

## **Challenges in managing school grants and funding: Experiences of Sri Lankan principals**

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### **Abstract**

*This study explored the real experiences of principals on challenges faced by schools in implementing grants and funding of government schools in Sri Lanka. This study employed both qualitative and quantitative methodologies in order to achieve the aims and objectives of this study. The data was gathered through various research methods from the participants. Both qualitative and quantitative data analyzing techniques were employed to analyze data in this study. Mainly A multiple case study approach was employed to gather rich data to get an in-depth understanding of the phenomenon. In addition, a survey research approach was used to gather information from individual participants. Thematic analysis and descriptive statistical tools were employed to analyses the date in this study. The majority of schools face different challenges in finding grants and funding. The schools face challenges in generating funds due to unnecessary government rules and regulations and financial and audit procedures. The Ministry of Education changes financial regulations constantly, and that has badly affected their financial management activities. The challenges which they face are poor attitudes of community members, inadequate government support and poor school community background, the poor commitment of parents and staff, inadequate time of staff for allocating funds generating activities, less knowledge of staff and stakeholders on financial management, etc. Therefore, it is recommended to pay much attention to funding and grants for the marginalized schools by the government, the unnecessary financial management rules, regulations, and audit procedures need to be removed. Sufficient training and awareness programmes are recommended, for the staff members of schools on financial management.*

### **Keywords-**

*Financial Management, School Grants, School Funding, Financial Regulations, Auditing, Parental Support*

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### **I. Introduction**

Human and other resources are the most important and most valuable elements in any organization. The principals are the top-level managers in schools, and they play a very significant role in administering resources in schools. The principals are considered as chief executive officers in schools. Thus, in order to develop and offer a high-quality service, the managers and leaders must create a working environment in which everyone wants to perform to the best of their ability in an organization. The principals are leading, directing, commanding, influencing several staff members, community members and various stakeholders of schools in order to achieve their targets. In order to meet the expected outcomes of schools, resources play a vital role. It is very imperative to carefully handle the grants and funding receive the schools. Schools are received grants and funding from various sources. For instance; the central government, provincial ministries of education and central ministry of education, parents, past pupils, past pupils' associations, well-wishers, community members, non-government organizations, other government organizations, etc.

In 1996, the Ministry of Education in Sri Lanka (MoESL) prepared a draft proposal for education reforms titled 'National Education Policy: A framework for Action on General Education'. It has emphasized the decentralization of school education, and the need for decentralization right down to the school level. Moreover, it has highlighted the necessity of decentralization the responsibility of school management to school and community members. The National Education Commission in Sri Lanka (NECSL), has also emphasized the significance of implementation of School-Based Management (SBM) in Sri Lankan schools (NECSL, 1997 p. 25). Further, the NECSL has mentioned in its 2003 report, the requirement of decentralization of decision-making power to the stakeholders of schools (NECSL, 2003:235). Consequently, the government of Sri Lanka decided to implement SBM system in Sri Lankan schools in 2006. The title, 'Programme for School Improvement (PSI)', is being used as Sri Lankan version of SBM. One of the main aims of that programme is to provide authority for finding funding and grants by the individual schools. It emphasizes the community

participation on financial management, autonomy for school decisions, enabling school staff to take actions for getting funding, grants and support of the community for educational development of the school, etc.

Sri Lanka is officially identified as the Democratic Socialist Republic of Sri Lanka, and it is an island in the Indian Ocean. The land area of Sri Lanka is about 65,000 sq.kms. In 1987, with the 13<sup>th</sup> amendment of the constitution of Sri Lanka, some of the powers and tasks performed by the central government were devolved to the nine provinces in the country. (Department of Census and Statistics, 2018).

The rapid development of education centering village temples were first benefitted by Bhikkus. As the first colonial agents, Portuguese arrived in 1505 and captured the maritime provinces of the country and started their ruling period. They ruled these areas for 150 years. Subsequently, the Dutch defeated Portuguese and caught the areas where the Portuguese were ruled and after another 150 years the British took over. Their ruling period continued till 1948 in which year the country gained independence. (Ruberu, 1974).

