



College of Commerce
Distance Education: Project management

**The effect of project fund management practices
in Non-Governmental Organizations: in Addis
Ababa**

**A Project work Submitted to for the partial fulfillment of
MA in Project Management**

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ID No: GSD /0620/07

Advisor: Ass. Prof. Teklegiorgis Assefa

June 2021

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DECLARATION

I certify that this research work entitled “The effect of project fund management practices in Non-Governmental Organizations: in Addis Ababa” is my own work. The work has not been presented elsewhere for assessment. Where material has been used from other sources, it has been properly acknowledged/referred.

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As Master research advisor, I hereby certify that I have read and evaluated this MSc thesis prepared under my guidance.

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ACKNOWLEDGEMENT

First of all, thanks to Almighty God for his unlimited blessings and for giving me the strength to complete this study.

I would like to express my heartfelt gratitude to my advisor, Ass. Prof. Teklegiorgis Assefa for his encouragement, great help, considerable effort, and continuous support in directing along with this study.

I would like to acknowledge the Charity Service organization for their support in giving the list of International Non-Governmental Organizations (INGOs) in Addis Ababa. I would like to extend my gratitude to Alemayehu Meshesha, Coordinator of Project management Distance program, School of Commerce, Addis Ababa University for frequently support whenever necessary during my project work period.

I am also grateful to my family and friends for their encouragement during the study and this project work.

This project work is dedicated to my children Naaman Binyam and Mariamawit Binyam.

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Abbreviations

NGOs - Non-governmental Organizations

INGOs - international non-governmental organizations

SPSS - Statistical Packaging for Social Sciences

CSO - Charity Service Organization

PCC - Pearson Correlation Coefficient

VIF - Variance-inflation factor

PM4DEV - Project Management for Development

KMO - Kaiser-Meyer-Olkin

CV - Coefficient of Variance

SD - Standard Deviation

OLS - Ordinary Least Square

Abstract

This research attempts to examine the effect of fund management practices on project success/performance in International Non-Governmental Organizations (INGOs) in Addis Ababa and the challenges of fund management in INGOS. Three dimensions of fund management practices were considered i) Budget and planning, ii) Financial monitoring and reporting and iii) Internal control systems. A self-administered survey was used to collect responses from 200 International NGOs in Addis Ababa. Of 200, 54 useful responses were received and then statistically analyzed using SPSS software. A descriptive, correlational and inferential design approaches were used to analyze the relationship between fund management practices and project success/performance. In addition, the impact of fund management practices on performance analyzed using linear regression analysis. The result shows that the NGOs have strong, i) planning and budgeting, ii) financial monitoring and reporting and iii) internal control system in their organization. Funds management practices correlates with project success moderately with positive and statistically significant coefficient ($r = 0.512$, $p < 0.01$). Specifically, the relation of fund management practices: Planning and Budgeting, Financial Monitoring and Reporting, Internal Control System with the project success is positive ($r = 0.468$, $p < 0.01$), ($r = 0.516$, $p < 0.01$), and ($r = 0.406$, $p < 0.01$), respectively. These practices also affect the project success with the coefficient of determination value $A1-R^2 = 0.219$, $1B-R^2 = 0.266$, and $1C-R^2 = 0.165$ and $p < 0.01$. The highest impact on project performance/success was found by Financial Monitoring and Reporting ($B = 0.590$ and $p < 0,001$). Also, 26.6 percent of the variation in project success was explained by the Financial Monitoring and Reporting practice in these organizations.

Key words: - project fund management, project success, international NGOs,

CHAPTER 1: INTRODUCTION

1.1 Background of the study

All organizations in the world have their own procedures, plan and policies in place to guarantee that they operate as efficiently as possible. These operational measures are intended to manage an organization's resources while also allowing management to monitor and keep track of them. This helps to monitor organizations assets, mismanagement of funds, minimize financial error, minimize careless attitudes of money management, authenticate the currency and reliability of financial data and promote the efficient operation of the organization while ensuring that established management practices are followed thereto (Reider, 2001)

NGOs are those organizations that play an important role in bridging the gap between government, business sector and society. The NGOs also act independently for the welfare of the society by empowering them through training programs, financial support, skill development, advocacy etc. (Karanth B., 2015). Their goal is to contribute to a just society, with the values equality, liberty and freedom being well observed.

The need to address a wide range of problems adversely affecting vulnerable groups prompted the emergence and growth of non-governmental organizations globally (Alex, 1997). Not-profit organization or Non-governmental organizations (NGOs) are amongst whose activities are rely on project-based systems.

In most developing countries, NGO's supplement government efforts to improve the living standards through implementation of diverse donor funded projects. Ethiopia is one of the developing countries that have been the primary beneficiaries of donor-funded projects. Such projects have been useful to sectors such as public health, agriculture, education, social and community development and infrastructural development (Wood, 2005). In general, donor-funded projects are the backbone of substantial recorded strides in uplifting many developing countries out of dire social and developmental stagnation (Globerson and Zwickael, 2002). Despite the importance attached to donor-funded projects, their outputs in terms of quality, cost, time and stakeholder satisfaction remain the subject of abuse and debate in many developing countries (Azhar and Farouqi, 2008).

NGOs rely heavily on unearned income to finance their activities. This unearned income receives in the form of donations from the public and business, as well as grants from foundations and governmental agencies. Since nonprofit organizations, have limited options to earn income, their reliance on donations and grants is of paramount importance and efficient utilization of resources become crucial.

Fund management is a critical function in organizations success. As a result, organizations or institutions that effectively manage their finances have a better chance of succeeding. According to Zietlow et al. (2007), fund management is more than just keeping accurate accounting records. It entails the planning, controlling, and monitoring of financial resources in order to meet organizational achieve organizational objectives. Fund management system should ensure costs are properly categorized, monitored, and charged to the appropriate accounts and therefore, Managers must accurately disclose financial information to the board, donors, and government. Fund management, on the other hand, provides a financial framework for the efficient management of NGO resources.

Fund management helps NGO to reach desired goals and objectives, providing financial data, safeguarding organization assets and accounting records, evaluating operational efficiency, organizational monitoring and control but also encouraging an adherence to prescribed policies, law and regulations, (Reider, 2001; Koitaba; 2013; Ebrahim, 2003). Fund management occupies all activities concern with obtaining funds and using it effectively and efficiently. Haka, Gordon, and Piches (2014) states that lack of sufficient funding is a major challenge especially considering the fact that some of the corporation's initiate new units and expand the existing ones. Therefore, NGO they depend on fund from the others for completing their program and project. This dependency has had a great influence on the performance of the NGO on the management of fund. Wilson, Reck and Kattelus (2015) wrote that nongovernmental organization have special requirements to show in financial statements and report, how money is spent rather than how much was earned. NGO have to prepare more than one general ledger in final account depending on their financial reporting requirements.

The specialty of projects executed in NGOs are to ensure welfare to people in need of instead of maximizing profit like profit organizations. A not-for-profit generally lacks the financial flexibility like for profit enterprise, as it mostly depends on resource providers or donors who are not engaged

in an exchange transaction. For NGOs, the program-oriented fund-based accounting for the different projects and programs of the organization linking them to activities and results, is an important accounting practice. Therefore, the financial reporting 'for non-profit' organizations differ from 'for profit' organizations (Kandasami, 2006).

Good practice in financial management helps managers to make effective and efficient use of resources to achieve objectives and fulfil commitments to stakeholders help NGOs to be more accountable to donors and other stakeholders gain the respect and confidence of funding agencies, partners and beneficiaries give the NGO the advantage in competition for increasingly scarce resources help NGOs prepare themselves for long-term financial sustainability. According to Rahmato et al., (2008), the emergence of NGOs in Ethiopia is due to the famine happened in 1970s and 1980s which has also largely contributed for the influx of NGOs in Ethiopia.

As per the Charity Service Organization (CSO)-Ethiopia, there are about 404 international NGOs. Out of these, 341 has head office in Addis Ababa and have significant amount of funds. The source is from funding organizations and to achieve their objectives and not to bring loss of trust, proper management should be practiced in the NGOs. NGOs are receiving funds from donors and it is essential that these NGOs should have greater financial transparency, accountability and observe sound financial management practices in their working. A for-profit enterprise focuses on profitability and maximizing shareholder values whereas the NGOs primary goal is not to increase shareholder value but to provide social welfare.

In Ethiopia, the term non-profit organizations commonly called Non-Governmental Organizations. However, for this study, the terms NGO and Not-For-Profit Organizations (NPO) is used interchangeably as they both refer to organizations which are not governmental and also not private at the same time. According to Ethiopian Charities and Societies Proclamation No 621/2009, all charities are classified by the nationality of their staff and the source of their funding the 2009 law classifies NGOs into three types:

Type 1. Ethiopian charities and societies have Ethiopian citizen members and administrators, as well as budgets that are at least 90% locally sourced.

Type 2. Ethiopian resident charities and societies have members residing in Ethiopia, but have budgets composed of over 10% in foreign-sourced money.

Type 3. Foreign charities and societies, are formed under foreign laws, employ foreign staff, are controlled by foreign nationals, and receive substantial overseas funds.

Ethiopia is one of the major recipients of international aid in recent times. Foreign aid fund is one of the foreign direct investments in Ethiopia, which contributes for poverty reduction and development (OECD. 2012). According to Dagne Negash (2018), there are more than 3,000 international and local NGOs were registered and operating in the country. Currently there are 404 international NGOS registered in Ethiopia, out of the these 341 of them has head office in Addis Ababa. The main focus of these NGOs is mainly in the overall development effort of the country. This has had significant effect on the life of the poor and the disadvantage people and the broad range of basic service made accessible to them on the country economy and development programme (Dessalegn, 2010).

NGOs operate in a competitive environment where donor funds are increasingly scarce. We must therefore make sure that donated funds and resources are used properly, and to the best effect, to achieve the organization's mission and objectives.

A project is said to be successful if it is completed on schedule, within the budget and in conformance with predetermined performance specifications. This means that the success of the project is determined by whether or not these standards are reached. It is clear from this that project success necessitates both effectiveness and efficiency. (Metalign A., Tesfahun and Maru 2017)

Sound financial management methods determine the efficacy and efficiency of any firm (Mengesha, 2012).

Effective fund management is more than just taking a single action or making a single decision that leads to a successful program. Rather, the effectiveness of the program is determined by how a series of fund management questions are identified, addressed, and revisited over time. Among the most important topics to consider is whether fund resources are being used properly. Is there sound management in place for the fund? Is there appropriate planning, monitoring, and assessment during the implementation phase? Dose the fund have sufficient administrative resources? What is the program's long-term funding capacity? And so forth (Lewis, 2017).

Therefore, this study aimed at assessing the effect of fund management practices on project success/performance in the context of randomly selected International NGOs whose Head Quarters is located in Addis Ababa because few studies have been conducted on this subject.

1.2 Statement of the problem

Even though project success is a fundamental project management concept, an examination of the project management literature demonstrates that there is no unified definition of project success (Baccarini, 1999). Success criteria are the benchmarks used to measure or judge success or failure, according to Collins and Baccarini (2004), Cooke-Davies (2002), Lim and Mohamed (1999), and other researchers. Success factors are the management inputs and systems that lead to project success, according to Collins and Baccarini (2004), Cooke-Davies (2002), Lim and Mohamed (1999), and others. However, there is a lack of consensus on the criteria by which success is measured.

In Africa, despite vast differences among the NGOs, most share a common challenge of unlimited needs chasing limited resources (Rehema, 2014). That is, the management and protection of financial resources is a concern for all NGOs. Adequate fund management system plays an important role for the project not to spend over or under the budget. In addition, without adequate financial resources, an organization is unable to achieve its mission and may not survive (Bharathi Karanth, 2015).

It is important to note that while substantial literature exists on project success/performance of NGO, there is also limited research indicated the importance of fund management practices in NGOs. So far, no research has been done on the effects of fund management practices on project performance/ success in INGOs in Ethiopia. Therefore, this study attempts to examine the effects of fund management practices (with dimensions of planning and budgeting, financial monitoring and reporting and Internal control systems) on project performance in INGOs working in Ethiopia.

In view of the above discussion, this study tried to address the following research questions.

- To what extent fund management practices (Planning and Budgeting, Financial monitoring and reporting and Internal control systems) exercised in NGOs?
- What are the challenges of funds management in NGOs in Ethiopia?
- How funds management affects project success/performance in NGOs in Ethiopia?

1.4 Research objectives

General Objectives

The main objective of this study is to assess the effect of fund management practices on project success/performance in NGOs that are found in Addis Ababa

Specific objectives

- To identify major internal funds management practices exercised in NGOs.
- To study main challenges of funds management in NGOs in Ethiopia;
- To evaluate the effect of funds management on project success/performance in NGOs in Ethiopia.

