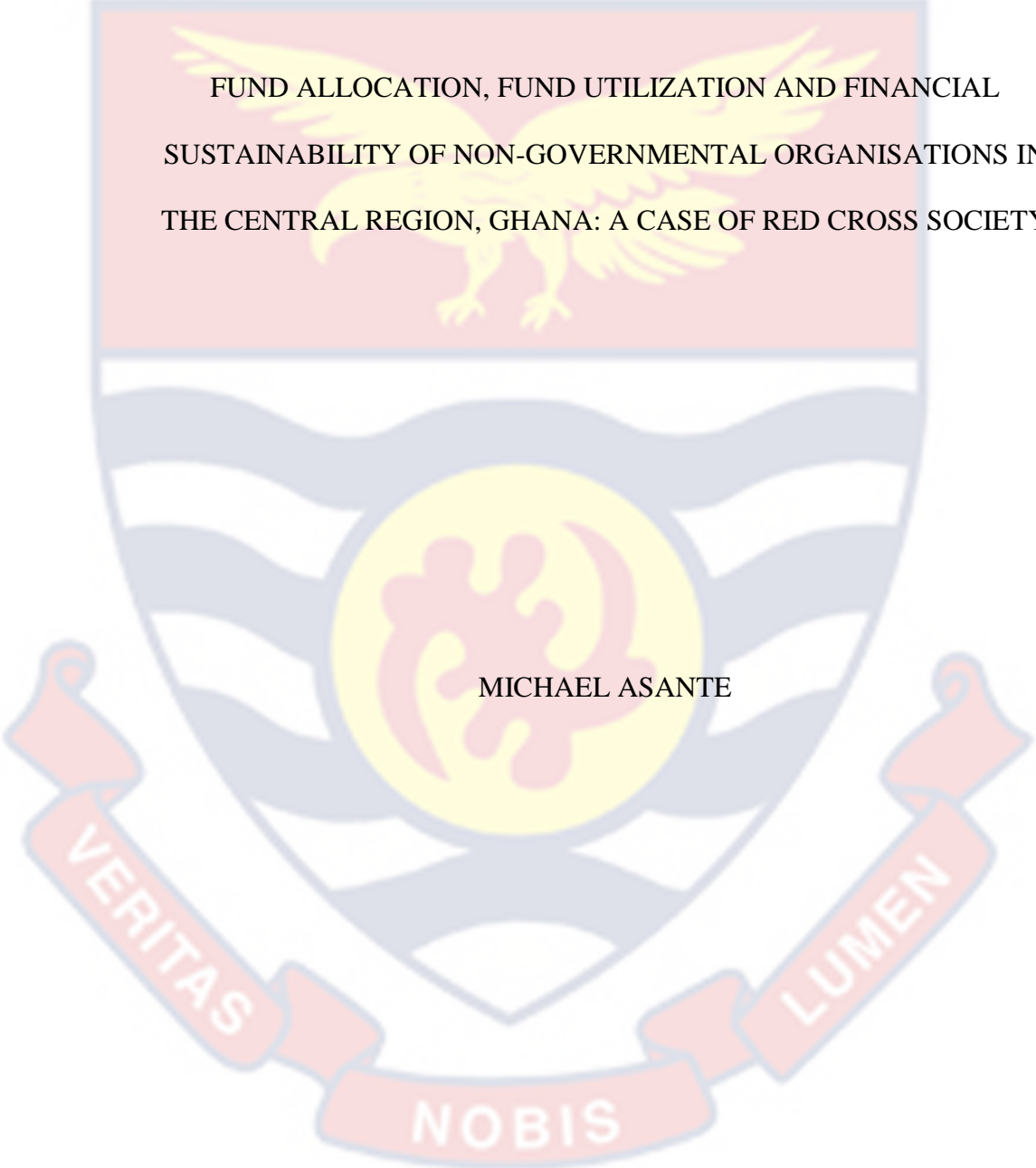


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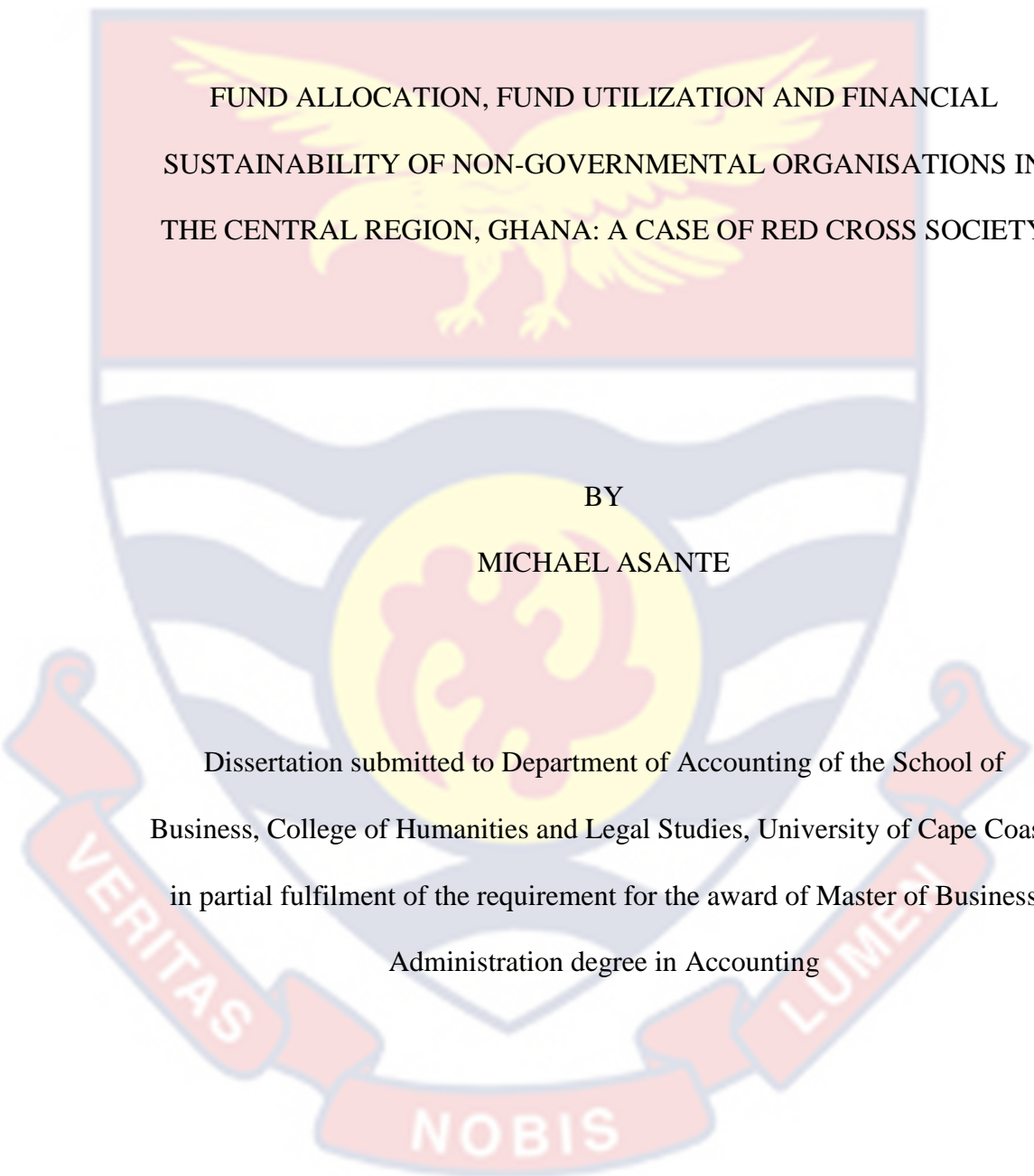


FUND ALLOCATION, FUND UTILIZATION AND FINANCIAL
SUSTAINABILITY OF NON-GOVERNMENTAL ORGANISATIONS IN
THE CENTRAL REGION, GHANA: A CASE OF RED CROSS SOCIETY

MICHAEL ASANTE

2023

UNIVERSITY OF CAPE COAST



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SUSTAINABILITY OF NON-GOVERNMENTAL ORGANISATIONS IN
THE CENTRAL REGION, GHANA: A CASE OF RED CROSS SOCIETY

BY
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Dissertation submitted to Department of Accounting of the School of
Business, College of Humanities and Legal Studies, University of Cape Coast,
in partial fulfilment of the requirement for the award of Master of Business
Administration degree in Accounting

MARCH 2023

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's Signature: Date:

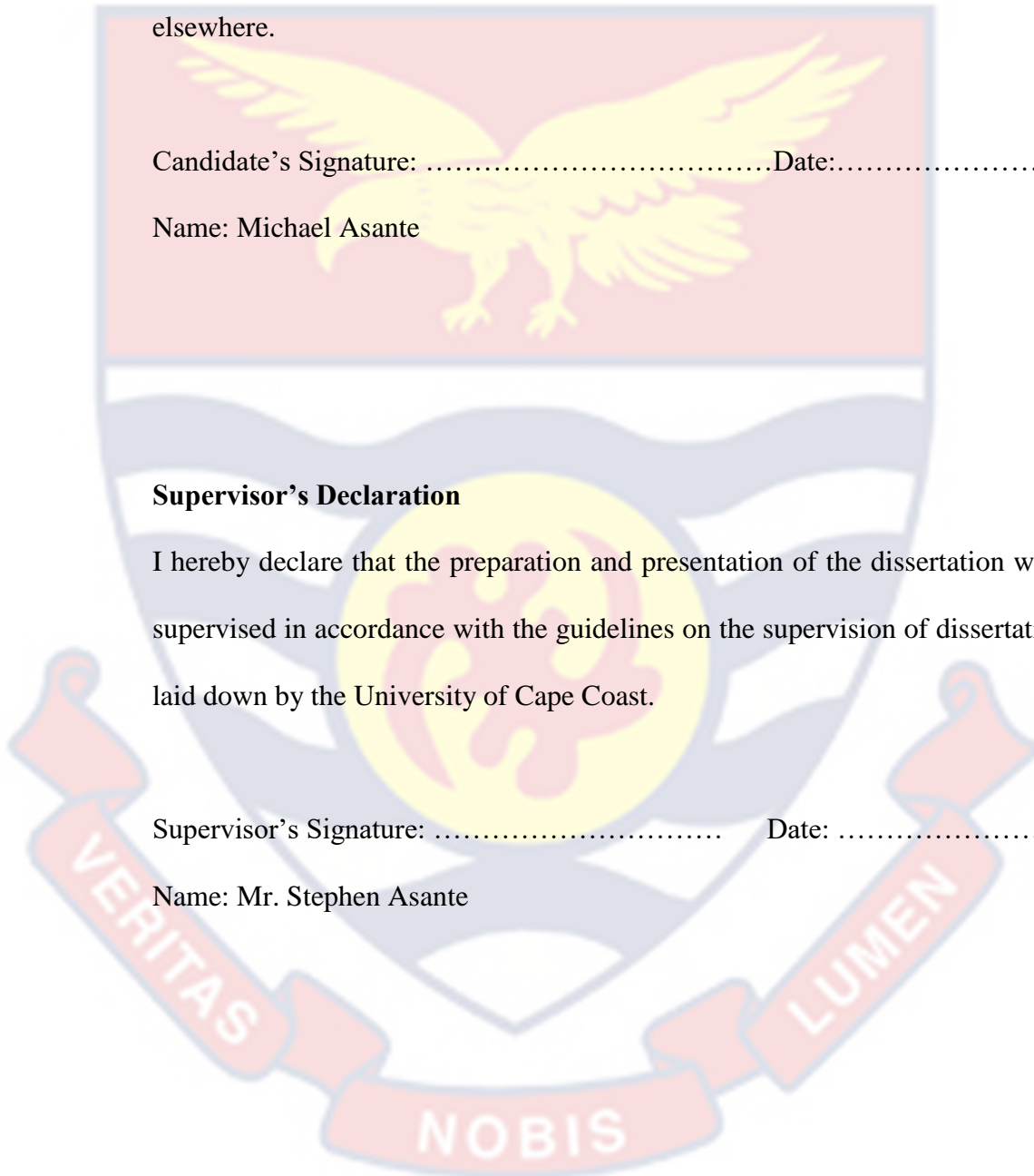
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Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on the supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature: Date:

Name: Mr. Stephen Asante



ABSTRACT

The concept of NGO financing based on donor support comes with its own challenges in terms of fund allocation, utilization and transparency. The purpose of this study was to examine whether how NGOs' allocate and utilize funds is the key factor responsible for reduction in donor fund support which affect the financial sustainability of NGOs in Ghana. The study used primary data obtained from questionnaires that sought the opinions of staff who work with the various branch offices of the Red Cross Society in the Central Region of Ghana. In effect, Krejcie and Morgan's Table of sample size determination was used and 150 questionnaires were administered to staff. However, 128 questionnaires were returned which was used as a unit of analysis. The findings revealed that NGOs in Ghana allocate funds based on their own developmental agenda, and the respondents agreed that this negatively affect their financial sustainability. It also emerged from the findings that fund allocation and utilization based on donors' prescription influences the financial sustainability of NGOs in Ghana positively. In addition, the findings suggested that transparency in financial allocation and utilization among NGOs increases the donor confidence and illicit more support. This study finally concluded that fund allocation and utilization based on donors' prescription have strong positive correlation with financial sustainability while a strong negative correlation exist between fund allocation and utilization based on NGOs' own developmental agenda. The study recommended that there should be the need for management of NGOs in Ghana to seek funding form sources where there will be flexibility with less conditions attached to it.

