

**CASH MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE OF
SACCOS IN MAYUGE DISTRICT-UGANDA; A CASE STUDY OF
BUGADDE SACCO.**

BY:

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**A DESSERTATION SUBMITTED TO THE COLLEGE OF ECONOMICS AND
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ADMINISTRATION-
ACCOUNTING.**

JANUARY 2019.

DECLARATION.

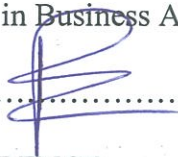
I declare that this research project is a result of my own investigation and it has never been submitted to any other institution for any award.

KAKAIRE ABBEY

Signature *K. Abbey* Date *18th FEB. 2019*

APPROVAL

I certify that the candidate was under my supervision. This work was submitted with my approval as a supervisor for the partial fulfilment of the requirements for the award of a bachelors' degree in Business Administration of Kampala International University.

Signature  Date..... 18th/02/2019

MRS. IRAU FLORENCE

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DEDICATION

I dedicate this proposal to my beloved Parents Mr. Zakaba Abdal-ar-zaake Mrs. Nantambi Sarah Mummy Nakato Joy, Uncle Kirunda Umar, brothers and sisters who recognized the value of my education from the very start and have devoted a lot of their efforts to see that I get to the top.

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ABSTRACT

The study sought to evaluate the effect of cash management techniques on the financial performance of Saccos in Mayuge district; a case study of Bugadde Sacco. The study specifically looked at the effect of cash planning, cash budgets, and cash control on the financial performance of Bugadde Sacco in Mayuge district. A cross-sectional study design for quantitative and qualitative analysis was used on 40 respondents that brought back the questionnaires. Data was collected by use of a self-administered questionnaire, and interview guide. Quantitative data was analysed at univariate level basing on the mean and frequencies, percentages, bivariate level using correlation coefficient with the help of Statistical Package for Social Sciences 17.0 (SPSS). Qualitative data were analysed by content analysis by composing explanations and substantiating them using the respondents open responses.

The study found out that Bugadde Sacco plans for its cash as a tool against missuse, embezzlement and fraud of the Sacco's funds, the Sacco also employs other tools like cash banking, Staff productivity and profitability move in the same direction, Cash inflows, out flows, and planning was all found out to influence growth and expansion of Bugadde Sacco in Mayuge district. The researcher further found out that the Sacco maintains a cash book, petty cash book and other related books. It is from these documents that informed decisions can be made as regards forecasts, budgets, disbursements, allocations and controls and any other relevant aspect beneficial to the Sacco.

The researcher concluded that that cash planning leads to effective cash management, this ensures timely provision of cash resources necessary to support the Saccos' operations. Whether Bugadde Sacco is flush with cash or experiencing a shortfall of funds, good cash planning is critical to the success of every firm. And therefore went ahead to recommend Bugadde Sacco to put into place controls to ensure that cash is safe through opening the Sacco's Bank account to avoid mismanagement of its funds by individuals.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter consisted of the background of study, the statement of problem, general objective, specific objectives, research questions and the scope of the study, significance of study and the conceptual frame work that establishes the relationship between variables under study.

1.1.1 Historical Background

According to Van Horne (1995), Cash management is the managing the monies of the firm in order to maximize cash availability. It includes policies and procedures adopted by the management of an entity to assist in achieving the management policies, laws and regulations of cash, the prevention and detection of fraud and error, promoting orderly, efficient operations.

Cash management is an essential tool which aims at establishing the financial position of the organization. Pandey (1998) notes that it is a set of guidelines established by management to ensure that the organization has optimal cash balance at any time to meet the organization goals, cash recovered should be matched with cash spent on services so that there is no un used cash balances. Cash management is concerned with the management of cash flow that is to say inflow and out flow of cash, this seeks to archive control of cash by paying obligations like meeting organizational needs[Kakuru 2000]. The indicators of cash management include cash planning which is a technique use to plan and control the use of cash, safety that is to say there should be one to authorize use of cash, cash control, cash allocation and cash budget.

Cash management involves managing the monies of the firm in order to maximize cash availability. It includes policies and procedures adopted by the management of an entity to assist in achieving the management policies, laws and regulations of cash, the prevention and detection of fraud and error, promoting orderly, efficient operations(Van Horne1995).

According to Pandey (1998) cash is the money that a firm can disburse without any restriction. The term cash includes coins, currency and cheques held by the firm and balances on its bank accounts. Sometimes near cash items such as marketable securities or bank time deposits are also included in cash. According to Foulks (2005) Effective cash management enhances growth which in turn produces increased profitability,

According to Anderson (2011), financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. It is also a general measure of firms overall financial health over a given period of time and thus can be used to compare firms across the same industries or sectors in aggregation. The importance of financial stability according to Anderson (2011) ranges from enabling an organization to have sufficient resource for quality service delivery, maximizing the potential of service delivery, enhancing the ability to pay staff, vendors and creditors on time and maintenance of good credit risk .

It is also a general measure of a firms overall financial health over a given period of time and thus can be used to compare firms across the same industries or sectors in aggregation. The importance of financial stability according to Anderson (2011) ranges from enabling an organization to have sufficient resource for quality service delivery, maximizing the potential of service delivery, enhancing the ability to pay staff, vendors and creditors on time and maintenance of good credit risk . This makes financial performance an important area of concern that has attracted the attention of researchers, organizational managers, government and the public at large.

In Uganda, SACCOS are legal bodies registered under the Uganda cooperative statute of 1991 and cooperative societies regulations of 1992. Saccos are economic institutions doing business in order to grow survive and become sustainable the minimum number of members required to register a Sacco under the current law is 30 people. Saccos have been recognised as engines for growth and development. These provide employment to those unable to find jobs in the modern sector, retrenched, illiterate and semi-illiterate. In many countries, there has been considerable effort to support them to create the necessary employment opportunities, incomes and productive capacity (Atandi&Wabwoba, 2013). In Uganda, Saccos also play a significant role as they employ many of the active non-farming population. Saccos' limited performance has been associated with limited access to finance, inadequate provision of public services, and high regulatory burden. Other factors are limited access to differentiated markets, low education and managerial skills (corruption (Ishengoma&Kappel, 2011). Many Saccos in Uganda are not growing as evidenced by not expanding, not increasing on the work force, not opening other branches and their scale of operations remaining low (Nuwagaba and Hope Nzewi, 2013). This study therefore aimed at establishing the effects of cash management practices on the financial performance of saccos in Uganda, a case study of Bugadde Sacco in Mayuge district in Uganda.

1.1.2 Theoretical Background.

This research utilized liquidity management preference theory. This theory was put forward by John Maynard Keynes (2011). Liquidity preference refers to the amount of money the public is willing to hold given the interest rate. Keynes argued that there are three reasons for holding liquid assets. First, they act as ordinary transactions, second they act as a precaution against rainy day, and third, they are used for speculative purposes. Keynes showed that transaction deposits vary inversely with the rate of interest.

1.1.3 Conceptual Background

Pandey(1998) defined cash management as what is concerned with management of cash flows into and out of the firm, cash flow within the firm and cash balances lent by the firm at a time of financing deficit surplus cash .

Cash management involves managing the monies of the firm in order to maximize cash availability. It includes policies and procedures adopted by the management of an entity to assist in achieving the management policies, laws and regulations of cash, the prevention and detection of fraud and error, promoting orderly, efficient operations (Van Horne1995).

According to Pandey (1998) cash is the money that a firm can disburse without any restriction. The term cash includes coins, currency and cheques held by the firm and balances on its bank accounts. Sometimes near cash items such as marketable securities or bank time deposits are also included in cash.

