



**FINANCIAL MANAGEMENT AND FUNDRAISING STRATEGIES FOR QUINTILE 1  
AND 2 SECONDARY SCHOOLS IN THE FREE STATE PROVINCE**

**By**

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**DOCTOR OF EDUCATION**

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**Department of Post Graduate Studies Education**

**Faculty of Humanities**

**Central University of Technology, Free State (Welkom Campus)**

**PROMOTER: Prof GJ Schlebusch**

**November 2017**

## DECLARATION

I, Tlale Essau Mpolokeng, hereby declare that this study:

**FINANCIAL MANAGEMENT AND FUNDRAISING STRATEGIES TO IMPROVE  
THE QUALITY OF TEACHING AND LEARNING AT THE QUINTILE 1 AND 2  
SECONDARY SCHOOLS IN THE FREE STATE PROVINCE**

is my own independent work, and that all of the sources used or quoted have been indicated and acknowledged by means of complete references.

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T.E MPOLOKENG

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DATE:

## DEDICATION

This study is dedicated to the following:

- my late grandfather, Jacob Galeboe Mpolokeng
- my late grandmother, Ellen Pulane Mpolokeng
- my late parents, Stephen Moeti Mpolokeng (2006) and Moretlo Dorah Mpolokeng (2007)
- my wife, Moroesi Mirriam Mpolokeng
- my brother; Geelbooi Jacob Mpolokeng
- my sisters, Ellen Pulane Mpolokeng and Rachel Mamonana Mpolokeng
- my late sister, Tselane Alinah Mpolokeng
- my late cousin, Petjo Thakadu Abram Mpolokeng
- my late friend, N Tsunke
- my granddaughter, Olebogeng Boitumelo Serekego
- my colleague who assisted me, Ishmael Berry Tshabangu
- Ms P Kellerman; and
- to all my friends who helped and assisted me.

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## CERTIFICATION OF LANGUAGE EDITING



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### THIS IS TO CERTIFY

That I have language edited a doctoral dissertation on: *Financial management and fundraising strategies for Quintile 1 and 2 secondary schools in the Free State province*, for Mr TE Mpolokeng, a DEd student at the Central University of Technology (CUT), Welkom campus, Free State province, South Africa.

The scope of my editing comprised:

- Spelling
- Tense
- Vocabulary
- Punctuation
- Word usage
- Language and sentence structure
- Checking of in-text referencing style

My best wishes for a successful career accompany Mr Mpolokeng.

Charlotte Stevens (Ms)

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October 2017

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## ABBREVIATIONS

DoE	Department of Education
SASA	South African Schools Act
SGB	School Governing Body
PED	Provincial Education Department
PFMA	Public Finance Management Act
SDP	School Development Plan
HoD	Head of Department
SMTs	School Management Teams
CIS	Corporate Social Investment
MEC	Minister of Executive Council
LTSM	Learning and Teaching Support Material
RCL	Representative Council of Learners

## ABSTRACT

The aim of the study is to establish a fundraising strategy to improve the quality of teaching and learning in schools in poor communities. Fundraising can be an empowering tool that improves the physical and human resources of a school, or it can be a negative process that leads to disappointment and unhappiness. The democratic principles in the new education system have created a space for the redress of inequality in South African schools. This is evidenced in the establishment of School Governing Bodies (SGBs) as legitimate bodies to take the issue of “redress” forward.

According to Section 36 of SASA, the state acknowledges its failure to provide sufficient funding to public schools and mandated the SGB to obtain additional resources in order to improve the quality of education. The money allocated by the state to schools is clearly not enough. Many principals and SGBs are placed under tremendous pressure to manage and raise funds for their schools, because they are unable to work out practical solutions to financial problems, on account of their lack of financial knowledge, skills and expertise. Fundraising in schools is done with the main aim of supplementing resources that has been supplied by the state to improve the quality of teaching and learning especially in Section 21, quintile 1 and 2 no-fee schools.

The design followed in this study is qualitative in nature. The data collection instrument used was open-ended questionnaires to gather information from three groups of participants, namely school principals, SGB chairpersons and parent representatives on finance and fundraising committees. Participants were from Section 21, quintile 1 and 2 no-fee secondary schools in three of the five education districts of the Free State Province, namely Fezile Dabi, Lejweleputswa and Motheo.

Findings indicate that schools face numerous obstacles regarding fundraising, such as lack of parental support because of unemployment, lack of proper planning of fundraising projects and a lack of skills and unwillingness to endeavour into new fundraising projects.

In conclusion a fundraising strategy is proposed to assist schools with regard to fundraising.

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## CHAPTER ONE

### INTRODUCTORY ORIENTATION

#### 1.1 INTRODUCTION

According to Potterton, Winkler, Mckay, Macgregor and Plant (2003:9), fundraising can be an empowering tool that improves the physical and human resources of a school, or it can be a negative process that leads to disappointment and unhappiness. Clarke (2012:167) mentions that, fundraising is an important social part of the school year, and the funds generated contribute significantly to the schools income for the year. Fundraising, however, if it is to be effective, need a huge amount of time and effort, so care must be taken to make sure that this is not time and effort that should be used for teaching and learning. The SGB needs to protect the principal and the staff from the demands and expectations of parents involved in any fundraising event. Van Deventer and Kruger (2003:241) state that fundraising projects is an important aspect within the organizing of school finances. The School Governing Body (SGB) has the responsibility to take measures to supplement the financial resources provided by the state.

Yumi and Beaudry (2007:1) state that before fundraising projects are to be started, the foundation must be laid to have a compelling reason for potential donors to give. Some of the key elements that will strengthen the success of fundraising projects are when a clear sense of commitment to the vision and mission of the school is communicated. Who the school is, where it is going and how the mission relates to the community being served also play a significant role. According to Hill and Robertson (2009:288), schools exist to promote proper teaching and learning. Good management is however necessary for any school to deliver effective teaching and learning. This includes the management of the resources available to the school, such as its financial resources.

#### 1.2 BACKGROUND OF THE STUDY

Mpolokeng (2011:5) states that the South African Schools Act (SASA) (No 84 of 1996) prescribes how a school should manage its funds. It also provides guidelines for the

SGB and the principal regarding their roles and responsibilities in managing the finances of the school. However, there are SGBs and principals that have little knowledge of the contents of the SASA or simply interpreting it incorrectly with the result that too many schools become victims of mismanagement and misappropriation of funds in the form of embezzlement, fraud and theft.

Parents, especially those from impoverished backgrounds, need to be empowered if they are to make a significant contribution to their children's education. A partnership between parents and schools is an instrument to improve and develop the schools as parents involve themselves in the school activities in order to benefit their children's education (Van Zyl, 2011:39). Potterton *et al.* (2003:5) asserts that the government has developed a policy on school funding which aims to redress some of the historical resource imbalances that still exist. Poorer schools receive pro rate more funding from the government than schools that also collect school fees.

Section 20 of SASA imposes a responsibility on all public schools SGB's to do their utmost to improve the quality of education in their schools by raising additional resources to supplement those which the state provides from public funds. According to Ryan and Palmer (2005:43), the success in supplementing funds depends firstly on the extent to which fundraising is viewed as part of the school's overall community relations effort, secondly on the way the fundraising tasks are assigned and coordinated, and lastly on the strategies used to ensure returns on investment in fundraising campaigns.

Mestry and Bischoff (2009:55) mention that the decision to charge school fees is not only the decision of the SGB but a matter for the parents to decide. SASA link the question of fees to the school budget, which the SGB must present at a general meeting of parents for approval. The SGB should make available all the necessary information to the parents about the schools' income, from the state and other sources, and its educational needs. Parents must decide what additional revenue the school needs for educational purposes, and how that revenue is to be raised, including whether or not school fees are to be charged.

Woolman and Fleisch (2009:202) state that SASA provides that the governance of public schools vested in the SGB that stand in the position of trust towards the school. The SGB and the Fundraising Committee (as a sub-committee of the SGB) must control the funds that have been raised during fundraising. Fundraising is seen as a third stream of income for schools where funding is mainly received from:

- government funding;
- school fees; and
- special fundraising campaigns.

### **1.3 SIGNIFICANCE OF THE STUDY**

The significance of the study is to provide SGBs with knowledge and information as to how to complement and manage the income of the school by employing strategies to amass third stream income for schools. More funding available to schools relate directly to more teaching and learning opportunities that can be created for learners.

Through the attainment and management of funds through fundraising schemes, SGBs can allocate more money towards additional teaching and learning material, technological hardware and software for classrooms and possible educational tours.

### **1.4 PROBLEM STATEMENT**

According to Van Wyk and Lemmer (2009:130), the lack of resources in many schools means that many SGBs that were set up to improve the quality of education provision, end up becoming only fundraising bodies. Often those schools, which are situated in poorer communities, find it difficult to set and collect school fees. The financial and administrative management of such schools is often difficult and requires skills and knowledge, which SGB members from those communities seldom have. The principal and the SGB must take the lead in management activities in accordance with the stipulation of the SASA, the Free State School Education Act (No 2 of 2000), Provincial Regulations 154 of 2001, and guidelines of the Free State Department of Education.

According to Section 36 of the SASA, the financial management function of the SGB is to establish a school fund, open a bank account and raise funds for the school. There are, in practical terms, certain main sources of income which SGB can explore:

- charge school fees (fee paying schools);
- undertake fundraising projects; and
- approach possible donors for donations or sponsorship.

Most SGB members from disadvantaged communities are extremely poor and lack the necessary education to play their role as school governors (Jonas & Cloete, 2006:117). The problem that this study will therefore investigate is that schools classified as Quintile 1 and 2 schools often are not able to supplement the annual funding they receive from the government. Quintile 1 and 2 schools are often situated within very poor communities where parents are unable to pay school fees. SGBs need to be creative in acquiring additional funding for schools, but in many cases the parent membership of these SGB are unable to generate these additional funds, with the result that proper teaching and learning are not able to occur at such schools.

#### **1.4.1 Research questions**

Main research question: An investigation of fundraising strategies to improve the quality of teaching and learning in schools in poor communities.

The research questions that emanate from the research problem are:

- What are the essences of financial management at schools?
- What problems regarding fundraising as additional income are experienced by schools in poor communities?
- Is there a link between additional funds raised by schools in poor communities and their ability to provide proper teaching and learning resources?
- How can fundraising problems experienced in schools be addressed? and
- What should a fundraising strategy for schools in poor communities include?

## 1.5 AIM OF THE STUDY

The aim of the study is to establish a fundraising strategy to improve the quality of teaching and learning in schools in poor communities in the Free State Province.

- to determine the essences of financial management at schools;
- to ascertain problems experienced regarding fundraising as additional income by schools in poor communities;
- to determine a possible link between additional funds raised by schools in poor communities and their ability to provide proper teaching and learning resources;
- to establish how fundraising problems experienced in schools can be addressed; and
- to create a fundraising strategy for schools in poor communities.

## 1.6 PRELIMINARY LITERATURE REVIEW

Anderson and Lumby (2005:52) mention that schools in many countries have traditionally generated additional income through occasional activities in conjunction with parents associations, friends of the school or community groups. Such events not only raise funds, but also encourage parents and the local community to be involved with the school, celebrate it and gain the understanding of it and its achievements. They also enable relationships between learners, parents, staff and neighbours to develop in a positive atmosphere.

According to Lekalakala (2006:47), fundraising is when the school decides to increase the funds for specific reasons, such as purchasing a photocopier machine or improving sporting facilities at the school. Fundraising is an event that offers ample opportunities for organizations to solicit other types of donations and build relationship with the community. Lindahl (2011:57) states that each fundraising strategy should be evaluated according to its purpose. If the goal is to raise as much money as possible, then face-to-face solicitation is the best method. But if the goal is to create public awareness of a school's needs, a special event may be more appropriate. Even then the school must be sure to relate the event to particular needs and goals.

Unfortunately, most schools copy events that others have done and do not benefit from the potential advantages of creating their own, unique events. According to Jeremiah and Palmer (2005:43), fundraising success depends on the extent to which fundraising is viewed as part of the institution's overall community relations effort, the way in which fundraising tasks are coordinated and assigned and the strategies used to ensure the returns on investments in fundraising campaigns.

According to Mestry and Bisshoff (2009:3), management of school finances is an integral part of effective school management. It ensures that expenditure is directed towards achieving good value for money through the correct attainment and allocation of resources. Resources are the means by which the process of education may be put into operation. The allocation and management of these resources are critical to effective school management and should relate to the needs of the learners. Principals with knowledge and understanding of education, financial and human resource management are required to manage their schools economically, efficiently and cost-effectively.

Training in financial management is fundamental in preparing and equipping school managers with financial skills. This training should enable the SGB to be responsible and accountable for funds that have been received for the attainment of specific school objectives. Training in school finances will equip the SGB to make a contribution towards the improvement of the overall quality of teaching and learning of the school. Mestry (2013:168) mentions that in terms of SASA (section 30) the SGB is allowed to set up a finance committee and sub-committees such as fundraising committees, tuck shop committees or school fees committees. Each of these committees, as part of the organization, should arrange or sort out matters in such a way that all components cooperate well, thereby forming a systematic whole.

Mestry and Bisshoff (2009:4) add that the course in financial management is fundamental to preparing and providing principals with financial skills and competencies that will give them the ability to be responsible and accountable for funds that have been received for specific school objectives. It will also provide school principals with managerial skills and competencies that will enable them to make a contribution towards the improvement of the overall productivity of the school.

Thenga (2012:47) asserts that financial management remains a challenge in many schools because most principals and SGB members lack proper training in financial management. Schools are still unclear on the features and functions of a school's budget. The implementation and control of the budget and evaluation remain problematic. According to Mestry (2004:26), there are many principals and SGB members who lack the necessary financial knowledge and skills and are placed under tremendous pressure, because they are unable to work out practical solutions to the financial problems of the school.

The SASA prescribes how the school should manage their funds. It also provides guidelines for the SGB and the principal on their roles and responsibilities in managing the finances of the school. SGBs must perform all functions as stipulated in Section 20 of the SASA. Thenga (2012:150) states that SGBs in township schools have a challenge in the management of funds in schools. This is due to the fact that parents in the SGBs of the selected township schools lack of knowledge and expertise is making it difficult for them to contribute meaningfully in governance.

Lekalakala (2006:47) mentions that the SGB may approach people in business to sponsor items or events at the school or to pay for certain expenses. Members of the public or parents may be asked to donate money or items to the school. There are many ways that can be used to raise funds and the SGB will have to use its skills and imagination to ensure that funding received from the government is supplemented by fundraising efforts.

## **1.7 RESEARCH DESIGN AND METHODOLOGY**

### **1.7.1 Design**

The design to be followed for this study is qualitative in nature. Ritchie, Lewis, Nicholls, and Ormston (2014:74) mention that qualitative research deals with data that are principally verbal, and is more concerned with understanding social phenomena from the perspective of the participants. Qualitative research is social or behavioral science research that explores the processes that underlie human behavior, using such exploratory techniques as interviews, surveys, case studies and other relatively

personal techniques (Salkind, 2014:201). Leedy and Ormrod (2010:133) are of the opinion that the term qualitative research encompasses several approaches to research that is, in some respects, quite different from one another. Yet all qualitative approaches have two things in common. First, they focus on phenomena that occur in natural settings that is, in the “real world” and secondly, they involve studying those phenomena in all their complexity.

Hennik, Hutter and Bailey (2011:9) say that qualitative research is an approach that allows the researcher to examine peoples experience in detail, by using a specific set of research methods such as in- depth interviews, focus group discussions, observations, content analysis, visual methods, and life histories or biographies. Cohen, Manion and Morrison (2007:461) indicate that qualitative research often focuses on smaller numbers of people than quantitative research, but that the aim of qualitative research is to obtain information-rich data. Such information-rich data will be obtained to shed light on fundraising activities.

### **1.7.2 Research method**

The phenomenological approach is used in this study. The rationale behind adopting this method is that it allows the researcher to study the behavior of people and the way they perceive and do things. Padilla-Diaz (2015:104) explains that phenomenology emphasizes the subjective experiences that people have and the interpretations and meanings that these persons give to the world surrounding them. Heindel (2014:48) states that the phenomenological approach sought to clarify the framework and essence of the experiences that a group of individuals has. This study also uses qualitative ethnographic approach because it is central to qualitative model. Ethnographic qualitative approach is also used because it gives participants chance to as much life data as possible, to elicit socio cultural knowledge from the participants, to give their own views, and experience with regard to the implementation of fundraising at quintiles 1 and 2 secondary schools in the Free State Province. The behavior, perceptions and actions of participants in this study will be documented to provide a written data reflection on fundraising strategies to be employed by Quintiles 1 and 2 schools.

In addition, Gray (2010:438) maintains that ethnography is one of the most popular approaches to qualitative research in education. The word ethnography literally means “writing about people”. Ethnography is a form of qualitative research focused on describing the culture of a group of people. Johnson and Christensen (2014:49) are of the opinion that when ethnographers conduct research, they are interested in describing the culture of a group of people and learning what it is like to be a member of the group from the perspective of the members of that group. They are interested in documenting things like the shared attitude, values, norms, and practices, patterns of interaction, perspective and language of a group of people.

### **1.7.3 Data collection instruments**

#### **1.7.3.1 Questionnaires**

A questionnaire is an instrument with open- or closed-ended questions or statements to which a participant must react. Different kinds of questionnaires can be distinguished, such as mailed or posted questionnaires, telephone questionnaires or a group questionnaire (Babbie, 2008:272). Gray (2010:337) says that for many good reasons the questionnaire is the most widely used technique for obtaining information from participants. A questionnaire is relatively economical, has the same questions for all participants, can ensure anonymity, and contains questions written for specific purposes. Questionnaires can use questions or statements, but in all cases the participants are responding to something written.

According to Kumar (2010:110), a questionnaire is a written list of questions, the answers to which are recorded by participants. In an open-questionnaire the participants read the questions, interpret what is expected and then write down the answers.

#### **1.7.3.2 Open-ended questionnaires**

Open-ended questionnaires will be used for this study. According to Kumar (2010:132), an open-ended questionnaire is constructed in such a way that the possible responses are given. The participants write down the answers in their own

words. Open-ended questionnaires are used for seeking opinions, views, attitudes and perceptions from participants. White (2005:68) mentions that in open-ended questionnaires, the participants can respond with any information relevant to the question. Open-ended questionnaires are normally used in qualitative studies for complex questions that cannot be answered in a few simple categories, but require more detailed information and discussion. Fifteen principals, fifteen parents on finance and fundraising committee, and fifteen chairpersons of SGBs of quintiles 1 and 2 secondary schools in Fezile Dabi, Lejweleputswa, Motheo education district in the Free State Province will be requested to complete the questionnaires. The principals, parents on finance and fundraising committee and the chairpersons of the SGBs will be used as they have knowledge regarding fundraising and financial management of schools and therefore will be able to provide the researcher with the data that is required.

#### **1.7.4 Population and sample**

According to Newton (2006:432), population is a large, well defined group that generates a sample. Babbie (2008:121) defines population as a group of elements or cases - be it individuals, objects or events - that conform to specific criteria and about whom we want to draw conclusions. The population of this study includes principals, parents on finance and fundraising committee, and chairpersons of the SGBs of secondary schools in three of the five education districts of the Free State Province, namely Fezile Dabi, Lejweleputswa and Motheo.

According to Adler and Clark (2014:98), sampling is the process of drawing a number of individual cases from a larger population. Sampling is to learn something about a large group without having to study every member of that group. Flick (2010:473) agrees that sampling is a selection of cases or materials for the study from a larger population or variety of possibilities. Mertler and Charles (2008:124) state that a sample is a subgroup of people, animals, or objects selected to represent the much larger population (in its entirety) from which it is drawn.

Purposive (or purposeful) sampling will be used by the researcher to select participants in this study. Two distinct techniques are used to select a manageable

number of participants to be involved in a research project, namely probability sampling and non-probability sampling. According to Cohen *et al* (2007:92), in probability sampling every member of the population will have a known non-zero probability of selection, while in non-probability units the sample is selected on the basis of personal judgement or convenience? In this study purposive sampling as a non-probability technique is used to ensure that information-rich data is gathered from an informed sample group. According to White (2005:120), purposive sampling is based entirely on the judgment of the researcher, in that a sample is composed of elements that contain the most characteristic, representative or typical attributes of the population.

On the basis of the researcher's knowledge of the population, a judgment is made about which participants should be selected to provide the best information to address the purpose of the research (White 2005:121). The sample for this study comprises of principals, SGB chairpersons and the parents on finance and fundraising committee of 5 secondary quintile 1 and 2 schools per district. As three districts form part of this study, the total sample is therefore 45 people selected from 15 schools.

### **1.7.5 Data analysis**

Lancaster (2005:155) mentions that data analysis is the process of turning data into information. Information is data which is in a form which can be used for explanation, or more specifically for decision making. The way in which data are analyzed in qualitative research depends on the research question(s), the way the data were collected and ultimately, what is appropriate to achieve the objectives of the research. According to Chenail (2012:3), a thorough review of the range and depth of the data is an essential starting point to analysis. Such a review is likely to yield a long list of what appear to be important themes and concepts within the data.

Data analysis is what unlocks the information hidden in the raw data and transforms it into something useful or meaningful. During data analysis you learn whether your ideas are confirmed or refuted by empirical reality. Qualitative analysis therefore creates meaning, in part, by using the raw data to learn something more abstract and general. Data analysis is the process of turning data into information that in turn can

serve to develop concepts, theories, explanations or understanding. Fade and Swift (2010:107) state that qualitative analysis takes place throughout the data collection process. As such the researcher will constantly reflect on impressions, relationships and connections while collecting data. The search for similarities, differences, categories, themes concepts and ideas form part of the continuous process.

## 1.8 DELIMITATION OF THE STUDY

The research study will be based in the field of Educational Management.

## 1.9 LIMITATION OF THE STUDY

This study will be conducted in only three of the five education districts of the Free State province, namely Fezile Dabi, Lejweleputswa and Motheo. Qualitative data analysis eventually reaches a point called saturation, often signaling completion of the study when there is a judgment of diminishing returns regarding the data (Mason, 2010). It is envisaged that this will be the case when all five districts are included in the study. For this purpose, only three districts will form part of the study.

## 1.10 DEFINITION OF CONCEPTS

For the purpose of this study the following terms and their abbreviations will be used when it is necessary.

**Educational Management:** Management is a specific type of work in education which comprises those regulative tasks or actions executed by a person or body in a position of authority in a specific field or area of regulation, so as to allow formative education to take place (Van der Westhuizen, 2014:55).

**Financial Management:** In an educational context it is the performance of management actions (regulatory task) connected with the financial aspects of the school, with the main aim of achieving effective education, and carried out by a person in position of authority (Mestry, 2007:3).

**School Governing Body (SGB):** According to SASA (Act no 84 of 1996), the SGB is a group of stakeholders elected as representative of parents, educators, non-teaching staff, and in the case of secondary schools, of learners. Each SGB governs the management of its school. In a school that is registered as a section 21 schools, the SGB is also responsible for the school's finances (Jonas & Cloete, 2006:117).

**Fundraising:** It is an activity in the school community conducted by parents, learners and staff to raise money for the school. The ways of raising funds for the school need to be agreed on by the members of the SGB and set into action (Čačija, 2013:59).

**Poor communities:** A poor community means that people is derived from safe water, adequate food, clothing and shelter. There is also a lack of proper education and healthcare (Powerful Information, no date).

**Quintiles:** According to the National Norms and Standards for School Funding (2006) each school is assigned a poverty score using data from the community in which the school is located. Quintile 1 and 2 schools are schools in poorer quintiles, are no fee schools and receive larger allocation than schools in other quintiles. (Ahmed & Sayed, 2009:206)

## 1.11 PROGRAMME OF THE STUDY

Chapter One: Introduction of the study.

Chapter Two: This chapter focuses on financial management in schools.

Chapter Three: This chapter deals with fundraising as a tool to generate income for schools.

Chapter Four: This chapter gives a detailed account of the research methodology used in this study. It also explains how the data that is collected is analyzed.

Chapter Five: Reporting of data will be done in this chapter.

Chapter Six: This chapter provides a summary of findings and recommendations of the study.

Chapter Seven: The chapter will provide new knowledge regarding fundraising for schools in poor communities.

## CHAPTER 2

### FINANCE IN SCHOOLS

#### 2.1 INTRODUCTION

According to Van Rooyen (2012:47), a school does not exist in isolation. It is made up of learners and educators who are part of a wider community, which include the district, provincial and national departments of education. Factors affecting schools include education policy, politics and government and of course economics and technology. A school is therefore part of a system.

Botha (2013:1) mentions that management and administration of education in South Africa has been changing in line with international trends. The country has adopted a policy of decentralization that advocates the devolving of a decision-making authority from the central office of the state to district and school level. The decentralization policy aimed and still aims at improving the quality of education for learners and empowering local school communities to use resources effectively and efficiently as well as economically. According to SASA, the roles of SGBs include *inter alia* the starting and administering of a school fund, preparing an annual budget and submitting it to parents for approval as well as supplementing the funds supplied by the Department of Education (DoE) by setting, administering and collecting school fees (in the case of quintile 4 and 5 Section 21 schools), deciding on applications for exemptions from school fees and attempting fundraising projects. Their responsibilities also include maintaining, administering, and controlling the school's property, grounds and buildings. Section 20 schools have their financial affairs managed directly by provincial departments of education, whereas Section 21, quintile 1 and 2 no-fee schools manage their own financial affairs, as their quintile allocated funds are deposited directly into their bank account (more about the quintiles later on in this chapter) (Botha, 2013:81).

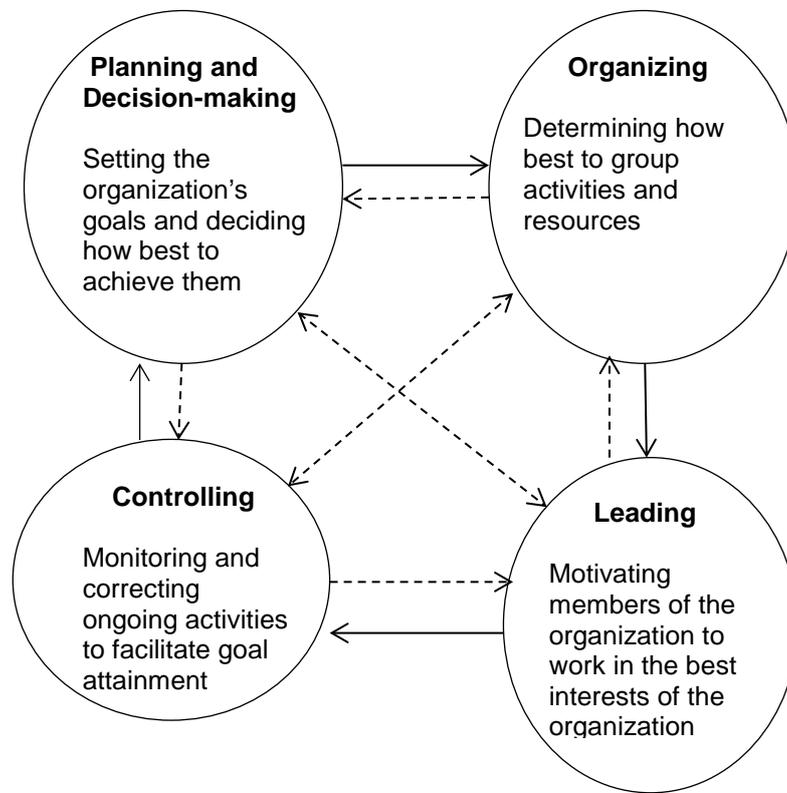
The decentralization strategy entails that SGB members and principals be appropriately trained to effectively manage the funds of a school. Naidu, Joubert, Mestry, Mosoge and Ngcobo (2008:158) state that part of the obligation for SGBs is financial accountability, which in practice may pose a challenge for SGB members in poor communities who, in many cases, possess low levels of literacy and financial abilities. Regardless of the aforementioned, school-based management still places the responsibility to ensure school accountability on the SGB and the school principal, who is also an ex officio member of the SGB. The principal and SGB have to ensure that the school's financial system is effective, efficient and that it acceptably maintains the teaching and learning programme of the school.

The literature study in this chapter commences with a brief discussion of general management concepts that are considered to be necessary in the management of all organisations and institutions (such as schools).

## **2.2 GENERAL MANAGEMENT CONCEPT**

De Beer and Rossouw (2015:30) indicate that management is the ability of getting things done through people. This means that the organizational objectives that have been set can only be achieved by getting other people to execute the tasks, rather than managers executing the tasks. However, management involves more than that. There is no single, generally accepted definition of management. Existing definitions keep changing as the environment within which the organization operates changes. Management can be explained as the process of planning, organizing, leading and controlling human and other resources to achieve the objectives of the organization (Monametsi, 2015:32-33). These processes are interconnected and mutually dependent as is illustrated in Figure 2.1.

**Figure 2.1: The four basic management tasks**



Source: Griffin (2012:6)

Management is therefore a dynamic process, consisting of unending, interrelated activities and responsibilities. The four integral parts of the management process are now discussed in short in the following sub-sections

### **2.2.1 Planning**

Daft and Marcic (2011:239) state that planning means the identification of goals for future organizational performance and deciding on the tasks and use of resources needed to obtain them. Planning defines where the organization wants to be in the future and how to get there. Van Vliet (2014:3) agrees that planning is looking forward and drawing up a plan of action that needs an active involvement of the entire organization. Planning should take the organization's flexibility of personnel and available resources into consideration as this will guarantee stability. Through careful planning, set goals are achieved.

To be a successful manager the ability to organize is essential. Organizing follows in the next sub-section.

### **2.2.2 Organizing**

According to Dumler and Skinner (2008:164), organizing is that management task which is carried out to initiate planning in order for goals to be achieved and obtained effectively. Organizing is a process by which the manager brings order out of disorder, removes conflicts about people's responsibility regarding work and establishes an environment appropriate for teamwork. Organizing is the process of structuring both physical and human resources to accomplish organizational objectives. Principals organize by bringing together materials, people and other resources to ensure achievement in their schools. For example, they decide on how their subject departments are formed, educators are provided with their daily time-tables, extracurricular events are scheduled, and resources are allocated. Regularly, they also establish when and under which circumstances school facilities can be used. Organizational decisions usually influence organizational safety, operational costs, efficiency and overall effectiveness. Organizational decisions center on creating an environment that aims to improve learners' learning and progress towards the established vision (Kowalski, 2010:28).

The third basic management function is leading, which is considered to be the most challenging and the most important of all management functions (Griffin, 2012:7). Part of being an excellent manager is to have the ability to lead.

### **2.2.3 Leading**

According to Ferreira, Erasmus and Groenewald (2013:351), leading is a process in which a person uses influence over other people by motivating them, inspiring them and directing their activities to help attain the organizational goals. Leading involves motivating whole sections and departments, as well as individuals working together within the school. Leading is the work which an educational leader must perform to allow other people to function effectively. The significance of leading is that it does not only ensure the accomplishment of a specific task, but also that the work is completed.

However, leading also ensures voluntary cooperation. Motivation is necessary for this and entails direct contact with staff. Effective leading can be achieved if attention is given to the following aspects (Daft & Marcic, 2011:80):

- there should be a healthy and objective relationship between educational staff and the principal;
- the principal must be motivated;
- the actions of staff members rather than their personal qualities should be the focus;
- personal goals should be reconciled with those of the school wherever possible;
- care should be taken that instructions are received and interpreted correctly;
- it must be ensured that work is initiated and remains in progress; and
- Recognition should be given for good work.

Ferreira *et al.* (2013:376) describe control as a continuous process through which managers determine the improvement of their section in reaching the set objectives.

#### **2.2.4 Control**

Kinicki and Williams (2013:51) explain that control is ensuring that the outcomes correlate with what was planned. Controlling is defined as monitoring performance, comparing it with objectives, and taking corrective measures as needed. Griffin (2012:242) states that control is the regulation of organizational activities so that the targeted element of performance remains within acceptable limits. Without rules, organizations have no sign of how well they are performing in relation to their objectives. Controls keep the organizations moving in the correct direction. It compares current performance to where the organization must be in terms of performance.

Daft and Marcic (2011:320) assert that controlling an organization such as a school effectively, requires information about performance standards and actual performance, as well as corrective actions taken to correct any deviations from the

targeted standards. Principals need to choose which information is significant, how they obtain that information, and how they can and should react to that information. In order for any management process, and more specifically financial management, to occur in schools, it is important to understand the essences of school funding. The national government's educational reforms since 1994 have focused on access, equity, quality, efficiency and redress. Education policies such as the post-provisioning norms; rationalisation and redeployment of teachers and non-teaching staff; management of school fees; the functioning of governing bodies and the National Norms and Standards for School Funding (for the purpose of this study: Norms and Standards); and other reasonable interventions primarily aimed to redress the inheritance of race-based inequality and to build a new and unified national system based on equity (Mestry & Dzvimbo, 2011).

### **2.3 THE PROVISION OF EQUITY IN SCHOOL FUNDING**

The government needed to address the different pre-1994 funding policies on subsidies and delegations to schools. While the Constitution gives provincial governments the responsibility of providing education with substantial autonomy in administering and funding education, all provincial education decisions must be made within the context of educational policies as determined by the national government. In order to effect equity and redress necessary in a public education sector characterised by huge inequalities and disparities, careful consideration was given to education financing, provisioning and budgeting policy options. This mandate meant that provincial departments of education were required, among others, to reduce inequities in funding education; increase equality in teacher-learner ratios; and finance learning and teaching support materials (LTSM).

According to Mestry and Bisschoff (2009:45), SASA imposes important responsibilities on the state in respect of funding of public schools. Section 34(1) of SASA stipulates that the state must fund public schools from public revenue on an equitable basis in order to ensure the proper exercise of the rights of learners to education and the redress of the past inequalities in education provision. Equitable distribution of funds to schools is driven through the Norms and Standards.

### **2.3.1 National Norms and Standards of School Funding**

The Norms and Standards Policy (South Africa, 1998) was intended as a strategic mechanism to redress the gap between rich and poor schools, with the ultimate goal of providing quality education. In addition, it was envisioned to act as a national instrument to ensure the equitable distribution of financial resources across the nine provinces in the country. At the heart of this funding policy is a strategy for funding that favours needy schools and economically disadvantaged learners. This redress of funding aims to improve the quality of education by not only redistributing resources, but also redistributing the conditions of learning so as to increase the possibility of attaining cognitive equity amongst all learners in South Africa.

Swartz (2009:19-20) indicates that the Norms and Standards policy outlines how the government funds public schools and distinguishes the financial responsibilities of the state from those of the parents or the SGBs. The policy is aimed at improving access for disadvantaged learners to free and quality basic education. It also promulgates progressive funding by categorising public schools into wealth quintiles and are subsidised accordingly. This was based on the poverty profile of the community serviced by the school; schools were ranked and organised into quintiles with the aim that schools serving poorer communities should receive more funding than schools serving better-off communities.

The goal of achieving racial equity and redress has been at the core of attempts to reform expenditure patterns in education. However, Mestry and Bisschoff (2009:48) emphasise that to target poverty the assumption is that certain groups of learners need more resources than others as a result of their economic disadvantage. Based on statistics, poor schools and learners are persistently disadvantaged and will take much longer to overcome the barriers of the past, thus prolonging the cycle of poor quality education. The Norms and Standards policy therefore requires quintiles to be determined.

### 2.3.2 Quintiles

The National Department of Education determines the amount that provinces ought to allocate per learner in each quintile category and this is published annually in the Government Gazette. The amount allocated for recurrent costs using the Resource Targeting Table is based on the principles governing the determination of the school poverty or quintile ranking. This includes: the relative poverty of the immediate community around the school, which, in turn, should depend on individual or household advantage or disadvantage with regard to income, wealth and level of education; and data from the national Census conducted by Stats SA or any equivalent data set that could be used as a source (Gauteng Department of Education, 2010). The poverty score of each school assigns it to a quintile rank which, based on a predetermined formula, governs the amount of funding each public school receives; and thus serves as a pro-poor mechanism used to determine the amount of funding for each school.

Quintile 5 represents the least-poor schools and quintile 1 the poorest schools. In order to have an equitable distribution of resources while operating with limited financial resources, it required each Provincial Education Department (PED) to direct 60% of their non-personnel and non-capital recurrent expenditure towards the most deprived 40% of schools (quintile 1 and 2) in their provinces. On the other hand, the least disadvantaged 20% of schools (quintile 4 and 5) should only receive 5% of the resources (Giese, Zide, Koch & Hall, 2009). It would appear that the poorest schools were mostly targeted and those schools positioned in the middle of the resource targeting table, the so-called middle schools (quintile 3), become neglected and impoverished (Mestry & Bisschoff, 2009:48). However, the PEDs provide quintile 3 schools the opportunity to be declared "no-fee schools" so that the financial burden of these schools can be alleviated.

Two equal factors are used to determine the poverty levels of schools:

- the physical conditions, facilities and crowding of the school. The provincial education departments are expected to use the data in the school register of needs to create indices based on the range of factors, including physical

facilities at school, learner classroom ratio, the overall condition, need for repairs, and the availability of basic services.