KEY WORDS

Fund Allocation

Fund Utilization

Transparency

Financial Sustainability

Donors

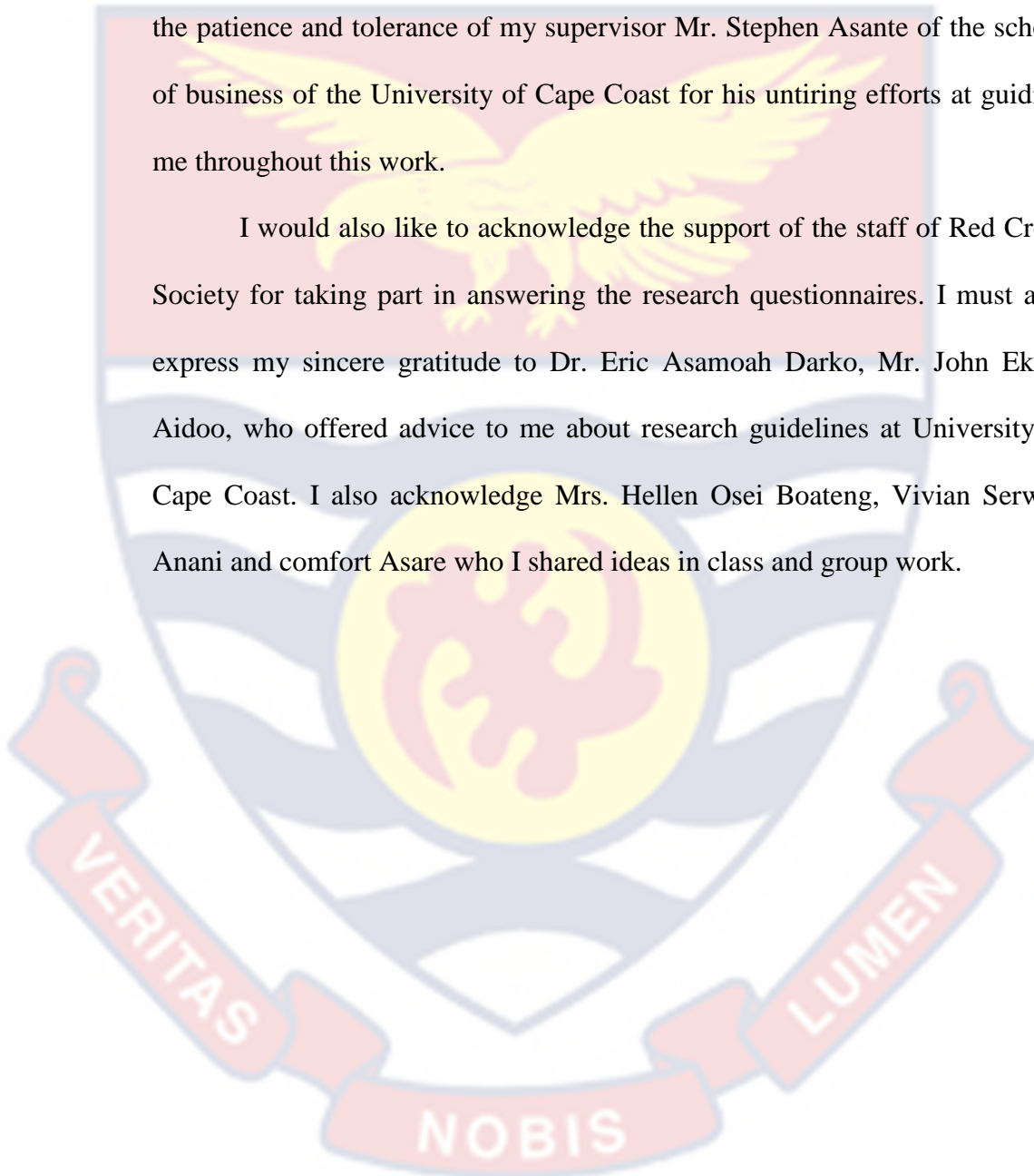
NGOs



ACKNOWLEDGEMENTS

This study could not have been made possible without the assistance and sacrifices other persons who in diverse ways supported me considering my busy schedule tight as finance officer. I would first want to acknowledge the patience and tolerance of my supervisor Mr. Stephen Asante of the school of business of the University of Cape Coast for his untiring efforts at guiding me throughout this work.

I would also like to acknowledge the support of the staff of Red Cross Society for taking part in answering the research questionnaires. I must also express my sincere gratitude to Dr. Eric Asamoah Darko, Mr. John Ekow Aidoo, who offered advice to me about research guidelines at University of Cape Coast. I also acknowledge Mrs. Hellen Osei Boateng, Vivian Serwah Anani and comfort Asare who I shared ideas in class and group work.



DEDICATION

To my wife Mrs. Abigail Asante



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CHAPTER ONE

INTRODUCTION

In general, it is thought that how well people, institutions, and countries manage their financial and non-financial resources may have an impact on their development and survival. Comparably, how non-governmental organizations allocate and use their resources may also have an impact on their ability to survive. The foundation of fund allocation and utilization, which is likely to affect the sustainability of non-governmental organizations (NGOs) in Ghana, is laid out in this chapter. It goes over the history and the identified issue that serve as the basis for this research's justification. It continued with information about the types of research goals the study seeks to accomplish, research questions, the significance of the study, and an explanation of its limitations and organizational structure.

Background to the Study

The world has seen the growth of numerous "non-governmental organizations (NGOs)" over the past 50 years, in both developed and developing nations, as the "visible forces" supporting the development agendas of many governments worldwide (Agbesinyale, & Aikins, 2016). These NGOs have fought for the just cause of eradicating poverty, particularly in the rural areas of many African nations. For instance, NGOs have assisted the government of Ghana in protecting the environment, providing social services, and fighting against the violation of fundamental human rights (Arhin, 2016). Despite these advantages, NGOs face numerous difficulties that need to be carefully investigated in order to ensure the sustainability of the true NGOs and find ways to eliminate the charlatans who falsely claim to be

running NGOs for ulterior purposes. The insufficient funding support from the foreign and local donors is one of the issues that many NGOs in Ghana are currently facing, according to Britwum et al. (2017). Additionally, NGOs must deal with the issue of conditions attached to sources of funding that are available to or that these NGOs receive, which results in the improper allocation and utilization of funds and misplaced priorities (Appe, 2017).

For non-governmental organizations (NGOs) to survive and function effectively, financial sustainability is crucial. The ability of NGOs to continue and do so securely is referred to in the context of their financial sustainability (Fowler & Rick, 2019). This means that the NGOs and their core functions continue to operate efficiently even if there is no outside funding. Thus, sustainability refers to a company's ability to develop long-term growth and development strategies. NGOs that are sustainable are those that can carry out their missions over the long term while also meeting the needs of their stakeholders, particularly those who gain from and support them (Fowler, 2019). Any organization's survival and sustenance depend heavily on achieving financial sustainability (Ishkanian, 2018).

In many nations around the world, NGOs are essential to the process of social advancement. They are especially important in places with a lack of resources, hostile political environments, environmental changes that have led to natural disasters, widespread ethnic conflict, and low economic capability of the populace that prevents them from accessing social, economic, or educational necessities (Booth, 2020). According to Kasente and Hotstede (2019), NGOs make a significant contribution to the wellbeing of societies through their work protecting the environment, standing up for the

underprivileged and marginalized, assisting the sick and in need, promoting education, supporting farmers, providing relief where disasters strike, and preserving arts and culture, among other interventions.

From donors like the World Bank, the European Union, the United States, and the United Kingdom, Ghana receives a sizable amount of aid. The majority of aid from various international funding sources is being mobilized by civil society organizations (CSOs). In Ethiopia, charities and societies first began to emerge in the 1950s and 1960s, and after the 1974 drought, their numbers significantly increased in the 1970s (Evan, 2019). Charities and societies have flourished over the past two decades in Ghana, and they have become important development partners in addressing the nation's many development priorities.

Resource scarcity is a recurring theme when analyzing the financial management procedures of NGOs (Steinberg, 2003). The majority of these organizations struggle with having an ever-expanding list of programs and activities that need consistent and adequate funding while also having few options for generating additional income (Gilles and Yontchera, 2019).

An NGO runs the risk of failing to fulfill its mandate and, worse yet, could be forced to close due to the inability of its operations to be sustained if proper consideration is not given to the issue of sustained funding (Atack, 2019). This supports the idea that sustainability is essential to the long-term existence and operation of NGOs. However, NGOs face difficulties like a lack of certainty regarding government funding and a decline in private donations as a result of the economic downturn and increasing sector competition. If steps are not taken to address them, this may lead to financial instability. The

main reason NGOs fail is because of insufficient funding, which renders them unprofitable (Briggs & Sharp, 2004). Community development is being hampered by restrictions on revenue raising. With a focus on the integration of sustainability issues in community development projects and programs, international development organizations have become significant actors, particularly in short-term sectorial and infrastructure lending. As a result, the study aims to investigate the factors that determine the funding, use of, and sustainability of non-governmental organizations in the Central Region of Ghana, using the Red Cross Society as a case study.

Statement of the Problem

Prominent international organizations like the World Bank, IMF, and UNO have acknowledged the role of NGOs as a development partner with numerous governments in many countries. These NGOs have gained a reputation as being capable and devoted agents who address the shortcomings of the state by supporting government initiatives aimed at eradicating poverty (Anangisye, 2020). However, NGOs face numerous difficulties that call for careful consideration. Fund acquisition, allocations, and restrictions associated with the sources of funds are a few of these problems. Despite this, many NGOs have failed to survive a few years after their founding due to an excessive reliance on donor money. Most local NGOs in Ghana receive funding from outside sources to support their proposed development agendas (Britwum et al. 2017). These NGOs typically start by providing basic social services like environmental pollution prevention, water and sanitation facilities, and other pro-poor development projects, the implementation and completion of which are eagerly anticipated by the beneficiary communities

and governmental entities (Rivera & Leon, 2018). However, the majority of donors, including international philanthropic organizations, multilateral and bilateral agencies, and other funders, typically prefer to support local NGOs engaged in human rights-based development work (Kumi, 2017).

The shift from right-based development to necessity-based development has compelled local NGOs to allocate funds to areas that were not originally in their plans, which has ultimately resulted in the cessation of their own activities, the reduction of staff, the termination of some contracts, and the realignment of their budgets and goals to meet the donor conditions attached to funds (Anyanwu, 2016). This is further backed up by authors like Nudzor, Musa, and Kum et al. (2017), who hold that the perceived misuse of funds or failure to adhere to the conditions associated with donor-released funds may be the cause of the decrease in NGOs' support in Ghana. However, Kumar (2018) and Kunh, et al. (2016) contend that a problem with dwindling donor support among Ghana's NGOs is that money is being misappropriated.

Since Ghana was included in the group of nations that have attained middle income status, this lack of support has become more widespread (Mohammed et al. 2020). Others, including Rosser, Van, and Schwemm (2016), Semigina et al. (2017), and Rosser, Van, and Schwemm (2020), contend that donor support is impacted by corporate governance and information asymmetry issues between funders and the management of NGOs. This study aims to investigate whether improper funding distribution and utilization is the primary cause of the decline in donor support for NGOs, which has an impact on the sustainability of NGOs in Ghana, in light of the inconsistent information regarding the causes of declining government,

institutional, and individual philanthropic support for NGOs in Ghana. This study specifically aims to investigate the issue of fund allocation and utilization factors that affect the financial viability of NGOs in the Central Region of Ghana. .

Purpose of the Study

The general purpose of this study is to examine how fund allocation and utilization among non-governmental organizations influences the financial sustainability of NGOs in the Central Region, of Ghana.

Research Objectives

Particularly this study intends to achieve the following objectives:

1. To examine how the allocation and utilization of funds influence NGOs' financial sustainability
2. To examine how fund allocation and utilization base on donors' prescription influences the financial sustainability of NGOs in Ghana
3. To analyse whether transparency in fund allocation and utilization among NGOs in Ghana influences financial sustainability

Research Questions

In order to achieve the above research objectives, the following research questions have been developed for an investigation:

1. Does the basis upon which NGOs in Ghana allocate and utilize funds for their own developmental agenda influences financial sustainability?
2. Does NGOs allocation and utilization of funds base on donors' developmental agenda influences financial sustainability?
3. In which way does transparency in fund allocation and utilization influences the financial sustainability of NGOs in Ghana?

Significance of the Study

The outcome of this study will be of great benefit to donors and management of funds of NGOs in Ghana. It will strengthen accountability, transparency and compliance with the objectives upon which the NGO was formed. It will provide a guideline to policy formulators and fund donors on the need to keep an eye on the activities of NGOs. The outcome of this study will compel the managers of NGOs to comply with the directives from fund donors while remaining focus on their core mandate. This study will also serve as reference literature in future for the academicians or students who want to conduct similar studies in this area.

Delimitation of the Study

This study analyzes how fund allocation and utilization is influencing the sustainability of NGOs in Ghana with particular reference to Red Cross Society in the central region. Therefore, the study was restricted to only NGOs that were in the Central Region of Ghana. Also, this study excluded opinions of staff of other NGOs in Ghana who are not working with Red Cross Society in the central region. The region was chosen due to its proximity to me and also the region has characteristics similar to most of other regions in Ghana.

Limitations of the Study

This study adopted quantitative and qualitative methods to seek information about the research problem. This means both primary and secondary data were required. Therefore, questionnaire was used to survey the staff who work with the various branch offices of the Red Cross Society in the central region to assess how fund allocation and utilization is influencing their survival. Since the outcome of this study depends on the responses of the

selected research participants, if false responses are given it has the tendency to affect the result of this study. To minimize this limitation there will be follow up observation and document analysis to confirm the responses obtained from the questionnaires.

Organization of Study

This study will be organized into five chapters. Chapter one deals with the introduction of the study and gives a background, problem statement and objectives of the study. Chapter two will review related and relevant literature of the study and this comprises the theoretical, conceptual and review of previous literature similar to this study. The chapter three will give the research methods such research approach, data sources, data collection procedure and analysis that will be used to arrive at solution to research problem. Chapter four gives the discussion of results and interpretation of data. The study concludes with chapter five which deals on the summary, conclusion and recommendation to inform policy decisions.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter reviewed the extant literature on fund allocation, utilization and financial sustainability among the NGOs in Ghana with particular reference to the Red Cross Society in the Central Region of Ghana. The chapter reviewed the theoretical basis of the study and follow up with the conceptual assessment of the various models which were related to the current study. It ended up with the empirical review of the relevant previous literature on similar studies.

Theoretical Review

The three main theories underpinning this study include Centre-Periphery Theory, Resource Dependency Theory and Public Goods or Government Failure Theory.

