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THE RELEVANCE OF BUDGET PREPARATION IN SCHOOL ADMINISTRATION

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Abstract

Nigerian educational system is characterized by declining resources, rising costs and greater awareness for public accountability. These conditions make the management of the available human and material resources a social imperative. It demands a periodic preparation of the school budget. This paper therefore examines the concept of budgeting, its advantages in our school system and suggests some accounting requirements which are aimed at making the preparation of a budget less cumbersome and more realistic. It highlights four types of budgets: Zero-Base budgeting (ZBB), Programme and Performance Budgeting, Planning, Programming, and Budgeting Systems (PPBS) and Line-Item or Incremental Budget. This would enable the school administrators to avoid white elephant projects and use the then available resources in achieving desirable targets. Indeed, school budget is the Head teacher's "stethoscope" and without it the school administration flounders, the paper observes.

Introduction

Administration is the management or direction of the affairs of a business, government, etc. It is the total of the processes through which appropriate human and material resources are made available and are effectively utilized.

Administration in the school system is the process of establishing good teaching and learning conditions for the sole purpose of getting children well educated. This brings about an interaction of human and material resources. School administration is seen by Denga (1986) as a team effort geared towards the development of the child and learning process. All school heads are administrators and all administrators, in effect, occupy managerial position (Dubrin, 1994). The administrator carries out many administrative processes which, according to Umoren (1998) include planning, decision-making, coordination, direction, motivation, evaluation, control and executive leadership.

Inyang (2002), therefore, sees administration as covering activities ranging from the determination of what is to be done (policy-making, objective plans) to organization, staffing and financing of government activities as well as final accounting of administrative activity by means of internal and external control.

Budget generally refers to a list of all planned expenses and revenues. For instance, a personal budget is among the most important concepts of personal finance. In a personal or family budget, all sources of income (inflows) are identified and expenses (outflows) are planned with the intent of matching outflows to inflows. There are a wide variety of personal budgeting methods and tools that can be employed to help individuals and families with the budgeting process.

The budget of a government is a summary or plan of the intended revenues and expenditure of that government. In Nigeria, for example, FRN (1997), posited:

The objective of the 1997 budget is to stimulate the growth and development of the economy now that this nation has conquered stagnation. This year will witness intensified moral development, enhanced agricultural productivity and the creation of jobs through the Family Economic Advancement Programme (FEAP), for which N4.3 billion has been budgeted. Government expects to achieve further reduction in the rate of inflation, create jobs and employment opportunities, achieve balance of payments equilibrium, sustain exchange rate stability, and achieve improvement in the external value of the naira (p. 25).

The budget started and ended on the premise that it was time to heal our wounds and step forward to embrace the future which is already here. It was a people-oriented budget, aimed at poverty alleviation and wealth creation so that the average Nigerian would be free to maximize his potentialities as an autonomous player in an economically prosperous society that would strengthen liberal democracy.

A budget is therefore a financial plan showing expected income and details of estimates or expected expenses. This is an instrument of economic policy (Udosen, 1982). In general terms, budget is concerned with the translation of financial resources into human purposes. In a school, one can have the following:

Table I: First Semester Budget for 2006/2006 Session

Income	No. of Students	Total Income
Programme		
Year I Degree		
Sales of Forms	150 x 500	75,000.00
Year I Degree		
School Fees	100 x 20,000	20,000,000.00
Total Income		2,075,000.00
Expenditure		Total
Advertisement		60,000
Salaries		100,000
Transportation		10,000
Seminars		6,000
Rent		15,000
Repairs and Maintenance		60,000
Application forms and Admission letters		50,000
Examination materials		100,000
Total Expenditure		441,000

To prepare the budget, expenditure is first estimated and then the revenue necessary to cover it is imposed. In the school system, a budget is an estimate in any given financial year of what the system intends to do. The school must define its sources of revenue (donations, gifts, fees, levies and school activities like drama, sports, and dances) and how the revenue so yielded shall be judiciously disbursed. In every school setting, funds are required to pay salaries and supplementary compensations to employees, purchase materials, for repairs and maintenance, conduct of examinations, put up physical facilities like buildings, laboratories, classrooms and staff quarters. The task of financial management therefore becomes very crucial to school administrators.

The Role of Budgeting in Schools

The position of the school administrator can be likened to that of the brain in the human body. He performs the function of providing the overall leadership,

coordination and continuing evaluation that enhance the improvement of educational programmes and the management of finances of the school. Leadership plays a very important role in organizational dynamics. As a leader, the school head performs task-directed activities including planning, resource and distribution assignment.