- The relative poverty of the community around the school. The provincial education department is expected to use census, household surveys or other data to create indices based on, for example, the proportion of household with electricity and pipe water in the community served by the school, and the level of education of the parents served by the school. There is significant evidence linking the poverty level of the school to the academic performance of the learners. Schools should therefore link the performance of their learners to the school poverty level ranking (quintile). Clarke (2009:223) mentions that provincial education departments are required each year, in terms of the policy of the norms and standards for school funding, to provide schools with their annual per-learner financial allocation.

Grant (2013:1) agrees that all South African public ordinary schools are categorised into five groups, called quintiles, largely for purposes of the allocation of financial resources. Schools in quintile 1, 2 and 3 have been declared no-fee schools, while schools in quintile 4 and 5 are fee paying schools. A school quintile ranking is important as it determines the amount of funding that it receives each year and whether or not the school can charge fees. Learners attending quintile 1, 2 and 3 schools do not pay school fees. Therefore, in order to compensate these schools for their loss in fee income, the state provides them with a larger Norms and Standards allocation than schools classified as “fee paying” schools in quintile 4 and 5.

Grant (2013:2) explains that the financial allocations differ significantly between quintile 4 and 5 and quintile 1-3 schools. Quintile 4 and 5 schools charge school fees, which should essentially make up for the additional funding needed to run the school. This is planned for during the budget and fee setting processes by the SGB. However because of the state of affairs of some schools, their quintile ranking of quintile 4 and 5, does not work in their favour. There are schools which do not draw their majority enrolments from the local area. There may not be children of school-going age in that area. Some of these schools then educate significant numbers of learners from families which cannot meet the fee arrangements at their children’s schools.

**Table 2.1: National Poverty table: 2014**

<b>National Quintiles</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
EC	27.3%	24.7%	19.6%	17.0%	11.4%
FS	20.5%	20.9%	22.4%	20.8%	15.4%
GP	14.1%	14.7%	17.9%	21.9%	31.4%
KN	22.1%	23.2%	20.2%	18.7%	15.8%
LP	28.2%	24.6%	24.2%	14.9%	8.0%
MP	23.1%	24.1%	21.5%	17.7%	13.5%
NC	21.5%	19.3%	20.7%	21.4%	17.1%
NW	25.6%	22.3%	20.8%	17.6%	13.7%
WC	8.6%	13.3%	18.4%	28.0%	31.7%
SA	20.0%	20.0%	20.0%	20.0%	20.0%

Source: Government Gazette (No. 37230, 2014).

The first row of the table above indicates the quintiles of the schools from 1-5. The first column shows the nine provinces of South Africa. Each subsequent column then portrays the percentage learners per quintile in each province.

### **2.3.3 Decentralization of authority to schools**

Fiszbein (2010:13) indicates that in the past few decades, school systems around the world have begun some form of decentralization with a focus on local decision making and community participation. Van Wyk (2007:137) states that devolution of authority will lead to a healthier and stronger relationship between the school and the community. The intention of the state, through SASA, is to give each school the status of a juristic person. Therefore, the assets acquired by the school become the property of the school and the school, as a legal entity, is responsible for the liabilities of the school. SGB is a statutory body of parents, principals, educators, non-teaching staff and learners (in secondary schools only) (Ndhlovu, 2012:91).

According to Mestry (2011:163), SASA was the first attempt to involve communities in governance, and to set guidelines for self-managing and governing schools. Self-managing schools is a process that is also referred to as decentralization which means that the state delegates authority to schools with a shared decision-making model engaging various stakeholders. SASA gives unprecedented responsibilities to SGBs of public schools, placing them in a position of trust towards schools and making them primarily responsible for the education of the learners through democratically elected structures.

Fiszbein (2010:13) further asserts that SASA is intended to create a new school governance landscape based on citizen participation, partnership between the state, parents, learners, school staff and communities and evolution of power towards the individual school and community. SASA provides for the election of the SGB and as such grants schools and their constituent communities a significant say in decision-making by devolving power to stakeholders who participate in democratic governance of schools. This model is designed to provide schools greater autonomy to manage resources, democratize the local control of decision-making and respond to community needs.

Van Wyk (2007:132) agrees that the concept of decentralization originates from the belief that the state alone cannot control the school, but should share its powers with other stakeholders, particularly those closer to the school, on a partnership basis. According to the DoE (2010:6), self-management in schools is based mainly on two sections of SASA:

- Section 20: which gives school governing body the power to administer and control the school's property, buildings and resources.
- Section 21: which gives school governing body extra allocated functions to control their own finances and extra-curricular activities.

Section 21 status of schools is addressed in the next sub-section.

### 2.3.4 Section 21 schools

Manamela (2014:24) states that Section 21 of SASA provides for the establishment of self-management schools by permitting schools to apply for some of the functions that were traditionally carried out by the state. The allocation of such functions to schools is accompanied by the allocation of funds from the state to ensure that schools exercise their decision-making authority in carrying out these functions efficiently. It is important to view self-management of schools as an accountability mechanism necessary to regulate and ensure equity. Self-managing schools, call for local ownership of education and make professionals at the school's site primarily accountable, based on the belief that better decisions will be made by those closest to the situation. Ndhlovu (2012:93) asserts that the direct allocation of funds to self-managing schools is based on the assumption that all SGBs will be able to perform the following functions:

- manage the funds of the school;
- improve and maintain the property of the school;
- manage the curriculum of the school; and
- raise additional funds for the school.

A school is only allowed Section 21 status if it has applied and received approval from the Provincial Head of Department. This is determined by ensuring that the school is able to manage its own funds efficiently and also that it complies with all the regulations as stipulated in SASA. When funds are allocated to Section 21 schools, certain principles preserved in the Constitution (1996) are applied, namely:

**Equity:** an impartial and consistent application of rules governing financial resources allocation to schools.

**Redress:** improving financial resources allocation by targeting the specific needs of the poor and previously disadvantaged.

**Efficiency:** the allocation of financial resources to the school in such a way that once deployed will match the financial needs of the school.

**Quality:** the provision of financial resources in such a way that resulting improvements will be sustained.

The decentralisation of authority for Section 21 schools provides such schools with certain advantages.

### **2.3.5 Advantages of Section 21 schools**

Govindasamy (2009:26) asserts that Section 21 schools enjoy far more financial freedom than Section 20 schools and mentions the following as the advantages:

- Schools can negotiate the best prices, discounts and delivery dates for learning support materials from suppliers.
- The State's allocation that has not been utilised in that financial year, can be used in the next financial year because, unlike Section 20 schools where the money is in the State's account, the allocation in Section 21 schools is not lost since the money is in the school's bank account, and
- The principal can save money by commissioning out some of the smaller maintenance jobs to the learners on a voluntary basis whilst supplying the tools and materials needed.

Section 21 schools can also include no-fee schools, which are discussed next.

### **2.3.6 No-fee schools**

The state has come a long way in providing free education to poor communities. In 2003, the Minister of Education announced that the poorest 40% of South Africa's public schools would no longer be permitted to charge school fees, unless they receive such permission from government. Mogakane (2007:5) states that the rationale behind the no-fee policy was to make basic quality education available and accessible to learners in the poorest communities, such as farms, villages and townships.

The quintile ranking of a school determines the no-fee status of such a school. Each year the Minister of Education determines the quintiles or part of quintiles where schools may not charge fees. The Norms and Standards policy establishes no-fee schools where communities in the bottom three income quintiles (quintile 1, 2 and 3) receive a higher resource allocation from the provincial government and are prohibited

to charge fees. However, Mestry and Bischoff (2009:54) indicate that schools that are declared no-fee schools are not precluded from requesting voluntary contributions from local businesses or to create fundraising opportunities to bolster school funds.

### 2.3.7 Challenges facing no-fee schools

Giese *et al.* (2009:39) indicate certain challenges concerning the management and spending of school allocations from the provincial government:

**Provincial variability:** The actual transfer of funds to schools is managed by provincial education departments, but there is some variation in the way this is managed in different provinces, which in turn makes it difficult to establish a consolidated monitoring system.

**Transfer delays:** Late or unreliable transfers in some provinces played havoc with schools' cash flows. This improved when an amendment to the Norms and Standards placed an obligation on provincial departments to transfer payments to public schools before 15 May each year.

**Financial management and poor communication:** In Section 21 schools, SGBs are required to monitor all funds received and spent, keep financial records, and prepare budgets at the start of each New Year. Yet schools are not always informed of the exact amount, purpose and date of transfer of allocations, making budgets difficult to manage. Provincial departments are required to notify schools in writing once a transfer has been made - but this was not always done.

**Lack of capacity:** Despite efforts to provide financial management training to SGBs, the financial reporting requirements remain complex and onerous, and proper budgetary management is beyond the capacity of many schools.

**Lack of funds:** Schools may want to provide their learners with more opportunities to achieve academically by investing in electronic resources. For such extra resources, fundraising schemes must be organized to supplement the funding from the state.

The discussion on funding to schools provides the background to how such funding should be managed. Van Rooyen (2012:47) mentions that one of the most significant management tasks for principals in schools is financial management. Principals and SGBs are expected to manage and govern financial management aspects of schools.

## 2.4 FINANCIAL MANAGEMENT IN EDUCATION

Gitman (2009:4) mentions that financial management can be explained as the science and art of managing money. Almost all organizations and individuals raise or earn money and invest or spend money. Finance is concerned with the process, markets, instruments, and institutions involved in the transfer of money among businesses, individuals and governments. Mxuma (2006:iv) emphasizes that effective financial management is seen as foundation for the successful operation of an organization. It is therefore very important that any person tasked with the responsibility of managing finances, should be a person who knows and understands this role very well; who is familiar with basic accounting concepts; a person whose sense of responsibility and integrity is beyond reproach.

According to Naidu *et al.* (2008:164), school financial management is an important aspect of effective and efficient financial management in education and is defined as the performance of management actions (regulatory tasks) connected to the finances of the schools with the main purpose of achieving effective and quality education. Financial management ensures that expenditure is well-directed towards achieving good value for money involving suitable acquisition and allocation of physical and human resources. Resources are the means by which the process of education may be operationalized.

Mestry and Bisschoff (2009:3) assert that school financial management is connected with the financial aspects of schools, with the main purpose of achieving effective education, carried out by a person in a position of authority. Financial management is a process with several activities for instance, measurement, accumulation, identification, preparation, analysis, interpretation and communication of information (both financial and operating). The operational financial manager who is the principal

must make sure that the SGB and the SMT plan, delegate, organise and control the funds of the school in such a way that it achieves its educational goals.

Botha (2013:11) states that it is important to note that the school, like any other organisation or institution, has needs to satisfy and goals to meet. For this reason, it needs resources in order to operate efficiently and effectively to meet its objectives. It needs money to carry its daily activities and to run projects like fundraising and programmes for staff developmental needs. The school needs learning support material, such as textbooks, learning material and equipment, printers, photocopiers and computers, laptops and e-mails. It needs physical resources, such as buildings (classroom, computer laboratories, science laboratories, a hall, a library), and grounds that are well maintained and are kept safe to provide safety to users. It needs services, such as electricity maintenance of the school grounds, telephone and water. To make sure that these needs are fulfilled, various intellectual and physical actions need to be performed. Intellectual actions include critical reflection on the financial position of the school in a particular context (place and time) in order to make informed decisions as well as consideration of the future interims of projections and estimation.

Mestry and Bisschoff (2009:3) mention that financial management ensures that expenditure is focused towards achieving good value for money through proper acquisition and allocation of resources. Resources are the means by which the process of education may be put into place. The allocation and management of these resources are critical to effective and efficient school management and should relate to the needs of the learners. For a school to function economically (that is, using resources carefully to avoid expenditure above a reasonable level) and efficiently (that is achieving the best possible result relative to spending), school management must know:

- how much money is available in the bank;
- how much money is still needed and why it is needed;
- how to obtain the money that it still needs; and
- how the money will be spent.

The role of the principal as the operational financial manager is discussed in the next sub-section.

#### **2.4.1 The role of the principal as the financial manager**

Clarke (2012:158) states that although the SGB has ultimate responsibility for the financial management of the school, it is normal practice for the SGB to delegate the daily operational financial management tasks to the principal, the SMT and the staff members. The extent to which the principal will be involved in the financial management of the school will be based on the size of the school. There is one area of financial management that the school cannot avoid, and that is responsibility for making sure that the SGB governs the school finances in terms of the provisions of SASA and in the best interest of the learners of the school. The principal is responsible for ensuring that the policies and procedures established by the SGB are conveyed to the staff and are adhered to. The principal is also the connection between the provincial education department and the SGB.

Van Rooyen (2012:129) mentions that studies of financial devolution worldwide, show general agreement that the role of the principal is enhanced. The principal is seen as being more important in terms of financial management of the school. Whatever the nature of the role of the principal, involvement in the school's financial management will certainly involve extra tasks and principals therefore need to work very hard and closely with their SGBs. However, it is likely that the elected members of the SGB may be equally ill-equipped to carry-out certain financial management tasks. Because of this, responsibility for the day-to-day management of school's finances is often delegated to the Accounting teacher and/or school secretary or any other person who has sound financial management skills.

Clarke (2009:278) indicates that it is important that school principals ensure they acquire the necessary knowledge that is needed to understand the basic processes involved in managing the school's accounts, the budgeting process, and the systems and controls that are necessary to make sure that school funds are not misappropriated or mismanaged. It is important for principals and SGBs to note that SASA states that all school money (the school fund) and all assets acquired by the

school are the property of the school and that such money may be used only for educational purposes of the school. Section 37 of SASA sets out the position quite clearly:

*37(1) The SGB of a public school must establish a school fund and administer it in accordance with directions issued by the Head of Department (Provincial Heads of Education);*

*(2) Subject to Section (3), all money received by a public school including school fees and voluntary contributions must be paid into the school fund;*

*(3) The SGB of a public school must open and maintain a banking account;*

*(4) Money or other goods donated or bequeathed to or received in a trust by a public school must be applied in accordance with the condition of such donations, bequest or trust;*

*(5) All assets acquired by a public school on or after the commencement of this Act are the property of the school;*

*(6) The school fund, all proceeds thereof and any other assets of the public school must be used only for:*

- educational purposes, at or in connection with that school;*
- educational purposes, at or in connection with another public school, by agreement with such other public school and with the consent of the HOD;*
- the performance of the functions of the SGB; or*
- Another educational purpose agreed between the SGB and the HOD.*

There is an important mutual working relationship between the principal and the SGB. Where the principal has a managing role, the SGB needs to govern all aspects as indicated by SASA.

#### **2.4.2 The role of the School Governing Body (SGB) in financial management of the school**

According to various sections in SASA, SGBs have particular tasks and responsibilities regarding the financial management of schools. Financial management enhances the role of the SGBs because of decentralizing financial powers to the schools. Clarke (2012:112) mentions that in terms of SASA, control of

school finances is very much the responsibility of the SGB. Although it may delegate responsibility of the day-to-day management of the school finances to the principal, SMT members or a senior member of staff, it remains the responsibility of the SGB to ensure that the finances of the school are properly controlled and accounted for.

SASA prescribes how schools should manage their funds. It also gives guiding principles for the SGB and the principal on their roles and responsibilities in managing the finances of the school. The SGB is given full responsibility, such as establishing a school fund, preparing an annual budget, collecting and administering school fees, keeping the financial records, appointing an accountant and supplementing the school resources through fundraisings (Clarke, 2012:112). SGBs may also be allocated functions such as maintaining and improving the school buildings, grounds and property, purchase textbooks and other educational materials and equipment, pay for services to the school, establish the extramural curriculum of the school and provide adult basic education or other training classes.

The governance of a public school resides with the SGB. Stakeholders such as parents, educators, learners and community members must participate in the activities of the school (Naidu *et al.*, 2008:149). This is achieved by being democratically elected to serve on the SGB of a school.

### **2.4.3 The composition of the SGB**

Naidu *et al.* (2008:150) mention that Section 23 of SASA prescribes four categories of membership, namely elected members, co-opted members, the principal of the school whose membership is *ex officio* member and learners (only in secondary schools). Every three years, three sections of membership may be elected onto the SGB except the section of the learners that is elected annually. These sections include parents of school-going learners at the school, educators at the school, non-educator staff members and learners from the school. The number of parent members must consist of one more than the combined total number of all the other elected members. A learner may serve in the SGB for a period of one year unless he or she is elected again (Thenga, 2012:30).

Clarke (2012:64) adds that SGBs may also co-opt members to the SGB. Co-opted members may include people with special skills who are able to assist the SGB in carrying out its tasks. Such co-opted members do not have voting rights. In addition, SASA excludes parents who are employed by the school from representing the parents on the SGB. Parents employed by the school may represent educators if they are educators and non-educators if they are non-educators.

To enhance the quality of management of funds by the elected SGB and to prevent fraud and corruption in schools, all funds received by schools must be reported. Financial reporting is dealt with in the following sub-section.

#### **2.4.4 Financial reporting**

Naidu *et al.* (2008:177) state that organizations use control procedures to make sure that they are progressing towards their goals and that those resources are used efficiently and economically. Control is the final step in the management process and forms the basis for a new cycle of management actions because it gives feedback to and influences the first step in management, which is planning. With the growth of school decentralization there is a bigger risk of maladministration and misappropriation of school funds. Financial mismanagement can be reduced if a policy is drawn up to set out the regulations, practices and procedures that are essential for the prevention of fraud. It is suggested that the following specific functions be performed for control purposes:

- comparison between the amounts budgeted and the results achieved;
- analysis and interpretation of discrepancies;
- audit and calculation;
- accounting, reporting; and
- Implementation of corrective measures.

Mestry and Bisschoff (2009:147) indicate that financial information is important since all the activities of the school and its ultimate performance depend on managed finances. The generation and flow or process of financial data is also significant to compensate for the lack of financial expertise and experience that is generally found

in schools. Some schools may have the services of a full-time specialist, such as a bursar. Some may have a chairperson with professional experience in financial management, such as banking or they can have a member of SGB who is an accountant.

The accounting information should be communicated verbally to the internal stakeholders (parents of learners, learners and staff, community, donors) and can be displayed in such a way as to obtain maximum visual impact. This is an important aspect of mobilizing all internal stakeholders, around a collective and shared performance agenda. Effective communication is essential for the management of a school and the communication of financial information is equally significant for the financial management of a school. Reporting can take place in many various forms such as financial statements, diagrams and oral reporting.

According to Van Rooyen (2012:131), when people or institutions manage funds that do not belong to them, they are accountable for money to the body that made the funds available. In the education context, public funds are involved and this entails a responsibility to account for those funds in a systematic and prescribed manner. Van Rooyen (2012:13) mentions that the finance committee must at least, on planned dates of SGB meetings, report back on income and expenditure of the school fund. The finance committee must examine all school fund related account documents and books to verify details of the report to the SGB.

#### **2.4.5 School finance committee**

Naidu *et al.* (2008:172) mention that the Finance Committee consists of the treasurer, principal, educators, parents (not necessarily from the SGB) and non-teaching staff. It is advisable that eight members at least make up this committee. However, the decisions of this committee on financial management actions are merely recommendations to the SGB hence the decisions can be ratified or overruled.

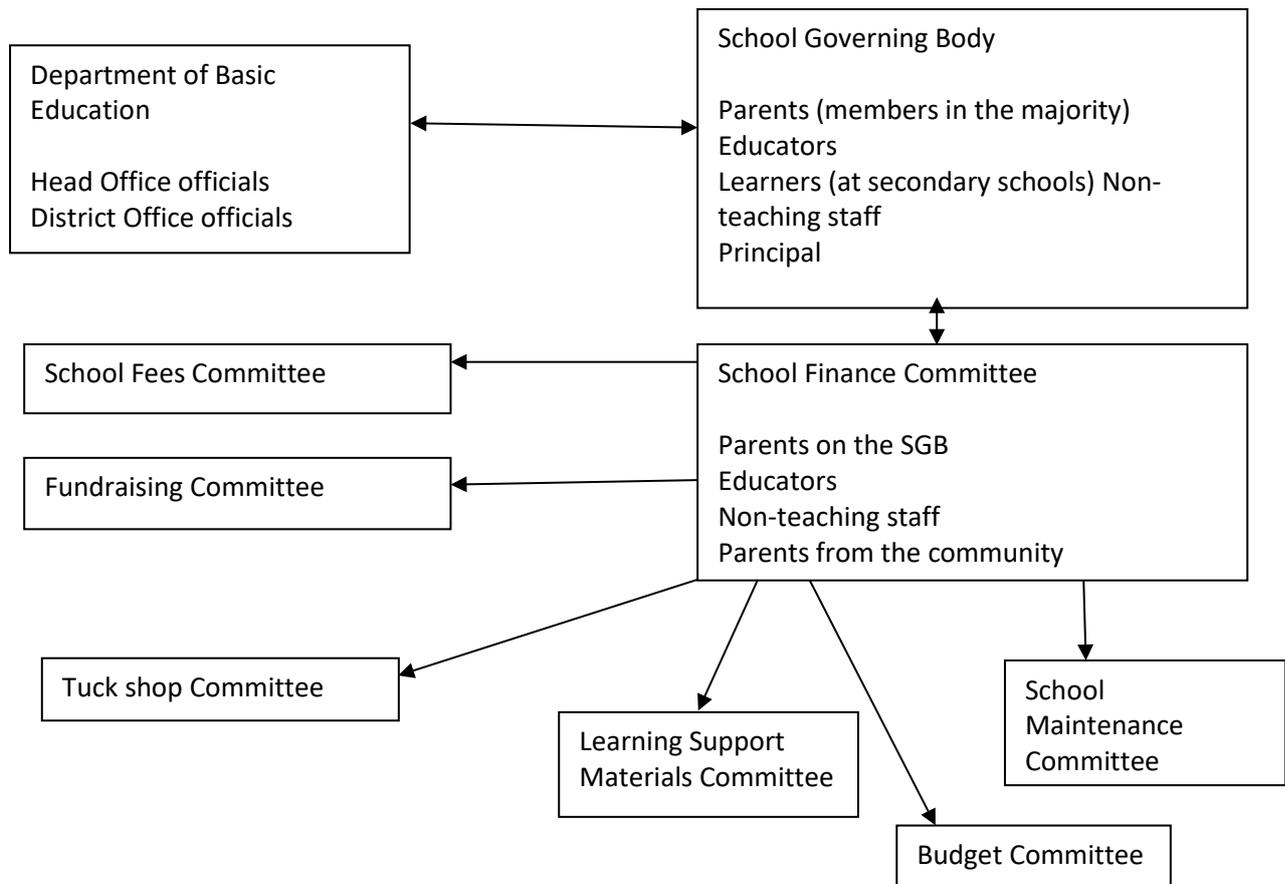
Baloyi (2015:55) indicates that one of the most important committees elected by the SGB is the finance committee. The finance committee of the school plays a very important role in the management of school finances. It is vital for this committee to

hold regular meetings to discuss financial matters and that members must be committed to carrying out their financial responsibilities. The school finance committee must perform the following functions:

- keep overall control of the school money;
- draw up a budget each year;
- serve as a bid adjudication committee and recommend the appointment of service providers;
- monitor and approve all expenditure;
- advise on ways of fundraising;
- assist in drawing up annual financial statements;
- check financial records internally;
- suggest who can be appointed as the auditor;
- ensure that all procurement (purchasing of goods and services) is done through correct quotations and tendering procedures; and
- keep proper procurement records and make these records available at all times.

Different sub-committees may be constituted to assist the finance committee. The organogram indicates the link between the Department of Basic Education, the SGB, the finance committee and other sub-committees reporting to the finance committee.

**Figure 2.2: An organogram for school financial management**



Source: Bisschoff and Mestry (2013)

Each school must develop a finance policy under the leadership of the SGB chairperson. This policy should provide clear procedures and a detailed set of rules to be followed in handling school finances. It should outline the roles and responsibilities of the SGB members within the financial committee and the roles and responsibilities of the other delegated persons.

#### **2.4.6 School financial policy**

Naidu *et al.* (2008:173) explain that for each committee (structure) to be managed efficiently and effectively, a policy must be developed and implemented accordingly. SASA requires that SGBs develop a mission statement and an accompanying series of compulsory school policies, including one relating to school financial matters. A finance policy is necessary as it assists in controlling the use of school finances. A

school finance policy serves as a control measure as it addresses procedures for procurement, approval of claims as well as preventing fraud and maladministration. Clarke (2012:286) states that a finance policy should be designed to protect staff and the SGB members from possible risks of charges of financial mismanagement and fraud. The school's budget must be monitored on a monthly basis and variance reported to the SGB. Variances must be compared against the budget, an investigation must be conducted as to the reason for the variances, and an explanation be provided to motivate the relevancy of the specific variance. This exercise requires the inputs of a competent and skilled treasurer, a finance officer and the input of the school principal.

Mestry and Bisschoff (2009:35) state that a good policy articulates and identifies the values and the basic principles to be used to specific needs in an organization. It should not only lay down direction, but should also provide direction. It is therefore significant that all stakeholders be directly involved in the drafting and implementing of the school's financial policy. The formulation of the rules and regulations for management of money and assets of the school in the financial policy is necessary. The policy should clearly state the procedure for managing school fees, post-dated cheques, and authorization for cheque payments, trust accounts, donations and signatories to the bank account, documentation, bank overdrafts, recording transactions, and every aspect related to the schools finances. For any school to be successful it is important that all relevant stakeholders collaborate with each other. Although the SGB is accountable to the parents for school funds, the principal must play a supportive role in ensuring that the school finances are managed efficiently, effectively and economically.

Mestry and Bisschoff (2009:39) mention that the policy should provide a clear understanding of the responsibilities of the SGB, different committees responsible for school finances, the treasurer, finance officer, SMTs and other persons delegated for specific financial matters. Each school has its own needs and the policy should be formulated for the needs of a particular school. Although the SGB is responsible for drafting the policy, it is perfectly acceptable for them to delegate this function to any person who may have the necessary qualification, skills or experience in formulating policies. The policy makers should consult government policies, circulars and

legislation distributed by their respective provincial departments of education (PED) when drafting the policy. Once the policy is completed the SGB must distribute it to staff members and all parents. The financial policy serves to guide the financial administration of the school.

As part of the financial policy, budgetary tasks need to be performed. Budgeting is a forward-looking process and therefore it should be guided by the school's vision for the future and is a realistic assessment of risk.

### **2.4.7 Budgeting**

Van Rooyen (2012:87) indicates that the budget for a school is made up of different types of budgets or sub-budgets that are ultimately combined to form the overall or total budget. Different types of budgets and sub-budgets are explained below:

- Incremental budgeting: An example of incremental budgeting would be a decision to increase departmental budgets by a fixed amount, say of five percent. The annual inflation rate is usually the factor by which the amounts are increased. Although its lack of complexity has merits and the process itself has some logic and has received a great deal of use over the history of budgeting, incremental budgeting pays little attention to changes or trends in income or expenditure or on how the money in the budget is used. Incremental budgeting is most commonly used in the early stages of budgeting.
- Line-item budget: In line item budgeting, items (cost items) of expenditure are the focus of analysis, authorisation and control. This is a budget where the name of each line is set, as is the amount of money you can spend on each item (budget post). If you have to work with the line item budget, and it specifies R1 000.00 for training material and R600.00 for office supplies, the school cannot spend R1 300.00 on training materials and R400.00 on office supplies. The authority to move money from one line to another must be granted by a higher level, and in the case of schools it will be the SGB. Modifications to provide more information that is useful in planning have

kept the line item type of budgeting useful to many school leaders involved in budgeting.

- Programme budget: Programme budgeting is a more modern, more sophisticated type of budgeting. Basically the school plans strategically, identifies programmes to achieve its objectives, and determines the cost of each programme. Funds are then allocated in support of the programme and the results are evaluated to ascertain whether the desired objectives have been accomplished. Programme budgeting makes it easier to see how the school's activities and budget are related and interdependent. The expenditure involved in the implementation of this type of budget is clear to all the stakeholders. Evaluation thus adds accountability to programme budgeting which leads to greater cost-effectiveness in the budgeting process.
- Zero-based-budgeting: Zero-based budgeting begins with the assumption that all categories of spending should be scrutinised. Budget holders must justify all planned expenditure. In zero-based budgeting, budgeting starts from a zero base and is determined by a decision making process.
- Priority-based budget: This form of budgeting attempts to match the stated aims and priorities of the school with the allocation of funding.
- Rolling budget: Rolling budgets have emerged from the idea that in day-to-day management there is a relatively short amount of time for decision making. A rolling budget operates within a system whereby the 12-month's budget of targets and resources is divided into quarterly periods. The advantage of a rolling budget is that it provides a greater degree of flexibility. It allows school managers to divert resources from one part of the school to another.

According to Van Rooyen (2012:79), a budget is a tool for ensuring that the resources needed by the school for educational purposes that lead to the accomplishment of educational objectives are made available. It should be used as a means of expressing the aims of the school and its educational priorities in financial terms. Clarke (2012:117) mentions that developing the school annual budget is the greatest and most tricky function that the SGB has to deal with. The school annual budget should

be based on the long-term vision that the SGB has for the school. That vision should set out the school priorities and goals for the next three to five years, together with the strategy for achieving those goals. The budget should be the most significant part of that strategy, and should make sure that the school money is used in a way that assists it to achieve its goals.

Clarke (2012:117) states that a budget is a plan which is used:

- to control your finances;
- to make sure that you have the funding that you need to meet your financial commitments;
- to make sure that you are able to make confident financial decisions and are able to meet your objectives;
- to make sure that you have enough money to fund future projects; and
- to make a plan of how you will spend your money and where these moneys will come from.

The budget is a tool for ensuring that the resources needed for educational activities that lead to the educational objectives are made available. The budget process is a means for planning and tracking revenues and expenditure so that resources can be used most effectively, efficiently and economically to meet the institutional goals (Van Rooyen, 2012:80). Underneath follows a framework of a typical school budget. It may deviate from school to school.

**Table 2.2: School budget**

	<b>2012 Actual</b>	<b>2013 Budget</b>	<b>2013 Projected</b>	<b>2013 Variance %</b>	<b>2014 Budget</b>	<b>2014 Variance %</b>
School fee per student	15 000	16 500	16 500	0.0	18 000	9.1
Student numbers	875	875	865	-1.1	875	1.2
Fee increase (%)	7.0	10.0			9.1	
<b>Income</b>						
School fees	9 843 750	10 828 125	11 250 000	3.9	11 812 500	5.0
Interest received	130 472	110 000	113 550	3.2	110 000	-3.1
Provincial subsidy	120 000	135 000	142 725	5.7	152 250	6.7
Provincial compensation for fee remissions	0	0	57 000		57 000	0.0

Sundry income	130 356	120 000	127 580	6.3	124 000	-2.8
<b>Total income</b>	<b>10 224 578</b>	<b>11 193 125</b>	<b>11 690 945</b>	<b>3.9</b>	<b>12 255 750</b>	<b>4.9</b>
<b>Expenditure</b>						
<b>Operational expenditure</b>						
Audit fees and bank charges	60 990	70 000	74 286	6.1	76 000	2.3
Bad debts: provision	83 796	120 000	116 999	-3.3	130 000	12.1
Computers	233 952	280 000	280 000	0.0	300 000	7.1
Electricity	274 914	300 000	290 000	-3.3	330 000	13.8
Excursions	71 594	76 000	76 000	0.0	79 000	3.9
Equipment	1 314	4 000	3 850	-3.8	2 500	-35.1
Insurance	96 462	104 000	105 500	1.4	110 000	4.3
Legal fees	56 546	30 000	27 500	-8.3	30 000	9.1
Library	4 030	6 000	6 000	0.0	6 500	8.3
Maintenance	729 794	800 000	785 000	-1.9	810 000	3.2
Motor vehicle expenses	53 096	60 000	65 000	8.3	70 000	7.7
Photocopying and duplicating	379 336	420 000	415 000	-1.2	430 000	3.6
Postage and stationery	75 620	82 000	80 000	-2.4	84 000	5.0
Staff professional development	36 530	40 000	35 000	-12.5	40 000	14.3
Salaries: Teachers	5 143 470	5 600 000	5 450 000	-2.7	5 900 000	8.3
Salaries: Non-teaching staff	1 387 310	1 490 000	1 380 000	-7.4	1 450 000	5.1
School magazine	89 406	96 000	96 000	0.0	98 000	2.1
Societies and sport	357 872	380 000	375 000	-1.3	390 000	4.0
Teaching aids and materials	307 600	315 900	312 500	-1.1	326 000	4.3
Telephone	194 930	200 000	200 000	0.0	210 000	5.0
Water	115 863	124 000	125 000	0.8	127 000	1.6
<b>Total operational costs</b>	<b>9 754 425</b>	<b>10 597 900</b>	<b>10 297 636</b>	<b>-2.8</b>	<b>10 999 000</b>	<b>6.8</b>
<b>Capital expenditure</b>						
Buildings	97 864	90 000	85 000	-5.6	130 000	52.9
Equipment	120 348	130 000	128 000	-1.5	135 000	5.5
Grounds	73 974	80 000	77 000	-3.8	85 000	10.4
Library books	46 538	50 000	50 000	0.0	55 000	10.0
Provision for bus replacement	0	100 000	100 000	0.0	120 000	20.0
Building development fund	0	100 000	100 000	0.0	120 000	20.0
<b>Total capital expenditure</b>	<b>338 724</b>	<b>550 000</b>	<b>540 000</b>	<b>-1.8</b>	<b>645 000</b>	<b>19.4</b>
<b>Total expenditure</b>	<b>10 093 149</b>	<b>11 147 900</b>	<b>10 837 636</b>	<b>-2.8</b>	<b>11 644 000</b>	<b>7.4</b>
<b>Net income/Expenditure)</b>	<b>131 429</b>	<b>45 225</b>	<b>853 309</b>		<b>611 750</b>	

Source (Clarke, 2012:123)

The budget template indicates the total income and the total expenditure for a current year, as well as that of previous year(s). The budget for previous years provides

background to the finance committee and SGB of the past trends. The percentage variance indicates how budgeted amounts differed from actual income or expenditure.

According to Van Rooyen (2012:80), budgeting is a detailed framework of the expected or estimated income and costs of all the organizational units, grouped together on one master budget. A budget is a management tool or mechanism by which the finance committee of a school can estimate and plan, use and coordinate, control and evaluate. The budget is both a plan and a scorecard that focuses on quarterly and annual time periods. The school SGB and leadership should explain the goals and objectives for the next year to approve the resources needed to accomplish them, and identify the inputs and support that they will receive from external sources.

Van Rooyen (2012:79) mentions that in terms of SASA it is compulsory for the SGB to table a budget at the annual meeting for their approval by the parents. Departmental budgeting within a school is one of the most important activities in the resource management cycle. The budget is more than a spreadsheet that itemizes expenditure and income under different section headings. The budget should be utilized as a means of expressing the aims of the school and its educational priorities in financial terms.

According to Botha (2013:195), the SMT and heads of extra-curricular activities provide their respective budgets to the principal for inclusion into the submission to the finance committee. The budget of the school is then drawn up from all the information provided. The finance committee is responsible for drawing up the budget, in consultation with all relevant stakeholders and role players. Before the budget is presented to the general parent body, as contemplated in Section 38(2) of SASA, it must be ratified by a sitting of the full SGB.

According to Van Rooyen (2012:103), control in the financial sense has to do with all the measures that relate to planning and organisations of financial functions. The school principal must ensure that each person in the school who performs financial functions does the right thing at the right time. In order to succeed in financial control, the principal or finance committee must have financial skills and knowledge. They must be knowledgeable about procedures for regular reporting, regular and functional

maintenance of all records and documentation, regular balancing of books and regular stocktaking and auditing. The principal must keep him- or herself up-to- date on the assets and funds of the school, including operating assets.

Blasé and Phillips (2010:51) mention that there must be strict compliance with district policies and procedures regarding development and implementation of the school level budgets. Competency, efficiency, consistent and careful efforts of the finance committee is needed to keep finances of the school within the budget. To prevent mismanagement and to improve quality management of financial resources of the school, the SGB must implement control measures (both internal and external). The SGB must appoint accredited auditors to audit the financial documents of the school and provide a written report (Botha, 2013:207).

#### **2.4.8 Auditing**

According to Thenga (2012:44), school funds must be audited annually. In terms of Sub-section 43(1) of SASA, the SGB must appoint a person registered as an Accountant or Auditor to audit its records and financial statements. If such an appointment cannot be made, the SGB may appoint someone who is qualified to perform the duties of an accounting officer. The appointment must be approved by the MEC (Minister of Executive Council) for education in the province. A person with a financial interest in the affairs of the school must not be appointed to perform the duties of the accounting officer. The SGB must submit to the provincial HOD, within six months of the end of the financial year, a copy of the annual audited statements. SASA (Subsection 43(6)) requires that, at the request of any interested person, the SGB must make the audited records and statements available for inspection.