Centre-periphery theory

The concept of center and periphery was first introduced by Raul Prebisch in the early 1950s. It is based on Marxist tradition of classification of world into developed and under-developed. The theory indicates that there are advance inconsistency and operational differentiation between spatial settlement of the centre which is also term as the “metropolis” and the less developed regions in a country called the periphery (Anuoluwapo et.al. 2018). The unique essential values of this concept are that the global economy is characterized by a structured relationship between economic centers which rely on political, and trade relations to extract the economic surplus from the subordinate which is the, peripheral countries. This means the theory

emphasizes that the well-developed countries or regions have exploited the less developed region in the process of development and needed to compensate them.

According to USAID, (2018) Ghana's relations with USA which involves operational differences has yielded unequal development as exemplify by different progress paradigm in terms of the relationship between the center (USA) and the periphery (Ghana). It is important to state that this development paradigm is also relevant in explaining development patterns in one country in terms of urban-rural divide. Hence for many studies such as Tiogson, (2018); Taylor, et. al. (2016); Tilahun, (2019) and Arshed, et.al. (2019), they were of the view that managers of local NGOs in less developed countries or region must seek support from foreign NGOs or philanthropies in well- developed countries. This is because it has been illustrated in the center-periphery paradigm that there is divergence in development between the centre and the periphery and the factors associated with the success of developed regions have direct effect on the success-stories in peripheral areas.

According to Bakır, (2017) and Bessane et.al. (2018), the implication of this theory is that NGOs allocate resources to less endowed regions than affluent regions which take the opportunity to develop further if they are given the economic power that enables them to take advantage of the resources of other regions. There are two main weaknesses of this theory. First, it discourages competitions among spatial regions and allows the government to take total control of the distribution of resources for development. Second, the comparative economic advantages of the center serve as the influential factor,

thereby encouraging migration from the periphery to the core. This phenomenon certainly comes with its attendant problems (Boeren, 2019).

Theory of resource dependency

Postulated by Jeffrey Pfeffer and Gerald R. Salanik in 1970s, resource dependency theory (RDT) has become a useful analysis for explaining the relationship between an organization and its external environment. RDT is grounded on the idea that resources are key to organizational success and that access and control over resources is the basis of power. Factors such as resource allocation and utilization explain the ability of an organization to function properly which is very essential for determining the sustainability of NGOs. The reason being that the lack of resource and concentration of it at one place indicate the availability of alternative uses for the same resource. Also, the ability of external powers referring to as donors to determine resource allocation are fundamental to understanding the external environment of NGOs.

The implication of resource dependency theory is based on the opinion that donors have control over resources and exert power especially when there is a high dependency on them Sessa, (2016). Therefore, the connection between NGOs and donors is mostly supply led which reflects a type of relationship where donors set the goals for NGOs because of high dependency on donors for funding (Pousadela, & Cruz, 2016). That relationship also reflects the situation that makes NGOs closer to their donors rather than the communities they claim to support. In addition to that, because many NGOs in Ghana have for a long time, depended significantly on foreign donors, the reported changing aid landscape and the associated withdrawals,

decline and re-prioritization of foreign aid could have a threatening effect on their continued existence and programmes.

Previous studies on resource dependency further examined the fact that NGOs do not passively comply with conditions in their external environment; instead, they try to allocate and utilize funds through adoption of various strategies in order to influence their demand for resources with the aim of becoming autonomous or independent (Pratt, 2016). Resource dependency theory, therefore, aligns with a range of perspectives on how NGOs obtain resources from their external environment and the exercise of control by donors over NGOs because of their resource dependence (Yanchao & Luke, 2016).

Dependency on an actor creates power especially when there are asymmetrical exchange relationships. Resource dependency theory, therefore, sheds light on the effect of power on NGOs behaviour and how they adopt strategies to allocate and utilize funds to ensure sustainability (Pallas, & Nguyen, 2018). Interestingly, Wellstead (2017), highlighted that although resource dependency theory results in the exertion of power and control, the role of NGO management is to devise strategies for managing such dependency in order to ensure NGO's financial stability, autonomy and interest are protected. According to Fati (2017), NGOs use strategies of avoidance and adaptation in order to absorb, diffuse and co-opt external pressures and influences in their operating environment. The specific strategies include resource diversification and formation of alliances and judicious utilization of fund.

Public goods or government failure theory

The public goods philosophy is attributed to the works of Paul Samuelson in the 1990s. The public goods theory explains that government failure has encouraged NGOs to be creative that they can cater for the unfulfilled demand of society for public goods. Closely related to this theory is the concept of public choice theory which provide the basis for the creation of NGOs (Yang, 2018). The theory of public choice explains that individual collective action resolves public good problems, therefore by extension, individuals form NGOs when public goods provided by the government does not satisfy the interests or demand of all communities (Păceșilă, 2016). Even though the concept behind this theory makes reference to public goods and assumes that any unsatisfied demand will be recompensed by donors, the crucial element of the theory applies mainly to goods that have either the non-excludability or the non-rivalry feature of public goods. Differences in growth among communities is the primary notion upon which public goods theory was propounded to explain the emergence of NGOs (Onanuga & Saka, 2018).

The degree to which demand for a particular public good is provided across the country or regions, or the varying demand in quantity and quality for goods amongst population or groups signifies demand heterogeneity. Another factor responsible for difference in growth among communities is the median voter concept which can be characterized by the majority within the population that demands a particular public or quasi-public good (OECD, 2017). In a bid to be re-elected, governments tend to prioritize the needs of the median voter and provide the level of public goods that they demand thereby, ignoring the demands of the minority.

The unsatisfied demand of the minority, in terms of both quality and quantity of the public goods, then results in the formation of NGOs funded by voluntary contributions of individuals (OECD, 2018). On the other hand, Nyikadzino and Vyas-Doorgapersad, (2020) of the opinion that NGOs creatively respond to unfulfilled public good demands and fill the vacuum or gap where government withdraws or fails deliver. This is the main bases of debates that compare the NGOs and for-profit organizations. Non-governmental organisations are more economic in the provision of public goods because they are non-profit seeking and have lower costs due to voluntary inputs with no transactional costs. This suggests that, when there are government failures, public goods are more likely to be provided for by NGOs and not profit-making organizations due to market failure.

Conceptual Review

This study is based on the concept of fund allocation, utilization and how it influences NGOs sustainability in Ghana. It looks at the basis for resource allocation to developmental project and how NGOs have been using donor funds judiciously to provide public good to ensure equitable community development

Basis for allocation of funds to developmental projects in Ghana

Local NGOs in Ghana such as World Vision, Plan Ghana, ADRA, Compassion International Ghana and the Red Cross Society usually obtain funds from the international multilateral and bilateral institutions such as UNDP, UNICEF, WHO and UNESCO to finance their developmental projects. (McGuinn, 2016). When these funds are received it is expected that they will use it for the purposes for which the funds were given.

Unfortunately, the distribution and utilization of funds from donors have been a challenge to the intended beneficiary communities, the donor institutions and the managers of the NGOs in Ghana (Yeboah, 2018).

According to Molete, et.al. (2020) instance when funds are received for the development of a particular deprived region identified by the donors, sometimes the managers of the NGOs shift it to another region which has already gained some level of development for a reason obviously known by the managers alone. In addition, funds that donors intend to be used for construction of school building may be shifted to the construction of toilet facilities and vice-versa (Parks, 2008. This has created some level of suspicion and distrust among donors of the fund, the victimized community and the managers of the fund (Moyson, 2017).

As a result of this poor allocation and utilization of funds you will still see some school children studying under trees and mothers in labour who are being carried for several miles to clinic even though it is in the books of donors that all those places have been catered for such development, (Noh, 2019). This means the basis for allocation and utilization funds do not recognizes and evaluate circumstances at hand. That is criteria for the allocation of fund might have been shifted from the need based to right base approaches which promote inequality in development. It can also be presumed that the NGOs in Ghana do not have appropriate tool for measuring how to allocate and utilize funds (Nowell, et.al.,2017). This study intends to find out the best approaches that the NGOs can use in allocation and utilization of funds.

NGOs' utilization of funds

The service recipient which happens to be the community targeted by the NGOs and the resource providers which are the donors of the funds want to know how the management of NGOs are utilizing the allocated funds to a particular project. The information needed by the service recipients and the donors of the funds are for accountability and decision-making purposes. The performance of the NGO during the reporting period in terms of meeting its service delivery and the operational and financial objectives as well as managing the resources under the responsibility of the NGOs must comply with the relevant regulations on resource acquisition and utilization in the NGOs Act (Ito, 2018).

This includes the ability to meet its current and future obligation, the financial and the operating sustainability of the NGOs and the capacity of the NGOs to adapt to changing circumstances such as change in donor support and the change in global economic conditions (Koster, et.al. 2019). The specific information requirement of the donors of the funds include; whether the NGO is using the resources economically, efficiently, effectively and as it intended and whether its use is in the best interest of the recipient community. Also, the donors want to know if the range, volume and the cost of projects and services funded are appropriate and the amount and source of recoveries are appropriate Ghana Education Service, (Hailey, & Salway, 2016).

Fund allocation, utilization and the sustainability of NGOS in Ghana

This study suggested that NGOs are having difficulties in generating income and to mobilize new financial resources and allocate them by paying modest remuneration to the recruit in order to maintain qualified technical

staff; build institutional capacity and infrastructure base to sustain programmes; and to maintain quality and continuity of programs. Many non-governmental organisations and religious groups emphasized the need for personal development, stressing that the first step towards empowerment must be when the competencies of individuals as members of community change. In this light, a number of training programmes in life skills and leadership were introduced. For example, the 31st December Women's Movement designed various programmes that enlisted Community Development officers (CD) to educate and train women, particularly in areas of research and the planning, implementation, and evaluation of projects. Therefore, the main idea was for the participants to become effective problem solvers, leaders, and mobilizers in their communities. It is also important to state that the relationship between the government and NGOs has not always been cordial, (Pérez-Corrales, et.al. 2020).

In the 1995, Ghanaian governments have strongly cautioned all NGOs to register and ensure that they submit their reports annually. This came about as a result of government's suspicion that there were incredible NGOs in Ghana that were carrying out unlawful activities. Also, there has not been any coherent national policy to regulate the activities of NGOs. In addition, there are allegations that NGOs wear a mask of humanitarianism while corruption characterizes their activities. The NGOs, on their part, maintain that government policies largely stand in their way of humanitarian assistance. Also, they stress that a distinction must always be made between NGOs and businesses that are mainly operating for profits (Hernandez, et. al., 2018).

Growth in Non-governmental Organizations in Ghana

Many non-governmental organizations (NGOs) and well-known social action groups are becoming more and more established in local communities as a result of the uneven distribution of development activities. However, there were certain difficulties in the process (McCloskey, 2020). "The rise of NGOs is primarily attributable to a growing public consciousness that a small elite class is unfairly taking advantage of the masses. According to the World Bank (2016), these elites, who control the social, economic, and political spheres, are thought to be partly to blame for the rise in widespread unemployment, poverty, and inequality. Community-based organizations, which deal with a broad range of socioeconomic problems, use a number of self-empowerment techniques in an effort to alter the nation's dynamics at the local level (Hayman, 2016). International NGOs like UNICEF and OXFAM, among others, have been instrumental in drawing the government's and donor agencies' attention to the problem of reducing poverty (Halpern-Manners et al., 2020). This ushered in a system of collaboration between the actions of governments and the engagement of NGOs. For instance, the National Provisional Defence Council (PNDC) government's design, planning, and execution of PAMSCAD benefited greatly from the increased awareness that certain NGOs raised (Hassani & Najjari, 2020).

NGOs and financial sustainability

Measuring sustainability in non-governmental organizations (NGOs) is a challenging endeavor. Recent research, however, such as that conducted by Hanemann (2019) and Harsha et al. (2020), has placed an emphasis on the multifaceted and all-encompassing nature of the NGOs' capacity to remain

operational. According to the findings of this research, an organization is considered to be sustainable if it is able to fulfill its mission over an extended period of time while also meeting the expectations of its most important constituent groups, most notably its donors and recipients of its services. Zivkovic (2019) asserts that there is evidence to support the idea that sustainability is a multifaceted construct with components including financial, social, operational, and identity forms of sustainability. Specifically, Zivkovic cites evidence to support the idea that sustainability is a multifaceted construct with components including identity forms of sustainability. Additionally, sustainability is seen as an ongoing process rather than an end in and of itself.

According to Gelinias et al. (2017), a recent publication by the West Africa Civil Society Institute discussed some of the obstacles to sustainability that are faced by non-governmental organizations in Ghana. These included the following: (1) financial sustainability, in which a number of organizations were having difficulty raising the necessary funds and meeting their revenue targets; (2) operational sustainability, in which institutions were finding it difficult to maintain their programming and maintain the expected quality of their offerings; (3) identity sustainability, in which some organizations were finding it harder to maintain their mission and brand; and (4) interventions sustainability, in which some organizations were finding it harder to maintain their mission and brand.

Since Ghana was deemed to have achieved middle-income status in 2009, according to Gilstrap and Minchow (2017), the country has seen a decline in the amount of foreign aid that it receives. Inflows increased from approximately \$1.30 billion in 2007 to \$1.90 billion in 2011, as stated by

Ingersoll (2019), indicating an average annual increase of 7.10 percent during that time period. However, they were only able to total \$1.3 billion in 2012, which is a significant drop of 25% from the previous year. The percentage of gross domestic product represented by the net inflow of foreign currency fell steadily from 6% in 2009 to 3% in 2013. The claim that Ghana has experienced a general decline in the inflows of foreign aid over the past few years was backed up by the World Bank (2016). It is essential to take into consideration the fact that, as evidenced in the research, Ghana's and other sub-Saharan African countries' net incoming funds are highly unpredictable. For instance, Enslin et al. (2017) reported that net foreign inflows into Ghana increased significantly between 2005 and 2009, from US\$ 1.7 billion to US\$ 2.1 billion, but then sharply decreased between 2010 and 2013, from US\$ 1.8 billion to US\$ 1.1 billion, after the country moved to lower middle income (LMIC) status. This occurred after the country's move to lower middle income (LMIC) status.

