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**Financial
Management Practices and Sustainability of Non Governmental
Organisations Projects in Juba, South Sudan**

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Financial Management Practices and Sustainability of Non Governmental Organisations Projects in Juba, South Sudan

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Abstract

Purpose: The purpose of this study was to investigate the effect of financial management challenges on financial sustainability of Non-Governmental Organizations in south Sudan.

Methodology: The study used descriptive research design. The target population of the study was all the 112 NGO in South Sudan at July 31st 2015. A census of all the 112 key financial manager personnel was taken since the population is small. Primary data was collected through the administration of the questionnaires. This study generated both qualitative and quantitative data. Data was analyzed mainly by use of descriptive and inferential statistics that is, graphical and numerical methods, measures of central tendencies as well as measures of variability. The particular inferential statistics were regression and correlation analysis. Multiple regression equation was used to determine the strength and directions of the association between the variables with the results.

Results: The study findings indicated that there is a significant and positive relationship between budget control and the financial sustainability of NGOs in South Sudan. The results also indicated that there is a significant and positive relationship between financial reporting and the financial sustainability of NGOs in South Sudan. Also, results found out that there is a significant and positive relationship between income source diversification and the financial sustainability of NGOs in South Sudan. Further, the results indicated that there is a significant and positive relationship between donor relationship management and the financial sustainability of NGOs in South Sudan.

Unique contribution to theory, practice and policy: The study recommended that budget control activities such as financial resources, competent human resource, and participation of both staff and other stakeholders in the budgeting process, proper planning, evaluation, monitoring and control of the budget process and staff motivation should be fully adopted by NGOs in order to sustain their financials. The study also recommended that income source diversification activities such as charitable donations from individuals and corporations, grants, fees, commission, contracts for service, and sales of goods and should be adopted in order to enhance the financial sustainability of NGOs.

Keywords: *Budgetary Controls, Financial reporting, project sustainability, income source diversification, Donor relationship management.*

1.0 INTRODUCTION

According to Nzimakwe (2008), NGOs are institutions that advance development which consist of a variety of functional, geographic, membership and organizational groupings. Globally, NGOs are involved in pressing forward for international human rights primarily by setting standards, documenting violations and lobbying for successful enforcement of the human rights norms. By setting the standards, NGOs were and are still instrumental in the establishment of international norms by which the conduct of states can be able to be measured or judged. NGOs also give pressure to national governments to sign and ratify the treaties that embody human rights norms and have worked to enhance the use of the complaint mechanisms of these treaties (Paul, 2000).

Project sustainability will be one of the key challenges for NGOs in the next decade: only those institutions that have sound financial structures and stable income flows will be able to fulfil their multiple missions and respond to the current challenges in an increasingly complex and global environment. Indeed, financial sustainability is not an end in itself; it aims to ensure a organization's goals are reached by guaranteeing that the institution produces sufficient income to enable it to invest in its future. Unsustainable project operations can be accommodated for either by developing sustainable operations or by planning for a future lacking in resources currently required. In practice organizations mostly tend to aim towards sustainability by increasing efficiency in the way in which resources are utilized.

According to Habib, (2013) financial management is the operation of an internal control system. Financial management of projects must be actively managed; it is an important part of the project management process and should be reviewed by the project manager, financial team, stakeholders and key project team members regularly (Weick, 2005; Backström, 2004; Jensen, 2004; van Eijnatten, 2003). By keeping a close eye on the project budgets one will be assured that they are kept within the forecast set from the beginning. A financial management system has the following characteristics: Physical Control, Authorization and Approval control, Personnel Control, Segregation of Duties, Supervision Control, Arithmetical or Accounting Control, Management Control, Organizational Control. Financial management is one of the most important project management activities needed to ensure your project is delivered within the cost expectations laid down by the project's definition (Cleland, 2009). Financial management like any form of control process is not about collecting and measuring how much cost you have expended on the project, and then simply looking at the budget and deciding what is left will 'obviously' finish the project (Bourne and Walker, 2003). Cost control success factors are based on good project control practices, which result in good cost and schedule outcomes thus success of the project (Strogatz, 2003).

1.1.1 NGOs in Juba

In relation to basic services in Juba, NGOs are the Principal Recipient of Global Fund resources and supported the effort of government and partners to extend health services to vulnerable communities and strengthen health systems contributing to enhanced delivery of services. The first South Sudan Millennium Development Goals progress report was launched during the 2013 Governors Forum, reporting modest gains in maternal health and combating HIV and AIDS, Malaria and other diseases. In South Sudan, NGOs have adopted a flexible approach to

reviewing and revamping its work and tailoring programmes to meet the emerging needs of the population while maintaining an emphasis on sustainable, long-term development. To meet immediate needs, the Country Office developed an integrated Crisis Prevention and Recovery programme covering the period of 2014-2015 which focuses on peace building and reconciliation; livelihood recovery; and deepening democracy and governance. In addition, the UNDP Country Programme Document and the Country Programme Action Plan is being aligned to the new United Nations Development Assistance Framework (UNDAF 2012-2016) which is guided by the South Sudan Development Plan (SSDP 2011-2016)

1.2 Problem Statement

The absence of proper financial management practices has made it hard for NGOs to remain a going concern (NGO council 2012) and this affects sustainability on NGOs. This is because if there are no proper financial management practices benefited from such funds will be minimal and the objectives of the organization will not be met. When the objectives of an organization are not met then project sustainability is questionable. Since local NGOs tend to be small in size there is a probability of not being able to come up with proper financial practices due the finances needed or due to lack of enough staff to enable segregation of duties (NGO council 2006)