Van Rooyen (2012:139) mentions that audited statements of income and expenditure should be sent to parents, or published in a communication instrument such as a newsletter. It creates an atmosphere of transparency, which in turn prompts cooperation and trust. Audits are the best protection for school principals and SGBs, because without auditing accusations may be made. Audits are clearly designed to detect errors of any kind in the accounting process. Kowalski (2010:105) adds that auditing is an extension of accounting intended to verify the accuracy and

completeness of financial transactions as they relate to the general budget and specific accounts.

## 2.5 CONCEPTUAL FRAMEWORK

The conceptual framework for this study communicates to school-based management as it relates to a self-managing school and the influence thereof on funding for proper school functioning. In order to explain the school-based management concept as it applies to the financial management part of school-based governance, many definitions can be considered as these definitions share the explanations of various researchers. For Tooley and Guthrie (2007), school-based management denotes a broad concept characterising a school in a system of education where there has been substantial and consistent decentralisation to school-level authority in order to make decisions related to the allocation of resources. In this respect school-based management relates to the tool aimed at improving schools by moving decision-making authority regarding the funding received and budget control from the central level authority to the schools themselves. It also relates to the changing role of the school principal and the establishment of financial management structures to manage financial matters accountably. According to Hansraj (2007:22) the stakeholders within a school setting which comprise the School Governing Body members, the educators and the parents must use their decision-making power of approving the school budget to address the adequate provision of school resources for effective teaching and learning to take place. In this regard the DoE must contribute to the provision of good quality education by providing funds timely and by facilitating rules and regulations for the spending and management of school funds. Hsuan-fu (2010) argues that school-based financial management approaches enable stakeholders to allocate funds to where they are needed, within the specific context, in a manner tailor-made for the specific school's needs.

The implication of a school-based management approach as it pertains to Section 21 schools in South Africa is that management of the finances of these schools is centred on an enabled school governing body, with the involvement of the broader parent community in decision-making with the finalization of the annual school budget. In essence, the school governing body must create appropriate structures for the

management of the school's finances whereas the parent community must exert their contribution to the financial management of school affairs in their evaluation and eventual approval of the school budget.

The opportunity for self-managing schools to take ownership of their financial management responsibilities, results in initiative-taking with the acquiring of additional resources to improve academic performance. Hsuan-fu (2010) argues, however, that problems with effective school-based financial management can result in worse scenarios than when centralised decision-taking is practised. Problems with school-based financial management are caused by school staff who refuse to take added responsibilities and by the lack of transparent financial information which can give rise to the fraudulent use of funds (Mestry, 2009:126).

Contemplating the local context, the National Department of Education devolved financial management powers to school-level functioning to enable schools to manage their own finances thus making them self-reliant. This self-reliance requires competent and meticulous skills in the management of school finances to be in line with central and provincial prescripts. In their transfer of all funding allocations to the schools' bank accounts, the provincial departments of education presupposes that SGBs will be adequately capacitated to take full control and responsibility for educational and organizational matters in their schools in a competent manner. However, in many instances people elected as SGB members often lack adequate academic and basic financial management skills which hinder sound and effective financial management practices in schools. In this regard legislation calls on schools to manage their finances effectively and in line with the relevant legislation in order to sustain their Section 21 status – which has proved to be more advantageous to productivity and more conducive to optimal teaching and learning (Mestry, 2009). Elements such as the willingness to carry out additional financial related responsibilities, transparency with financial management conduct, financial management capacity and the emphasis on improved provision for improved learning are crucial to the effective management of school funds.

This study also used a social justice and equity conceptual framework that advocates for a high quality education for all learners attending public schools. In South Africa,

public schools in general and Section 21, quintile 1 and 2 no-fee schools in particular are underfunded. Scarce financial resources available for such schools exert pressure on them to fundraise to supplement financial resources. Increasing school fundraising to compensate for the lack of government funding is not an equitable solution. Progressive SGBs and principals are engaged in active entrepreneurial activities to raise additional funds through sponsorships and donations from the broader communities and corporate business (Blake & Mestry, 2014). Brauckmann and Pashiardis (2011) assert that school managers should adopt the “Entrepreneurial Style”, which entails the practice of involving parents and other external actors in school processes, acquiring resources for the smooth running of a school, building coalitions with external agents, and engaging in a market approach to leadership. Additional funds are acquired through creative means and the need to develop relationships with the business community, with regards to advertising and sponsorship, in an effort to earn their continued support (Blake & Mestry, 2014).

What is important is that learners from all income levels exhibit lower achievement when placed in high poverty schools (Beese & Liang, 2010). Furthermore, a child’s performance in school is strongly related to socio-economic status. Children in families or areas with higher levels of education, employment and income (the major components of socioeconomic status) generally do better in school than children in families or areas with lower levels. Taking a social justice and equity approach to education focuses on marginalized learners and the wider social issues and concerns. The critical social scientists generally focus on the plight of the marginalized. These social scientists contend that human beings are responsible for constructing forms of life that routinely provide advantages for some, while at the same time penalizing others.

## **2.6 CONCLUSION**

This chapter reviewed literature regarding general management, financial management in schools, funding received by schools from the state and the way finances should be managed. Under general management, the four integral parts of management were elaborated on. Funding from government, decentralisation of school funds, as well as the format of funding, which is known as quintiles, were

explained. The aim of the quintiles is to allocate more funding to schools situated in poor communities and less to schools situated in rich communities in order to redress the past imbalances or inequalities.

The management of school finances was discussed as this is still a serious problem in many schools. Solutions have not yet been reached and the finances of many schools seem to still be a disaster, although some research on this problem has been done in South Africa. Decentralisation of school funding has empowered and given SGBs the authority to manage and control finances of the school. It is the role and responsibilities of the SGB to establish a finance committee and to develop a finance policy.

The role and responsibilities of the SGB and the principal as the financial manager were highlighted. The composition of the SGB and their roles and responsibilities were elaborated on. The importance of the finance committee and their role and responsibilities were clearly spelled out. Auditing and the importance of budgeting as well as the role of different stakeholders within the school budget were explained. For the SGBs to be able to carry out all their financial functions they need to create committees such as the finance committee, fundraising committee and other committees. Financial policy and fundraising policy must be developed and implemented to prevent mismanagement of funds, fraud, corruption, unauthorized expenditure, fruitless expenditure and wasteful expenditure (Mestry & Bisschoff, 2009:85).

The Department Of Education is no longer purchasing goods for the school but schools are now buying books and learning materials, paying for services and maintenance of the school grounds for themselves. As a result they need to be aware of the correct procurement procedures to be followed. Financial functions that were once performed by the Department of Basic Education at the provincial level have been decentralized to schools (Clarke, 2012:45).

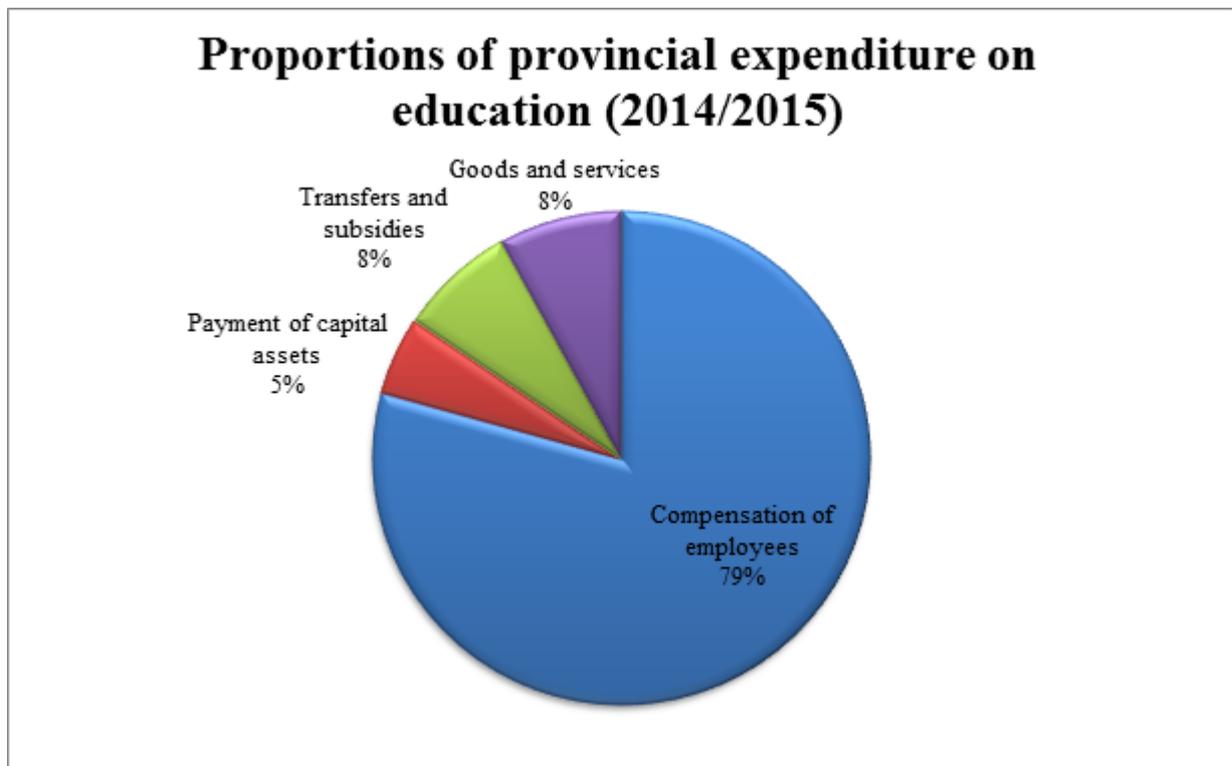
## CHAPTER 3

### FUNDRAISING AS A TOOL TO GENERATE INCOME FOR SCHOOLS

#### 3.1 INTRODUCTION

According to Anderson and Lumby (2005:147), education is one of the most important public services in both developed and developing countries, but it is also one of the most expensive. Schools receive only limited resources from the government as most of the national education budget allocation is used for educators' salaries.

**Figure 3.1: Proportions of provincial expenditure on education (2014/2015)**



Source: National Treasury (2015)

The main items under goods and services in education are learner and educator support materials, such as text books, stationery and equipment for sport, the National School Nutrition Programme (NSNP), teacher development programmers and learner transport costs. Unfortunately, provincial education departments use these funds to compensate for overspending on educator salaries (National Treasury, 2015). The

result is that quintile 1 and 2 schools do not always receive the needed goods and services to ensure academic achievement. Limited resources for such schools mean that schools must obtain additional funds through alternative methods, such as fundraising. Anderson and Lumby (2005:106) state that schools in general in South Africa are unable to rely substantially on the financial and other resources derived directly from the government. They are therefore increasingly dependent on the resources they may obtain from, or share with their environment. Additional funding may be obtained by schools from a variety of sources and by a variety of means. Such resources include the generation of fee income, fundraising and other voluntary payments by parents and members of the broader community, sponsorships and entrepreneurial activities (Ngobeni, 2013:1).

### **3.2 CONCEPTUAL FRAMEWORK**

The conceptual framework underpinning this study is Systems theory of Bela Banathy. Systems theory prioritises the interconnectedness and interdependence of elements in a system, as well as the evolutionary nature of a system (Banathy & Jenlink, 2004). The system of interest in this investigation was the SGBs (through the chairperson) and principals. The fundamental emphasis of systems theory is self-regulating systems, that is, systems that are self-managing and self-correcting by means of feedback.

Reigeluth and Duffy (2008) indicate that to improve the value of teaching and learning, the circle goes around what is traditionally called a school system and everything outside the circle is known as the external environment. The SGBs and principals, focussing on a shared vision, encourage and inspire the external environment (business, industry and the broader community) to fund their schools. In keeping with systems theory, it is important that SGBs and principals begin to engage with staff and parents to develop creative fundraising opportunities and to search for solutions to financial problems. They should see this as a joint venture: learners and parents benefit because there are steps taken to provide quality education and teachers have resources that will facilitate their effective teaching. SGBs and principals should be the driving force to get parents and the business community more involved in fundraising activities. This necessitates a collegial management style to bring this about.

### 3.3 FUNDRAISING

According to Oxford South African School Dictionary (2012:248), fundraising is the activity of collecting money for a particular use. According to Fundraising Guidelines (2011:1), fundraising is just one way that parents and communities may choose to support their schools. Fundraising, like all other activities that support education should reflect the values and expectations of the school community, together with those of parents, learners and the staff. When SGBs decide to engage in fundraising activities, it is essential that they also take the purpose and principle of education into consideration, including diversity, opportunity, equality, inclusivity and accessibility. Fundraising must have a designated purpose and the proceeds thereof should be for that purpose.

Ngobeni (2013:4) asserts that although Section 21, quintile 1 and 2 no-fee schools are benefiting more from funding provided by the state, big gaps exist in terms of resources and facilities at these schools to enhance the quality of teaching and learning. To close that gap SGBs are to raise additional funds to supplement state funds. Ngobeni (2013:1) further emphasises that, according to Section 36 of SASA, the state acknowledges its failure to provide sufficient funding to public schools and thus mandated SGBs to obtain additional resources. SGBs fulfil a very important role in fundraising and must ensure that additional funds raised are used for the benefit of all learners at the school. Fundraising is never easy, especially in Section 21, quintile 1 and 2 no-fee schools, as challenges such as poverty, unemployment, child-headed families and the level of education of most of the parents of learners who are attending those schools exist. Many principals and SGBs are under pressure to manage, to raise and monitor funds for their schools, as they are unable to create practical solutions to financial problems due to their lack of financial skills, knowledge and expertise. Regardless of all the efforts, a number of schools still struggle to raise additional funds.

Clarke (2012:317) indicates that for many schools fundraising activities are an important social element of the school year, and the funds generated contribute considerably to the school's income. Fundraising, however, if it is to be effective, requires a significant investment of time and effort, therefore care must be taken to protect time and effort that should be devoted to teaching and learning. Clarke

(2012:317) further mentions that fundraising in general is more successful if it is intended at a specific purpose and if those targeted are to be the beneficiaries of the fundraising project. For instance, if parents and the community perceive the fundraising project to be of benefit to their children and the community, they may be more eager to invest their money, time and/or energy to ensure its success.

The success of fundraising, according to Mestry and Bisschoff (2009:63), also depends on whether SGBs have drawn up a fundraising policy that forms part of the financial policy. In this vein, SGBs should have clear objectives for any fundraising initiative and should aim to answer the following questions for fundraising projects:

- why are the funds needed?
- how much is needed? Generally it is better to aim high rather than underestimate the funds needed.
- how much could be raised in the allocated time provided?
- who are the possible donors? and
- how much can they contribute?

All funds derived from fundraising projects are in essence received from donors. Botha (2013:121) mentions that schools can target certain groups for voluntary contributions in the form of donations. A list of possible donors could include:

- the school community: parents, learners and staff;
- the broader community: individuals, organisations and groups (such as churches or sport clubs);
- commerce and industry: business and commercial organisations;
- official bodies: local councils and government organisations; and
- charitable organisations.

Important to keep in mind, according to Mestry and Bisschof (2009:63), is that SGBs may not register for a fundraising number. The Non-Profit Organisation Act (No. 71 of 1997) automatically recognises public schools as non-profit organisations (government organisations) and is subjected to all regulations pertaining to non-profit organisations. However, all fundraising projects need to be managed in order to increase their possibility of attainment.

### 3.3.1 Management of fundraising

Bisschoff, Du Plessis and Smith (2004:85) mention that effective management forms an important part of any fundraising effort of a school. Schools have different ways of handling administrative procedures. All school fundraising projects should consist of four basic components which are (a) a solid belief in the reason why fundraising is needed, (b) effective fundraising techniques, (c) effective organization of the fundraising project, and (d) effective administration of the project.

Bisschoff *et al.* (2004:85) further mention that for effective management of fundraising, administrative systems must be used by schools. Manual systems would be suitable in small schools, but computerized or semi-computerized systems should rather be utilized at larger schools. Nevertheless, the essential components of a fundraising administrative system are the fund system, data system and administrative system:

- fund system: the aim of this system is the correct accounting of income and expenditure for management information and audit purposes;
- data system: the aim of this system is to group donors or data for follow-up and aftercare service. A file is kept for each donor, containing the necessary information; and
- administrative system: the administrative system revolves around a filing system, an effective mail register and a diary pending system.

Therefore, the fundraising management system employed in schools should include the three components as mentioned. SGBs will be able to account for income and expenditure of such funds, important information regarding potential donors will be available and proper administrative control of funds will be possible.

Fundraising procedures and processes are looked into in the following sub-section.

### 3.3.2 Fundraising procedures/processes

According to Naidu *et al.* (2008:171), all organizations (such as schools) need to have a structure that indicates how management functions are carried out. A SGB must be

democratically elected, who is responsible for the management of school funds and the establishment of financial committees. In the formation of an organizational structure for school financial management, the requirements of SASA must be adhered to by ensuring that the finance committee and the fundraising committee chairpersons are members of the SGB. According to Section 30 of SASA, the SGB is allowed to establish other sub-committees such as a finance committee and fundraising committee that will help the SGB with effective and efficient management of funds and budgeting in schools. Section 30 of SASA also indicates that the SGB can appoint persons who are not members of the SGB to the finance and fundraising committees on the grounds of their expertise, but members of the SGB must chair each committee. The establishment of a fundraising committee has the aim of benefiting the school in its endeavors to raise funds.

### **3.3.3 Benefits of fundraising**

Waters (2009:114) mentions that the main benefit of carrying on fundraising efforts in schools is the encouragement of an admirable work ethic. Flowing from this, Jones and Wistrom (2010) state that the major benefit of fundraising is to raise money for the school in order to acquire additional resources (physical and human) to enhance the quality of teaching and learning and improve learners' academic performance.

According to Maruma (2005:12), fundraising will benefit schools in many ways. Fundraising is not only about money, but also about the number of potential supporters in the community. Some businesses may be unwilling to provide money, but will consider assisting in a different manner. A carpet company may donate a carpet to the school, or a car dealership may donate a vehicle or bus for use by the school. Fundraising is also about creating strong links with the private sector, which will relate into monetary and physical benefits for a school. Such sustainable links enhance the status of the school in the community as the funds raised contribute to better facilities and resources.

Additional funds and resources acquired through fundraising are vital in providing quality education for learners. Without fundraising endeavours, many Section 21, quintile 1 and 2 no-fee schools may not be able to provide quality education to their

learners. At the helm of fundraising in schools is the fundraising committee established by the SGB.

### 3.4 FUNDRAISING COMMITTEE

An effective fundraising committee must be established in order to better the financial status of a school. Fundraising committee members must be drawn from the SGB, educators and parents of the school. Learners and members of the community, who possess useful skills, may also be incorporated onto the committee. Potterton *et al.* (2003:9) mention that it is significant to select people who are enthusiastic and committed, and who have a contribution to make to such a committee and the school. Office bearers of such a committee include a chairperson, a secretary and a treasurer. It is also advisable for the principal (or his/her deputy) to be included in the fundraising committee.

Prior to allocating portfolios, all fundraising committee members must first become familiar with one another. The chairperson must let each member list their five strongest points and five weakest points, their expertise and their interests. This will provide all members with background information of others and through discussion the best fit can be made to various portfolios in the committee. The following portfolios are recommended for a fundraising committee:

- chairperson;
- secretary;
- treasurer;
- advertising;
- project manager;
- two additional members (with added expertise); and
- principal.

Mestry and Bisschoff (2011:63) assert that the SGB should develop a fundraising policy that forms part of the financial policy and must be incorporated into the school development plan (SDP). The SGB should have clear objectives for any fundraising initiatives and important questions to be answered are the following: What are the

funds needed for? Is it, for example, for new educational equipment, curtains for the school hall, or the employment of additional educators paid by the SGB? How much funding is needed? Generally, it is better to aim high rather than underestimate how much could be raised.

According to Feddas (2008:3), the fundraising committee must create a plan that will guide the school in seeking out and securing funding from an array of outside sources. The committee must identify and communicate with potential donors to support the planned activities of the school. The major responsibility is to raise the amount needed to meet the proposed budget for the specific needs of the school. The principal plays a very important role in fundraising. According to Levenson (2007:11), principals must make personal visits to wealthy constituents and must be part of the team that visits corporations and foundations interested in funding a specific school.

Potterton *et al.* (2003:6) is of the opinion that different schools have different strategies and that each school has different needs. The school needs must be identified and prioritized carefully as they will affect fundraising strategies. According to Levenson (2007:9), the following must be taken into consideration when developing a fundraising strategy:

- devote the necessary resources to make your fundraising effort successful;
- identify influential community leaders, including your town mayor, local and corporate sponsors and business leaders. Nurture these people and make them part of the fundraising effort;
- become familiar with fundraising publications;
- attend or host training workshops on fundraising, including soliciting gifts from individuals and seeking corporate foundation and governmental grants;
- learn how to write a case statement that details your priorities and the school's needs. Use the case statement as a basis for obtaining gifts and grants; and
- alert the local media about your fundraising efforts in order to reach a broad audience faster and more efficiently.

Levenson (2007:43) indicates that the strategies to be employed for acquiring corporate and foundation funding are to have an innovative idea and vision in mind

and to use teams of two to five people to generate valuable ideas. These teams should be made up of people having similar visions and ideas for funding. The fundraising committee needs to commence with prospect research by becoming familiar with corporate and foundation funding sources in their local area or nationally. The knowledge gained through such prior research may assist in the success of a funding application.

When schools plan fundraising activities they must choose a fundraising project that the school community, parents, learners and staff will be interested in.

### **3.4.1 Fundraising projects**

Bischoff *et al.* (2004:82) state that schools in South Africa have held many creative fundraising projects. The secret to success is to create an original and unique fundraising project. The school that stages a fundraising project that is unique may be the most successful in raising funds. The following are examples of successful fundraising projects:

- dances;
- fireworks displays;
- sports days;
- spelling competitions;
- staff concerts; and
- learner concerts.

Bischoff *et al.* (2004:82) further assert that in the past, people who raised funds tended to gain sympathy or create a feeling of poverty by wearing old clothes and driving old dilapidated cars. This is the wrong approach to take because the donor wants to invest in a successful project, not in one that looks doomed to fail. Fundraisers should always have a neat and clean appearance. In addition, fundraisers should not be apologetic about their reason, must present the reason sincerely and honestly and should not overstay their welcome. Fundraisers should also persevere, never be late for an appointment and be able to work systematically and efficiently. Lastly fundraisers should be self-motivated and dedicated; and be creative thinkers.

Naidu *et al.* (2008:170) indicate that schools generate additional income through fundraising activities together with parent associations, community groups and business partnerships. Events such as dance evenings, fireworks displays, or sport days not only raise funds for the school, but also encourage parents' participation in school activities. They enable the growth of good relationships amongst parents, learners, staff and the local community which contributes towards the development of a positive school image and culture. However, Clarke (2012:179) mentions that fundraising projects or activities that involve parents can lead to problems if they are not properly managed. The ideal is for the school to have a fundraising policy where the process, procedure and authority regarding fundraising are clearly indicated. The policy should include the control of funds and information about the type of fundraising activities that will be allowed or not.

Mestry and Bisschoff (2009:67) mention that schools can generate income from their resources provided they have a sound policy and management system in place. The school can raise large sums of money from activities like the sale of products such as stationary or t-shirts sold in a school shop; the sale of the school's own products such as plants, printed materials and arts and culture models. The school can buy t-shirts and sell them to learners after the logo of the school or that of a specific event has been branded onto the t-shirt. Such profits can be used towards educational purposes. Printed and art material made by learners and vegetables and fruits from a school garden can also be sold to the community. The sale of services such as training, coaching and the establishment of pre-schools and crèches, the sale of advertising on the school property, on school vehicles or on printed materials can also be used for fundraising. The most common fundraising activity used in Section 21, quintile 1 and 2 no-fee schools is the leasing of school facilities, such as the hall or sports facilities and classrooms, sales from the tuck shop, as well as the proceeds from competitions.

According to the KwaZulu-Natal Education Department (KZNED) (n.d.:75), the person hiring the school facilities and the SGB must enter into a contract and the SGB must charge a refundable deposit to ensure that any damage to the school's property can be covered with the deposit. The school can sell items such as cold drinks, cakes, sweets, chips and other food in the tuck shop. The school can also encourage learners to participate in competitions such as Mathematics and Science Olympiads where they

can win prizes for themselves as well as for the school. The profits from tuck shop sales and money generated through competitions can be used to acquire additional resources to improve the quality of teaching and learning and ultimately learner performance in Section 21, quintile 1 and 2 no-fee schools. A few alternatives to generate funding to save school funds are discussed in the following sub-sections.

### **3.4.2 Donors**

According to the DoE (2010:13), fundraising projects and donations can be considered to address specific needs of schools. Waters (2006:115) mentions that donors who donate to a school on multiple occasions are more likely to have stronger feelings of commitment, satisfaction and trust with the school than once-off donors do. Although once-off donors are invaluable to a school, the aim is to secure as many multiple donors as possible. Engagement with donors to strengthen relations can result in increased donor loyalty and trust to the school.

Bisschoff *et al.* (2004:73) state that if educators and members of the SGB want to enhance the impact of their school's activities or school projects, they need to expand the sources of support for school related efforts. One such option is to actively search for donors regionally and nationally. Many corporate donors are available in South Africa through their Corporate Social Investment (CSI) programs. CSI is defined as donations (either monetary, employee time and resources, or gifts in kind) which bring benefits over and above those directly associated with the core business activities of the company. In the corporate sector, CSI strategies are reviewed annually and are approved either by the operation's manager or a dedicated CSI manager, who is also responsible for the application of a process to review and assess community requests (Triologue, 2013).

### **3.4.3 Partnerships**

Petersen (2011:1) states that a partnership is an agreement where two or more people or groups work together towards mutual goals. Partnerships can be informal, formal, or even unspoken as long as they include groups or people working together. In reality, partnerships are created for a variety of reasons that include seeking additional

funding, and working towards a particular cause or issue and enhancing public relations. Many schools include partnerships with parents and the community within their mission statements or educational goals.

According to Cochrane and Cocket (2007:12), partnership is not only working with other people, it is about agreeing on joint aims, planning, reviewing and managing the activity together. It also involves sharing decision-making and power. The purpose of partnerships is to place decision-making at the heart of the school and in the management and delivery of all teaching and learning. When the partnership is effectively resourced and planned, partnerships between schools, external individuals and organizations can:

- support a wide range of learning opportunities for learners;
- impact on the curriculum;
- make a valuable contribution to staff development;
- strengthen the school relationship with its community; and
- open the school to different perspectives.

According to Green (2014:77), partnerships need a significant investment of resources and time. Partnerships must be driven by mutual respect, mutual trust, mutual gains and a common vision. The development of human resources and procurement of physical resources are important to ensure meaningful development. There must be an investment in knowledge and skills development in schools to transform the classrooms, staffrooms and playground of such schools. The need for appropriate learning and teaching support requires a continuous injection of financial support, since many South African schools are unable to budget adequately for staff development and classroom resources (Green, 2014:77).

Naidu *et al.* (2008:131) mention that the perception of parents as active and necessary partners is acknowledged in the preamble of SASA, where parents (together with learners and educators) are encouraged to *"accept responsibility for the organization or the school, funding of schools and governance in partnership with the state"*. The community and the parents can be seen as an agency that forms a partnership with the state on the one hand and the school on the other. SASA creates opportunities for

the involvement of parents in the school and provides them with legal powers to be purposefully involved in school activities.

Bisschoff *et al.* (2008:80) indicate that school-business partnerships assist schools in at least four ways:

- such partnerships enlist the assistance of more individuals and groups than those immediately involved in the project;
- business can become involved in curricular matters (e.g. as guest speakers on industry-related topics);
- joint committees can benefit both the school and business (e.g. school marketing, image building and strategic planning for the business); and
- contribute to operating expenses (e.g. yearbook sponsor, school plays and other projects).

Bisschoff *et al.* (2004:84) further assert that the first step in building a partnership is to develop a list of the school's educational needs. The second step is for the school to identify the business or company they want to approach for funding. Thirdly the school must strategize its approach to the business or company. One option is for the principal, a member of the fundraising committee (with negotiation skills) and the chairperson of the fundraising committee (who is a member of the SGB) to visit the prospective business partner to negotiate possible funding and to build a positive relationship with them.

Some partnerships between the corporate sector and schools have been established at national level. One such partnership is between the Department of Basic Education and the Mr Price Group (through their Red Cap Foundation). This partnership developed significantly and has progressed to an active working relationship. The Red Cap Foundation encourage regular structured physical activity in all public schools in South Africa, and their role in this partnership is to fund the establishment of Red Cap Centers of Excellence, where best practice in Physical Education (PE) and school sport are shown (Red Cap Foundation, 2011:8).

Tshikululu investments in partnership with the Department of Basic Education provide funding for programs to assist with the improvement of content knowledge of learners, as well as the awareness of different approaches to teaching and learning of different aspects of mathematics. The main objective of Tshikululu investments is strategic intervention to develop schools in identified areas of needs, i.e. Mathematics and Languages, Arts education, management and governance, and inclusive education. Seven selected Section 21, quintile1 and 2 no-fee primary schools in Thabong and three in Kutloanong in the Lejweleputswa Education District in the Free State Province are currently assisted (Free State and Gauteng Departments of Education, 2011:1). Although no direct funds were generated by the schools through these partnerships, the schools receive such interventions to the benefit of the learners, educators and the community.

#### **3.4.4 Advertising through branded clothing and products**

According to Main (2010:42), this aspect is categorized by businesses paying for, in part or in whole, or sponsoring school related activities or contests for the purpose of associating their business names with the event. Potterton *et al.* (2003:67) state that small businesses may be more interested in sponsoring sport clothing, t-shirts or other products used by learners of a school. Schools can generate or save funds through engagement with such businesses as their (the businesses') name will be advertised through their logo on such clothes or products. Schools will therefore not have to use their budgeted funds to acquire such clothing. Learners and staff wearing branded sport clothing and t-shirts during sports or other events will in effect be advertising such businesses. There is therefore mutual gain as a uniform appearance by learners and staff creates more opportunities to possibly gain more funding from potential sponsors and donors.

Entrepreneurship can be used to generate extra funds in the form of fundraising in schools. It also prepares learners to be entrepreneurs in future by improving their selling and marketing skills. Entrepreneurial activities follow in the next sub-section.

### 3.4.5 Entrepreneurial activities

Van Rooyen (2012:151) states that entrepreneurship needs enterprising people who spot new opportunities, who are agents of change and are of a mind to act on them and start something new. Schools are filled with learners brimming over with creative ideas and thoughts, but too often the adults in the learner's life do not have time to place an emphasis on helping learners to take their ideas and explore opportunities around entrepreneurship. Schools hold annual fundraisers to assist in collecting resources to fund special events and purchase equipment. By introducing conversations about entrepreneurship during fundraising events, learners have the potential to be more involved in fundraising efforts and become aware of entrepreneurial information. Learners are eager to exercise their creative skills, are comfortable taking risks, and find the questions "how" and "why" to be among their favorites. Incorporating simple entrepreneurship activities into school fundraising projects can increase learners' understanding of entrepreneurship concepts from the most basic to complex. Introducing entrepreneurship at an early age can provide learners a greater awareness of their talents and skills, while increasing their self-esteem. Together all of these pave the way for new ideas, learner engagement, and overall success with the potential to develop future entrepreneurs.

According to Naidu *et al.* (2008:170), the principle behind entrepreneurial activities in schools is that each participating learner obtains enterprise education and develops new skills that generate money for the school and contribute towards fundraising. The type of fundraising activities through entrepreneurship should be open for learners, but should be planned and organized with the assistance of educators and the fundraising committee. For instance, learners in Consumer Studies and Creative Arts can be motivated to engage with small scale business activities involving food, recipe books aimed at teenagers and art.

Some factors may influence fundraising projects of a school positively or negatively.

### **3.5 FACTORS INFLUENCING FUNDRAISING**

Two important aspects to consider in this regard are the image of the school as perceived by the community, including possible donors and sponsors and the effort of the school with regard to publicize fundraising events.

#### **3.5.1 Image of the school**

According to Clarke (2012:381), the image of a school as perceived by the community is linked to different aspects. These include the general commitment and enthusiasm of learners, educators, parents and the SGB when communicating with community members, learners' behavior, appearance and dress in uniform outside the school and the state of the school grounds and buildings. The perceived image of a school can attract or dissuade potential donors and sponsors to contribute towards fundraising. The impression created at the reception area, communication by mail or telephone, negative or positive reports in the media, reports on school results, communication (especially verbal) of school stakeholders with the community (what is communicated and how this is done), all play a role towards the image of such schools.

Bisschoff *et al.* (2008:8) concur when stating that by portraying a positive image, schools draw the interest of the private sector to possibly contribute towards fundraising projects. How stakeholders of the school engage with parents, the community, the public and the press influence the way they perceive the school. Parents are considered to be very influential in this regard as they communicate with friends in the community regarding the successes of the school and ultimately convey a certain image of the school.

#### **3.5.2 Publicity**

Ngobeni (2013:14) explains that publicity is a means of letting people know about a fundraising project. Good publicity is important to convince people that a particular school is worth supporting. Sennet (2008:27) mentions that the following steps must be taken to promote and publicize fundraising events to the parents, community and the media:

- launch an internal media target: start the campaign by reaching out to parents with newsletters sent to them well in advance;
- release information in time: inform local newspapers of any fundraising event well in advance. Send out a well-drafted, detailed press report at least a week prior to the big event;
- get personal: ascertain which reporter normally covers school related aspects and send the report directly for that reporter's attention; and
- make yourself available: share as much contact information of the school and the contact person as possible in the press report, including an email address along with office- and relevant cellphone numbers, fax number and a contact number of the principal.

Bisshoff *et al.* (2004:80) state that the objectives of publicizing the fundraising project or activity are to attract parents, the community and also possible alumni (who are normally regarded as the best ambassadors or potential donors) to participate and donate towards the project or activity. However small the fundraising activity is, some form of communication with those who will support it is very important.

It may happen that certain donors or sponsors have been identified either through past projects or due to publicizing a current project. To formalize such a donation or sponsorship, a proper proposal needs to be drafted and submitted (Clarke, 2012:319).

### **3.6 PROPOSAL FOR DONATORS AND SPONSORS**

According to Levenson (2007:179), a funding proposal is a written application, often accompanied by supporting documents that must be submitted to a foundation, company or business to request funding. Norton (2009) indicates that for many organizations, such as schools, the difference between a good and bad proposal will be the difference between success and failure of such a proposal. The fundraising proposal communicates the needs of the school to its potential supporters, donors or sponsors. It is largely on the basis of the written proposal that many funders will decide whether to contribute towards fundraising of the school or not. If educators and members of the SGB want to enhance the impact of their school's activities, they need

to expand the sources of support for school related efforts. An effective way to do this is to plan and carry through proposals to generate extra funds for the school (Bischoff *et al.*, 2004:73).

The Department of Education (DoE) (2010:10) mentions that a written proposal must be prepared by the fundraising committee members for presentation to the potential sponsor or donor. Such a proposal can first serve at the SGB to provide clearance for the proposal to be sent to donors or sponsors. The proposal must have a clear heading (including the name of the school), a distinct description of project, strong motivation for the project and all beneficiaries of the project. The proposal must include an action plan, a detailed budget, the amount of sponsorship required and the accounting procedure. The latter is necessary to provide the donor or sponsor with clear guidelines of accounting procedures that will be adhered to.

Martin (2004:5) states that a well-designed and prepared funding proposal is an essential starting point to secure funding. A proposal must be designed in such a way that it can be used to:

- secure a meeting with the relevant donor or sponsor. Well-designed proposals will create a positive attitude from the donor or sponsor leading to action. A meeting can then be organized to discuss the details of the proposal;
- engage in open and positive discussion. As the proposal contains all the necessary information, discussions will be more positive as clarity seeking questions will be kept to a minimum; and
- provide feedback to a meeting where outcomes of the discussions are provided. Detailed proposals lend themselves to richer, more in-depth feedback to the fundraising committee and SGB.

Bodwin *et al.* (2011:473) state that once sponsorship has been secured, it must be actively, effectively, efficiently and economically managed in order to ensure that it is used for the purpose that it was intended for. A sponsorship management plan is very important for successful fundraising events or projects. This allows the fundraising committee to successfully manage the sponsors' marketing needs and to build a quality, substantive relationship, as well as trust with each sponsor. Effective

relationships between the school and the sponsors, like any other relationship, are built on a strong foundation of communication, commitment and trust. If a sponsor believes that its contribution has achieved the marketing and business objectives of the sponsorship, such a sponsor will most probably renew the sponsorship for another year and as such continue to contribute to successful fundraising projects launched by the school.

### **3.7 ESSENCES OF SUCCESSFUL FUNDRAISING**

Oliveira (2013:10) states that to secure a donation or sponsorship, it is considered to be the best practice to request a prospective donor to sponsor a project, rather than just asking him or her to donate an amount of money to the school. In this way, the sponsor has the opportunity to gain valuable exposure through possible branding and advertising. Potterton *et al.* (2003:15) mention that for fundraising to be successful, various aspects need to be in place. Once a fundraising objective or objectives have been established, a plan of action must be drafted. Such a plan should include the fundraising activities to be completed, linked to specific people to assist in their completion, the time frame of the fundraising activity and the target of funding aimed at. The questions relating to the aforementioned include the following: What will be done when? By whom will it be done? How will it be done? And where will it be done?. First of all, identify each task that needs to be completed in order to achieve your goal (what). Decide on a period that must be allocated to complete the objective(s) and an order of action (when) and then allocate the task to members of the fundraising committee and others such as the finance committee members, parents, learners, educators and non-teaching staff (who).