Ghana's decrease in the amount of money it receives from outside sources was significantly exacerbated by the discovery of oil in 2007, which led to the beginning of commercial production in 2011. As a result of the oil discovery, many donors anticipated that the government would receive an additional revenue of \$800 million in United States dollars. As a result of Ghana's graduation into the category of LMIC, receiving assistance from the International Development Assistance (IDA) and other bilateral donors is difficult for the country (Elfert, 2019). It has been reported that Ghana's primary bilateral donors, including the Danish Agency for International Development (DANIDA), the Department of International Development of the

United Kingdom (DFID), and Global Affairs Canada (formerly CIDA), have been reorganizing their priorities, cutting back on aid, and occasionally stopping aid for both government agencies and non-governmental organizations (NGOs). This applies to both the Danish Agency for International Development (DANIDA) and the Department of International Development of the United Kingdom (DFID). This information is derived from a report that was published by the Ghana Statistical Service in 2015 (GSS, 2015).

"DFID Ghana, for example, stated that it was lowering the amount of general support for the country from approximately UK£36 million (or US\$ 57.6 million) in 2012 to approximately UK£10 million (or US\$ 15.5 million) by 2015/16," as stated by Brandenburg and Garcia-Milian (2017). The changing landscape of aid and the declining levels of aid are creating opportunities and uncertainty for many nongovernmental organizations (NGOs). In the FYALL (2017) report. Donors are shifting the ways in which they fund projects, and are much more likely to route their contributions through international non-governmental organizations (INGOs) as opposed to regional non-governmental organizations (NGOs). This is an illustration of how aid practices are evolving, and it serves as an example. Burkholder et al. (2016) provided an explanation of how, in the case of Ghana, approximately US\$ 661.1 million of funds were channeled through INGOs, compared to US\$ 68.2 million for local NGOs. They did this by using disaggregated OECD data on net inflows to NGOs. Burkholder et al. (2016) cited these findings. Concerns about the short-term and long-term viability of regional non-governmental organizations have been raised as a result of variations in the

funding arrangements provided by donors. According to a recent research paper that was published by the West Africa Civil Society Institute (WACSI), the Central Intelligence Agency (2017) reported that a large number of non-governmental organizations (NGOs) in Ghana have reported that they are either barely surviving or are having difficulty surviving both financially and operationally as a result of the increasingly competitive environment that has been brought about, in part, by the evolving aid architecture. This information was included in a report that was released by the West Africa Civil Society Institute (WACSI).

According to Chapman (2018), the most important aspect of the sustainability of nongovernmental organizations (NGOs) is their financial sustainability, which refers to how they can allot and use funds to continue operating in the context of a shifting aid landscape in which the majority of their primary funding sources are disappearing. In other words, the financial sustainability of NGOs is the focus of the sustainability of nongovernmental organizations. The aforementioned operational, identity, and intervention aspects of sustainability, as well as its social and political dimensions, are all equally important and must not be minimized by this focus. Additionally, this focus should not be misunderstood to mean that these aspects of sustainability are unrelated to one another. Rather, the USAID Civil Society Organizations Sustainability Index from 2016 demonstrates that financial sustainability has been the most voiced concern and the primary risk to sustainability that many nongovernmental organizations (NGOs) operating in Ghana and elsewhere are facing. According to Chowdhury and Koya (2017), there is a significant link between financial sustainability and the various other types of sustainability.

According to the findings of this study, the ability of non-governmental organizations (NGOs) to remain financially viable is contingent on three primary factors: the allocation of funds to the organizations' own development agendas, the allocation of funds in accordance with the recommendations of donors, and the maintenance of transparency in the distribution and use of funds. Hence conceptual basis for this study is as follows:

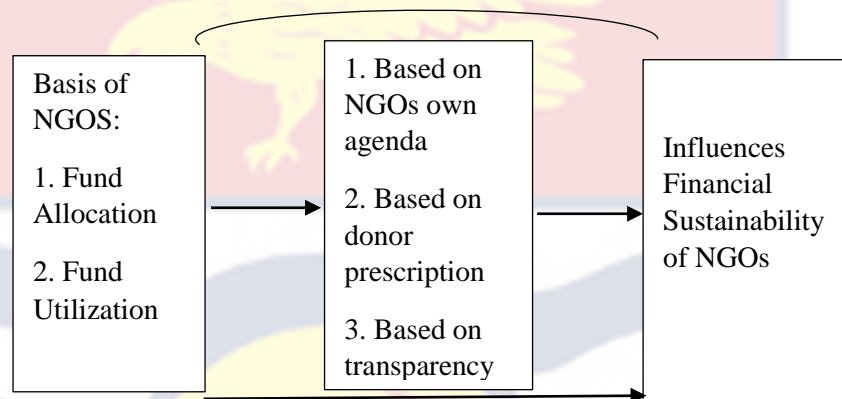


Figure 1: Conceptual Framework

Source: Author's Construct (2022)

Empirical Review

A study along these lines was carried out by Tilahun (2018) and titled "Challenges of Donor Fund Distribution and Utilization: The Case of United Nations Children's Fund (UNICEF) Ethiopia." He came to the conclusion that the sponsorship fund plays an indispensable role in reducing the multifaceted issues that plague developing countries, particularly those in sub-Saharan Africa. In the meantime, it is quite bizarre to hear researchers say things like "after fifty years of funneling resources to the Third World, little development has taken place." There is a high level of indebtedness, high unemployment, absolute poverty, and poor economic performance across almost the entirety of sub-Saharan Africa. This is not a particularly difficult fact to acknowledge.

Despite the substantial amounts of aid that have been funneled into the region since 1970, the average per capita income has been on the decline. By using Ethiopia's United Nations Children's Fund (UNICEF) as a case study for the research, the researcher made an attempt to point out some of the potential challenges that could arise from the occurrence of such a paradox. The purpose of the study was to investigate the factors that influence the distribution and utilization of donor funds at UNICEF. While this is going on, the discovery might be a great input for many of these organizations because there is a highly similar trend and phenomenon in other donor-based NGOs.

A research project entitled "Financial Management Practices of Non-Governmental Organizations: A Case Study of Central AiD" was carried out by Hagan (2019) in the country of Ghana. According to the findings of Hagan (2019), non-governmental organizations are an indispensable component of the civil society of every nation. The proliferation of non-governmental organizations (NGOs) has resulted in significant socioeconomic advancement across the board. This is due to the fact that the activities typically associated with NGOs involve social interventions that step in to fill the void left by the failure of governments. However, in recent years, problems with poor management and a lack of accountability have caused stakeholders to lose faith in nongovernmental organizations (NGOs). As a result, the purpose of the study was to investigate the methods of financial management practices utilized by NGOs in Ghana. An investigation into the organizational makeup of Central aid's financial management was the subject of a case study that was carried out with the assistance of that faith-based organization's local church agency, Central aid. Data was collected by conducting interviews with the

three main support staff members of the secretariat using semi-structured interviews. Additionally, the organization's reports and manuals were reviewed, and a thematic analysis was carried out with the help of a six-step methodology and Atlas.ti software, similar to what Haynes et al. in (2019) used. Throughout the process of analysis, a total of eight (8) themes emerged from the research information. According to the findings, the non-governmental organization (NGO) has structured its activities around the elements of financial management. Furthermore, the NGO possessed the four elements of effective NGO management proposed by Howlett et al. (2017).

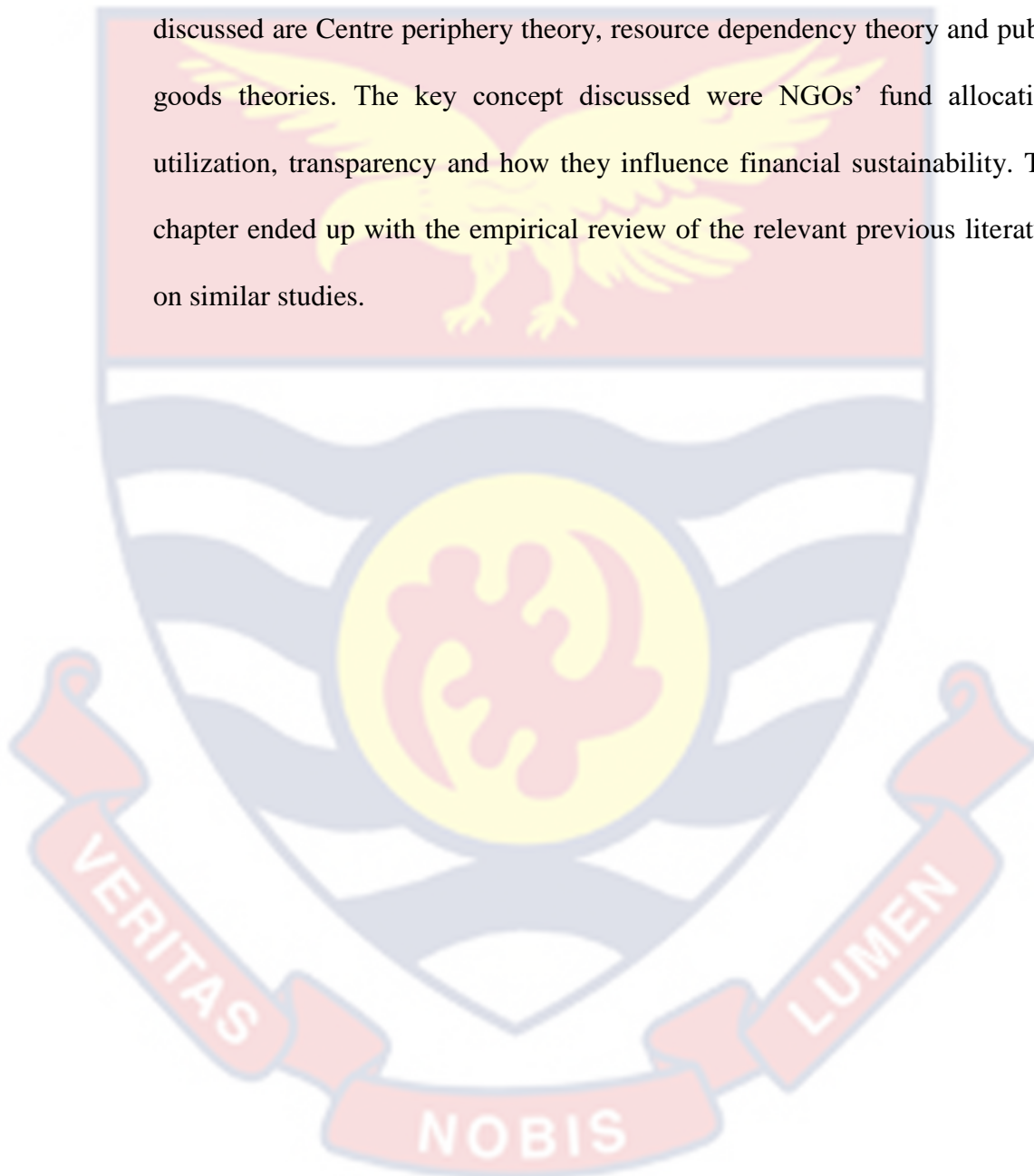
"Nevertheless, certain gaps in the implementation of its financial practices were discovered," the report said. The lack of a comprehensive structure that will accurately apportion funds for each project, the process of designing financial management mechanisms and a manual on their own accord, the process of manually inputting all accounting information, and having a one-member team that is responsible for handling all expenses do not boost the effectiveness of its practices. In line with the findings of Bolaji (2016) and other research that came before it, the current investigation came to the conclusion that a significant obstacle that hinders the activities of nongovernmental organizations (NGOs) and their long-term financial stability is a lack of funding. According to Boyer et al. (2019), the research suggests that the Ghana NGO policy guidelines should be revised to include a procedure for efficient and stringent financial management that all NGOs are required to implement. This would help reduce instances of mismanagement. Central Aid can also increase its educational and awareness campaigns in order to raise more funds, and the study can serve as a basis for comparative

analysis when researching the management practices of other types of non-governmental organizations (Huber et al., 2020)."

In addition, Abatneh (2020) carried out a study that was very similar to this one on the subject of Determinants of Donor Fund Utilization by NGOs in Ethiopia: the Case of ILRI Ethiopia in Addis Ababa. The primary objective of this research was to investigate the factors that determine how donor money is put to use. In order to carry out the study, a descriptive questionnaire was utilized. The listing of staff members working for all organizations that fall under ILRI Ethiopia served as the sampling frame for this study. The members of staff from each organization with a variety of positions (such as country heads, managers, finance officers, and project officers) who took part in the research were chosen through the process of purposeful sampling. The investigation into the aforementioned research objectives required the collection and examination of both secondary and primary sources of data. According to the results of the research, there is a robust, positive, and statistically significant relationship between the various variables on determinants of donor fund utilization by nongovernmental organizations (NGOs) in Ethiopia: the case of ILRI Ethiopia. The utilization of funds was affected favorably and significantly by managerial factors as well as by the actions of donors; however, the utilization was also affected negatively but significantly by technical factors. According to the findings of the study, implementing sectors need to work toward improvements that will make these determinants favorable to the utilization of fund by nongovernmental organizations (NGOs) in Ethiopia: the case of the International Livestock Research Institute (ILRI) Ethiopia.

Chapter Summary

This chapter considered the theoretical basis of the study and follow up with the conceptual assessment of the various literature which are related to the current study. Three main theories underpinning this study which were discussed are Centre periphery theory, resource dependency theory and public goods theories. The key concept discussed were NGOs' fund allocation, utilization, transparency and how they influence financial sustainability. The chapter ended up with the empirical review of the relevant previous literature on similar studies.



CHAPTER THREE

RESEARCH METHOD

Introduction

This chapter explains the research methods that were used in gathering and analyzing data that were relevant to the study. Specifically, this chapter discussed the research approach, research design, the study area, the population of the study, sampling technique and sample size, research instrument, data collection procedure and the data analysis that were used to conduct this study.

Research Approach

When carrying out research, the most important decision is to determine which method will be beneficial for the specific study or area of interest that is being investigated. A research approach is a comprehensive plan and procedure that identifies the appropriate steps and methods for data collection. It is also referred to as an approach to research. For the purpose of gathering information for this study, the authors (Lane et al., 2019) chose to make use of both quantitative and qualitative research methods. The data for this study was collected through the use of questionnaires as well as through observation.