1.2 Statement of the problem.

Cash management techniques like cash budget and cash planning are adopted by organizations in order to ensure effective investment of cash and to achieve improved financial performance in terms of profitability both in the short run and long run (Puxty and Dodds 1991). (Van Horne1995) adds that cash budget ensures streamlined expenditures within the organization which leads to its expansion in the long run. But despite the adoption of these cash management techniques, still most Saccos in Uganda have registered high level of embezzlements due to poor cash management techniques employed (Wanje, 2014:5). Bugadde Sacco is no exception. Poor cash management has been reported in the Sacco evidenced by increased corruption tendencies, given this lackluster cash management, it is thus not clear if the financial reforms have had any significant effect at Bugadde Sacco in Mayuge district. The study therefore sought to assess the effects of cash management practices on financial performance of Saccos; a case of Bugadde Sacco in Mayuge district in Uganda.

1.3 General objective.

The study sought to assess the effects of cash management practices on financial performance of Saccos, a case of Bugadde Sacco in Mayuge district in Uganda.

1.4. Other objectives of the study.

To establish the effects of cash planning on the financial performance of Bugadde Sacco in Mayuge district.

To determine the effects of cash budgets on the financial performance of Bugadde Sacco in Mayuge district.

To ascertain the effects of cash control on the financial performance of Bugadde Sacco in Mayuge district

1.5 Research Questions.

What are the effects of cash planning on the financial performance of Bugadde Sacco in Mayuge district?

What are the effects of cash budgets on the financial performance of Bugadde Sacco?

What are the effects of cash control on the financial performance of Bugadde sacco in Mayuge district?

1.6. Scope of the study

1.6.1 Content scope

The study was limited to cash management techniques, effects of cash management and the relationship between cash management techniques and financial performance of Bugadde Sacco in Mayuge district.

1.6.2. Geographical scope.

The study was conducted at Bugadde Sacco in Mayuge district, this is found in the eastern part of Uganda forming one of the districts in Busoga region.

1.6.3. Time scope.

My interest was to look for a Sacco that had existed for a period more than ten years as this would give as the best information in regard to the topic under study. By this, Bugadde Sacco had existed for fifteen years and majority of the expected respondents to the study had worked and been members of the Sacco ever since its introduction, therefore the research got reliable information in reference to the topic under study.

1.7. Significance of the study

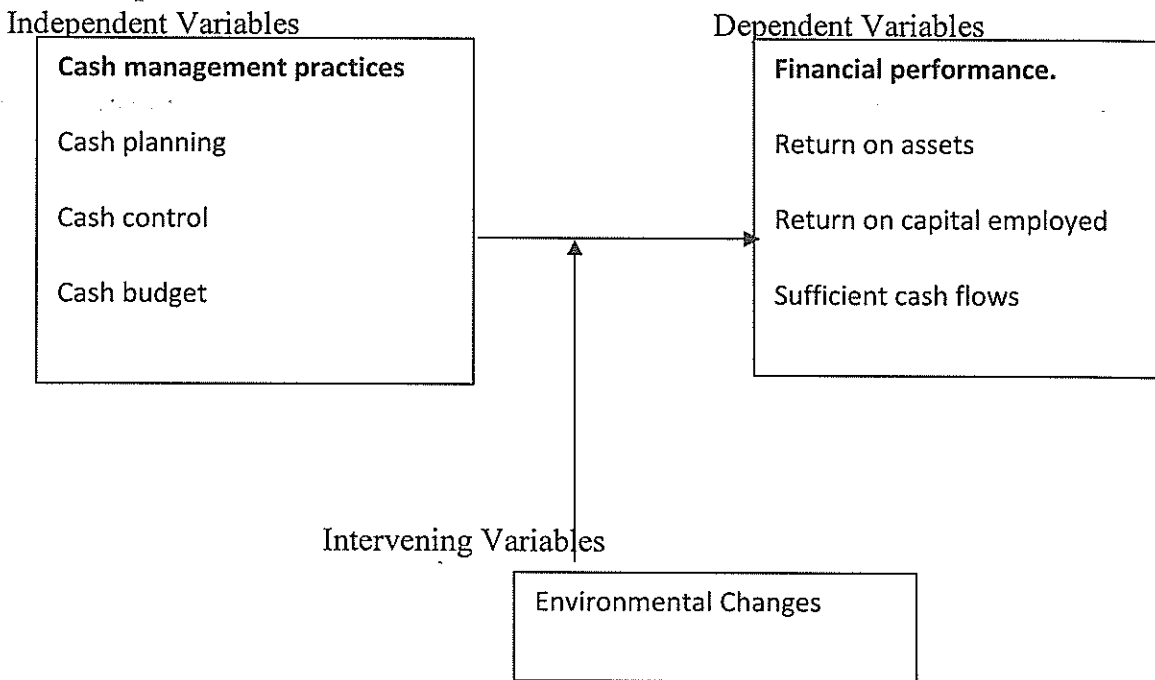
The study helped the researcher in understanding more about cash management techniques and how they influence financial performance of Saccos.

The study also helped the researcher to gain skills in conducting research for instance, interviewing which widens the knowledge and improves his career.

The study equipped the administration of Bugadde Sacco with knowledge on how better cash can be managed to reduce embezzlements of the Saccos' funds.

Research was also done as a future career and done as a business in order to earn some income.

1.8 Conceptual frame work



Source; Primary data.

1.9 Definition of key terms.

1.9.1 Cash Management.

Pandey (1998) notes that it is a set of guidelines established by management to ensure that the organization has optimal cash balance at any time to meet the organization goals, cash recovered should be matched with cash spent on services so that there is no un used cash balances.

1.9.2 Financial Performance:

According to Anderson (2011), financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. It is also a general measure of firms overall financial health over a given period of time and thus can be used to compare firms across the same industries or sectors in aggregation.

1.9.3 Cash Budget.

According to (Kakuru2003). A cash budget is a summary statement of the firm projected time period.

1.9.4 Cash Planning.

According to Pandey (2003) cash planning is a technique used to plan and control the use of cash.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the different existing literature from different scholars about the topic under study, the definition of cash management, Financial performance and then went ahead to extensively discuss the variables under study.

2.2 Theoretical Review.

2.2.1 Liquidity management preference theory.

This theory was put forward by John Maynard Keynes (2011). Liquidity preference refers to the amount of money the public is willing to hold given the interest rate. Keynes argued that there are three reasons for holding liquid assets. First, they act as ordinary transactions, second they act as a precaution against rainy day, and third, they are used for speculative purposes. Keynes showed that transaction deposits vary inversely with the rate of interest

The main argument in the theory is that at very low interest rate, an increase in the money supply does not encourage people to investment but instead increases cash balances. The reason is that people expect the interest rate to raise later. According to Puxty and Dodds (1999) it is essential to keep some of the organization's resources in cash by any business unit. The need to hold cash may be attributed to the following motives, the transaction motive, precautionary motive and speculate motive. Transaction motive recognized that the organization has to carry out daily transactions in order to protect its profitability position. cash is needed to pay labor, materials and utilities in order to ensure smooth operations (Kakuru 2001).

Precautionary motive cash is needed to Cashion the organization against any unforeseen problems like failure of emergency work force problems failure of electric system and such problems have negative implications on the organization profitability. Therefore, the availability of cash resource mitigates their effects and keeps the organization profits in balance (mantilla et al 1999). For speculative motive, the organization maintains cash balance in order to take advantage of ay profitability venture that may unexpectedly crop up likea suddenfall in price of scholastic materials. Once the organization cash is stripped, it will not be able to take on such advantages and additional incomes and savings from such events will be lost (Puxty and Dodds 1999). According to Kakuru (2005) transaction motive is the need to hold cash to facilitate day to day transactions of the firm. A firm needs cash to pay for wages and salaries purchase raw materials, cater for administrative expenses and pay taxes, dividends etc. the need to hold cash would not arise if there was perfect synchronization

between cash receipts and payments. The transaction motive therefore refers to holding cash to meet anticipated payments whose timing is not perfectly matched with cash receipts.