According to Globerson and Zwikeyal, (2002) experience reveals that the financial management processes of NGOs are generally weak and dominated by conditions of resource scarcity vis-à-vis the ever increasing agenda of social development activities on which such funds could be spent. According to Globerson and Zwikeyal, (2002) 85% successful performance of a project depends on appropriate financial planning. Shtub, Bard and Globerson, (2005) underscores that a suitable project control system is an important part of the project management effort. Mackenzie, (2010) while citing Myers et al, (2001), Fortune and white, (2002) and Mackenzie, (2010) while citing Myers et al, (2001), Fortune and white, (2002) and shentar, (2000) reckons that project performance can be improved if more attention is given to the issue of control, clear goals, management support, ownership, a control mechanism and communicating. Therefore this study sought to establish the effect of financial management challenges on financial sustainability of nongovernmental organizations in south Sudan.

1.3 Research Objectives

The general objective of the study was to investigate the effect of financial management challenges on project sustainability of nongovernmental organizations in south Sudan.

Its specific objectives were;

1. To determine the extent to which Budgetary Controls affect the project sustainability of NGOs in South Sudan
2. To examine the effects of sound Financial reporting on the project sustainability of NGOs in South Sudan
3. Determine how income source diversification affects the project sustainability of NGOs in South Sudan

4. Examine the effects of Donor relationship management on the project sustainability of NGOs in South Sudan

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Resource Based View theory

Resources of the right quality and quantity are important for strategy implementation (Aosa, 1992, Machuki and Aosa, 2011). Resource based view of the firm starts with the assumption that the desired outcome of managerial effort within the firm is a sustainable competitive advantage (SCA). Achieving a SCA allows the firm to earn economic rents or above-average returns. In turn, this focuses attention on how firms achieve and sustain advantages. The resource-based view contends that the answer to this question lies in the possession of certain key resources, that is, resources that have characteristics such as value, barriers to duplication and relevance. A SCA can be obtained if the firm effectively deploys these resources in its product-markets. Therefore, the RBV emphasizes strategic choice, charging the firm's management with the important tasks of identifying, developing and deploying key resources to maximize return. This theory is relevant to the study since it informs the dependent variable (project sustainability). For the NGOs to perform better, they should have resources for sustaining their projects. The resource-based view (RBV) offers critical and fundamental insights into why firms with valuable, rare, inimitable, and well organized resources may enjoy superior performance

2.2 Empirical Review

A survey conducted by Ambetsa, (2004) of budgeting control practices by commercial airlines operating at Wilson Airport, Nairobi indicated that the challenges faced were budget evaluation deficiencies, lack of full participation of all individuals in the preparation of the budget and lack of top management support. He further concludes that airlines operate and use budgets to plan implement and evaluate their business performance. All enterprises make plans using budgets some in a systematic and formal way, while others in an informal manner but still have some form of budgetary control and budgetary control practices. Therefore the issue is not whether to prepare a budget but rather how to do it effectively

Schwartz, (2000) argues that the major report to be audited to ensure proper project performance is the budget forecast because budget forecast information provides information on the additional funds that are to be required for the remaining work as well as estimate the completion of the total project work. He also mentions the project assets on the policies and procedures of use and organizational variance limits. Variance analysis should be made against all organizational parameters. A variance analysis is an 'after the fact' look at what caused the difference between the baseline and the actual performance. The process for performing a variance analysis may vary depending on the application area, the standards used, and the industry (Ross, 2001).

According to Wilson (2007), diversification has been shown to reduce overall portfolio volatility for a given expected return. Understanding the importance of diversification can help financial managers achieve superior performing portfolios (Sorensen *et al.*, 2004). Therefore, many investors and portfolio managers subscribe to long-term, diversified investing as the core of their investment strategy.

A study to address donor satisfaction by Sargeant (2001) identified a positive correlation with loyalty, donors indicating that they were ‘very satisfied’ with the quality of service provided being twice as likely to offer a second or subsequent gift than those who identified themselves as merely satisfied. More recent work by Sargeant (2001) and Sargeant and Woodliffe (2006) have confirmed this relationship, while in the latter case simultaneously identifying a link between satisfaction and commitment to the organization. Work by Bennett and Barkensjo (2005) similarly provides support that there is a significant and positive relationship between satisfaction with the quality of relationship marketing activity (in this case, relationship fundraising) and the donor’s future intentions and behavior, particularly the likely duration of the relationship and the levels of donation offered.