A budget is both a planning and a control tool. It is a plan which shows how resources (labour, raw materials, money, machine, etc) are allocated for a particular set of activities and over a given period of time. Budgets are expressed in qualitative and financial terms. As plans, they are not only intended to spend an organization's resources, but they also act as a control device (Inyang, 2002). As control device, budgets help us to evaluate the operations of the school and force management to be forward-looking. By planning its various programmes in advance, the school is able to estimate its future capital and labour requirements and thus ensure a more economical employment of its resources (Mbipom, 2000). Through a school budget, educational objectives are implemented and translated into reality (Musaaazi, 1985). According to Nwankwo (1984), the school budget is the most effective tool of administration. It includes determining and allocating funds and facilities for school services. Budget is not just a document, it is the Head Teacher's "stethoscope". There is no need for making a budget if the Head Teacher will not refer to it during the day-to-day running of the school.

Budgeting in our school is, therefore, necessary because of availability of slim and over-stretched resources, the high population growth rate calling for increases in yearly school enrollments as well as the need to maintain a high educational quality which is relevant to the individuals and national aspirations. This is in keeping with FRN (2004), which stipulates, for instance, that the broad aims of secondary education at the secondary school within our overall national objectives should be preparation for useful living within the society and preparation for higher education.

Types of School Budget

At least four basic types of school budget can be identified. The school or university has a format and fixed sub-heads that must be followed by the officer making the budget. Types of budgets include:

- a) **Programme and Performance Budget:** This budget is organized by programme and emphasis is on the purposes for which funds are requested. The budget is structured to provide a descriptive account of the tasks and work-plan of each department.
- b) **Planning, Programming and Budgeting System:** Here efforts are geared towards an integrated long and short range planning of clearly identified objectives and end products. It makes use of programme budget techniques.
- c) **Line-item Budgeting or Incremental Budgeting:** This takes a certain level of expenses as the base or starting point and focuses on the proposed additions, increases above or decreases below the base. Generally, the base is the level of expenditure for the previous year. The increment is intended to augment the previous year's budget or the level of aspiration.
- d) **Zero-Base Budgeting (ZBB):** This starts from zero-amount as the base. Ibitoye (1985) explains that Zero-base Budgeting takes the opposite view by assuming that budget for every function should start from the scratch. That means that the total amount of the budget must be justified and not only the increase or decrease from last period's approved budget.

Recommendations

The paper makes the following recommendations:

- 1) For efficient and effective functioning, rules, structures, techniques that are involved in the preparation of school budgets should be discussed with the Head-Teacher who is the Chief Executive of his school. School Heads need to know and keep well in view the objectives of the school they head. Such objectives should be written down in very clear terms that will be understood by the entire work force of the school and broken down into little units of attainable targets.
- 2) School administrators as Accounting Officers should prescribe, establish and maintain the proper system of account. They ought to remember that supervision is the nervous system of an organization and must therefore exercise strict control over the receipt of public money and ensure practical collection, confirm personally that cash books are correctly posted and up-dated. They should make sure that public monies and other valuables are kept safely and that all the financial documents are produced for auditing when necessary. It is a critical financial duty of a school

administrator to put in a renewed zeal aimed at ensuring that only the bona-fide staff of the school are enlisted on the pay-roll so as to avert incurring huge wastage on 'ghost workers'. Teacher's appointment letters should be checked from time to time. Accounting assistants should be employed and posted to the schools for an effective operation of the system where and when necessary.

- 3) School Heads and their deputies should be encouraged to attend the train-the-trainer workshops, conferences and seminars on a regular basis. Some Head-teachers may be found inadequate in the way they manage their finances not because of mismanagement or fraud, but because of ignorance of the simple technique of budgeting and accounting. Education is today a public enterprise in Nigeria and accountability is demanded of school authorities especially in the face of inflation, inadequate funding and a high cost of education. It is in this vein, that Nwagwu (1983) argues that quality and quantity in our education are not mutually exclusive concepts and objectives; the crisis of how to balance the quantitative and qualitative growth of education system is simply a management crisis. It is basically an issue of how to make optimal use of available human and material resources for education.
- 4) Information used on the budget must be sufficiently accurate and detailed to permit intelligent evaluation. A well prepared budget provides management with a planned programme based upon investigation, feasibility study and research on the part of the entire organization.

Conclusion

The extent to which the school meets the goals for which it was established depends, to a very large extent, on the management style of the school Head. In order to succeed, he/she must know thoroughly the resources at his/her disposal, the limit of authority given to him/her and also have a clear vision of the objectives for which the school was established. He/she needs to assemble the needs of the school and the various sources of funds available. The school's priority needs should be mapped and matched to identify activities. The school administrator then decides which activities are to be carried out to achieve the school objectives. Budget preparation is a collective responsibility which requires a collective effort. The heads of schools are expected to call on various units in their respective schools to indicate their requirements and also contribute ideas. The various departmental requisitions are thereafter synthesized and submitted to Government on approved formats.

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