrahim, 2004). The concern is whether the influence is considerate of the beneficiaries' way of life including their developmental planning and management of their projects.

2.1.1.2 Bilateral donors

Bilateral donors normally act as agents used by donor governments to fund or deliver country to-country development assistance. They may be ministries; for example, the donor country's ministry that deals with development cooperation, foreign affairs, or education. Or, they might be bilateral agencies that are government-owned and funded, such like the British Council, the Swedish International Development cooperation Agency (SIDA), or the United States Agency for International Development (USAID) (Bassler and Smit.1997).

Bilateral donors have resources, technical expertise, formal diplomatic access, and legitimacy with recipient governments. They consult with the recipient government on defining their programs and usually have regular contact with other bilateral donors and international organizations based in a country. Bilateral agencies sometimes consult with the NGO community in the recipient country. They often fund NGOs from their own country and capacitate them to partner with recipient communities on development projects. It is in this connection that at times, donor countries dictate their terms through the NGOs they fund to the recipients. The school community benefit from the funds by way of partnering with the NGOs to initiate projects and programs that in most cases aim at boosting health and sanitation, access and retention of the disadvantaged learners in learning programs in schools. However, considering that planning and development entails prioritization of needs, it is not established whether the NGOs consult with individual schools on the choice or the order in which to implement projects and programs.

2.1.2 Types of NGOs

NGOs may operate in two types which includes the national, or multinational while the second type is the local or indigenous NGOs; also known as CBOs (Community Based Organizations). CBOs often have low income, and work in aid recipient countries with low development. The National NGOs are intermediary and bureaucratic organizations with a professional staff;

nationally based educated middle class and externally funded. CBOs on the other hand are Community oriented with membership of Small self-help organizations and run by locally based volunteers. According to Bassler and Smit (1997), NGOs are attractive partners because they are easily approachable, relatively flexible, and usually less bureaucratic than other types of donors. NGOs might offer grass-roots and rural implementation capacity and expertise that are better developed than that of the state.

However, Bassler and Smit's argument does not content with the fact that NGOs are not found all over and that; their operation in a certain place is not permanent.

According to a report by UNDP (1993), there were more than 50,000 NGOs working at the grass-roots level in developing countries by the year 1993 whose activities had affected the lives of more than 250 million individuals.

2.1.3 Local Level Partnership

According to Bassler and Smit (1997), Partnership is created when two or more individuals or organizations find it in their common interest to work together toward a specific outcome. In this case, finding a common agenda is a fundamental starting point. Partners can bring different things to their partnership. These might be funds, goods, services, technical assistance, technology transfer, training opportunities, implementation capacity, legitimacy, publicity, access, or information. However, the NGO funded projects may be locally planned for, which is good to the beneficiaries in terms of ownership of the projects. At the same time, NGOs will in most cases seek to profile the will of their financiers (donors). A gap therefore exists on how implementation of the projects funded by NGOs is done.

2.1.4 Purpose of NGO

Non-governmental organization (NGO) is a term that has become widely accepted as referring to a legally constituted, non-governmental organization created by natural or legal persons with no participation or representation of any government. In the cases in which NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status and excludes government representatives from membership in the organization. (Lewis, 2007) The primary purpose of an operational NGO is the design and implementation of development related projects. One frequently used categorization is the division into relief-oriented versus development-oriented

organizations; they can also be classified according to whether they stress 11 service delivery or participation; or whether they are religious or secular; and whether they are more public or private-oriented. Operational NGOs can be community-based, national or international. (Lewis and Kanji, 2009) The principal purpose of an advocacy NGO is to defend or promote a specific cause. As opposed to operational project management, these organizations typically try to raise awareness, acceptance and knowledge by lobbying, press work and activist events. (Ibid, 2009)

NGOs are types of organizations those are geared toward the provision of some sort of benefits to the society and are citizen-based associations. These organizations are mobilizing financial resources from various national and international voluntary agencies to work in a coordinated manner consistent with the requirements of the society. ‘Non-Governmental Organization’ in the narrower sense can be defined ‘self-governing, private, not-for-profit organizations that are geared to improving the quality of life for disadvantaged people’ (Lewis, 2009)

2.1.5 The Economic Role of Non-Governmental Organization

NGOs have become major players in the field of international and national development. Since the mid-1970s, the NGOs in both developed and developing countries has experienced exponential growth. From 1990 to 2000 total development aid disbursed by international NGOs increased ten-fold. In 1992 international NGOs channeled over \$7.6 billion of aid to developing as in many African countries, the governmental efforts in socio-economic development are supplemented by the activities of many non-governmental, voluntary and social organizations.

They are meant to fill the gaps that exist in the governmental efforts. The nongovernmental organizations are mobilizing the resources from various national and international voluntary agencies. These organizations are to work in a coordinated manner consistent with the requirements of the society. They are regulated and controlled by the Government agencies like Charities and societies’ agency, (worldbank.org).

In the last decade, NGOs have become more important, and their influence in the globalized world has grown significantly (Rugendyke, 2007; Sayer, 2007; Millar et al, 2004). NGOs are often described as the “third sector”, when compared to the government (the public sector) and businesses (the private sector). As their significance has grown, their role has also changed: currently their role can best be described as a dual role in which they perform a market and

institutional identity at the same time (Millar et al, 2004). This means that NGOs can be a public and private player in the globalized world. They aim to serve particular societal interests by focusing advocacy and/or operational efforts on social, political and economic goals, including equity, education, health, environmental protection and human rights” (Teegen et al., 2004). This puts them in a position between the government and the private sector. Their goal is to serve societal interest like the government, but they are not a part of the government, like businesses. Moreover, NGOs operate and advocate promoting the interests of different parts of society and are not directly motivated by financial return, while also lacking the formal authority and sovereign stature of public sector entities (Teegen, 2006). NGOs tend to organize primarily around ideas; a collective commitment to some shared belief or principle (Spar & La Mure, 2003). NGOs are actually embodied interests in an organization which have evolved from a social movement. So actually, the function of an NGO is representing the interests of the civil society. These interests vary from poverty alleviation, human rights, environmental degradation, and other issues of social, economic and political development (Teegen, 2006). In this thesis, the focus lies on NGOs which are aimed in health sector, specifically about HIV AIDS.

2.1.6 Financial management in Non-Governmental Organization

Financial management of NGOs is similar with the commercial sector in many respects; however, certain key differences shift the focus of NGOs financial manager. For-profit oriented enterprise focuses on profitability and maximizing shareholder value. NGO’s primary goal is not to increase shareholder value; rather it is to provide some socially desirable need on an ongoing basis. NGOs generally lack the financial flexibility of a commercial enterprise because it depends on resource providers that are not engaging in an exchange transaction. The resources provided are directed towards providing goods or services to a client other than the actual resource provider. Thus, NGOs must demonstrate its stewardship of donated resources for a specific purpose must be used for that purpose. That purpose is either specified by the donor or implied in the NGO’s stated mission (Blackbaude, 2004). Hence, per(Hendrickse,2008) proper financial management practices will help NGO managers to make effective and efficient use of resources to achieve organizational objectives and to fulfill commitments to stakeholders. It will enable NGOs to be more accountable to donors and other stakeholders and gain the respect and confidence of funding agencies and partners. Another advantage derived from good financial management practices is that an NGO

will have a competitive advantage over other organizations in securing scarce resources and, in this context, the NGO will further prepare itself for long-term financial sustainability. Whilst there is no perfect financial management model for NGOs, good practice in financial management is achieved by designing systems and procedures around accounting records, financial planning, financial monitoring and internal controls.

2.1.7 Performance management in NGOs

Much of the debates over performance management in the NGOs sector has revolved around how to achieve efficiency and effectiveness in the public sector (ACCA, 2006/2007).

2.1.7.1 Efficiency

Efficiency revolves around making the maximum possible use of a given set of resources. That is a straight comparison of output and input. (ACCA, 2006/2007)

2.1.7.2 Effectiveness

Efficiency revolves around finding the cheapest combination of means to achieve a given objective. Effectiveness is, by its nature, rather more difficult to measure than efficiency. However, it should be appreciated that performance in NGO is a function of both efficiency and effectiveness. Performance measurement should take in to account of this. (ACCA, 2006/2007)

The Financial focus in NFP organizations is placed on the control of costs. Cost unit for a NFP is a unit of service for which costs are ascertained. This cost unit will be used to assess the efficiency and effectiveness of the organization. The problem for a NFP organization is that it may not be easily identifiable cost units, and it may not be possible to identify cost with specific output (ACCA, 2006/2007).