According to Oliveira (2013:1), successful fundraising is founded on communicating a strong case for the project or activity of the school. When the communication strategy is clear and focused, its fundraising opportunities increase significantly. Clear, consistent and targeted communication between the fundraising committee and other internal stakeholders (staff, learners and parents) creates fundraising opportunities that tend to be successful. A clearly defined action plan helps your school to speak with one voice, delivering a clear message that resonates with existing and potential donors or sponsors. A clear call to action ensures that your target audiences know

what to do after being motivated by your message. When communication and fundraising are in sync, one supports the other through simple, consistent convincing messages, delivered in such a way that they build trust. Trust encourages donors and sponsors to get involved and to support the school in its fundraising endeavors.

In summary, the following are deemed important for a successful fundraising project:

An effective fundraising committee must be formed by:

- including committee members from the parent community, staff and SGB members; and also
- including learners and members of the community who have fundraising experience and skills to contribute.

Planning the projects:

- set achievable fundraising targets by keeping the objective in mind;
- before commencing with the project, prepare a complete budget, indicating the expected income and expenditure; and
- a plan of action must be drawn up for the event.

Publicise the projects widely:

- people generally regard education as a worthwhile cause, but good publicity is needed to persuade the community that your school is worth supporting; and
- use various communication strategies (local papers, face to face communication, posters and pamphlets) to publicise the project.

Monitoring of the fundraising project/activity:

- keep participating people involved and motivated with the project;
- ensure that you involve all relevant stakeholders and provide everyone a chance to be creative (including learners); and
- appoint trustworthy people (at least two) to monitor the budget.

Post project/event analysis:

- evaluate the planning, implementation and the results of the project;

- reconcile the income and expenditure; and
- ensure that a written report is provided to the SGB through the finance committee.

### **3.8 CONCLUSION**

This chapter reviewed literature regarding fundraising as a tool to generate income for schools. Different types of fundraising, fundraising projects and the manner in which the SGB must supplement the resources provided by the state was also reviewed. Fundraising events or activities are essential social events of the school year and need commitment regarding time and effort to be effective. Funds raised will be used to buy resources that are needed by the school to improve the quality of teaching and learning.

It is indicated at the beginning of this chapter that education is one of the most significant public services in both developing and developed countries, but it is one of the most expensive. Most schools in South Africa are unable to solely rely on the funding and other resources provided by the government and as a result must obtain additional funds to supplement school resources. Legally through SASA, it is the responsibility of SGBs to raise additional funds, assisted by principals, parents, staff, the learners and community members. Funds raised are to be used to acquire resources that are needed by the school to improve the quality of teaching and learning, especially in Section 21, quintile 1 and 2 no-fee schools.

It is also indicated that fundraising is the activity of collecting money for a specific purpose. Fundraising is one way in which parents and communities may choose to support their schools. Fundraising must reflect the values and the expectations of the school community, including those of parents, learners and staff. The SGB should allow reasonable use of the school facilities by the community for the purpose of fundraising. They should draw up school fundraising policies for guidance and control, and such policies must form part of the school finance policy. Clear objectives must be set by the SGB for fundraising initiatives. The principal and the SMT should protect

their staff from the expectation and demands of the parents involved in the fundraising event or activity.

It is highlighted in the literature that when SGBs decide to engage in fundraising it is essential to include people who are committed and enthusiastic, and who have a positive contribution to make to the school. Parents, learners, staff and the community must be encouraged to participate fully and actively in fundraising activities.

Fundraising projects, and alternative ways to generate additional funding to supplement resources supplied by the state like donors, partnerships, marketing, publicity and entrepreneurship were highlighted. Advertising through branded clothing and products, entrepreneurial activities and factors influencing fundraising was investigated. Schools must aim to create and implement unique fundraising projects, which are considered to be the most successful. The manner in which a fundraising proposal must be written was dealt with. The participation of principals, SGBs and the fundraising committee is essential for the success of such proposals. Schools were also advised on how to write a proposal to donors and sponsors in order to secure donations and sponsorships. The major aspects embedded in the essence of successful fundraising was outlined.

## CHAPTER 4

### RESEARCH METHODOLOGY

#### 4.1 INTRODUCTION

The previous chapters dealt with the literature study on the effective and efficient financial management in schools and fundraising. The previous chapter also dealt with the role of the principal and the SGB in finance and fundraising. The role of the finance committee and fundraising committee was discussed. This chapter explains research and elaborates on the research methodology used in this study.

#### 4.2 WHAT IS RESEARCH?

According to Leedy and Ormrod (2010:2), research can be defined as a methodical process of interpreting, analyzing and collecting information (data) in order to enhance our understanding of phenomena about which we are worried or interested. People frequently use a systematic approach when they gather and interpret information to solve small problems of daily living. Although research projects vary in time and complexity, research typically has the following distinguishing characteristics:

- research originates with a problem or a question;
- research needs a clear expression of a goal;
- research needs an exact plan for proceeding;
- research usually divides the main problem into more controllable sub-problems;
- research is guided by the exact research question, research problem, or hypothesis; and
- research needs the collection and explanation of data in an attempt to solve the problem that initiated the research.

McMillan and Schumacher (2010:8) state that research is the systematic procedure of collecting and analyzing data (i.e. evidence-based) using a series of steps. The researcher's objective is to obtain reasonable answers to research questions by designing and conducting the study and reporting data that others will view as

trustworthy. McMillan (2012:5) adds that in research, information is gathered directly from groups, documents, individuals, and other sources. Burton and Barlett (2005:15) define the term research in education as a disciplined effort to deal with or solve problems through the collection and analysis of major data for the purpose of explanation, description and prediction.

Every piece of research, every researcher and every context is, in some way, different. A host of factors contributes to interpretation of phenomena as knowledge is constructed but, without the explicit formulation of the philosophical background - with implications for verification, explanation, knowledge of reality - researchers may remain unknowingly unaware of the deeper meaning and commitments of what they say or how they conduct their research. According to Wilson (2009), philosophical ideas often remain largely hidden and, as such, research rigour can be strengthened by the researcher making transparent the philosophy that underpins the justification of their research methodology.

### **4.3 PHILOSOPHICAL FRAMEWORK**

A crucial aspect of choosing a methodology is researcher positionality (Sikes, 2009:17) and the philosophical assumptions concerning beliefs, values, ontology, and epistemology and relationally since research is subjective. Even the most scientific, positivist, objective, quantitative researcher will make a subjective choice, for example, of which statistical measure to apply, and interpretative as the researcher's perceptions are utilized in all stages of decision-making throughout a research project. Consideration of the philosophical assumptions and researcher positionality is therefore crucial to methodological decision-making within research.

Review of literature relevant to the key elements of a research project will enlighten the researcher of existing theory, gaps in existing research, and provide background information to enable the formation of an argument on the need for the research and the shape it will take, helping also with the firming up of research questions. This argument builds a theoretical framework for the substantive aspect of the research (Jackson, 2013:50). The background reading will also help to inform the strengths and limitations of different methodologies that other researchers have used in the field.

This reading will be accompanied by thinking about the researcher's unique context and extend the philosophical preparation for the research in terms of making explicit the researcher's position regarding beliefs and values, and ontological and epistemological perspectives.

This study is situated in the ontological perspective. Ontology is the philosophical study of the nature of reality. In terms of education it is therefore the philosophical study of the nature of educational reality and how there may be different perceptions of what is known (Green & Thorogood, 2009:6). The researcher's ontological position therefore begins to shape the methodological decision-making, dependent on whether the researcher sees an external, independent reality or an experienced, constructed reality based on social or individual human conception. The perspective taken will affect whether a quantitative approach is necessary to fit an objective and measurable study, a qualitative approach to encompass a subjective and interpretative study, such as in this study, or a mixed-methods approach. The researcher's position on this informs choices made about research methods to be used. Jackson (2013:52) explains that in terms of research design and choice of procedures, if the assumption is that knowledge is real, objective and out there in the world to be captured, researchers can observe, measure and quantify it. However, if it is assumed to be experiential, personal and subjective, they will need to ask questions of the people involved, as is the case in this study. Oliver (2010:34) indicates that to aid in the choice of methodology and to add to the credibility of research, it is useful for the researcher to both consider and articulate their ontological framework and to ensure that the methodology fits their ontological perspective, providing a rationale for the choices made that seeks to validate the methodology and the subsequent methods of data collection and analysis.

The next section deals with research design and methodology used in this study.

#### **4.4 RESEARCH DESIGN AND METHODOLOGY**

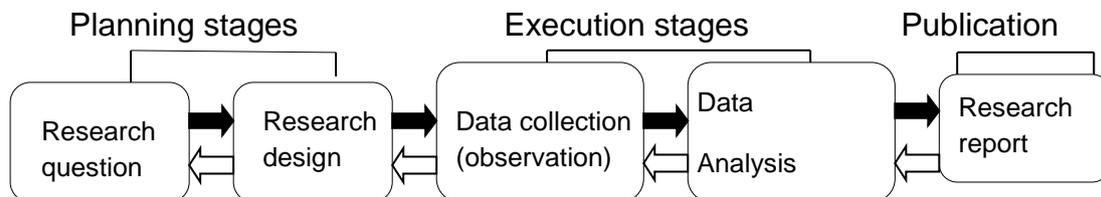
It is important at this stage of the study to discuss the design and methodology followed in this research study.

#### 4.4.1 Research design

Blanche, Durrheim and Painter (2011:34) emphasize that a research design is a strategic structure of action that serves as a link between research questions and the implementation of the research. Research designs are strategies that direct the conditions for collection and evaluation of data in a way that aims to combine relevance to the research purpose. Like building plans, research designs ensure that the study fulfills a particular purpose, and that the research is completed with available resources. Blanche *et al.* (2011:34) further mention that research may be seen as a process consisting of the following five stages (where the design is informed and informs the other stages in the process):

- stage 1: defining the research questions;
- stage 2: designing the research;
- stage 3: data collection;
- stage 4: data analysis; and
- stage 5: writing a research report.

**Figure 4.1: The research process**



Source: Blanche *et al.*, 2011:34

According to Creswell (2014:246), qualitative research is a means for exploring and understanding the meaning of groups or individuals that are assigned to a social or human problem. The process of research consists of emerging procedures and questions; gathering data within the participants' setting; analyzing the data inductively; and making interpretations of the meaning of the data. Hennik *et al.* (2011:8) mention that qualitative research is an approach that allows a researcher to examine peoples' experiences in detail, by using a particular set of research methods.

Hennik *et al.* (2011:9) further mention that the major distinctive features of qualitative research are that the approach allows researchers to identify issues from the perspective of the study participants, and understand the meanings and interpretations that they assign to behaviour, events or objects. To obtain this information, a qualitative researcher needs to be open-minded, curious and emphatic, flexible and able to listen to people telling their own story. Qualitative researchers also study people in their natural settings, to identify how their experiences and behavior are formed by the context of their lives, such as the cultural, economic, social or physical context in which they live. Qualitative research also wants to embrace and understand the contextual influences on the research issues.

Jonson and Christensen (2014:249) assert that in a qualitative study the researcher typically defines a set of criteria that participants must possess to be incorporated in the study. In order for the researcher to address the purpose of the research, participants in qualitative research are usually selected purposefully and not randomly.

This study employs a qualitative research design. The rationale is that the beliefs, views and opinions of participants are sought with the purpose of answering the research questions to ultimately address the research problem that is under study. Reporting therefore provides an in-depth narrative account of such beliefs, views and opinions of participants.

#### **4.4.2 Research methodology**

Leedy and Ormrod (2010:12) explain research methodology as the common approach the researcher takes in carrying out the research project and to some extent, this approach dictates the specific tools that the researcher selects. Methodology is therefore a logical group of methods that complement one another to deliver the findings and data that will reflect the research question(s) and suit the research purpose. Gay, Mills and Airasian (2009:399) add that the research methodology of a study can be described as the philosophical framework, which directs the research activity and serves as the tradition in which the research problem is formulated.

For this study, a phenomenological research method is used. Padilla-Diaz (2015:104) explains that phenomenology emphasizes the subjective experiences that people have and the interpretations and meanings that these persons give to the world surrounding them. Heindel (2014:48) states that the phenomenological approach sought to clarify the framework and essence of the experiences that a group of individuals has. The author further posits that phenomenology is interested in the significance of the behavior of certain groups of people from the point of view of that group. Ballard and Bawalan (2012:3) are of the view that the phenomenological approach enlightens the experience at hand. Phenomenology thus focuses on exploring the difficulty of social phenomena with a view of gaining and understanding. The purpose of research in phenomenology is to understand and interpret daily happenings (events), experiences and social structures – as well as the values people connect to these phenomena. In this study, the experiences of three groups of participants are important and are therefore included in the sample of this study.

## **4.5 POPULATION AND SAMPLING**

### **4.5.1 Population**

According to White (2005:113), a population is a collection of objects, individuals or events having some common characteristics that the researcher is interested in studying. Babbie and Mouton (2010:164) mention that a population is the complete set of cases from which a sample has been taken. The population of this study consist of principals, SGB chairpersons and parent representatives in finance and fundraising committees of Section 21, quintile 1 and 2 no-fee schools in three Free State education districts, which is Lejweleputswa, Fezile-Dabi and Motheo.

### **4.5.2 Sampling**

Sampling refers to the selection of a subset of things or persons from a larger population, also known as a sampling frame (Pandey & Pandey, 2015:43). Qualitative research is based mainly on non-probability and purposive sampling rather than probability or random sampling approaches. Purposive sampling simply means that participants are selected because of particular characteristics that make them the

holders of the data or information that is needed for the study. Sampling decisions therefore are made for the clear aim of obtaining the richest possible data to answer the research questions. Qualitative research generally contains smaller sample sizes than quantitative research studies. Sampling in qualitative research is flexible and often continues until no new themes emerge from the data collection process. This process is known as data saturation. Purposive sampling decisions are not only restricted to the selection of participants, but also contain the settings, events, incidents and activities to be included for data collection (Maree, 2012:79).

Purposive sampling is adopted for this study as this type of sampling allows the researcher to decide which participants to select in order to provide the most reliable information to address the purpose of the research. Suri (2011:66) indicates that purposive sampling needs access to key informants in the field who can help in identifying information-rich cases. Oppong (2013:203) states that researchers select the participants to be included in the sample based on their (researchers') judgment of their (participants) typicality or possession of specific characteristics being sought. In this way, researchers build up a sample that is satisfactory to their particular needs.

The sample for this study is purposively compiled from five principals, five SGB chairpersons and five parent members serving on the finance and fundraising committees of Section 21, quintile 1 and 2 no-fee schools from each of 3 education districts of the Free State province. Fifteen schools are therefore purposefully sampled (five per district) with the total sample consisting of 15 principals, 15 SGB chairpersons and 15 parent members serving on finance and fundraising committees at these schools (45 participants in total were used). The researcher is of the view that this sample is sufficient to provide the information necessary to address the research problem and answer the research questions. Gay *et al.* (2009:136) mention that there is no specific rule that specifies the correct number of participants to be used in qualitative research. Qualitative studies can be conducted with a single participant or with as many as 60 to 70 participants representing multiple contexts. In qualitative research, more participants do not necessarily mean that the study or its result will be more reliable or more useful.

The data collection instruments employed in this study are discussed in the following section.

## **4.6 DATA COLLECTION INSTRUMENTS**

According to Creswell (2013:145), data collection means to focus on the real types of data and the procedure for collecting them. A qualitative researcher can be involved in a series of activities in the process of data collection. The data collection instrument used in this study is open-ended questionnaires.

### **4.6.1 Questionnaires**

Johnson and Christensen (2014:191) point out that a questionnaire is a self-report data collection instrument that each research participant fills out as part of a research study. Researchers used questionnaires in order to collect information regarding the views, values, standards, attitudes, perceptions, character and behavioral intentions of research participants. The authors further state that questionnaires can be used to collect quantitative, qualitative and mixed data.

Opie (2009:95) states that a questionnaire is the most generally used procedure for obtaining information. This study employs open-ended questionnaires in order for participants to provide their views and opinions on the phenomena under study. According to Lowe (2007:53), questionnaires can make use of open-ended questions that need reasons for responses given. Open-ended questions do not enforce restrictions to answering questions, rather they allow for the recording of any response to a question provided by the participant. The answers to open-ended questions are in no way predetermined because responses to questions must be recorded and analyzed or coded, to reveal the meaning of the response (Lowe, 2007:11).

By drafting open-ended questions participants have complete freedom of response, which allows them the opportunity to engage with each question in more detail (Gay *et al.*, 2009:166). In this study the principals, chairpersons of SGBs and parent representatives on finance and fundraising committees of Section 21, quintile 1 and 2 no-fee schools, completed questionnaires. The main aim for distributing

questionnaires was to find realistic information from the participants that will answer the research questions. Questionnaires were also used to assist the researcher to be able to report data from participants' responses.

#### **4.7 ANALYSIS OF DATA**

According to Creswell (2013:179), analysis of qualitative data involves organizing the data, conducting a preliminary read-through of the database, coding and organizing themes, representing the data narratively, and interpreting the data. De Vos, Strydom, Fouche and Delpont (2011:399) mention that qualitative analysis is the non-numerical assessment and analysis of observations, for discovering underlying meanings and patterns of relationships. The idea of analysis implies some kind of transformation. The researcher starts with some collection of qualitative data and then processes it through analytical procedures, into a trustworthy, insightful, understandable, clear and even original analysis.

According to Maree (2012:99), qualitative data analysis is a series of approaches, procedures and processes whereby researchers draw some form of understanding, interpretation or explanation from qualitative data collected of the people and situations that they are investigating. Although the processes, procedures and assumptions of these approaches are not the same, most of the qualitative data analysis procedures and processes share certain common features. Qualitative data analysis is usually based on an interpretive philosophy that is aimed at examining meaningful and symbolic content of qualitative data. Qualitative analysis endeavours to find how participants make meaning of particular phenomenon by analyzing their feelings, opinions, perceptions and values in an attempt to estimate their construction of the phenomenon.

In this study, the process of analyzing the data began during the data collection process. The researcher followed the procedures mentioned by Creswell (2014:196-200). Although presenting his approach as a linear, hierarchical process, he indicates that the six steps are interrelated and do not necessarily follow in the order they are given.

- **Organise and prepare the data for analysis:** This refers to the transcribing, the sorting and arranging of the data if different sources of information are used. In this study, information was sought from three groups of participants.
- **Read through all the data:** By doing this, the researcher gains a general sense of the information and possibly its overall meaning. The researcher can also write down general ideas about the data. Ideas were noted and written down by the researcher during the reading process.
- **Coding of the data:** It is the process of organizing the data into chunks of information and writing a word that represents a category in the margin. Main chunks of ideas were identified and coded in this study.
- **Description of the setting or people and categories or themes for analysis:** During the coding process, the researchers give detailed descriptions of the setting or the people involved, as well as descriptions of the themes for analysis. Themes and sub-themes were identified by the researcher in this study.
- **Present the results of the analysis:** This is often done in a narrative passage to convey the findings of the analysis. It may include a detailed discussion of several themes or a discussion of interconnecting themes. In this study, results are presented narratively by means of discussion of themes.
- **Interpretation of the results of the analysis:** The aim is to answer the following question: “What were the lessons learned?” In this study the researcher interpreted the results by means of discussion.

To ensure the analyses, reporting, and interpretation of data are trustworthy, this concept is discussed below.

#### 4.8 MEASURES TO ENSURE TRUSTWORTHINESS

Trustworthiness refers to the way in which qualitative data is reliable dependable, stable, predictable and consistent, thus producing similar results or outcomes in the future as it had in the past (Delpont & Roestenburg, 2011:177). Lincoln and Guba (1985:29) originally proposed the now well-known four criteria for providing soundness to qualitative research. They offered these criteria as options to the more traditional

and well-known quantitative criteria. Their view was that the four criteria better reflect the fundamental expectations involved in qualitative research.

#### **4.8.1 Credibility**

According to De Vos *et al.* (2011:346), the credibility criteria involves that the results of qualitative research are realistic or credible from the viewpoint of the participant in the research. The purpose of qualitative research is to define or understand the phenomena of interest from the perspective of the participants and therefore they are the only ones who can justifiably review the credibility of the results. Clear parameters for a study are set to make sure that credibility of such a study is maintained. Only participants who are able to offer in-depth data regarding the phenomenon at hand formed part of the sample of the study. The researcher also presented the planned proposal at the Campus Research Committee, after which it served at both the Faculty Research and Innovation Committee and the University Research and Innovation Committee. In addition, three groups of participants were used to provide data through questionnaires. Participants were provided with the opportunity to read and comment on the transcriptions through the process of member-checking.

#### **4.8.2 Transferability**

Gay *et al.* (2009:608) assert that transferability speaks of the degree to which the results of qualitative research are to be transferred or generalized to other surroundings or situations. From a qualitative viewpoint, transferability is mainly the obligation of the person engaging in the generalizing. A qualitative researcher can improve transferability by thoroughly defining the research setting and the assumptions that were fundamental to the research. The researcher who desires to transfer the results to a different situation is then accountable for making the decision of how functional the transfer is (De Vos *et al.*, 2011:346). The context of this study is declared in the literature study, research design and methodology, as well as in the sections dealing with the reporting of data and presentation of findings.

### **4.8.3 Dependability**

The traditional quantitative view of dependability is founded on the supposition of replicability. Loh (2013:5) states that principally it is concerned with whether similar results are to be attained if the same thing is observed twice. But the argument is made that similar results can essentially not be measured twice, because by definition if measuring is taking place twice, we are in essence measuring two dissimilar things. The idea of dependability highlights the need for the researcher to justify the ever-changing context within which research takes place. The research is accountable for relating the variations that occur in the setting and how these variations affected the way the researcher engaged with the study. Dependability then relates to examining the process of the inquiry: how data was collected, how data was kept and the accuracy of data. In this study, the experiences of participants were meticulously analysed and accurately reported and interpreted.

### **4.8.4 Conformability**

Qualitative research is inclined to accept that each researcher brings a distinctive perspective to the study. Houghton, Casey, Shaw and Murphy (2013:13) state that conformability refers to the degree to which the results could be confirmed or verified by others. There are a number of approaches for augmenting conformability. The procedures for checking and rechecking the data throughout the study can be documented by the researcher. A different researcher can play a "devil's advocate" part with respect to the results, and this procedure can be documented. The researcher can explore and define any negative instances that contradict prior observations. In this study, the researcher executed a data audit that scrutinised the data collection and analysis processes.

## **4.9 ETHICAL CONSIDERATIONS**

It is important for any researcher to consider ethical aspects relating to the study. At the researcher's institution an institutional ethics committee is in the process of being established. Currently ethical clearance of research projects is provided by the Faculty

Research and Innovation Committee (FRIC) when the proposal is approved (as was the case with this study) (Appendix A).

Approval was sought and granted by the provincial Department of Basic Education to conduct the study in the selected schools (Appendix B).

Anonymity, voluntary participation and informed consent are important aspects of research ethics. In this study, the participants remain anonymous and all information collected during the study is treated as confidential. According to Schofield (2014:101-102), informed consent is the procedure in which individuals choose whether or not to participate in an investigation after being informed of the facts that would be likely to influence their decisions. The research participant has the right to refuse to take part or to withdraw once the research has begun. The participants in this study were given relevant and adequate information on the aims of the research, the procedures to be followed, the credibility of the researcher and how the results would be used. The participants were informed that participation is voluntary, and they would have the freedom to withdraw from this research at any time without fear of any repercussion.

#### **4.10 CONCLUSION**

The chapter commenced with an explanation of the essence of research, followed by the philosophical perspective of the study. This perspective paved the way of the choice and execution of the research design and methods used in the study. The research design discussed and employed in this study is qualitative research.

The chapter further explained the population and the sample for this study. The population was indicated and the sampling procedure outlined. Purposive sampling was used to gather information from participants. Data analysis and coding of data were elaborated on. After data had been collected, it was read through, notes were made, it was summarised and rearranged in order to make sense to the reader. The coding of data and allocation of themes allowed the researcher to interpret data correctly and to provide an explanation of the phenomenon being investigated.

The chapter concluded by explaining trustworthiness in qualitative research. The application of these to this study was also put forward. With this explanation, the researcher aims to ensure that the reader understands the methods that were followed during the research process. Ethical considerations were also looked into.

In the next chapter the data gathered is reported on in a qualitative manner.

## CHAPTER FIVE

### DATA ANALYSIS, REPORTING AND INTERPRETATION

#### 5.1 INTRODUCTION

This chapter deals with analysis, reporting and interpretation of data as obtained from questionnaires. The relevant data is broken into small parts to distinguish frequent patterns and the importance of differences that are relevant to the research study, with the intention of producing a single, particular idea.

#### 5.2 DESIGN OF THE QUESTIONNAIRE

The questionnaire consists of Section A and Section B. Section A required biographic information of participants and Section B required information regarding the research topic through open-ended questions. The questionnaires were distributed to 45 schools in three education districts in the Free State province.

The aim of the questionnaire was to obtain opinions, thoughts and ideas from principals, SGB chairpersons and parents on finance and fundraising committees regarding financial management and fundraising in schools.

##### 5.2.1 Approval process related to questionnaires

The implementation of the questionnaires was facilitated by the following process:

- permission was given by the Quality Assurance division of the Department of Basic Education to conduct research in schools on condition that a report on this study be donated to them;
- permission was also requested and granted by principals to conduct research in their schools;
- the researcher delivered the questionnaires to the principals in person;

- principals were requested to distribute the questionnaires aimed at SGB chairpersons and parent representatives in finance and fundraising committees at their respective schools. The principals were also requested to ensure that the SGB chairpersons and parents on finance and fundraising committees complete and submit questionnaires to the principal;
- the three groups of participants were given a period of two weeks to complete their respective questionnaires;
- the researcher collected the questionnaires from the principals in person. Not all questionnaires were ready at the due date and as a result the researcher allowed another week for completion.

### 5.3 DATA COLLECTION

Questionnaires were delivered to 15 Section 21, quintile 1 and 2 secondary schools in three education districts (Fezile Dabi, Lejweleputswa and Motheo Education Districts) in the Free State province (5 schools per district). A total number of 15 questionnaires were therefore delivered to principals, as well as 15 to SGB chairpersons and 15 to parents serving on the fundraising and financial committee of each school. Data from the participants were obtained by using biographic tables and open-ended questions. The sample consisted of 10 quintile 1 and 5 quintile 2 schools.

**Table 5.1: Questionnaires distributed to and returned by principals**

District	Questionnaires distributed	Questionnaires returned
Fezile Dabi	5	5
Lejweleputswa	5	5
Motheo	5	5
<b>TOTAL</b>	<b>15</b>	<b>15</b>

**Table 5.2: Questionnaires distributed to and returned by SGB chairpersons**

District	Questionnaires distributed	Questionnaires returned
Fezile Dabi	5	5
Lejweleputswa	5	5
Motheo	5	5
<b>TOTAL</b>	<b>15</b>	<b>15</b>

**Table 5.3: Questionnaires distributed to and returned by parents on the finance and fundraising committees**

District	Questionnaires distributed	Questionnaires returned
Fezile Dabi	5	5
Lejweleputswa	5	5
Motheo	5	5
<b>TOTAL</b>	<b>15</b>	<b>15</b>

#### 5.4 BIOGRAPHIC INFORMATION OF PRINCIPALS

The following questions were asked to gather information regarding the gender, experience as principal, qualifications of the principals and the quintiles of participating schools.

**Table 5.4: Gender**

Gender	Frequency	%
Male	12	80%
Female	3	20%
Total	15	100%

Male principals number 12 while 3 are females. This information indicates the national trend where women represent the minority in management positions at schools. This does not necessarily have an effect on the success of fundraising projects undertaken by schools.

**Table 5.5: Experience as principal**

Years	Frequency	%
1-5	7	46,66%
6-10	1	6,66%
11-15	3	20%
16-20	3	20%
21-30	1	6,66%
31-40	0	0%
Total	15	100%

The table indicates that eight principals have 10 years or less experience as principals, while seven have more than 10 years' experience. It would be difficult to ascertain when a principal is seen as an experienced principal, but for this study a principal with more than 10 years is considered to be experienced.

**Table 5.6: Academic qualifications**

Qualification	Frequency	%
No matric	0	0%
Matric	0	0%
University	15	100%
Other	0	0%
<b>Total</b>	15	100%

All principals obtained a university qualification.

**Table 5.7: Quintile of the school**

Quintile	Frequency	%
Quintile 1	10	66,66%
Quintile 2	5	33,33%
<b>Total</b>	15	100%

The above information reflects the quintiles of the schools participating in this study. Ten are Section 21 quintile 1 no-fee type schools and 5 are Section 21 quintile 2 no-fee type schools. These schools are entitled to receive a minimum amount of funding per learner (outside staff costs) that is known as the “no fee threshold”. In 2016, this was set at R1 175 per learner per year. Quintile 1, 2 and 3 schools must receive funding from Provincial Education Departments at this minimum amount. Any other funding for the school must be obtained through fundraising.

## 5.5 BIOGRAPHIC INFORMATION (SGB CHAIRPERSONS)

**Table 5.8: Gender**

Gender	Frequency	%
Male	13	86,66%
Female	2	33,33%
Total	15	100%

The table above outlines the biographic information of the participants with regard to the gender of the participants. The study shows that 13 of the SGB chairpersons are males, while 2 are females. This information reflects that most of the SGB chairperson’s position is still dominated by males.

**Table 5.9: Age**

Age	Frequency	%
30-40	6	40%
41-50	9	60%
51-60	0	0%
60 +	0	0%
Total	15	100%

Nine SGB chairpersons are between the ages of 41-50 and six between the ages of 30-40. This reflects that SGB chairpersons in this study are mature adults, although the group between 30-40 years of age would be considered to be relatively young with children in secondary school.

**Table 5.10: Qualifications**

Qualifications	Frequency	%
No matric	3	15%
Matric	2	13,33%
University	7	46,66%
College	3	33,33%
Other	0	0%
Total	15	100%

The data reflects that 10 SGB chairperson participants obtained post-matric qualifications, while three completed matric. One would therefore consider them to be fairly well, to well educated.

**Table 5.11: Experience as SGB chairperson**

Years	Frequency	%
1-5	10	66,66%
6-10	4	26,66%
11-15	1	6,66%
16-20	0	0%
21-30	0	0%
31-40	0	0%
Above	0	0%
Total	15	100%

The majority of the SGB chairpersons have between 1-5 years' experience, while four have between 6-10 years' experience. Only 1 has between 11-15 years' experience. Parents are available to serve on the SGB while they have children enrolled at the school. This means that some parents opted to make themselves available for election for more than one term of three years. With 10 chairpersons with five years and less experience, one could deduce that SGB chairpersons in this study are fairly inexperienced.

## **5.6 BIOGRAPHIC INFORMATION OF PARENT ON FUNDRAISING AND FINANCE COMMITTEES**

**Table 5.12: Gender**

Gender	Frequency	%
Male	13	86,66%
Female	2	33,33%
Total	15	100%

The parent participants in this study are mostly male with only a small representation of females. This information indicates that men are dominating as representatives on finance and fundraising committees in schools.

**Table 5.13: Age**

Age	Frequency	%
30-40	6	40%
41-50	9	60%
51-60	0	0%
60 +	0	%
Total	15	100%

Most (9) of the parent representatives are between 41-50 years and six between 30-40 years. From the information we can deduce that parents who are involved in finance and fundraising committees of the schools can be considered to be matured.

**Table 5.14: Qualifications**

Qualifications	Frequency	%
No matric	3	15%
Matric	2	13,33%
University	7	46,66%
College	3	33,33%
Other	0	0%
Total	15	100%

Most of the parent participants either have university or college qualifications (10 in total). The rest of the parent representatives either have no matric or only a matric qualification. Information obtained above reflects that most of the parent representatives have obtained post-matric qualifications, which should indicate capacity to contribute meaningfully towards funding decisions taken for their respective schools.

**Table 5.15: Experience as parent representative in fundraising and finance committee in schools**

Years	Frequency	%
1-5	15	100%
6-10	0	0%
11-15	0	0%
Total	15	100%

All parent participants in this study have between 1-5 years' experience in finance and fundraising committees. Normally a child will spend five years in the secondary school. A parent SBG representative may then be elected for a three-year cycle, with the option to be re-elected for a subsequent cycle. In such a case the second cycle representation will be for only two years as the child will then have completed his/her secondary schooling. Some parents may have more than one child in the specific school, which may extend their representation to more than five years, but the data indicates that no parent has been on these committees for longer than five years. One can deduce therefore that most parents in this study have little experience as members of these committees.

## 5.7 THEMES

As per analysis of data discussed in Chapter 4, the following themes were identified and are reported on in this chapter: Financial management, planning and cooperation with financial matters, fundraising challenges and solutions, management of fundraising, fundraising projects, financial and fundraising training and support, fundraising and quality teaching and learning and sources of income.

The next section covers reporting and interpretation of the data gathered through open-ended questionnaires. The themes and sub-themes are as follows:

Nr	Theme	Nr	Sub-theme
1	The importance of good financial management in schools.		
2	Sources of income of the school.		
3	Fundraising projects in schools.	3.1 3.2 3.3 3.4	How funds collected through fundraising are used. Worthwhile fundraising projects. Fundraising challenges and solutions. The type of fundraising projects recommended in schools.
4	Training and support on finance and fundraising in schools.		
5	Fundraising committee in schools.		
6	Fundraising roles in schools.		
7	Ethical measures for school finances (transparency, accountability and responsibility).		.
8	Fundraising and quality teaching and learning.		

## 5.8 REPORTING ON OPEN-ENDED QUESTIONNAIRES

The information obtained from principals, SGB chairpersons and parent finance- and fundraising committee members (hereafter called: the parents) is reported on separately per theme and sub-theme. In some themes the reporting of the three groups are combined to eliminate repetition. The researcher starts by reporting on findings from the principals, followed by the findings from the chairpersons of the SGBs and lastly on findings of the parents.

Important to consider is that interpretations are made after the reporting of each theme and not separately in a new section or chapter.

## **THEME 1: The importance of good financial management in schools**

This theme is discussed by providing data from principals, SGB chairpersons and the parents.