2.3 Conceptual Framework

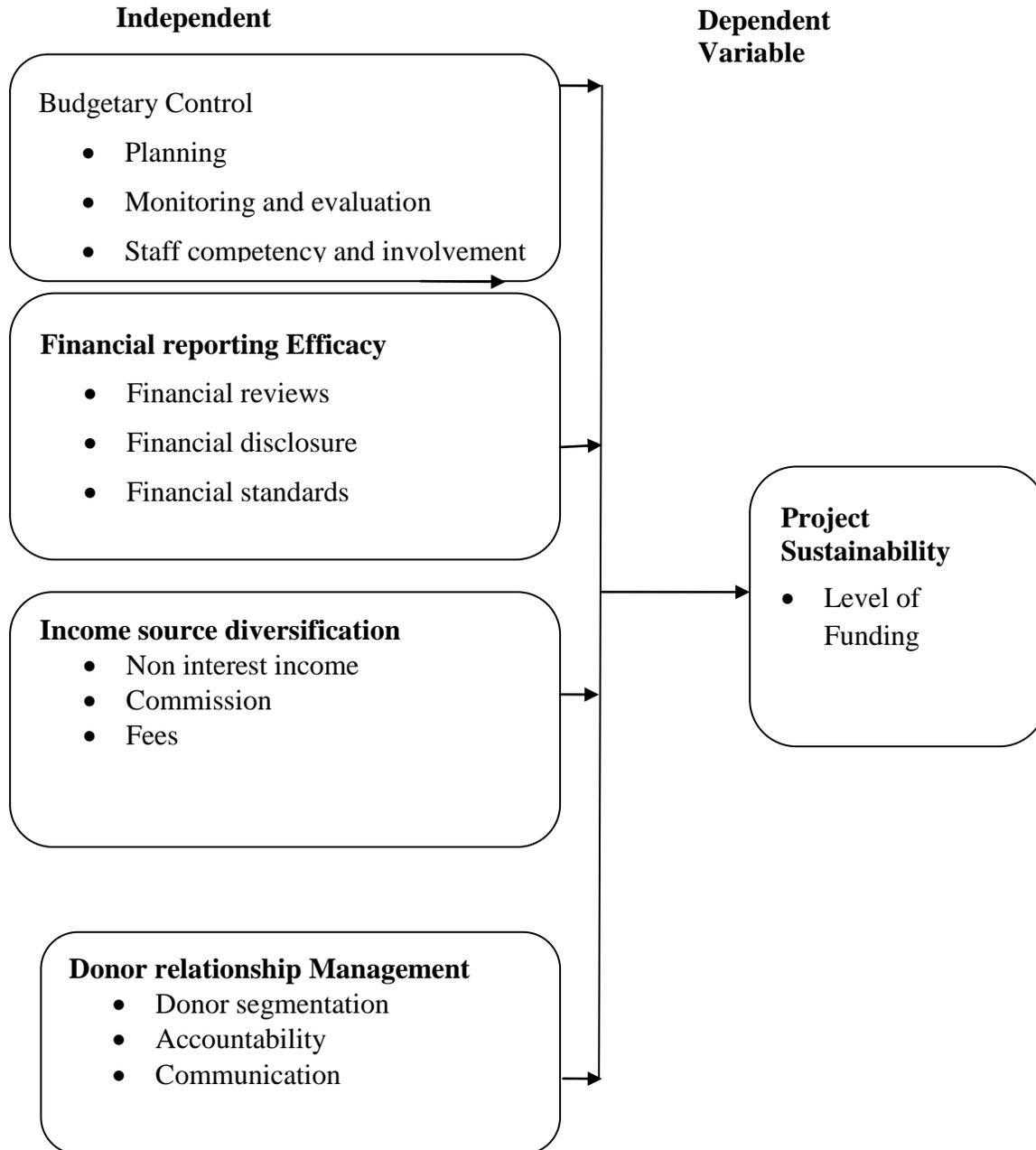


Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

The study used descriptive research design. The target population of the study was all the 112 NGO in South Sudan at July 31st 2015. A census of all the 112 key financial manager personnel was taken since the population is small. Primary data was collected through the administration of

the questionnaires. This study generated both qualitative and quantitative data. Data was analyzed mainly by use of descriptive and inferential statistics that is, graphical and numerical methods, measures of central tendencies as well as measures of variability. The particular inferential statistics were regression and correlation analysis. Multiple regression equation was used to determine the strength and directions of the association between the variables with the results.

4.0 RESULTS AND DISCUSSIONS

4.1 Response rate

The number of questionnaires that were administered to the NGOs in South Sudan were 112. A total of 109 questionnaires were properly filled and returned. This represented an overall successful response rate of 97% as shown on Table 1.

Table 1: Response Rate

Response	Frequency	Percent
Returned	109	97%
Unreturned	3	3%
Total	112	100%

4.2 Demographic Analysis

4.2.1 Gender of the Respondents.

The respondents were asked to indicate their gender. The results are as shown in Figure 2 below.

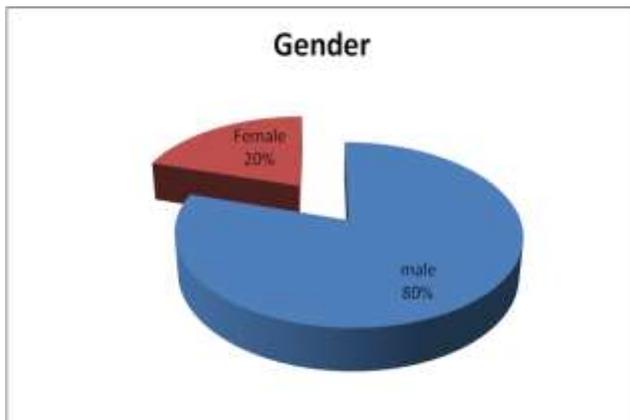


Figure 2: Gender

Source: Researcher, (2016)

Majority of the respondents were male who represented 80% of the responses while 20% indicated that they were female. This implies that majority of NGOs financial managers were male dominated.

4.2.2 Level of Education

The respondents were asked to indicate their highest level of education. The results are as shown in Figure 3 below.