2.1.8 Fund Management

2.1.8.1 Definition Fund

According to the National Council on Governmental Accounting Statement No1 (NCGAS1), entitled governmental accounting and financial reporting principles, a fund is defined as:

“a self-balancing set of accounts recording cash and other financial resources, to other with all related liabilities and residual equities or balances, and change there in, which are segregated for carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitation.”

2.1.8.2 Principles of fund Management

Per the United States Environmental Protection Agency, a basic approach to fund management should include developing a plan (establishing short and long term goals), program management, and program evaluation. In strategic planning, program managers essentially develop a long-term business plan for their program. To accomplish this, they should set out to determine what kinds of environmental and financial needs must address. This information should be used to establish short and long-term financing goals are established. (Environmental Protection Agency,2002)

2.1.8.3 Fund Management Issues

Per the United States EPA, effective fund management is not only the result of a single action or decision that results in a successful program. Instead, program success depends on how a series of fund management questions are identified, answered, and revisited overtime. Important questions include are fund resources being utilized effectively? Does the fund have sound a management? Is sufficient project assistance being made available? Dose the fund have sufficient administrative resources? What is the sustainable funding level from the program? And so on.

An underlying requirement of any discussion of fund management is the availability of reliable financial information, confirmed through the audit process, to provide the basis for financial analysis of a fund. The use of independent audits of program funds provides assurance to fund management that policy decisions are based on reliable financial information (United state Environmental Protection Agency, 2001).

2.1.8.4 Fund Management Objectives

Per the US State Revolving Fund (SRF), fund management program has several goals. The first is that the capital contributed to the program is used efficiently and maintained in perpetuity. Another goal is that states use SRF funds to achieve the greatest environmental results. Working within these goals, states have two focused objectives in managing their SRF programs. The first is to ensure that financial assistance is provided to projects that will produce the most desirable environmental and public health benefits. The second objective is to achieve sound financial performance while providing the financial assistance. These fund management objectives must be balanced to achieve an SFR's desired result. The balancing objectives for an SRF program can be

thought of as trying to reach an optimal solution to make the most money available, consistent with demand for funds; commit money quickly to meet project needs; offer attractive financial terms; and maintain the purchasing power of the funds being managed. For each SRF program, the optimal solution will depend on state specific factors such as the demand for financial assistance, availability and financial benefit of other assistance programs, state funding priorities, current market conditions, and legislative support, (United state Environmental Protection Agency, 2001).

2.1.9 Sources of Funding in NGO

NGOs are required to fundraise and to generate an income to become sustainable. In general, NGOs have commonly been able to raise revenue through the state, the public and the private sector on an international, national, or local level. Within the government, financial aid may be given through international foreign sources or bilateral/multilateral grants, as well as through national or local governmental grants. The private sector may provide corporate grants or foundation grants. Financial aid from the general public may come through international charitable and local individual donations (Hendrickse, 2008).

2.1.10 Utilization of Funds

Utilization of funds had been a challenge to both the donor community as well as the organization that are responsible for effective utilization of the funds. Therefore, there is need for institutions that are response for the management of these funds to come up with the right framework and procedures to ensure that funds given are utilized as expected and that the funds serve the purpose (Fowler, 1995).

With an effective framework and policies governing utilization of donor funds nothing much will be expected in form of results. All relevant organizations must work in harmony if the expected outcomes are to be achieved. There is need for coordination and collaboration among various stakeholders to ensure that funds received are made use of efficiently and effectively (Edwards & Hulme, 1995).

(Hendrickse, 2008), in the absence of historical data, the extent of NGO expenditure in general proves hard to trace. To avoid such kinds of problem in fund utilization, the fund allocated should be incurred based on the standard set to allow utilize it.

2.1.11 Sustainability of Funds

The term sustainability has gained significant popularity in policy-oriented research, business development and social sector over the last few decades. It is the most sorted feature to ensure success to a venture. Sustainability, a word frequently used across several disciplines, has become part of our everyday lexis. Looking at the perspective of donors and NGOs, sustainability of a project simply implies the continuation of project activities and sustenance of project outcomes after the initial/primary grant expires. Most donors are concerned about sustainability aspect of a project and often fund projects which have a well-defined sustainability plan in place. It is a challenge for NGOs to ensure a steady flow of funds for executing their projects and programs. Integrating sustainability principles in their ongoing projects can be an effective way to ensure long term impact (Johshi,2016)

There are different aspects of sustainability that are to be considered while writing the sustainability plan for your organization. As a NGO you should think about Financial sustainability, Organizational stability and Programmatic sustainability of the organization.

1. Financial sustainability: It refers to ensuring a steady flow of funds and generating revenue for maintaining and continuing the organizations work.
2. Institutional Sustainability/Organizational: It refers to ensuring proper working of your organization and institutions that were developed as part of the project.
3. Programmatic Sustainability: It means to continue the organizations projects and program in the absence of donor support (Johshi, 2016).

2.1.12 Monitoring and Control of allocated Funds

Monitoring and control of allocated fund is a determinant of effectiveness, once the budgets have been implemented they need to be monitored and controlled to ensure effectiveness in aligning budgets over a defined period (Horngren et al., 1997)

A professional and transparent approach to budget planning will help national or international donors to make financial resources available if the organization implements proper monitoring and control of allocated funds. This is achieved through ensuring that the allocated fund or estimated

budget does not deviate from the actual outcome to take appropriate actions where necessary (Otley and Van der Stede, 2003).

2.1.13 Evaluation of Fund Utilization

There are various approaches to evaluate nonprofits. One such approach for American nonprofit organizations is self-assessment to see how their boards or executive directors fulfill their responsibilities or to re-examine their mission. Regarding self-assessment of their programs, American nonprofits have focused on outcome evaluation to learn how their programs have made impacts on program participants and/or the society they serve. It is critical for nonprofits to know how they are doing rather than what they do or did. Since 1990s, more organizations started rating nonprofits from financial viewpoints. The ratings, although rating standards vary from one organization to another, how nonprofits utilize every incoming dollar to run the organizations or their programs or projects is the key. Award programs for nonprofit excellence can also be considered as evaluation that nonprofits organizations could use for evaluation. Although it is the hosting organizations that decide which nonprofits would be awarded, nonprofits go through self-evaluation before they apply to the awards. In this sense, such awards have an element of self-evaluation and could help nonprofits better their management system or program implementation. For Japanese nonprofits, introducing evaluation to their management and program implementation will be critical to many Japanese nonprofits to fulfill their social responsibilities, (Nakahara, 2012).

2.2 Empirical Evidenced of Fund Management and its utilization

This section deals with the empirical evidence on NGO's fund management and its utilization from different economies perspectives.

In contrast to the theoretical framework review of fund management and its utilization, there are some empirical evidences on NGO's financial resource management and its utilization. Thus, until relatively recent times little had been done on the area to the researcher's knowledge.

This part provides an overview of the previous research on NGO's fund management and its utilization. Researcher thereby focuses on the relevant literature that relates to this research objective. As such, researcher will analyze NGO's fund management and its utilization. The previous research discussion is not geographically restricted to Ethiopia. The majority of the literature is case based and analyzes the experiences with NGO's fund management and its

utilization in different countries and economies. Hence, the empirical review of different studies has been presented from different economies perspective starting from advanced economies to Ethiopian context. The review of those studies included, related studies which are assumed to be related to the subject matter directly or indirectly.

2.2.1. NGO's Fund Management and Its Utilization in Developed Economies

There are four related studies that have been reviewed from developed economies. (Cairns et.al, 2005), (Zimmerman and Stevens 2006), (Larsson and Kinnunen, 2007) and (Ljubljana, 2010). These researchers have conducted their study in United Kingdom, South Carolina, Sweden, and European Economic Area (EEA) and Norway respectively.

The attention towards performance evaluation in nonprofits is also due to the evolving pressure on showing effectiveness which is experienced by nonprofit managers (Cairns et.al, 2005). Especially in U.K. and North America the subject has been highly topical recent years. In a study of the use of performance measurement in South Carolina nonprofits, two-thirds of the organizations participating responded that they use performance measurement (Zimmerman and Stevens, 2006). Hence, this implies the need for performance measurement of NGOs comes from different stakeholders and most of NGOs conduct this measurement. Even though, the studies were good attempt but they tried to show us from management perspective only.