**Principals:** Most participants indicated that it is essential to ensure that there is transparency, accountability and openness in financial management of the school. The participants also indicated that it must be ensured that all stakeholders are allowed to provide inputs when the annual budget is drafted. This allows for more participation with the result that the budget and the financial processes in the school are trusted by all involved. This trust is built on the execution of the budget where quotations are obtained when necessary and receipts of all payments are accounted for. *Principal 3: "The good financial management helps to ensure that financial activities of the school are being conducted in a transparent and open manner that is in line with the requirement."*

Some participants mentioned that without sound financial management the school will not achieve its mission and vision. Effective teaching and learning is dependent upon proper financial management in schools. To ensure that there is effective teaching and learning there must be effective and efficient management of funds. The SGBs must use the mandate that they have been given to raise additional funds through fundraising to supplement the resources that has been supplied by the state. Schools must use funds raised through fundraising to buy additional resources that are used to improve the quality of teaching and learning as well as learners' results. *Principal 8: "Without sound financial management the school cannot achieve its mission and vision. There will be no effective teaching and learning."*

Few participants stated that financial management is very important in schools because it helps with the general management of the LTSM (Learning and Teaching Support Material) office administration, transport, as well as other expenditure. The participants emphasized that financial management must be in line with the financial policy and other financial directives. All relevant stakeholders must be involved in financial management of the school. *Principal 15: "A management system that is in*

*line with the policy and other financial directives, involving all stakeholders and done in a transparent manner.”*

Another participant asserted that the Department of Education must provide training regularly to principals, SMT's (School Management Teams) educators and all newly elected SBGs on financial management in schools for them to gain knowledge and skills of how to run school finances effectively, efficiently and economically. The departmental officials at the district office such as the circuit managers and the deputy director for finance must conduct financial management training for the principals, SMTs, educators and the newly elected SGB members. The provincial Department of Education must budget and provide the training manual for financial management workshops. The provincial department of education must set money aside especially for those trainings in all the education districts in the provinces. *Principal 1: “It is so important so that regular workshops are required for principals and educators.”*

A participant said that financial management is an important aspect in school management because if money is spent wisely and fruitfully, the quality of teaching and learning will be enhanced. Quality teaching and learning will improve the academic performance of the learners. There must be regular control of finances to ensure that expenditure does not exceed income and only authorised expenditure must be incurred. *Principal 12: “This is an important aspect in school management because if money is spent wisely and fruitfully, it can lead to better results.”*

**SGB chairpersons:** Comments were made that it is essential for the SGB to operate within the budget guidelines as determined by the MEC (Members of the Executive Council) of Education. It is important that the budget should be adhered to and that there should be no deviation. Overspending and wasting of funds should not be tolerated as that worked against good financial management. It is necessary that records are kept of all income and expenditure, as well as records for assets and liabilities. *SGB 5: “Work within the budget guidelines determined by the MEC. Don't overspend or waste the monies. Keep records of funds received and spent by the school as well as for assets and liabilities.”*

Some participants stated that it is important to ensure that financial reports are made available to all relevant stakeholders to ensure honesty and build trust. It is to have good relationship between the donors, sponsors, businessmen and the school. It is also important to ensure that procurement of goods and the usage of allocated funds is being monitored and accounted for by all the people involved in financial management of the school. The finance committee must be functional, and meetings must be held where financial reports of the finance committee are discussed in the SGB meetings. The financial report of the finance committee must be given to all relevant stakeholders during the general meeting of the parents to ensure accountability. The finance committee must have a clear understanding of their roles and responsibilities and they must implement them. They must not be established and be there only on paper and be used as puppets. *SGB 8: "Good financial management covers areas such as: The procurement of goods, allocation of funds and monitoring their use in the interest of accountability and producing financial reports to all stakeholders."*

**Parents:** Clarifications were made that all stakeholders must be involved in the drawing of the budget and there must be no deviation. It is very important that the budget must be drawn up in advance and be adhered to. It is also important that when drawing up the budget that the school needs must be taken into consideration. Records of expenditure must be kept and accounted for by the principal and the SGB. The SGB may delegate their financial function to the principal but they remain solely accountable for financial management of the school. It is the SGB's responsibility to ensure that there is efficient and effective financial management in schools. *Parent 13: "Planning: to draw up a budget in advance according to the school needs or relying on our community and environment. Keep records of all assets, income and expenditure."*

Few participants stated that there must be receipts for every transaction that has been made and every cent that is used must be accounted for. The participants further stated it is very important that there must be proof of what money has been used for. It is also important that all money received must be deposited into the school's bank account on a daily basis. It must be ensured that every transaction is coupled with evidence like the invoice, receipts, claim forms, authorisation forms, deposit book, analysis book and the cheque book. *Parent 8: "The money should be deposited at*

*the bank. Any transaction of it should be coupled with evidence. The money received by the school should be made known to all stakeholders.”*

Another participant mentioned that the finance clerk and finance committee must be functional. It is necessary to train the finance clerk and members of the finance committee on their role and responsibilities to capacitate them. Training must be provided by the circuit managers and departmental officials from the finance section in the district. If the school has money available it can make use of external service providers to train them. The principals, the SGB, the SMT, the finance committee and the fundraising committee must receive continuous training because of lack of financial and fundraising skills and knowledge. It is important that the PFMA (Performance Financial Management Act) guidelines are followed to ensure personal integrity which is (honesty, loyalty). *Parent 3: “The finance clerk and the finance committee must be functional. The PFMA (Performance Financial Management Act) guidelines must be followed and personal integrity (honesty, loyalty etc.) must be ensured.”*

**Interpretation:** The most important aspect emerging from the responses above is that there must be transparency, accountability, openness and honesty in financial management of the school. Only then will the school be able to achieve its mission and vision. This is where financial management links with the mission statement strategies. This is in line with Du Plessis (2016:83) who indicates that for the school to realise its goals requires money, and that money must be provided for in the school’s budget.

Financial management in school is very important and as a result regular training in financial management matters is required for educators, principals, SGB members, finance committee members, fundraising members and other stakeholders who are involved in financial issues of the schools. The principals, the SGBs, the SMTs and educators must be provided with the necessary knowledge and skills of financial management. According to Van Rooyen (2012:69) it is noted that in the South African context, where SGBs (especially the parent members of the SGB) have in many cases limited literacy and limited financial management experience, development and training are significantly important to ensure high standards at every school. The SGB,

including the principals and educators, may also need financial management competencies and skills, but they can be trained to perform these functions.

The SGBs are accountable for all monies received by the schools but because of lack of financial management it is important that they delegate that task to the principals and the finance committees. The SGBs can also co-opt members of the community who have financial knowledge and skills to help them with financial management of the school. The SGBs must ensure that there is effective, efficient and economic financial management in schools. It is very important that the SGBs ensure that there is honesty, openness and transparency in financial management. To ensure that there is integrity in place, the finance committee must compile and give financial reports to the SGBs during SGB meetings. The responses of the participants above is supported by Van Rooyen (2012:131) who said that when people or institutions handle funds that do not belong to them, they are accountable for money to the body that made the funds available. In the education context, public funds are involved and this entails a responsibility to account for those funds in a symmetric and prescribed manner. The finance committee must at least, on scheduled dates of SGB meetings, report back on income and expenditure of the school fund.

Comments from principals, SGB chairpersons and parents are mostly similar in context. The essences of good financial management as mentioned above are echoed by these groups of participants.

## **THEME 2: Sources of income of the school**

This theme is discussed by reporting on data from principals, SGB chairpersons and parents.

**Principals:** Most participants indicated that the current sources of income of their schools are from the departmental allocation and funds generated through fundraising. The source of income of the school is also from projects like raffles, recycling of white paper, entrepreneurship day and car wash. Money collected from these projects contribute towards fundraising. When learners collect papers and plastics for recycling they create a healthy environment for people, plants and environment.

Entrepreneurship inspires learners to start their own businesses. It also gives learners knowledge and skills of starting and managing their own businesses. They become job creators rather than jobseekers. When learners start their own businesses they create jobs and decrease the rate of unemployment. *Principal 8: "The budget allocated to us by the Department of Education and the funds generated through fundraising projects."*

Some participants mention that their sources of income of their school are from donations, sponsors, a school vegetable garden and lottery. Money allocated by the state to the school is insufficient and must be supplemented through fundraising. The school requests donations from the donors, sponsors, businesses and former learners who are working or who have their own business. Former learners may be interested in ploughing back to their schools. The school must request information of potential donors and sponsors from the parents and the former learners. The school must have a data base where information of potential donors and sponsors is kept. A day is set aside where vegetables from the school garden are sold to the community and money collected from those vegetable sales contributes towards fundraising. By selling vegetables to the community the school encourages people to have a healthy diet. The school has to complete the lottery forms when they request funds for the school from lotto. The school must indicate for what purpose they need the money. The participants emphasized that their income is from the state subsidy and money market account. The money market account is the investment account. The school must have approval before opening the money market account. The interests from this account contributes towards fundraising. The school uses interest that has been made on the money market account to buy additional resources to supplement resources that have been supplied by the state to enhance the quality of teaching and learning. *Principal 11: "Government allocation, fundraising, donations, school vegetable garden and lottery."*

A few participants cited that their school generates funds by renting out or leasing their classrooms to churches and communities. The participants pointed out that in addition to departmental allocations, income is also generated from rental from Kutloanong projects and recycling of white paper. There is a company that is paying the school for using their classrooms for teaching grade 12 learners of all Kutloanong schools' maths

and science. By sponsoring maths and science classes for grade 12 learners of all Kutloanong schools learners' results are improved. Learners with good results in mathematics and science will be able to study skills shortage disciplines at university level. The company is also paying educators that are teaching learners of Kutloanong maths and science. Money collected from classroom rentals contributes towards fundraising. The participants also indicated that their school generates funds from the tuck shop sales during break and fundraising events like sports competitions. Chairs are rented out for the community for funerals. The schools also receive money that has been allocated to them by the department, depending on the number of the learners and the school quintile. *Principal 1: "Departmental allocation, rental from Kutloanong project and recycling of white paper."*

It was also stated that some schools receive funding from the NSNP (National School Nutrition Programme). There is money that is set aside by the department for the school nutrition programme. Money that is allocated for the school nutrition programme is used to buy food for learners to ensure that they are not learning on an empty stomach. In addition, a participant added that their school also generates funds from school uniform sales to their learners. Schools buy uniforms in bulk to get a discount and sell it at a profit to the learners; the profits made from those sales contribute towards fundraising. The school receives additional funds from the hiring out of halls to the community for meetings and funerals. The school requests a deposit that is refundable when hiring out the school hall. If there are no damages the deposit is refunded. *Principal 7: "School hall, school uniform and learners' activities."*

Another participant mentioned that the income of their school is from departmental allocations. The participant also mentioned that they collect additional funds at their school from an occasional fundraising activity where learners wear private clothes during school hours. A day is set aside for that event and learners pay a certain fee for wearing private clothes. Private wear fundraising event is usually done during Spring days in schools. *Principal 15: "Occasional fundraising activities such as private wear are also done during special days, e.g. spring day."*

**SGB chairpersons:** Most participants indicated that their income is from the allocations made by the provincial education department, fundraising, competitions

organised by the school in collaboration with financial institutions and private companies. Such competitions include an accounting competition for grade 11 and 12 learners. Forms are e-mailed to the school and learners register for the competition. Learners who register must have obtained 60 percent in accounting. They write tests from SAICA (South African Institute of Chartered Accountants) which is the pre-eminent accounting body in South Africa. The competition is facilitated by the subject advisors for accounting in the district. Accounting educators facilitate the competition at the school. Learners write tests at their schools and they are invigilated by their educators. Their scripts are marked by students that are sponsored by SAICA. Learners who are participating receive T-shirts and pens.

Schools who participate in the competitions receive a certain amount of money. The competition helps to improve learners' results in accounting and can encourage learners to be chartered accountants, auditors or work in financial institutions in future.

Grade 8 to 11 learners also participate in entrepreneurial competitions. The school selects the best 15 performing learners per grade in their school. A total of 60 learners per school participate in the competition which is sponsored by private companies like Eskom. The competition is facilitated by the subject advisors of economics and management sciences and educators of the participating schools. Learners do projects and business plans that they present during the competition. The school that wins the competition receives money that is used to develop the school and to enhance the quality of teaching and learning. The competition is also used to instil entrepreneurial skills to the learners. It also encourages learners to be job creators rather than being jobseekers. *SGB 6: "Funds from department, fundraising, competitions organized by financial institutions and private companies."*

The parents indicated the same sources of income as the principals and SGB chairpersons. No elaboration will therefore be made on their responses due to their similarity. One participant said that they do not have sources of income at their school. The participant just said that we don't have. It seems as if the participant misunderstood the question because all the schools receive allocated funds from the department. Funds allocated to the schools depend on the number of the learners and the quintile of the school and that is the most common current source of income of all

the schools. The norms and standards of school funds are used when allocating money to the school. *SGB 11: "We don't have."*

**Interpretation:** The major source of income for all the participating schools is the departmental allocation according to the National Norms and Standards for School Funding. This funding is supplemented by donations, sponsors, income derived through school vegetable gardens and renting out or leasing of classrooms and the school hall. The source of income of the school is also from the interest made from the money market account. The money market account is an investment account and schools must be aware that they must make an application for approval to the HOD (Head Of Education), before opening that account. The school must submit a submission to the HOD where they explain how they will utilize the interest made from the money market account. These types of income are what are normally found in schools and is confirmed by Du Plessis (2016:85) who mentions the following types of income: school fees (not relevant for this study), renting out of facilities, voluntary contributions, donations, fundraising activities and interest on the bank account.

### **THEME 3: Fundraising projects in schools**

Three groups of participants which are the principals, the SGB chairpersons and the parents representatives' responses on the sub-theme on how funds collected through fundraising are used in schools are similar. Responses from three groups of participants will be collated to avoid repetition.

#### **Sub-theme 3.1: How funds collected through fundraising are used**

In this sub-theme the information obtained from all three groups of participants are reported as a unit, as the information provided overlapped.

Most participants indicated that funds collected through fundraising in their schools are used to subsidise learners during school trips because their parents are unable to pay for them because of unemployment. Funds collected also subsidised the grade 12 farewell functions, especially in Section 21 quintile 1 and 2 no-fee schools because their parents are unable to pay for them. Participants further indicated that funds

collected are used to buy incentives for the best performing learners in school activities and academically. The participants also assert that funds collected through fundraising in their school are used for excellence awards. Incentives and awards received by the best performing learners encourage other learners to work hard and improve their results.

It is very important to motivate learners to work hard to improve their academic performance by inviting a professional motivational speaker that will address them if the school has money to pay the speaker. If the school does not have money they can use district officials or educators that know how to motivate learners. Such activities increase the number of learners who obtain the requirement to qualify for enrolment towards a Bachelor's degree. *Parent 9: "If we get a motivational speaker to speak to matrices to motivate them, we have seen from the past that more of them get a bachelors pass. It is just that we need to get the money to pay him. We have used a district official also in the past who did not charge us."*

Grade 12 learners' farewell functions are subsidised with money that is raised through fundraising to supplement money that has been paid by the parents and budgeted for farewell because it is not enough. *Principal 7: "Subsidising learners during school trips and grade 12 farewell functions. Buying incentives for learners participating in school activities."*

Some participants stated that funds collected through fundraising at their school are used to subsidise sports trips and to buy sports attire, especially for learners in Section 21 quintile 1 and 2 no-fee schools. The parents of the learners who are attending Section 21 quintile 1 and 2 no-fee schools are unable to pay for their children's sports trips and attire because of unemployment, hence they are subsidised. By subsidising school sports trips the school helps and encourages the learners to participate in sports. The school produces soccer stars, netball stars and athletics champions of tomorrow by motivating learners to participate in sports and athletics. We have learners who participate in rugby in schools who are now playing for the Springboks. Participants also emphasised that funds collected at their school are used to improve the school building to create an environment that is conducive for learning. The participants further mentioned that additional funds are also used for minor repairs like

sealing the leaking roofs, renovating the classes, paying for telephones, photocopy machines and faxes, and buying photocopy paper. *Parent 7: "To subsidize sports trips and attire, we have sport teams that need to go on trips and we pay for some of that. Also we use it for minor repairs to buildings if it is really needed."*

A few participants said that funds collected through fundraising in their school are used for transport and the feeding scheme especially for grade 12 learners' weekend and holiday classes. There is money that is allocated for the school nutrition programme for each school. Money from the National School Nutrition Programme is used to feed the learners. It is important that the school ensures that learners are not learning on an empty stomach. It is also essential that it is ensured that grade 12 learners who are at the learning camps to improve their results are provided with food. *Principal 8: "Mainly transport and feeding scheme (especially for grade 12 weekend and holiday classes)."*

One participant mentioned that funds collected through fundraising in their school must be used for the purpose that it has been raised for. Additional funds raised must be used for the needs of all learners at the school. It is very important that there be no deviation and the school must stick to the purpose that funds were raised for. Additional funds raised through fundraising are used for buying trees for Arbour day and also for maintenance of the building, photocopy machines and the sewage system. Funds are used for minor repairs and renovations like painting the classes, the hall, the toilets, the offices and the staffroom. The participants further mentioned that additional funds are also used to improve the school ground and the infrastructure to create an environment that is conducive for learning. It is important to improve the school ground for the safety of the learners. Fundraising was also done to buy the curtains for the staffroom, the bathrooms and the offices. *SGB 6: "Funds are used for the purpose for which they were raised, e.g. there may be a fundraising activity to buy trees to be planted on arbour day, etc."*

Another participant pointed out that funds collected through fundraising are used for paying employees who are appointed in SGB posts. It is very important that the SGB must appoint additional educators with scarce skills and knowledge to improve the quality of teaching and learning. The participant pointed out that additional funds

collected in their school are used for development of infrastructure and maintenance of the school building, and buying equipment that is used by the learners and educators to enhance the quality of teaching and learning. The participant stated funds that are collected are used to pay for learning camps, especially for grade 12 learners to improve their academic performance. Educators who have good experience and content knowledge and skills of teaching grade 12 learners are used to teach at the learning camps. Grade 12 learning camps are monitored by officials of the Department of Education to ensure that learners are taught and that teaching and learning time is not compromised. The districts also provide learning material and subject content that must be used at the learning camps. *Principal 10: "Development on infrastructure and maintenance. Buying of equipment to enhance teaching and learning. Camps for improvement of results."*

A participant also indicated that additional funds collected are used to subsidise choral music competitions. The school buys attire for learners and pays for their transport for choral music competitions because their parents are unable to pay for them. *Parent 7: "We supplement feeding scheme, we help to transport our learners during games or choral music competitions."*

**Interpretation:** Comments were made from three groups of participants that it is important that funds collected through fundraising in schools are used for subsidising learners during school trips and for grade 12 farewell functions. The aim is to encourage learners who are unable to pay for school trips because of poverty to participate in school activities. It is important to buy incentives for learners who are performing very well and participating in school activities to motivate them to improve their performance.

Additional funds are also used for the development of the infrastructure and the school ground to create an environment that is conducive to learning. Section 36 of SASA, Act 84 of 1996 collaborates with the responses of the participants above by mentioning that the SGBs have been assigned the tasks of taking all reasonable steps within its means to supplement the resources provided by the state to improve the quality of education that is provided by the public schools to all learners. The responses from participants above are supported by Lekalakala (2006:47) who indicated that

fundraising is when the school decides to increase the fund for specific reasons, such as purchasing a photocopier machine or improving sporting facilities. Fundraising is an event that offers ample opportunities for a school to solicit other types of donations and build relationship with the community

### **Sub-theme 3.2: Worthwhile fundraising projects**

In this sub-theme the information obtained from all three groups of participants are reported as a unit, as the information provided overlapped.

Most participants indicated that to ensure that the fundraising projects become worthwhile in schools they must be planned properly. The implementation of fundraising projects must be monitored to ensure that they are worthwhile. It is very important that all the stakeholders involved are allocated their duties to ensure accountability. The participants also indicated that to ensure that a fundraising project become a success, planning of the project must be done timeously. There must be cooperation among all stakeholders involved in fundraising projects. They must work as a team. *SGB 4: "Planning for me is the most important, that and to monitor it all the time. Everyone must work as a team and the project must be completed in time to make sure the funds are received when needed."*

It is necessary that all stakeholders involved in fundraising projects must be given reports or feedback after fundraising, finance or parents meetings to build trust. The participants assert that the school must look back on how the project unfolded to check any mistakes that may have been made and to come up with a plan on how to improve on the same project. The participants agree that the implementation of the fundraising project must be monitored to check whether they are successful or not. In the case where the fundraising project is a failure the principals, the SMT, the educators and the fundraising committee must come up with another to ensure that it is a success. The fundraising projects must be evaluated to check whether it meets the set standard. *Principal 4: "Planning, allocating duties to different stakeholders, monitoring the project to meet the set standard, implementation and evaluation of the project."*

Some participants said that to ensure that fundraising projects become worthwhile in their schools their implementation must be evaluated and monitored to check whether there is progress or failure. The participants added that to ensure that fundraising projects are worthwhile, meetings must be called where all stakeholders are given reports on how money collected through fundraising has been used. *SGB 1: "Preplanning of the projects, evaluation, implementation and make a follow-up that they function well."*

It is also important that funding be used for what it was intended for. *Parent 8: "The money accumulated for a certain project, must be used for that project, no deviation in that regards. Items bought with that money must be shown to the donors as evidence to their contribution."*

A few participants mentioned that to ensure that the fundraising project is meaningful, any issues must be discussed in a meeting. It is very important to ensure that all stakeholders involved in fundraising have clear goals and tasks to ensure accountability. There must be cooperation among all stakeholders involved These projects become successful if there is communication between all stakeholders. Communication plays a very important role in fundraising projects as well as in all other activities of the school. Additional funds that have been raised must be channelled towards planned objectives and there must not be a deviation. *Parent 11: "Thorough planning of and they must have specific goals for each project. All stakeholders must have clear goals to play and money raised should be directed towards the planned objective."*

One participant said that to ensure that fundraising projects are worthwhile, both parents and learners must change their attitude to become more positive. It sometimes seems as if they are negative to engage with such fundraising activities and fail to participate fully. The participants added that the purpose of the project must be specified to all the stakeholders. The participants assert that Items bought with the money that has been accumulated from the fundraising projects must be shown to the donors as evidence of their contribution to build trust. It is also very important that proper channels must be followed when asking for donations or sponsors. *Principal 7:*

*”Change the attitude of both parents and learners to be more positive for fundraising and specify the purpose of each fundraising project.”*

Participants said that to ensure that fundraising projects become worthwhile in schools they must be included in the school year plan and form part of the school development plan (SDP). The participants added that all relevant stakeholders must be involved in fundraising projects and be given feed-back to ensure that they become valuable. The participants said that to ensure that fundraising projects become meaningful projects every committee that has a project must inform the fundraising committee in advance about its projects and give them the reason for raising funds. The participants emphasized that to ensure that fundraising projects become worthwhile all relevant stakeholders must be informed in time about the project. *Parent 9: “Every committee that has a project to notify the fundraising committee well in advance about its projects and the reasons for raising funds. All projects to be included in the school year plan. All stakeholders to be informed in time about such events.”*

**Interpretation:** Three groups of participants which are the principals, the SGB chairpersons and the parents are in agreement that fundraising projects must be planned properly in advance to ensure that they are worthwhile and can give desired results. Fundraising projects must be monitored at all times by the principals and the SGB and have clear objectives. It is very important that all stakeholders must be actively involved and have clear roles in these projects. Proper channels must be followed when running a fundraising project and money that has been raised must be used for what it was intended for.

All stakeholders involved in fundraising projects must be cooperative and be given feedback during the projects and at parents’ meetings. In a case of fundraising projects being a failure, the committee must come up with strategies to ensure that the projects are successful. Parents, learners and educators must change their attitude towards fundraising projects to ensure that they are worthwhile. Educators as well as committees who are running a project must inform the fundraising committee in time to do the planning. This concurs with Potterton *et al.* (2003:15) who state that once a fundraising objective has been established, a plan of action must be drafted. Such a plan should include the activities to be completed, link to specific people to assist in

their completion, the time frame of the fundraising activity and the objective of the funding.

### **Sub-theme 3.3: Fundraising challenges and solutions**

In this sub-theme the information obtained from all three groups of participants are reported as a unit, as repetition is to be avoided.

#### **Challenges:**

Most participants indicated that problems they are facing regarding fundraising at the school is lack of parental support because of unemployment. The participants added that parents are relying on child support grants and pension grants and are therefore unable to contribute towards fundraising. Many businesses and companies are not willing to donate or sponsor these schools because of lack of financial management skills and knowledge in schools. *Principal 3: "Our parents do not really get involved as many are not employed and if they are they do not get so much money. Many rely on different grants they receive."* *SGB14: "I have found that the businesses and other companies do not want to sponsor our school. They do not trust the finance skills and how their money are managed at the schools."* The parent participants concurred that there is a lack of interest from the parents and commitment from the surrounding community of the school to attend and support fundraising events. These participants also expressed frustration regarding their inability to change this pattern. *Parent 12: "We can organise the events, but each time we struggle to get the parents and the community here to support us. I wish we could change this."*

Some participants mentioned that lack of proper planning of events and not making the effort to visit potential donors and sponsors are hampering fundraising success. The participants also mentioned that proper fundraising documents are not prepared and presented to the potential donors and sponsors in time. *Principal 6: "We should take more time to plan our events and to make sure we have all the information in our documents. Sometimes our documents that we take to sponsors can look better with more information, but we learn."*

A few participants said that they are of the opinion that fundraising events are not that successful because the same type of event is held each year. New ideas should be put in place to keep the excitement and ensure that parents and the community attend. *SGB 8: "I think the same event is repeated too many times, then nobody attends anymore."* A participant also emphasised that no feedback regarding funds raised in the form of an official report is released after the event, and that the funds collected by some educators do not always reach the cashier's office. It seems difficult to put control measures into practice to curb such a problem. *Parent 5: "We do not get report on how funds on fundraising were used for. Some educators are not honest during the collection of money from the learners."*

### **Possible solutions:**

Most participants indicated that challenges they are facing concerning fundraising in schools can be solved by creating jobs.. The participants further indicated that some parents have skills or trades that they can use to contribute towards fundraising in schools although they are unemployed, like repairing doors, painting classes, fixing the leaking roofs and water pipes. *Principal 10: "Creation of employment for parents who are not working and staying, in poverty stricken areas."*

Parents must be motivated to participate in fundraising events or activities despite their level of education, and be made aware of the importance and the purpose of fundraising. Parents who are actively involved in education of their children influence quality education. Their children become responsible citizens after finishing school. *Parent 13: "Parents should be involved in projects, even if they are not educated because their children will benefit from their presence and be good citizens when they grow up."*

Some participants pointed out that challenges can be solved by planning fundraising events or activities well in advance. The participants further pointed out that it is essential to involve all the relevant stakeholders in the planning process of the activities or events. The participants assert that the aim of fundraising events must be communicated to all relevant stakeholders in time to solve any challenges. The participants added that to solve challenges it is important that all stakeholders involved must have clear roles to play so that they can be held accountable. *Principal 14:*

*“Fundraising should be planned well in advance and everyone involved must have clear roles to play.” SGB 9: “Everybody must know what the aim of the fundraising is, in that way they will be more committed to work hard to make it a success.”*

Some participants emphasised that their challenges can be solved by figuring out realistic profit goals and spending limits to avoid a situation where the fundraising project will run at a loss. They indicated that even a good fundraising project can have negative results if profit margins and costs are not included in the projections. *Parent 1: “If we make sure that we have a good profit and that our costs are not too high, then the project can work without problems. We do not want to make a loss with a good project.”*

A participant mentioned that fundraising can be a great opportunity to teach learners responsibility, how to handle money, to develop entrepreneurial skills and make a difference to their schools. By instilling entrepreneurial skills in learners the school provides them with business knowledge and skills. *Principal 3: “If learners are involved, they learn to take responsibility and with that the project can teach them some entrepreneurial skills. This will be good for the learner and the school as they will learn some skills regarding how a business work.”*

Another participant indicated that the challenges can be solved by following proper channels when requesting funds from the business sector. There must be a proper plan which should be presented to businesses in a professional manner to enhance the chances of obtaining funds. *SGB 10: “If we want funds from businesses we need to plan the project well and then present our plan to the businesses. We need to look professional and make sure we know what we talk about to get funding.”*

The participants asserted that challenges they are facing must be solved by making parents aware of the importance of taking part in the education of their children by volunteering to participate in the planning process of fundraising events or activities. By volunteering in the education of their children the parents will be assisting the school in building success (legacy). Parents must participate actively in the quality of teaching and learning. Education of the children is their parents’ responsibility. *Parent 4: “Parents need to feel comfortable to volunteer for fundraising events. This way they*

*are involved and get to know the teachers and will help to leave a legacy of participation as they are the responsible persons for their children and education.”*

It is very important to advertise and market fundraising events to the staff and the community. A community with marketing and advertising knowledge and skills can be requested by the school to assist them to market and advertise their fundraising project. *SGB 5: ”The community must know about the fundraising. We must get people in who know how to market and advertise.”*

**Interpretation:** It is not an easy task to organise successful fundraising events or activities for no-fee schools due to a variety of reasons. Some of these are:

- lack of support of parents because of unemployment;
- businesses that are unwilling to support school fundraising events or projects;
- parents relying on child support grant and pension grants for their sole income;
- lack of interest from the community.

The responses from the participants above is supported by Ngobeni (2013:1) who states that fundraising is never easy, especially in no-fee schools because of the challenges such as poverty, unemployment, child-headed families and the level of education of most of the parents of learners who are attending those schools.

Possible solutions to the challenges are:

- by planning fundraising events or activities in time;
- by involving all relevant stakeholders in the planning process of fundraising events or activities;
- all stakeholders that are involved in fundraising activities or events must have clear roles to play and be held accountable;
- by motivating the parents, the staff and the learners, the SGBs and the community around the school, to participate fully in all fundraising events or activities of the school; and
- by following proper channels when requesting money in the form of fundraising from businesses.

### **Sub-theme 3.4: The type of fundraising projects recommended in schools**

In this sub-theme the information obtained from all three groups of participants are reported as a unit, as repetition is to be avoided.

Most participants indicated that they recommended fundraising projects like raffles, beauty contests and casual wear at their school. The participants further indicated that these types of fundraising projects are fully supported by all relevant stakeholders. All learners are given tickets to sell to learners of other schools, to educators, parents and the community. The school secures raffle prizes from various types of businesses in the community. Money raised through raffles is used to supplement the shortages at the school because money and resources provided by the state are not enough.

*Principal 13: "We find that stakeholders support the idea of fundraising such as raffles and to wear casual clothes at a price. They get raffle tickets to sell to schools and their parents and we get prizes from the companies and businesses around here". SGB: 12: "We have a beauty contest each year that brings in money for the school. This is supported by people and we need this money for more resources."*

The school also requests the local businesses to sponsor their bazaar or to donate food, meat and drinks that will be sold at the bazaar. In that case the school does not have any expenditure for the bazaar. There is a mutual benefit between the school and the community. Good relationships are built between the community, the parents and the school during such fundraising events. In many cases it is the same parents who participate. *Parent 7: "We have a bazaar that works good because we get sponsors for some food like meat and also cold drinks. We get the community and parents to come, but it seems as if it is the same people each time."*

Learners are requested to wear their casual clothes on an identified day. Learners are charged a certain amount of money for wearing such clothes. Money is collected by the class educators from the learners. A day regularly used is around Heritage day because it teaches learners about their own and other people's culture and that improves learner's information on cultural diversity. *Principal 1: "We use some days where learners can wear casual wear for a fee and one such day is normally close to*

*Heritage day so that learners can wear something from their culture. They learn from each other in this way as well.”*

The participants emphasized that school sporting activities like soccer and netball attract learners, educators, parents and members of the community. Parents and outsiders are charged a certain amount of money to watch soccer and netball matches. Money collected from the entry fee for watching soccer and netball contribute towards fundraising. *SGB 11: We use the sporting days to charge a fee from parents and the community to watch the soccer and netball.”*

Another fundraising project recommended by participants is to apply for the school to be used as a marking centre. The school will be paid money by the department for this. The school has to acquire the food, coffee and tea before being paid and this can be a problem for many schools as they do not have the necessary cash flow. *Principal 8: “We want the school to be used as a marking centre as we get good money for that. But we have to buy all the food and drinks before the time and we need to have funds to do that. We only get the money from the department later on.”*

Some participants stated that they recommend fundraising projects like recycling of white paper. Learners collect waste paper and it is stored safely at the school. When the learners have collected enough waste paper an arrangement is made with the recycling company to collect it. The school raises additional money from this. *Parent 14: We use recycling of white paper by the learners. The collect it and we store it at the school and when we have enough it is collected by the recycling company.”*

The participants added that they allow the community organisations to use the school property at a reasonable tariff and in that way additional money raised supplements funds that have been provided by the state. The participants also added that they yield positive results by hiring out school properties, for example the school hall and classes, to the community organisations and the churches. Chairs are rented out to the community for funerals. *Principal 7: “We allow community organisations to use school property at a reasonable tariff and it is successful. Also the chairs for funerals which bring in more funds.”*

Another participant indicated that they recommend the YES SOCIETY project and entrepreneur's day at their school. The participant added that the YES SOCIETY and entrepreneur's day instil entrepreneurial skills in learners as these days educate and encourage them to create their own jobs in future; and by creating jobs they will be reducing the rate of unemployment. The YES SOCIETY is an initiative that is run by the Department of Basic Education with Enterprise Trust (EWET) and in partnership with the Eskom Development Foundation. The programme runs together with the foundation's annual Simama Ranta entrepreneurship competition, with the aim of identifying South African Secondary Schools that are exemplars in entrepreneurship education. The YES SOCIETY and Simama Ranta want to empower young people by encouraging and teaching them to think about entrepreneurship as a career choice. That inspires the youth to become job creators and not job seekers by learning the skills to run and start a successful business. *Principal 5: "Yes Society project (Youth enterprise society) is something we use and recommend because it teaches our own learners how to create their own business rather than looking for a job. It gives learners experience while they are still at school."*

One participant mentioned that they have little success at their school during fundraising projects, but the participants did not mention which fundraising projects. The participant further mentioned that parents are not fulfilling one of their responsibilities in school which is to support and participate in fundraising projects. The participant indicated that parents are not doing what they have agreed on during their meetings. *Principal 10: "We really have little success as parents do not meet and carry-out their obligations in terms of the agreement arrived at the meetings."*

One of the participants said that the lack of involvement of the school community makes it difficult for them to have a particular project in mind that they want to achieve. The participant suggested that a project to erect a water reservoir would be an ideal project as there is a problem of water supply in the school because of lack of rain. There is also a problem of water in school because of the problem of water pipes that often burst. By using the water reservoir the school reduces or cuts the cost, and money that was supposed to be used to pay for water is used for buying additional resources. *SGB 10: "The level of involvement of the school community makes it difficult to do a particular project we have in mind. Undertaking a project to erect a*

*water reservoir would be an ideal project as the water supply to the school is a course for concern. We will need the business sector to become involved.”*

Other fundraising projects mentioned by participants include music festivals, gala dinners and puppet shows as they may attract many learners and generate a lot of money.

**Interpretation:** A number of fundraising projects were mentioned by participants. Many of these can generate the necessary funding for schools. It is important that any fundraising project is planned properly and that the entire community should be aware of it. Although some participants mentioned that the community gets involved, there still seems to be a challenge in ensuring proper participation by the parents and community members. Learners need to recommend fundraising projects that can lead to entrepreneurial activities for the school. This will ensure a more regular and secure inflow of funds towards the school. The views of participants are supported by Van Rooyen (2012:151) who states that by introducing conversation about entrepreneurship during fundraising events, learners have more potential to be involved in these efforts and become aware of entrepreneurial information. Naidu *et al.* (2008:170) mention that the principle behind entrepreneurial activities in schools is that each participating learner obtains enterprise education and develops new skills that generate money for the school and contribute towards fundraising.

#### **THEME 4: Training and support on finance and fundraising in schools**

This sub-theme reports on data obtained from all three groups of participants.

**Principals:** Most participants indicated that they did not receive any training on finance and fundraising in schools from the department. They use their own knowledge and ask for assistance when they do not cope. *Principal 6: "None, I use my own ideas and when I do not know, I ask someone who may know."*

Some participants stated that they did receive training regarding the management of school finances from the Department of Education through workshops held by the finance section of the department. Participants were not specific on which financial

matters or issues they received training. *Principal 11: "The Finance Section from the department conducted workshops periodically on financial issues."*

A few participants mentioned that they received training from the department on the budget process, the reporting lines in financial management and on the national school nutrition programme. National nutrition programme is a programme used to feed the learners to ensure that they do not learn on an empty stomach. None of these participants mentioned receiving training on any aspect of fundraising. *Principal 4: "I remember receiving training on the budget process, national school nutrition programme and reporting system, and nothing on fundraising."*

One participant stated that they received training by the department only on the basis of financial management that is in line with SASA and Free State Department of Education Act 2 of 2000. SASA documents have important information on all aspects of financial management of the school. It elaborates on important roles and responsibilities of SGBs. The participant further stated that they obtain additional information regarding financial matters of the school on their own by reading the ELRC documents. *Principal 10: "Just basic training on financial management in line with SASA and Free State Department of Education Act of 2000. The other experience one gathered from ELRC."*

**SGB chairpersons:** Most participants indicated that they received training regarding finance and fundraising matters from the department on financial management and school governance. The circuit manager conducted training for them regarding the whole process of financial management in schools. This training is generally provided at the start of each cycle of SGB elections (every three years). SGBs must be orientated and capacitated on the financial management process in schools through coaching, mentoring and continuous trainings by the department of education. SGBs trainings must have a positive impact and empower them to perform their duties diligently. *SGB 1: "The whole management process by the department of education by the circuit manager"*.

Some participants said that they did not receive any training regarding financial and fundraising matters in schools from the Department of Education. *SGB 2: "We have*

*not attended any or receive training from the department regarding financial and fundraising matters.”*

A few participants stated that they receive training on budgeting and appointment of food suppliers for nutrition purposes. The school must have a clear understanding of tender processes. It is very important that the school should not compromise quality when they choose the food supplier. They also received general training on the functions of the SGB. *SGB 6: "Budget procedures and appointment of food suppliers because we need to make sure of the quality of the food."*

**Parents:** Most participants indicated that they did not receive any type of training by the department regarding finance and fundraising in schools. They stated that they gained information on their own. *Parent 2: "I try to make sure that I gain information on finance aspects as I did not receive training in these."*

Some participants stated that they received training by district officials regarding finance and fundraising matters in schools. This training was not comprehensive, but a short programme of a few days. Participants did not stipulate the specifics of the training they received. *Parent 7: "Short training was done by district officials around May 2015 in Welkom for a few days."*

A few participants mentioned that they gained knowledge by studying education management, governance and school finance as part of their BEd Honours degree in Education management. *Parent 4: "I am a teacher and studied education management in my honours degree, so I have some idea what to do."*

One participant pointed out that he received training from ABSA and Eskom on how to run fundraising events. The participant added that the educators and the learners were given permission by the school to attend a workshop that was conducted by ABSA and Eskom on how to run fundraising events or activities. *Parent 5: "Department allow some educators and learners who participate in YES SOCIETY project to attend training organised by ABSA and Eskom, in order to get skills about running the fundraising."*

The participants capacitated themselves by studying on their own. They could have been without any information regarding finance and fundraising in schools if they did not take the initiative of studying on their own.