In recent years, many countries have identified decentralization as a tool for enhancing the efficiency and effectiveness of schools. Consequently, many countries have introduced SBM as an effective management system in their schools. However, initially SBM was introduced in many developed countries, and later the developing countries also tended to introduce this management system in their schools. Thus, as an effective method of managing schools, SBM has been introduced as a key element of school management in developing countries. Most of the countries are still implementing SBM in their schools while making various amendments.

After independence and after the 13<sup>th</sup> amendment of the Sri Lankan constitution, very significant education reform has been introduced into the government school system as School Based Management (SBM), titled in Sri Lanka as Programme for School Improvement (PSI) in 1996. The MOESL has issued several instruction manuals, such as “handbook for stakeholders of school improvement, 2008”, “guidelines for the PSI, 2014”. The MOESL has issued a circular, MOESL circular 07/2013, and an instruction manual for the implementation of PSI, “Instruction manual and circular on planning and procurement for school-based qualitative, quantitative and structural development” (MoESL, 2008, 2013, 2014, 2018). It describes the expected outcomes and objectives of this programme and the role of schools in implementing PSI.

In Sri Lanka, PSI provides opportunities to stakeholders in participating in school management and various kinds of school activities. The MOESL recommends the “balanced control model” of SBM in Sri Lanka. Therefore, each government school is supposed to adapt to that model. Especially, The Sri Lankan model of SBM includes a decision-making board as; School Development Committee (SDC), School Management Committee (SMC), etc. These committees comprised of many stakeholders of the school.

SBM can be defined as: “the systematic and consistent delegation of authority and responsibility from higher education level to school level to decide on day-to-day school operation by complying with a specified framework of goals of the central ministry, the central or provincial governments” (Thida & Joy, 2012). Effective resource management is one of the key objectives in implementing PSI in Sri Lanka (Aturupane et al., 2013; MoESL, 2013b; Perera, 2011). As stated by the MOESL, effective resource management is very important in the PSI policy. With the implementation of the PSI, the MOESL has provided guidelines and decision-making power to schools to generate resources by individual schools.

The SBM concept, and its implementation of contrast on a variety of characteristics (Aturupane, Kellaghan, & Shojo, 2013; Beidokhti, Fathi, & Moradi, 2016; Caldwell, 2005; Patrinos & Fasih, 2009; Sawada, Kozuka, & Todo, 2016). Verities of SBM are determined by many features of the management of schools. The schools, in which, SBM is being implemented have the autonomy, power, authority, and responsibility to make their own decisions. The decisions may be made with regard to the improvement of school plant; resource management; education development, etc.

The responsibility of decision making can be seen in the SBM systems on resource management by decision-makers at the school level in several countries. Mainly, decision-making board has a responsibility in relation to maintenance and improvement of school plant; school overheads, expenditure; procurement of educational materials at school (Clarke, Wijesundera, & Sethunga, 2016; Mestry, 2016; Vally & Daud, 2015). The SBM is considered as a suitable method to enhance the quality and maximization of resources of the school (Dimmock, 2002; Kasturiarachchi, 2014, 2014; Perera & Palihakkara, 1997). Under PSI, government schools in Sri Lanka have been provided flexibility and autonomy on financial management to a certain extent. The government of Sri Lanka has prepared a new financing mechanism, which is called ‘Norm-Based Unit Cost Resource Allocation Mechanism’ (NBUCRAM) (Perera, 2011).

According to the studies carried out on the SBM programmes in Latin America and East Asian region, the budget management or financial management of schools focus more on overseeing and allocating budget and establishing school fees (Gropello, 2006). Moreover, as indicated by (Herman & Herman, 1994) the financial management of schools where the SBM is implemented included three main sub-areas, namely determination of employees’ salaries; construction of building budget; and determination of expenditures of building budget such as, supplies, equipment, staff development, co-curricular activities, maintenance, transportation, and food service, etc. In the Sri Lankan model of SBM, all annual budget allocations on every task of the year need to be included in the ‘annual school development plan’. Moreover, it is essential to obtain

the approval of SDC for the annual plan (MoESL, 2013a, 2013c). Similarly, in some countries such as Hong Kong, Thailand, South Africa (Gamage and Zajda, 2009) and Israel (Gaziel, 1998; Nir and Miran, 2006), budget allocations are approved by school governing boards which are prepared at school level (Thida & Joy, 2012).