(Larsson and Kinnunen, 2007) are another author, in advanced economy who conducted study on performance measurement in nonprofits to convey an understanding of Swedish civil society organizations' experiences of performance measurement from the perspective of the management. Under this study, researcher noted that some NGOs have experienced difficulties when measuring performance and there are several factors that complicate performance measurement; the results of a project are often shown much later from when the activities took place and the many stakeholders involved. Besides, they noted that there are things to be gained from measuring performance and many of the organizations have started to cooperate with other organization to develop their performance measurement. Despite, this study tried to investigate the performance of nonprofit organization in Sweden; it focused on the management perspective only it doesn't consider the financial perspective. Ljubljana, (2010) has also conducted on related subject matter in this economy, with the aim of providing an expert independent evaluation of the contribution of the NGO funds to the NGO sector in the beneficiary states like European Economy Area (EEA)

and Norway. In this study he found that, the objectives of all NGO Funds were aligned with the overall objective of the EEA and Norway Grants, to contribute to the reduction of economic and social disparities in the European Economic Area through financing of grants to investment and development subprojects. He also found that the main areas for the NGO Funds support were; protection of the environment, human resources development, health and childcare and European cultural heritage.

In addition, the author found that, the NGO funds were aligned to the donor priorities. In this study researcher tried to see widely, but the study concentrated more on European Economy Area (EEA) and Norway and this doesn't necessarily mean true in Ethiopia, due to socioeconomic difference. To wind up, the studies conducted in this economy is not conclusive for Ethiopia's case, because there is a difference on socio economic, cultural and political aspects. Besides, some of the studies concentrated more of on performance management evaluation, instead of including the fund aspect. Hence, we need to see the management of NGO's financial resource and its utilization from Ethiopia's context as per its own socio economic, cultural and political aspects.

2.2.2 NGO's Fund Management and Its Utilization in Emerging Economies

There are two related studies that have been reviewed from emerging economies. (Danbaki ,2012), (Hendrickse, 2008). (Danbaki,2012), studied on funds utilization and it impact on research institute libraries in Nigeria. According to his study they were rendered ineffective in meeting the information requirement of users for effective and efficient search. The inhibiting factors to effective services in research institute libraries just require the attention of management to adequately fund the libraries, provide necessary information, infrastructures and to demonstrate sufficient research will. The researcher found that ICT for integrated services is important for research institutes' libraries in the twenty-first century, which is lacking. Finally, that a budget is essential for effective utilization of any funds allocated to the library. The viability of the research libraries to provide felt needs and services to support research is dependent on the availability of funds.

(Hendrickse, 2008), studied on governance and financial sustainability of NGOs in South Africa. With regard to NGO governance and financial management, he found that, the governing boards consisted of different members, who have different types of knowledge and skills within the board as reported, relevant to the work of the organizations, ranged from technical skills, community engagement skills, and management skills to fundraising skills. He also found that one of the main

factors impacting effective management and sustainability of NGOs is the nature of their dependability on donor funding. In many instances, donor organizations have inconsistent funding priorities, further threatening financial sustainability of dependent organizations.

NGOs are required to fundraise and to generate an income to become sustainable. In general, NGOs have commonly been able to raise revenue through the state, the public and the private sector on an international, national, or local level. He stated, in South Africa sources of funding ranges from individual giving, corporate social investment, government funding, foreign donor funding, funding from grant-making foundations to national funding agencies. (Hendricks, 2008) Again, he noted that an internal entrepreneurial method to generate an income, as an alternative to the more traditional fundraising approaches used by non-profit organizations, will contribute to financial sustainability if applied correctly, i.e. self-financing. Regarding expenditure, stated many donor grants and donations carry restrictions on the types of expenses that they will cover direct program costs.

(Hendrickse, 2008), as stated there is no one perfect financial management model for NGOs, good practice in financial management is achieved by designing systems and procedures around accounting records, financial planning, financial monitoring and internal controls.

Financial control achieved by designing systems and procedures to suit the needs of an organization. (Hendrickse, 2008) NGOs need to find different fundraising strategies for long-term survival that donor resources available to NGOs continue to decrease and donor agencies worldwide have shifted and narrowed funding into specific, highly political or publicly popular regions of the world. (Hendrickes, 2008)

To sum up, the study attempted to see the governance and the financial sustainability from different issues perspective, but due to different factors we can't conclude that the finding in South Africa holds true in Ethiopia.

2.2.3 NGO's Fund Management and Its Utilization in Developing Economies

There are four related studies that have been reviewed from developing economies. (Ghimire, 2005), (Johnson, 2009), (Ali, 2012) and (Tabassum, 2012). (Ghimire, 2005), conducted a study to evaluate the performance of local non-governmental organizations' involvement in community forestry development with the intent of comparing Kaski and Ramechhap districts in Nepal. He found, the establishment of enterprises, income generation activities and awareness creation among users' level on their roles, responsibilities and rights and improving good governance as

strengths of those NGOs under Kaski and Ramechhap. On the other extreme, the fund that project based rather than program based NGOs, irregular staffs in NGOs, little networking among NGOs and a little attention for sustainable forest management are as NGOs under investigation weaknesses. Even though, his attempt is good in comparing two different district's performance, but it focused only on community's involvement in forestry development. Johnson, (2009) is another scholar who conducted study in this economy. In this investigation, he stabbed to investigate the contribution of NGOs to health in the developing world. Under this investigation, researcher identified the NGOs in the case study engaged in a variety of health related activities. The most common were: disease prevention, maternal and child health, and counseling. The NGOs also provided many services in the area of maternal and child health, such as safe birth centers, mobile health clinics, nutrition programs, and treatment of childhood diseases. Lastly, the NGOs offered a range of psychosocial and educational counseling services.

Under this investigation, Johnson's attempt is good in indicating NGO's contribution, but it can't show us the financial performance evaluation of NGO's instead of focusing on contribution of NGOs. Lastly, researcher reviewed (Ali,2012) and (Tabassum, 2012)'s investigation in developing economies. (Ali,2012) investigated factors influencing sustainable funding of Non-Governmental Organizations in Kenya. The study found that the donor relationship to management, strategic financial management, income diversification as main factors which contributed for the least to financial sustainability of nongovernmental organizations. Despite, this study stabbed to see one element of the financial performance measurement of the NGOs, but ignored other parts of financial performance measurement. (Tabassum, 2012) investigated the performance appraisal practices in a Developing Country in the case study of NGO in Bangladesh. In this study, he explored and assessed the existing performance appraisal practices of PIACT Bangladesh, a NGO of Bangladesh. Although, the researcher tried to see the existing performance appraisal practices of the stated countries' NGO, but it can't show us the financial management and its utilization of NGO.

2.2.4 NGO's Fund Management and Its Utilization in Ethiopia

In Ethiopia context, there are five studies directly or indirectly related to the subject matter to the knowledge of researcher. These are (Menegesh,2004), Christian Relief and Development Association (CRDA), (2004), (Ayele, 2008), (Belay, 2008) and (Andarge, 2010). (Menegsha,

2004), conducted a study related to financial management practices in local NGO in Addis Ababa. Under this study, he tried to indicate the effective management of an NGO's resources is done in a manner which is transparent, accountable, equitable and responsive to the needs of the people. Since NGOs aim at becoming sustainable, good governance is critical to their existence. In many developing countries NGOs often lack the institutional capacity and resources to operate. Also, funds from donors are sometimes poorly managed. Besides he indicated to ensure effective and proper management of resources, good governance becomes an important aspect of every NGO. A good financial management system makes it easier to be accountable to donors and project beneficiaries, thereby enhancing their respect and confidence in the organization. This, in turn, helps an NGO be more competitive and can increase its chances of maintaining long-term financial health. Christian Relief and Development Association (CRDA, 2004) studied to investigate the participation of NGOs/CSOs in the Health Sector Development Program (HSDP) of Ethiopia. The paper noted that, within the last few years, Ethiopia has experienced an increase in the number of NGOs due to a combination of reasons. Near to 400 NGOs in Ethiopia manage health projects or projects that potentially contribute in the alleviation of major public health problems in the country. Though, the paper attempted the study with the intent of generating information about the participation of NGOs/CSOs in the health sector, identifying factors and conditions affecting the success and/or shortcomings of their participation, and strengthen collaboration between Government and NGOs/CSOs in realizing the goals of the HSDP, but it can't show us the financial resource management and utilization of the NGO. (Ayele, 2008), conducted a study related to the roles, contributions and challenges of NGOs in Ethiopia. Under this study, he tried to indicate the place of NGOs and identified their major contributions in food security and democratization process in Ethiopia and the challenges they encountered in their operation. In this investigation, researcher noted the major contribution of NGOs, like reducing involuntary mass migration and huge loss of lives and properties famine, food security, health and education, capacity building, infrastructure development, microfinance, and Democratization. Besides, he found, the main challenges that NGOs encountered in their involvement in developmental and democratization process in Ethiopia as external and internal. These are the policy environment under which they are operating in the country, government attitude and perception, bureaucracy, pro-government NGOs, rules and regulations, the New Charity and Society law as external challenges. Whereas, internal challenges he stated capacity limitation, accountability, phase-out and sustainability,