2.3 Conceptual Review.

2.3.1 Cash Management

Cash management is the movement of funds through financial institutions to optimize liquidity. It is the management of corporate funds to increase interest income earned by maximizing investments and reducing interest paid by minimizing borrowings Puxty and Dodds (1999). Cash management uses the knowledge of funds movement through the banking system, coupled with banking services and other financial products, to optimize liquidity. Atrill (2008) describes cash management as the scheduled gathering of information about a company's cash flow, its receipts, disbursements, and balances capital.

Effective cash management ensures the timely provision of cash resources necessary to support the company's operations. With the use of basic cash management tools and techniques, cash becomes a corporate asset that contributes directly to the bottom line. Whether a company is flush with cash or experiencing a shortfall of funds, good cash management is critical to the success of every company.

The trade-off theory of liquidity suggests that firms target an optimal level of liquidity to balance the benefit and cost of holding cash. The cost of holding cash includes low rate of return of these assets because of liquidity premium and possibly tax disadvantage. The benefit of holding cash is twofold: The firms save transaction costs to raise funds and need to liquidate assets to make payments. Secondly the firm can use liquid assets to finance its activities and investment if other sources of funding are not available or are extremely expensive.

Cash management is a financial discipline that uses the same principles, regardless of the type of business, size or age of an enterprise. Cash management is not an accounting function. The accountant records and reports transactions historically; the cash manager plans and executes these financial transactions. Cash managers use techniques, products and services to efficiently manage cash resources and satisfactorily resolve cash shortages or surpluses. Atrill (2008) calls for careful planning and monitoring of cash flows over time.

Performance is the end result of the whole organization's systems in relation to its objective. Gavin et al. (2009) aver that financial data have limitations as a measure of company performance. The two note that other measures, such as quality, may be better at forecasting,

but can be difficult to implement. This paper focuses on financial measures of profitability, liquidity and growth. Profitability can be measured by ratios such as Return on Investment (ROI), Return on Equity (ROE), Return on Assets (ROA) while the Optimal Growth is measured by total shareholder return creation and profitability perspective.

2.3.2 Financial Performance

Financial performance can be defined as a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues (Mills, 2008). This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. The performance measurement concept indicates that employees can increase the value of the firm by; increasing the size of a firm's future cash flows, by accelerating the receipt of those cash flows, or by making them more certain or less risky (Cadbury, 1992). There are many different ways to measure financial, but all measures should be taken in aggregation. Some of the indicators of financial performance are return on equity, liquidity ratios, asset management ratios, profitability ratios, leverage ratios and market value ratios.

Carreta and Farina (2010), argue that use of financial performance could still be justified on the grounds that it reflects what managers actually consider to be financial performance and, even if this is a mixture of various indicators like accounting profits, productivity, and cash flow. Financial performance is determined by the following indicators; profit or value added; sales, fees, budget; costs or expenditure and stock market indicators (e.g. share price) and autonomy. Proxies for the financial performance also include the accounting measure of performance; return on equity and return on assets.

Performance is the end result of the whole organization's systems in relation to its objective. Gavin et al. noted that financial data have limitations as a measure of company performance. The two note that other measures, such as quality, may be better at forecasting, but can be difficult to implement. This paper focuses on financial measures of profitability, liquidity and growth. Profitability can be measured by ratios such as Return on Investment (ROI), Return on Equity (ROE), Return on Assets (ROA) while the Optimal Growth is measured by total shareholder return creation and profitability perspective. According to Gilbert, Nelson and Nicholas (2013), problems in cash management practices occur when the management takes for granted the importance of managing cash. This happens when the entrepreneur does not focus on cash management. This will directly affect business operation. When businesses do

not prepare cash management, they will be unaware if there is any loss in the business. Then, when the businesses realize the loss and the need to recover, loan is obtained from the bank. This will cause the winding up of the businesses as they fail in improving their cash to cover the losses, and are unable to pay their loans.

2.3.3 Cash planning and financial performance of Bugadde Sacco in Mayuge district.

According to Pandey (2003) cash planning is a technique used to plan and control the use of cash. It involves preparation of forecasts of cash receipts and payments so as to give out an idea of the future financial requirements. Therefore the management of the school needs to determine the schedules of monthly disbursements and collection schedules of creditors. with efficient cash planning system, the financial needs of the school will be met, with reduced possibility of the cash balances which lowers the school's profitability and cash deficits which can lead to school's failure .

He further notes that a cash budget is the most significant device used to plan for and control cash receipts and payments.

In addition, according to Evans (2012), cash planning helps to maintain an optimal cash balance, that is, it is neither in excess nor in deficit. It can minimize the positive items and maximize the negative items that affect the cash cycle. Besides that, cash management also helps in spotting potential cash flow gaps. In particular, cash management serves as a reference tool for seeking funds from bankers, and in enhancing effectiveness. Furthermore, cash flow is an important measurement used by investors for evaluating business because cash management focuses on the actual operation, eliminates one-time expenses and non-cash charges, and indirectly, it will give a clear picture of what the company is truly doing. Hence, efficient cash flow management system plays a vital role and helps to demonstrate if an SME is profitable (Minnery, 2006).

Moreover, proper cash planning can prevent a business from bankruptcy, and therefore, profitability and sustainability of the business are ensured (Inc., 2013). In fact, proper and efficient management of cash is imperative towards the growth of small businesses. Usually, the cash flow of a small business could become a problem when the business deals with a number of customers who are difficult to be tracked and when the business sells products due to higher demand compared to the competitors (Inc., 2013). These problems can be avoided if cash flow is managed properly. The cash management practices are essential for every business to increase profitability, sustainability, and future planning. Cash management

practices also include cash budgets and cash flows. Cash management is important in describing the inflow and the outflow of cash, which refers to the movement of cash in the receiving to payment cycle. Cash management also is the most crucial task for entrepreneurs (Avika & Hari, 2014) in order to maintain the profitability and sustainability of their businesses. Besides that, poor cash management can also become challenging when it is employed to maintain the skill and knowledge among employees. Effective cash management ensures the timely provision of cash resources necessary to support the company's operations. With the use of basic cash management tools and techniques, cash becomes a corporate asset that contributes directly to the bottom line. Whether a company is flush with cash or experiencing a shortfall of funds, good cash management is critical to the success of every company.

2.3.4 Cash budgets and financial performance of Bugadde Sacco in Mayuge district.

A cash budget is a summary statement of the firm projected time period. This information helps the financial manager to determine the future cash needs of the firm, plan for the financing of these needs and exercise control over cash and liquidity of the organization (Kakuru2003). The researcher is wondering whether Bugadde Sacco actually budgets for inflows and outflows of cash. This is the overall attitude and actions of management regarding control system of cash in the entity. A strong control is one with tight budgetary control over cash received, cash banked, cash cheques, and effective control cash balances, cash brought down. According to Hamilton (2001) an obvious aim of any organization is to control and manage its cash affairs in such away as to keep cash balance at a minimum level and invest surplus cash in investment opportunities. Examples of procedures illustrating good cash control system. Control over cash received. This is where the organization safeguards against possible interceptions between receipt and opening of the post for example using a locked mail box and restricting access to the keys. Control over petty cash expenses should be budgeted for, that is to say petty cash should be reconciled by an independent person and the level and location of cash floats should be laid down formally and based on the needs of the organization.