School governing boards of South African schools are responsible, especially, for financial and physical resource management of schools. Generally, schools are provided with funds by parents and other broader community through school fees, donations and modern fund generating projects, in addition to the funds provided by the government (Mestry, 2016, p. 01). According to Marishane (2003) and Mestry (2016), empowerment of stakeholders of SBM schools is a responsibility of the government authorities. Decentralization or devolution of financial management authority to schools and school management boards is an important strategy aimed at school improvement and school effectiveness of SBM system in many countries (Botha, 2012).

Decentralized decision-making powers on financial management and budgeting allow school governing boards to respond more quickly to the local needs of school community and priorities of schools (Kozuka et al., 2016; Mestry, 2016; Sawada et al., 2016; Sumintono, 2007; Vally & Daud, 2015). Research evidence proves that the accountability and responsibility of governing boards on financial and physical resources have been increased in SBM schools (Mestry, 2016; Xaba & Ngubane, 2010).

## **II. Materials and Methods**

Main Aim of this study to identify the real experiences of principals on challenges faced by schools in implementing grants and funding of government schools in Sri Lanka. And specific objectives are: to recognize the operation process of grants and funding in government schools in Sri Lanka; to identify the perception of principals about the challenges faced by schools in managing grants and funding and to identify the strategies used for funding and grant management by government schools

This study employed both qualitative and quantitative methodologies in order to achieve the aims and objectives of this study. Qualitative and quantitative data was gathered through various research methods from the participants. Both qualitative and quantitative data analyzing techniques were employed to analyze data in this study. Mainly A multiple case study approach was employed to gather rich data to get an in-depth understanding of the phenomenon. In addition, a survey research approach was used to gather information from individual participants.

Quantitative research methods are research methods dealing with numbers and anything that is measurable in a systematic way of investigation of phenomena and their relationships. It is used to answer questions on relationships within measurable variables with an intention to explain, predict and control a phenomenon (Leedy, 1993). Therefore, survey research approach was more appropriate in this study.

Kerlinger (1973) defined survey research as a study on large and small populations by selecting samples chosen from the desired population and to discover relative incidence, distribution, and interrelations. The ultimate goal of survey research is to learn about a large population by surveying a sample of the population; thus, we may also call it a descriptive survey or normative survey. The researcher personally met the research participants and distributed the questionnaire among them, and completed questionnaires were collected by the researchers with the help of research assistants.

Qualitative research uses a variety of interpretive research methodologies that seek to investigate the quality of relationships and experiences (Wallen & Fraenkel, 2001). In general, qualitative research focuses on the inner experience of people, as they interact with others (Polkinghorne, 2005, p. 138) Therefore, the qualitative research approach is most appropriate in this study, because during this research study it was expected to investigate and explore the challenges faced by schools in implementing school grants and funding of the government schools in Sri Lanka. And also, this study intended to recognize: the operation process of school grants and funding of government schools, the perception of principals about the challenges faced by schools in managing school grants and funding, the strategies used for school funding and grant management and the challenges faced by schools in managing school grants and funding. In order for that, it was gathering information from principals from selected schools located in the Sabaragamuwa province in Sri Lanka. Mainly a multiple case study approach was administered to gather information to get an in-depth understanding of the phenomenon.

The case study research approach has been used by qualitative and interpretive researchers for a long time in disciplines (Burns, 2000) because it has a number of advantages. This approach can be used to investigate actual contemporary life settings and life cycles of people, and it allows researchers to retain the holistic and meaningful characteristics of real-life events of people (Yin, 2009) and it provides the researcher with a holistic understanding of a problem, issue, or phenomenon with its social context (Hesse-Biber & Leavy, 2011). Since this study intended to explore deeply the experiences of principals in selected schools in Sri Lanka about the challenges faced by schools in managing school grants and funding the multiple case study approach was more fitted.

Questionnaires, document surveys, and interviews were administered to gather information in this study. Questionnaires and interviews were the main data collection methods from the principals of schools. The researchers use various methods for data collection: “observation (participant and non-participant), interviewing, and document analysis” (Ary, Jacobs, & Razavieh, 2002, p. 430). As this study expected to explore the experiences of principals of schools the interview was able to capture their ideas, experiences, and perceptions about the challenges faced by schools in managing grants and funding in the government schools. Interviewing seemed to be an appropriate method of data collection in this study because it was seeking particular experiences about the challenges faced by schools in managing grants and funding which are familiar to the participants in this study.