networking and communication and failure to use opportunities. Although, the study attempted to show us main contribution in indicating NGOs contribution and its challenges, but it was not related to health contribution and its fund management and its utilization. (Belay, 2008) investigated fund management and its utilization in Tigray HIV/AIDS Prevention and Control Office (Tigray HAPCO). In this study, researcher found that the fund from international organization is main source of HAPCO's fund. This fund is managed by using tools. Besides, he noted that the key fund utilization techniques. In addition, researcher stated some factors that can influence the fund management and utilization. At last, he pointed out some of the lessons learnt by the organization. Even though, he tried to examine the actual financial resources management and utilization from different perspectives, but it tried to see from Tigray HAPCO's perspective only, it doesn't necessarily mean the finding in Tigray HAPCO's applies to OSSA, due to their geographical location difference and their scope of involvement in the country. (Andarge,2010) is one of the researchers who evaluated the reporting and performance of charities and societies in Ethiopia. In his investigation, he found that charities and societies in Ethiopia use internationally accepted reporting practice. About performance evaluation, he noted that for most organizations, a higher percentage of resources spent on program services than on management and fundraising were considered a positive performance indicator; however, he overlooked fund management and its utilization practice.

The studies conducted in advanced, emerging and developing economy doesn't necessarily apply to Ethiopian context due to socio economic, political and cultural difference. Besides, the studies conducted in Ethiopia again are not inclusive to the entire NGOs, except, an attempt to show the fund management and its utilization in Tigray HIV/AIDS Prevention and Control Office(HAPCO) which is government organization and the study has focused on one region only and even it is not implementer organization rather transfer funds to the implementer organizations. The study in Tigray HAPCO identified major findings: implementing organizations misunderstand the objectives of HIV/AIDS fund, weak capacity in implementation, lack of political commitment & leadership.

Therefore, this study attempts on fund management and its utilization in organization for social services for AIDS(OSSA)

CHAPTER THREE

REASERCH METHOLOGY

3.Research Methodology

This chapter provide the means of collecting data for analysis, and the analysis approach of the study. The procedures and techniques in this study will present under the five subheadings. These are research design, sampling design, types & sources of data, data collection instrument, and finally method of data analysis.

3.1 Research Design

The approach that used in this study is both qualitative and quantitative and descriptive types of research design to achieve the main research objectives of the study. The benefit from quantitative and qualitative approach is to increase validity of constructs and inquiry results. Secondly, by mixing methods complementarily, researchers seek elaboration, enhancement, illustration, clarification of the results from one method with the results from the other method. Thirdly, by mixing methods with developmental intent, researchers seek to use the results from one method to develop or inform the other method. Fourthly, mixing methods with initiation intent seeks the discovery of paradox and contradiction, new interpretations, the recasting of questions or results from one method with questions or results from the other method. Finally, to increase the scope of inquiry mixed method with expansion intent seeks to extend the breadth and range of inquiry by using different methods for different inquiry components (Greene et al., 1989). Quantitative information from self-response questionnaires that are closed ended questions which are relevant to the research containing structured response format and qualitative information from unstructured depth interview of top & middle level managers have been conducted to get detail explanations from the managers regarding open ended questions.

3.2 Sampling Design

Organization for social services for AIDS/OSSA with its head office at Addis Ababa functions as a leading and coordinating organ of 14 main branches and 4 project offices and per the 2015 annual report of the Organization, the number of staffs assigned with various levels of duties and responsibilities at the different levels of its organizational hierarchy are 356. Thus, the target area

of this study is all branches, and project offices of OSSA's staff member throughout the country, which could be taken as a good opportunity in terms of coverage for the researcher's investigation on the matter he is interested in. The researcher has attempted to use sampling techniques to select the last sampling units of the study. The purposive type of study was employed to select 51 finance staff for a self-administrative questionnaire, while a sample of 13 top and middle level managers were also purposively selected for the depth- interview study from a population of 122 units based on the degree to which the power and decision making capability is vested on fund management as well as the degree of familiarity towards administrative and financial issues of the organization. The researcher has used non-probability purposive sampling technique in that this sampling method depends firstly only on the availability and willingness to participate, and secondly on those cases that are typical of the population characteristic being studied. Therefore, thirteen of the above study units were selected based on the notion verified as well as the degree of representativeness and coverage of the population understudy.

3.3 Types & Source of Data Collection

To realize the objective of the study and adequately answer the research questions. Researcher used both primary and secondary types of data collection. Primary data collected from 64 employees who are responsible for fund management and its utilization that is, 48 employees from 14 branch offices, 16 from 4 sub branch offices and 12 from H.O. Questioner is distributed to 51 finance staff and interview conducted for 13 top-level managers & middle level managers in order to obtain information for all objectives, especially for the objective that state factors affecting the efficient and effective fund management and its utilization by conducting detail discussion with the managers. Whereas, secondary data like admin cost, program cost, local donation, foreign donation gathered from the five years audited financial reports, annual reports (Financial & Program Reports) and other relevant documents from OSSA

3.4 Data Collection Instrument

The study used semi-structured questionnaires for survey method. The questionnaire is distributed to finance & admin., senior accountant, accountant and junior accountant. The surveys are intended to elicit data relevant for investigating the practice of fund management and evaluating the fund management and its utilization of allocated fund. The questionnaires contained general

information, questions related to fund management and its utilization. Most of the questions designed to be closed-ended. Likert scales of questionnaire will be distributed to collect the data from all respondents. The scale will be labeled as: “Strongly agree” if the score 5, "Agree” if the score is 4, “Neutral” if the score is 3, “Disagree” the score 2, and “Strongly Disagree” if the score is 1. In addition, to gather useful information which is not available from other sources, in-depth interviews conducted with top-level managers.

3.5 Method of Data Analysis

Quantitative data analyzed and interpreted through SPSS (Statistical Package for Social Science) and MS-Excel. Qualitative data will also be analyzed and interpreted by using statistical tools. The main purpose of analyzing and interpreting the qualitative data are better to explain those factors, which are found and have a quantitative nature and to support our inference. Once the data are organized and presented, it is then analyzed to form meaning about the research questions and draw appropriate recommendation.

Besides, the decision rules used in the analysis was average mean less than 3 was considered as low, average mean equal to 3 was considered as medium and average mean greater than 3 was considered as high throughout the study (Best and khan 1995).

According to (Best, 1977), the score from 1-1.80 is lowest, from 1.81-2.61 is lower, from 2.62-3.41 is average/moderate, from 3.42-4.21 is good/high, and 4.22-5 is considered very good.

3.6 Reliability

If the value of Cronbach Alpha is above 0.7, the scale is deemed to be a reliable measure for examining the sample (Pallant ,2001), cited in (Monia Lola ,2008). This indicates that the items of this study have internal consistencies as they lied above the recommended cutoff.

Cronbach’s Alpha	No. of Items
0.7831	16

3.7 Validity

The content of validity of the instrument for the present study was insured as the fund management and its utilization and items are identified from literature and reviewed by professionals and academicians.

3.8 Ethical Consideration

In this study, all participants and data collected were remain confidential and identifies of the respondent remains secret. In this study for each participant the purpose of the research was being explained before the research questionnaires and interview are conducted and attempt to get consent from participants before the survey and the interview was made.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

The primary and secondary data which have been collected with different approaches are analyzed and corresponding outputs of the survey are also presented with the application of SPSS computer software packages under this chapter. Thus, to meet the objective of this study as stated, the researcher has used descriptive type of statistical data analysis techniques.

To achieve its objectives a total of 51 questionnaires were prepared and distributed to staff who are responsible for managing funds of OSSA and 13 in-depth interviews were planned to conduct with top level & middle level management staffs. These questionnaires were filled and returned and 13 interviews were conducted with the target samples of the population.

Therefore, the questionnaire and in-depth interview were valuable for further analysis.

Therefore, the researcher in this chapter has attempted to present the analysis of statistical out puts in two subsections. In the first section, the outputs of primary data analysis are presented with statistical tables. Under this section there are also sub sections which include results of the survey and in-depth interviews. Accordingly, back ground information and results on fund management and its utilization are presented. Under the second section trend of fund utilization and sustainability of OSSA is analyzed and presented in a corresponding statistical table.