The researches done in South Africa and Uganda proved that cash management practices in SMEs are poor (Avika & Hari, 2014; Abanis et al., 2013). A number of small businesses are being managed without appropriate strategy and with poor skills in cash management. The efficiency of a business in managing cash may influence the growth of business operations. Failure to do so can affect business operations, as sustenance of business operations can come

to a halt. Marion (2011) proved that out of five, three businesses failed within a short period of time - three years. It shows that in order to be successful in business, entrepreneurs must possess good strategies and ensure that they can achieve their targets. Besides that, according to Gupta, Wilson, Gregoriou and Healy (2014), evidences pertaining to SME financing strongly indicate that firms which are unable to generate sufficient operating cash flow (OCF) are more susceptible to bankruptcy.

According to Gilbert, Nelson and Nicholas (2013), problems in cash management practices occur when the management takes for granted the importance of managing cash budgets. This happens when the entrepreneur does not focus on cash management. This will directly affect business operation. When businesses do not prepare cash management, they will be unaware if there is any loss in the business. Then, when the businesses realize the loss and the need to recover, loan is obtained from the bank. This will cause the winding up of the businesses as they fail in improving their cash to cover the losses, and are unable to pay their loans.

According to Avika (2014), one of the reasons for failure in cash management is the reluctance among entrepreneurs to prepare cash statements, such as cash inflow and cash outflow, due to the time constraint that they face. Another issue in cash management failure is that some businesses do not control and monitor their sales and income. These problems will cause businesses to have insufficient money to cover their expenses. Moreover, due to this issue, statistics have proven that 40% of small businesses fail within the first ten years as the businesses fail to stand and sustain for a long period.

2.4 Relationship between cash management and financial performance.

Cash out flows and in flows always vary in one period. Cash out flows will exceed cash inflows due to numerous expenditure such as payment for taxes, dividends, seasonal inventory buildings. Once cash out flows exceed incomes a danger of illiquidity will most likely arise. If the company does not have near cash assets to convert and meet such payments, profitability will be threatened. In another period cash in flows might exceed cash out flows there by creating excessive liquidity and idle cash. If it's not wisely invested the organisation will lose profits on this idle cash. Thus cash management mitigates lack of synchronization of cash receipts and cash payments and thus enhances profitability (Shiff 1998).

Stoner (1997) describes performance as the ability to operate efficiently, profitably, survives, grows and leads to opportunities and threats. Stoner (1997) singled out that the production

process efficiently as the key factor governing business performance. There is emphasis on innovation for profitability, assets management and overall entrepreneurship for achieving lasting performance. Considering the definitions therefore, financial performance of Sacco can be defined in terms of profitability, liquidity and growth and expansion prospects for the business.

Lynch (2003) noted that one of the major aims of cash management is to accelerate cash inflows and delay cash out flows. However Lynch warned that both positions have associated dangers. Once cash inflows are accelerated, the costs of management and cash collection will most likely reduce while profitability will be enhanced, however the reduction of the credit period might negatively affect sales which most likely reduce profits.

Lynch (2003) further noted that delaying cash out flows may result in an ethical issues and costs. Over delaying to pay staff salaries and wages may result in to resentment of work, low morale, low productivity, and low productivity, high labor turn over, strikes, frauds and theft which increase operating costs that reduce profitability.

To Pandey (2003) cash management should ensure that firm's illiquidity should sound as profitability grows. Pandey noted that there is no advantage in paying sooner than greed. By delaying payments as much as possible, the Sacco makes it as a source of fund which is interest free but earning the Sacco some income. . Thus delaying payments enables the Sacco to realize extra profits from retained funds.

According to Kakuru (2001) if cash management concentrates on boosting the liquidity, high balances of cash will be maintained. However the higher these balances are, the more profitability will be fore gone. This is risky especially to people who expect profitable ventures. On the other hand if cash management seeks to boost profitability, investments are highly risky but profitable and the business is threatened as there will be no cost to meet the operating obligations as they fall due. If care is not taken profitability will be short lived as the school will be forced to close due to illiquidity.

To Mantile Etaal (1995), Hamilton (2001) and van Horne (1995) one of the primary objectives of a cashier is to maintain a sound liquid position of the Sacco in order to meet motives of holding cash. In this case the amount of cash balance will depend on the risk return trade off. The Sacco maintains optimum neither just enough, nor too much, nor too little cash balance. Optimum cash balance under certainty; Baumols Model. This model provides a formal approach for determining the schools optimum cash balance under

certainty. The school attempt to minimize the sum of holding cash and cost of converting marketable securities to cash and guarantee profitability (Pandey 2003 and Hamiliton (2001). The limitation of Baumol is that it does not allow cash flows to fluctuate. The Sacco uniformly do not use their cash balances nor are they able to predict daily cash out flows and inflows.

With an efficient cash planning system, financial needs of the school will be met with reduced profitability of idle cash balances which lowers the schools profitability and cash defeats which cause Saccos failure (Kakuru 2001). The purpose of managing cash balance is to a void having idle cash reserves or having deficit that can not be covered easily (Kakuru 2003). If surplus cash balances are invested near cash forms, the illiquidity of the Sacco will not be compromised by the investment and profitability will be enhanced.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This presented the methodology that was used to conduct the study. It presented the research design, study population, area of the study, sample size and selection, sampling methods of data collection, data management and analysis, reliability and validity, and limitations.

3.1 Research design

The study used a mixed research approach, namely quantitative and qualitative research approaches. The quantitative approach was used for descriptive statistics and statistical inferences. The qualitative approach complemented the quantitative approach by providing in-depth information for qualitative analysis (Fassinger& Morrow, 2013). This study adopted a cross sectional design by which either the entire population or a subset thereof is selected. The cross-sectional design appropriated in producing data required for qualitative analysis, allowing simultaneous description of views, opinions, perceptions and beliefs at a single point in time saving time during data collection (Olsen & Marie, 2004). The information gathered by this design represented what was going on at the particular point in time. This significantly helped in obtaining useful data in a relatively short period (Bordens& Abbott, 2011).

Table 1: Research Design.

Approach	Research Design
Quantitative approach	Descriptive statistics and statistical inferences.
Qualitative approach	Cross-sectional design

3.2 Target Population.

The study targeted a population amounting to 50 respondents that came from Administrative and the member body of Bugadde Sacco in Mayuge district in Uganda which were later used to determine the sample size using Solven's formula. These came from Sacco members, administrators and the finance committee.

3.3 Sample size

From Solven's formula;

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size

N = target population

e = level of significance (0.05)

Therefore Sample size = 50

$$1 + 50(0.05)^2$$

$$= \underline{50}$$

$$1.125 \cdot$$

$$= \underline{44}$$

Therefore, the sample size of the research study was 44 respondents.

Table 2: Study Population

Department/Category	Study population	Study Sample	Sampling Technique
Management/ Administration	09	08	Purposive sampling
Finance	05	05	Purposive sampling
Sacco Members	36	31	Simple random sampling
Total	50	44	

Source: Primary Data (2018)

3.4 Sampling techniques

The sample was selected using two sampling methods, namely; simple random and purposive sampling. Using simple random sampling, each individual was chosen by chance which guaranteed each individual in the population the same probability of being chosen for the study (Oso & Onen, 2009). On the other hand, purposive sampling was used to select respondents to provide in-depth responses for qualitative analysis. The method of purposive sampling chosen provided intensity purposive sampling. This was because intensity sampling allows the researcher to select a small number of rich cases that enable the obtaining of in depth information (Patton, 2003). Simple random sampling was used to select small scale entrepreneurs while purposive sampling was used to select micro-entrepreneurs and managers of micro-enterprises.

3.5 Data Collection Methods

3.5.2 Interviewing method

The qualitative method of data collection was interviewing. Through in-depth interviews, the respondents were asked their opinions and experiences about microfinance services and performance of their enterprises. The interview sought information of much detail (Moriarty, 2011). Each participant was talked to directly by the researcher (Bordens & Abbott, 2011).