According to Hodder (2000, p. 704) documents are important in qualitative research because “access can be easy and low cost, ... the information provided may differ from and may not available in the spoken form, and ... texts endure and thus give historical insight”. The documents in this study were minutes of the meetings, school plans, budget reports, ministry and government regulations, policy statements, project reports, training & development programme reports, and training & capacity development guidelines, etc.

In order to gather rich data, a questionnaire survey was administered in this study. The questionnaire was a semi-structured, and before the questionnaire is distributed, it was pilot tested with several principals, who are not involved in this study as research participants. Finally, data were collected from principals.

The participants in this study are principals, who have experienced the challenges in managing funding and grants of schools in the Sabaragamuwa province. Participants in this study were selected by using a purposive sampling method and a systematic random sampling technique. Best & Kahn (2006) suggest purposive sampling will permit the researcher to choose the participants who provide the richest information. A selected group of principals was purposively selected from schools located in Sabaragamuwa Province in order to gather in-depth information. For the purpose of collecting information through a questionnaire survey, 30 principals were selected, and the sample included 10 principals who are working under Sri Lanka Education Administrative Service (SLEAS) category, 10 principals who represent the Principal Service (PS) and 10 principals who do include for both categories. In order to gather information via the case study method, 15 principals were selected, and 05 principals represented each category.

The principals of selected schools were involved in the questionnaire survey and an interview process, and they are from 1AB, 1C, type 2 and type 3 schools located in the Sabaragamuwa province. The questionnaire and the interview protocol were prepared to gather information regarding the challenges faced by schools in managing grants and funding of their schools. All the questions included in the interview protocol were semi-structured.

Thematic analysis is a qualitative data analyzing a strategy that starts with the data and pursues identifiable themes and patterns (Aronson, 1994). It is implicit that the thematic analysis was a most appropriate method for analyzing data in this study in order to identify the meanings and the patterns of the data since it is an analytical approach dealing with data that involves human experiences. In addition, it was used descriptive statistical techniques to analyze the data gathered through a questionnaire. Quantitative data can be analyzed in a variety of different ways. (Kothari, 2004; Newman & Benz, 1998). The data gathered through the questionnaire survey was analyzed by using percentages etc.

Several codes were used to identify schools, cases, and participants, in order to maintain confidentiality and anonymity of the information and sources of information in this study. The participants, organizations that they work, and the schools were named by using pseudonyms when they interview.

The researcher/ research assistants directly requested the participants to participate in this study and distribute them “participants information sheet”.

The interviews were conducted in the Sinhalese language, and all the interviews were transcribed into Sinhalese language and then translated into English. A sample of the translation of each interview was checked by a lecturer who has a good knowledge of English and Sinhalese languages to ensure the accuracy of the translation. The interview transcripts were undergone a member checking process. The interviews were digitally recorded with the consent of the participants. The information was given by the participants mainly used for the purpose of this research.

### **III. Results and Discussion**

According to Aturupane et al. (2013); MoESL (2013); Perera (2011) effective resource management is one of the key objectives in implementing PSI in Sri Lanka. As stated by the MOESL, effective resource management is very important according to the PSI policy. The MOESL has provided guidelines and decision-making power to schools to generate resources.

The majority of principals (80%) indicated that the importance of spending money for the beautification of the school environment, halls and classrooms, and they clarified that they have used a huge portion of grants and funding received their schools for the development of physical environment.

It was noticed that school C has paid much attention to their physical environment than the other schools in this study. School A also has made some efforts to develop their physical resources comparatively than school B, D, E. It was revealed that the school B, D, E have given less attention on physical resource development. However, when interviewed, the participants in this study, it was discovered that some specific strategies had been used by schools to develop their physical resources. Particularly, principals provided information about strategies that they have used for school development by using funds and granting in their schools. According to the information collected through a questionnaire survey, and as mentioned by 2/3 of principals it was revealed that the majority of schools intends to develop their physical environment by using grants and funding received from different sources. It was noticed that they (78% of schools) have used funding and grants for those purposes received especially from community members and parents.

As found by Mestry (2016, p. 02) South African SBM schools are maintaining and improving the school's property, buildings, grounds, and hostel; purchasing textbooks, educational materials or equipment for the school; and paying for municipal services provided to the school.