4. Data Analysis

4.1 Descriptive statistics result on Evaluation of fund management and its utilization

Under this section, the result of descriptive statistics has been presented by including mean value and standard deviation of practice and factors which is related to fund management and its utilization.

4.1.1 OSSA's practice of fund management

Fund management practice of OSSA has presented as follows in this section.

Table 4.1. Fund Management practice

Fund Management Practice	Mean	Std. Dev.
OSSA manage its fund based on budget's specification that it has	3.86275	0.83174

It manages its fund based on donor's specification	4.31373	0.57620
Manages its fund by conducting pre-grant assessment	2.4532	0.99934
Manages its fund by providing training to implementing staff	3.13725	1.10353
Manages its financial resource by taking continuous monitoring & evaluation	3.12680	1.12472
OSSA take corrective action on weakness of fund utilization	3.14780	1.03574
Prepare financial reports timely & as per donor requirements	3.8353	0.84162
OSSA presents timely and complete budget utilization report	2.96231	0.95876
Overall average score	3.55426	0.87635

Source: SPSS out put

Table 4.1 indicates that respondent's response with the overall mean for fund management practice of OSSA is 3.55 considered as good /high and for the specific mean result of 3.86, 4.31 and 3.81 considered as high/good as they agreed on OSSA managing practice of its fund based on budget's specification, donor's specification and prepare financial reports timely and as per donor requirements respectively. But, about other practice like, managing its fund by conducting pre-grant assessment with a mean of 2.45 is considered lowest that the respondents disagree. Regarding the following fund management practices: providing training to implementing staff, taking continuous monitoring & evaluation system, taking corrective action on weakness and presents timely and complete budget utilization with the mean of 3.13, 3.12,3.14 and 2.96 respectively since most of the mean results are moderate and they are in neutral and the organization need to try to improve these issues to meet the effective management of funds.

(Menegsha, 2004), supported the above analysis and he indicated the effective management of an NGO's resources is done in a manner which is transparent, accountable, equitable and responsive to the needs of the people and the needs of the donor's requirements as well.

4.1.1.1 Factors that influence effective and efficient fund management

Regarding the main factors that influence effective and efficient fund management, according to in-depth interview participant's view under table 4.2 majority of the respondents(84%) have supported that absence of well-designed accounting software in some branches which enable the employee to control and manage fund easily, absence of trainings, over burdening of employee in different assignment, small number of staffs to manage the funds of different projects and in the project are the major factor, more than 84% of the respondents said these factors influence efficient and effective fund management of the organization.

Lack of well -designed accounting software/system in some OSSA's branches, absence of training regarding donor's requirements creates difficulty to control and managing resources.

This implies, OSSA has different internal and external factors that impairs its effective and efficient fund management practice.

Table 4.2 Interview's view on factors that influence effective and efficient fund management

View	Percent
Absence of well-designed accounting software in branches which enable the employee to control and manage fund easily.	84.61
Absence of adequate training to implementing branches to build their capacity	84.61
Absence of well-designed accounting policy and procedure	15.38

Lack of communication between program and finance staff in Head office	76.92
Lack of providing reliable, useful & timely information about the project, budget and its operation	79.23
Over burdening of employee in different assignment	84.61
Poor decision making to manage funds	69.23
Poor planning of activities	69.23
Small number of staffs in the project	84.61
Finance knowledge gap about the project	61.53
Motivation and incentives to staff are rare	53.84
Not as per CSA (Charity Service Agency) proclamation No. 621/2009.	15.38

Source: In-depth interview and researcher’s own computation

4.1.2 OSSA’s funds sustainability

Accordingly, in this section OSSA’s fund sustainability has been seen from different perspectives as follows.

Table 4. 3 Fund Sustainability

Fund Sustainability	Mean	Std. Dev.
The institution has less dependency on foreign donation to finance its operation	1.58824	0.70000
The institution has enough financial reserve for the	1.86021	0.67526

coming five years		
Good experience of relying on income generated in its institution	1.54902	0.73484
Overall average score	1.56972	0.746824

Source: SPSS out put

As per table 4.3 The overall mean for OSSA’s fund sustainability is 1.56 considered is lowest and for each question the respondents replied that they disagree with a mean value of 1.58,1.86 and 1.54 on OSSA’s experience of relying on income generated in its organization, OSSA’s less dependent on foreign donation to finance its operation and has enough financial reserve for the coming five years respectively.

Therefore, this reveals that OSSA is not in good position of fund sustainability because it is highly dependent on foreign donation, not involving in income generating activities, not using local resources. If the organization don’t devise different strategy to be financially sustainable, lack of resources is expected.

(Hendrickse, 2008) supported the above analysis by indicated that the sustainable organization places more emphasis on generating its own income. It does not rely entirely on one source of funding. This organization believes that a diverse funding base is more sustainable.

4.1.3 OSSA’s fund utilization practice

The variable found in table 4.3 may administer fund utilization practice accordingly. In this section researcher presents the respondents response on the practice of OSSA’s fund utilization throughout its all branches.

Table 4. 4. Fund utilization practice

Fund Utilization	Mean	Std. Dev.
OSSA utilizes its allocated fund as per proclamation number 621/2009	4.27451	0.44096

Donor funds are utilized for the purpose it was meant	3.56783	0.78556
It utilizes its fund through utilization control based on plan in the project proposal	3.64627	0.74317
OSSA utilizes its fund based on its project schedule	3.86275	0.67437
It utilizes its fund based on continuous monitoring & evaluation system	2.78962	1.13389
Overall Average Score	3.70436	0.67862

Table 4.4 shows the practice of OSSA’s fund utilization with the overall mean result of 3.70 which is considered good/high and the mean 4.27, 3.56, 3.64 & 3.86 respondents supported that OSSA utilizes its allocated fund as per proclamation number 621/2009, donor funds are utilized for the purpose it was meant, it utilizes its fund through continuous utilization control, its utilize funds as per project schedule respectively considered good/high as the main fund utilization practice of OSSA.

This implies that, the maximum results of the variable in fund utilization practice of OSSA shows it utilize its allocated fund as per the proclamation number 621/2009` which is mean value of 4.27. The standard deviation of the result 44.1% shows that the variation of the actual values from the mean with high /good mean value and the respondents strongly supported and the organization continue fund utilization as per proclamation 621/2009. Whereas, with the mean of 2.78 is considered lower and respondents disagree or not supported that OSSA utilize its fund based on continuous monitoring & evaluation system. Even if the mean for other variables is high/good, there is lack of monitoring & evaluation system and this affects the proper utilization of funds and the proper implementation of project activities.

4.1.3.1 Factors that influence effective and efficient fund utilization

Table 4.5 Interview’s View on factors that influence effective and efficient fund utilization

Views	Percentage
Timely fund utilization report and study its impact to take corrective action is weak.	69.23
Complexity of the project nature and donor requirement	84.61
Lack of trainings from Donors side	76.92
Dalliance on timely budget approval and transfer of funds	84.61
Lack of monitoring & evaluation system of fund utilization	84.61
Lack of controlling of fund utilization based on budget of the agreement	53.84
Location (remoteness) of the branch offices	92.30
Poor implementation capacity	53.84
Decision is made in a very slow way	61.53
Organizations working manuals are not strictly followed	76.92
Absence of public ownership and leadership.	46.15

Source: In-depth interview and researcher’s own computation

Regarding the main factors that influence effective and efficient fund utilization table 4.5 depicts the interviewee’s views and more than 84% of the respondents comes to agreement that complexity of the project nature and donor requirement, dalliance on timely budget approval and transfer of

funds are the major factor that affect effective and efficient fund utilization. But 92.3% of the respondents agree that location (remoteness) of the branch office is the major factor that influence efficient and effective fund utilization. Because of the remoteness area of some branch and sub branch offices, there might be less follow up and less continuous control of fund utilization.

Besides these factors, survey data reveals under section 4.1.2 under table 4.3 shows some major factors that influence fund utilization of OSSA.

Hence, this implies OSSA has challenged by various internal and external factors to have effective and efficient fund utilization practice.

As per (Hendrickse, 2008), described the fund allocated should be incurred based on the standard set to allow utilize it for the intended purpose as per the donor and other requirements.