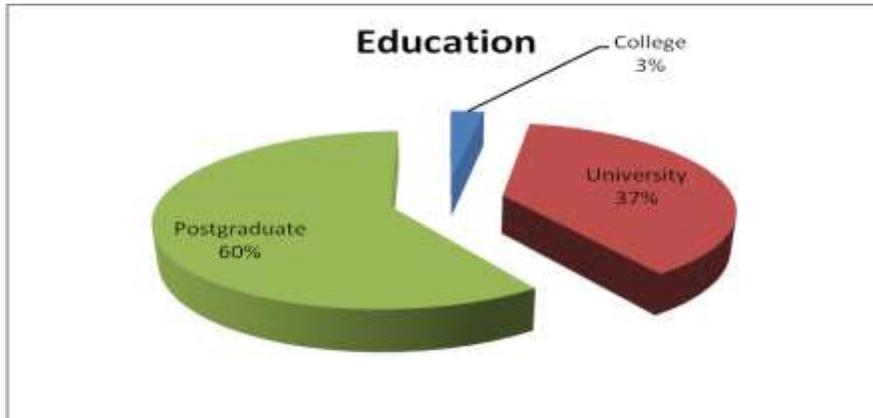


Figure 3: Level of Education

Source: Researcher, (2016)

Results indicated that 60% of the respondents had postgraduate education, 37% had university level and 3 had acquired college. Therefore this meant that the respondents were expected to understand the questionnaire and give valid response since they had better understanding as guided by their level of education which in this case majority having postgraduate as their highest level of education.

4.2.3 Duration in Current Employment

The respondents were asked to indicate the number of years they were in their current employment. The results are as indicated in the figure 4 below.

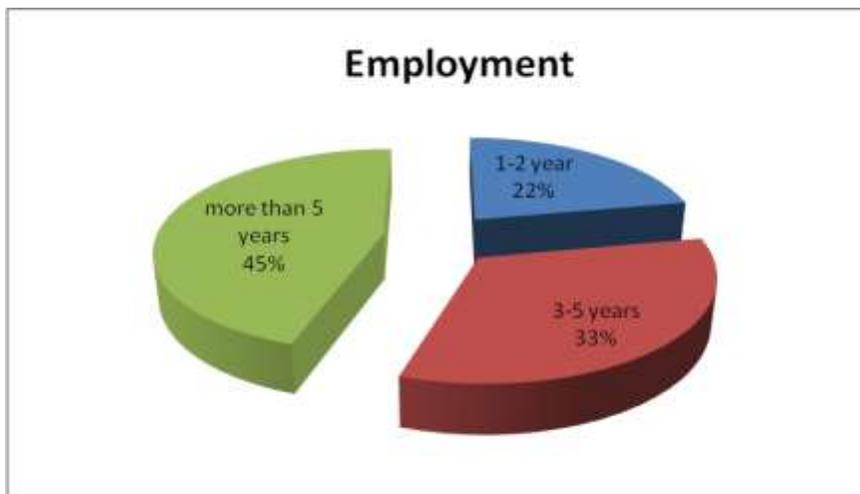


Figure 4: Duration in Current Employment

Source: Researcher, (2016)

Figure 4 shows that majority, 45% of the respondents indicated that they had worked for more than 5 years, 33 % of the respondents indicated they had worked for a period between 3-5 years and 22% indicated that they had worked for a period of between 1-2 years in their respective NGOs. The implication of the majority who have worked for more than five years indicated that they were well versed with the financials of their organizations and could give a true representation of the organization.

4.2.4 Position

The study sought to establish the position of the respondents. The results are as indicated in the figure 5 below.

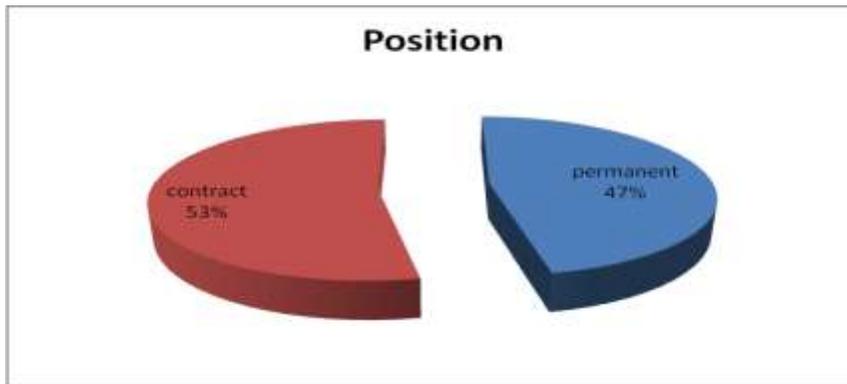


Figure 5: Position

Source: Researcher, (2016)

Results indicated that 53% of the finance managers were on contract while 47% were on permanent basis of their terms of employment. This implies that majority of the NGOs could be employing their finance managers on contract basis based on performances.

4.2.5 Age Composition

The study further sought to establish the age of the respondents. The results are as indicated in the figure 6 below.

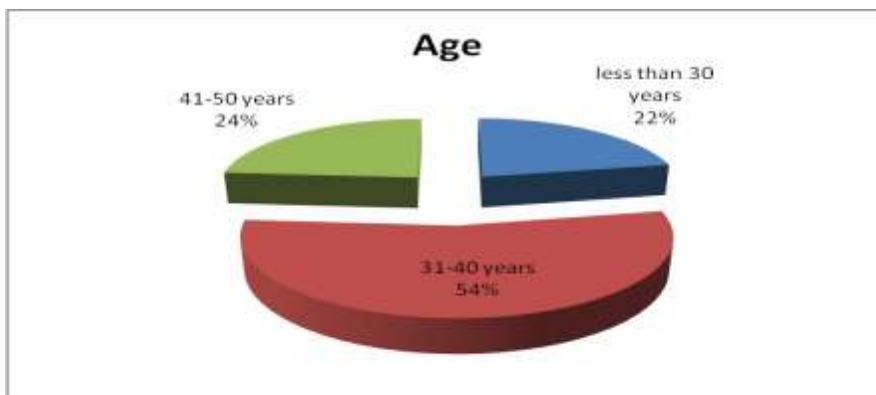


Figure 6: Age Composition

Source: Researcher, (2016)

Majority of the respondents 54%, indicated that they were between 31-40 years, 24% of the respondents indicated that they aged between 41-50 years and 22% the respondents were less than 30 years.