1.5 Significance of the study

According to PMBOK guidelines and empirical evidences, project performance increases with the better understanding of project management areas. Project fund management is one of the components in project management areas under project cost management

Studies shows that one of the challenges for sustainability in NGOs in Ethiopia is insufficient funding or lack of funding in relation to the resource needed to achieve the project objectives (Dagne Negash, 2017). To overcome these challenges, it is believed that the NGOs must have proper fund management practices. However, lots of studies indicate insufficient funding is a challenge but not show how different international NGOs are managing these limited resources. That is, how the funding management system must be and what funding management systems and practices are applied currently have not been well studied in international NGOs, Addis Ababa. Therefore, the need for this study is to assess how these NGOs manage their limited financial resources properly as planned to achieve the organization's project objectives. Moreover, it provides evidence on how the project fund management practices in NGOs under study and its impact on project success.

The significance of this study is to demonstrate the contribution of effective project fund management processes and techniques in order to attain the goals of the project within planned time, under the given budget and at agreed or targeted quality. From this study, NGOs in Ethiopia

can also get information to improve their performance in project fund management. Findings and recommendations of the study will enhance the knowledge base of current practices. Moreover, the study will help to understand the role of practicing project fund management process/ knowledge area and applying it for further development and this paperwork will serve as a future reference for researchers on the subject matter.

1.6 Scope of the study

Project fund management practices in international NGOs found in Addis Ababa was the focus of this research. This study pointed on project fund management practices from project management perspectives aspect meaning the role and relevance fund management for project success. Ethiopian Charities and Societies Proclamation No 621/2009 categorized Charities and Societies into three legal designations. These are Ethiopian Charities or Societies, Ethiopian Resident Charities or Societies, and Foreign Charities. This research covered Charities and Societies under the supervision of the Federal Charity and Society Agency that have offices in Addis Ababa. In doing so, for obtaining the necessary information to support the study, the research was restricted only on international NGOs with branch and head offices in Addis Ababa. This is because of difficulty to address all the branch offices of those NGOs which operates outside of Addis Ababa.

That is,

- ✓ This study targets only international non-governmental organizations (INGOs) operating in Ethiopia. Those local NGOs and Consortiums were excluded to get reliable data for the research as the INGOs have relatively established funds management practices.
- ✓ Funds management has broader aspects and, in this study, only three internal components of planning, monitoring and internal control systems were considered as principal dimensions to represent the unidimensional construct.
- ✓ Due to time and financial constraints, this research has been conducted on cross-sectional data, which were collected from INGOs in Ethiopia in 2021; it is recommended to go for longitudinal research design to make universal cause-effect relationship between these variables.

1.7 Limitations of the study

The limitations of this study were on the collection of data during this COVID 19 pandemic. For example, the respondents were not available in their offices and response rate was reduced. In addition, it was not possible to make a face-to-face interview and to review archived documents in the allotted time and limited resources. That is, it could not be triangulated by other sources of data collection techniques like key informants' interview as the research depends only on survey data.

1.8 Organization of the study

The study has five chapters. Namely, Chapter one: Introduction, which states about general background of the study, problem statements, objectives, significance and scope of the study. Chapter two: Literature Review part that summarizes theoretical and empirical literatures related to the study topic. Chapter three: Research Methodology illustrates the data collection, variables measurements, data analyses techniques applied in this research. Chapter four: Result and Discussion, which demonstrates the results and interpretation with discussion. Chapter Five: Summary, Conclusion and Recommendations.

1.9 Definition of key terms

NGO as “non -governmental organization (NGO) is a non-for-profit, voluntary citizens’ group, which is organized on a local, national or international level to address issues in support of the public good”. While the term NGO is widely used, there are many other overlapping terms used such as “not for profit”, “voluntary” and “civil society” (World bank 2001)

Funds management involves estimating resources requirements and meeting those needs in a cost-effective manner (Amalraj, 2007).

Project funding is how the money required to undertake a project, programme or portfolio is secured and then made available as required. Funding for standalone projects may be via a single source or through multiple investors (APM 2020).

Project Financial Management is a process which brings together planning, budgeting, accounting, financial reporting, internal control, auditing, procurement, disbursement and the physical performance of the project with the aim of managing project resources properly and achieving the project’s objectives.

Financial accountability is the management of the finances of an organization in order to achieve the financial objectives of the organization. It results from holding an individual accountable for effectively performing a financial activity, such as a key control procedure within a financial transaction process. It broadly embraces two aspects, namely: Financial planning which is a plan to ensure that enough funding is available at the right time to meet the needs of the organization for short, medium or long-term capital and financial control which seeks to assess whether the plan put forward meets the objectives of the organization in question (Tooley and Hooks,2009). Generally, as an NGO may reason out its primary task is to work towards social service and not financial management. But unless its finances and funds are organized, it cannot achieve its objectives. The primary significance of financial planning and management in NGOs lies in achieving its overall goals and objectives.

CHAPTER 2: REVIEW OF RELATED LITERATURE

This section discussed overview of what has been studied, argued and established in relation to the project fund management practices in order to have clear understanding of project fund management practices and its effect on project performance/success.

2.1 Meaning and nature/characteristics of project fund management

The Macmillan English Dictionary-New edition, defines fund as an amount of money that you collect, save, or invest. As per <https://www.merriam-webster.com/>: a sum of money or other resources whose principal or interest is set apart for a specific objective.

Project fund management characterizes estimating of resource requirement, budgeting and monitoring and internal control systems. In project management, best practice is described as a general term that includes guidelines and international standards. Both the standards and guidelines are looking to improve project management (Liviú et al., 2010).

Effective funds management requires project manager to estimate and plan for liquidity demands over various periods and to consider how funding requirements may evolve under various scenarios, including adverse conditions (Ofori, 2013). According to Albert, et al., (2004) a project is a performance if it delivers what it said it would, on schedule and within the agreed budget.

As per Project Management for Development (PM4DEV) Budget or the costs approved for the project including all required expenses needed in order to deliver the project. In development projects managers have to balance between not running out of money and not under spending, because many projects receive funds or grants that have contract clauses with a ‘use it or lose it’ approach to project funds. Poorly executed budget plans can result in a last-minute rush to spend the allocated funds.

According to Rehema, (2014) Resource mobilization is a process whereby resources both financial and non-financial resources are mobilized either externally or internally to support organization activities. This takes different forms such as financial donations, materials or volunteer labor, in order to sustain the projects and Programs. Mengesha et al, (2014) stated that resource mobilization requires proper management i.e., planning, controlling and monitoring resources to achieve organizational objectives. The NGOs face many challenges in resource mobilization as they

depend on donors' interest and also encounter furious computation to secure the resources (Nehemiah, 2010).

Resource mobilization: Resource mobilization refers to all activities involved in securing new and additional resources for the organization. It also involves making better use of, and maximizing, existing resources (Latifa, 2006).

Fundraising and resource mobilization is a valuable component for strengthening an NGO. As stated by CSOs sustainability index (2015), fundraising is the act of persuading people or organizations to raise money for a cause. Fund-raising is the activity of collecting money to support a charity or political campaign or organization. Fundraising means that funds are elsewhere, and approaches need to be explored to access the funds. NGOs need to have adequate resources to support their current operations still face uncertainty over future funding. However, NGOs are operating under a highly resource competitive environment. Unfortunately, there is a lot of competition for donor resources and in many cases for an organization to secure resources it depends on how well it can compete with other organizations to raise funds; and on how good it is at exploring other ways to source for resources. (Petty Janice Gow, 2008).

NGOs are accountable to donors, project partners, local communities and considering these, experts have suggested four aspects of accountability for an NGO. Financial accountability is the management of the finances of an organization in order to achieve the financial objectives of the organization. It results from holding an individual accountable for effectively performing a financial activity, such as a key control procedure within a financial transaction process. It broadly embraces two aspects, namely: Financial planning which is a plan to ensure that enough funding is available at the right time to meet the needs of the organization for short, medium or long-term capital and financial control which seeks to assess whether the plan put forward meets the objectives of the organization in question (Tooley and Hooks, 2009)

Financial accountability gives NGOs legitimacy and credibility, contributes to their reputation and adds to their sustainability. Good financial accountability limits fraud and mismanagement (Viswesvaran, 2006). It also empowers beneficiaries and other stakeholders since information is power.

2.2 Importance of project fund management

The management of the project's cash flow is referred to as project funds management. Estimating resource requirements and addressing those needs in a cost-effective manner is part of fund management (Amalraj, 2007). The project manager is responsible to prepare for liquidity in order to effectively allocate funds.

Non-governmental organizations (NGOs) work in a competitive market where donor funding is becoming increasingly scarce. As a result, we must ensure that donated funds and resources are used effectively to meet the organization's goals and objectives. According to PM4DEV, below are some factors highlighting the necessity of financial management for an NGO.

Being accountable to the donors: Because most NGOs rely solely on donations, having effective accounting processes in place is even more critical. As a non-profit organization, it must be accountable to the donors and individuals that support the project. It can keep track of its expenses and make timely reports to them if it has adequate systems in place. This would result in increased confidence between the NGO and the donor, thereby increasing the chances of the NGO getting a continuous support from them. With limited money, it is critical for an NGO to carefully handle all funds. Furthermore, efficient finance systems will assist the NGO in maintaining financial reports and presenting their whole expenditures to regulatory organizations in accordance with the conditions and terms.

Securing future: Any organization's future is determined by its current financial situation. In a similar manner, non-governmental organizations (NGOs) should opt for resource sustainability. This simply means that NGOs should invest in their current projects while keeping the future in mind. After all, having future goals and becoming secure as well as future-ready is critical.

Eliminating fraud and theft: Overuse of resources, fraud, and theft have all grown commonplace within non-governmental organizations. For limiting and avoiding resource abuse, strict checks are required. With thorough financial planning, coordination, and management, these challenges will be readily resolved.

Making productive decisions: NGOs can make more productive decisions about resource allocation, money raising, fund mobilization, and other initiatives if they have good financial management. When you have good decision-making skills, you may invest the proper quantity of money in the correct place. As a result, funds are used effectively and efficiently.

Achieving objectives: Every non-profit organization is driven by policies and procedures that are relevant to its overall goals. Each decision made by the authority is geared at achieving the authority's stated aims and objectives. It will be difficult for the organization and its personnel to achieve their goals and fulfill the purpose of their existence if they do not organize their finances.

Enhancing credibility: Managing finances is a combination of abilities and methods that should be updated on a regular basis. NGO's with good financial management improve their image, increasing their value and credibility. NGOs gain a positive reputation in their communities by establishing well-defined financial plans and procedures. They can also better their existing situation and anticipate gaining trust, faith, and respect.

Strengthening fundraising efforts: The majority of NGOs rely completely on their donations to stay afloat. Financial resources that are well organized aid fundraising efforts by providing an overall picture of available funds and the quantity of money that needs to be raised. As a result, employees have a good understanding of the projected amount and can arrange their fundraising efforts accordingly.

2.3 Project fund management components

The major components of Project fund management are

- **Planning:** it involves estimating resource requirements at the project life cycle's planning stage. The process of establishing what resources (people, equipment, services, and material) and in what quantities are required to finish a project is known as resource requirements. The project's WBS, scope statement, historical data, resource data, and policies are all used as inputs to determine the project's resources. The major result is a list of resource requirements, which serves as a foundation for budget estimating and budget controls, as well as providing useful information to the project resource management process.
- **Budget Estimate:** Following the documentation of all project requirements, the following stage is to establish the expenses of each requirement, which leads to the formulation of the project budget. A cost estimate is a method of estimating the costs that the project will incur in acquiring or using project resources. The project manager or persons in charge of supervising the work activities provide budget estimates. They provide the necessary skills to make the estimate, as well as buy-in and accountability for the operations itself. The

members of the team identify the persons or labor categories needed to complete the task and multiply the labor cost by the number of hours or days it will take to do it. The single most challenging aspect of calculating a cost estimate is determining how long the work will take to complete. Vacation time, sick leave, breaks, meetings, and other day-to-day activities should all be factored into the labor costs. Both the schedule and the cost estimations are jeopardized if these elements are not taken into account. Material expenditures, travel, computer equipment, and vehicle expenditures are examples of non-labor charges. As with developing a project schedule, documenting assumptions made while developing the project budget are critical to the success of the project. Without a clear documentation of these assumptions, tracking the budget is not only difficult but risky.

- **Budget Development:** It entails bringing everything together, including information from the organization on cost recovery fees, shared cost pools, taxes, fees, and donor requirements and limits. This step also entails the production of a document, referred to as the project budget management plan, that establishes budget authority and control methods. The budget for the project is used to convey how much money will be spent on each category of resources within a given time. Budget development evolves the following components:
 - ✓ **Reports Requirements:** reporting requirements come from different stake holders: the donor/stake holders, management and the project. Different donor has their own specific reporting requirements of the project budget. Project must determine the reports that properly manage the budget and ensure that all activities are using the assigned budget resources as planned.
 - ✓ **Budget Management Plan:** describes how budget variances will be managed at the project, the level of authority for approving changes to the budget and the process to request changes to the budget/budget revision. The plans can be as simple as a one-page document or complicated to include detailed policies and procedures.
 - ✓ **Budget Approval:** The final steps in estimating the budget are getting approval. The completed project budget should be reviewed by the project team and the representative of concerned departments. Once the project budget has been completed the next steps is to get approval for the project budget, this occurs at

three times during the project lifecycle, During project negotiations with the donor which leads to the contact budget, during the planning phase of the project when the project budget is developed in more detail, following the organization chart of accounts, and becomes the baseline budget. Approval of the project budget can result in negotiations between the organization and the donor, depending on the size of the budget the negotiation can take some time before the budget is approved and a contract is signed.