3.5.1 Questionnaire

The study employed a questionnaire Survey on owners of small scale enterprises. The format used was a simple- multiple-choice based on the ordinal scale. The simple-multiple-choice identified only the most important alternative for each respondent preventing the respondent from expressing his or her preference over the others (Sato, 2004). This is preferred because it limits the quantity of data, it is easy to collect and helped to save time. The required responses were scaled on a five – point Likert scale with 5 intervals (1 = Strongly Disagree 2 = Disagree 3 = Undecided 4 = Agree 5 = Strongly Agree).

3.6 Data Collection Instruments

3.6.1 Self-administered Questionnaire

A self-administered questionnaire (SAQ) was administered on the respondents. The questionnaire was chosen because it collects appropriate data which makes data comparable and amenable to analysis, minimising bias in formulating and asking of the questions and made questions varied. The questionnaire had identical sets of items for all respondents. The questions in section (A) were on background characteristics based on the nominal scale with appropriate options given. Questions in section (B and C) were scaled using the five-point

Likert from a minimum of 1 through 5. This instrument helps in collecting data quantitative in nature.

3.6.2 Interview guide

An interview guide is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program or situation (Boyce & Palena, 2006). This method was useful for detailed information about the respondents' thoughts and helps to explore issues.

3.7 Measurement of variables

Measurement is the process of assigning numbers to objects or observations. It is some form of quantification expressed in numbers. Data/Scales of measurements in terms of their mathematical properties are grouped as nominal, ordinal, interval and ratio. The nominal scale that classifies data into one of two or more categories according to their names shall be used for background information of the respondents (Soicher, 2013). However, data of the independent and dependent variables was measured basing on the ordinal scale. By the ordinal scale, numbers assigned to cases specify the order of the cases (Fife-Schaw, 2006). Data was categorised basing on the likert scale format which is ranged from 1 to 5, strongly disagree, disagree, undecided, strongly agree and agree with.

3.8 Data quality control

3.8.1 Validity of Data Collection Instruments

Content related validity was considered in this study. This was achieved through consultation with the supervisor and fellow students reading through the questionnaire helping validate the instruments. There was computation of CVI (Content Validity Index) using inter-judge method. This was done by summing up the judges ratings and dividing by two to get the average.

3.8.2 Reliability of Data Collection Instruments

Reliability means the extent to which results are consistent over time. If the results of a study can be reproduced under a similar methodology, then the research instrument is considered reliable (Joppe, 2000). The strategies that were used to obtain reliability was prolonged engagement and audit trails for qualitative data. Data was systematically checked, focus maintained and there was identification and correcting of errors (Tashakkori & Teddlie, 2010). This ensured accuracy of data collected. Reliability for qualitative data was obtained by calculating Alpha – coefficient (α) using the statistical package for social sciences (SPSS 17.0).

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, DISCUSSION AND INTERPRETATION OF FINDINGS.

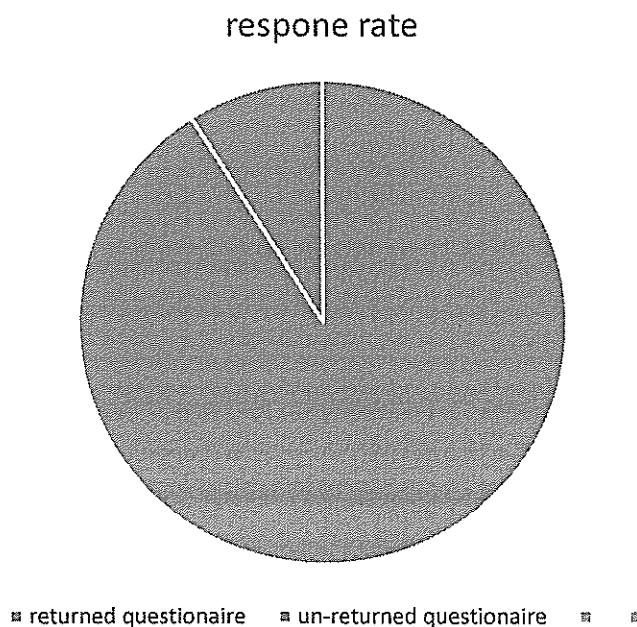
4.0 Introduction

This chapter covered data presentation, discussion and interpretation of the findings

4.2 response rate

The researcher distributed 44 questionnaires, these were to different classes of people within the Bugadde Sacco in Mayuge district among which included the finance officer, secretary, chairperson and the members. 40 respondents brought back the questions and only 4 did not manage to return the questionnaire therefore the response rate was 91%, this implied that the biggest part of the study sample gave their views about the topic under study.

The response rate of the respondents is shown in the pie-chart below.



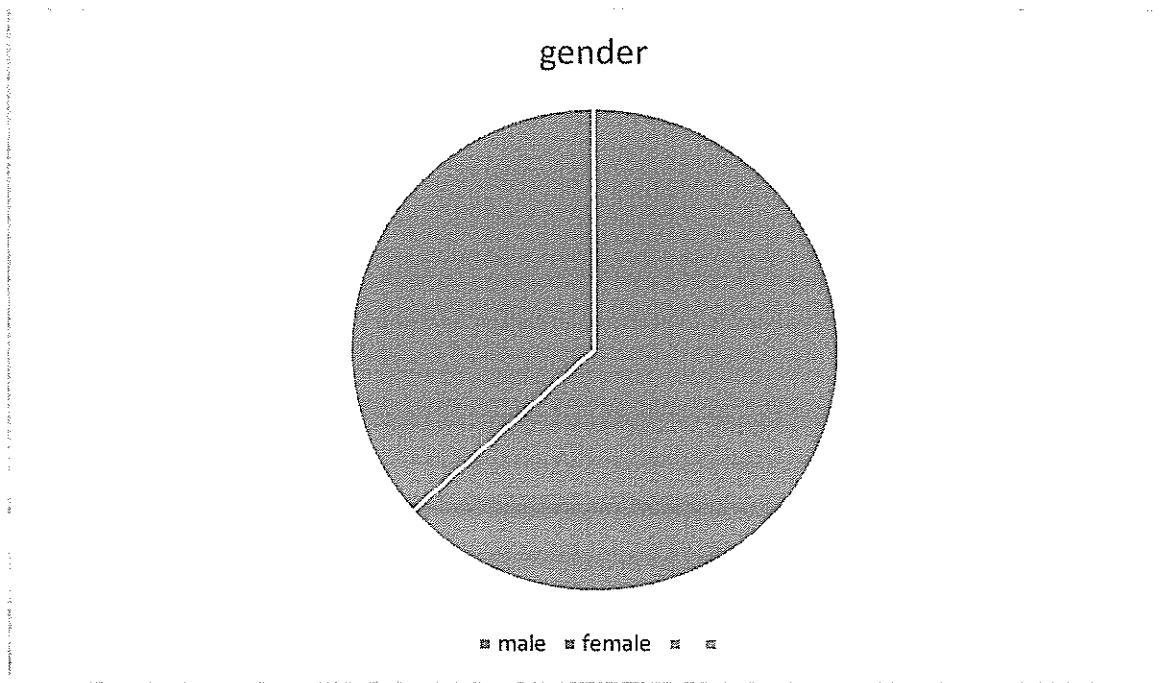
4.3 background characteristics of the respondents.

The researcher dealt with respondents of different characteristics in regards to gender, age group and education level as elaborated below.

4.3.1 Gender.

The research study covered a total number of 44 respondents among which 40 brought back the questionnaires, among the 40, 25 were males and 15 were females. Males were slightly more than females majorly because most men within the district are Educated compared to their counterparts therefore this makes them occupy many positions in the Sacco and also are at liberty to join the Sacco since they do not request for permission like the females who first need to consult their husbands.. Therefore 63% of the respondents were males and only 37% of females participated in these research study.