4.3 Descriptive Statistics for study variables

4.3.1 Financial Sustainability

4.3.1.1 Funding

The study sought to assess the financial sustainability for the NGOs in Sudan. The summary of responses on the levels of funding is as shown in figure 7

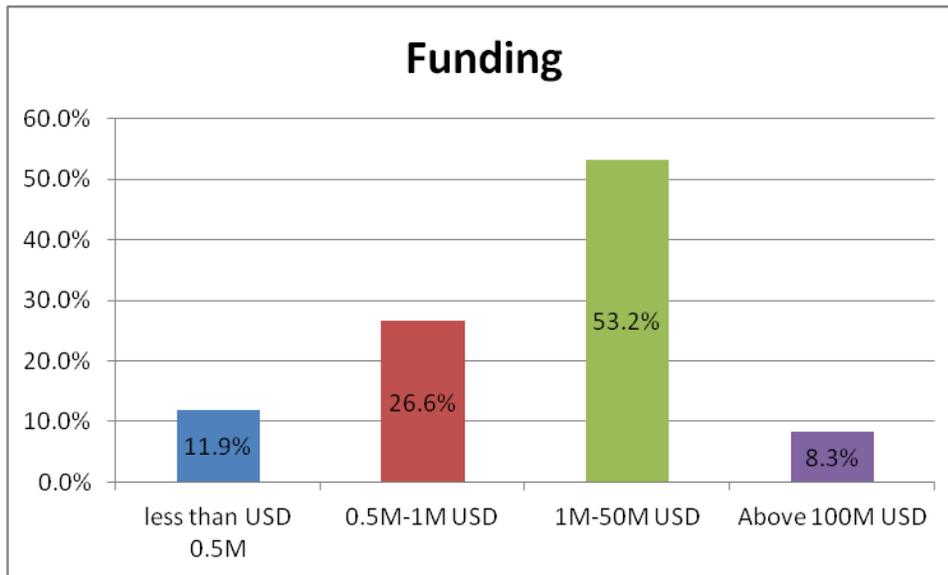


Figure 7: Funding

Source: Researcher, (2016)

Results on Table 7 indicated that majority 53.2% of all the respondents had their funding capacity of between 1-50 million USD, 26.6% of the respondents had their funding levels between 0.5-1 million USD, while 11.9% of the respondents received less than 0.5 million USD. Similarly, 8.3% of the respondents indicated that their funding capacity was above 100 USD. The findings implied that majority of the donors for the NGOs in South Sudan had a capacity funding of 0.5-50 million USD, the donors also funded projects worth more than 100 million USD. Thus the NGOs had adequate levels of funding to fund their projects.

4.3.1.2 Budget Deficit

The respondents were also asked to indicate their budget deficit. The summary of responses on the levels of funding is as shown in Figure 8.

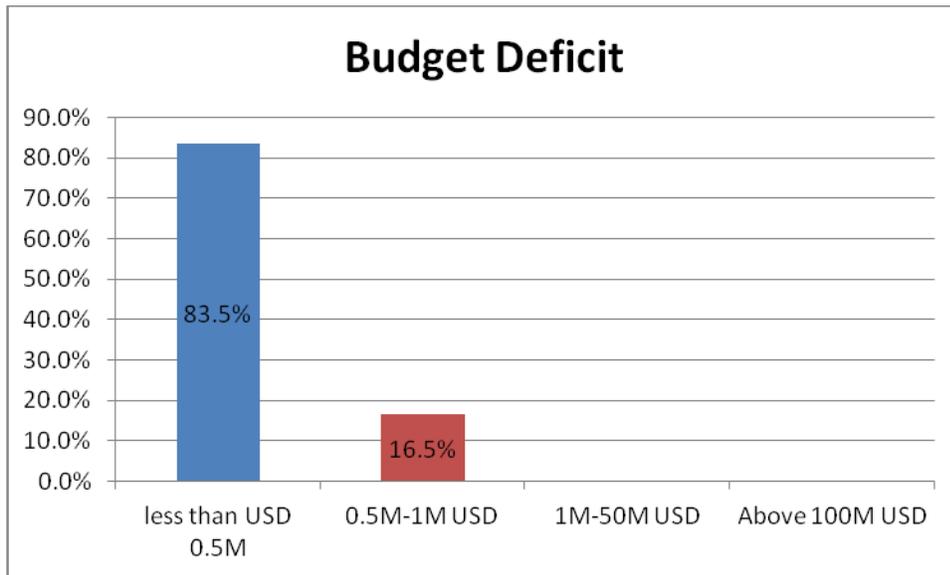


Figure 8: Budget Deficit

Source: Researcher, (2016)

The findings on Table 8 indicated that 83.5% of the NGOs had a budget deficit of less than 0.5 million USD while 16.5% of the respondents had a deficit of between 0.5-1 million USD. The implication of the finding shows that most NGOs were adequately funded.