**Interpretation:** Principals, SGBs and parents on finance and fundraising committees must receive continuous training on financial and fundraising matters from the Department of Education to capacitate them. The Department organises such training programmes, but they are not always well attended by SGBs. It is essential for each school that the principal and SGB receive proper financial management training. If possible such workshops must be made compulsory to attend, although this may be difficult to enforce as SGBs are not employers of the Department. It seems as if training in fundraising matters are not a priority for the Department. No participant mentioned anything regarding a formal fundraising training workshop. In the dire financial times many of these schools find themselves in, such training is essential to the financial survival of many schools.

Newly appointed SGB members must be trained as soon as possible after they were elected. Lack of such training will leave them with very little formal knowledge of both school finances and fundraising. They need to be provided with information on how to manage and monitor the budget to curb corruption, fraud and mismanagement of funds. Proper management of funds build healthy relationships between the school, the donors, sponsors, private companies, individuals and businesses that are donating money to the school. This is in line with Clarke (2009:278) who mentions the importance of school principals to ensure that they acquire the necessary knowledge that is needed to understand the basic processes involved in managing the school accounts, the budgeting process, and the systems and controls that are necessary to make sure that the school funds are not misappropriated or mismanaged.

Some participants mentioned that they studied BEd Honours in education management, governance and financial matters. Others have stated that they read ELRC documents to capacitate themselves. This indicates that some participants took it upon themselves to ensure that they gain the necessary management knowledge to execute their tasks at their schools. Mestry and Bischoff (2009:14) mention that a

course in financial management is essential for preparing and providing principals with financial skills and competencies.

## **THEME 5: Fundraising committee in schools**

For this theme the information obtained from all three groups of participants are reported as a unit in order to avoid repetition.

Most participants indicated that it is very important to establish a fundraising committee as a sub-committee of the SGB because it helps the SGB to oversee the fundraising projects and achieve the expected goals. The participants further indicated that the finance and fundraising committee also help the SGB to achieve its fundraising targets and recommend new fundraising initiatives to avoid a situation where the stakeholders will be bored by a fundraising activity that is repeated over and over again. *Principal 1: "It is a very necessary committee. The fundraising committee will be able to help the SGB to oversee the fundraising projects. They can provide the goals that must help the SGB to reach the fundraising targets they set."*

In addition, participants mentioned that a fundraising committee must be established as it assists the SGB to speedily facilitate the process of fundraising. Fundraising has become so important that such a committee can do the hard work and report to the SGB. The participants further mentioned that the fundraising committee must brainstorm to bring forth new fundraising ideas. *SGB 4: "It will help to speedily facilitate the process of fundraising and will also may come up with other plans on how to fundraise. The SGB must be helped as fundraising is now very important for schools."*

One participant indicated that establishing a fundraising committee will be a duplication of the finance committee. The participant opined that the fundraising committee will execute the same duties as the finance committee which may cause confusion. The participant suggested that the finance committee must appoint people that have fundraising knowledge and skills to deal with fundraising issues, but that they must not be regarded as a fundraising committee or any other committee. *Principal 15: "This will lead to too many committees dealing with the same aspect*

*(finance) in the school premises. An ideal situation is for the finance committee to appoint people to lead this section from the start to finish.”*

Another participant indicated that the fundraising committee should mostly consist of external members who are driven to raise funds. An SGB member can chair this committee. The key is that members of such a committee should be hardworking with a drive to succeed. Then only will such a committee have any value. *Parent 6: If you can get people who are driving this committee, like outside people who are good at it, then this committee will be a good committee. It can be chaired by the SGB member, but they must be hard workers. Otherwise it will not really work.”*

**Interpretation:** It seems very important for the SGB to establish a fundraising committee as a sub-committee of the finance committee. The general opinion is that they will assist the SGB with the planning of fundraising activities. What is important is that such a committee is worth nothing if members are not committed and driven to succeed. The fundraising committee has the projects of the year to plan and execute, with the assistance of the SGB, parents, educators and learners and thus play a role in generating additional funding for the school.

It is also believed by a participant that a fundraising committee will merely duplicate the functions of the finance committee. However, fundraising has become such a critically important aspect within schools that a separate committee may be the only option to be successful in this regard. The finance and fundraising committees are not performing the same function. It is stipulated in Section 30 of the SASA (South African Schools Act) that it is the responsibility of the SGB to establish a finance committee and fundraising committee as sub-committees of the SGB. Mestry (2011:68) agrees by indicating that the SGB is allowed to establish other sub-committees such as a finance committee, fundraising committee and tuck-shop committee.

People with finance and fundraising skills and knowledge must be co-opted in fundraising committees to assist with management, planning, implementation and monitoring of finance and fundraising issues. The finance and fundraising committees must ensure effective and efficient management of finance and fundraising in schools.

## THEME 6: Fundraising roles in schools

For this theme the information obtained from all three groups of participants are reported as a unit in order to avoid repetition.

Most principal participants mention that their role in fundraising is to identify the needs of the school in order to improve teaching and learning and academic results. They further mentioned that they must motivate the parents and the broader school community to be actively involved in all the school activities, including fundraising activities. They asserted that they must also exert themselves to improve the participation of parents and the community. One way of doing this is to improve their communication channels in which fundraising information is provided. *Principal 15: "We know what our needs are to be better with our teaching and to get higher results, so we need to motivate everyone to participate when we organise fundraising events. The money from these events can help us better our results".* *Principal 7: "I need to make sure that we have good communication channels to the parents and the community, otherwise we will never really get them involved."*

Some principal participants were of the opinion that their role in fundraising is a shared role with the SGB. They mentioned that as a member of the SGB, principals are automatically involved in all decision-making regarding fundraising. They see their role more as that of a motivator to ensure that committee members tasked with fundraising stay committed. In other words, more of a leading than a managing role. *Principal 9: "I share fundraising with the SGB, as I am a member of the SGB. I am part of decisions taken there."* *Principal 6: "We have people directly involved in fundraising, I need to motivate them so I am more a fundraising leader than a fundraising manager."*

SGB chairperson participants were unanimous that they have a leading role to play with regard to fundraising in their schools, as financial aspects in a school are the responsibility of the SGB and therefore they have to be seen as a leading participant. *SGB 1: "I am the chairperson of the SGB and so directly responsible for financial matters in the school. Fundraising is one of these matters, so I am also the leader of that."* Although there are different committees dealing with financial aspects in a school, most SGB participants agreed that they are ultimately responsible for all

financial matters, irrespective of other committees of which they may not be a member of. *SGB 11: "I am not a member of the fundraising committee, but they are also my responsibility as they deal with finances of the school through fundraising."*

Parents play a major role in the education of their children as they are directly involved in the teaching and learning their children receive. Active participation of parents in the education of their children is seen as essential by most parent participants. In this way their parent participants' role with regard to fundraising becomes even more important. Parent participants represent other parents on the SGB and other committees, such as finance and fundraising. *Parent 13: "I believe parents must be involved in their children's schools. I see my role as very important as I represent the other parents on the SGB and other committees. I must make sure that we give the best to our children."*

Parent participants stated that they have a responsibility to generate ideas to raise funds and to be the ones that drive the process to succeed. They are of the opinion that their children will benefit from their hard work with fundraising. They stated that if they know their children will benefit, they are prepared to put in the effort to raise as much funds as possible. *Parent 15: "I am also on the fundraising committee and believe that I must help with good ideas to raise funds. I have to work hard to make sure it is a success." Parent 9: "If my children will score from the funds in the school, then I will give everything to get as much funds as possible. We just want the best for our children."*

All three groups of participants mentioned that part of their role is to control, to manage and to provide guidance on how fundraising must be done. They further mentioned that their role is to ensure that all the necessary resources needed for the fundraising events are available in time to make certain that the event or activity is a success. *SGB 8: "Fundraising must be managed and controlled and sometimes I must guide others, but that is my role so that is what I do." Principal 14: "It is important that resources are made available for their event, which I see as part of my role."*

In addition, participants mentioned that the teachers and learners play a vital role in the success of any fundraising project. They are the ones who will mostly communicate the event to the community. One participant mentioned that these two

groups are the glue that will make or break a fundraising event. *Principal 10: “We should never forget also the teachers and learners. They play a big role in fundraising. I say they are the glue that will hold it together or it will fail.”*

**Interpretation:** All stakeholders (principals, teachers, learners, parents and the community) have a role to play to ensure fundraising success. Although each role is important, the proper management of such an event is essential. Here the SGB (which includes the principal) has the leading role to play through the allocated committees. They must take charge and ensure that all resources, both human and financial, are in place to drive such a fundraising event.

The marketing of the event plays a major role in its success. People have the tendency to forget about such events if they are not reminded regularly. Each group has the role to ensure that the event is made known and stays known until it takes place. The community needs to be reminded through a communication role to be played by all involved.

### **THEME 7: Ethical measures for school finances (transparency, accountability and responsibility)**

For this theme the information obtained from all three groups of participants are reported as a unit in order to avoid repetition.

Most participants indicated that to ensure that transparency, accountability and responsibility are adhered to in terms of school finances there must be regular finance committee meetings – at least quarterly. At these meetings, members must interrogate the financial figures to ensure proper reporting is done to the SGB at their meetings. More regular meetings can also be called if necessary. *Principal 2: “Effective finance committee meetings are necessary where every member is prepared. The finances should be checked here at this meeting by every member. We then take the reports of this meeting to the SGB meeting.”*

Participants stated that a paper trail is necessary for all income and expenditure. Examples mentioned were quotations needed prior to decisions on purchases are

made, cheque requisition forms and invoices for every purchase made and official receipts made out for all money received. In addition, participants emphasised that more than one signature is necessary when cheques are made out. *SGB 15: “You cannot have transparency and accountability without a paper trail of all transactions. Evidence is all that can tell you that the correct procedures were followed.”* Parent 12: *“To make sure no illegal payments are made, there must be more than one signature on a cheque. We must all be careful that we do the right thing.”*

Participants mentioned that income and expenditure patterns should be discussed at each finance committee and SGB meeting. Variances between the projected budget and actual expenses must be flagged at these meetings. Evidence of each variance must be provided. *SGB 8: “We need to see where we are with the budget and if too much has been spent and not budgeted. These differences must be discussed and checked.”*

A few participants indicated that the most important aspects are the control of cash and control of stock (such as stationery, photocopy paper, fuel for lawnmowers). These aspects need to be monitored regularly to ensure accountability and responsibility. *Parent 4: “There are two important things, the control of cash and the control of stock. Many worry only about the money, but the stock is also important. People must take responsibility for that.”*

Some participants stated that financial reports must be made available to parents at least twice a year. Parents may not all understand these reports, but it still provides an open door in terms of transparency. *Principal 11: “Parents should also see what we do with the money. They may not all understand the reports, but that will show them we are trying our best with the money.”*

**Interpretation:** School finances is not the concern of only the school. All funding in schools come from outside the school. It is therefore necessary for the SGB to be transparent with all school funds. Correct financial procedures should be followed to ensure transparency, accountability and responsibility. Evidence of all accounting transactions will always be the proof that money is managed correctly. The accountability rests with the SGB, principal and each member of staff who handles

funds or stock. Parents are not always informed of the financial aspects within a school as the perception exists that they may not know how to interpret financial reports and statements. This is no justification not to include them in the process.

The responses from participants indicate a sense of transparency, accountability and openness and is confirmed by Mestry (2004) who states that elements such as the willingness to carry out financial related responsibilities, transparency with financial management conduct, financial management capacity and the emphasis on improved provision are essential to the effective management of school funds.

### **THEME 8: Fundraising and quality teaching and learning in schools**

For this theme the information obtained from all three groups of participants are reported as a unit in order to avoid repetition.

Most participants agreed that lack of fundraising in Section 21, quintile 1 and 2 no-fee schools have a negative effect on the quality of teaching and learning. The participants emphasised that their schools struggle to acquire additional resources to assist with the teaching and learning process. Although participants are aware of the importance of fundraising, they still struggle to successfully stage fundraising events to increase the funds substantially. *Principal 5: "We want to get more resources for better teaching, but we still struggle to get good amounts with our fundraising."* *SGB 1: "We know that more money will be better for teaching and learning and we know how important fundraising is. We just need to try and do it better to receive more funds."*

Participants also mentioned that educators are sometimes unable to attend training sessions through cluster workshops/meetings because of lack of funds. Cluster meetings or workshops are used to discuss teaching techniques, problem areas, assessment and best practice and are driven by the subject advisor. These discussions are vital for the development of teachers with regard to teaching and learning. Additional funds raised through fundraising events can be allocated to allow teachers to drive to these workshops/meetings to improve their practices. *Principal 15: "Fundraising will give us the funds to send all our teachers to all their cluster meetings"*

*as we will have extra funds for that. They learn a lot there and this benefit our learners.”*

Some participants indicated that their schools use funds raised through fundraising while they await the funds allocated to them by the department. These additional funds are used to acquire additional learning and teaching material (LTSM) to enhance the quality of teaching and learning. *Parent 11: “While we wait for the funds from the department, we can buy some LTSM to assist our learners. This helps them in their preparations for tests and so.”* Funds from the department are not always paid at the stipulated times, but monthly payments must be made for telephone, printer ink and toner and other expenses.

A participant mentioned that additional funds can be used to hire qualified educators for scarce subjects or where they cannot appoint a teacher in time to replace a retired teacher. The SGB should then pay such a teacher if money is not available from the department during the transitional period. The essence is that a teacher is needed in the classroom and all means must be used to ensure that. *Principal 12: “Schools will be able to buy educational resources and be able to employ relevant and qualified people after retirement of a teacher. Sometimes it takes time for the new teacher to be appointed and we can pay someone in the meantime to facilitate learning and teaching.”*

Participants opined that additional funds raised can be used to manage the school and to create an environment that is conducive for learning by improving the school grounds and infrastructure. Schools in poor communities however struggle as most of their surrounding community just do not have the financial means to adequately contribute financially. *Principal 4: “The main problem with schools in the poor community is that the capacity to raise enough funds is limited thus impacting negatively to the ability to provide quality education.”* *Parent 3: “In poor communities fundraising cannot raise substantial money that will have an impact on the quality of teaching and learning.”*

One participant did not answer the question. It is not clear whether the participant did not understand the question or whether he or she did not want to answer it.

**Interpretation:** Lack of fundraising in Section 21, quintile 1 and 2 no-fee schools has a negative effect on the quality of teaching and learning. Any additional funds raised in these schools must be allocated to enhance teaching and learning and ultimately improve the Grade 12 results of learners. This is supported by Jones and Wistrom (2010) who state that the major benefits of fundraising is to raise money for the school in order to acquire additional resources (physical and human) to enhance the quality of teaching and learning and improve learners' academic performance.

More funds available in schools generally lead to better academic results if allocated sensibly and to the benefit of learners. Most important is that each class should have a committed teacher, appropriate LTSM and proper infrastructure. This combination is necessary to improve teaching and learning opportunities for academic success. However, the reality is also that this combination is not always available in schools due to lack of funding. Fundraising measures need to be put in place to assist schools situated in poor communities who struggle to raise additional funds.

## **5.9 CONCLUSION**

This chapter reported on the information obtained from 3 groups of participants within the financial sphere in schools. Biographical data was reported on at the onset of the chapter, while open-ended questionnaire data was analysed and reported on in various themes. Each theme concluded with an interpretation section.

Section 21, quintile 1 and 2 no-fee secondary schools experience challenges when embarking on fundraising projects because of parents who are unemployed and reliant on pension grants and children grants for a living. Although principals, SGBs and teachers seem knowledgeable about the importance of fundraising to bolster their funds, the essences of planning and executing such events are still a challenge. In Chapter 7 this study provides a short programme regarding fundraising for SGBs when embarking on fundraising. The next chapter addresses the findings and recommendations of this study.

## CHAPTER SIX

### FINDINGS AND RECOMMENDATIONS OF THE STUDY

#### 6.1 INTRODUCTION

This chapter deals with the findings (as cross-referenced to literature and questionnaires), and recommendations of the study. Findings from the literature study regarding financial management and fundraising in schools, as well as from questionnaires are put forward. Recommendations related to the study then follow and areas of research are provided.

#### 6.2 MAJOR FINDINGS FROM LITERATURE AND QUESTIONNAIRES

Discussion of findings formed part of the previous chapter. The cross-referenced findings of this study are portrayed in here in sequence. Findings from the literature study regarding financial management in schools are discussed first, followed by findings from fundraising in schools. Findings on biographic information and open-ended questionnaires with principals, SGB chairpersons and parent representatives on finance and fundraising committees (parents) are revealed lastly.

##### 6.2.1 Findings from the literature study on financial management in schools

- South Africa has adopted a policy of decentralization that advocates the transferring of decision-making authority from the central education office of the state to district and school level (cf. 2.1). Section 21 schools are now in a position to procure educational resources and pay for services (municipal, maintenance) themselves. Schools are reminded that the allocation, which is based on the Resource Targeting Table (RTT), must be sub-divided as follows: 55% for LTSM, 33% for services (i.e. electricity and water); 12% for maintenance and improvement of the school's property, buildings and grounds occupied by the school. The allocated funds of Section 21, quintile 1 and 2 no-fee schools are paid directly into the school's bank account and as a result such schools are able to plan and draw an annual budget timeously.

- The decentralization policy aimed and still aims at improving the quality of education for learners and empowering local school communities to use resources effectively, efficiently and economically (cf. 2.1). More funds are allocated to Section 21, quintile 1 and 2 no-fee schools than to other quintiles in order to enhance the quality of teaching and learning and also to improve learners' performance in local schools, villages as well as in farm schools.
- The decentralization strategy entails that SGB members and principals be appropriately trained to effectively manage the funds of a school (cf. 2.1). Newly elected SGB members and appointed principals are trained by circuit managers and district officials from the DBE on financial matters of the school. This is done to ensure that all SGB members and principals are capacitated with at least basic financial knowledge and skills to prevent mismanagement of funds.
- Section 20 schools has its financial affairs managed directly by provincial education departments through education districts, whereas Section 21, quintile 1 and 2 no-fee schools manage their own financial affairs, as their quintile allocated funds are deposited directly into their bank account (cf. 2.1). Section 21, quintile 1 and 2 no-fee schools can make payments for expenses without delay. Section 21, quintile 1 and 2 no-fee schools also have an opportunity of selecting their preferred service provider and as a result can negotiate discounts.
- Learners attending quintile 1, 2 and 3 no-fee schools do not pay school fees. Therefore, in order to compensate these schools for their loss in fee income, the state provides them through the Norms and Standards of Funding with a much larger fund allocation than quintile 4 and 5 schools (cf. 2.3.2). The state provides quintile 1, 2 and 3 no-fee paying schools with funding according to the norms and standards allocation. Such funding is used to buy additional educational resources to enhance the quality of teaching and learning.
- Although quintile 4 and 5 schools may charge school fees to generate school funds, this is in many instances not a certainty (cf. 2.3.2). It so happens that

some parents of learners in these schools are not able to afford the school fees charged and are allowed to apply for full or partial exemption of school fees. Although such schools can claim an amount from the provincial education department for such lost income, the schools retrieve only a fraction of such lost fees. This also puts quintile 4 and 5 schools under financial pressure.

- As Section 21 schools can negotiate best prices, discounts and delivery dates for learning support materials from suppliers, they have more authority regarding the management of their financial resources (cf. 2.3.4.1). Money saved by the school in the form of discounts can be used to buy other educational resources and equipment that are used to improve learners' academic performance.
- The rationale behind the no-fee policy was to make basic quality education available and accessible to learners in the poorest communities, such as farms, villages and townships (cf. 2.3.5). The no-fee policy ensured that all children are provided with the opportunity of having access to education without conditions.
- Schools that are declared no-fee schools are not precluded from requesting voluntary contributions from local businesses or to create fundraising opportunities to bolster school funds (cf. 2.3.5). The SGB of a school has been given a mandate through the South African Schools Act (SASA) to fundraise or request for donations or sponsors from businesses, companies and the community to buy additional resources to enhance the quality of teaching and learning.
- In Section 21 schools, SGBs are required to monitor all funds received and spent, keep financial records, and prepare budgets annually (cf. 2.3.5.1). Funds that are received by the schools are public funds and therefore income and expenditure must be monitored to avoid fraud or mismanagement of funds. Financial records must be kept to ensure transparency, openness and

accountability. Income and expenditure must be monitored to ensure that funds are used economically.

- Effective financial management is seen as foundation for the successful operation of an organization. It is therefore very important that any person tasked with the responsibility of managing finances, should be a person who knows and understands this role very well, who is familiar with basic accounting concepts, and a person whose sense of responsibility and integrity is beyond reproach (cf. 2.4). It is very important that when the SGB delegate some operational financial duties to the principal or his/her delegate(s), that such delegates are knowledgeable regarding financial aspects and ethics to avoid mismanagement or misappropriation of funds as a result of their lack of financial skills.
- Financial management ensures that expenditure is well-directed towards achieving good value for money involving suitable acquisition and allocation of physical and human resources (cf. 2.4). Educational resources must be used in such a way that at the ultimate end the quality of teaching and learning is enhanced and learners' academic performance is improved.
- Although the SGB has ultimate responsibility for the financial management of the school, it is normal practice for the SGB to delegate daily operational financial management tasks to the principal, the SMT, staff members and the financial clerk (cf. 2.4.1). The SGB may delegate its financial management tasks, but must keep in mind that accountability remains theirs to adhere to.
- The principal is responsible for ensuring that the policies and procedures established by the SGB are conveyed to the staff and are adhered to by all parties linked to financial matters of the school (cf. 2.4.1). Financial policies, fundraising policies and procurement procedures are drafted to assist and streamline financial activities with the aim to avoid mismanagement of funds.

- It is critical that principals acquire the necessary knowledge to understand the basic processes, systems and controls necessary to ensure that school funds are not misappropriated or mismanaged (cf. 2.4.1). School principals receive training by Department of Education officials such as circuit managers and the deputy director of finance on financial management matters. Schools may also use external service providers to provide such training if their budget permits.
- SASA states that all school money (the school fund) and all assets acquired by the school are the property of the school and that such money may be used only for educational purposes (cf. 2.4.1). All monies received by the school are used for the purpose that they were meant for, namely the education of learners.
- The SGB is given full responsibility of managing finances of the school, such as establishing a school fund, preparing and annual budget, collecting and administering school fees, keeping financial records, appointing an accountant and supplementing the school resources through fundraising (cf. 2.4.2). The SGB has a number of financial activities to execute and as such needs to appoint an accountant to audit the finances of the school to prevent fraud, to build public, donor and sponsor trust and to promote transparency, accountability and openness.
- The finance committee is a sub-committee of the SGB to oversee all financial aspects of school financial resources. The finance committee inter alia include members of the SGB, the principal and any other parent(s) of the school can be co-opted to provide the necessary financial inputs. (cf. 2.4.2.3). The finance committee assists the SGB with the financial management and is considered to be significantly important to the financial well-being of a school.
- Each school must develop a finance policy under the auspices of the SGB. This policy should provide clear procedures and a detailed set of rules to be followed in handling school finances (cf. 2.4.2.3). A financial policy is primarily used to

regulate, supervise and oversee the financial and payment systems, with the view to promote financial stability and to prevent mismanagement of funds.

- A budget is a tool for ensuring that the resources needed by the school for educational purposes that lead to the accomplishment of educational objectives are made available (cf. 2.4.3.4). A budget is developed by the SGB and thereafter it is taken to the annual parents' meeting for approval. The budget shows the school income and expenditure for the current year or the projected income and expenditure for the future year.
- In order to succeed in financial control, the principal and members of the finance committee must have financial skills or knowledge (cf. 2.4.3.4). Principals and SGB members are trained by officials from the province or the district on financial management matters of the school. The aim is to ensure that all SGBs are able to manage the financial matters of their schools as intended by the SASA.
- Audited statements of income and expenditure should be sent to parents or published in a communication instrument such as a newsletter (cf. 2.4.2.6). Auditing promotes transparency, accountability and openness and builds trust in all stakeholders attached to the school.

### **6.2.2 Findings from the literature study on fundraising in schools**

- Section 21, quintile 1 and 2 no-fee schools do not always receive the needed goods and services to ensure academic achievement. Limited resources for such schools means that schools must obtain additional funds through alternative methods, such as fundraising (cf. 3.1). An important role and responsibility of SGBs is to raise additional funds through fundraising, donations and sponsorships that are used to supplement resources that have been supplied by the state to improve learners' academic performance.

- Schools in South Africa are unable to rely substantially on financial and other resources derived directly from the government and are increasingly dependent on the resources they may obtain from, or share with their environment (cf. 3.1). It is the responsibility of the SGB to supplement resources that have been provided by the state to improve the quality of teaching and learning in schools. The SGB request additional funds from the community, the companies, businesses and the parents in the form of fundraising, donations or sponsorship.
- Additional funding may be obtained by schools from a variety of sources and through a variety of means. Such resources include the generation of fee income (for quintile 4 and 5 schools), fundraising and other voluntary payments by parents and members of the broader community, sponsorships, and entrepreneurial activities (cf.3.1). Entrepreneurial activities are used in schools to raise additional funds. Learners are encouraged to sell cakes, their artwork, food, vegetables and fruits at school to raise additional funds that are used to acquire additional resources to enhance the quality of teaching and learning.
- Fundraising must have a designated purpose and the proceeds thereof should be for that purpose. It can improve the physical and human resources of the school (cf. 3.2). Funds raised are used for the purpose that they were intended for, e.g., to build a school hall, to buy curtains for the staffroom, to subsidize school trips, weekend classes and educational camps.
- Although Section 21, quintile 1 and 2 no-fee schools are benefiting more from funding provided by the state, big gaps exist in terms of resources and facilities at these schools to enhance the quality of teaching and learning (cf. 3.2). The SGB, principal, staff, learners, parents through the fundraising committee raise additional funds to close the gap that exists in terms of resources and facilities, especially in Section 21, quintile 1 and 2 no-fee schools.
- Fundraising is never easy, and even more so for Section 21, quintile 1 and 2 no-fee schools, as challenges such as poverty, unemployment, child-headed

families and the level of education of most of the parents of learners who are attending those schools exist (cf. 3.2). Many parents of learners of Section 21, quintile 1 and 2 no-fee schools are not able or willing to participate in fundraising activities or events of the school because of their own poverty. It seems as if these parents are not always made aware that there are different forms of assistance they could render towards fundraising and that it is not only by means of money that they can contribute.

- Many principals and SGBs are under pressure to manage, to raise and monitor funds for their schools, as they are unable to create practical solutions to financial problems due to their lack of financial skills, knowledge and expertise. Regardless of all the efforts, a number of schools still struggle to raise additional funds (cf. 3.2). Many principals and SGBs may need retraining, induction and coaching by Department of Education officials on finance and fundraising matters in schools. Principals and SGBs also need the assistance of people with expertise from the community or external service providers for training on finance and fundraising matters if schools have budgeted for such expenditures.
- For many schools fundraising activities are important social elements of the school year, and the funds generated contribute significantly to the school's income of the year (cf. 3.2). Fundraising in schools attracts parents to schools and encourages them to participate actively in the school's activities.
- Fundraising, if it is to be effective, requires a significant investment of time and effort so care must be taken to protect time and effort that should be devoted to teaching and learning (cf. 3.2). Fundraising activities in schools should be done after school or during the weekends to protect the compulsory teaching time per subject.
- Fundraising in general is more successful if it is intended for a specific purpose and if those targeted are to be the beneficiaries of the fundraising project (cf. 3.2). A targeted group of beneficiaries of a fundraising project will normally

exceed themselves to ensure the success of the project in order to benefit from it (i.e. fundraising for academic tours or for grade 12 farewell functions).

- According to Section 30 of SASA, the SGB is allowed to establish other sub-committees such as the finance committee and fundraising committee that will assist them with effective and efficient budgeting and management of funds (cf. 3.2.2). These committees are essential in the planning and drafting of a budget to include the income generated through fundraising, as well as the spending of such generated funds towards its intended purpose.
- The SGB should develop a fundraising policy that forms part of the financial policy and must be incorporated into the school development plan (SDP) (cf. 3.3). The fundraising policy is used to guide the SGB on how to plan fundraising activities, how to manage these activities and how to manage funds raised through fundraising events.
- The major benefit of fundraising is to raise money for the school in order to acquire additional resources (physical and human) to enhance the quality of teaching and learning and improve learners' academic performance (cf. 3.2.3). Additional money raised through fundraising is used to buy additional physical resources for the school or to appoint additional educators remunerated by the SGB.
- Schools in South Africa have held many creative fundraising projects. The secret to its success is to create an original and unique fundraising project (cf. 3.4). Schools that are using the same fundraising events repeatedly may bore the stakeholders and such fundraising projects may not be sustainable. If a fundraising project is not generating the expected funding, new innovative ideas should be explored.
- Not only do schools generate additional income through fundraising activities, but such activities provide the opportunity for parent associations, community groups and business partnerships to work together towards a better school and

community for them all. External participation becomes part of the fundraising project, which can be to the benefit of the school (cf. 3.4). Schools use fundraising events like dance evenings or sports days to encourage parents' participation. Fundraising projects therefore attract the community around the school and encourage wider participation in school events.

- The most common fundraising activity used in Section 21, quintile 1 and 2 no-fee schools is the leasing of school facilities, such as the hall or sports facilities and classrooms, sales from the tuck shop, as well as the proceeds from competitions (cf. 3.4). The school charges a certain fee for the leasing of school facilities and a refundable deposit is to be paid to cover for possible damages.
- If educators and members of the SGB want to enhance the impact of their school activities or school projects, they need to expand the sources of support for school related efforts. One such option is to actively search for donors regionally and nationally (cf. 3.4.1). The school searches for donors and puts their information in the school's data base. The school can also find information of potential donors from the community, the parents and members of the SGB.
- Partnerships between schools and other entities are created for a variety of reasons that include seeking additional funding, working towards a particular cause and enhancing public relations. Many schools include partnerships with parents and the community with their mission statements or educational goals (cf. 3.4.3). The purpose of partnerships is to place decision-making at the heart of the school and in the management and delivery of all teaching and learning. When the partnership is effectively resourced and planned, partnerships between schools, external individuals and organizations can be of huge benefit to a school.
- Entrepreneurship can be used to generate extra funds in the form of fundraising in schools. It also prepares learners to be entrepreneurs in future by improving their selling and marketing skills (cf. 3.4.3). Learners erect stalls where they sell

cakes, drinks, food and artwork. Entrepreneurial activities can encourage learners to be employment creators rather than employment seekers.

- The perceived image of the school can attract or dissuade potential donors and sponsors to contribute towards fundraising (cf. 3.5.1). The image of a school is vital towards the success of raising funds from external sources. Business and industry would want to invest in a school which has a positive perceived image in the community.
- Publicity is a means of letting people know about a fundraising project. Good publicity is important to convince people that a particular school is worth supporting (cf. 3.5.2). Communication plays a very important role in fundraising. Fundraising activities are communicated to the school community during parents' meetings, through communication letters to parents, pamphlets, school magazines and in the local newspaper.
- Any fundraising proposal must be prepared by the fundraising committee for presentation to the potential sponsor or donor (cf. 3.6). The proposal put forward to potential sponsors and donors must be thorough in terms of information provided. Such proposals will be considered more favourably than a vague proposal.
- Once sponsorship has been secured, it must be actively, effectively and economically managed in order to ensure that it is used for the purpose that it was intended for (cf. 3.6). A sponsorship or donation are externally generated funds. To ensure continuous relations with these sponsors and donors, such funding must be used for its intended purpose in order to possibly generate recurring funds from such sponsors or donors in future.
- Once a fundraising objective has been established, a plan of action must be drafted (cf. 3.7). A plan is drawn by the fundraising committee and submitted to the SGB for approval. The date, the target, the venue, the purpose and time is

indicated on the fundraising plan. The roles to be played by different stakeholders are also indicated in such a plan.

- Clear, consistent and targeted communication between the fundraising committee and other internal (staff, learners and parents) and external (sponsors, donors) stakeholders creates fundraising opportunities that tend to be successful (cf. 3.7). When communication and fundraising are in sync, one supports the other through simple, consistent convincing messages, delivered in such a way that they build trust. Trust encourages donors and sponsors to get involved and to support the school in fundraising endeavours.

In the next sub-section, findings from open-ended questionnaires of principals, SGB chairpersons and parents on finance and fundraising committees in schools follow.

### **6.2.3 Findings from questionnaires**

The findings are reported as per the themes indicated in Chapter 5. Each theme contains the findings of all three groups of participants (principals, SGB chairpersons and parents), unless otherwise stated. No interpretations are provided here as those were done in the previous chapter.

#### **Theme 1: The importance of financial management in schools**

##### **Sub-theme 1.1: Good financial management in schools**

**Principals:** Financial management is an important aspect of school management as proper financial management in a school relates to the achievement of its vision and mission and ultimately has a positive effect on academic performance of learners. (cf. Question 1).

Good financial management relates to transparency, openness and accountability and where principals, SGB members, parents, learners are all involved in the financial decision-making process in schools. Good financial management implies a financial

management system that is in line with the financial policy and financial directives of a school and where expenditure does not exceed income (cf. Question 2).

**SGB chairpersons:** Financial management in schools is important to ensure that financial activities of the school are conducted in a transparent and open manner (cf. Question 1).

Good financial management in schools relates to record keeping of all income and expenditure, as well as of assets and financial transactions. Financial reports are made available to all relevant stakeholders. Procurement of goods and the usage of allocated funds is monitored and accounted for. The school adheres to the budget guidelines that have been determined by the MEC, where there is no overspending or wasteful expenditure (cf. Question 2).

**Parents:** Good financial management in schools relates to transparency, accountability and openness and where the SGB (through its finance committee), the principal with the school management team (SMT) and the educators are involved in providing information for the drafting of the school budget. It is essential that records of assets and income and expenditure are kept diligently; and the Public Finance Management Act (PMFA) guidelines are followed and all financial aspects are executed with integrity (honesty, loyalty) (cf. Question 1).

## **Theme 2: Sources of income of the school**

**Principals:** The major sources of income for schools are from departmental allocations, donations, sponsors, school vegetable gardens, lottery allocations, raffles, hiring out or leasing of the school hall and classrooms and tuck-shop profits (cf. Question 3).

**SGB chairpersons:** In addition to the sources mentioned above, other sources mentioned were fundraising, uniform sales, school trips and feeding schemes (cf. Question 3).

**Parents:** In addition to the sources mentioned above, other sources mentioned were voluntary payments by the parents and members of the community and occasional income generated through entrepreneurial activities by learners (cf. Question 2).

### **Theme 3: Fundraising projects in schools**

#### **Sub-theme 3.1: Funds collected through fundraising**

**SGB chairpersons:** Funds collected through fundraising in schools is used to subsidize school trips, matric farewell, for feeding scheme, maintenance, repairs and to purchase LTSM. Funds are also used to subsidize sports events and learning camps, for awards, to buy office chairs, to build a school hall and to develop infrastructure (cf. Question 10).

**Parents:** Funds collected through fundraisings are used to subsidize matric farewell, to improve infrastructure, to buy LTSM and for maintenance of the school building. Funds are used to subsidize school sports trips, and choral music competitions, and also to build a school hall and to improve the school ground (cf. Question 11).

#### **Sub-theme 3.2: Worthwhile fundraising projects**

**Principals:** To ensure that the fundraising projects become worthwhile projects in schools they must be planned properly, they must be monitored and all stakeholders involved must be allocated their duties. To ensure that the fundraising projects become worthwhile projects there must be cooperation between all stakeholders involved and they must be given reports, proper channels must be followed and the money that has been raised must be accounted for (cf. Question 12).

**SGB chairpersons:** To ensure that fundraising projects become worthwhile projects their plan should be drawn properly and in time and their progress should be assessed and reviewed. The fundraising project should be monitored by the principal, the SGB, the finance committee and the fundraising committee to establish its success or failure. The school has to look back and check mistakes that may have been made and come up with plans on how to improve the fundraising projects (cf. Question 10).

### **Sub-theme 3.3: Fundraising challenges and solutions**

**Principals:** Challenges or problems that principals are facing regarding fundraising at their schools are learners' behaviour during the events that is not good and lack of cooperation of educators. Another problem is that the school does not have resources and always has to hire resources, and the result is that the school does not reach its target as it is short of funds. Fundraising attracts people that they do not need, such as troublemakers (cf. Question 6).

**SGB chairpersons:** Challenges or problems the SGBs are facing regarding fundraising at their schools is the high rate of unemployment of community members, shortage of firms and retrenchment of many workers by the mines. Most of the community members depend on social grants and businesses fail to support the schools because they do not receive income or profit on their business (cf. Question 6).

**Parents:** Challenges the parents' representative on finance and the fundraising committee are facing regarding fundraising in schools is lack of support by the parents, the community, the educators as well as the learners. Furthermore, lack of proper planning, unemployment and not giving feedback to the relevant stakeholders on the success or failure of fundraising events (cf. Question 4).