Below is a pie-chart showing the percentage of males and females that participated in this research study.

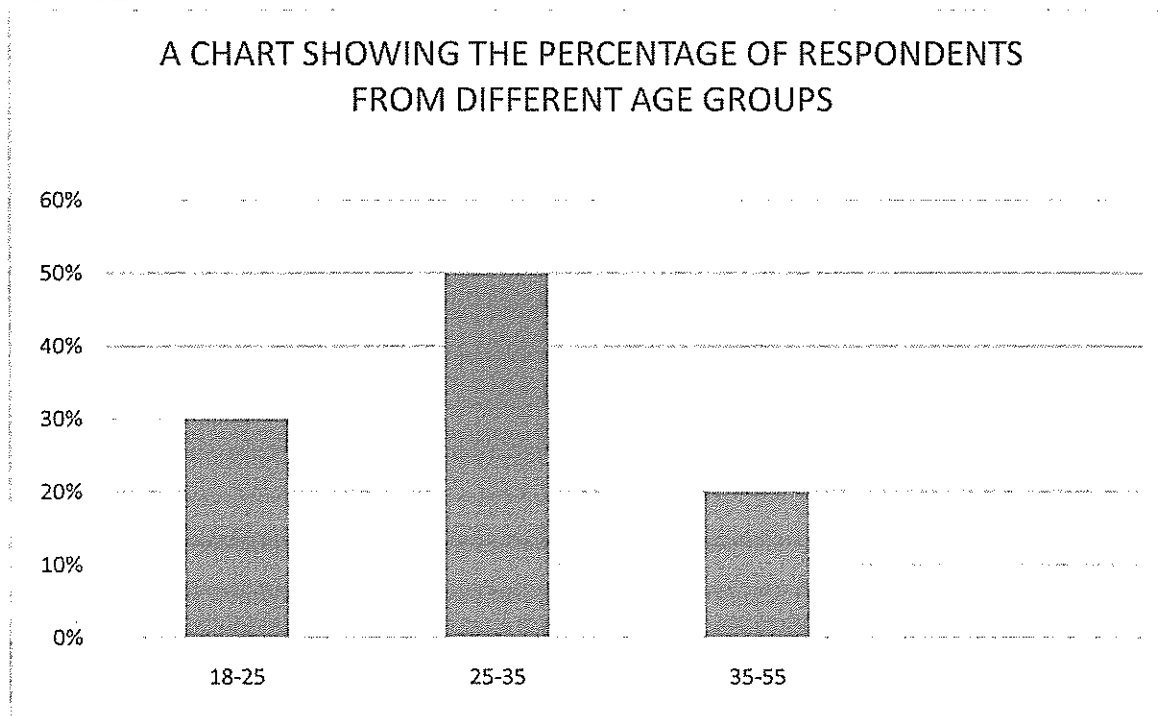


4.3.2 Age:

The researcher categorised the age of respondents into age groups starting with 18 – 25, 25-35 and 35-55. This was because these age groups were the most active when it comes to day to day running of the Sacco. Firstly, within the 18-25 age group, there were 12 respondents, Majority of the respondents lied in the 25-35 age group as they were 20 out of the 40 respondents and lastly within the 35-55 age group, respondents were only 8 and this was the age group with the least umber of respondents. The researcher found out that the reason for many respondents lying within the 25-35 age group is that they were health enough and possessed high levels of skills and expertise in their specific work at Bugadde Sacco in Mayuge district

The graph below shows the number of respondents in different age groups.

FIGURE 4.2



Source; primary data 2019.

3.9. Research procedure

The researcher obtained a letter of introduction from Kampala International University which was presented to the authorities at Bugadde Sacco in Mayuge district after which, a list of respondents to the study were randomly selected. A self-administered questionnaire was used to collect information from the above mentioned respondents. The researcher then purposively selected the top leaders like the chairperson of the Sacco, Interviews were used to obtain data from the above mentioned senior officers. After data collection, data was analyzed; a report was written and submitted to Kampala International University for review.

3.10 Ethical Consideration

The researcher kept all the information got confidential and for only education purposes and disclosed any information upon agreement with the respondents to this research study. Therefore the major ethical considerations of this study were privacy and the confidentiality of the respondents.

The following steps were taken by the researcher to ensure privacy

- The name of the respondent did not appear on the questionnaire.
- Permission was solicited first from the concerned individuals before the study

3.11 Limitations of the Study

The researcher was limited by finances, this is because of the too much costs inform of travel, printing, typing that were associated to the study.

Due to the self-report nature of data which entailed the use of questionnaires, responses on the survey did not accurately convey their real information about the study. This was because Some of the respondents did not return the questionnaires therefore, resulting to lesser the targeted sample thus, influencing the nature of statistical reporting.

Finally, due to limited time available to carry out the research, the above areas were not comprehensively studied to provide a national wide picture. This would be an important area because policy makers and implementers argue that Cash management practices and financial performance of Saccos in Uganda can only be resolved by providing them with research action points based on empirical data.

4.3.3 Respondent's Level of Education

The table 4.3 shows the level of education of all respondents that participated in the research study.

category	Certificate	Diploma	degree	masters	PHD	Total
Male	2	3	15	3	2	25
female	2	10	2	1	0	15
Total	6	8	25	5	2	40

Primary data 2019

4.3.4 Duration spent at Bugadde Sacco.

The study sought to establish the duration of years the respondents had been members of Bugadde Sacco in Mayuge district. The study findings are shown in Table 4.6

Table 4.6: Duration Worked

Duration worked	Frequency	Percentage
Less than 2 years	2	5
3-5 years	8	20
6-8 years	20	50
9 and above years	10	25
Total	40	100

Primary data 2019

Duration of respondents spent in the Sacco affects the experience of the respondents. This has a direct influence on the information given by the respondent. From the findings in Table 4.6 majority of the respondents have worked at Bugadde Sacco between 6-8 years.

4.4 Empirical results/findings.

The researcher used questionnaire guide and interview guide for collecting data from the respondents. According to his findings on the data collected following objective by objective criteria backed up by the research questions. On the first objective of the research report, the researcher asked a question below;

4.5 Effects of cash planning on the financial performance of Bugadde Sacco in Mayuge district?

Several statements on management accounting practices were identified and the respondents were required to indicate the extent to which it applied at Bugadde Sacco in Mayuge district. A scale of 1-5 where 1=strongly agree, 2= agree, 3= not sure, 4= disagree and 5= strongly disagree was used. From the responses mean and standard deviation were calculated for ease of interpretation. The finding is shown in Table 4.10

4.3.1 Findings on the effects of cash planning on financial performance at Bugadde Sacco in Mayuge district

Table 5:

Category	Frequency	Percentage
Strongly agree	28	70%
Agree	10	25%
Not sure	2	5%
Disagree	0	0%
Strongly disagree	0	0%
Total	40	100%

Source: Primary data

Results above reveal that 70% strongly agree that cash planning is a management tool, 25% agreed that Bugadde Sacco utilizes cash planning as a technique used in maintaining its cash, where as the 5% were not sure. The Sacco maintains a cash book, petty cash book and other related books. It is from these documents that informed decisions can be made as regards forecasts, budgets, disbursements, allocations and controls and any other relevant aspect beneficial to the Sacco. The findings properly coincided with Pandey (2003) idea of cash planning as a technique employed to direct and control the movement of cash. Having good cash planning in place shall lead to proper utilization of this cash as per planned utilities/ investments and hence leading to growth and expansion of the Sacco.

In an interactive interview with the chairperson of Bugadde Sacco, Mr. Lule Joseph Wilson emphasized the rational of planning for cash in any institution where cash is used as a medium of exchange with other goods or services provided.