Table 2: Financial Operations

Statement	ad hoc	deterioratin g	stable	improvin g	greatly improvin g	Mean	Std. Dev
Cash flows	0.0%	30.3%	46.8%	22.9%	0.0%	2.93	0.729
Cost Recovery rate	0.0%	8.3%	46.8%	45.0%	0.0%	3.37	0.633
Unrestricted Income	13.8%	25.7%	31.2%	16.5%	12.8%	2.89	1.22
Average						3.0633	0.8606

Source: Researcher, (2016)

Results on Table 2 show that majority 46.8% of the respondents indicated that their cash flows were stable despite the deterioration of 30.3% and improvement at 22.2%. Majority of the respondents indicated that their cash recovery rate was stable at 46.8% while 31.2% of the respondents had their unrestricted income stable. Similarly, 12.8% of the total respondents indicated that their unrestricted income had greatly improved. The average mean of the responses indicated from the results was 3.063 which show that the respondents were agreeing on most of the statements while the standard deviation was 0.8606 which indicates that the answers received were varied as they were dispersed far from the mean.

4.3.2 Budget Control

The study sought to find out the extent to which budgetary controls affected the financial sustainability of NGOs in South Sudan. The summary of responses on has shown on table 3

Table 3: Budget Control

Statement	strongly disagree	disagree	neutral	agree	strongly agree	Mean	Std Dev
In our firm, operational managers are fully involved in budget planning	0.0%	0.0%	0.0%	39.4%	60.6%	4.61	0.49
The Organizations develop budget timetables and identify responsibilities for budget preparation.	0.0%	0.0%	7.3%	45.9%	46.8%	4.39	0.62
Budget committee is expected to focus on the optimization of shareholders' wealth and prevent the maximization of personal interests by the top management.	0.0%	8.3%	7.3%	45.9%	38.5%	4.15	0.88
Budget committee evaluates budget bids, including alignment with the organization's priorities	0.0%	8.3%	16.5%	37.6%	37.6%	4.05	0.94
The planning department undertake quality assurance checking of estimates and requests submitted by line areas	0.0%	8.3%	15.6%	59.6%	16.5%	3.84	0.80
Averages						4.208	0.7456

Source: Researcher, (2016)

Results on table 3 indicated that majority 60.6% of the respondents strongly agreed that operational managers were fully involved in budget planning, 92.7% of the respondents indicated that organizations develop budget timetables and identify responsibilities for budget preparation. The results also revealed that 84.4% agreed that budget committee was expected to focus on the optimization of shareholders' wealth and prevent the maximization of personal interests by the top management, 75.2% of the respondents agreed that budget committee evaluated budget bids, including alignment with the organization's priorities. The results further showed that 76.1% of the respondents indicated that planning department undertakes quality assurance checking of estimates and requests submitted by line areas. The average mean of the responses indicated from the results was 4.208 which show that the respondents were strongly agreeing on most of the statements while the standard deviation was 0.745 which indicates that the answers received were varied as they were dispersed far from the mean.

4.3.3 Financial Reporting

The study sought to examine the effects of sound financial reporting affect the financial sustainability of NGOs in South Sudan. The summary of responses is as shown in Table 4.

Table 4: Financial Reporting

Statement	strongly disagree	disagree	neutral	agree	strongly agree	Mean	Std. Dev
Financial reporting process for donor funds is clear and easy to understand for staff	0.0%	0.0%	22.0%	53.2%	24.8%	4.03	0.69
Project team respects financial accounting policies.	0.0%	0.0%	13.8%	31.2%	55.0%	4.41	0.72
PIU's track disbursement flows and financial reporting deviations.	0.0%	0.0%	8.3%	59.6%	32.1%	4.24	0.59
The project committees meet regularly to review financial reports for implementation progress.	0.0%	0.0%	10.3%	51.2%	38.5%	4.30	0.62
The organization has a structured monitoring and evaluation system in place for financial reports.	0.0%	16.5%	0.0%	43.1%	40.4%	4.07	1.03
Average						4.21	0.7304

Source: Researcher, (2016)

Results on table 4 show that majority 78% of the respondents agreed that financial reporting process for donor funds was clear and easy to understand for staff, 86.2% of the respondents agreed that project team respected financial accounting policies while 91.7% of the respondents asserted that PIU's track disbursement flowed and financial reporting deviations. The results also revealed that 89.7% of the respondents agreed that project committees met regularly to review financial reports for implementation progress while 83.5% of the respondents indicate that organization had structured monitoring and evaluation system in place for financial reports. The average mean of the responses from the results was 4.21 which show that the respondents were strongly agreeing on most of the statements while the standard deviation was 0.730 which indicates that the answers received were varied as they were dispersed far from the mean.

4.3.4 Income source diversification

The study also sought to determine how income source diversification affected the sustainability of NGOs in South Sudan. The summary of responses is as shown in Table 5 below.