- Execution: This is the step occurs after the budget has been approved and authorized to start the activities as per the plan. Executing the budget is the action of authorizing the expenses approved in the project budget, the project manager then initiates to carry the activities that lead to hiring project staff, purchase of equipment, materials and services, all according to a project procurement plan developed during the resource management process.
- Monitoring and Control ensures that only the appropriate project changes are included in the budget baseline, that information about authorized changes are communicated and corrective actions are taken by those in charge. The action of budget control is also a process of managing the budget. Controlling the budget is a critical responsibility of the project manager, and it is equally important that the organization defines the roles and responsibilities of all parties involved in budget control. Usually the finance department's responsibility is to record, track and monitor the budget from a cost accounting perspective and generates reports for the organization management and the donor as part of the compliance requirements such as ensuring the correct accounts are properly used and recorded.

2.4 Approaches of Project Fund Management – Effective tools and techniques

- Planning and budgeting:
Financial planning involves analyzing financial flow of an organization. It also involves forecasting the consequences of various program and services rendered that helps NGOs to achieve objectives (Kalmalwendo, 2005).
Elahi (2008) noted that financial planning and budget has important values that increases the quality of organizations performance. The financial planning of an organization

consists of the stages, preliminary contract, organizations directives, mission and vision, resource assessment.

Arasa and K'Obonyc (2012) indicated that financial planning helps manages in decision making and permits them to look the organization as whole and interrelationships between parts.

In summary, financial planning make NGO to be more responsible and viable instrument for socio economic development and also make the fund management to be attainable

- **Financial monitoring and reporting**

As Pfister (2009) noted financial monitoring and controlling is a financial systems and procedures put in place to ensure the organizations run the activities in an efficient and effective manner and to safeguard organizations asset.

Leitch (2008) argued that monitoring and control eliminates fraud and theft and illegal actions, safeguard assets and manage internal risk. It also helps to prevent over use of NGOs resources and protect the staff involved in financial affairs from opportunistic theft and detect errors and omission of in the financial records.

Graham (2008) said that financial monitoring and control are intended to safeguard assets and other resources and ensures the transactions recorded properly. It provides a framework for efficient management of fund. It also encourages adherence to the policies and, laws and regulations prescribed.

- Internal control system is one of the major factors affecting fund management sustainability in NGOs.

2.5. Review of Project Success

Project success is one of the most researched topics in project management because of the importance in understanding how to define success and what factors contribute to achieving it. Despite this, the phrase "project success" remains ambiguous and often subjective (Judgev & Müller, 2005). According to Morris and Hough, the dependent variables that quantify success are the metrics used to determine the success or failure of a project, called success criteria (1987). Defining and agreeing on project success criteria is one technique to make project success measurable.

Project success criteria: Project success criteria are a set of principles and standards that will be used to determine whether or not a project was successful in the end. The so-called Iron Triangle of 'Time, Cost, and Quality' was adopted as the set of rules for evaluating the success of a project.

Time, budget, and deliverables have all been used to determine project success (Flaman and Gallagher, 2001). According to a study (Frese and Sauter, 2003), a project can only succeed if it is well-planned. A project has four primary resources that must be handled in order for the project to succeed. People, time, money, and scope are examples of these resources.

The project team must select the appropriate processes required to meet the project objectives, use a defined approach that can be adapted to meet requirements, comply with requirements to meet stakeholder needs and expectations, and balance competing demands of scope, time, cost, quality, resources, and risk to produce a specified product, service, or result in order to ensure project success.

No organization has infinite resources to spend on projects, so all initiatives/projects are governed by a budget. Projects also compete with one another for resources. In order to make the best use of resources, projects must stick to a budget that has been approved. As a result, one of criterion for project management is whether or not it is finished within budget constraints (Pinto, 2013).

Project fund management aim at maintaining an optimal balance between each of the project fund components, which are cash, receivables, inventory, and payables, which is a fundamental part of the overall corporate strategy to create value. It is an important source of competitive advantage in project management (Deloof, 2003). The existence of efficient fund management practices makes a substantial difference between the success and failure of a project.

Project success has been historically defined as a project that meets its objectives under budget and under schedule. This evaluation criterion has remained as the most common measure in many industries. But for a development project, success goes beyond meeting schedule and budget goals, it includes delivering the benefits and meeting expectations of beneficiaries, stakeholders, donors or funding agencies. But defining these dimensions of success is more difficult and some can only be evaluated years after the project has been completed, and for many organizations these types of evaluations are difficult to do due to lack of funding.

To help organizations make an assessment of success a distinction must be made between project success and project management success. Project success can be measured as a level of effectiveness, where the project deliverables are measured in terms of benefits and stakeholder satisfaction, in other words the extent to which the project ultimate objectives are attained. Project management success is defined by the level of efficiency the project achieved to reach the project objectives. Efficiency is related to how the project manages its limited resources to meet the goals while building good relationships with internal and external stakeholders. On the other side there are many ways a project can fail, a project can fail in meeting the budget, schedule and scope goals, but be a success in meeting the development objectives, likewise, a project can meet the budget, schedule and scope goals and fail in meeting the final development objectives.

2.6. Review of Empirical Studies

According to United Nations (2009), most NGOs in Africa in general, depend on donor funding or external support agents to sustain their programs and projects. This explains why their financial resources follow a boom-and burst trend leading to close down of many NGO's without a clear vision and mission. After getting the funds, some organizations do not bother to prepare the financial statements stating the uses of these moneys. This is why there is no proper leadership and management of the funds. Where funds are misappropriated, the result is the subsequent withdrawal by donor agencies leading to collapse of projects.

As the For-Profit Organizations are focused on profit maximization, and NPO are meant to render service to the society, there are also certain variations in the accounting system and practices followed in the corporate sector and NPO sector. For Non-profit organizations, the program-oriented fund-based accounting for the different projects and programs of the organization linking them to activities and results, is an important accounting practice. Financial reporting in nonprofit organizations too differs from for profit organizations. (Kandasami, 2006).

As Karanth (2015) indicated fund management is important for NGOS that primarily NGOs generally lacks the financial flexibility of profit organizations as it depends on resource providers who are not engaged in an exchange transaction. Secondly, for-profit organizations focus on profitability and maximizing shareholder value whereas NGOs primary goal is not to increase shareholder value but to provide some socially desirable need on an on-going basis.

Gashuga (2016), did a cases study to investigate Effects of Fund management on project performance on Dairy Community processing center project Burera district. The authors

concluded that, budgeting, fundraising, funds control and funds allocation plays a big role towards performance of the project. But the techniques used during this process of budgeting are supposed to make sure that effective management of funds is done. All departments work together to make sure that, management functions are clear so that planning is coordinated. Budgets are prepared to anticipate a future flow of funds as result of putting a specific plan in place. Therefore, budget is significant incense that it is expressive of the desired future activities of the project given available resources and opportunities at hand. Control and allocation of funds guide operating and this means managers do not have to give general answer regarding project's forecasts.

In relation to the cost and expenses used, her study concluded that managers of the projects analyze the cost and expenses that occurred during implementation process compared to the budget allocated for works, goods and services in operations plan Even if some project managers humanize corruption and irregularities through budgeting, budgeting is a very important tool in project management. This implies that, there should be some project plan that tend to corruption and irregularities.

Study by Rehema, (2014), on challenges facing local NGOs in resource mobilization, it was discovered that funding sources are frequently insufficient to meet needs, and project implementation expenses are rising. In Africa despite vast differences among the NGOs most share a common challenge of unlimited needs chasing limited resources. Finally, the author found that resource mobilization requires a lot of time and skills to seek resources from different sources and the pressure to mobilize resources may lead the organizations to use methods that compromise the values they are fighting for through their work.

In relation to financial accountability, the study by Mary (2014), on the effects of financial accountability on the efficiency of NGOs in governance sector concluded that financial accountability has positive and significant effect on efficiency of nongovernmental organizations in governance sector in Nairobi County. This is because appropriate financial accountability limits fraud and mismanagement of funds and hence promoting efficiency. This is not outstanding the fact that financial accountability empowers beneficiaries and other stakeholders and makes achievement of future project achievement easier.

Yilma M. (2018), in his study of Measuring Project Management Maturity: The Case of Non-Governmental Organizations (NGO) in Ethiopia, concluded that the maturity level of project cost management is at the lowest level which might be due to lack of proper cost estimation, no system/tool to control costs, and budgeting was based on experiences, expert judgements and

rough estimates without following the detail process as expected. The cost ceiling for each project was given by donors, and the role of NGOs was to identify activities and allocate budget until it reached the donor's budget level.

2.7. Conceptual framework

Fund management is a critical function in organizations success (Figure 2.1). As a result, organizations or institutions that effectively manage their finances have a better chance of succeeding. According to Zietlow et al. (2007), fund management entails more than just maintaining accurate accounting records. It entails the planning, control, and monitoring of financial resources in order to meet corporate goals. System of fund management should ensure that costs are properly categorized and charged to the appropriate accounts, and therefore managers are required to report financial information's accurately to the board, donors and government. Yet Fund management provide financial framework for efficient management of NGO resources.

The hypothesis of this research is fund management practices (i) Planning and budgeting ii) Financial monitoring and reporting, and iii) Internal control system have effect on success/performance in INGOs.

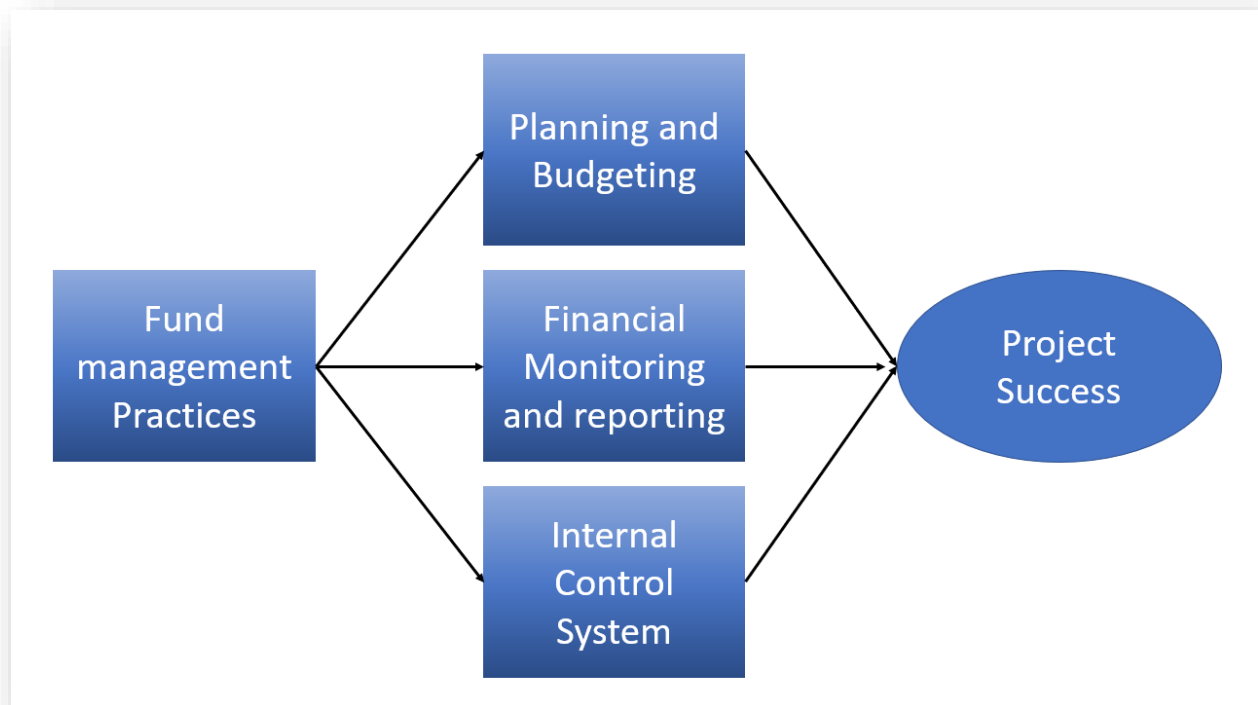


Figure 2.1. The conceptual framework of Fund management practices with project success

CHAPTER 3: RESEARCH METHODOLOGIES

This chapter is about the research design and why this research design is selected. It also describes about the method of the study going to be applied for the research. Moreover, the chapter describes about the data sources and the reason why the researcher chose the sources. The chapter also explains about sampling and sampling techniques with justifiable reasons. In addition, the chapter illustrates data collection instruments, method of data analysis, and ethical consideration.