Research Design

Various examples of research design are discussed by scholars in the field of research. Neuman (2014) and Stebbins (2001) Identified exploratory, explanatory, and descriptive research designs. Exploratory research design is conducted when the topic under study is less discussed and not adequate data exist on it. According to Neuman (2014), an explorative study is difficult to

conduct as it has few rules and the process of conducting such a study is not well defined. The explanatory design method brings to bear the reason or why an action or activity occurs as compared to the exploratory research which is mostly conducted to examine a new area or topic. Finally, the descriptive research approach is a basic research method that examines situations, that is descriptive studies answer the who and how question by describing how an event happened or occurred as it exists in its current state (Williams, 2007; Neuman, 2014). Descriptive research involves identifying attributes of a particular phenomenon based on observation, or the exploration of the correlation between two or more phenomena (Williams, 2007).

In this study, a cross-sectional survey was used to seek the opinions of the target population regarding the fund allocation and utilization decisions made by NGOs, as well as the impact those decisions have on the organizations' ability to remain sustainable. According to Lunde and 2020, survey research is a method of data collection in which participants are requested to provide responses to a series of questions presented in the format of a questionnaire. Because of this, I was able to design a questionnaire to collect data for the purpose of answering the research questions. Due to the fact that a research design is the general plan for how the research questions would be answered, the survey method is an appropriate choice. It serves as the foundation for carrying out research. A well-designed research project will guarantee that the information gathered will be appropriate for achieving the objectives of the study, and that the processes involved in gathering the data will be precise and time-effective. (Lauterbach, 2016) It is the blueprint for the data collection, measurement, and analysis.

Study Area

The Central region of Ghana can be found in the country's southern half. This region of Ghana is one of the country's sixteen administrative regions. To the north, it shares a border with the Ashanti and Eastern regions; to the west, it shares a border with the Western region; to the east, it shares a border with the Greater Accra region; and to the south, it shares a border with the Gulf of Guinea. The regional and district capitals of Central Region are both home to branches of the Ghana Red Cross Society's administrative offices.

Organizational Profile of Red Cross Society

The Ghana Red Cross Society has many Regional Branches in all of Ghana's ten Regions. These Regional Branches are managed by Regional Managers and office assistants. Volunteer staff and national service personnel are also engaged in the running of the district offices. The Ghana Red Cross Society is active across the country of Ghana in 153 districts and has a total volunteer force of 77,625 people. There is a representation of district organizers in each of these districts. The following is a list of the districts and the total number of volunteers who participated in this study at the time it was conducted:

Table 1: Staff Strength

NO.	Region/ Headquarters	Regional Staff	Head of dept	HQ Staff	Volunteer Staff	NSS Personnel	Regional Committee	HQ Board
1	Ashanti	2			13	19	11	
2	Eastern	2			5	7	12	
3	Volta	2			6		9	
4	Central	2			3	2	10	
5	Greater Accra	3			63	70	12	
6	Western	2			6		11	
7	Upper East	5			141		11	
8	Upper West	2			5		15	
9	Northern	3			4		13	
10	Brong Ahafo	3			23		8	
11	Headquarters		6	23	5	10		7
12	IFRC			1				
	Total	26	6	24	274	108	112	7

Source: Annual Report of Red Cross Society (2019)

The Table2 below indicates the regional volunteer staff mapping of Ghana Red Cross Society

Table 2: Regional Volunteer Mapping

No	Region	Volunteer Membership			
		Number Of District (Active)	Total	Adult	Youth
1	Greater Accra	16	36,705	9,175	27,530
2	Ashanti Region	13	1,630	450	1,180
3	Brong Ahafo	20	3,561	916	2,645
4	Western Region	22	5,105	1,248	3,857
5	Eastern Region	12	1,573	737	836
6	Upper East Region	14	14,461	10,700	3,761
7	Upper West Region	10	2,892	658	2,234
8	Volta Region	13	4,000	800	3,200
9	Central Region	14	3,429	1,562	1,867
10	Northern Region	19	4,269	2,309	1,960
TOTAL		153	77,625	8,555	49,070

Source: Annual Report of Red Cross Society (2019)

Population

Population for the purpose of research can be devoted to the complete set of individuals having common characteristics in which the researcher is interested (Amankwaa, 2016). Population of a research can also be referred to any group of persons that have common characteristics that are of interest to the researcher. In this study, the target population comprised of all the Red Cross Society staff (whether permanent or voluntary) in the central region of Ghana. According to the 2018 annual report of Red Cross Society, there are over 1560 staff, committee and voluntary members in the central region of Ghana.

Sampling Procedures

In conducting research, one cannot study everyone or everything therefore sampling is essential not only about which people to question or which events to observe, but also about settings and processes. As a result of this, modest random sampling technique were used in gathering the data from the respondents. This technique was used in this study because it was fast, cost effective, and suitable to this research.

The sample size of this study was obtained by using the Kerjcie and Morgan (1970) table of sample size determination. The table has figures for population extending from 10 to 1,000,000. The selection of the sample size only involves an accurate matching of the appropriate cell in the sample size column to the corresponding cell in the population column. Therefore, for a population of 1560 staff and volunteers of Red Cross Society in the central region, a sample size was 200.

Data Collection Instrument

The main instrument that was used for this study was questionnaire. According to Saldaña (2016), questionnaire is a necessary tool useful in gathering data because it allows a measurement for or against a particular viewpoint. questionnaire also explains as written forms that ask exact questions of all individuals in the sample group, and which respondents can answer at their own convenience. That is to say, individual person responds to exactly the same questions because standard instructions are given to the respondents. Therefore, using questionnaires helped give greater uniformity across measurement. It is for this reason that questionnaire design is relatively easy and as such the most widely used type of instrument in research.

Saldaña (2016) further highlights the fact that, the use of questionnaire cannot be underrated because it has the ability to collect a large amount of information in a reasonably quick space of time. To this extent the researcher explained the purpose of the study and to give meaning of the items that may not be clear during the questionnaire administration. The questionnaires were comprised 32 items grouped under five main sections (i.e. Section A-E, see Appendix A). Section A consisted of five statements determining the demographic information of the respondents. Section B comprised the items on the basis upon which NGOs in Ghana allocate funds to their own developmental projects which measured the various dimension of financial allocation and utilization among NGOs. Section C assessed how do the NGOs in Ghana utilize funds allocated to developmental project considering donor prescription. Sections D measured how transparency in fund allocation and utilization influences the sustainability of NGOs in Ghana.

Section E gathered information on financial sustainability measures in fund allocation, utilization among NGOs in Ghana. Sections B, C, D and E were assessed using a five Likert Scale type (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree).

Sources of Data

This study basically made use of primary data. The main source of data includes information that were gathered from the questionnaires that were administered to the respondents. A structured survey questionnaire with clear-cut questions were used to limit and ease the analysis of response-variation among respondents. A proper question formats were used by the researcher in designing questionnaires so as to obtain the appropriate information needed

from the respondents. Closed-ended questions and multiple-choice questions were mostly used to limit the choices of the respondents. The researcher used primary data because it was reliable since it came from the original sources.

Data Collection and Procedure

Before data was collected, half of the questionnaires were given to some respondents who were not part of the target population to read. This was to confirm whether the questions were understandable by the ordinary person and the questions were free from ambiguity. This enabled me after considering them make some changes on the questionnaires. The study expected difficulties, especially, when the number of respondents were too large, it might take a lot of time to distribute and receive the research instruments from all the respondents. As a result, the researcher used the services of research assistants in distributing the instruments to potential respondents who were within the research area and were willing to respond. This was done to enable the respondents to freely disclose the needed information. I explained the questionnaires to the research assistants and the respondents before the questionnaires were given to assistants for distribution to respondents.

Data Reliability and Validity Test

Reliability is concerned with consistency of responses with which repeated measures produce the same result across time and observers (Pretorius et al., 2019). Cronbach's alpha coefficient is commonly used to test the manner of reliable measure and instruments were used. At 95 % confidence interval was set during the planning stage in order to achieve accepted levels of data reliability. The validity of a research is concerned with whether the study variables measure exactly what it intends to measure and

findings are really about what they appear to be about. During the planning stage an expert was consulted to check the schedule before the actual data collection. All questions were pre-tested in the relevant study areas. Modifications were made before the actual data collection were made.

Ethical Consideration

Data was collected based on the guidelines of the school. Before data collection from respondents, the participants were introduced to the purpose of the study after which they were informed about their rights as a participant in the study. The participants were to be made aware that it was voluntary to participate in the study. In order to enhance confidentiality of the responses of participants, their names were not included in the questionnaire design. In addition to this, data was stored at a safe place.

Data Processing and Analysis

Data collected from the respondents were processed, coded and shaped for correction and elimination of duplication for analysis. Both Excel and SPSS computer software were used to analyze descriptive statistics to see the extent of effectiveness. Similarly, through the aid of cross tabulations and ordinary frequency tables and figures, the final outcome showed the true picture of whether the financial allocation and utilization influences the NGOs' financial sustainability in Ghana.

Chapter Summary

This chapter discussed the research methodologies that were used for data collection and analysis and the rationale for making such choices. Issues discussed include the population of the study, the sample size and technique, data sources, data collection and procedure, and how data were analyzed.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The purpose of this study is to examine the key determinants of fund allocation and utilization among non-governmental organizations in Ghana and how it affects the financial sustainability of NGOs in Ghana. Particularly this study intended to achieve the following objectives: Examine whether the basis upon which NGOs in Ghana allocated funds to their own developmental projects influences their financial sustainability; analyzes whether how the NGOs in Ghana allocate and utilize funds to developmental projects based on donor prescription influences their financial sustainability; confirm whether transparency in fund allocation and utilization influences the financial sustainability of NGOs in Ghana and to examine measures that can put in place to ensure financial sustainability of NGOs in Ghana. This chapter analyzed these objectives by first considering the biographic characteristics of respondents.

Demographic Characteristics of Respondents

Questionnaires were presented to all categories of staff at the secretariat of Red Cross Society in the Central region of Ghana. The questionnaire was divided into five sections. The first section A is about the profile of the respondents. The respondents were asked about how allocation and utilization of funds based on NGOs own developmental agenda influences financial sustainability in section B aspect of the questionnaire. In the section C, participants were also asked about how allocation and utilization of funds base on donors' prescription influences the financial sustainability of NGOs in

Ghana. In the section D respondents were asked about how does transparency in NGOs Fund Allocation and Utilization Influences their Financial Sustainability in Ghana. In the last section E, respondents were asked to agree or disagree on which measures NGOs can put in place to ensure to ensure financial sustainability. Each respondent was given at least a day to freely think about it and answer the questionnaires accordingly.

Table 3: Respondents Profile

Statement		No. of respondents
Rank:	Regional Representative	1
	Branch Managers	15
	Project Officer	25
	Account Officer	57
	Others	20
	Total	118
Gender	Male	66
	Female	52
	Total	118
Age	20-29	23
	30-39	64
	40-49	19
	50 and above	12
	Total	118
	Years Worked	1-5
6-10		31
11-15		22
16-20		12
21 and above		8
Total		118
Qualification		Diploma
	First Degree	68
	Masters	31
	PHD	6
	Total	118

Source: Field survey (2022)

From the Table 3 above, out of 120 respondents who answered the research question, only 1 is the regional representative. There were 15 Branch

Managers, 25 Project Officers, 57 Account Officers and other volunteer staff and national service persons were 20. With respect to the gender of the research participants more males participated than females. There were 66 males while females were 52. In terms of age status of the respondents 23 of the participants were between 20-29 years. 64 of the respondents were between 30-39 years while 19 of them were between 40-49 years. The remaining 12 respondents were above 50 years.

Considering the working experience of the respondents it happened that almost all respondents had enough working experience and understand the practices of NGOs. This is because, 45 of the research participants have worked between 1 to 5 years, 31 of them have had 6 to 10 years working experience with Red Cross Society. 22 of the respondents have worked with Red Cross Society for the past 11 to 15 years while 12 of them have worked between 16 to 20 years. The rest of the 8 respondents have had more than 21 years working experience with Red Cross Society in the central region. When we consider the educational qualifications of the respondents 13 of the respondents had Diploma. About 68 of the participants had First Degree while 31 of the respondents had Master's degree. In addition to that, 6 of the respondents had PhD which is terminal degree.

Reliability Test

The Cronbach's alpha shown in the Table 4 helped to determine the internal consistency and reliability for each of the four variables that constitute the research questions. All constructs in the survey questionnaires were assessed and analyzed to validate their reliability. A higher score more than 0.7 indicate more reliability for the measurements. After the analysis it was

clear that all the four constructs had an acceptable score and passed the reliability test. The result for the reliability test were summarized in the Table 4 below:

Table 4: Reliability Test Construct

Construct	Number of Items	Cronbach's Alpha α
Basis of allocation and utilization of funds for NGOs own agenda	7	0.853
Allocation and Utilization of Funds base on Donors' Prescription	8	0.814
Transparency in NGOs Fund Allocation and Utilization	11	0.882
The fund allocation, utilization and financial sustainability of NGOs	3	0.79

Source: Field survey (2022)

The Cronbach's Alpha of 0.793 indicates that the Data is reliable and measures exactly what it was intended to measure. According Myers (2018) a Cronbach Alpha should be at least 0.7 to prove the strong consistency of the variables for the study.

Descriptive Statistics

The results of the study was discussed based on the kind research question that were posed for the study using the mean value and the standard deviations of the respondents.

Research question 1: Does the basis of allocation and utilization of funds based on NGOs own developmental agenda influences financial sustainability?