Table 5: Income Source Diversification

Statements	strongly disagree	disagree	neutral	agree	strongly agree	Mean	Std. Dev
Income source diversification assists in risk management	0.0%	0.0%	8.3%	16.5%	75.2%	4.67	0.62
Income source diversification helps in mitigation of negative consequences of a sudden drop in income	0.0%	0.0%	0.0%	32.1%	67.9%	4.68	0.47
Income source diversification is important for fueling further growth of the NGO's activities	0.0%	0.0%	0.0%	16.5%	83.5%	4.83	0.37
Income source diversification assists in reducing the danger that a withdrawal of funding forces the organization to close down	0.0%	8.3%	8.3%	15.6%	67.9%	4.43	0.96
Income source diversification helps to decide how to generate and spend financial resources without restrictions	8.3%	8.3%	8.3%	50.5%	24.8%	3.75	1.16
Average						4.47	0.72

Source: Researcher, (2016)

Results on table 5 indicated that majority 75.2% agreed that income source diversification assisted in risk management, 67.9% of respondents indicated that income source diversification mitigated negative consequences of a sudden drop in income while 83.5% of the respondents strongly agreed that income source diversification was important for fueling further growth of the NGO's activities. The results also revealed that 67.9% of the respondents' indicated that income source diversification assisted in reducing the danger that a withdrawal of funding forces organizations to close down and 50.5% of the respondents said that income source diversification helped to decide how to generate and spend financial resources without restrictions. The average mean of the responses from the results was 4.47 which show that the respondents were strongly agreeing on most of the statements while the standard deviation was 0.720 which indicates that the answers received were varied as they were dispersed far from the mean.

4.3.5 Donor Relationship Management

The study also sought to determine how donor relationship management affected the sustainability of NGOs in South Sudan. The summary of responses is as shown in Table 6 below.

Table 6: Donor Relationship Management

Statement	strongly disagree	disagree	neutral	agree	strongly agree	Mean	Std. Dev
Donor Segmentation	16.5%	0.0%	16.5%	53.2%	13.8%	3.48	1.237
Enhanced meaningful communications	0.0%	0.0%	0.0%	54.1%	45.9%	3.96	0.501
Use information management	0.0%	0.0%	16.5%	36.7%	46.8%	4.2	0.739
Providing accountability	0.0%	0.0%	0.0%	53.2%	46.8%	4.17	0.501
Implementing a comprehensive recognition program	0.0%	0.0%	8.3%	29.4%	62.4%	4.24	0.646
Average						3.95	0.725

Source: Researcher, (2016)

Results on table 6 indicated that majority 53.2% of the respondents agreed that donor segmentation had effects on donor relationship management, 54.1% of the respondents agreed that enhanced meaningful communications had effects on donor relationship management. The results further revealed that 46.8% and 53.2% of the respondents agreed that information management and accountability affected donor relationship management. Similarly, 62.4% of the respondents agreed that implementing a comprehensive recognition program had had effects on donor relationship management. The average mean of the responses from the results was 3.95 which show that the respondents were strongly agreeing on most of the statements while the standard deviation was 0.725 which indicates that the answers received were varied as they were dispersed far from the mean.

4.3.6 Management Tool Effectiveness

The study further sought to determine the effectiveness of each variable as a management tool. The summary of responses is as shown in Table 7 below.

Table 7: Effectiveness

Statement	fair	good	very good	excellent	Mean	Std Dev
Budgetary Control	0.00%	41.30%	36.70%	22.00%	3	1
Financial Reporting	0.00%	24.80%	67.00%	8.30%	3	1
Income Source diversification	24.80%	38.50%	21.10%	15.60%	2	1
Donor Relationship management	16.50%	52.30%	8.30%	22.90%	2	1
Average					2.5	1

Source: Researcher, (2016)

Results indicated all the respondents were satisfied with the variables (Budget Control, Financial Reporting, Income Source Diversification and Donor Relationship Management) as a management tool. Majority of the respondents 41.3% related budget control to be effectively good, 67.0% of the respondents related financial reporting to be effectively very good, 38.5% of the respondents related income source diversification to be effectively good and 52.3% of the respondents related donor relationship management to be effectively good. The average mean of the responses from the results was 2.5 which show that the respondents related effectiveness of the management tools to be good while the standard deviation was 1.0 which indicates that the answers received were varied as they were dispersed far from the mean.

4.4 Regression Analysis

This section provides hypothesis testing which was used to establish the relationship between the independent variables; budget control, financial reporting, income source diversification and donor relationship management and the dependent variable; Financial sustainability of NGOs in South Sudan .In addition, this section aids in determining the significance of the variables under the study.

Table 8: Model fitness

Model Summary				
Indicator	R	R Square	Adjusted R Square	Std. Error of the Estimate
Value	.650	0.423	0.401	0.33326

Source: Researcher, (2016)

The regression results show that R was 0.650 which shows that the relationship between the predictor variables (Budget Control, Financial Reporting, Income Source Diversification and Donor Relationship Management) and dependent variable is positive. The coefficient of determination explains the percentage of variation in the dependent variable (financial sustainability of NGOs in South Sudan) that is explained by all the four independent variables (Budget Control, Financial Reporting, Income Source Diversification and Donor Relationship Management). The coefficient of determination also called the R^2 was 0.650. This means that the combined effect of the predictor variables (Budget Control, Financial Reporting, Income Source Diversification and Donor Relationship Management.) explains 65.0% of the financial sustainability of NGOs in South Sudan. This therefore means that other factors not studied in this research contribute 35.0% of the financial sustainability of NGOs in South Sudan. Therefore, further research should be conducted to investigate the other factors that explain 35.0% the financial sustainability of NGOs in South Sudan.

Table 9: ANOVA

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.468	4	2.117	19.061	.000
Residual	11.551	104	0.111		
Total	20.019	108			

Source: Researcher, (2016)

The F value of 19.061 is significant at a significance value of 0.000 which is less than 0.05 at 5% level of significance. This shows that the overall model was significant. This shows that the combined effects of budget control, financial reporting, income source diversification and donor relationship management were statistically significant in explaining the financial sustainability of NGOs in South Sudan.