3.1. Research design and Sampling

This study adopted a descriptive and correlational research design, as the main objective of the study was to assess and describe project fund management practices in international NGOs in Addis Ababa. This research adopted a descriptive and correlational designs. This research used quantitative research approaches, because descriptive research is a study designed to illustrate the participants in an accurate way. This study chooses correlational study to show variables whose relation are not cause and effect. The general methodology for this research was in three stages i) Data collection from selected NGOs, ii) Data analysis and interpretation and iii) Presentation of analyzed data in the form of tables, charts and narratives (Figure 3.1.).

The data collection method was based on questionnaire to be designed in three sections. The 1st one regarded general information about the respondents. Secondly, information related to fund management practices of the NGO were collected such as: planning and budgeting, financial monitoring and reporting, and internal control systems in the NGOs. The challenges that the NGOs face in relation to efficient fund management were also collected from those NGOs. Finally, project success information of projects was included in the questionnaire.

The Data analysis and interpretation was using mixed approach (qualitative and quantitative). Descriptive statistics was applied by statistical package for the social sciences (SPSS) tool.

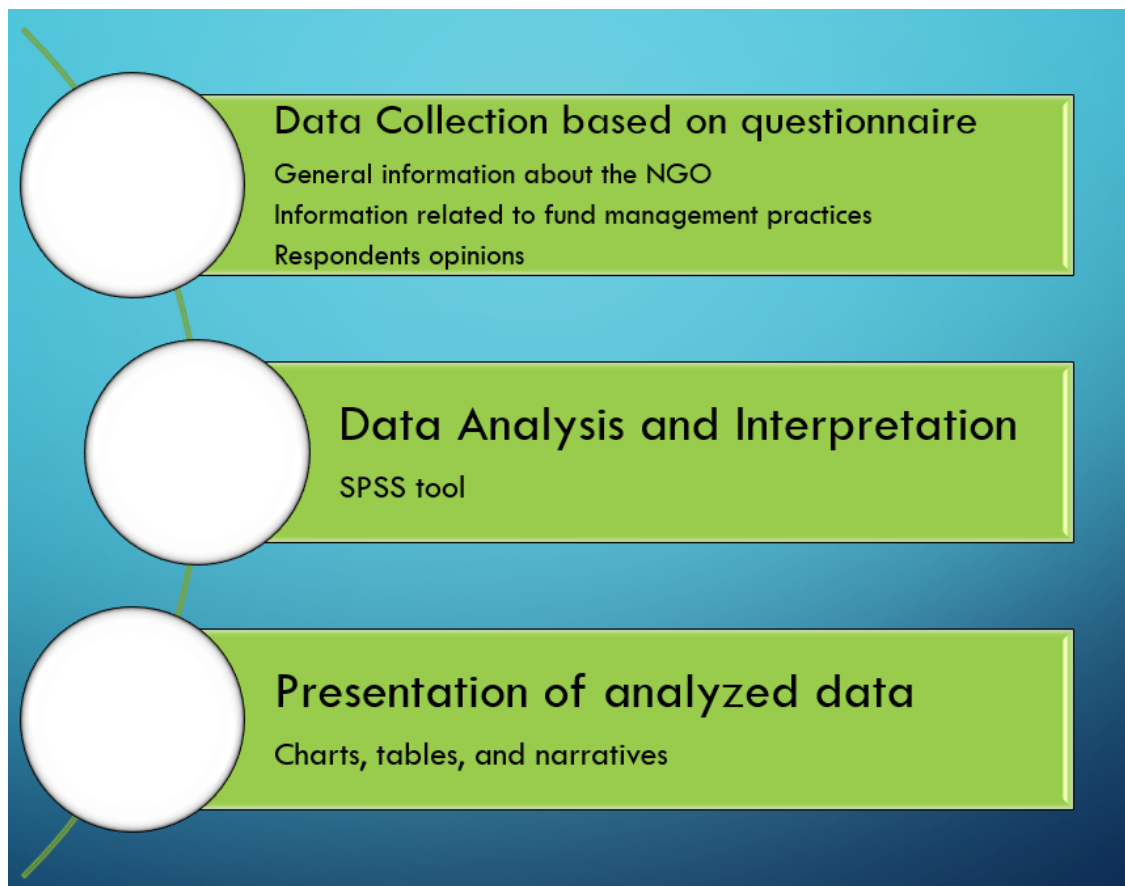


Figure 3.1. General Methodology flow chart of this study

3.2 Description of study variables

The dependent variable of this study is project performance/success. The study assess the project fund management practices of randomly selected 54 international NGOs based on independent variables, which are fund management practices (consists of planning and budgeting, financial monitoring and reporting, internal control systems), challenges in fund management practices

3.3 Description of study area and target population

According to Hair et al. (2010), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, for this study, the target population includes international NGOs base in Addis Ababa or has offices in Addis Ababa.

3.4 Sampling technique/methods and sample size

Random sampling and stratified sampling techniques are two major sampling techniques. Random sampling is a common sampling technique used by researchers when trying to draw conclusions from different groups without any strata. It is also important for the population that is difficult to group in to classes. While using stratified sampling, the population is divided into various subgroups such as age, gender, nationality, job profile, educational level, type of organization etc. For this study, random sampling technique was used in order to see the result from all type of international NGOs.

The structured questionnaires were distributed through email to collect primary data from fund managers, financial managers, program/project managers and directors of the 300 INGOs has offices in Addis Ababa and 75 bounced back and 225 INGOs received the email. Out of the total questionnaires distributed 54 of them were responded which accounts 24% of the target population which is acceptable for internet-based surveys. The items in the questionnaire were adopted from literatures and customized to serve the situation in Ethiopia as shown in Annex 1.

3.5 Data collection

The data collection used a questionnaire that was distributed to the respondents through electronic mail designing I Google forms. There are two types of questionnaires i) open-ended and ii) closed-ended. The former is broad and can be answered in detail to show the respondents thought. (e.g., "What do you think about ...?"). The latter is narrow in focus and usually answered with a single word or a pick from limited multiple-choice options (e.g., "Are you satisfied with?" → Yes/No/Mostly/Not quite).

For the purpose of this study close-ended and open-ended questionnaire were used considering the time and resource limitation and increase the representativeness of the research results. To enhance chance of capturing important information, some questions were followed by open ended question and in the way that it allows respondents to add any other idea or point. This helps the respondents to state views and ideas in addition to the close ended questionnaire response. Besides, open-ended questions were included in order to be able to explain the respondents' information, which probably missed due to some closed-ended questions.

The research used primary data consisting of questionnaires. The questionnaire was developed consisting of 37 items classified into two parts. Part I of the questionnaire was the respondents' profile and general information consisting of 6 close-ended items. Part II consists of 31 close-ended Likert Scale items of ranging from 1 to 5 (from strongly disagree, disagree, neutral, agree, and strongly agree). That is, the respondents were instructed to give their level of agreement by number from 1 to 5; here those numbers indicate 1 is "strongly disagree", 2 indicates "disagree", 3 indicates "neutral", 4 indicates "agree" and 5 indicates "Strongly agree". Therefore, the mean scores of 0-1.5 means that the respondents strongly disagree with the measurement variable presented in this study. Between 1.50 to 2.50 means they are disagreeing, 2.50 to 3.50 means the respondents were neutral or not sure, for a mean score of 3.50-4.50 respondents agree by the attribute presented by each fund management practices and for a mean over 4.50, respondents strongly agree by their futures.

3.6. Validity and Reliability

Creswell (2014) highlights the importance of validity and reliability of data in order to obtain meaningful interpretations. The items applied to measure the constructs were adopted from validated sources from literature. Data were initially cleaned for potential non-response, invalid answers, or any incomplete questionnaires. Principal components analysis with varimax rotation was applied to test the uni-dimensionality of the items. Only items that had a factor loading of at least 0.60 were retained for further analysis to establish convergent and discriminant validity (Bagozzi & Yi, 1988) and those items with factor loading less than 0.60 were omitted.

The Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) values of each construct were checked and varying from 0.71 to 0.77, all exceeding the minimum score of 0.50, demonstrating that all these constructs are valid. Cronbach's alpha with > 0.7 were checked for reliability (Hair, Black, Babin, & Anderson, 2010) and those items which compromise the reliability value were also removed from further analyses (see summary in Table 3.1).

Table 3.1. Reliability and Validity test indices

| Construct | Items | Loadings | Cronbach's α | KMO |
|--------------------------------------|-------|----------|---------------------|-------|
| Funds Management practices | 1A | 0.86 | 0.92 | 0.719 |
| | 1B | 0.90 | | |
| | 1C | 0.93 | | |
| Funds management Challenges | 2A | 0.68 | 0.83 | 0.700 |
| | 2B | 0.84 | | |
| | 2C | 0.76 | | |
| | 2D | 0.63 | | |
| | 2E | 0.70 | | |
| | 2F | 0.83 | | |
| Project Success / Performance | 3A | 0.71 | 0.82 | 0.772 |
| | 3B | 0.75 | | |
| | 3C | 0.77 | | |
| | 3D | 0.85 | | |
| | 3E | 0.76 | | |

Source: Own Survey, 2021

3.7. Data analysis

The data collected were analyzed using SPSS version 23. In addition to descriptive analyses linear regression is also applied in the quantitative analyses to make inferences. The result was interpreted and statistically summarized in forms, charts and figures.

Descriptive statistics such as Mean has been used to describe the general information about the respondents 'profile and characteristics of the non-governmental organizations involved in the study.

Correlation analysis is used in two different cases, first it is applied to see the association of funds management practices with that of project success or performances to proceed with further inferential analyses that shows cause and effects between the variables, and second it is used to test if there are any strong associations within the independent variables to ascertain that there is no problem of multicollinearity. Since the research further involved assessing the effect of funds management (independent variables) on project performance (dependent variable), regression analyses have been conducted to test the proposed cause-effect relationship (Cohen & Cohen, 1983) with SPSS v23. At last, required assumptions of ordinary least square estimations have been

checked and linear regression analysis has been conducted to determine the effect of funds management practices on project performance. Correlation analysis shows the degree of association between variables and indicates the direction in which the variables associate - positively or negatively (Saunders, Lewis, & Thornhill, 2009, p. 490). The value of correlation ranges from - 1 to 1 and the strength of association can be categorized from very low with correlation coefficient (r) less than 0.2 to very high with r greater than 0.9; and in between there are moderate and high correlation coefficients with r values from 0.36 to 0.67 and 0.68 to 0.8, respectively. In this study, Pearson correlation with 2 tailored significance was used to analyze the relation between the fund management practices in INGOs with the project success.

Pearson Correlation Coefficient (PCC) is also called Pearson r or the bivariate statistics. It is a measure of linear correlation between two sets of data. That is, the ratio of the covariance of two variables with that of the product of standard deviations of the variables as shown in Equation 1.

$$\rho_{X,Y} = \frac{cov(X,Y)}{X_{SD}Y_{SD}} \tag{Equation 1}$$

Where, ρ is Pearson Correlation Coefficient, Cov is Covariance, X_{SD} is the standard division of X and Y_{SD} is the standard division of Y.

To examine the effect of funds management on project performance in NGOs environment, regression analyses has been applied with the following model.

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_n X_{ni} + \varepsilon_i$$

Where: Y_i is dependent variable for i^{th} observation.

X_i is independent variable for i^{th} observation.

β_0 is the intercept;

β_s are regression coefficients

ε_i is the error term for i^{th} observation

This basic regression model is rewritten in terms of the variables used in this research to show the relationship among them.

$$Proj. Per. = \beta_0 + \beta_1 IA + \varepsilon$$

$$Proj. Per. = \beta_0 + \beta_2 IB + \varepsilon$$

$$Proj. Per. = \beta_0 + \beta_3 IC + \varepsilon$$

Where:

Proj. Per. is project performance /success

β_1 , β_2 , and β_3 are regression coefficients

1A, 1B, and 1C are funds management practices: Planning and Budgeting (1A), Financial Monitoring and Reporting (1B), and Internal Control System (1C), respectively.

3.8. Ethical Considerations

Conducting research, its design, data collection strategy, etc... require acceptable ethical considerations (Saunders, Lewis, & Thornhill, 2009, p. 160). The researcher, therefore, required to abide by the ethical principles. From that point of view, respondents from the targeted NGOs have been transparently informed of the objective of the research. The researcher has made sure that the covering letter contains information about the investigation, the objectives of the data collection, the voluntary participation of the respondents, assurance regarding confidentiality and anonymity, the intention to reveal the findings up on completion of the study and the contact details of the researcher.