4.3.2 Effects of cash budgets on the financial performance of Bugadde Sacco in Mayuge district.

Table 7: cash budget

Category	Frequency	Percentage
Strongly agree	30	75%
Agree	7	18%
Not sure	3	7%
Disagree	0	0%
Strongly disagree	0	0%
Total	40	100%

Source: Primary data

The findings reveal that 75% of the sample population strongly agreed that cash spent according to the budget drawn by Bugadde Sacco, 18% agreed also with the statement. It was found out that Bugadde Sacco makes flexible budgets in order to cater for un expected occurrences like drought that may affect farms of their clients or members. Budgeting is one way to hedge risks as already stated by Eugen (1995). “Am responsible to the Sacco’s budget allocations” says the Sacco’s financial officer. This means that all expenses are budgeted for as one way against misuse and theft, Cash is safeguarded as a control from fraud and embezzlements and hence cash will be available for any profitable investments.

4.4.3 Effects of cash control on the financial performance of Bugadde Sacco in Mayuge district

Table 6: cash control

Category	Frequency	Percentage
Strongly agree	32	80%
Agree	8	20%
Not sure	0	0%
Disagree	0	0%
Strongly disagree	0	0%
Total	40	100%

Source: Primary data

The findings revealed that 80% strongly agreed that there were cash controls at Bugadde Sacco in Mayuge district, 20% agreed to the statement. The findings clearly brings out the ideas of Kakuru 2001, Van Holmes 1995 as well as Pandey 2003 that cash should only be out when delay is no longer necessary and possible and non-beneficial. This means that good cash control eliminates and minimizes fraud and embezzlement of the Sacco's funds there by leading to its growth and expansion in the country especially in Busoga region.

4.5 Extent of Cash Management Practices at Bugadde Sacco in Mayuge district

From Table 3, the results indicate that cash management practices are very high among micro and small businesses like Bugadde Sacco. This shows that most businesses applied good practices in managing their cash. However, results of the internal control on cash management are consistent. In Uganda, the many entrepreneurs have some weaknesses in their practices where the internal control on cash management is not at times properly implemented, for example, the owner/manager may be involved in the preparation of cash budget. Besides that, in terms of preparing the accounting records, most of the cashiers were involved in this accounting process. These practices need to be avoided since they may lead to bias and manipulation in their recording.

Table 3: Extent of Cash Management Practices at Bugadde Sacco in Mayuge district

	Item	Mean	Interpretation	Rank
1	This Sacco only sells goods or provides services in cash.	3.77	Very high	1
2	Bugadde Sacco sets the minimum cash balances based on owner/manager's experience.	3.22	High	2
3	Bugadde Sacco monitors the cash budget.	3.21	High	3
4	The Sacco has a bank account.	3.17	High	4
5	The Sacco prepares the cash budget.	3.13	High	5
6	This Sacco receives and has a monthly bank statement.	3.11	High	6
7	This Sacco has internal control on cash.	3.01	High	7
8	Bugadde Sacco has never faced a shortage of cash.	2.95	High	8
9	This Sacco always has a cash surplus.	2.88	High	9
10	The cashier is not involved in any matter of accounting records.	2.36	Low	10
11	The owner/manager is not involved in the preparation of cash budget.	1.75	Very low	11
	Average mean	2.96	High	

4.7 Relationship between cash management and financial performance at Bugadde Sacco in Mayuge district
Correlations

			Cash management	Financial performance
Spearman's rho	Cash management	Correlation Coefficient	1.000	.669*
		Sig. (2-tailed)	.	.035
		N	40	40
		Financial performance	Correlation Coefficient	.669*
	Sig. (2-tailed)	.035	.	
	N	40	40	

*. Correlation is significant at the 0.05 level (2-tailed).

The table shows a strong significant positive relationship as indicated by spearman correlation coefficient as 0.669 and correlation is significant at 0.05(2-tailed). This implies that with proper cash management in place, the financial performance will in turn increase. This is because cash management has an influence on financial performance for example if cash planning, cash collection, cash allocation, cash budget are emphasized when carrying out cash management then better financial performance is guaranteed.

4.8 Discussion of findings

The findings of this study revealed that Bugadde Sacco implement high level of cash management practices. However, the cash management practices are still poor in terms of the internal control of cash management practice particularly on the person who is involved in the accounting record and the preparation of cash budget. The result of this study is important to entrepreneurs in evaluating their current cash management practices. It is important to ensure that they are aware of the benefits of cash management including strengthening

business efficiency, improving the performance and enhancing long term survival of the SMEs. Besides that, the government and the capital provider also need to have more proactive roles in educating the entrepreneurs and many other Saccos in the country on the best ways to manage the cash including planning cash flows, monitoring cash flows and controlling cash flows in order to support the financial management.

The study established that since the implementation of cash management techniques at Bugadde Sacco in Mayuge district corruption practices have reduced as all workers or members act with integrity while carrying out transactions and offering services to the public. These findings are consistent with the findings of Wamuyu (2013) who established that implementation of cash management techniques leads to a significant improvement in both public financial management and quality service delivery within the organization. Streamlined procedures and reduced corruption meant that cash management techniques ensured that the Saccos budget is executed to avoid overspending. Conrad (2013) found that exchequer budget release of funds not coinciding with the manual funds release process was a challenge. This implies that there may still be potential gaps in the achievement of financial probity through the use of cash management techniques. Rodin-Brown (2008) points out that cash management involves internal controls over data entry, transaction processing, and reporting; and has common processes for similar transactions and a system design that eliminates unnecessary duplication of data.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of key data findings, conclusion drawn from the findings and recommendation made. The conclusions and recommendations drawn were focused on addressing the purpose of the study which was to establish the effects of cash management practices on the financial performance of Saccos in Mayuge district at Bugadde Sacco.

5.1 Summary of Findings

5.1.1 Effects of cash planning on financial performance of bugadde Sacco in Mayuge district.

The study found out that Bugadde Sacco maintains a cash book, petty cash book and other related books. It is from these documents that informed decisions can be made as regards forecasts, budgets, disbursements, allocations and controls and any other relevant aspect beneficial to the Sacco. The findings properly coincided with Pandey (2003) idea of cash planning as a technique employed to direct and control the movement of cash. Having good cash planning in place shall lead to proper utilization of this cash as per planned utilities/ investments and hence leading to growth and expansion of the Sacco.

Mr Lule the chairperson of Bugadde Sacco noted that to determine the schedules of monthly disbursements and collection schedules of creditors. with efficient cash planning system, the financial needs of the Sacco are met, with reduced possibility of the cash balances which lowers the Sacco's cash deficits which could lead to its failure. He further notes that a cash budget is the most significant device used to plan for and control cash receipts and payments.

In addition, Finance officer, Mr Baliraine Joshua said that cash planning helps to maintain an optimal cash balance, that is, it is neither in excess nor in deficit. It can minimize the positive items and maximize the negative items that affect the cash cycle of Bugadde Sacco.

5.1.2 Effects of cash budgets on financial performance of bugadde Sacco in Mayuge district.

It was found out that Bugadde Sacco prepares flexible budgets in order to cater for un expected occurrences like drought that may affect farms of their clients or members. These has strongly reduced risks associated with production especially agricultural products. Therefore Budgeting is one way to hedge risks. Budgeting further streamlines the expenditures of the Sacco by making sure that all expenses are budgeted for as one way against misuse and theft, Cash is safeguarded as a control from fraud and embezzlements and hence cash will be available for any profitable investments.