Table 10: Coefficient of regression

Coefficients						
	B	Std. Error	Beta	t	Sig.	
(Constant)	0.342	0.321		1.064	0.29	
Budget Control	0.154	0.056	0.237	2.767	0.007	
Financial Reporting	0.181	0.064	0.221	2.842	0.005	
Income Source Diversification	0.196	0.037	0.41	5.264	0.000	
Donor Relationship Management	0.16	0.045	0.304	3.547	0.001	

Source: Researcher, (2016)

NGOs Financial Sustainability = 0.342 + 0.154 Budget Control + 0.181 Financial Reporting + 0.196 Income Source Diversification + 0.16 Donor Relationship Management.

The results for regression of coefficients of the study shows that there is a positive relationship between budget control, financial reporting, income source diversification and donor relationship management and the financial sustainability of NGOs in South Sudan as supported by beta coefficients of 0.154, 0.181, 0.196 and 0.16 respectively. This means that an increase in either of the variables will positively increase the financial sustainability of NGOs in South Sudan. The analysis also yields results that show all variables used in the study are statistically significant as the probability (p) values were 0.007, 0.005, 0.000 and 0.001 respectively which were not more than the conventional value of 0.05.

According to the regression equation established, taking all factors into account (budget control, financial reporting, income source diversification and donor relationship management) constant at zero, the financial sustainability of NGOs in South Sudan is to be 0.342. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in budget control leads to a 0.154 increase in the financial sustainability of NGOs; a unit increase in financial reporting leads to a 0.181 increase in financial sustainability of NGOs; a unit increase in income source diversification leads to a 0.196 increase in the financial sustainability of NGOs and a unit increase in donor relationship management leads to a 0.16 increase in financial

sustainability of NGOs. This infers that income source diversification contribute more to financial sustainability of NGOs followed by financial reporting, donor relationship management and lastly budget control.

The result of the study conforms to Melek (2007) whose study suggested that the effects of budget participation and organizational commitment by itself on managerial performance are positive and significant. The study also found out that the managerial performance scores were found to increase when the interaction score between budget participation and organizational commitment increase. The results of the study are in line with Gigler and Hemmer (1998) study. They asserted that more frequent mandatory financial disclosures may reduce firm's voluntary disclosures. In addition, high reporting frequency may encourage or discourage information production of financial intermediaries such as financial analysts and the business press (Bhushan, 1989a and 1989b; Healy and Palepu, 2001; Lang and Lundholm, 1993). The result informs White (1983) study, that diversified revenue portfolio decreases the instability of individual revenue sources, creating greater organizational sustainability when there is a decline in any one source. This outcome is particularly relevant to nonprofit organizations, which inherently experience high levels of revenue uncertainty (Gronjberg 1993; Jegers 1997; Kingma 1993).

The results are in tandem with Burnett (1992) who suggested that relationship fundraising was the way forward for increasing fundraising revenues. Burnett proposed that by focusing on and developing relationships with donors fundraising revenues would increase over the longer term. The success of committed giving over the last 5 years is a good example of how fundraising techniques which focus on long term total customer value can generate significant longer term benefits. Additionally, many organizations now provide feedback on how donor's contributions make a difference thus encouraging more donations.

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.1 Findings

The first objective of the study sought to find out the extent to which budgetary controls affected the financial sustainability of NGOs in South Sudan. The regression results also indicated that there is a significant and positive relationship between budget control and the financial sustainability.

The second objective of the study sought to examine the effects of sound financial reporting affect the financial sustainability of NGOs in South Sudan. The regression results also indicated that there is a significant and positive relationship between financial reporting and the financial sustainability.

The third objective of the study sought to determine how income source diversification affected the financial sustainability of NGOs in South Sudan. The regression results also indicated that there is a significant and positive relationship between income source diversification and the financial sustainability

The fourth objective of the study also sought to determine how donor relationship management affected the sustainability of NGOs in South Sudan. The regression results also indicated that there is a significant and positive relationship between donor relationship management and the financial sustainability.

5.2 Conclusions

Based on the findings of the study it can be concluded that budget control, financial reporting, income source diversification and donor relationship management have positive and significant effects on financial sustainability of NGOs in South Sudan. The study concluded that some of the budget control activities such as financial resources, competent human resource, and participation of both staff and other stakeholders in the budgeting process, proper planning, evaluation, monitoring and control of the budget process and staff motivation contributed positively and significantly to financial sustainability of NGOs. Financial reports review, proper planning, structured monitoring and evaluations have direct influence on the financial sustainability of NGOs. The study also concluded that income source diversification activities comprises charitable donations from individuals and corporations, grants, fees, commission, contracts for service, and sales of goods and services contributed to the on the financial sustainability of NGOs. The study further concluded that donor relationship management activities such as donor segmentation accountability and communication contributed significantly to the financial sustainability of NGOs.

5.3 Recommendations

The study recommended that budget control activities such as financial resources, competent human resource, and participation of both staff and other stakeholders in the budgeting process, proper planning, evaluation, monitoring and control of the budget process and staff motivation should be fully adopted by NGOs in order to sustain their financials. The study also recommended that income source diversification activities such as charitable donations from individuals and corporations, grants, fees, commission, contracts for service, and sales of goods and should be adopted in order to enhance the financial sustainability of NGOs.

5.4 Suggestions for Further Studies

The purpose of the study was to investigate the effect of financial management challenges on financial sustainability of nongovernmental organizations in south Sudan. Further research should be done on the same topic in other organizations and sectors. This is because different organizations and sectors have different financial management challenges on financial sustainability and thus allowing for comparison. That will show whether similar results will be obtained.

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