CHAPTER 4: RESULT AND DISCUSSION

This Chapter describes the analysis result and interpretation of the collected data about the Project fund management practices from 54 respondents in INGOs in Addis Ababa. A total of 37 usable questions were obtained valid and used for the analysis. All the questionnaires were fully completed that helps the study to be considered for analysis and reporting. This study attempted to examine the effect of funds management practices on project performance/success. Three internal fund management practices were considered such as i) Planning and budgeting, ii) Financial monitoring and reporting, and iii) internal control systems. The study also assessed challenges in fund management practices. The data collected were analyzed using SPSS version 23. In addition to descriptive analyses linear regression is also applied in the quantitative analyses to make inferences.

4.1. Response rate and Respondents Profil

4.1.1. Response rate

Response rate refers to the number of subjects sampled in a study who respond to the research questions. All the questionnaires in this study were fully completed which helps the study to be considered for further analysis and reporting.

4.1.2. Respondents Profile Composition

Respondents profile is an information including gender, age, educational level and years of experience were collected from the respondents to understand the composition of respondents.

As indicated in Table 3.1. below, the majority of the respondents are male that is 36 out of 54 respondents. In terms of their age, between 31 and 40 are the highest in number (19) and between 26 and 30 are the lowest number (2). That is to say, 40% of them fall under the age group of 40, while majority 60% of the respondents were above 40 years which may indicate that, relatively experienced personnel are in such organizations particularly on financial management responsibilities. Moreover, 47 respondents are with second degree and higher levels of education, which constitutes more than 85% of the total respondents. Similarly, the total years of experience of the respondents shows that 83.3% of them have rich experience of more than ten years and only 5.6% of the respondents were junior level professionals. This shows that the respondents are well experienced to give a reliable information regarding their organization.

Table 4.1. General information about the respondents

| Variables | | Frequency | Percent |
|-------------------|-----------------------|-----------|---------|
| Gender | Male | 36 | 66.7 |
| | Female | 18 | 33.3 |
| Age | 25-30 | 2 | 3.7 |
| | 31-40 | 19 | 35.2 |
| | 41-50 | 16 | 29.6 |
| | above 50 | 17 | 31.5 |
| Educational Level | Highschool complete | 1 | 1.9 |
| | First degree | 6 | 11.1 |
| | Second degree & above | 47 | 87.0 |
| Total experience | 3 - 5 years | 3 | 5.6 |
| | 6 -10 years | 6 | 11.1 |
| | above 10 years | 45 | 83.3 |

4.2. Descriptive analysis of Funds Management Practices in INGOs

Descriptive analysis deals with statistically describing, aggregating, and presenting the constructs of interest or associations between them. Descriptive analysis is a sort of data analysis that helps to explain, show, or summarize data points in a constructive way so that patterns can develop that satisfy all the data's conditions. The below results show that the descriptive statistical analysis of fund management practices, challenges and project success/performance.

4.2.1. Funds Management Practices in NGOs

Non-governmental organizations' primary goal is not to increase shareholder value but to provide some socially desirable needs on an on-going basis. NGOs generally lack the financial flexibility of commercial enterprises as they depend on resource providers who are not engaged in an exchange transaction. The resources provided are directed towards providing goods or services to a client other than the actual resource provider. For NGOs, the program-oriented fund-based accounting for their different projects and programs of the organization linking them to activities and results, is an important accounting practice. Financial reporting in nonprofit organizations is, therefore, too differs from for profit organizations. (Kandasami, 2006). NGOs have the responsibilities to be transparent, honest, accountable, and ethical to provide accurate information, and not to manipulate their resources against the predetermined goals.

Table 4.2. Funds management practices summary

| Internal Funds Management Dimensions | Mean | Std. Deviation | CV* |
|---|-------------|-----------------------|------------|
| Planning and Budgeting (1A) | 4.3889 | 0.4963 | 0.113 |
| Financial Monitoring and Reporting (1B) | 4.6032 | 0.4860 | 0.106 |
| Internal Control System (1C) | 4.4556 | 0.5948 | 0.134 |

**Coefficient of variance calculated by dividing SD by the mean value*

To achieve all the above expectations, there are several funds management practices implemented by NGOs. As indicated in table 4.2. above, three main internal funds management practices were assessed in the targeted international NGOs and summarized with their means and coefficient of variables. In overall, the mean values (> 4.3) of the three funds management practices indicate that there are better funds management practices in these organizations. The standard deviation (SD) and the coefficient of variance (CV) values show how the data are distributed about the mean. As a rule of thumb CV (which is SD divided by mean) values of < 1 are considered to have minimal variance and indicates that the mean fairly represents the data. Accordingly, all the coefficient of variances are far below the value of 1 which indicates that the higher mean values in all the three dimensions of funds management represent individual values from the participants adequately.

One of the practices is Planning and Budgeting in the Organization. The result shows the mean value for planning and budgeting activities exceeds 4, this indicate that majority of respondents agreed on all practices. The respondents strongly agreed on defining resource requirement and performing budget estimate at initial stage of the project planning (1A1), the board of directors/Top management formally endorses project budget and/or any significant budget revisions (1A4), and having a regular meeting with staff to evaluate the status of budget implementation in line with the detail plan(1A6). The mean value of these statements found in range more than 4.5 (see Annex 2). The frequency distribution for Planning and Budgeting in the NGOs is also shown in Annex 2. Again for the other 4 statements, the respondents pointed out their agreement (with mean value 3.5 to 4.5) appropriate staffs and stakeholders are involved in all budget preparation processes (1A2), resources forecast is regularly prepared in the organization (1A3), the approved budget is communicated to all stakeholders timely and transparently (1A5), regular meetings with staff held

to evaluate the status of budget implementation in line with the detail implementation plan (1A7), and budget revisions are considered as an option to address fund shortages (1A8) (see Annex 2).

Financial Monitoring and Reporting in the Organization from the NGOs were attributed by statements of 1B1,1B2,1B3,1B4, 1B5 and 1B6 (see Annex 2). According to the data obtained the majority of respondents strongly agreed that the organization keeps records for all transactions and resources mobilized or donations received (1B1), formal approval system in the organization for all financial transactions adopted (1B2, the organization prepares timely financial reports to the board, donors and government (1B3), Financial statements of the organization are audited every year by external auditors (1B4), the board of directors reviews the annual audit report of the organization (1B6). For statements of 1B and 1B7 (scored mean of 4.019 to 4.259, which is majority of the respondents agreed on the statements.

Internal Control System of the Organization was examined in Table C Annaex 2 and the result shows the majority of respondents strongly agreed on the statements of 1C1 and 1C2. That is there is clearly stated assignment of duties related to writing, signing and approval of cheque payments in the organization(1C1) and 1C2 there are current written job descriptions for all staff. For statements 1C3,1C4 and 1C5 scored mean of 4.204 to 4.463, which means majority of respondents agreed. The board of directors have regular schedule for meetings and convene accordingly(1C3), The financial reports are reviewed against the budget and activities reports by the management(1C4). There is a safe security system to safeguard the assets of the organization (1C5)

4.2.2. Challenges in Funds Management in INGOs

Funds management practices in an organization could be affected by a number of factors or challenges and impacts successful implementation of good practices thereof. Several challenges related to funds management were identified from literatures and included in the survey. Based on the responses from the survey, major challenges are summarized below (table 4.3.) in terms of their mean value.

Table 4.3. Funds Management Challenges

| Challenges | | Mean | Std. Deviation | CV* |
|------------|---|------|----------------|------|
| 2.A | Donors rules and regulations pose challenges in the fund's management of the organization | 2.98 | 1.19 | 0.40 |
| 2.B | Capacity limitation in the organization poses challenge in funds management | 2.54 | 1.28 | 0.51 |
| 2.C | Absence of clear information on available opportunities | 2.63 | 1.23 | 0.47 |
| 2.D | Relationship with and requirements of fund provider and other stakeholders | 3.19 | 1.15 | 0.36 |
| 2.E | Failure in accountability & transparency during fund utilization | 2.06 | 1.12 | 0.55 |
| 2.F | Lack of willingness and support from management for funds management activities | 1.93 | 1.18 | 0.61 |

*Coefficient of variance calculated by dividing SD by the mean value

It is possible to categorize the above challenges as internal and external. Those under external factors are related to rules, regulations and requirements of donors and other stakeholders which have interests in the fund management practices of the INGOs. As indicated in Karanth (2015) these organizations are accountable for external stakeholders and are expected to be influenced by the regulation and requirements of such external interests in all their actions including funds management. This category also includes the information asymmetry related to available opportunities pertinent to resources and funds management. Internal challenges are from organizations' own problems associated to technical capacity limitations, willingness and support from management towards effective funds management practices and failure to accountability and transparency in utilizations of funds.

From the survey results, challenges from external sources with relatively higher mean scores, which runs from 2.63 for absence of clear information on available opportunities to 3.19 for relationship with and requirements of fund providers and other stakeholders. Internal challenges in funds management is lower in these organizations compared to external factors with mean values ranging from 1.93 to 2.54 for management willingness and capacity limitations respectively. In our analyses (table 4.3. above), all the coefficient of variance values falls under the value of <1 which shows the means are best representatives of the data.

This result may indicate that for INGOs, which are almost entirely dependent on funds coming from donors and other external sources, various restrictions and requirements from external sources associated to the funds received poses major challenge on the flexibility of using and managing their funds. This is consistent with the findings of Schneiker (2016) which stated that donors’ requirements are changing constantly and becoming strictly selective by applying several criteria that would affect the funds management of projects in NGOs. On the other hand, the result may also indicate that there is no, or minimal internal challenges related with accountability & transparency during fund utilization and management support for fund management

4.2.3. Project success

The result in table 4.4. shows the mean value for project success of international NGOs exceeds 4 and this shows that the overall performance of the projects is successful. As shown in figure E in Annex 2, 51 respondents agreed on all statement: In your organization projects completed within the specified time stated in the project document(3A), In your organization projects are completed within the approved budget(3B), Projects in your organization completed as per the specification and expected qualities(3C), Projects implemented by your organization in the last 5 years achieved their objectives (3D), Projects implemented by your organization in the last 5 years achieved stakeholder satisfaction (3E).

Table 4.4. Descriptive statistics of project success in NGOs

| Identified project success/performance | N | Mean | SD | CV* |
|--|----|-------|-------|-------|
| In your organization projects completed within the specified time stated in the project document | 54 | 4.130 | .8020 | 0.194 |
| In your organization projects are completed within the approved budget | 54 | 4.093 | .7338 | 0.179 |
| Projects in your organization completed as per the specification and expected qualities | 54 | 4.130 | .7535 | 0.182 |
| Projects implemented by your organization in the last 5 years achieved their objectives | 54 | 4.296 | .6333 | 0.147 |
| Projects implemented by your organization in the last 5 years achieved stakeholder satisfaction | 54 | 4.222 | .7181 | 0.170 |

*Coefficient of variance calculated by dividing SD by the mean value

4.3. Correlation Analysis

Correlation analysis shows the degree of association between variables and indicates the direction in which the variables associate - positively or negatively (Saunders, Lewis, & Thornhill, 2009, p. 490). The value of correlation ranges from - 1 to 1 and the strength of association can be categorized from very low with correlation coefficient (r) less than 0.2 to very high with r greater than 0.9; and in between there are moderate and high correlation coefficients with r values from 0.36 to 0.67 and 0.68 to 0.8, respectively.

Table 4.5. illustrates the correlation coefficient for the associations between the independent variable and dependent variables. Funds management practices correlates with project success moderately with positive and statistically significant coefficient (r = 0.512, p<0.01). Specifically, the relation of fund management practices: Planning and Budgeting, Financial Monitoring and Reporting, Internal Control System with the project success is positive (r=0.468, p<0.01), (r=0.516, p<0.01), and (r=0.406, p<0.01), respectively.

Table 4.5. Pearson Correlation between Project performance with fund management practices and challenges

| | | Mean 1A | Mean 1B | Mean1C | Mean1ABC |
|--------------|---------------------|---------|---------|--------|----------|
| Mean3 | Pearson Correlation | .468** | .516** | .406** | .512** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 |
| | N | 54 | 54 | 54 | 54 |

** . Correlation is significant at the 0.01 level (2-tailed).

To interpret this correlation coefficient in a more meaningful way it is possible to see the value of the coefficient of determination (r^2) which is the square of the correlation coefficient. The coefficient of determination illustrates the percent of variation in the values of the dependent variable that can be explained by variations in the values of the independent variables. According to this study 26.2% of the variations in the project success is explained by the variation in funds management practices of the INGOs and it is statistically significant at 0.01.

The most important takeaway from this correlation analysis is the relationship between the two variables, the level by which they correlate and the direction of their association which, all together, dictate other higher-level inferential analyses in the research.

4.4. Diagnostics of OLS Assumptions

Before regression analysis can be performed, the assumptions concerning the original data must be made. This is a mandatory prerequisite in explaining relationships between dependent and explanatory variables. Two major assumptions have been checked and proved to be met reasonably well. In this study these important least square assumptions were checked and explained below.