4.2 In-depth interview result

As indicated in the preceding chapter, this study used in-depth interview with top level & middle level management of OSSA from related departments from HO and from different branch offices. This method has used to gather management's view on the fund management and its utilization. This consequently enables the study to assess different views and argument from various perspectives. In this context of the above data sources, the following sub sections, data presents and analyzed the result of in depth interviews conducted with a total of 13 top and middle level management members of OSSA.

4.2.1 OSSA's fund management practice

As per the interviewee's Table 4.6 it reveals that the summary of respondent's view concerning OSSA's fund management practice. It portrays that more than 92.30 % of interviews supported that OSSA manages its fund based on the plan in the project or grant agreement compliance to the local government regulation, 84.61 % replied OSSA manage based on donor regulation and OSSA's own rule and regulation, it portrays that 76.92% of respondents replied that fund received from donor controlled and directed by OSSA internal control system and obligation entered and opening separate account for each project

This signifies that most of interviewees agree that fund is managed per donor's and government rules and regulation. This could be the compliance issue in fund management.

As it was concluded under survey section 4.1.1 table 4.1 most of the issues raised regarding the practice of OSSA’s fund utilization with average result of 3.70 which is considered good/high and most of the issues are addressed and the respondents supported the fund utilization practice.

Table 4. 6 Interviewees view on OSSA’s fund management practice

Views on fund management practice	Percent
The fund is managed based on the plan in the project or grant agreement and comply to the local government regulation.	92.30
Follow donor regulation and OSSA’s own rule and regulation	84.61
The fund received from donor controlled and directed by OSSA internal control system and obligation entered	76.92
Opening separate account for each project	69.23

Source: In-depth interview and researcher’s own computation

4.2.2 OSSA’s fund Sustainability

Table 4.7 exhibits that the summary of respondent’s view concerning more works to be done to maintain fund sustainability, 84.62% of their view indicates that searching grants from donors to OSSA program and project objective, 92.30% of the interviewees said that OSSA devise strategy to mobilize resources locally rather than highly depending on external resources and focus on income diversification as the main works to be done to maintain fund sustainability.

Table 4.7. Interviewees view on OSSA Fund sustainability

Fund sustainability	Percentage
Focus on Income diversification	92.30
Searching grants from donors to OSSA program and project objective	84.62

OSSA devise its strategy to mobilize resources locally rather than highly depending on external resources	92.30
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Source: In-depth interview and researcher’s own computation

Although under section 4.1.2 table 4.3 concluded that OSSA should devise different strategy to sustain additional fund. Under table 4.12, above, the interviewee’s advice about the work to be done by the organization in order make its fund sustainability.

(Hendrickse, 2008) supported the sustainable organization places more emphasis on generating its own income. It does not rely entirely on one source of funding. This organization believes that a diverse funding base is more sustainable.

4.2.3 OSSA’s fund utilization practice

Table 4.13 shows that the summary of respondent’s view regarding OSSA’s fund utilization practice. It portrays that more than 75% of interview’s replied that as adhering for the rules and regulation in combination with other pertinent rules, utilizing per the agreement entered with the donors in compliance with the government rules and regulation, utilize its fund per each project activity budget allocated are the major fund utilization practice. Whereas, some interviewees reflected continuous fund utilization control and timely submission of utilization report and timely request of fund to donor organizations as fund utilization practice.

It is described in section 4.1.3 Table 4.4 shows the practice of OSSA’s fund utilization with the overall mean result of 3.55 which is considered good/high and it utilize allocated fund as per the proclamation number 621/2009` which is mean value of 4.27 is considered very good

Therefore, this implies OSSA is utilizing its fund based on different ground rules instead of arbitrary.

Table 4. 8. Interviewees view on OSSA’s fund utilization practice

Fund utilization practice	Percentage
By adhering for the rules and regulation in combination with other pertinent rules.	84.16

The fund received is used per the agreement entered with the donors in and comply with the government rules and regulation	76.92
OSSA utilize its fund per each project activity budget allocated	76.92
Continuous fund utilization control	69.23
Timely submission of utilization report & timely request of fund to donor organizations	53.38

Source: In-depth interview and researcher’s own computation

4.3 Trend analysis on fund utilization

Under this section the researcher present and analyze trend of OSSA in fund sustainability and its utilization over the last five consecutive years from 2011-2015 using different ratios.

4.3.1 Fund Utilization Measurement Ratios

There are two yardsticks which have been used for utilization measurements in this paper. These are the ratio of program cost to total expenditure and administration cost to total expenditure ratio. As the proclamation number enforces to expend more than 70 % to program costs. OSSA tried to meet to the requirement of spending less than 30% to administrative expenses, however spending less than 30% to admin. cost become challenging for OSSA.

Although it is difficult to say there is direct relationship between total expenses to administrative expense but it is concluded that expending total expense is declining, administrative expense to total expense ratio increases at a decreasing rate.

Table 4.9 and figure 4.1, the fund utilization practice of OSSA has been a fluctuating trend over the last five consecutive years from 2011-2015

The fund utilization measurement yardstick is program to total expense ratio. It is calculated by dividing total program cost to total expenditure and described under figure 4.1

It indicates that there is decreasing tendency from 2011 up to 2015, except in 2013, even though OSSA has adhering for the proclamation number 621/2009 of 70/30.

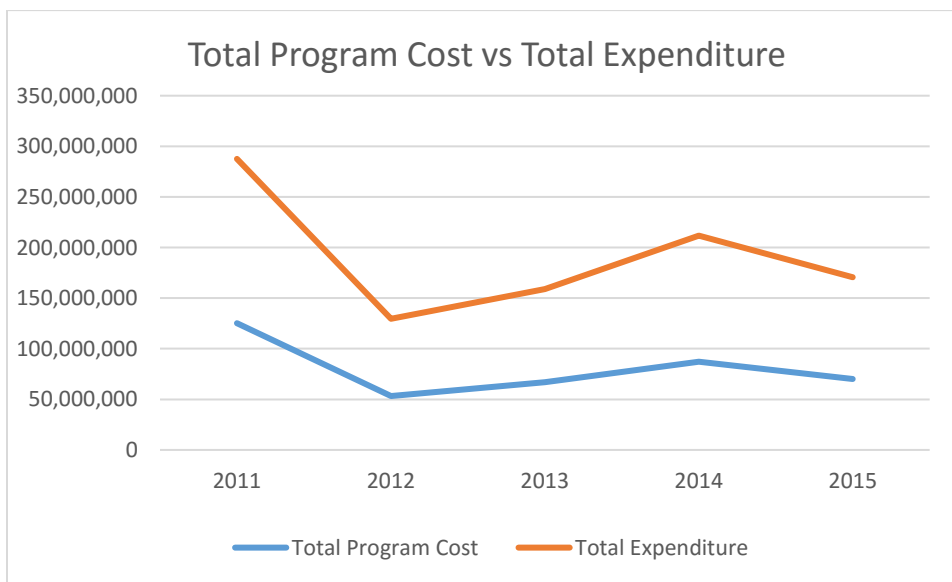
It concluded that in 4. 3.2 under fund utilization practice table 4.7 OSSA utilizes its allocated fund as per proclamation number 621/2009 and the mean result is 4.27 and the mean is considered as very good and most of the respondents supported OSSA utilize funds as per proclamation.

Table 4. 9. Program Cost to Total Expenditure Ratio

Description	2011	2012	2013	2014	2015
Total Program Cost	125,212,135	53,237,013	66,981,643	87,122,498	70,109,272
Total Expenditure	162,340,572	76,329,465	91,821,295	124,507,791	100,375,975
% of Program Cost	77%	70%	73%	70%	70%

Source: Audited financial statement of OSSA through 2011-2015

Figure 4.1 Total Program Cost vs Total Expenditure



Although it is difficult to say there is direct relationship between total expenses to administrative expense but it is concluded that expending total expense is declining, administrative cost to total expenditure ratio became 30% for the recent two consecutive years and this indicates that it will be challenging for OSSA to meet the 30/70 CSA cost guideline in the future.