### **Sub-theme 3.4: The type of fundraising projects recommended in schools**

**Principals:** Fundraising projects that are recommended are raffles, bazaars, sports days, concerts, talent shows, lottery fund application, leasing out the school hall, classrooms and chairs to the community and churches. These are considered the easiest way of raising funds as teaching and learning operations are not disturbed. Lottery fund applications need to be applied for at each opportunity as such funds can be used extensively to improve teaching and learning. Talent shows are beneficial as they involve most of the learners and parents and the community are also involved (cf. Question 14).

**SGB chairpersons:** The type of fundraising projects recommended are bazaars, raffles, collection of glass, paper and cans. The latter can involve all learners and generate needed income, while also assisting to clean the environment (cf. Question 12).

**Parents:** The type of fundraising projects that are recommended are Spring day celebrations, casual day raffles, the hiring out of classrooms and the school hall. YES SOCIETY (YOUTH ENTERPRISE SOCIETY) is another fundraising project that is recommended for schools (cf. Question 12).

#### **Theme 4: Training and support on finance and fundraising in schools**

**Principals:** The type of training they received regarding finance and fundraising matters in schools is the budget process, national school nutrition programme, basic financial management issues that are in line with SASA and the Free State Department of Education Act of 2000. They also obtained additional information on their own regarding finance and fundraising matters by reading the ELRC documents and the college governance book (cf. Question 13).

**SGB chairpersons:** Financial management workshops of the SGB members must be presented just after they have been elected in office and must be presented regularly by district officials and principals. Newly elected SGB members must be trained by district officials and principals to ensure that they have a clear understanding of governance and management of schools. They are also inducted and trained to ensure that they understand their role and responsibilities as well as their financial functions (cf. Question 14).

The type of training that they received is financial management matters, fundraising matters, budgeting, appointment of food suppliers and how school funds must be used (cf. Question 15).

**Parents:** The type of training they received is financial management and governance, as well as the planning and organising of fundraising events. The Department allowed

Absa and Eskom to train educators and learners who participated in the YES SOCIETY on how to manage fundraising events (cf. Question 13).

The roles and responsibilities of SGBs, financial matters pertaining to the school, fundraising issues, budgeting, interpretation of financial statements, discipline and the recruitment process of educators and non-educators should be included in the induction and training of SGB members (cf. Question 16).

### **Theme 5: Finance and fundraising committee in schools**

**Principals:** A finance committee is to be established as per guidelines from the SASA. The establishment of a fundraising committee as a sub-committee of the finance committee is essential as it assists the SGBs to oversee fundraising projects and supports them to achieve expected goals (cf. Question 11).

**Parents:** This is where parents have the opportunity to be involved in school governance. The importance therefore of both the finance and the fundraising committee, and the participation of parents in these committees lead to an improvement in teaching and learning in a school (cf. Question 14).

### **Theme 6: Fundraising roles in schools**

**Principals:** Their role is to initiate programmes to enhance the involvement of the community in school activities. The role of principals is further to control, manage and provide guidance on how fundraising must be done (cf. Question 9).

**SGB chairpersons:** The role of SGB chairpersons is to encourage all members of the SGB to take part in, to lead by example and to be accountable for all fundraising activities. Further, SGB chairpersons need to ensure that their members are provided specific tasks that they must take responsibility for during fundraising activities (cf. Question 9).

**Parents:** The role of parents on finance and fundraising committees in schools is to support fundraising projects, to encourage parents' and learners' participation, to

engage in donation and sponsorship activities and to market and advertise the project (cf. Question 9).

### **Theme 7: Ethical measures for school finances (transparency, accountability and responsibility)**

**Principals:** For every purchase that has to be made there should be a quotation, a requisition form and an invoice. The financial policy guides the signatory processes to be followed with such purchases to ensure transparency, accountability and responsibility in terms of school finances. The finance committee drafts financial reports to be submitted in accordance with the finance policy to the SGB and parents. Parents must have insight into the financial statements of the school at year end for openness and transparency (cf. Question 18).

**SGB chairpersons and Parents:** To ensure transparency and accountability, funds must be controlled and monitored. The best if for the finance committee to have monthly meetings to ensure that the budget is adhered to. Source documents for each transaction need to be kept to ensure such accountability. All stakeholders should be involved when the budget is drafted in order for them to know what the allocated funds for items are.

### **Theme 8: Fundraising and quality teaching and learning**

**Principals:** Funds raised through fundraising have an effect on quality teaching and learning as it assists the school to acquire necessary items that are not covered by allocated funds from the Department. This put the school in a more advantaged position to ensure a positive impact on academic achievement of learners (cf. Question 19).

**SGB chairpersons:** In addition to what principals mentioned, funds raised are used to improve teaching and learning, to subsidize learning camps for grade 12 learners and to improve the learning environment in terms of safety and conduciveness for learning (cf. Question 13).

**Parents:** In addition to the other participants, lack of fundraising by Section 21 quintile 1 and 2 no-fee schools have a negative effect on the quality of teaching and learning (cf. Question 15).

The next section provides recommendations made for this study.

### **6.3 RECOMMENDATIONS**

The recommendations are provided per theme below. It should be kept in mind that a programme on fundraising is developed and provided in Chapter 7 of this study. The recommendations made here should be read in conjunction with the mentioned programme.

#### **Theme 1: The importance of financial management in schools**

- A financial policy must be in place to guide all financial decision-making. Transparency, openness, accountability and responsibility must be encouraged to ensure good financial management in schools to assist principals and SGBs to avoid mismanagement or misappropriation of funds.
- SGBs must appoint accredited auditors to annually audit school funds, financial records and financial statements.

#### **Theme 2: Sources of income of the schools**

- Sources of income for schools such as fundraising, departmental allocations, donations and sponsors must be allocated to improve human and physical resources of schools for the benefit of all learners. SGBs must do their utmost to supplement the subsidy funding received from the state, for instance to use fundraising as stipulated in Chapter 7 of this study.
- Funds received by the school must be used to meet the educational needs of all learners with the aim of improving their academic performance.

### Theme 3: Fundraising projects

- Funds collected through fundraising must be used for the purpose that it was intended for e.g. building the school hall, subsidizing school trips or learning camps.
- Parents, the community and educators must be encouraged to participate in fundraising events. The SGB and principal can organise a meeting with these stakeholders to provide the detail and benefits of fundraising events.
- The fundraising committee must check expenditure and income prior to involvement in a fundraising event to avoid overspending. Fundraising events or activities must be planned in advance, realistic goals as well as the target, the date and the time for the event must be set.
- Fundraising must be used as an opportunity to teach learners financial responsibility and to allow them to participate in order to make a difference in their school.
- Schools must be creative and try by all means to plan new fundraising events that will attract the community, the learners, the parents and the educators. The same fundraising event may not generate the same funds if stakeholders lose interest.
- The culture of communities around schools is not the same and schools should take that into consideration when planning fundraising events.
- Parents must be provided with feedback regarding previous fundraising events as well as the financial benefit of such events. This can occur either during parents' meetings or hard copy printed information through their children.
- Parents, educators, learners, non-teaching staff and the community must be actively involved in fundraising events and if possible right from the onset during the planning phase. This will ensure that all are aware of the planning process, the participation during the event and feedback after the event. All relevant stakeholders must be given tasks that they must execute to ensure that there is no overlapping. They must be allocated specific tasks in such a way that it will be known who must account for which tasks. The stakeholders must know when the fundraising event must start and when it must be completed and also when a specific task must be completed.

- Fundraising projects must be monitored by the principal, the SGB and the finance committee to ascertain its success or failure. Mistakes that have been made during fundraising events must be evaluated and improvement plans made for the future.
- SGBs must lead fundraising initiatives and processes as it has been agreed upon in the SGB meeting and approach potential sponsors and donors with the purpose of sensitising them.
- Principals, SMTs, staff and parents must ensure that teaching and learning time is not disturbed and learners must not participate in fundraising activities during school hours.

#### **Theme 4: Training and support on finance and fundraising in schools**

- Once appointed, principals must be inducted, coached and trained on finance and fundraising matters by Circuit managers and/or the Deputy Director of Finance in the district office. Principals with sound financial management knowledge will be an asset to fundraising projects.
- Experienced (or even retired) principals can be the mentor of newly appointed principals, not only in general school management aspects, but also in how to be an active partner in fundraising activities.
- SGB members must be inducted, coached and trained as soon as they have been elected by the Circuit managers and the deputy director of finance from the district as well as departmental officials from head office on finance and fundraising matters.
- The DoBE must provide a formal training programme to train newly elected SGB members on especially finance and fundraising matters of the school. Such training will enable them to manage finances and funds raised through fundraising effectively, efficiently and economically.
- The formal financial programme used for training and induction of newly appointed SGB members must be written at a language level that is comprehensible for them in order for such members to fully benefit from such training and induction. English is not the mother tongue of most SGB members

and as a result they may not benefit from such training conducted in academic English.

### **Theme 5: Finance and fundraising in schools**

- To plan fundraising events, a fundraising committee as a sub-committee of the SGB must be established that will assist the SGB to plan, manage, implement and monitor fundraising events. Such a fundraising committee can report to the finance committee of the SGB with reports tabled at SGB meetings quarterly.
- SGBs must employ their financial policy to guide and provide direction to them as a governance body and to the principal on how to manage the operational finances of the school. The finance policy must also be clear in terms of its guidelines in order to manage and control funds to avoid mismanagement or misappropriation of funds.
- Schools must elect community members with financial and/or fundraising expertise on their fundraising or even finance committees (serving as ad hoc members).

### **Theme 6: Fundraising roles in schools**

- The major role players in a school with regard to fundraising, namely SGBs (with their finance and fundraising committees), principals, SMT members and educators, learners and their parents must all be made acutely aware of the necessity to raise funds in order to further teaching and learning at their respective schools. They all have a role to play to attract businesses in the community to become involved in fundraising events of schools. The SGB chairperson and principal must lead by example in this endeavour.

### **Theme 7: Ethical measures for school finances (transparency, accountability and responsibility)**

- A written proposal must be prepared by the fundraising committee members for presentation to the potential donor or sponsor. The proposal must include an

action plan, a detailed budget, the amount of sponsorship required and the accounting procedure to ensure transparency, accountability and responsibility. The sponsorship must be effectively and efficiently managed in order to ensure that funding secured is used for the purpose that it was intended for. Ethically sound financial management of donated or sponsored funding may ensure a continued support from such donors and sponsors.

## **Theme 8: Fundraising and quality teaching and learning**

- Additional funds raised by the SGB must be used to buy additional educational resources to be used by educators and learners to enhance the quality of teaching and learning and to sustain learners' academic performance. Such funds can be employed to acquire additional learning and teaching material, employing an additional Mathematics teacher or securing books or magazines to enhance reading speed and vocabulary of learners.
- Entrepreneurship programmes must be used to generate extra funds in the form of fundraising in schools. Some ideas in this regard are provided in Chapter 7.

### **6.4 RESEARCH QUESTIONS ANSWERED**

This section indicate to the reader where the research questions of this study have been answered.

**Research question 1:** What are the essences of financial management at schools?

This research question is answered by the literature study engaged with in Chapter 2 (finances in schools) and Chapter 3 (fundraising). In addition, comments regarding financial management by participants are reported on and interpreted in Chapter 5.

**Research question 2:** What problems regarding fundraising as additional income are experienced by schools in poor communities?

Problems regarding fundraising efforts experienced by schools in poor communities were elaborated on in Chapter 3. Reporting and interpretation of such data occurred in Chapter 5.

**Research question 3:** Is there a link between additional funds raised by schools in poor communities and their ability to provide proper teaching and learning resources?

This research question is answered by the discussion regarding fundraising and its effect and benefit for schools in Chapter 3. In addition, data obtained regarding the link between fundraising and its effect on teaching and learning opportunities were reported on in Chapter 5.

**Research question 4:** How can fundraising problems experienced in schools be addressed?

This research question is addressed with recommendations made in Chapter 6. Sections of the strategy provided in Chapter 7 also link directly to answer this question.

**Research question 5:** What should a fundraising strategy for schools in poor communities include?

An addition to the body of knowledge is provided in Chapter 7 of this study. This strategy attempts to directly address fundraising guidelines for schools in poor communities.

## 6.5 AREAS OF FUTURE RESEARCH

The following topics can be considered for future research:

- Entrepreneurial advancement in no-fee schools with relation to fundraising opportunities;
- Quality schooling: developing strategic fundraising opportunities for Section 20 schools to enhance their quality of teaching and learning; and
- Involving corporate business with fundraising for public schools in disadvantaged communities.

## 6.6 CONCLUSION

Data was collected from participants by means of questionnaires. The data was collected from principals, SGB chairpersons and parent representatives on finance and fundraising committees from three Educational Districts which is Fezile Dabi, Lejweleputswa and Motheo. Data collected from the questionnaires was analysed and interpreted by the researcher.

Findings from the literature study on financial management in schools were dealt with. Findings from the literature study on fundraising in schools were highlighted. Referencing was used when discussing literature study on financial management and fundraising in schools. The findings from the open-ended questionnaires of the principals, SGB chairpersons and parent' representatives on finance and fundraising in schools were reported per theme and sub-theme. Recommendations were provided per theme. Topics to be considered for further research were listed.

Fundraising is necessary to supplement resources that are provided by the state and it must be ensured that it is managed by the principals, the SGB and the fundraising committee in public schools. Inadequate resources in schools must be supplemented through fundraising. Additional funding may be obtained by schools from different sources and through different means. Such sources include fundraising, the generation of fee income and other voluntary payments by members of the broader community, parents, entrepreneurial activities, donations and sponsorships.

Clarke (2012:317) mentions that for fundraising to be effective it requires a significant investment of time and effort, therefore care must be taken by the principals and the SMT to protect time and effort that should be dedicated to teaching and learning. Parents involved in fundraising must receive proper training and guidance to ensure that they do not create problems. Nyambi (2004:35) says that the SGB should allow the reasonable use of the school facility for community activities, school fundraising purposes and that they can charge fees. Funds raised must be used to improve infrastructure that will create an environment that is conducive for effective teaching and learning and provide quality teaching and learning especially in Section 21, quintile 1 and 2 no-fee schools.

Fundraising events must be properly planned, managed and organized to avoid problems of losing funds through fraudulent activities. Fraud will dent the image of the school and scare off potential donors and sponsors. Problems or challenges faced by fundraising in schools must be solved by planning these events in time, setting realistic targets, and setting the date. Tasks must be allocated to relevant stakeholders for the school to know who to hold accountable for which task to ensure successful fundraising events. It must be ensured that schools do not use the same fundraising strategy as they have different cultures. When schools choose a fundraising strategy they must take the culture of the schools into consideration to avoid boring the stakeholders.

Fundraising policy that forms part of the financial policy must be included in the school development plan (SDP). It is the responsibility of the SGB to establish a finance committee. The finance committee must develop policies and regulations that must be adhered to by the principals, the SGB, the SMT, educators and other individuals that are allocated financial functions, to prevent mismanagement of funds and ensure effective, efficient and economic management of funds. The SGB must also establish a fundraising committee that will assist with the planning, management and administration of fundraising events to ensure that they are successful.

The SGB must develop a fundraising policy to assist the school with the planning and management of fundraising events to ensure that schools run successful fundraising events. Botha (2013:34) states that the finance committee is accountable to the financial operations of the SGB and they must ensure that the daily financial needs of different schools are included in the school budget. According to the Doe (2010:13), fundraising projects and donations must be used to address specific needs of the school. A plan that includes the estimated income and the expected cost must be drawn up for each project.

The following chapter elaborates on the fundraising programme to be used by schools for potentially effective fundraising events.

## CHAPTER 7

### PROPOSED FUNDRAISING STRATEGY THAT CAN BE USED IN SCHOOLS

#### 7.1 INTRODUCTION

This chapter provides an addition to the current body of knowledge regarding fundraising in schools. The proposed strategy is by no means the ultimate solution, but aims to provide the leadership at schools (especially SGBs and principals) with particular ideas to contribute towards their fundraising endeavours.

Progressive SGBs and principals are engaged in active entrepreneurial activities to raise additional funds through sponsorships and donations from the broader communities and corporate businesses. Principals should adopt an entrepreneurial style, which entails the practice of involving parents and other external parties in school processes, acquiring resources for the smooth running of a school and building coalitions with external agents. School fundraising is done in different ways, with the involvement of learners, educators and parents. The fundraising helps the institution to collect finances for different purposes, such as acquiring additional teaching and learning materials, buying new uniforms for sports teams or improving infrastructural facilities. School fundraising can therefore be a fun way of realizing an important goal.

Many school principals and SGBs are resorting to fundraising for extra money to supplement the resources that have been supplied by the state to provide special educational opportunities for their learners and to improve the quality of teaching and learning, especially in Section 21 quintile 1 and 2 no-fee schools. Fundraising events can be a success if approached in an organised way. For the schools to run a successful fundraising event, they need to know what they want to achieve. To run a successful fundraising event or activity the support of the school community, the learners, the parents and the staff should be fully engaged.

Fundraising is extremely important for schools' academic success. Every school needs enough money to meet the cost of educational resources and develop plans for the future, keep its buildings in a good condition and pay for necessary new equipment.

If extra money is not raised the school will not be able to buy additional resources needed by the school to enhance the quality of teaching and learning and to improve learners' results.

The tool to be used to manage fundraising is the school annual budget. The school's annual budget will reflect the amount of money that the school plans to raise for fundraising. The school will monitor the progress in achieving its target by keeping records of money that has been raised and by giving feedback during fundraising meetings, finance meetings, staff meetings and parents' meetings. If money is not raised as planned, the school will have to put more effort into fundraising. Many schools have one or several major donors who provide funds for them to buy additional educational materials, to cater for educational needs and for minor repairs and maintenance of the school buildings.

Fundraising is an important aspect for better school facilities and better academic achievement. This chapter will propose fundraising ideas such as big fundraising events, targeted businesses, projects per year approach, larger fundraising projects, big corporate involvement and problems facing fundraising in schools. This chapter will also propose fundraising strategies, models, programmes and types of fundraisings that can be used in Section 21, quintile 1 and 2 no-fee schools.

Fundraising has never been easy; it has challenges especially in quintile 1 and quintile 2 schools. The challenges that fundraising is faced with in these schools is unemployment, poverty, the academic level of the parents as well as the community, the staff, the learners and the SGBs unwillingness to participate in fundraisings.

School fundraising is becoming increasingly important. Parents and SGBs are saddled with the responsibility of generating financial support for school programmes and projects. They have to come up with ideas for effective, efficient and successful fundraising events. Too many fundraising events can result in donor fatigue and reluctance to support major projects because of the constant begging for small donations from special groups. It is therefore very important for the school to have a fundraising policy, which puts in place limits to the number of fundraising activities, as well as a system for applications to do fundraising. The policy needs to provide a clear

guideline to make sure that all monies raised and donations are accounted for and processed through the school books.

The SGB must establish a fundraising committee that will plan and coordinate all the fundraising efforts. There are many projects that can be undertaken by the school to raise funds like renting out school buildings, sales, sports days and concerts. Projects must be carefully planned to be successful.

As this chapter may be used as a separate entity by principals and SGBs, some background information regarding fundraising and financial management is provided at the onset of this chapter.

## **7.2 PRINCIPLES OF FUNDRAISING**

Getting by and surviving is not enough. If a school wants to thrive, you need to build a strong fundraising and development network that allows you to focus less on your bank balance and more on your mission, programmes, and ultimately, your learners. This section provides five key fundraising principles that are considered to be important for all fundraising activities. These principles have been adapted from Garecht (2013).

### **Principle 1: Fundraising should not be considered as "a bad thing"**

What a school does, matters and this is linked to the school's mission. The mission will indicate what is important for such a school. If a school's mission matters, then fundraising matters for such a school. A school would not be able to serve the learners and families in its community at its best without fundraising. A school could offer more and better opportunities for its learners and as a result do more good for the community. If a delegated person from the school requests a donation or sponsorship from a parent, alumni, or business person and the response is "no", the delegated person should not feel bad or ashamed. In fact, a person should be more motivated and committed because you tried to raise money to change lives.

## **Principle 2: Plans matter**

Most schools get started on a dream but without a plan. Having a good plan, matters to your fundraising efforts. A plan provides a guide for one's efforts making sure everyone is on the same page, defines which activities will be carried out and which will be avoided, allowing one to look at the overall strategy in the midst of daily activities and issues.

A good fundraising plan is written down. Fundraising plans that exist only in the mind of the principal or SGB members are destined to fail. A good fundraising plan is constantly evolving. Do not write a plan and expect it to last for the next two decades. It will be necessary to adapt the plan every few years as the economy, the learners and the community changes over time. The fundraising plan should adjust to these changes.

A good fundraising plan clearly defines goals and deadlines. A plan that simply says, "We will organize two fundraising activities this year" is a recipe for failure. It is far better to say, "We will organize our first fundraising event during the first week of March and a second during the third week of September this year. The fundraising committee will be responsible for planning these activities and report to the SGB at their 1<sup>st</sup> and 3<sup>rd</sup> meetings of the year". Monitor whether your school has a written fundraising plan. Ensure that it is updated regularly.

## **Principle 3: Fundraising is everyone's responsibility**

Because fundraising is so important to the success of a school, it needs to be made clear to the SGB, staff and learners that fundraising is everyone's responsibility. A school should have a fundraising committee that devotes most of their time to fundraising. However, assisting with fundraising should be part of everyone's job description.

For SGB members, principals, educators, learners and even administrative staff, this means that they should be willing and able to assist at fundraising events. It also means that they should constantly be on the lookout for opportunities in the course of

their daily responsibilities. It would be to the benefit of the school if the SGB organizes a one- or two-hour fundraising training session for all involved stakeholders. Does everyone at your school understand that fundraising is part of their job description? Does everyone on your SGB help with fundraising?

#### **Principle 4: A fundraising strategy needs to be more than just holding events**

When it comes to fundraising, it is easy to say, “Let’s hold an event as it is relatively simple, normally fun for all, and at least everyone knows what they are supposed to do”. The problem is that many events do not lead to long-term relationships with donors.

The best type of donors are those who are so moved by the mission and commitment of the school that they make a decision to donate annually, which is the type of donors schools need. To find and keep donors like this, you need to have a true fundraising strategy - one that includes holding one-on-one meetings, making phone calls, providing such donors with written feedback and making true friends for life. It might seem less comfortable than simply holding another fundraising event, but it is the true path to fundraising success.

#### **Principle 5: Relationships equal Success**

The final basic fundraising principle that every school needs to understand is that building strong relationships is fundamental to fundraising success. Fundraising is all about relationships. A school can send out letters to parents and the community every year, but the real funds are generated when a school develops relationships with certain donors and sponsors who responded to the initial call for donations and sponsorships. The SGB and staff should understand the principle of relationship building. The goal of your fundraising efforts should be to identify people who may want to donate to the school and then to develop a relationship with them through cultivation activities.

Once a relationship is established and donation or sponsorship is made, the school will need to work hard at motivating donors and sponsors to maintain relationships in

order to receive follow-up donations and sponsorships. Donors want to feel like a part of your team. When they do, they will be inclined to sponsor again and again. Build relationships with your donors and turn them into friends for life.

### **7.3 THE IMPORTANCE OF FINANCIAL MANAGEMENT IN SCHOOLS REGARDING FUNDRAISING**

Funds raised through fundraising can be used to improve the human and physical resources of the school. Fundraising is an opportunity to draw in the broader school community and build relationships with the parents.

The importance of financial management in schools is that one of the financial functions of the SGB is to ensure that funds raised form part of the annual financial statements and are audited and submitted to the Department of Education. The financial function of the SGB in schools is also to keep minutes of all financial decisions, to identify projects to which donations can be made and issue Section 18A certificate for qualifying donors.

It is the role of the fundraising committee chaired by the SGB chairperson, treasurer, the principal and possibly educators, parents and co-opted members to advise on fundraising methods that could be used. The financial management functions of the SGB regarding fundraising is very important as the SGB ensures that before the school starts with a fundraising event, a projection is prepared by the fundraising committee that shows the expected income and expenditure, as well as the intended use of such funds raised.

The fundraising committee assists the SGB by writing the report on the outcome of each fundraising activity and presents it to the SGB during the SGB meeting. A report presented during the SGB meeting is compared with the projection that was prepared and a summary of all fundraising activities for the school is included in the annual report. Financial management regarding fundraising is very important as the financial function of the SGB is to assist with the publicity of fundraising events.

The fundraising committee reviews the fundraising activities at the end of every year for the following year. They also coordinate and streamline all fundraising activities, thereby avoiding overlapping of events. In financial management of the school all fundraising requests are channelled through the fundraising committee who will determine timing and suitability of appeal. In financial management of the school the best interests of the school are promoted and its development is encouraged during fundraising.

#### **7.4 HOW TO PLAN SUCCESSFUL FUNDRAISING EVENTS IN SCHOOLS**

A successful fundraising programme is not a once-off event. A successful fundraising programme is intentional and should address both short-term and long-term focus areas. There is a need to track members of an organization that is donating and partner with institutional foundations.

There are a number of factors that influence successful fundraising. These include the need of the school community to be active participants, acquire fundraising skills and design creative projects. Successful fundraising requires leaders to invest more time, (financial) resources and effort in it. Success in fundraising depends on the energy, interpersonal skills of staff involved in the fundraising activities, communication, maintaining good relations with donors with the aim of motivating them to donate again in the future.

A successful fundraising programme needs good relationships, trust building and carefully planned fundraising ideas. A sacrifice, accountability, transparency and submission of regular report back to the donors are necessary for a successful fundraising programme.

They will not be able to effectively serve the communities they had intended to serve without funds. Successful fundraising is closely related to effective governance, leadership and strategic planning. The toolkit and the principles behind effective fundraising must be looked into.

The toolkit will look at:

- principles behind effective fundraising;
- developing a fundraising strategy; and
- monitoring and implementing a fundraising strategy.

### **Principles behind effective fundraising**

To fundraise effectively, the school needs to be clear about its strategy and mission. When starting a discussion on fundraising it is necessary to look for long-term sustainability. A clear mission, focus on beneficiaries, and a culture of innovation will bear fruit in fundraising,

A holistic view to developing your organization will:

- support future fundraising activities;
- engage all your stakeholders in your mission;
- provide competitive advantage to stand out in the busy market place; and
- provide increased confidence to prospective funders.

There are five main drivers that are critical to the long-term success of fundraising in schools:

- involvement of the school leadership is crucial, as is engagement with the broader school community;
- fundraising is a school commitment;
- every institution as a school is unique and therefore fundraising should be based on a mission and vision of the school;
- fundraising is about relationships and for donors to keep giving they must be actively engaged; and
- fundraising should be consistent and sustained.

## **7.5 FUNDRAISING STRUCTURES IN SCHOOLS**

SGBs have the powers to establish a financial committee and sub-committees such as a fundraising and tuck-shop committee and members of SGB must be the chairperson of those committees. The SGB must delegate the responsibilities of financial management in writing to the finance committee.

The finance committee is composed of the treasurer, principal, educators, parents and non-teaching staff. The fundraising committee is composed of the parents, educators and learners. Parents are usually too busy to be involved in fundraising events or activities. The SGB has to form a fundraising team. The SGB has to motivate all the stakeholders to be part of the fundraising team. The finance committee should appoint the finance officer who will be responsible for money matters on a daily basis. The fundraising committee decides on a fundraising venture and passes it to the staff to organize and implement.

Many principals in South Africa perceive the tuck-shop as a form of additional income to the school. Additional finance is needed to maintain acceptable standards and enhance the quality of education. Schools are relying more on additional financial resources to improve the quality of teaching and learning especially in Section 21, quintile 1 and 2 no-fee schools. The dispensing of food from the tuck-shop is one of the avenues principals use for additional funds.

There are two types of tuck-shops that can be run by the school, namely a formal arrangement and informal arrangement tuck-shop. A formal tuck-shop is when the school operates the tuck-shop and an informal one is when the tuck-shop is rented by the school to businessmen from the community. Rent that is paid to the school contributes towards fundraising.

### **7.5.1 The role and responsibilities of fundraising structures in schools**

The role and responsibilities of the finance committee:

- the finance committee must coordinate the various activities of different sub-committees and have good communication skills;
- the finance committee must draw up and implement a financial policy that will be used as a guideline to control and construct a budget, approve and monitor all expenditure to ensure that all the necessary procurements are done through

the correct procedures, using the correct tendering procedures and the correct quotations;

- the finance committee must have meetings with the SGB regularly to discuss financial matters and to motivate members to perform their duties effectively.

The role and responsibilities of a fundraising committee:

- fundraising committee must create an opportunity to attract the broader school community and build relationships;
- advise on fundraising;
- advise in ways to invest surplus money;
- they must prepare a projection that shows the expected income and expenditure on fundraising, and the intended use of funds raised before starting with a fundraising event or activity;
- prepare a report on the results of a fundraising activity or event and present it to the SGB during their meeting;
- understand the organization's mission and develop fundraising activities that complement the mission and assist the organization to achieve it;
- review all previous years' activities and make recommendations for improvement for the following year;
- hold the staff accountable for implementing the strategies of the fund development plan within the agreed timeframes and measure goals monthly;
- maintain a shared fundraising calendar;
- analyse relationships with prospective and current major funders and donors and develop strategies to strengthen or cultivate those relationships;
- work with outside consultants and staff as required to plan and implement relationship building and fundraising events; and
- together with the principal meet with prospective and current major funders.

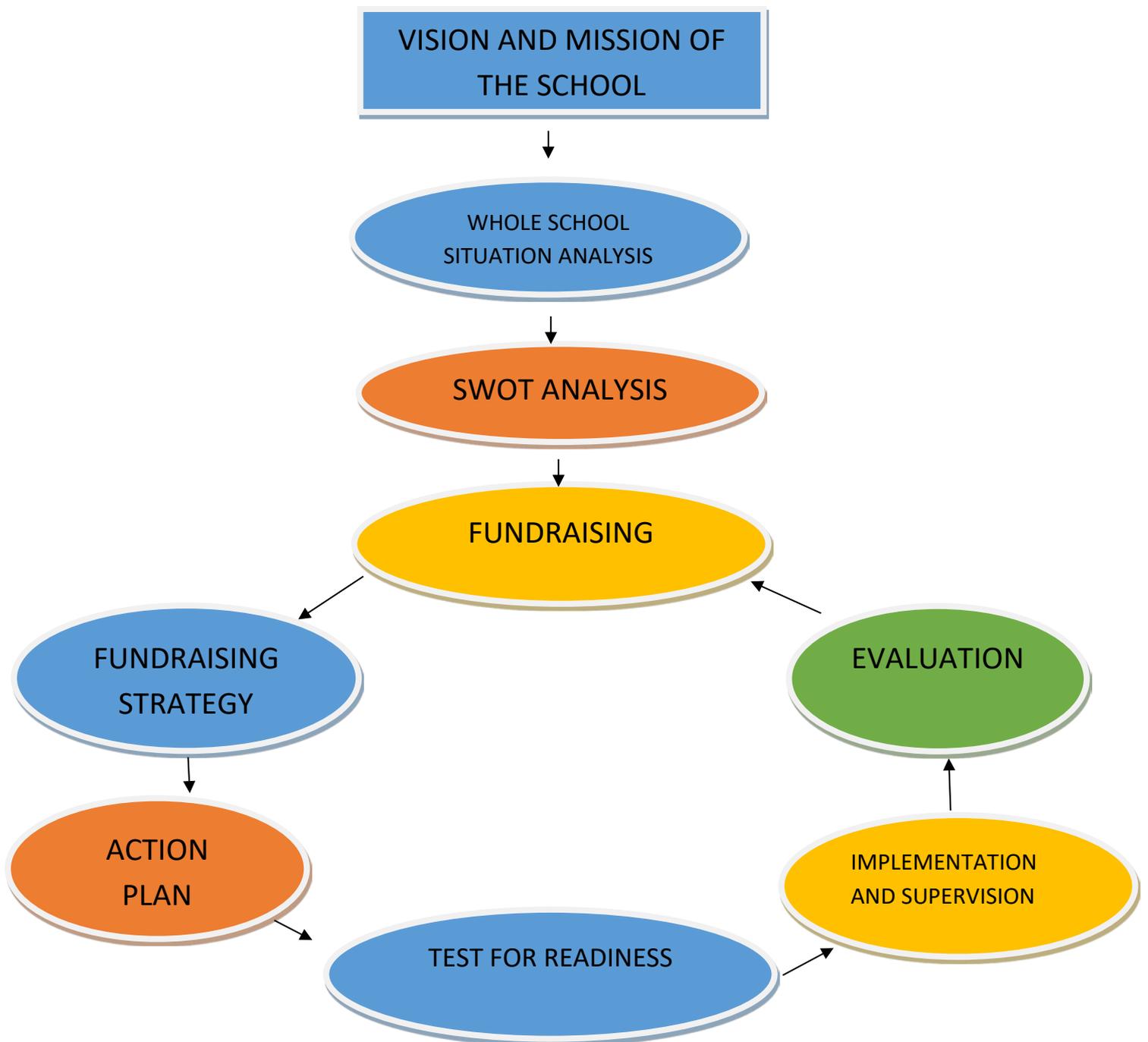
The role and responsibilities of the tuck-shop committee:

- to service the learners on behalf of the parents by providing food for them during break;

- work in partnership with parents' support to build trust, curriculum, the well-being of learners, service, justice, accountability and fairness;
- encourage learners to have healthy eating habits;
- assess the role of the school principal in the school tuck-shop in managing school finances;
- ordering stock that has been approved from suppliers;
- ordering, receiving and checking all supplies against invoices and delivery notes and signing before handing it over to the treasurer for payment;
- prepare daily takings in the presence of another person and signing the daily book;
- ensure that the daily takings are prepared for banking and delivered to the bank daily;
- attending committee meetings, as requested, in consultative and reporting capacity;
- ensuring that all stock is prepared and stored in accordance with hygiene procedures;
- perform stocktaking each month; and
- ensure that the tuck-shop is maintained and cleaned.
- The tuck-shop committee should provide the finance committee with regular feed-back (weekly or monthly) depending on the tuck-shop policy on how much was procured, about the stock available in the tuck-shop and the sales that have been made.

## 7.6 FUNDRAISING STRATEGY THAT CAN BE USED IN SCHOOLS

Figure 7.1 Structure of a fundraising strategy



Source: Pudi 2008:58

These steps discussed underneath are adapted from Pudi (2008).

### **Step 1: Mission and vision of the school**

The school vision and mission should be reviewed collectively, by involving all relevant stakeholders. All relevant stakeholders' participation is very important as they will interpret and put together the vision and mission into their daily lives. The vision and mission should be reviewed in such a way that it aligns the school with the demographics people, economy, technology, life style, societal value, and also regulation and legislation.

Schools must develop good networks and all stakeholders must share a common vision of interest. All stakeholders must contribute to the betterment of the school. Networks help to inform other members of the network of their activities, communicate information about the school's planned fundraising projects and look for resources for the activity and support them. Network members should be prepared to work in partnership with others.

### **Step 2: Whole school situational analyses**

The school must analyse its situation and compare itself with the microenvironment. External demands that affect the delivery of education need to be identified and plans established on how to respond to the environmental trends. The environmental trends embrace the economic conditions (disposable income, inflation), socio-cultural (family and socio- economic status, ethnicity and age), government acts (funding programme, regulation, expenditure) technology, ecological and international factors.

### **Step 3: SWOT analysis**

A SWOT analysis is another form of situational analysis, analysing the internal issues, the weaknesses and the strengths, and external issues like threats and opportunities. A SWOT analysis provides the fundamentals for developing a strategy that capitalises on the company's resources that aims at capturing the company's best opportunities and protects it against the threats to its own well-being.

The principal, the SMT, educators and the SGB brainstorm and list weaknesses and strengths; threats and opportunities. Thereafter they rate them according to importance. Rating is done through a democratic process that has been agreed upon. When SWOT analysis is conducted, items that are on top are regarded as critical issues. Critical issues like weaknesses, strengths, listed opportunities together with threats can be used to develop fundraising strategies.

#### **Step 4: Fundraising strategies**

The fundraising committee continues with the strategy to secure the resources. Fundraising strategies include: the school's needs must be identified; all relevant stakeholders must be involved in identifying the needs of the school; the needs of the school must be prioritised in the order of importance; potential donors must be identified; various stakeholders must be consulted when identifying potential donors; local businesses must be approached; and a proper fundraising proposal.

A fundraising strategy will assist the school to organize the fundraising function within the timeframe that has been agreed upon, in terms of exact time, strategies to approach them and potential funding agencies. Fundraising strategies also help in valuable allocation of resources like time, money and staff skills; provide a competitive edge in a competitive environment; establishes the view that good quality of papers was presented.

When thinking about fundraising, it is very important to think about it as long-term. A fundraising strategy is simply a plan that will get you from where you are to where you want to be. Successful fundraising starts with a strategy which should serve to recognize what resources will be needed in order to reach the intended aim. A fundraising strategy should be incorporated into your school year plan and other strategic plans. A clear strategy will improve the chances of raising money because it will provide activities to follow and an outline of plans.