This research question sought to investigate whether the basis upon which NGOs in Ghana allocate and utilize funds for their own developmental

agenda instead of the donors' agenda prevent donors from supporting them, which eventually affect the NGOs financial sustainable, that is the ability to continue operation because of availability of funds. The results for this hypothesis and its related questions were summarized in the Table 5 below:

Table 5: Allocation of funds based on NGOs own Agenda

No	Allocation of funds base NGOs own agenda	N	Mean	SD
1	Most NGOs allocate funds to projects based on their developmental agenda	118	4.35	0.47
2	NGOs allocate funds to projects based on Donors' developmental agenda	118	3.78	1.03
3	Funds are allocated by NGOs to projects based on identified needs of the communities	118	4.89	1.29
4	Funds are allocated to projects based on request of the opinion leaders in the communities	118	2.98	0.22
5	NGOs allocate funds to projects based on quantum of Donor funds received	118	4.05	0.37
6	NGOs allocate funds to developmental projects based on Governmental influence	118	3.08	0.12
7	NGOs allocate funds based on their social responsibility	118	4.45	0.35
Total Average Response			3.05	0.55

Source: Field Survey (2021)

As indicated in Table 5, items related to basis of allocation and utilization funds and how it influences financial sustainability were presented to the respondents. The research participants were asked to rate the extent to which allocation and utilization of funds based on NGOs' own developmental agenda influences financial sustainability on five points Likert Scale ranging from strongly disagree to Strongly agree. Based on the response received as can be seen from the Table 4, regarding allocation of funds to their own developmental agenda respondents agreed with the mean value 4.35 and

standard deviation value of 0.47 Which indicates that most NGOs allocate funds to their own developmental agenda, and this has the tendency to demotivate the donors from supporting them unless it meant for a good course. However, the degree to which this response may differ from reality is very less as shown by the standard deviation value of 0.47.

Considering the issue of whether NGOs allocate funds to projects based on donors' developmental agenda, respondents were uncertain with mean value of 3.78. This indicates that NGOs in Ghana sometimes allocate and utilize funds not according to donors' agenda. Regarding whether Funds are allocated by NGOs to projects based on identified needs of the communities, respondents agreed with the mean value of 4.89. This shows that NGOs sometimes ignore their own development plans and that of donors and implement agenda that will improve upon the well-being of the communities in which they are working. In addition, with regards to the item on the Table 4 as to whether funds were allocated to projects based on request of the opinion leaders in the communities. The respondents disagreed with the mean value of 2.98 using the Likert scale from 1 to 5 for strongly disagree to strongly agree respectively. This shows that respondent do not agree that funds were allocated by NGOs based on opinion leaders' request.

The other points presented to the respondents was the NGOs allocation of funds to projects based on quantum of donor funds received. Respondents rated their agreement with mean value of 4.05 implying that NGOs allocate funds depending upon how much they receive from their donors. Another item presented to respondents was whether NGOs allocate funds to developmental projects based on Governmental influence. The respondents were not certain

with a mean value of 3.08. This indicates that while others agreed that government has influence, the rest disagreed that government do not have much influence on financial allocation and utilization by NGOs. Regarding the NGOs allocation of funds based on their social responsibility, the respondents supported the idea with mean value of 4.45 indicating that NGOs allocate funds based on their social responsibilities. In all, the debate as to whether NGOs in Ghana allocate funds based on their own developmental agenda, the respondents agreed with an overall mean value of 4.05. However, the extent to which this response may differ from reality is very less as it can be seen from the standard deviation value of 0.55. This result confirms that of Farid, (2019). Fyall, who concluded that NGOs in Ghana allocate funds based on own development plans.

Research question 2: Does allocation and utilization of funds base on donors' prescription influences the financial sustainability of NGOs in Ghana?

This question intended to examine whether NGOs' allocation and utilization of funds based on donors' prescription usually pleased donors which urged them to support the NGOs to ensure financial sustainability. The results based on the response of the research participants were summarized in the Table 6 below:

Table 6: Allocation of Funds based on Donor Prescription

No	Allocation of funds based on Donor Prescription	N	Mean	SD
8	Greater percent of the funds received are utilized for projects and less funds goes for overheads	118	4.59	0.39
9	Donor funds are utilized for the purpose it was meant.	118	4.36	0.37
10	In my view, NGOs often manage to use the funds from donors to complete all projects and realized the intended impact	118	4.15	0.34
11	For the purposes of transparency, NGOs usually allocates funds based on conditions attached and in the way funds are supposed to be utilized,	118	4.12	0.36
12	NGOs prepare donor reports that reflect the true status of utilization of funds.	118	3.85	0.38
13	Beneficiary communities are involved on the planning and utilization of the funds	118	2.95	0.15
14	Donors have developed detailed implementation plans and budgets, setting out how they expect to achieve the goals from the use of funds	118	4.67	0.48
15	Plans for utilization of funds are likely to be changed during the course of a project in light of feedback and other new circumstances	118	4.23	0.40
Total Average response		118	4.003	0.33

Source: Field Survey (2021)

The main purpose of this research question is to investigate as to whether NGOs in Ghana allocate and utilize funds based on donor prescription. This will enable us understand why some foreign donors feel reluctant in supporting local NGOs in Ghana. The items on this question were design to gather relevant information from the respondents to confirm or deny fact that NGOs allocate funds based on donor prescription. As indicated in Table 5. Items related NGOs allocation and utilization of funds were presented

to respondents. Individual respondents were asked to rate the extent to which each disagree or agree that NGOs in Ghana allocate funds based on donor prescription on five points Likert Scale ranging from 1 to 5 from strongly disagree to strongly agree.

Based on this as can be seen from the Table 5, regarding whether greater percent of the NGOs funds received are utilized for projects and less funds goes for overheads, the mean value of responses of the respondents is 4.59. This implies that respondents supported the idea that greater part of funds received by NGOs goes into projects with less percentage that goes into administrative expenses. The other point presented to respondents was whether donor funds are utilized for the purpose it was meant. The mean value of response from the respondents is 4.36 which is within the range of agreement. This indicates that NGOs utilized donor funds for the purpose it was meant. Also, the respondents agreed with the mean value of 4.15 in their own view that, NGOs often manage to use the funds from donors to complete all projects and realized the intended impact of the project. This implies that NGOs ensures that all projects started are completed so that people can experience the impact.

In the same way respondents agreed with the mean value of 4.12 that for the purposes of transparency, NGOs usually allocates funds based on conditions attached and, in the way, funds are supposed to be utilized. This indicates that NGOs usually follow the instructions of the donors in allocation and utilization of funds. With regards to whether NGOs prepare donor fund reports that reflect the true status of utilization of funds, the respondents were uncertain with mean value of 3.85. This implies that respondents are not aware

as to whether NGOs prepare financial reports that faithfully represent the state of affairs of the donor fund allocation and utilization. Another issue presented to respondents is whether beneficiary communities are involved on the planning and utilization of the funds. From Table 5, respondents disagreed with mean value of 2.95 on the Likert scale from 1 to 5 ranging from strongly disagree (1) to strongly agree (5) that beneficiary communities do not have any part to play in planning and utilization of donor funds. Considering the question of whether donors have developed detailed implementation plans and budgets, setting out how they expect to achieve the goals from the use of funds. The respondent strongly agreed with the mean value of 4.67. This indicates that donors always bring funds with their own detailed plans of how the money should be used.

Furthermore, respondents were asked to rate the extent to which they agree or disagree that plans for utilization of funds are likely to be changed during the course of a project in light of feedback and other new circumstances. The respondent agreed with the mean value of 4.23, which indicates that plans for utilization of funds may sometimes change due to feedback and other new circumstances that may arise during the course of the project. In summary the total average response as can be seen from Table 5 suggest the mean value of 4.03 which implies that on the issue of whether NGOs allocate funds based on donors' prescription respondents agreed. However, the extent to which this response may deviate from reality is 0.33 as can be seen from the standard deviation figure in the Table 5 above.

Research question 3. How does Transparency in NGOs Fund Allocation and Utilization Influences their Financial Sustainability?

This question sought to confirm whether lack of transparency in fund allocation and utilization among NGOs in Ghana is responsible for dragging of feet in terms of funding support among donors towards NGOs in Ghana. The results from the respondents in relation to this question have been outlined in the Table 7 below:

Table 7: Transparency in NGOs Fund Allocation and Utilization

No	Transparency in Fund Allocation and Utilization	N	Mean	SD
16	Transparency regarding the purpose of funds utilization and allocation affect the financial sustainability of NGO	118	4.74	0.41
17	Over dependency on foreign donor funds and demand for transparency affect financial sustainability	118	4.53	0.40
18	Poor monitoring and evaluation systems of donor funds by NGOs will affect financial sustainability	118	3.82	0.24
19	A lack of transparency and predictability in timing of disbursement or wrong timing in funds disbursement affect financials of NGOs	118	4.01	0.34
20	Lack of transparency in resources allocated for particular uses which do not flow within legally defined institutional frameworks affect Financials of NGOs	118	4.08	0.37
21	Poor Funds allocation process that pass through several layers of government bureaucracy affect Financials of NGOs	118	4.76	0.46
22	Consultancy services, which are charged with the responsibility of spending the funds affect financials of NGOs	118	4.18	0.41
23	The problem of multiple objectives on funds that typically imply trade-offs, especially in the short run projects affect financial of NGOs	118	4.28	0.43
24	Lack of transparency to donor aid agents who are intermediaries between donors and NGOs affect financials.	118	4.62	0.45
25	Lack of transparency for input activities like budget, procurement and supervision affect financials of NGOs	118	4.68	0.47
Total average response			4.30	0.38

Source: Field Survey (2022)

From Table 7 the questions sought to investigate whether transparency in fund allocation and utilization actually influences financial sustainability of NGOs. It can be seen from the Table 7 that transparency regarding the purpose of funds utilization and allocation affect the financial sustainability of NGO have mean value of 4.74. This indicates that respondents agreed that transparency in fund allocation and utilization influences financial sustainability and that encourages donors to support NGOs in Ghana. The other question presented to the respondents is whether over dependency on foreign donor funds and demand for transparency influences financial sustainability of the NGOs. The response had a mean value of 4.53. This shows that NGOs over dependency on foreign aid to run their budget have the tendency to affect their financial sustainability. Therefore, NGOs must begin to look for mobilization of funds and reduce dependency on foreign donors.

Another item on this theme is whether Poor monitoring and evaluation systems of donor funds by NGOs will affect financial sustainability. The mean response of 3.82 shows that respondents were uncertain as to whether poor monitoring of donor funds affect financial sustainability of NGOs. In addition, respondents were asked to rate the fact that Consultancy services, which are charged with the responsibility of spending the funds affect financials of NGOs. The mean value of 4.18 of the respondents suggest that they agreed that part of donor funds is used for consultancy services which has impact of the financials of NGOs.

Also, research participants were asked to respond to the question of whether the problem of multiple objectives on funds that typically imply trade-offs, especially in the short run projects affect the financials of NGOs.

The mean value of response to this was 4.28 and this implies that respondents agreed that it affect the financial sustainability of the NGOs. Moreover, respondents were asked to rate the extent to which they agree or disagree that lack of transparency to donor aid agents who are intermediaries between donors and NGOs affect financials. The last point on transparency that was presented to respondents was whether Lack of transparency for input activities like budget, procurement and supervision affect financials of NGOs. The mean response of 4.68 together with the standard deviation of 0.47 as indicated on the Table 7 shows that respondents agreed that lack of transparency in inputs affect the financial sustainability of NGOs. The overall mean response of 4.03 for the question relating to transparency suggest that transparency in fund allocation and utilization affect the financial sustainability of the NGOs.

Research question 4. What financial measures must NGOs adopt to ensure financial sustainability?

This question intended to identify what NGOs, in Ghana can do in terms of financial measures to ensure financial sustainability. The result of response to this question is summarized in the Table 8 below:

Table 8: Financial Sustainability Measures by NGOs

No	Financial Sustainability Measures	N	Mean	SD
26	NGOs must reduce their over-dependency on foreign donors to ensure financial sustainability	118	4.52	0.438
27	NGOs must increase their search for internally generated funds	118	4.98	0.425
28	NGOs must seek financial support from local organizations and philanthropies	118	3.04	0.24
29	NGOs must involve the local beneficiary communities in their financial planning	118	2.21	0.15
30	If NGOs become more accountable and transparent it will ensure financial sustainability	118	4.62	.384
31	NGOs m engage in important projects beneficial to communities to attract locals to contribute to funding	118	4.77	0.41
32	NGOs must minimize administrative overheads waste and use available financial resources judiciously to ensure financial sustainability	118	4.36	0.35
Total Average Response			4.081	0.342

Source: Field Survey (2022)

Based on the response received as can be seen from the Table 8, regarding whether NGOs must reduce their over-dependency on foreign donors to ensure financial sustainability respondents agreed with the mean value 4.52 and standard deviation value of 0.438 Which indicates that NGOs must reduce their over-dependency on foreign donors and this may results in financial sustainability However, the degree to which this response may differ from reality is very less as shown by the standard deviation value of 0.438. Regarding the question of whether NGOs must increase their search for internally generated funds, respondents strongly agreed with mean value of

4.98 on five points Likert scale ranging from 1 =strongly disagree to 5= strongly agree. This indicates that NGOs in Ghana have to increase their search for internally generated funds if they want to remain financially sustainable.

Another point regarding whether NGOs must seek financial support from local organizations and philanthropies, respondents were uncertain with the mean value of 3.04. This shows that NGOs should not focus their attention on local organizations and philanthropies but they should do something to help themselves. In addition, with regards to the item number 29 on the Table 7 as to whether NGOs must involve the local beneficiary communities in their financial planning. The respondents disagreed with the mean value of 2.21 on a scale from 1 to 5 of strongly disagree to strongly agree. This shows that respondent do not agree that NGOs should involve the local beneficiary communities in their financial planning. The other points presented to the respondents was whether being more accountable and transparent NGOs will ensure financial sustainability. Respondents rated their agreement with mean value of 4.62 implying that NGOs should be more accountable and transparent to ensure financial sustainability.

Another item presented to respondents was whether NGOs must engage in important projects beneficial to communities to attract locals to contribute to funding. The respondents were agreed with a mean value of 4.77. This indicates that when NGOs engage in very important projects that are beneficial to the local communities, members in the communities are likely to offer their financial support which will lead to financial sustainability of NGOs. Regarding whether the NGOs must minimize waste in administrative

overheads and use available financial resources judiciously to ensure financial sustainability, the respondents supported the idea with mean value of 4.36 indicating that NGOs allocate funds based on their social responsibilities.

In conclusion to the question of whether by adopting some financial measures NGOs in Ghana can be financially sustainable, the respondents agreed with an overall mean value of 4.08. However, the extent to which this response may differ from reality is very less as it can be seen from the standard deviation value of 0.342. This result confirms that of Farid, (2019), who concluded that NGOs can put in place good financial measures in other to become financially sustainable.