4.4.1. Normality

Multiple regression assumes that variables have normal distributions (Darlington, 1968). This implies that errors are normally distributed, and that a plot of the values of the residuals approximate a normal curve (Keith, 2006). This assumption can be tested by looking at the P-P plot for the model together with histogram of the standardized residuals. The closer the dots lie to the diagonal line, the closer to normal the residuals are distributed.

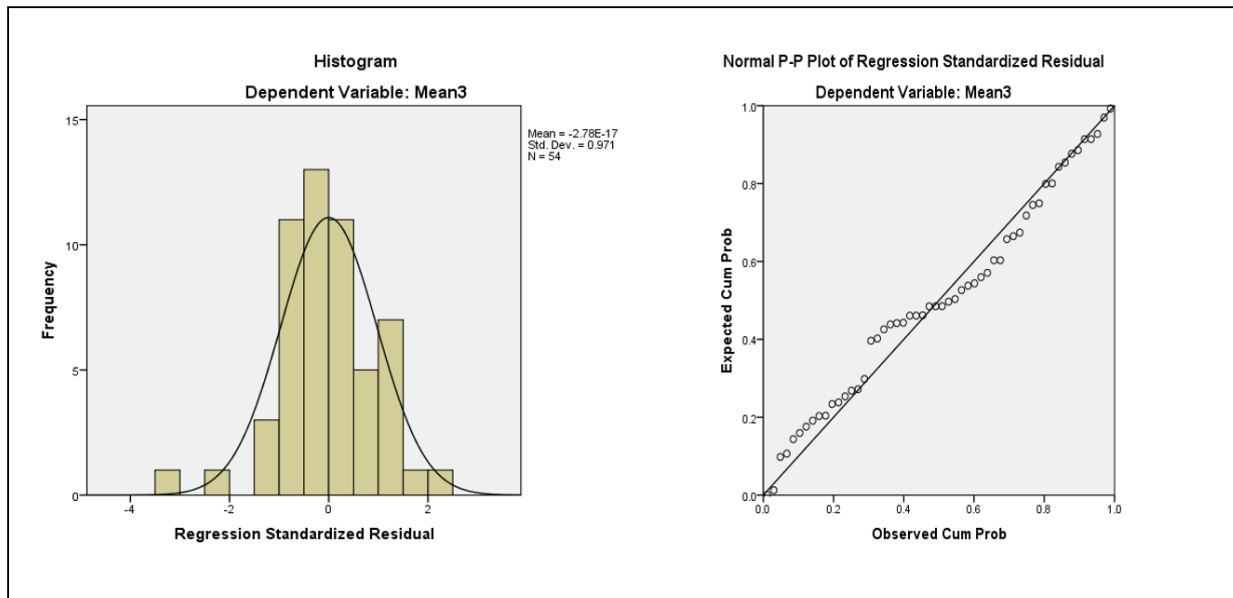


Figure 4.1. Histogram and P-P plot of Standardized Residuals

The histogram in figure 4.1. looks normal and in the P-P plots also the dots are reasonably closer to the normal line. The combination of both inspections support that the residuals are normally distributed.

4.4.2. Multicollinearity

Strong relationship between explanatory variables is a problem of multicollinearity and not acceptable for ordinary least square regression analyses. Cross-correlation test has been conducted and concluded that though there are correlations among the dependent variables none of them are highly correlated with correlation coefficient greater than 0.8 as shown in table 4.6. This implies that no threat of multicollinearity in the data (Bryman & Cramer, 1999).

Table 4.6. Cross correlation among explanatory variables

| | Mean 1A | Mean 1B | Mean1C |
|---------|---------|---------|--------|
| Mean 1A | 1 | | |
| Mean 1B | .641** | 1 | |
| Mean 1C | .673** | .786** | 1 |

** . Correlation is significant at the 0.01 level (2-tailed).

Variance-inflation factor (VIF) and tolerance are also other statistical ways to check multicollinearity among independent variables. In this study since funds management practices are combined as an aggregate (unidimensional) in the regression analyses, these two statistics could not be applied.

4.5. Regression Analysis

After checking the basic assumptions of ordinary least square (OLS) estimation, linear regression analysis has been conducted to see the effect of the independent variables (funds management practices) on the dependent variable (project success). In this study, funds management practices are considered independent dimensional construct without aggregating them, namely planning and budgeting, financial monitoring and reporting and internal control system in funds management.

Table 4.7. Model Summary of Regression

| Model Summary ^b | | | | | |
|----------------------------|--------------------|----------|-------------------|----------------------------|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | 0.468 ^a | 0.219 | 0.204 | 0.4964 | 2.249 |
| 2 | 0.516 ^a | 0.266 | 0.252 | .4813 | 2.118 |
| 3 | 0.406 ^a | 0.165 | 0.149 | .5133 | 2.095 |

| |
|--|
| a. Predictors: (Constant), Mean 1A, Mean 1B, Mean1C, |
| b. Dependent Variable: Mean3 |

Source: Own survey, SPSS v23, 2021

The model summary (Table 4.7. above) was used to measure the degree of variations in project success which is explained by the variations in funds management. It gives the coefficient of correlation (1A-R = 0.468, 1B-R = 0.516, 1C-R = 0.406) meaning that success of projects and the predictor variables have a moderate positive association. The R square, which was used in the model to show the predictive power resulted in a value of 1A-0.219, 1B-0.266, and 1C-0.165 (p<0.01). This indicates that 21.9%, 26.6%, and 16.5% of the variation in success of projects was determined by variations in funds management practices of 1A, 1B, and 1C, respectively. Since several other factors are also responsible to the overall success of projects in an organization, the remaining 78.1%, 73.4%, and 83.5% of the variations are accounted for other contributing factors in each model.

Table 4.8. Regression coefficients

| Coefficients ^a | | | | | |
|---------------------------|------------|----------------|--------------|-------|------|
| Model | | Unstandardized | Standardized | t | Sig. |
| | | Coefficients | Coefficients | | |
| | | B | Beta | | |
| 1 | (Constant) | 1.873 | .607 | 3.087 | .003 |
| | Mean 1A | .524 | .137 | 3.816 | .000 |
| 2 | (Constant) | 1.457 | .630 | 2.315 | .025 |
| | Mean 1B | .590 | .136 | 4.339 | .000 |
| 3 | (Constant) | 2.483 | .533 | 4.661 | .000 |
| | Mean1C | .380 | .119 | 3.202 | .002 |

a. Dependent Variable: Mean3

Source: Own survey, SPSS v23, 2021

From table 4.8., when the independent variable funds management is at zero level, the dependent variable (project success) would have a value of 1.873, 1.457 and 2.483 for 1A, 1B and 1C, respectively. From the regression analysis, funds management has a significant and positive influence on project success / performance. It has Beta values of 0.524 and is significant at p<0.001 for Planning and Budgeting (1A), 0.590 and is significant at p<0.001 for Financial Monitoring and Reporting (1B), and 0.380 and is significant at p<0.005 for Internal Control System (1C). All other factors held at constant; one unit increase in the funds management variable (Planning and

Budgeting) resulted in an increase in project performance by a factor of 0.524 and by a factor of 0.590 in case of one unit increase in Financial Monitoring and Reporting. This finding provides evidence that strong funds management practices in international NGOs contributes significantly to their project success.

This is also in line with the findings of Kweyu (2018) who stated that strong planning and budgeting practices in project management contributes significantly to higher project performance. Hermano & Martín-Cruz (2016) also indicated that with effective planning, projects are observed to succeed in all dimensions of cost, time and quality. Similarly, Wambura (2016) argued that with monitoring of resources through different funds management practices ensure resources to be utilized efficiently in the intended targets. It also assisted to monitor cost and time spent on the project at any given time to predict any cost or time variation, avoid waste of resources and identifying any potential risk to the project which in total leads to project success.

CHAPTER 5:

Summary, Conclusion and Recommendations

5.1 Summary

In this research the effect of funds management practices on project success in internal NGOs has been investigated. These relationships are examined using randomly selected data from international NGOs in Ethiopia operating in various sectors across the Addis Ababa. All the variables and their measurements in this research are adopted from literatures. The reliability and validity of the constructs and items were tested as per the recommendations made in various literatures. To address the objectives of this research both descriptive and inferential statistical methods were applied; the relationship between the independent and dependent variables were mainly tested with linear regression analysis and the major findings are summarized as follows.

Before the regression analysis the correlation between the variables examined and it is evident that there are moderate association between the independent and the dependent variables with statistical significance correlation (1A-R = 0.468, 1B-R = 0.516, 1C-R = 0.406, $p < 0.01$). This is an indication that funds management has significant relationship with project success or performance that could support further analyses to see cause -effect relationship between the two. Besides, the required assumptions for ordinary least square estimation have been checked and proved to be within acceptable ranges.

At the start the profile information of the respondents, which included age, sex, educational level and years of experience, were summarized and it is observed that most of the respondent who are involved in project funds management and related positions in INGOs are rich both in terms of their academic and professional experiences. This human capital may as well contribute to the achievement of better project success in these organizations through strong resources management practices.

Three major funds management practices of planning & budgeting, financial monitoring & reporting and internal control systems were assessed and their means were found to be higher with acceptable level of coefficient of variables which indicated that these funds management practices are well practiced in these INGOs. Related to these funds' management practices, several challenges (both external and internal) were assessed and the means of the external factors were

verified to be higher compared to those of internal factors. This may be an indication that the funds management in NGOs are highly challenged by donors and other stakeholders which tend to put rules and regulations associated to the funds they pledge.

The relationship between funds management and project success was tested with correlation and regression analyses. The correlations between each independent variable with dependent variable are found to be moderate and statistically significant ($p < 0.01$) and that implied further cause effect relationship analyses to make inferences. Accordingly, the regression analysis parameters indicated that funds management practices, specifically Financial Monitoring and Reporting (1B) in international NGOs significantly affect project success ($B = 0.590$, $p < 0.001$). From the coefficient of determination value ($R^2 = 0.266$, $p < 0.01$), 26.6 percent of the variation in project success was explained by the Financial Monitoring and Reporting practice in these organization.

5.2. Conclusion

Based on the findings summarized in section 5.1 the following major conclusions were drawn.

- It is concluded that the human capital in these organizations is relatively rich both in terms of educational levels and experiences. This gives comparative advantage in better funds management and successful implementation of projects.
- From the higher mean values of the funds management practices it is inferred that the major funds management practices are well practiced in international NGOs in Ethiopia. This may be accounted for first, the rich human capital available in these organizations and second, the stringent requirements of the donors or stakeholders on the standard funds' management practices.
- Several challenges related to funds management were identified in international NGOs and could be broadly classified as internal and external challenges. In these organizations it is concluded that external challenges are stronger compared to the internal capacity related challenges (based on relatively higher mean values under external challenges). This may explain the impact of external fund sources or donors on these NGOs.
- The positive and statistically significant effect of funds management on project success gives strong indication to conclude that funds management in international NGOs is a major contributor to successful project management. In overall it is concluded that funds

management is one of the most important factors to consider in project management in internal NGOs context.

5.3. Recommendations

According to the research findings and the concluded notions the following main recommendations are forwarded:

- Resources in the non-governmental organizations industry, which are mainly from external donors, are scarce and it is extremely competitive to secure. This requires better credibility among the donor community and building their confidence that the fund they contribute is used according to their standards and only for the intended purposes. To this end it is recommended that international NGOs implement strong funds management systems that enable transparency and accountability for their stakeholders.
- It is observed that external challenges on funds management are more pronounced and it is recommended to have strong engagement with donors and other external stakeholders to negotiate on ways to ease their restrictions and to allow reasonable flexibilities.
- As indicated in the findings, funds management explained significant level of project success and it is recommended that project managers in particular and NGO management in general need to be informed of their financial resources and manage that as per the acceptable standards.

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Annex1

Abeba Mulugeta
College of Commerce, Addis Ababa University

Subject: Request for responding a questionnaire

Respected respondent,

This questionnaire is developed to collect data for a research on: **Effects of Project funds management practices on Project success in NGOs in Addis Ababa**. You are kindly requested to answer all the questions objectively and complete the questionnaire. The information from this survey will be used as a primary data for this research trusting that your genuine responses will contribute to the quality of the findings. The researcher would like to confirm that the responses you provide will be kept confidential and will be used only for the study under consideration.

I do thank you in advance for sharing your valuable time and inputs in the questionnaire.

Remarks:

- ✓ Please do not write your name.
- ✓ Please put “X” mark to indicate your responses.