The principal of school A (PA) explained the nature of the physical environment at the time he joins the school and the challenges he had faced in developing a physical environment of school A as: *"when I joined this school as the principal, there was a crucial need for the development of physical resources. Students and staff toilets were not in good condition, classroom arrangement was very unsystematic. So, at the very beginning as the principal of this school, I had to take several steps in order to solve those problems. The funds and grants that we received from parents and well-wishers were used for those activities"* (PA).

According to PA, he had taken several steps to solve various problems with regard to physical resources in his school through PSI projects. While surveying the documents in this study, it was revealed that many political leaders had provided funds for physical resource development of school A. As PA stated further, SDC members had been involved in developing relationships with political leaders to obtain assistance for the development of physical resources in this school. The principal has personally approached those political leaders to obtain their support for the development of the school. In addition, the Deputy Principal of this school has a very influential community leadership, since he is the leader of the temple in this area, and his leadership has been used for generating funds from the community to this school. During the period of PA, quality inputs money has been utilized.

Similarly, Gropello (2006) has revealed that the school buildings and physical learning environment are quite safe and friendly for students' learning in SBM schools. The physical resource management in the SBM schools in New Zealand includes the areas of development and maintenance of buildings and physical resources in school and purchasing of school materials. The school council can decide on which type of infrastructure should be established to help student learning.

Levačić & Vignoles (2002); Sawada et al. (2016); Zajda & Gamage (2009) found that well-resourced and fully equipped schools contribute to better student performance and achievement of great educational outcomes of the SBM schools.

The PA further indicated that: *"when I joined this school, the PSI account had been opened, however, it had not been operated. I started to operate that account, and all financial activities were carried out through that account"* (PA).

In 2013 and 2018 the MOESL issued circulars for streamlining financial management of government schools. According to this circular, only one bank account should be maintained by the school for every financial activity. The chairs and desks had been repaired with the help of 'Industrial Development Board'. They have a mobile workshop for repairing furniture. One parent had introduced that organization for this task and political leaders had provided funds.

Earlier, during the period of former principal, some fund-raising activities had been organized in school B. However, during the period of PB, any project has not been organized in collecting funds. One large motor company provides support to this school in numerous ways. The PB briefed about that as: *"In 2018 one motor company spends about one million for this school"* (PB).

It was observed that politicians and private organizations have provided a large amount of money to the majority of schools (56%). Usually, some schools take steps in generating funds, with the approval of SDC. Especially, some of the schools in the sample do not always depend on the parents, and they use various strategies to generate funds from others.

The majority of principals in many schools (67%) do not agree about the support given by education authorities to their schools. Whereas the PD indicated a somewhat different statement about that as *The Zonal Education Officers provide their maximum support to my school. If we have a very good relationship with them, we would be provided with sufficient funds to our school* (PD). Moreover, PB expressed her views on the support given by the government to her school as: *"We were given some funds from a government project for the development of welfare facilities of students, we had a crucial need for construction of a new toilet complex, and we used those funds for construction of a toilet complex"* (PB).

According to the information provided by the Principal of school D (PD), it was realized that the economic background of the students, parents and past pupils obstruct the development of the school. As mentioned by the principal of school B (PB) she has taken some steps for collecting funds and granting to improve facilities in the school. She further asserted about the challenges faced in finding resources as *“the parental support is not sufficient in this school; some politicians in this area give a little support by providing funds for school development. That is not enough for completing all the requirements of the school. I do not like to state these things, but it is imperative to explain the challenges we face in finding resources. The government does not provide the required amount of resources; therefore, we face many difficulties in generating funds. If they provide at least minimum resources, we can pay our full attention to the academic development of the students”* (PB).

The PE also confirmed the statement of PB and explained about the difficulties that they have been facing in finding additional resources for the school. *“We are not provided enough resources by the government, so, we have to generate funds. The background of the parents and the community members of this school is not very good like other popular schools; thus, we face various difficulties in finding resources for the development of school”* (PE).

According to the information received through the questioner survey, it was revealed that the majority of participants (89%) do not happy about the funding and grants provided by the government for their schools also.