The relationship among fund allocation, utilization, transparency and financial sustainability

In order to analyze the relationship among the four key variables of this study, which are fund allocation, utilization, transparency and financial sustainability, Pearson's Correlation coefficient was used for analysis and the results are summarized in the correlation matrix Table 9 below:

Table 9: Pearson's Correlation Matrix Table

	6	7	8	9
6. Allocation based on NGOs own agenda	1			
7. Allocation base on Donors' Prescription	0.679	1		
8. Transparency in allocation	0.564	0.588	1	
9. Financial sustainability	-0.465	0.535	0.546	1

Source: Field Survey, 2022 *correlation is significant at 0 to 0.50= weak; 0.50 to 1.0 = strong

From the summary statistics, there is weak positive correlation between financial sustainability and rank, gender, age, years worked and

qualification of the respondents as can be seen from correlation coefficient of 0.212, 0.245, 0.321, 0.232, and 0.354 respectively. This suggests these variables do not have strong influence on financial sustainability of NGOs. In the Table 9 It can also be noted that financial sustainability has strong negative correlation with allocation of funds based on NGOs own agenda with correlation coefficient of -0.565. This implies that the more NGOs allocate funds to their own agenda, the less financially sustainable they become. In addition to that, there is strong positive correlation coefficient of 0.535 between financial sustainability and allocation of funds based on donor prescription. This showed that the more NGOs allocate funds according to the instructions of the donors the more likely they become financially sustainable. In terms of transparency, there is strong positive correlation coefficient of 0.546 between transparency in allocation of funds and financial sustainability. This indicates that when NGOs become more transparent in allocation and utilization of funds it makes them credible and that has the tendency to make them more financially sustainable. This is because donors will have more confidence in them. From Table 9, there is also strong positive correlation coefficient of 0.679 between allocation of fund based on NGOs own agenda and allocation of funds based on donors' prescription. There is another strong positive correlation coefficient of 0.588 between transparency and allocation of funds based on NGOs' prescription. These suggest that as NGOs becomes more transparent, they allocate funds according to donors' instructions.

Regression Analysis Results**Table 10: Model Summary**

Model	R	R Square	Adjusted R Square	Standard Error Estimate
1	.823	0.774	0.752	0.36814

a. Predictors: (constant), NGOs own Agenda, Donor Prescription, Transparency
Source: Field Survey Report (2021)

Table 10 indicates the model survey report for multiple regression models. The results showed that all the predictors: NGOs own Agenda, Donor Prescription and Transparency explained 77.4 percent of financial sustainability. This suggest that using the three tested predictor variables, financial sustainability can only be predicted by 77.4% considering the R square value of 0.774. The percentage left (1-0.774) 22.6% is by extraneous uncontrollable variables. The result also suggest that some other variables may have been left behind in this study that could help in predicting financial sustainability of NGOs in Ghana.

Table 11: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	23.471	3	7.72	47.641	0.000 ^b
	Residual	7.51	46	0.165		
	Total		49			

a. Dependent variables: Financial Sustainab. Significant level=0.05

b. Predictors: constant, NGOs own Agenda, Donor Prescription, Transparency
Source: Field Survey (2022)

Findings from the Table 9 above showed that variations in the variables of the study were significant as explained by the F- statistics of 47.641 with p- value

= 0.000 < 0.05. this means the model is fit for prediction for the NGOs' financial sustainability using the predictors: NGOs own Agenda, Donor Prescription and Transparency.

Table 12: Multiple Regression Model

Model	Unstandardized		Standardized	T-stat	Sig
	Coefficients		Coefficients		
	B	Standard Error	Beta (β)		
Constant	0.186	0.364		0.435	0.652
NGOs own Agenda	-0.043	0.081	-0.043	0.374	0.748
1 Donor Prescription	0.62	0.078	0.054	2.462	0.00
Transparency	0.457	0.086	0.045	4.35	0.00

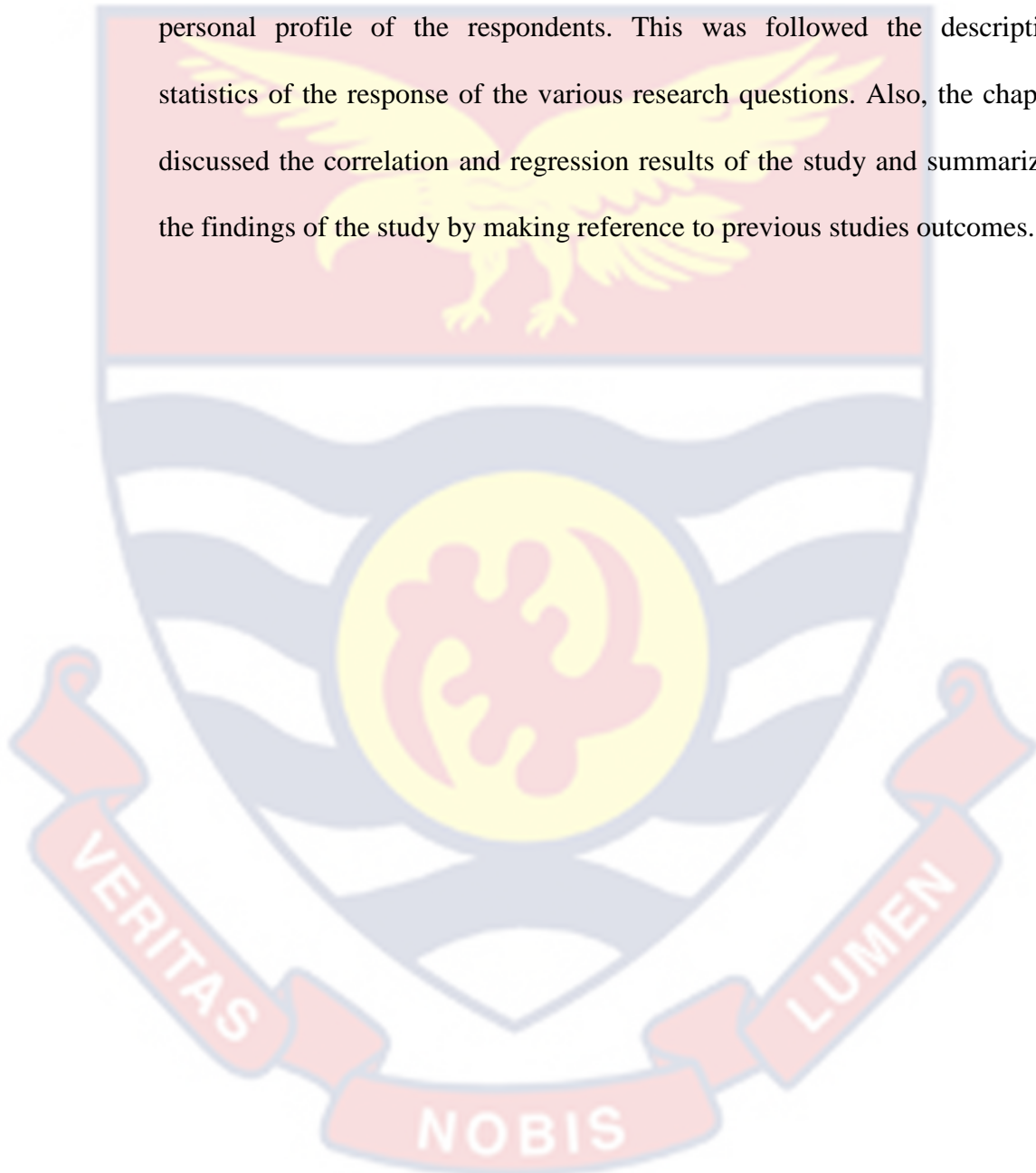
Source: Field Survey (2021)

According to the findings of the multiple regression analysis that were presented in Table 9, each of the independent variables that were in relation to the predictors were significant. This was shown by the beta values, which were -0.043, 0.054, and 0.045 as 1, 2, and 3 respectively. The significance of the variables is demonstrated by the fact that these beta values have p-values of 0.748, 0.00, and 0.00, respectively. This indicates that the distribution of funds according to the agendas of non-governmental organizations has a negative significant relationship with financial sustainability. This suggests that the more funds non-governmental organizations (NGOs) devote to their own agendas, the less financially sustainable they will be. Donor Prescription and Transparency, on the other hand, have a positive significant relationship with financial sustainability at the same constant value of 0.186. The results

are consistent with Aldashev and Navarra (2018) and Nunnenkamp, Weingarh and Weisser (2009).

Chapter Summary

This chapter discussed the results of the study by first analyzing the personal profile of the respondents. This was followed the descriptive statistics of the response of the various research questions. Also, the chapter discussed the correlation and regression results of the study and summarized the findings of the study by making reference to previous studies outcomes.



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

The general purpose of this study was to examine the key determinants of fund allocation and utilization and how it influences financial sustainability among non-governmental organizations with particular reference to Red Cross Society in the central region of Ghana. This purpose was achieved by breaking it down into three main objectives which were used to formulate research questions as follows:

1. Does the basis upon which NGOs in Ghana allocate and utilize funds for their own developmental agenda influences financial sustainability?
2. Does NGOs allocation and utilization of funds based on donors' developmental agenda influences financial sustainability?
3. In which way does transparency in fund allocation and utilization influences the financial sustainability of NGOs in Ghana?

In order to answer these research questions, the research instruments such as questionnaire were developed and respondents were asked to give their independent opinion as to whether these influences financial sustainability of NGOs in Ghana.

Summary of Key Findings

The findings of the study have been summarized as follows: With regard to question one which intend to investigate whether the basis upon which NGOs in Ghana allocate and utilize funds based on their own developmental agenda influences financial sustainability. The total mean response value, the respondents agreed with an overall mean value of 3.05

means that respondent did not agree that allocating funds based on NGOs own agenda will ensure financial sustainability. However, the extent to which this response may differ from reality is very less as it can be seen from the standard deviation value of 0.55. This result confirms that of Kumi, (2017) who concluded that NGOs in Ghana allocate funds based on own development plans.

In addition to this the second research question of this study intended to examine whether allocation and utilization of funds base on donors' prescription influences the financial sustainability of NGOs in Ghana? In summary, the total average response as can be seen from Table 5 suggest the mean value of 4.03. This implies that respondents agreed that allocation funds based on donors' prescription influences financial sustainability. This confirms the grounded theory that when NGOs utilize funds according to conditionalities attached to the funds by donor there is the tendency that more funds will be granted to them for more developmental projects.

Also, the question three for the study intended to assess whether transparency in fund allocation and utilization influences the financial sustainability of NGOs in Ghana? The overall mean response of 4.03 for the question relating to transparency suggest that respondents agreed that transparency in fund allocation and utilization affect the financial sustainability of the NGOs. The question four of the study intended to examine putting in place desired financial measures will improve the financial sustainability of the NGOs in Ghana. The result confirms that of James (2018) who concluded that NGOs can put in place good financial measures in order to become financially sustainable.

Summarized results of the study by research hypothesis

Table 13: Hypothesis Testing Results

Research Hypothesis	P-value	Supported
Allocation and utilization of funds for NGOs' own agenda Financial Sustainability	0.748	NO
Allocation and Utilization of Funds base on Donors' Prescription Financial Sustainability	0.00	YES
Transparency in NGOs Fund Allocation and Utilization Financial Sustainability	0.00	YES

hypothesis is significant at $p \leq 0.05$ level

Source: Author's Construct (2022)

Conclusion

The purpose of this study was to investigate the factors that have an impact on the ability of non-governmental organizations (NGOs) in Ghana to maintain their financial stability. According to the findings of the study, the financial viability of non-governmental organizations (NGOs) is negatively impacted when fund distribution decisions are made based on the recommendations of donors rather than the organizations' own plans for community development. The respondents were actually aware of the significance of allocating funds in accordance with the prescriptions provided by the donors in order to guarantee continuous support from the donors. This lends credence to the conclusion reached by Koster, Simaens, and Vos (2019), which states that when funds are utilized in accordance with the intended purposes prescribed by the source from which funds were received, it encourages donors to continue providing support to non-governmental organizations (NGOs). To ensure the continued financial health of the NGOs, additional funding will be required as their operations expand.

In addition, the findings provided support for the conclusion reached by Pallas and Nguyen (2018), which stated that transparency in the distribution of financial resources and the use of those resources among institutions can increase public confidence and garner more support.

According to the findings of this study, the majority of respondents strongly agreed that increased transparency will significantly influence the financial sustainability of non-governmental organizations (NGOs). This study came to the conclusion that fund allocation and utilization based on donors' prescriptions have a significant positive correlation with financial sustainability, whereas fund allocation and utilization based on NGOs' own developmental agendas have a significant negative correlation with financial sustainability. Nevertheless, this is based on evidence that was gathered from a small sample, and additional research should be carried out using a larger sample in order to confirm the established relationships in this study.

