Exploring alternative sources of internal revenue drives in Adamawa state university, Mubi

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Abstract: Revenue drives are the inward identification of sources of internal revenues that could boast the revenue base of a University. Without adequate money, it would be difficult to turn round the University and meet the target plan of quality of education. The methodology utilized in this paper was the observation and identification of alternative sources of revenues in addition to registration fees and other charges. Descriptive statistics was used in analyzing the data obtained from the study. The results showed that mean response was ≥ 5. Which imply that the University needs additional sources of revenues to supplement planned revenue. The paper revealed that there were more internal sources of revenues yet untapped in the University. The paper recommended for exploration of such sources of revenue to assist the university to execute more programs and projects that will create value and quality knowledge in Adamawa State University, Mubi.

Key words: Alternative sources of revenues, Adamawa State, University, Nigeria.

I. Introduction

As Nigerian Universities strive for quality services, urgent need was to source for alternative internal sources of revenues to supplement government effort become paramount. Funding of universities was initially the sole responsibility of federal government, but now that the size of federal receipts is reducing, the quest to argument such efforts with alternative sources of internal revenues was the option. The overdependence on federal subventions is now becoming unhealthy for universities in Nigeria. Even in developed economy, the quest for additional internal sources of revenues is necessary for maintenance of critical infrastructures. Aisha (2013) reported that Thomas, a head of a unit at the European Association was looking for diversification of income structures for European Institutions because of diminished public financing. Nigeria Universities have come to a point where they have to look for alternative sources of revenues to supplement federal allocations.

THEORETICAL FRAMEWORK

Revenue in this research paper was defined according to section 162 subsections 10 of the constitution of the Federal Republic of Nigeria (Company Decree and Allied Matters, 1999, C23 L.F.N) that it is any income that accrues from any source in form of receipts.

According to Emunemu (n.d)) education funding was good and government usually provides for colossal amounts in the budget. Most of the sources of educational funds include grants, donations, endowments, tuition and levies. Nigerian Universities is witnessing financial crises, and there is a need to find alternative sources of internal revenues in order to meet other developmental services. The recent ASSUU crises and strikes was as a result of inadequate sources of funds in Nigerian Universities to provide for modern quality teaching and research equipment as well as other developmental projects. With the suspension of the strike hope would return if government honors its promises in concrete terms.

BUSINESSNESS

It has been observed that Adamawa State University does not have businesses spread on and outside the campus. Identifiable income generating units within the University can be traced to hostel charges, clinic, registration fees, University internet services and a host of others. In order to position the University on a sound financial footing towards sustainable development and educational services, it becomes paramount to launch ways to diversify the income base of the University. The sole financier of the University is the State Government. There is no available record to show that the University is partnering with foreign Universities in certain courses or programs. In partnership, there is advantage of linkage and transfer of knowledge.

PRINTING PRESS

Observation shows that the University does not have printing press. This implies that even exam booklets and other receipts are printed outside the University at a cost that would have been saved. Research indicated that printing and design services generated annual turnover of around £80 million, yielding some £10 million that goes into Warwick University budget (Aisha, 2013). In a similar vein, if Adamawa State University can create printing press department, it will in the long run yield a greater payoff matrix.

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CONSULTANCY SERVICES
In some universities, consultancy services are rendered in certain areas like Diploma programs and other services to the public. This unit of revenue earning often brings in substantial sums that assist in running other programs. In Universities like Lagos and ABU Zaria, their consultancy service earns them some big sums of money. The creation of this revenue earning unit does not require big capital but manpower resources to start with.

TRANSPORT
Management of transport business often yields immediate revenues for turning an organization faster than waited for subventions. In some Universities like University of Lagos and ABU Zaria operate transport on commercial basis. If this University will in the future emulate such Universities; it will assist in internal revenue generation. University shuttle buses and keke nappe are good initiative to generate quick money. When demand crop up for vehicle hire, there should be provision for that in the transport department. The transport department is supposed to generate a sum based on the unit generation revenue budget.

ENGINEERING AND WORKS
This department should be able to offer service to the University as well as services on commercial basis to people outside the university. By doing so, money will come into the coffer of the University as internal sources of revenues. Construction of building materials like doors, windows and the like are units that can create sources of internal revenues. Architectural designs services should offered to the public at a cost.