One principal (PD) of a school remarked about the difficulties that they faced due to lack of physical resources as: *“we face many difficulties since some classrooms do not have minimum facilities. Parents and past pupils are helpless since they do not have a better economic background to help the school.”* (PD). She further commented about the background of the parents in this school and the nature of enthusiasm of them to provide their support to the school as: *“our parents like to help the school of our children, but most of them are not in a very good economic condition”* (PD).

Sawada et al. (2016) found that lack of knowledge, low parental participation, and underfunding of education by governments as challenges for implementing SBM. Similarly, A Bandur (2012) has revealed: lack of knowledge of stakeholders on SBM; inadequate funds and resources as challenges of SBM schools.

The principal of school C (PC) indicated about the challenges, in providing funds to schools by the government: *“we are living in a developing country; therefore, the government cannot allocate a big amount of money on school education. Therefore, the schools also must make efforts to find some resources”* (PC).

According to the information provided by many principals(80%), it seems that the majority of schools use their funds for physical resource development rather than the human resource development of their schools. However, some schools like school B and school E do not pay much attention to physical resource development like other schools, for instance, school A has made many efforts on physical resource development. It appeared that the PB has not yet developed a better relationship with stakeholders of the school to obtain funds and grants.

As found out by Al-Ghefeili & Ghani (2014) senior teachers of Oman schools are more negative about their SBM system, as they perceive that, Ministry of Education is only using SBM system to put more work on the teachers of schools. (Malaklolunthu & Shamsudin, 2011, pp. 1491,1492) revealed that the financial management skill is required by the members of governing boards for efficient mobilization and use of resources.

According to PC, there is a very good relationship among the principal, staff members and community members of school C. Especially, it was identified that the majority of parents and past pupils provide funding and grants in addition to the government funds for the development of schools. It was observed that the physical environment of school C is relatively much attractive than the other schools in this study.

Principal (PA) of school A is a past pupil of school A, and he stated about his experiences and commented about the prevailing situation in the school as: *“at present, our school is well developed and attractive. When we were studying in this school, there was no such development. The principal and the staff members of the school did not care about that. Most of the parents and past pupils are very happy about the development of this school. However, there are parents and stakeholders who do not provide their support for these activities, which is natural in every society”* (PA).

The principal of School C (PC) commented on the strategies used in generating resources. And, she appreciated the autonomy that the schools have been provided for making decisions on resource generation as follows: *“actually, very recently we had a very big development in our school. The reason may be due to the autonomy that we have been provided through PSI, we were given freedom to generate funds for school development. That was very useful for organizing fund generating activities. So, we have a big amount of resources, however, we do our best for generating resources. Each and every year we organize many events for funds generation. So, we were able to enhance the quality of the physical environment as well as the educational level of the students of the school by using funds which we generated”* (PC).

The principal of school E (**PE**) contentedly remarked about the achievements of school E: *“this school (school E) always works according to the rules and regulations of the MOESL and the PMOE. The SDC in this school is working collaboratively with the stakeholders, thus, they provide school some financial contribution to its development. I think, due to PSI we were able to collect some funds from the parents and community members” (PE).*

Likewise, as indicated by PE, for the purpose of collecting funds for school development, her school has organized a school walk, a students’ fair and a sticker selling campaign. They had been able to collect a satisfactory amount of money through such events in 2018. It was noticed that the SDC has provided very big support to school management in organizing such events.

As revealed by Bandur (2012, p. 45) SBM system is increasing the level of participation of parents and the local community in school development by providing financial support also. Similarly, the research evidence of Mestry, (2016); Xaba & Ngubane, (2010) prove that the accountability and responsibility of governing boards on financial and physical resources have been increased in SBM.

Mestry (2016, p. 01) found that school governing boards of South African schools are responsible, especially, for financial and physical resource management of schools. Generally, schools are provided with funds by parents and other broader community through school fees, donations and modern fund generating projects, in addition to the funds provided by the government. Similarly, Kozuka et al. (2016) have disclosed that decentralized decision making powers on financial management and budgeting allow school governing boards to respond more quickly to the local needs of school community and priorities of schools.

According to **PC**, school C also has organized several fund generating events. *“anyhow, we collected the required amount of funds through fundraising activities. Community members, private and government organizations provided us some amount of funds for school development, in 2018. The government gave us a hand by providing some amount of funds, and the balance was collected through funds generating projects, students’ fairs, talent shows, etc.” (PC).*

The **PB**’s perception is positive about the autonomy that the school has been provided, on financial management and resource management under the PSI. She believes that, if the school has more power on human resource management, the quality of staff can be improved by using funds received for them.