Project Fund Management Questionnaire

PART I: Personal Information

1. Gender:
Male [] Female []
2. Age:
18-24 [] 25-30 [] 31-40 [] 41-50 [] above 50 []
3. Educational Level
PhD [] MA/MSc [] BA/BSc [] Diploma [] High School completed []
4. Position in the organization: _____
5. Total Years of experience: below 3 [] 3-5 [] 6-10 [] above 10 []
6. Service in this organization (in year): below 3 [] 3-5 [] 6-10 [] above 10 []

PART II: Project Fund Management in the organization

Key:

| | | | | |
|--------------------|-----------|---------|--------|-----------------|
| Strongly Disagreed | Disagreed | Neutral | Agreed | Strongly Agreed |
| 1 | 2 | 3 | 4 | 5 |

1. Funds Management Practices in NGOs

A. Planning and Budgeting in the Organization

| No | Response | 1 | 2 | 3 | 4 | 5 |
|-----|--|---|---|---|---|---|
| 1A1 | Defining resource requirement and budget estimate is performed at initial stage of the project planning | | | | | |
| 1A2 | Appropriate staffs and stakeholders are involved in all budget preparation processes | | | | | |
| 1A3 | Resources forecast is regularly prepared in the organization | | | | | |
| 1A4 | The board of directors/Top management formally endorses project budget and/or any significant budget revisions | | | | | |
| 1A5 | The approved budget is communicated to all stakeholders timely and transparently | | | | | |
| 1A6 | Regular meetings with staff held to evaluate the status of budget implementation in line with the detail plan | | | | | |
| 1A7 | Regular meetings with staff held to evaluate the status of budget implementation in line with the detail implementation plan | | | | | |
| 1A8 | Budget revisions are considered as an option to address fund shortages | | | | | |

B. Financial Monitoring and Reporting in the Organization

| No | Response | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1B1 | The organization keeps records for all transactions and resources mobilized or donations received | | | | | |
| 1B2 | There is a formal approval system in the organization for all financial transactions | | | | | |
| 1B3 | The organization prepares timely financial reports to the board, donors and government | | | | | |
| 1B4 | Financial statements of the organization are audited every year by external auditors | | | | | |
| 1B5 | The project performance reports are analyzed periodically | | | | | |
| 1B6 | The board of directors reviews the annual audit report of the organization | | | | | |
| 1B7 | The board of directors ensures compliances to the requirements of stakeholders | | | | | |

C. Internal Control System of the Organization

| No | Response | 1 | 2 | 3 | 4 | 5 |
|-----|--|---|---|---|---|---|
| 1C1 | There is clearly stated assignment of duties related to writing, signing and approval of cheque payments in the organization | | | | | |
| 1C2 | There are current written job descriptions for all staff. | | | | | |
| 1C3 | The board of directors have regular schedule for meetings and convene accordingly | | | | | |
| 1C4 | The financial reports are reviewed against the budget and activities reports by the management | | | | | |
| 1C5 | There is a safe security system to safeguard the assets of the organization | | | | | |

2. Challenges in Funds Management Practices

| No | Response | 1 | 2 | 3 | 4 | 5 |
|-----|--|---|---|---|---|---|
| 2.1 | Donors rules and regulations pose challenges in the funds management of the organization | | | | | |
| 2.2 | Capacity limitation in the organization poses challenge in funds management | | | | | |
| 2.3 | Absence of clear information on available opportunities | | | | | |
| 2.4 | Relationship with and requirements of fund provider and other stakeholders | | | | | |
| 2.5 | Failure in accountability & transparency during fund utilization | | | | | |
| 2.6 | Lack of willingness and support from management for funds management activities | | | | | |

3. Project Success

| No | Response | 1 | 2 | 3 | 4 | 5 |
|-----|--|---|---|---|---|---|
| 3.1 | In your organization projects completed within the specified time stated in the project document | | | | | |
| 3.2 | In your organization projects are completed within the approved budget | | | | | |
| 3.3 | Projects in your organization completed as per the specification and expected qualities | | | | | |
| 3.4 | Projects implemented by your organization in the last 5 years achieved their objectives | | | | | |
| 3.5 | Projects implemented by your organization in the last 5 years achieved stakeholder satisfaction | | | | | |

Thank you for your invaluable time!

Annex 2

Table A. Planning and Budgeting in the Organization.

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----|----------|----------------|----------------|-------------|---------------------------|
| 1A1 | 54 | 1.0 | 5.0 | 4.704 | .6904 |
| 1A2 | 54 | 1.0 | 5.0 | 4.241 | .9098 |
| 1A3 | 54 | 2.0 | 5.0 | 4.185 | .8484 |
| 1A4 | 54 | 3.0 | 5.0 | 4.574 | .6617 |
| 1A5 | 54 | 3.0 | 5.0 | 4.259 | .6781 |
| 1A6 | 54 | 2.0 | 5.0 | 4.611 | .6845 |
| 1A7 | 54 | 1.0 | 5.0 | 4.185 | .9727 |
| 1A8 | 54 | 1.0 | 5.0 | 4.019 | .9213 |

Table B. Financial Monitoring and Reporting in the Organization

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----|----------|----------------|----------------|-------------|---------------------------|
| 1B1 | 54 | 2.0 | 5.0 | 4.722 | .6564 |
| 1B2 | 54 | 2.0 | 5.0 | 4.722 | .6270 |
| 1B3 | 54 | 3.0 | 5.0 | 4.667 | .5828 |
| 1B4 | 54 | 3.0 | 5.0 | 4.852 | .4517 |
| 1B5 | 54 | 3.0 | 5.0 | 4.407 | .6873 |
| 1B6 | 54 | 3.0 | 5.0 | 4.593 | .6593 |
| 1B7 | 54 | 3.0 | 5.0 | 4.259 | .7570 |

Table C. Internal Control System of the Organization

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----|----------|----------------|----------------|-------------|-----------------------|
| 1C1 | 54 | 2.0 | 5.0 | 4.685 | .7223 |
| 1C2 | 54 | 3.0 | 5.0 | 4.648 | .5878 |
| 1C3 | 54 | 2.0 | 5.0 | 4.204 | .8098 |
| 1C4 | 54 | 2.0 | 5.0 | 4.463 | .7451 |
| 1C5 | 54 | 2.0 | 5.0 | 4.278 | .7871 |

Table D. Challenges in Funds Management Practices

| | N | Minimum | Maximum | Mean | Std. Deviation |
|-----|----------|----------------|----------------|-------------|-----------------------|
| 2.1 | 54 | 1.0 | 5.0 | 2.981 | 1.1894 |
| 2.2 | 54 | 1.0 | 5.0 | 2.537 | 1.2843 |
| 2.3 | 54 | 1.0 | 5.0 | 2.630 | 1.2331 |
| 2.4 | 54 | 1.0 | 5.0 | 3.185 | 1.1505 |
| 2.5 | 54 | 1.0 | 5.0 | 2.056 | 1.1229 |
| 2.6 | 54 | 1.0 | 5.0 | 1.926 | 1.1793 |

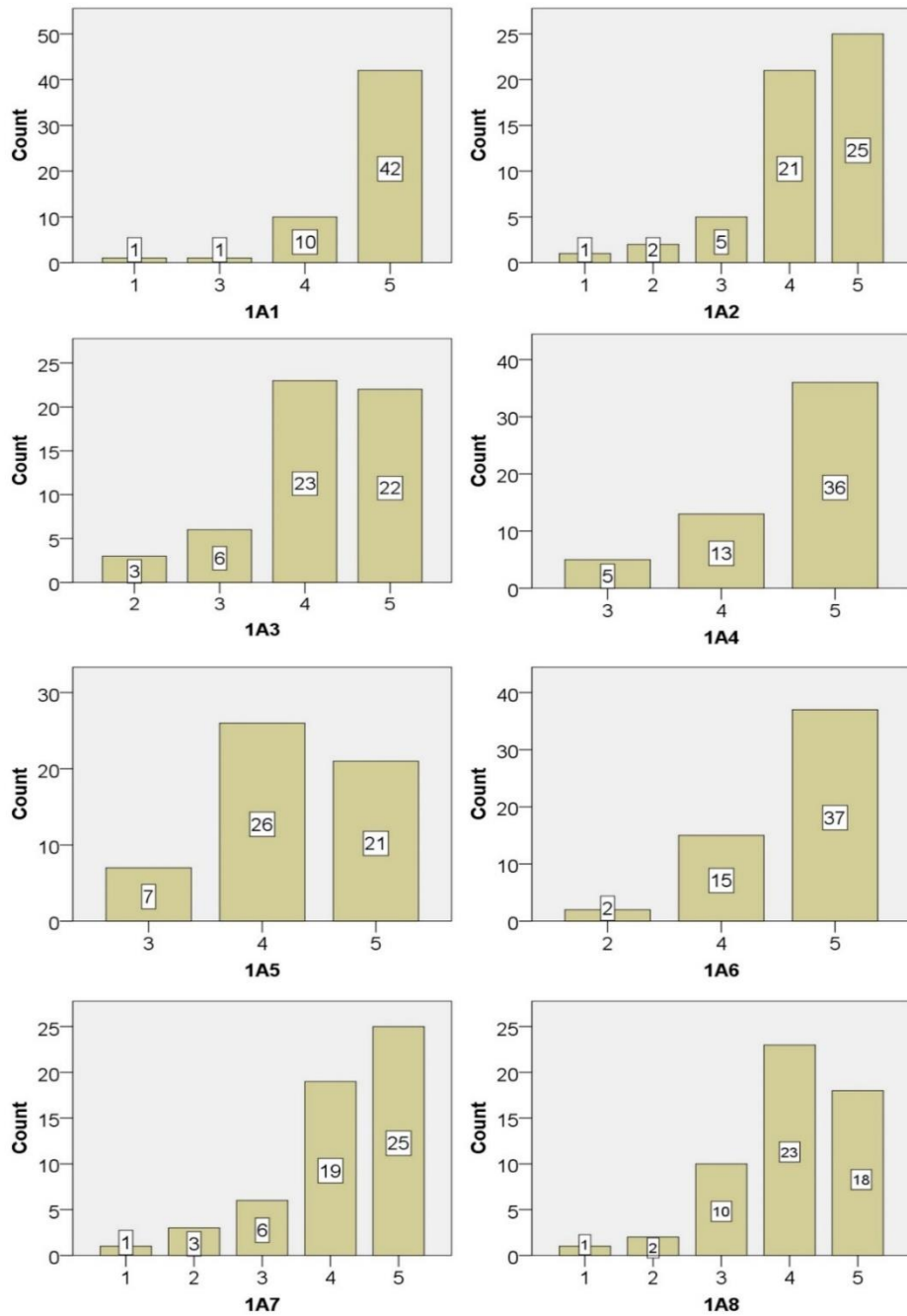


Figure A) The frequency distribution for Planning and Budgeting in the NGOs

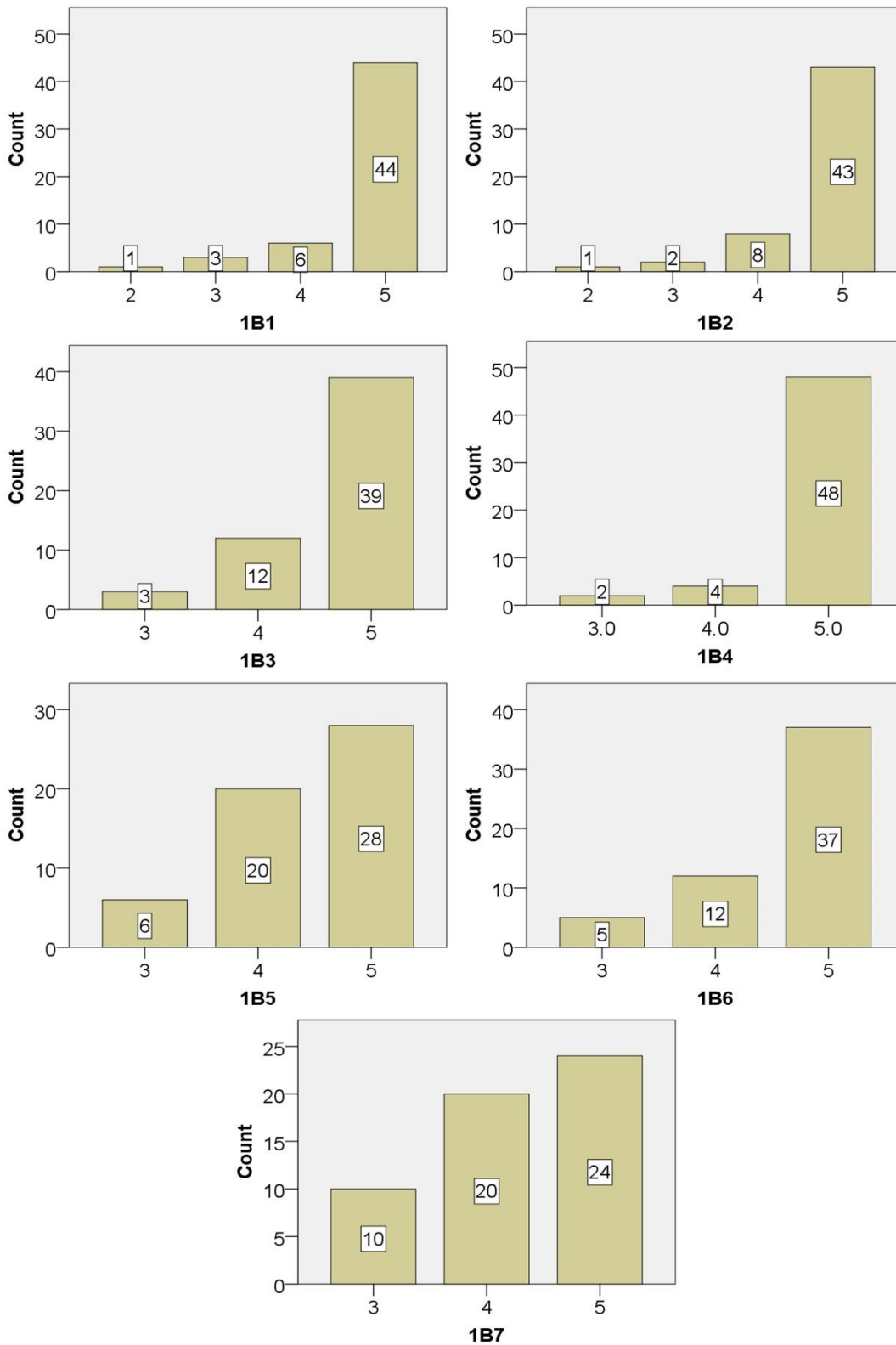


Figure B. The frequency distribution for Financial Monitoring and Reporting in the NGOs