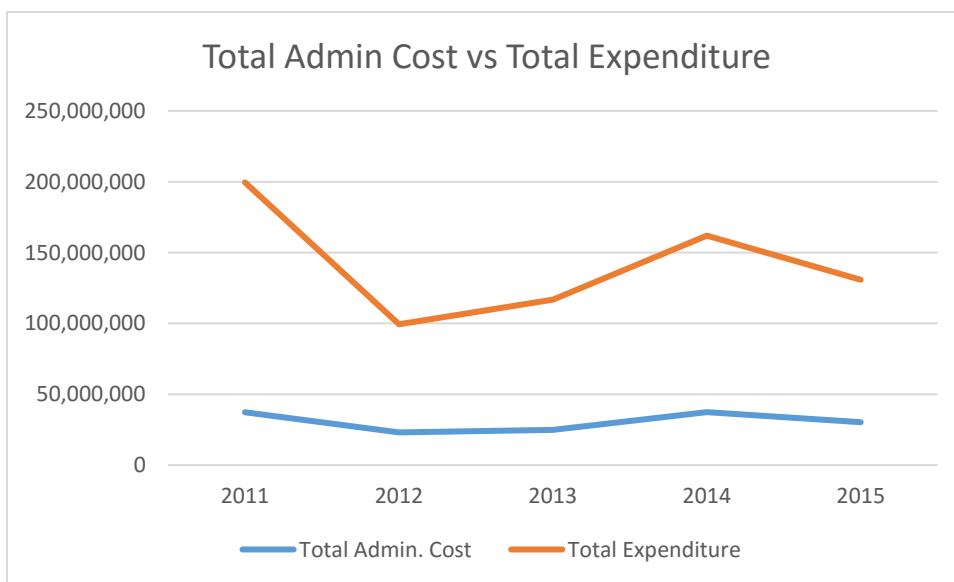
Hence, table 4.14 and figure 4.1, the fund utilization practice of OSSA has been a fluctuating trend and the total expenditure almost declined over the last five consecutive years from 2011-2015.

Table 4. 10. Admin. Cost to Total Expenditure Ratio

Description	2011	2012	2013	2014	2015
Total Admin. Cost	37,218,437	23,092,451	24,893,551	37,385,293	30,375,957
Total Expenditure	162,340,572	76,329,465	91,821,295	124,507,791	100,375,975
% of Admin. Cost	22.91%	30%	27%	30%	30%

Source: Audited financial statement of OSSA through 2011-2015

Figure 4.2 Total Admin Cost vs Total Expenditure



4.3.2 Fund Sustainability

About the financial sustainability of the organization, researcher measure the sources of funds based on Foreign Donation & Local Donation. As per the below table 4.11 OSSA is not in good position of fund sustainability because it is highly dependent on foreign donation OSSA devise deferent strategy to sustain its funds by mobilizing local resources, involving fund raising activities and activities income generating activities (self- financing).

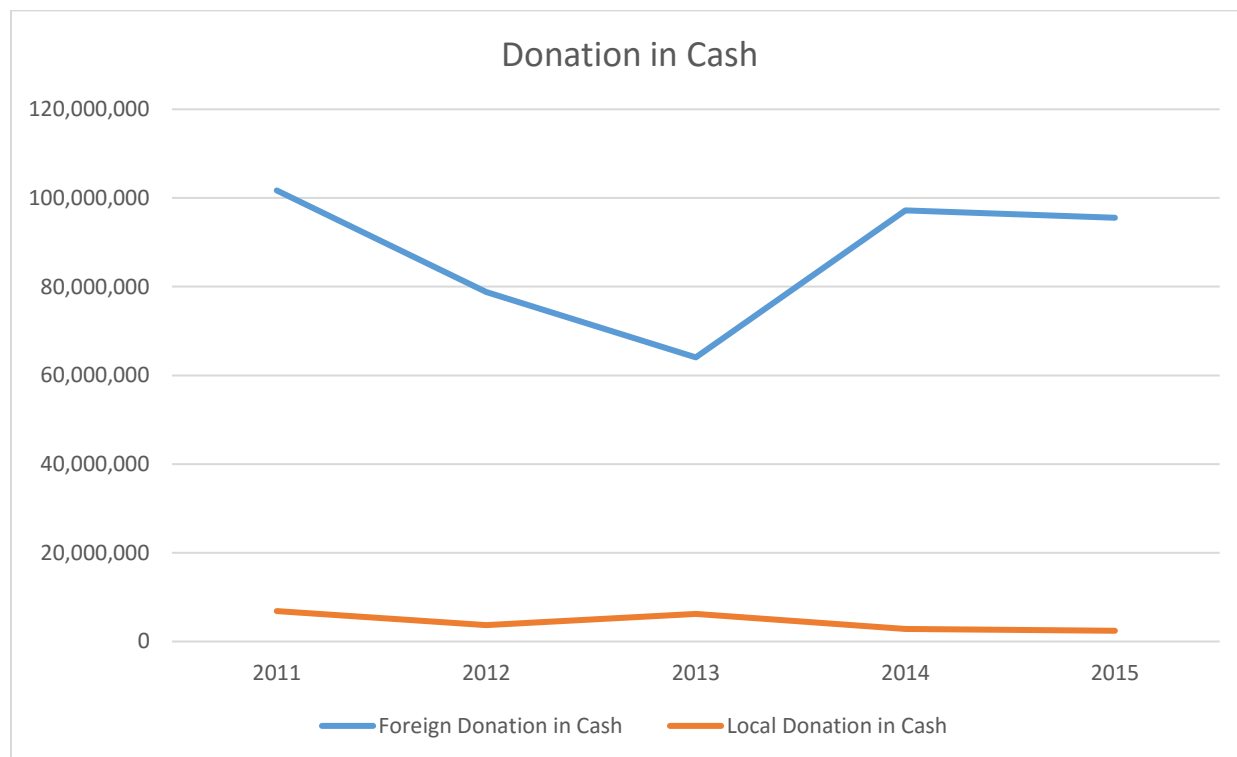
In 4.1.2 table 4.3 above supported that the organization is highly depend on foreign donation and there is no reserve for the next five years and discussed to diversify income.

Table 4.11 Cash Donation

Description	2011	2012	2013	2014	2015
Foreign Donation in Cash	101,699,758	78,832,304.85	64,063,329.85	97,238,447	95,514,335.04
Local Donation in Cash	6,864,824	3,713,809.53	6,236,507.43	2,834,688	2,422,808.02
Total Donation in Cash	108,564,582	82,546,114.38	70,299,837.28	100,073,135	97,937,143.06
% of foreign. Donation	94%	96%	91%	97%	98%
% of Local Donation	6%	4%	9%	3%	2%

Source: Audited financial statement of OSSA through 2011-2015

Figure 4.3 Cash Donation



4.3.3 Financial Sustainability Measurement Ratio

About financial sustainability, researcher measure from one ratio perspectives, i.e. current ratio. It is calculated by dividing total current asset to total current liability.

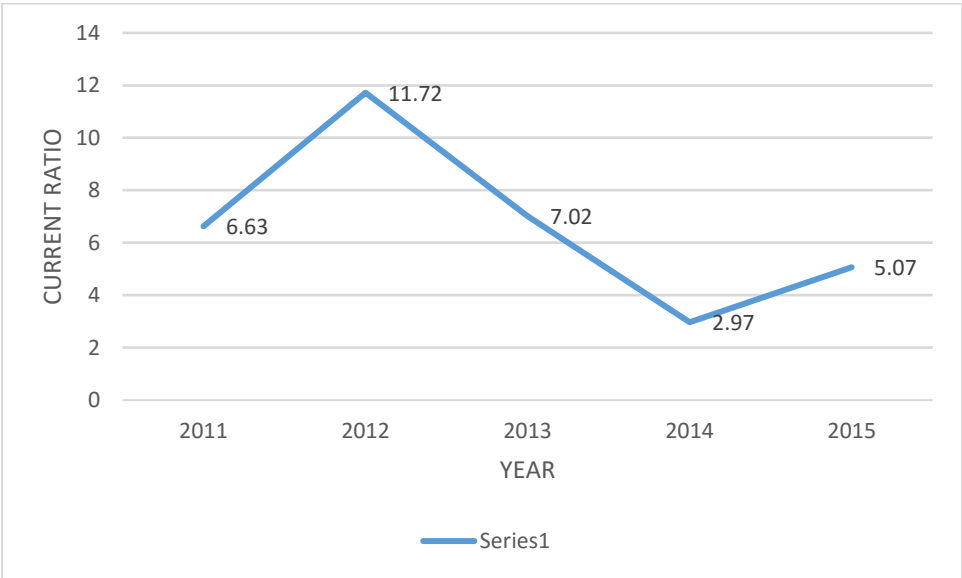
Table 4. 12. Current ratio

Description	2011	2012	2013	2014	2015
Total Current Asset	32,553,274	47,915,378	36,869,497.92	30,094,040	34,231,779.86
Total Current Liability	4,912,396	4,087,358.62	5,249,643.88	10,116,205	6,742,621.25
Current Ratio	6.63	11.72	7.02	2.97	5.07