5.1.3 Effects of cash control on the financial performance of Bugadde Sacco in Mayuge district

The study found out that cash control eliminates and minimizes fraud and embezzlement of the Sacco's funds there by leading to its growth and expansion in the country especially in Busoga region. Proper cash control prevents Bugadde Sacco from bankruptcy, and therefore, profitability and sustainability of Bugadde Sacco in Mayuge district are ensured. In fact, proper and efficient management of cash is imperative towards the growth of the Sacco. The researcher further found out that the Sacco allocates its cash resources in regard to the set objectives. For example in the period of 2 years the Sacco was able to buy irrigation materials to help their members during the dry season. Therefore majority of the respondents were of the view that cash should be allocated in line with the set goals.

5.2 Conclusions.

5.2.1 Cash planning on financial performance of bugadde Sacco in Mayuge district.

The researcher concluded that cash planning leads to effective cash management, this ensures timely provision of cash resources necessary to support the Saccos' operations. Whether Bugadde Sacco is flush with cash or experiencing a shortfall of funds, good cash planning is critical to the success of every firm. contributing to the same view ,further notes that the cost of holding cash includes low rate of return of assets because of liquidity premium and possibly tax disadvantage while the benefit of holding cash is twofold: The firms save transaction costs to raise funds and liquidate assets to make payments

Of the major areas that were focused on was cash management and financial performance, the general findings is that cash management is a control tool in an organization. Given the size and complexity of the organization and the partnership as a whole, business with out cash management would have been a big dream. Despite errors which may be inevitable and system huddles which may be encountered time and again, a lot of good work goes on and the level of staff dedication is paramount.

5.2.2 Cash control on the financial performance of Bugadde Sacco in Mayuge district

The researcher concluded that, a strong cash control is one with tight budgetary control over cash received, cash banked, cash cheques, and effective control cash balances, cash brought down. Therefore an obvious aim of any organization is to control and manage its cash affairs in such a way as to keep cash balance at a minimum level and invest surplus cash in investment opportunities. Examples of procedures illustrating good cash control system. Control over cash received.

Further the study established that cash management practices have a positive and significant

effect the Sacco's financial performance. This paper thus concludes that cash management practices such as using proper and petty cash book have a positive impact on the Sacco's performance. Proper cash management is therefore vital to the success of Bugadde Sacco in Mayuge district.

5.2.3 Cash budgets on financial performance at Bugadde Sacco in Mayuge district.

The researcher concluded that the budget provide information that helps the financial manager to determine the future cash needs of the firm, plan for the financing of these needs and exercise control over cash and liquidity of the Sacco, this further leads to growth and expansion of Bugadde Sacco in Busoga region and Uganda as whole.

5.3 Recommendations

5.3.1 Cash planning on financial performance of bugadde Sacco in Mayuge district.

As far as the Saccos' surpluses and deficits are concerned, Bugadde Sacco needs to invest such monies in projects beneficial to the public and its members for example cultivating maize, cassava, banana and many other crops, this is because majority of the members deal in agricultural products.

5.3.2 Cash control on the financial performance of Bugadde Sacco in Mayuge district

The researcher recommended bugadde Sacco to increase on the number of signatories of the accounts of the Sacco this reduces embezzlement of the Sacco's funds by a few individuals who may connive to utilize the funds for their selfish interests. The researcher further recommended Bugadde Sacco to prepare petty cash books to make sure all the small expenses made on day to day basis have accountability

5.3.3 Cash budgets on financial performance at Bugadde Sacco in Mayuge district.

The researcher recommended Bugadde Sacco to operate o flexible budgets, this helps to cater for un expected disasters like drought that had for a long time affected their clients who deal in agricultural products. He further recommended that, a strong cash control is put in place, this is one with tight budgetary control over cash received, cash banked, cash cheques, and effective control cash balances, cash brought down. Therefore an obvious aim of any organization is to control and manage its cash affairs in such a way as to keep cash balance at a minimum level and invest surplus cash in investment opportunities

5.4 Areas of further research

More research should also be emphasized on some of the parameters or factors that seem to have a positive effect but not significantly affect the level of success in the budgetary

implementation at Bugadde Sacco in Mayuge district. The study also concentrated with the internal budgetary implementers and therefore future research should be carried to include external implementers and any other stakeholders

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APPENDIX-1:
QUESTIONNAIRE TO THE RESPONDENTS.

Dear Respondent,

I am a student of Kampala International University conducting an academic research study. Bugadde Sacco in Mayuge district is acting as the case study and you have been considered to be one of the respondents. With respect, the researcher request you to spare sometime and answer the questions attached. All the data provided will be used for academic purpose only and will be treated with confidentiality.

I will be grateful for your sincere response.

Section A: Details about respondents (Tick in the box)

1. Gender

Female Male

2. Age

Up to 25year 26-35 years
36-45years above 45years

3. Education level

Primary
A level
Certificate
Diploma
Degree
Post graduate

4. Period spent as a member at Bugadde Sacco in Mayuge district:

Less than 1 year

1-4year

5-8 years

Above 8 years

In section B, use the scale provided to tick or circle a number that describes your opinion. 1 strongly disagree, 2. disagree, 3. not sure 4. agree 5. Strongly agree

Section B

The effects of cash budgets on financial performance at Bugadde Sacco in Mayuge district.

Item	1	2	3	4	5
The Sacco members and administrators monitor the cash budget.					
Bugadde Sacco has a bank account.					
It prepares the cash budget.					
This Sacco receives and has a monthly bank statement.					
Bugadde Sacco has internal control on cash.					
It has never faced a shortage of cash.					
Our Sacco always has a cash surplus.					
The cashier is not involved in any matter of accounting records.					
The chairperson is not involved in the preparation of cash budget.					

The effects of Cash planning on financial performance at Bugadde Sacco.

Item	1	2	3	4	5
Bugadde Sacco draws plans of expenditure before use of cash					
This Sacco provides minimum cash balances based on member/chairperson's experience.					
The Sacco members and administrators monitor the cash budget.					

The effects of cash control on the financial performance of Bugadde Sacco

Item	1	2	3	4	5
Reduces the miss use of the Saccos funds.					
This Sacco provides minimum cash balances based on member/chairperson's experience.					
The Sacco members and administrators monitor the cash budget.					

APPENDIX II

A TABLE SHOWING TIME FRAME FOR THE STUDY.

S/N	MONTH/PERIOD (2018-2019)	ACTIVITY.
1	November	Topic Formulation and analysis.
2	November	Research proposal writing.
3	December	Submission of the research proposal.
4	January	Dissertation writing
5	January	Submission of the dissertation

APPENDIX II.

AN ESTIMATED BUDGET SHOWING EXPENDITURES DURING THE STUDY.

PARTICULARS	QUANTITY	UNIT COST	TOTAL COST
Internet/Cafe	Lump sum	10,000	10,000
Communication cost	Lump sum	10,000	10,000
Typing, Printing and photocopying.	several	70,000	70,000
Travel		18,0000	36,000
Food and Drinks			15,000
Miscellaneous	Lump sum		15,000
TOTAL			156,000

BUGADDE COMMUNITY SAVINGS & CREDIT CO-OPERATIVE SOCIETY



P.O.Box 40, Mayuge - Uganda, Tel: 0434250107/
0434251102

uesday , Feb 05 , 2019

AKAIRE ABBEY
EG. NO: 1161-05014-04195

MISSION FOR RESEARCH STUDY

This is to inform you that you have been offered an opportunity to undertake research study in Bugadde community savings & credit co-operative society.

During the period of research, you will be attached to Bugadde Sacco, Mayuge district under the supervision of a branch manager.

BUGADDE SACCO MAYUGE DISTRICT
Sign: *Joseph Wilson*
Date: 05/02/2019
Joseph Wilson
MAYUGE-UGANDA

FOR: SR. DY. MANAGER HR TRAINING & DEVELOPMENT

Copy to; *The HOD Accounting & Finance, KIU*
The Chief Finance Officer
File