Recommendations

Based on conclusions drawn, the following recommendations have been made to inform management of NGOs and fund donors about future fund allocation and utilization:

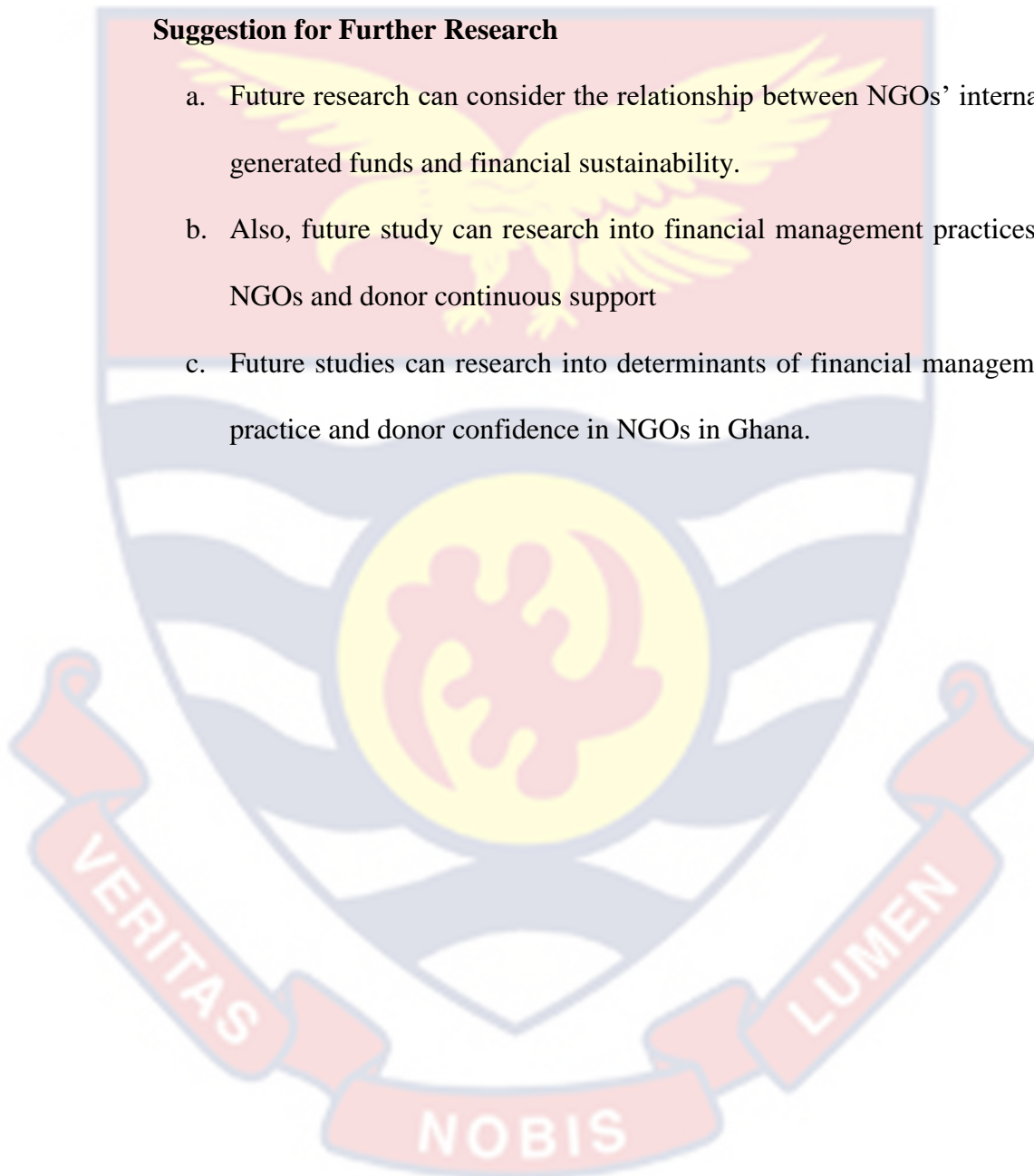
1. The management of nongovernmental organizations (NGOs) in Ghana has an obligation to search for funding from sources that offer more leeway and fewer restrictions on the use of the money for development projects. This will significantly reduce the likelihood of a situation occurring in which financial resources are distributed according to the wishes of the donors.

2. Donors of funds are required to establish a mechanism for the collection and analysis of information for the purposes of coordinating, planning, and monitoring the activities of non-governmental organizations (NGOs) that put policies into action using the funds.
3. The managers of non-governmental organizations (NGOs) need to be smart enough and proactive enough to anticipate the possibility of changes in budgets and plans in order to incorporate those possibilities into implementation budgets for the purpose of allocating and utilizing funds. It's possible that this will help dispel any suspicions that the funds were mismanaged.
4. Appropriate channels of communication need to be established so that project managers of non-governmental organizations (NGOs) can immediately inform donors when there has been a change in circumstances that affects the allocation and utilization of funds. This will help to win the confidence of donors in the non-governmental organizations.
5. It is necessary to provide capacity building for the staff of non-governmental organizations in order to teach them how to manage donor relationships in a consistent manner throughout the course of project implementations.
6. It is necessary for non-governmental organizations (NGOs) to always make an effort to embark on projects that are beneficial to communities in order to touch or attract individual philanthropies that will contribute to the successful completion of the projects.

7. Non-governmental organizations (NGOs) need to lessen their reliance on the financial support of donors and locate other sources of funding, such as those that are generated internally or that are flexible donor funds.

Suggestion for Further Research

- a. Future research can consider the relationship between NGOs' internally generated funds and financial sustainability.
- b. Also, future study can research into financial management practices of NGOs and donor continuous support
- c. Future studies can research into determinants of financial management practice and donor confidence in NGOs in Ghana.



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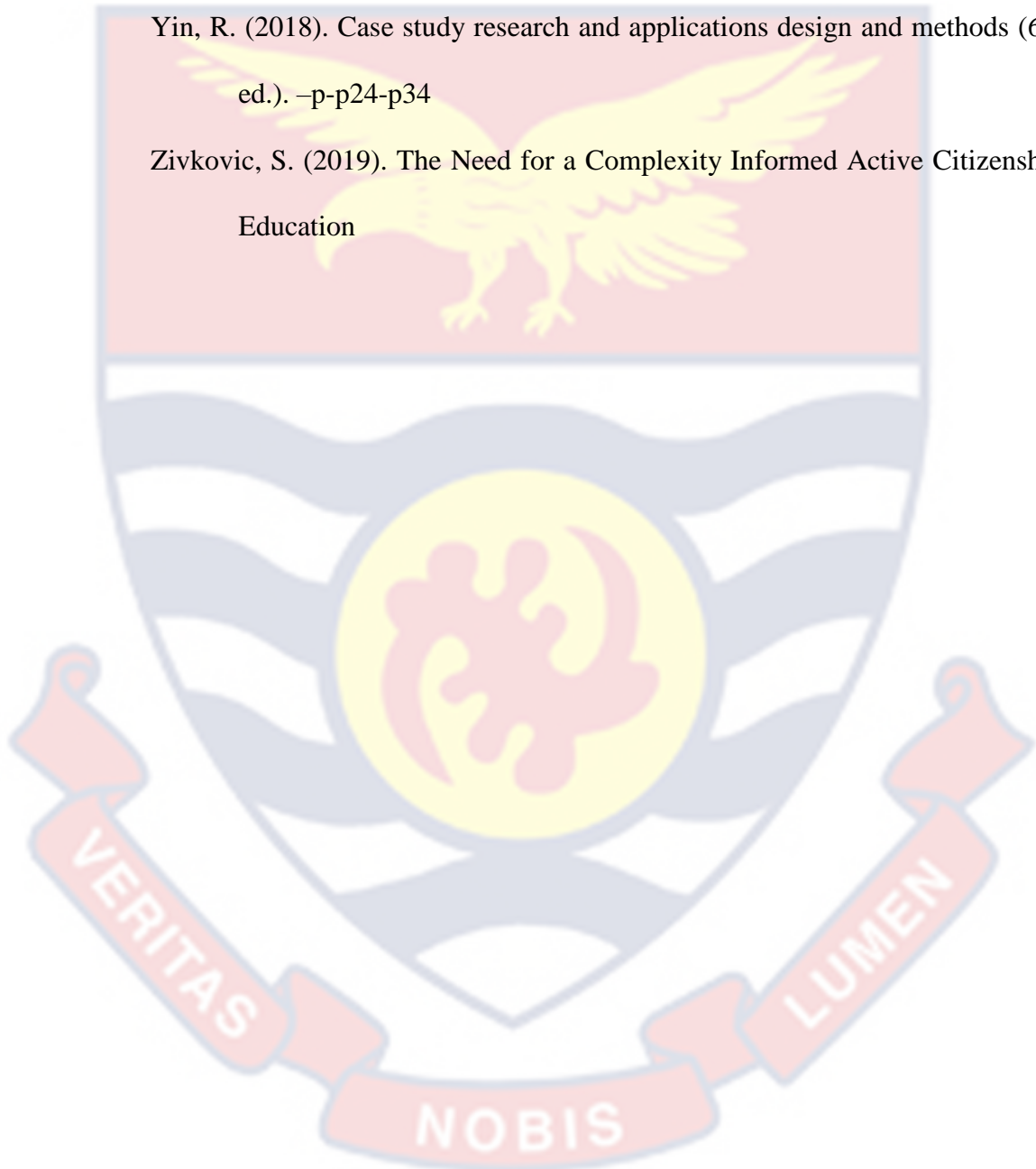
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APPENDIX
QUESTIONNAIRE

Dear Respondent,

This questionnaire has been designed for the purpose of collecting data in order to evaluate how funds allocation and utilization influences financial sustainability of NGOs in Ghana using Red Cross Society as a case study. The data collected will be treated with a very high degree of confidentiality and it is meant for the purpose of academic work only.

SECTION A: DEMOGRAPHIC INFORMATION OF RESPONDENTS.

Instructions: Please tick the most appropriate item of your choice.

1. Rank: Country Rep Branch manager Project officer Finance

Officer Others specify.....

2. Sex male female

3. Age 20-29 30-39 30-49 50 and above

4. Number of years of working with your NGO

1-5 6-10 11-15 16-20 21 and above

4. Educational Qualification

Diploma First Degree Masters PHD

SECTION B: Does allocation and utilization of funds based on NGOs own developmental agenda influences financial sustainability?

Please circle any one of the numbers ranging from 1-5 to indicate the extent to which you agree or disagree that allocation and utilization of funds based on NGOs own developmental agenda influences financial sustainability. Please circle the most appropriate according to your opinion using codes below) 1= Strongly Agree 2=Agree 3= Do not know 4=Disagree 5 =Strongly disagree

	Statements	Strongly Disagree	Disagree	Do not know	Agree	Strongly Agree
1	Most NGOs allocate funds to projects based on their developmental agenda	1	2	3	4	5
2	NGOs allocate funds to projects based on Donors' developmental agenda	1	2	3	4	5
3	Funds are allocated by NGOs to projects based on identified needs of the communities	1	2	3	4	5
4	Funds are allocated to projects based on request of the opinion leaders in the communities	1	2	3	4	5
5	NGOs allocate funds to projects based on quantum of Donor funds received	1	2	3	4	5
6	NGOs allocate funds to developmental projects based on Governmental influence	1	2	3	4	5
7	NGOs allocate funds based on their Social responsibility	1	2	3	4	5

SECTION C Does allocation and utilization of funds base on donors' prescription influences the financial sustainability of NGOs in Ghana?

Please circle any one of the numbers ranging from 1-5 to indicate the extent to which you agree or disagree that allocation and utilization of funds based on donors developmental agenda influences financial sustainability. Please circle the most appropriate according to your opinion using codes below) 1= Strongly Agree 2=Agree 3= Do not know 4=Disagree 5 =Strongly disagree

No	Statements	Strongly Disagree	Disagree	Do not know	Agree	Strongly Agree
8	Greater percent of the funds received are utilized for projects and less funds goes for overheads	1	2	3	4	5
9	Donor funds are utilized for the purpose it was meant.	1	2	3	4	5
10	In my view, NGOs often manage to use the funds from donors to complete all projects and realized the intended impact	1	2	3	4	5
11	For the purposes of transparency, NGOs usually allocates funds based on conditions	1	2	3	4	5

	attached and in the way funds are supposed to be utilized,					
12	NGOs prepare donor reports that reflect the true status of utilization of funds.	1	2	3	4	5
13	Beneficiary communities are involved on the planning and utilization of the funds	1	2	3	4	5
14	Donors have developed detailed implementation plans and budgets, setting out how they expect to achieve the goals from the use of funds	1	2	3	4	5
15	Plans for utilization of funds are likely to be changed during the course of a project in light of feedback and other new circumstances	1	2	3	4	5

SECTION D. HOW DOES TRANSPARENCY IN NGOS FUND ALLOCATION AND UTILIZATION INFLUENCES THEIR FINANCIAL SUSTAINABILITY IN GHANA?

Please circle any one of the numbers ranging from 1-5 to indicate the extent to which you agree or disagree that the ways in which NGO's in Ghana allocate and utilize funds influence their financial sustainability. Please circle the most appropriate according to your opinion using codes below) 1= Strongly Agree 2=Agree 3= Do not know 4=Disagree 5 =Strongly disagree

no	Statement	Strongly Disagree	Disagree	Do not know	Agree	Strongly Agree
16	Transparency regarding the purpose of funds utilization and allocation affect the financial sustainability of NGO	1	2	3	4	5
17	Over dependency on foreign donor funds and demand for transparency affect financial sustainability	1	2	3	4	5
18	Poor monitoring and evaluation systems of donor funds by NGOs will affect financial sustainability	1	2	3	4	5
19	A lack of transparency and predictability in timing of disbursement or wrong timing in funds disbursement affect financials of NGOs	1	2	3	4	5
20	Lack of transparency in	1	2	3	4	5

	resources allocated for particular uses which do not flow within legally defined institutional frameworks affect Financials of NGOs					
21	Poor Funds allocation process that pass through several layers of government bureaucracy affect Financials of NGOs	1	2	3	4	5
22	Consultancy services, which are charged with the responsibility of spending the funds affect financials of NGOs	1	2	3	4	5
23	The problem of multiple objectives on funds that typically imply trade-offs, especially in the short run projects affect financial of NGOs	1	2	3	4	5
24	Lack of transparency to donor aid agents who are intermediaries between donors and NGOs affect financials.	1	2	3	4	5
25	Lack of transparency for input activities like budget, procurement and supervision affect financials of NGOs					

**SECTION E WHAT FINANCIAL MEASURES MUST NGOS ADOPT
TO ENSURE FINANCIAL SUSTAINABILITY?**

No	Statements	Strongly Disagree	Disagree	Do not know	Agree	Strongly Agree
26	NGOs must reduce their over-dependency on foreign donors to ensure financial sustainability	1	2	3	4	5
27	NGOs must increase their search for internally generated funds	1	2	3	4	5
28	NGOs must seek financial support from local organizations and philanthropies	1	2	3	4	5
29	NGOs must involve the local beneficiary communities in their financial planning	1	2	3	4	5
30	If NGOs become more accountable and transparent it will ensure financial sustainability	1	2	3	4	5
31	NGOs must engage in important projects beneficial to communities to attract locals to contribute to funding	1	2	3	4	5
32	NGOs must minimize administrative overheads waste and use available financial resources judiciously to ensure financial sustainability	1	2	3	4	5
15		1	2	3	4	5

THANK YOU