FOREIGN PARTNERSHIP
As principal officers of the University often go to foreign countries for one thing or the other, there is need to link the University with that of foreign university in order to tap foreign transfer of knowledge. This would gain advantage of technology transfer.

PENSION FUND LIABILITIES
The monthly retirement funds deducted from employees pay should be administered by the University rather than be managed with pension administrators. If it managed by the University, at least something will accrue on the said sum. The accrued one can be utilized by the University in running other programs.

ADSU MICROFINANCE
ATM pay points of some banks are seen in ADSU, but no banks on the campus. Students and staff shop for banks in the town in order to do their transactions. This is an unwholesome idea for a vibrant University like ADSU. By operating microfinance bank, deposits of pension fund liabilities will be maintained by the bank. Charges on transaction and interest charges will serve as return on investment to the bank.

II. Methodology
The method utilized in this study was the observation and identification of activities and services that would attract additional sources of revenues to the University. Where state grants or subventions falls short of planned budget, an additional sources could cushion up the effect of such fall. Descriptive statistics was used to determine the mean responses from identifiable activities and services.

III. Results And Discussion
Opinion range table 1 discussion refers that: Mean ≥ 5 imply that (i) the University need alternative sources of funds. (ii) Mean ≤ 5 imply that the University does not require alternative sources of funds. Opinions of staff on alternate sources of funds have been obtained and presented in the appendix. Table 1 captures the opinions of staff with regards to alternative sources of funds. The mean score of general opinion of staff is 12. This means that the university should devise a way to create more sources of revenues to argument normal subventions from the state government. By doing so, the administration can be able to turn the university round for better performance and service.

Unit generating revenue should be examined based on the forecast of revenue to be generated for a trial. Each department should be given target revenue through close monitoring. By so going, certain projects can be internally funded.
Assessment of opinions showed that 71% were of the view that alternative sources of revenues should be sourced to finance the university projects and programs. This is a signal to the university that dependence on subventions is not the best option. At times delays in the release of subvention may thwart development and continuity of some programs.
Table 2 indicated that mean≥ 5. This implies that additional sources of funds were required to supplement the state grants or subventions. The identified sources of activities need to be explored through intensive revenue drive. A trial would convince management to begin to look inward for more sources of revenues.

**Recommendation**

The case study recommend that Adamawa State University, Mubi Nigeria should not depend on State grants only but should explore more sources of revenues within and out the University in order to argument the State educational grants. Universities that have diversified their revenue drive portfolios could be able to sustain her programs even when the State runs into financial crises.

**IV. Conclusion**

Units of internal revenue generation has been identified and discussed. It was found that respondents were of the view that alternative revenue drives should be mounted to supplement state subventions.

**APPENDIX**

Insert:

**Table 1**: Opinions of staff with respect to alternative sources of revenues in ADSU

<table>
<thead>
<tr>
<th>Units</th>
<th>Opinion 1</th>
<th>Opinion 2</th>
<th>Opinion 3</th>
<th>Opinion 4</th>
<th>Opinion 5</th>
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<td>Printing press</td>
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<td>2(0)</td>
<td>3(2)</td>
<td>4(3)</td>
<td>5(4)</td>
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<td>consultancy</td>
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<td>2(0)</td>
<td>3(1)</td>
<td>4(4)</td>
<td>5(1)</td>
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<td>3(4)</td>
<td>4(3)</td>
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<td>Pension fund liabilities</td>
<td>1(1)</td>
<td>2(3)</td>
<td>3(1)</td>
<td>4(0)</td>
<td>5(4)</td>
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<tr>
<td>ADSU microfinance</td>
<td>1(1)</td>
<td>2(4)</td>
<td>3(1)</td>
<td>4(0)</td>
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<tr>
<td>Total score</td>
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<td>Mean score</td>
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<td>6</td>
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<td>13</td>
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</table>

Source: Field work, 2013

**Table 2**: Activity and service opinions

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<td>6.2</td>
<td>6.6</td>
<td>5.4</td>
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**References:**

[1]. Aisha, L (2013): European Universities look for Alternative Revenue Streams-Globa...file://