Source: Audited financial statement of OSSA through 2011-2015

In this measurement, table 4.12 and figure 4.4 depicts that there is fluctuating trend on the institution’s ability to cover its liability within a year over the last five years. Over the last five years even if the current ratio has fluctuating trends, however Organization for social services for AIDS(OSSA) was in a good condition to pay its current liabilities

Figure 4.4 Current Ratio



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

Based on chapter four's analysis, the paper at last drawn the following summary of finding as follows:

- ❖ The principal source of fund for OSSA is donation from abroad in terms of cash and in-kind.
- ❖ The fund utilization practice of OSSA has declining and fluctuating trends over the last five consecutive years from 2011-2015 on administrative fund utilization.
- ❖ OSSA's fund utilization practice as per proclamation no. 621/2009 with other pertinent rules and regulation, utilizing as per the project agreement with the donors per each project activity budget allocated in compliance with the government rules and regulation.
- ❖ OSSA has managing practice of its fund based on budget's specification, donor's specification, by adhering for financial grant agreement, based on the plan in the project or grant agreement compliance to the local government regulation, donor regulation.
- ❖ OSSA is not financially sustainable because the organization focusing on one source of fund that is foreign donation rather than diversified its source of fund.
- ❖ There is fluctuating trend on the institution's ability to cover its current liability within a year over the last five years, however there was a good position to cover its current liability.
- ❖ There is lack of providing proper and necessary trainings to implementing branch's finance staffs to build their capacity.

- ❖ Lack of well-designed accounting system/ software across branches which enable the employee to record, post into the system and easily control and manage the fund.
- ❖ Limitations to take corrective measures based on assessments on impacts associated with the pertinent problem.
- ❖ Lack of managing its fund by conducting pre-grant assessment.
- ❖ Lack of providing reliable, useful and timely information about the project, budget and its operation.
- ❖ There is lack of continuous monitoring & evaluation system of fund utilization.
- ❖ There are some works done to maintain fund sustainability such as, income diversification, searching grants from donors to OSSA program and project objective and devise strategy to mobilize resources locally rather than highly depending on external resources but still the problem of fund sustainability still exists.
- ❖ OSSA has been challenged by various internal and external factors to have effective and efficient fund management and utilization practice.

5.2 Conclusion

The fund management and its utilization practice has a vital benefit for OSSA, because it can enable them to know the main factors that hindered effective and efficient fund management and utilization practice which needs to be reduced. Related to the study conducted in the subject area in different countries, the findings don't necessarily apply to Ethiopia due to socio economic, political and cultural difference.

Moreover, researches conducted in Ethiopia are not inclusive to the entire NGOs except, one attempt to the knowledge of researcher, although it focused on one region context only and even the findings are different from Organization for Social Services for AIDS(OSSA). In OSSA, the fund utilization has fluctuating and declining trends over the last five years. Hence, this study

attempted to address the issue of fund management and its utilization from the perspective of OSSA which has wide coverage in Ethiopia.

The identified gap leads to the formation of general objective in the study. That means, the fund management and its utilization practice in OSSA. Therefore, the study tried to show the major factors that affects the effective and efficient fund management and its utilization practice in OSSA.

5.3 Recommendation

From the study conducted based on survey, document analysis and in depth interview, possible recommendations have been forwarded to help OSSA and policy makers to give appropriate concern to the issue. Hence, the possible and constructive recommendation has presented as follows.

- The organization need not highly depend on foreign donation as a source to finance for its operation. The organization devise strategy for fund sustainability such as, income diversification through searching fund form the government, public service and private sectors, searching grants from donors and mobilize resources locally like obtaining community voluntary services and searching in kind support.
- OSSA need to establish a well-designed accounting software across branches which enable the employee can record, post into the system and easily control the fund utilization of each projects.
- OSSA create common folder to share project agreement, detail budget, action plan, reporting templets, financial and program report submitted to donors and other useful information to all responsible staff timely.
- OSSA conduct pre-grant assessment regarding procurement, fixed asset, financial system, personnel system, prepayments, receivables and inventory before starting the new grant and identify and fill the gaps to manage the funds properly as per the project agreement.

- OSSA need to emplace a system for continuous monitoring & evaluation for fund utilization and for the project implementation to review financial documentation at branch offices and to evaluate(assess) the internal control system so that to make corrective actions timely and to make sure the fund utilization and project implementation is on the right track.
- Trainings need to be arranged by head quarter regarding donor requirements-costs that are allowable, allocable and reasonable, financial reporting template, organization policies and procedures to build the capacity of the whole finance staff.
- The organization continue its fund utilization practice as per proclamation number 621/200 from the total expenditure the organization used 70% or more is to program cost and at most 30 % or less is for admin. cost by adhering for pertinent rules and regulation.
- OSSA continue its fund management practice based on budget's specification which is detailed budget of a specific project, donor's specification, by adhering financial grant agreement, and based on the plan in the project.
- OSSA need to strive to reduce the impact of various internal and external factors that affects effective and efficient fund management and utilization practice.

5.4 Recommendation for Future Research

This work is an attempt to assess fund management and its utilization in OSSA. Given the key contribution that the sector plays in the economy of the country, future research should focus on the assessment of fund management and its utilization by including more NGOs that will provide better insights about the entire sector's fund management and its utilization practice for both management of the institution and regulatory bodies.

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Appendices

Appendix A
Questionnaire
Saint Mary's University
School of Graduating Studies
Department of Business Administration

Dear Respondents,

The objective of this questionnaire is to secure the necessary and relevant first-hand information that may be useful to conduct a Thesis regarding “Assessment Fund Management and its utilization in NGO: The Case of OSSA ” which will be used to prepare a Thesis required for my MBA degree. Therefore, your response in this regard helps a lot to undertake the study. The result of this survey will be treated with at most confidentiality and will be strictly used for academic purpose only. The researcher thus appreciates in advance your cooperation and sparing your valuable time in filling this questionnaire (responding to the questions).

Instruction;

- Make a tick ✓ for your choice as per your branch's fact.
- For one statement rating (starting from strongly agreeing to don't know) more than one rating is not possible.

I thank you in advance for your anticipated cooperation.

Section I Background

1. What is your position in your institution?

Administration & Finance Head Accountant Senior Accountant

Junior Accountant

Others (specify)_____

2. What is your qualification?

Diploma BA MA PHD

Other (specify).....

3. How many years of experience do you have in this position?

Less than 1 year 1-3 years 3-5 years More than 5 years

Section II-Subject Matter - Questionnaire

S/N	Description	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	Fund Management					
1	OSSA manage its fund based on budget's specification that it has					
2	It manages its fund based on donor's specification					
3	Manages its fund as per pre-grant assessment conducted.					

4	Manages its fund by providing training to implementing sectors					
5	Manages its financial resource by taking continuous monitoring & evaluation					
6	OSSA take corrective action on the weaknesses of fund utilization					
7	OSSA prepare donors reports as per donor requirements.					
8	OSSA presents timely and complete budget utilization report.					
	Financial Sustainability					
9	OSSA has less dependency on foreign donation to finance its operation					

10	OSSA has enough financial reserve for the coming five years					
11	OSSA has good experience of relying on income generated in its institution to finance its operation					
	Fund Utilization					
12	OSSA utilizes its allocated fund as per proclamation number 621/2009-at least 70% for program cost & at most 30% admin cost					
13	Donor funds are utilized for the purpose it was meant					
14	It utilizes its fund through utilization control based on plan in the project proposal					
15	OSSA utilizes its fund based on its project schedule					
16	OSSA utilizes its fund based on continuous monitoring & evaluation system					

Appendix B
Interview schedule
Saint Mary's University
School of Graduating Studies
Department of Business Administration

Interview

This interview question is part of the study's to be conducted on NGO, to assess fund management & its utilization of OSSA. You are urged to respond the information requested here as accurately as possible. It will only take a few minutes. Hence, researcher greatly appreciates your willingness to take time to answer the following interview questions. Please give your frank and unreserved opinion. The information that researcher get will be used for professional and academic purpose only and it will be strictly kept confidential as well only the analyzed results will be released.

I thank you in advance for your anticipated cooperation.

Interviewee's Department -----

1. What is your position in the organization?

2. How many years of experience do you have in the organization?

3. What are the sources of fund in OSSA?

4. How do OSSA manage its fund?

5. How do OSSA utilize its fund?

6. What are the factors that influence effective and efficient fund management throughout OSSA across the country?

7. What are the factors that influence effective and efficient fund utilization throughout OSSA across the country?