A fundraising strategy is a plan that sets out what your school is set up to do and its main area of work, plus an outline of where the school is in terms of funding; what your

funding priorities and needs are over a specific period of time; costing of the above; and how the school plans to raise the money and who will be responsible; and what the school will do at the end of that period.

Your strategy needs a number of planning stages such as long-term strategic planning, medium-term business planning and short-term operational planning.

- long-term strategic planning provides your overall aims and reason;
- medium-term business planning will show the resources needed to attain aims; and
- short-term operational planning will show a detailed breakdown of specific pieces of work for which to fundraise.

During the medium-term planning the school planning must be spelled out in detail on how the aims that have been identified will be done and how much it will cost. The plan will include an estimate of income and expenditure and a budget. A fundraising strategy should indicate that your plans are realistic; your group has the ability of managing projects and money; you have procedures and policies in place that is relevant to the work that you are doing; and you can evaluate and monitor your work to ensure that you realise your aims.

Short-term or operational planning is the level at which you set out specific objectives as well as tasks that you will do to meet your aims and targets. The school needs to think how each target or objective can be attained. Activities that will be needed to achieve the set objective or target must be taken into consideration, which resources will be required and how the progress made will be measured. The school must decide on the time-scale and priorities.

Strategic planning is developed according to the vision and mission of a particular organization like a school, and lays the foundation which ensures that daily activities are geared towards the mission of the school. The school must select fundraising strategies that will maximise their efforts, best accomplish their goals, and best complement their programme. It must include fundraising strategies into their annual plan, build a base of individual members, find donors (individuals, businesses,

foundations) that will make major monetary gifts, organize an event that will generate funds and involve the community.

Success depends on the extent to which fundraising is viewed as part of the institution's overall community relations effort, the ways fundraising tasks are coordinated and assigned, and the strategies used to ensure profit on investment in fundraising campaigns.

### **Step 5: Action plan**

Once you have decided on your goal for fundraising and identified an appropriate activity, a plan of action must be worked out. The activities, the people and the timeframes must be identified. There are questions to be answered in the action plan and they are the following: what will be done, who will do it, where, how and when.

Each task that needs to be done must be identified in order to reach your goal (what). The timeframe and an order of action must be decided on (the when) and then the tasks delegated to the members of the fundraising committee and others (whom). The fundraising committee does not have to do everything; they must involve as many educators, parents and learners as possible. There must be effective communication to keep educators, parents and learners informed.

A fundraising project must have a short specified time. A bigger project should be broken down into phases and an action plan and the target dates set.

A plan should be made for the whole year that includes the following:

- scope of the project and summary of objectives;
- a plan of all fundraising activities for the whole year;
- date for each event or activity;
- expected expenditure for each fundraising event or activity;
- expected income for each activity or event;
- target for each fundraising activity or event;
- a list of all fundraising activities or events for the whole year; and

- duties assigned to stakeholders for each fundraising activity or event.

### **Step 6: Test for fundraising readiness**

- establish whether the school is ready to implement a fundraising plan or not;
- the test should be used to establish whether the school will run an effective fundraising event or activity;
- the SMT and the SGB must establish whether the fundraising plan has been developed to meet the organization objectives;
- approval must be given by the fundraising committee;
- a checklist should be used to determine the school readiness;
- the checklist must include the following:
- the aim for fundraising, budget allocated for fundraising;
- the readiness of fundraising committee, record keeping, risk, time, date, potential sponsors identified, potential donors identified, the tool for monitoring fundraising events or activities;
- the plan to evaluate success or failure of fundraising events or activities; and
- purpose of fundraising.

Test for readiness establishes whether the plan will be a success or not. The test prevents a situation where the school will not reach its objective or run at a loss by implementing an ineffective fundraising event or activity. The principal, the SGB and the SMT must check whether the fundraising plan has been developed properly to achieve the schools' goals.

### **Step 7: Evaluation**

The expenditure of implementing the fundraising activity or event and income is checked to determine whether the target has been reached. To develop the strengths and improve the weaknesses a SWOTs analysis is done.

## Step 8: Implementation and supervision

A meeting must be held at the end of the fundraising event before starting with another one. A meeting will provide an opportunity to discuss people’s contribution and hard work, as well as evaluating the failures or successes. It is very important to check on what has happened at the end of the project in order to improve a future event.

A plan of action is implemented. The effective monitoring and evaluation tool is used to avoid the deviations and uncertainties.

The following table can be used by the principals, the SMTs and the SGBs to check the fundraising readiness in their respective schools.

**Table 7.2: Fundraising readiness**

Criteria	Tick
Clear vision	
Strong governance	
Effective monitoring and evaluation	
Brand positioning and marketing	
Meeting needs of beneficiaries	
Robust management and operational policies and practices	
High input services and campaigns	
Stakeholder engagement	
Culture of innovation and best practices	

Adapted from Pudi (2008)

### 7.7 FUNDRAISING PROGRAMMES AND/OR IDEAS THAT CAN BE USED IN SCHOOLS

The following list of fundraising ideas or programmes can be used in Section 21 quintile 1 and 2 no-fee schools as it does not require much money from the parents,

the community, and the staff as well as from the school. We also have fundraising ideas or activities that are costing or requiring money for the school. Those fundraising ideas or programmes are relevant for Section 21 quintile 1 and 2 no-fee schools. Here is a list of fundraising ideas that schools can choose from and a brief explanation of how they can be done.

Payment for all events can occur in any of the following ways:

- electronic funds transfer;
- payment on weekly basis through the register teacher;
- direct payment at the cashier's office; and
- financial clerk.

Acknowledgement is provided to some sources adapted for this section of the strategy. These are: Action Aid (no date) and Child magazine (no date).

### **7.7.1 Back to front day**

The school informs the SGB and the fundraising committee about their plan of holding back to front day fundraising project. Fundraising ideas that the principals, the staff, the learners and other relevant stakeholders have in mind are included in the school's year plan for the following year during the last quarter of the school year. Back to front day is organised by the grade head educator with the permission of the principal, the SGB and the fundraising committee. The learners are informed by the grade head educator about the back to front day fundraising project. Parents are also informed about it by the principal and the SGB during the parents' meeting.

Parents and learners are reminded continuously about back to front day by means of the newsletters and the local newspapers. Learners are also given letters for their parents to remind them continuously about the back to front day fundraising project. The principal can also request to be given a slot in the local radio station to remind the parents, the community members, the educators and the learners about fundraising projects. The educators, the parents, community members and the learners are

informed about the purpose of the back to front day and the date of that event and the target that must be reached.

During back to front day fundraising project learners have to wear their T- shirts back to front or inside out. Learners pay R2.00 for wearing the T- shirts back to front or inside out to the grade head educator. The grade heads pay money that has been collected to the financial clerk and they are given receipts as proof of payments. In other schools where they can afford to appoint cashiers, money that has been collected is paid to them. Cashiers can be appointed by the SGB as well, if funds allow. Back to front day fundraising can best be implemented during school hours as it will not disturb teaching and learning.

This is an easy way to raise additional funds and it also causes laughs. Back to front events can take place five times per year and it can also be organized per grade by grade heads, starting from grade 9, then grade 10, grade 11, grade 12 and end with the grade 8 head. It is advisable that grade 8 should be the last, as they will still be new and still be adapting to a new environment. It is also very important that the fundraising committee inform the staff, the learners, the SGB about the amount of money that has been collected, how the money has been used and thank them for their participation. The parents, the learners and community members will be interested in participating in this project again if they are given feedback about what has been done with the proceeds of the fundraising project.

The above-mentioned fundraising event or activity is suitable for Section 21 quintile 1 and 2 no-fee schools as it does not require much money from the parents, the learners and members of the community. This type of fundraising project is used to assist with small projects in schools, like renovations and maintenance of the school building and the ground to ensure safety of the learners and the staff. Back to front fundraising project will make learners laugh and be happy.

### **7.7.2 Bag a book**

The school informs the SGB members, the finance committee and the fundraising committee about the plan and the purpose of conducting a bag a book fundraising

campaign. They also inform them about the fundraising strategy that will be used, resources, the time, the target, the date and the venue. Educators are informed about bag a book fundraising project during their morning briefing meetings by the principals. Educators are reminded continuously about fundraising projects during their meetings. Learners are informed by their class educator and parents and community members by means of the newsletter or local newspaper about the bag a book fundraising project. Parents are also informed about bag a book fundraising projects by the principals and the SGBs during parent meetings. Learners are given letters for their parents to remind them about the bag a book fundraising project.

Bag a book fundraising projects can best be done at the beginning of the year during the weekend, preferably on a Saturday afternoon. Teaching and learning time will not be compromised if bag a book fundraising project is done on a Saturday afternoon, and when parents and community members who are working will be available. This fundraising project is used to build relationship with the parents, community members and the school. It also motivates them to participate in school activities. It brings people with different cultures together in one place.

The school asks educators, learners, SGB members and parents to donate their used books that they are no longer using. Educators, learners, SGB members and parents are requested to ask their friends to donate their old books to the school.

The school advertises their book sale through community forums, in local shops and by making large posters that are placed outside the school. The book sale is held at the school on a Saturday afternoon. Educators and parents are encouraged to bring their friends to their book sale. Books are arranged on the tables by the educators in such a way that they attract people to buy them. Prizes must be attached to the books. Each educator manages and controls one table. Educators managing the tables ensure that they have sufficient coins and notes to give change to the customers. They must hang posters with the purpose of the fundraising project on the walls. A fee is charged for the books. Money collected from the sales of used books is collected by an identified educator. The educator pays the money that has been collected to the financial clerk or to the cashier. The educator is given a written receipt of money that has been collected by the finance clerk or the cashier as proof of payments.

The school will then give relevant stakeholders feedback about the success or failure of the event. The school will thank all the participants and inform them on how the money that was collected has been used. The above fundraising event or activity will be suitable for Section 21 quintile 1 and 2 no-fee schools as it does not require any money from the school. In addition, it does not require much money from the staff, the learners, the parents and the community around the school.

### **7.7.3 Bring and Buy**

The educators inform the principal and the SGB about the Bring and Buy event. They in turn inform the fundraising committee about the event. The principal and the SGB present the plan and the strategy that will be used, to the fundraising committee.

The event must be advertised well in advance and the local crafts people must be approached to sell your goods. A Bring and Buy fundraising project can also be done at the entrance of the supermarket. The parents, the community members, the learners and the staff must be reminded continuously about when the school will conduct the Bring and Buy fundraising project. The principal can inform the parents, community members, the learners and the staff through the local radio station and the local newspaper. The school staff can also be informed about the project during their meetings. The principal can ask for a slot from the local radio station and a column from the local newspaper to inform all relevant stakeholders about the Bring and Buy fundraising project that the school is planning to host.

The best way to do it is for the principal to visit the local supermarket manager to ask for permission to conduct the project at the main entrance of the supermarket. The advantage is that many shoppers will be able to see good quality used goods that the school is selling.

Bring and Buy fundraising projects can best be done on Saturdays when many people will be available. It can also best be done in a meeting or event that the school knows has the best attendance. It is very important for the school to confirm well in advance that the parents have good quality used goods, fresh fruits and vegetables from their gardens or food that they will contribute to avoid disappointment. Parents, community

members and volunteers must mark prices on items that they will be contributing to the school.

Parents can also be requested to bring home-baked or/and cooked food. Parents and community members must be encouraged to bring their friends to the fundraising project. Each educator will be asked to rent a table. Money from the rental table and quality used goods will be collected by the educator managing the table. It is very important that educators who are managing and controlling the table ensure that they have a reasonable cash float to handle change to customers.

Educators must arrange quality used goods on the table in such a way that they look inviting for people to buy. The school must select educators who will be prepared to talk to the customer and manage the tables; they must also display posters to inform customers about the purpose of the Bring and Buy fundraising project. Money collected by each educator who was managing a table is paid to the financial clerk or the cashier. The financial clerk or the cashier issue a written receipt to each educator that has paid money to them. The table rental fee and profit from the donated quality used goods will go towards fundraising.

#### **7.7.4 Cupid corners**

All people involved in the organising of the event and those targeted to participate need to be informed via various channels. Parents are informed at parents' meeting, and through newsletters, the local newspaper and local radio station. Educators are informed during staff meetings and they in turn inform the learners during their register periods and also by the principal during morning opening sessions. All parties must be reminded about the event continuously during their briefing sessions.

The school will request the local businesses to donate different colours of ribbons to the school for the purpose of fundraising. It is very important that the principal requests a meeting with the owner or the manager of the local business and talks face to face with him or her. The principal must present the fundraising plan to the owner or the manager of the local business.

The parents, learners and members of the community are reminded continuously about the event through the school newsletters. Parents are also reminded continuously about the event by letters that are given to them by the learners. Parents are requested to fill in and sign the reply slip that they received with the letter from the school. The reply slip must be returned to the school by the learners to prove that their parents received the letters. It is very important to encourage the parents to sign the reply slip to ensure that the letter did not end up only in the learners' school books or school bags. Cupid corners can be done per grade. The grade head will be given a certain number of different colours of ribbons and sign for them.

The grade head will explain the meaning of different colours of ribbons to the learners. They will give different coloured ribbons to the learners to sell to other learners, friends, community members and their families. Red ribbon is for love; white ribbon for the friendship; and blue ribbon for the funniest person in a class. It is very important to host a cupid corner fundraising project at the school for the whole day during Valentine's Day when most people want fun. The school must write a letter to the district to ask for permission to host a fundraising project at the school during school hours.

Attach a card to the ribbon so that learners can write their messages and sell a set ribbon for a price. Each ribbon will be sold for R10,00. Money from the sales of the ribbons will be collected by the grade head. The grade head will pay money that has been collected to the finance clerk or cashier and will be given a receipt as proof of payment to ensure integrity. Money charged for the ribbons will contribute towards fundraising. All stakeholders that supported the event must be given feedback after the event and be informed by letter whether it was a success or not, and what has been done with their hard-earned money. A letter of appreciation must be given to the businessmen and women who supported the school.

#### **7.7.5 How does your garden grow?**

The principal, the SGB and the finance committee inform the fundraising committee about their plan to conduct how your garden grows fundraising project. Parents are informed about the plan of conducting such an event during the general parents'

meeting at the school. The purpose of the fundraising project, the target to be achieved, the date and the venue are communicated clearly to the parents. Parents, educators and learners are allocated duties that they will be responsible for. The staff, the parents and the SGB are encouraged to invite their friends for that event or activity to ensure that it is a success.

The school must ask parents to donate empty cans, egg cartons, bulbs or packets of seeds. The school can also ask businesses to donate seeds, fertilizers, nets and tools like spades and rakes that will be used for gardening. Plant the seeds in the holders and watch them while they are growing. Ask your local shopping centre if you may set up a table and sell plants there on a Saturday morning, or hold a plant sale at school especially during Mother's day or Arbor day.

It is very important to plant your seeds 8 weeks before Mother's day or Arbor day to give them enough time to grow. Each learner must be given a small garden to take care of on a daily basis. They must water their garden on a daily basis and protect it from the birds that eat vegetables by covering them with a net. They must also take out weeds that grow among their plants and nurture their gardens. Schools can identify volunteers, parents, grandparents or SGB members, and community members with knowledge of gardening who are prepared to share their expertise and support educators and the fundraising project.

This fundraising project is used to have fun and to raise money. It is also very important as it is used to instil an understanding to the learners of where their food comes from and the importance of eating vegetables and fruits. How does your garden grow fundraising project can be used by educators to educate learners about report writing, creative writing, pollination ecosystem and life cycles. Learners' activity level can be increased and teamwork encouraged by involving them in the project. It is also very important because it develop learners' sense of responsibility. It can also help to bring the community together.

The principal should set up a meeting with the business owner or manager. He or she must talk face to face with the owner or manager of the local business and make a presentation of the fundraising plan to them. The principal must be accompanied by

the chairperson of the SGB when visiting the owner or the manager of the local business to ensure transparency and openness.

Parents or educators will be requested to host a table. Plants will be sold for R40,00 only. Money from the plant sale will be collected by the treasurer of the school finance committee. Money collected from the plant sale will be paid to the finance clerk or the cashier. All stakeholders who supported the project will be given feedback and thanked by the school. Money collected from plant sales will contribute towards fundraising. Schools can also use the project to enter for competitions that are conducted by the Environmental Affairs department and win prizes that will contribute towards fundraising. Fruits and vegetables that are left will supplement food that has been supplied by the state to feed learners healthy food. Child-headed families that have been identified will be given fruit and vegetables to take home.

#### **7.7.6 Ready Steady Cook**

The school will inform the principal, the SGB, the finance committee and the fundraising committee about the event that they wish to hold at the school. The principal, the SGB and the educators will present a fundraising plan as well as the fundraising strategy that must be followed, to the fundraising committee. Parents will be informed about the fundraising project that the school is planning to have during parents' general meeting and they will be continuously reminded about the project during their briefing sessions.

Ask learners to submit their favourite recipes, give them steps to follow when writing their favourite recipes. Learners will have to write their responses as follows: The recipe name; ingredients; how to prepare the dish; and the cooking instructions. A picture of the meal must be drawn by learners. The recipe book must be compiled using the learners' own writing and pictures where possible. This can be adapted to make a genuine recipe book by asking parents to submit their recipes. A ready steady cook fundraising project is very important because it will develop learners' creative writing skills and improve their vocabulary.

It is very important that the school confirms in advance that the recipe books will be available. The appearance of recipe books must be attractive and books should be arranged on the table in such a way that they will encourage people to buy them. Recipe books will be sold for R20,00 each. Money from the sale of the recipe books will be collected by the grade head educator and he or she will pay it over to the finance clerk or cashier. Money collected from the sales of the recipe books will contribute towards fundraising.

### **7.7.7 Restaurant takeover**

The principal, the chairperson of the SGB and one member of the fundraising committee must approach restaurants in their area and ask whether they would consider allowing “a takeover” during which the older learners play waiter or waitress. The learners will assist the waiters serving dinner and the tips received will be donated to the school.

Invitations must be sent to the parents and they will be requested to forward it to their friends to support the event. Parents must be reminded continuously of the fundraising event. Patrons and community members must be informed through the local radio station, local newspapers and a notice that will be at the entrance. Educators, members of the SGB, the principals and SMT members must be motivated to attend that event. They must also be requested to invite their friends to attend that event. A reminder should be issued repeatedly about the event through the local radio or newspaper.

The school must not request their busiest nights like Friday or Saturday because they may reject the request. A restaurant fundraising project is very important as there is a mutual benefit for both the school and the restaurant. It also helps to instil entrepreneurial skills to the learners. It makes learners aware of careers such as hospitality and tourism that they could follow. Teamwork is encouraged between the school and the community.

A restaurant takeover fundraising project can best be realised in winter on a quiet night like Monday or Tuesday when restaurants are generally not too busy. The date, venue

and time for the event must be communicated in advance to the people who will be willing to support that project. The menu that will be served for that day and their prizes must be communicated in advance to the clients.

The tips collected by the learners will be collected and recorded by the owner of the restaurant. Tips received will be collected by the treasurer of the finance committee from the owner of the restaurant after the event. Some restaurants may even offer to contribute a certain percentage of the night's takings to the school. Money collected by the treasurer of the finance committee will be paid to the finance clerk or the cashier. All those who supported this project must be thanked in writing or through the local radio station or newspaper.

### **7.7.8 Sun, Suds and Fun**

A car wash is organized by the class register educator. This event is presented to the SGB, the finance committee and the fundraising committee for their approval. The principal, the SMT, the staff, the parents and the community around the school are requested to bring their cars to be washed on that particular day. The principal, the SMT, the SGB and the staff will be encouraged to invite their friends to bring their cars to be washed. The school can request a printing company to print the flyers for car wash fundraising for free and give them to the community. The principal can market the car wash fundraising project in the local newspapers and the radio, one month prior to the event.

The principal, SMT, staff and learners are informed about this event at the parade by the principal. Such a project can best be done during the festive occasion. The school must play music through the school speakers' sound system. They must ask the local businesses to donate or sponsor them with wools, cold drinks and sausage rolls. The school must request the local businesses to donate or sponsor them with equipment for car washing. To run a car wash fundraising project the school will need sponges, tyre cleaner, car washing soaps, rags and window cleaner. The school can buy those supplies or request businesses to donate or sponsor the supplies.

Learners will braai wops on the braai stand – wops for the boerewors rolls will sizzle on the braai. The staff's parking area can be turned into the car washing bay and there must be a stand selling drinks and boerewors rolls. The price for boerewors rolls and drinks must be displayed on the posters. A car wash fundraising project can best be done in a high traffic location with good visibility, and where there is a good supply of water. The learners are to make signs that will get the attention of the people. They must decorate the signs in such a way that they are inviting to people to take their cars to their car wash. You can also have learners who are holding and waving the signs. In a case where the car wash fundraising project will be held at the school it must be ensured that the school has permission to use the location on that day. It is very important to have a shade where the customers can wait while their cars are being washed.

Classes are divided into five groups of car washers. A competition is made to see which group washes the most cars. A car wash fee is R25,00 per car. Money is collected by the treasurer of the finance committee for cars that have been washed and from the sales of drinks and boerewors rolls. Money collected is paid to the finance clerk by the treasurer of the finance committee. The finance clerk gives the treasurer a written receipt as proof of payment and to ensure integrity. Money will then be counted to reconcile it with the amount that has been reflected on the receipt book. The principal and the SGB will give all relevant stakeholders feedback about the event. The school will thank all the people who supported the event.

### **7.7.9 Soup and Sherry**

The principal, the SMT and the SGB inform the fundraising committee about their plan of hosting a soup and sherry fundraising project at their school. The strategy, the plan, the target and the purpose of that fundraising project is presented to the fundraising committee. Educators are informed about the fundraising project that the school plans to host during their meetings. They are continuously reminded about the date and the venue for the project during their morning briefing sessions. Parents are informed about the fundraising project that the school plan to have during their general meetings. They are continuously reminded through the local radio station and newspapers about the fundraising project that will be hosted by the school.

Twenty parents are identified by the school to be hostesses at night. Staff members are also requested to host the 20 tables. Each staff member and a parent are requested to host each table. The hosts are requested to lay the table with their own table-cloth and cutlery. They are also requested to bring a pot of soup and put it on a big table. Twenty pots of soups will be on the tables. The school will ask for sponsors for buns, bread and sherry from local businesses.

The school is not going to spend anything on this event or activity as they will be sponsored by – or receive donations from local businesses. This fundraising activity can best be done in autumn when the temperature cools down during March, April or May. Parents, educators and their friends will enjoy sherry and soup at that time of the year because it will be cool. It is very important that staff members that are hosting the tables bring the bowls with ice to keep the sherry cool and a warmer to keep the soup warm.

Parents and educators are requested to invite their friends for that event. The people will help themselves to the soup as they wish. People will taste different soups on the tables. There will be a glass of sherry that has been sponsored in the hall for each guest. The ticket is sold for R40,00 per person. The school will try to get eight people per table. If the school can manage this, there will be 160 guests for that event and at R40.00 per person a profit of R6400,00 will be made. This event is very important as it will bring different people together under one roof. People from diverse cultures will learn to know each other. It also brings to life an old tradition that has people getting together and sharing food without putting a cost burden on the host.

Tickets will be sold at the finance clerk's office or cashier's office. The finance clerk or the cashier will give the parents and the educators the number of tickets they have bought and issue out the receipts as proof of payment. Tickets will be collected at the entrance of the hall by a staff member that has been allocated that duty. The amount of money received will be compared to the number of tickets collected to make a reconciliation statement and to ensure transparency, openness and honesty. It is also to ensure all the people who participated in the soup and sherry fundraising event that money has not been mismanaged or misappropriated.

At the end of the event the school must thank all the people who supported them. The school must also inform all the people involved about the total amount of money that has been collected during that event, and give them feedback of what has been done with the money raised to assure them that it has been used for the purpose that it was intended for. Money collected during that event will contribute towards fundraising.

#### **7.7.10 Cake and Candy sale**

A class takes the responsibility to sell cakes during a morning break. The class educator sets a date for the cake sale and informs the fundraising committee. The parents and the learners are informed and are expected to make a contribution. Parents, educators and volunteers are requested to donate the cakes and the candies. Local businesses are also requested to donate or sponsor the cake and candy sale for the fundraising project. The school must confirm in time that parents and businesses that promised to contribute cakes have fulfilled their promises, to avoid embarrassment and a situation where the project could be a failure. It is very important to advertise your cake and candy sale fundraising project in advance in the local newspaper and radio. The school will be given a free advertising space and slot as it is a non-profit organization. The school can also advertise the cake and candy sale fundraising project by making creative flyers.

A cake and candy sale can best be done on Valentine's Day, Mother's day, Father's day or Spring day. Such a fundraising project makes learners happy and they have fun. Learners must be given letters to take home to remind parents about the cake and candy sale. During the sale, tables are set out in a central place 20 minutes before break. A cake and candy sale fundraising project is easy to run and to set up. The project does not cost much money to run. It can be a great social occasion that may help to build a relationship between people of different cultural diversity.

The parents and the learners cut and prepare the cakes. The educators, the learners and the parents sell the cakes to the members of the school community. The cake sale is advertised well in advance so that all learners can bring money for it. The class educator coordinates the sale, parents and learners help with sales and the school financial clerk helps with banking.

The money is collected in the money-box by the class educator who will then count it immediately after the sale and pay it to the finance clerk or the cashier. The float and the expenses will be deducted and the profit made will be banked into the school bank account. All stakeholders that supported the event must be given feedback and thanked by the school. Businesses that donated and sponsored the school must be given a written letter of appreciation that they can use for tax purposes. All stakeholders and businesses that supported the school fundraising project must also be thanked to establish a sustainable long term healthy relationship.

### **7.7.11 Happy Hat day**

The school decides on a Happy Hat day on which learners may wear a funny happy hat to school. The funny Happy Hat day will be advertised in newsletters and all learners will be encouraged to make their own funny hats and enter the competition. There will be a prize for the funny happiest hat in school. The learners will register their funny happy hats with their class educator. They will pay a certain fee to their class educator to be allowed to wear their funny happy hat for the whole day.

The school organizes an adjudicator who will go to each class and identify the funny happy hat finalists before choosing a winner. Each class educator collects the funny happy hat registration fee that is low enough for every learner to afford it and participate. Money collected during the Happy Hat day contributes towards fundraising.

## **7.8 MANAGEMENT OF CASH**

Poor management and control of cash at school can cause considerable unhappiness. The donors and the parents do not want to see their hard-earned money being mismanaged. The separation of powers in the handling and control of cash is important for preventing fraud. This means that different people must take responsibilities for different functions. These functions are signing cheques, receiving cash, banking, authorising payments, ordering and keeping records and accounts of money received during fundraising.

## 7.9 BUDGETING

Before commencing a fundraising event or activity you need to prepare a budget that shows the income and expenditure. Budgets need to be prepared even for a small fundraising event. It is very important that the budget is adhered to once it has been developed.

Indicate everything that you need to spend the money on. It is worthwhile to try to get donations or sponsorships from local business for as many items as possible. If you are organizing an activity or event for the first time, communicate with other schools that have run similar events or activities before successfully.

It is important for big events or an activity that requires much work that they are planned in such a way that the income exceeds the expenditure. When budgeting for an event or activity, it is essential to think carefully about all the expenditure involved, especially for administration expenditure. It is very important to visualize the event or activity itself and to list everything that must be done and that costs money when developing the budget.

### 7.9.1 Monitoring the budget

It is essential to monitor the budget to avoid confusion, overspending and fraud. The following tasks should be done to avoid fraud:

- keep a cash book to record all the money spent;
- keep all receipts of money spent;
- ensure that all stakeholders are aware of total cost involved;
- keep all the fundraising events or activities income in a separate account from the school fund;
- have regular meetings to give stakeholders feedback on income and expenditure; and
- prepare a detailed account for an audit at the end of the event or activity.

## 7.10 CONCLUSION

This programme concludes this study. It is envisaged that schools under the leadership of principals and SGB use the ideas put forward in this programme. It is essential that Section 21, quintile 1 and 2 schools be provided with as many ideas and assistance as possible to successfully raise funds.

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## ANNEXURE B

33 Falstaff Street

Bedelia

Welkom

9459

20 July 2015

The Principal

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Dear Sir/Madam

RE: REQUEST TO CONDUCT RESEARCH

I hereby make a request to conduct research in your school. I am a PHD student at the Central University Of Technology, Free State Province (Welkom Campus). The title of my research is fundraising strategies to improve the quality of teaching and learning at quintile 1 and quintile 2 Secondary schools in the Free State Province.

The research will be conducted with questionnaires. The time that will be spent on the questionnaires will be 45-60 minutes.

I will be very happy if you can allow me to conduct this research at your school.

Information collected through the questionnaires will be treated confidentially and your school or your name will not be mentioned in this study.

Kind regards.

T.E MPOLOKENG

PHD Student

## ANNEXURE C

### CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE

### QUESTIONNAIRE ON FUNDRAISING IN AND FINANCIAL MANAGEMENT OF SCHOOLS.

**PARTICIPANT: SGB CHAIRPERSON**

#### INTRUCTIONS TO PARTICIPANTS

- Please note that there are **no correct or incorrect answers** to the items or questions in this questionnaire. Your opinion is important to me.
- Please provide as much information to each question as you can. Your feedback will make a valuable contribution to the study.
- NB NB. Your identity as well as your school will be treated confidentially. The study will NOT mention your name or the name of your school.
- Please answer all the questions.

#### YOU COMPLETE THIS QUESTIONNAIRE ANONYMOUSLY

#### INFORMATION REGARDING THE QUESTIONNAIRE

The questionnaire consists of two (2) sections which must be completed

**SECTION A:** Biographic information of participants.

**SECTION B:** Questions based on the role of the SGB chairpersons, principals and parent members on the Finance Committee on fundraising and financial management in schools.

**SECTION A: Biographic information of participants.**

Please provide the following biographic information

**1 Gender**

Indicate with X in the box below.

MALE	<input type="checkbox"/>	FEMALE	<input type="checkbox"/>
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2 Age: \_\_\_\_\_

3 Qualifications: Mark one box with X.

No Matric	<input type="checkbox"/>
Matric	<input type="checkbox"/>
University	<input type="checkbox"/>
Other college	<input type="checkbox"/>
Other	<input type="checkbox"/>

If Other, please elaborate:

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4 What is the quintile of your school? \_\_\_\_\_

5 How long have you been the chairperson of the SGB? \_\_\_\_yrs \_\_\_\_months?

**SECTION B (Please provide complete answers)**

1 What is your view regarding the importance of financial management in schools?

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2 What would you consider to be good financial management?

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3 What are the current sources of income at your school?

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4 What level of cooperation do you receive from your principal regarding financial matters of your school?

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5 Who are involved in fundraising planning strategies at your school?

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6 Please elaborate on challenges/problems you face regarding fundraising at your school.

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7 Please elaborate how these challenges/problems can be addressed.

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8 What in your opinion must be done to ensure that fundraising projects can become worthwhile projects at your school?

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9 What is your role as SGB chairperson in the fundraising process?

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10 a) Do you currently have fundraising projects at your school?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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b) If yes, what are these funds used for?

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11 What are funds collected through fundraising used for at your school?

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12 Which fundraising projects do you recommend for your school and why do you recommend them?

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13 Please comment on the link between additional funds raised by schools in poor communities and their ability to provide quality teaching and learning?

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14 When should financial management workshops of SGB members be presented and who should present it?

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15 What type of (if any) training did you receive from the Department regarding financial and fundraising matters?

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16 Which information do you think must be included in the induction and training of SGBs?

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ANNEXURE D

**CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE**

**QUESTIONNAIRE ON FUNDRAISING IN AND FINANCIAL MANAGEMENT  
OF SCHOOLS**

**PARTICIPANT: PRINCIPALS**

**INSTRUCTIONS TO PARTICIPANTS**

- Please note that there are **no correct or incorrect answers** to the items or questions in this questionnaire. Your opinion is important to me.
- Please provide as much information to each question as you can. Your feedback will make a valuable contribution to the study.
- NB NB. Your identity as well as your school will be treated **confidentially**. The study will NOT mention your name or the name of your school.
- Please answer all the questions.

**YOU COMPLETE THIS QUESTIONNAIRE ANONYMOUSLY**

**INFORMATION REGARDING THE QUESTIONNAIRE**

The questionnaire consists of two (2) sections which must be completed

**SECTION A:** Biographic information of participants.

**SECTION B:** Questions based on the role of the SGB chairpersons, principals and parent members on the Finance Committee on fundraising and financial management in schools.

## SECTION A: Biographic information of participants

Please give the following biographic information:

1 Gender:

Indicate with X in the box below

MALE	<input type="checkbox"/>	FEMALE	<input type="checkbox"/>
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2 Years' experience as principal: \_\_\_\_\_

3 Qualifications: Mark one box with X

No Matric	<input type="checkbox"/>
Matric	<input type="checkbox"/>
University	<input type="checkbox"/>
Other college	<input type="checkbox"/>
	<input type="checkbox"/>

4 What is the quintile of your school? \_\_\_\_\_

5 How long have you been a member of the SGB? \_\_\_\_\_

## SECTION B (Please provide complete answers)

1 What is your view regarding the importance of financial management in schools?

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2 What would you consider to be good financial management?

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3 What are the current sources of income at your school?

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4 What level of cooperation do you receive from your SGB regarding financial matters of your school?

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5 Who are involved in fundraising **planning** strategies at your school?

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6 Please elaborate on challenges/problems you face regarding fundraising at your school.

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7 Please elaborate how these challenges/problems can be addressed.

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8 Who manages fundraising projects at your school?

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9 What is your opinion regarding establishing a fundraising committee as a sub-committee of the SGB?

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10 What in your opinion must be done to ensure that fundraising projects can become worthwhile projects at your school?

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11 What is your role as principal in the fundraising process?

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12 a) Do you currently have fundraising projects at your school?

Yes		No	
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b) If yes, what are these projects and comment on their success

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13 What are funds collected through fundraising used for at your school?

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14 Which fundraising projects do you recommend for your school and why do you recommend them?

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15 What type of (if any) training did you receive from the Department regarding financial and fundraising matters?

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16 What level of continual support (if any) do you receive from the District Office with regard to financial management?

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17 What impact did decentralisation of school funds have on you as financial manager of the school?

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18 What measures do you have in place to ensure that transparency, accountability and responsibility in terms of your school finances are adhered to?

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19 Please comment on the link between additional funds raised by schools in poor communities and their ability to provide quality teaching and learning?

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## ANNEXURE E

### CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE

### QUESTIONNAIRE ON FUNDRAISING IN AND FINANCIAL MANAGEMENT OF SCHOOLS

#### PARTICIPANT: PARENT ON FINANCE AND/OR FUNDRAISING COMMITTEE

#### INSTRUCTIONS TO PARTICIPANTS/RESPONDENTS

- Please note that there are **no correct or incorrect answers** to the items or questions in this questionnaire. Your opinion is important to me.
- Please provide as much information to each question as you can. Your feedback will make a valuable contribution to the study.
- NB NB. Your identity as well as your school will be treated **confidentially**. The study will NOT mention your name or the name of your school.
- Please answer all the questions.

#### INFORMATION REGARDING THE QUESTIONNAIRE

The questionnaire consists of two (2) sections which must be completed

**SECTION A:** Biographic information of participants.

**SECTION B:** Questions based on the role of the SGB chairpersons, principals and parent members on the Finance Committee on fundraising and financial management in schools.

**YOU COMPLETE THIS QUESTIONNAIRE ANONYMOUSLY**

**SECTION A: Biographic information of participants.**

Please give the following biographic information:

1 Gender:

Indicate with X

MALE	<input type="checkbox"/>	FEMALE	<input type="checkbox"/>
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2 Age: \_\_\_\_\_

3 Qualifications: Mark one box with X

No Matric	<input type="checkbox"/>
Matric	<input type="checkbox"/>
University	<input type="checkbox"/>
College	<input type="checkbox"/>
Other	<input type="checkbox"/>

If Other, please elaborate:

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4 What is the quintile of your school? \_\_\_\_\_

5 Years' experience as parent representative in finance committee? \_\_\_\_\_

**SECTION B (Please provide complete answers)**

1 What would you consider to be good financial management?

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2 What are the current sources of income at your school?

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3 Who are involved in fundraising **planning** strategies at your school?

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4 Please elaborate on challenges/problems you face regarding fundraising at your school.

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5 Please elaborate how these challenges/problems can be addressed.

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6 Who manages fundraising projects at your school?

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7 What is your opinion regarding establishing a fundraising committee as a sub-committee of the SGB?

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8 What in your opinion must be done to ensure that fundraising projects can become worthwhile projects at your school?

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9 What is your role as parent member in the fundraising process?

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10 a) Do you currently have fundraising projects at your school?

Yes		No	
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b) If yes, what are these projects and comment on their success?

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11 What are funds collected through fundraising used for at your school?

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12 Which fundraising projects do you recommend for your school and why do you recommend them?

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13 What type of (if any) training did you receive from the Department regarding financial and fundraising matters?

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14 Would you consider the finance committee of your school to be functional? Please elaborate.

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15 Please comment on the link between additional funds raised by schools in poor communities and their ability to provide quality teaching and learning?

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