The MOESL has issued the circular 07/2013; that circular especially guides schools to follow financial management procedures. Accordingly, schools (100%) have opened separate bank accounts for school activities, ‘school development account’. Almost all the financial activities of the school are being carried out through this bank account. It appeared that the political leaders, outside community members and private and public organizations provide financial assistance, grants, funding and another kind of support to schools. It was noticed that all the schools (100%) in this study are following the guidelines stated in the above circular.

As scholars and researchers indicated the effective community participation and resource management are key features of schools where SBM is implemented (Patrinos & Fasih, 2009; Sihono & Yusof, 2012; Vally & Daud, 2015). In Sri Lanka, the MoESL has provided schools authority, guidelines, and financial decision-making power to enhance participation and generation of resources (MoESL, 2005, 2008, 2013b, 2014).

The background of community members and parents of students of most of the schools (80%) obstructs their fund generating activities. However, school C manages it better than the other schools. Relatively, the parents of school B, D and E are poorer than school A and C, their education and economic background is not satisfactory. The financial contribution of parents is not adequate for most of the schools (60%). It seems that the situation is prevailing in school A, B, D, and E are not much support for finding financial resources, granting and funds. There are no past pupils’ associations in some of the schools (33%) in this study. It was noticed that the external SDC members do not regularly participate in SDC meetings in schools. It seems that the poor leadership skills and inexperience of the principal are one of the reasons for less participation of the community in providing funding and grants. The majority of parents, past pupils, well-wishers, political leaders, and neighboring schools provide their support to some schools in numerous ways rather than to the other schools. It was noticed that school C has paid much attention to the beautification of school rather than the other schools in this study. School A also has made some efforts to develop their physical resources comparatively better than school B. This school A has not organized any new special activities or projects on fund generation. Relatively SDC members and stakeholders of school C provide immense support in the development of the school. The MoESL anticipated on developing schools in cultivating a participatory management culture, especially, in implementing PSI policy proposals. However, some community members still believe that the principal must make key decisions of school, and he or she needs to be given a big hand in making important decisions on school management. However, it was observed that the majority of schools (83%) have not paid allocation of funds for staff developmental activities, and it seemed that they have much enthusiasm on physical resource development, but less attention on human resource development of schools. Leithwood and Menzies (1998) discovered that the uncertainty about the legal status of SBM; financial constraints; lack of resources and authority to make changes have been identified as big barriers in implementing SBM in schools.

According to the findings revealed by Aturupane et al. (2013); Osorio et al. (2009); Zajda & Gamage (2009) the limited time is a problem for many teacher representatives of governing boards, as they are expected to devote extra time for school administration in addition to their teaching duties in SBM schools. Thida and Joy (2012) found that the lack of knowledge and understanding of stakeholders on school management as a big challenge in finding resources for the schools.

The majority of principals (80%) stated that community members always criticize and discourage the people who work with school funding, grants, and money. And it seemed that insufficient skills, knowledge of the staff on financial management, traditional audit procedures discourage school funding activities. As indicated by principals in this study some SDC members are not well qualified in representing those posts and it was mentioned by the majority of participants (70%) as an obstacle for financial activities of their schools.

#### **IV. CONCLUSION AND RECOMMENDATIONS**

It was concluded that the majority of schools face different challenges in finding grants and funding. As indicated by all the SLEAS principals their schools face challenges in generating funds due to unnecessary government rules and regulations and financial and audit procedures. According to them, the MOESL changes financial regulations constantly, and that has badly affected their financial management activities. PE indicated the challenges which their school faced in finding grants and funding as poor attitudes of community members, inadequate government support and poor school community background. Other principals indicated the challenges faced by their school in generating funds and grants in developing their schools as the poor commitment of parents and staff, inadequate time of staff for allocating funds generating activities, less knowledge of staff and stakeholders on financial management, etc.

Therefore, it is recommended to pay much attention to funding and grants of the marginalized schools by the government, if unnecessary financial management rules, regulations, and audit procedures can be removed school may be able to find more self-funding and grants. Sufficient training and awareness programmes are recommended, especially, for the relevant staff members of schools on financial management.

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