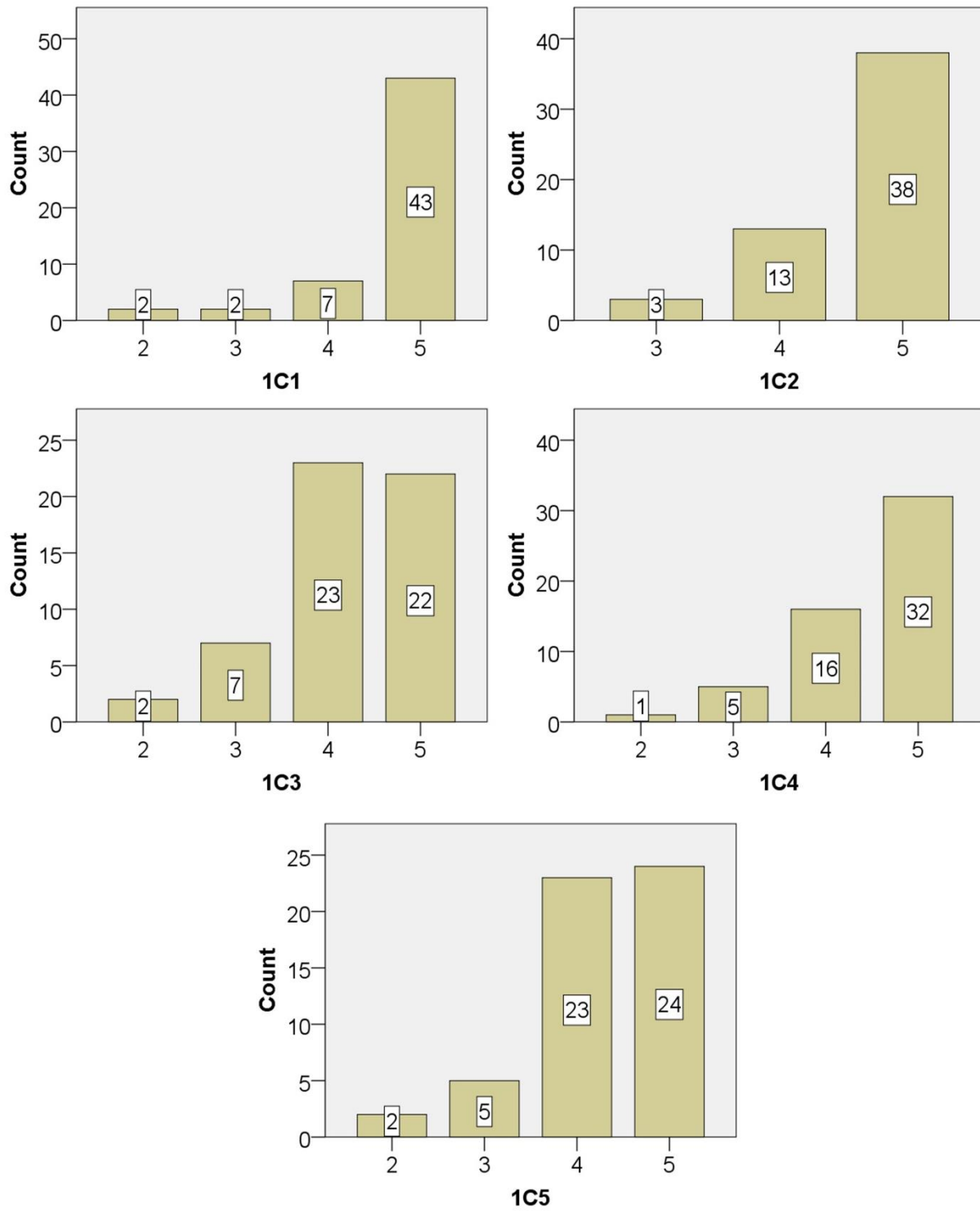


Figure C. The frequency distribution for Internal Control System of the NGOs

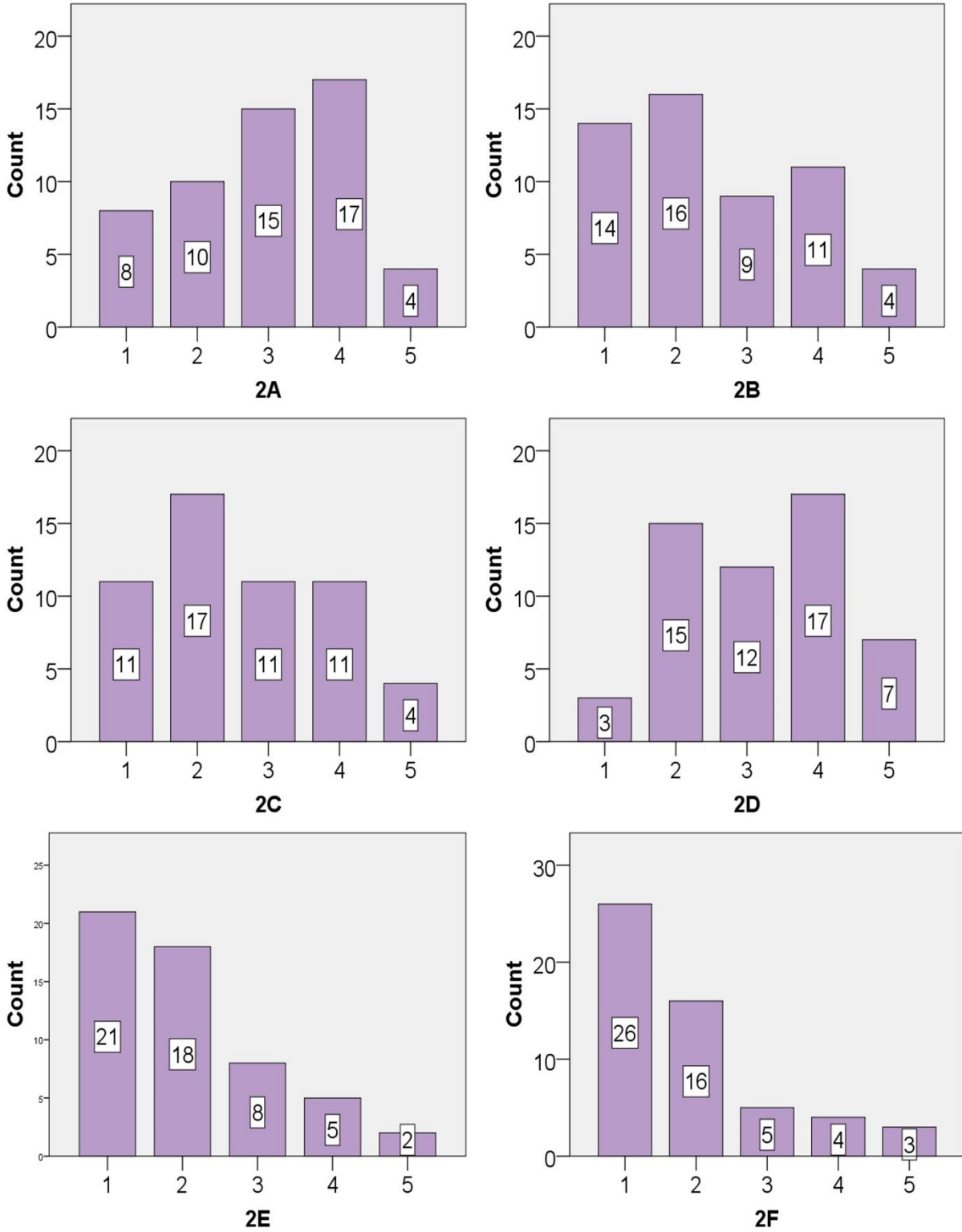


Figure D. The frequency distribution for Challenges in Funds Management Practices

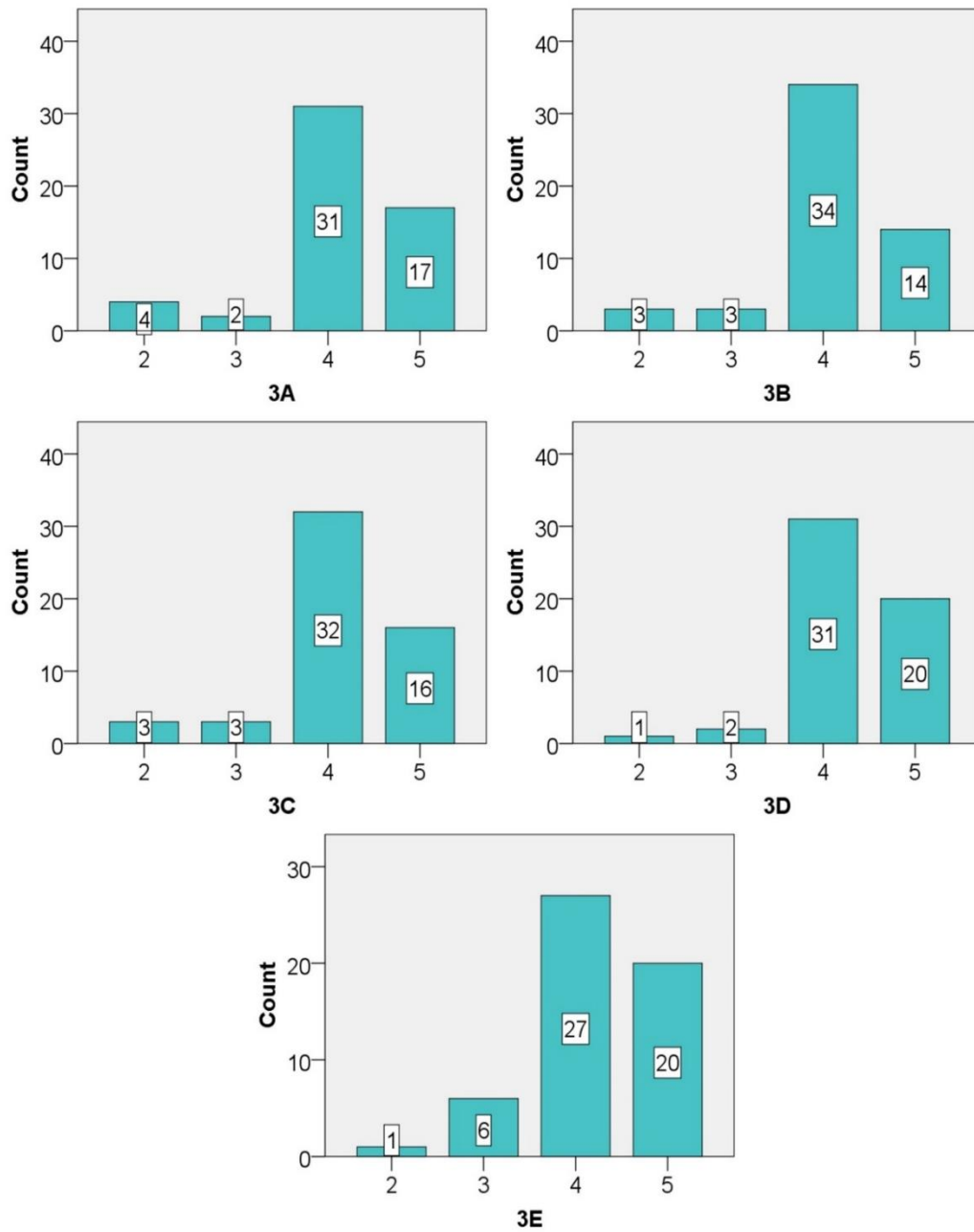


Figure E. The frequency distribution for project success in NGOs