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Financing Decisions and Financial Sustainability of Social Service Projects: The Case of the Dominican Region of Rwanda and Burundi

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Abstract

Purpose: Organizations strive, among other things, to be financially stable for the long haul. Implementing sound fiscal management procedures is one approach to ensure the long-term sustainability of social service programs. The study set out to answer the question, "How do the financing decisions of the Dominican region of Rwanda and Burundi affect the financial sustainability of social service projects?" The current study was guided by Resource-Based View theory and Financial sustainability model.

Methodology: Multiple research strategies were employed in this investigation. All eleven social service programs in the Dominican region of Rwanda and Burundi served as the study's primary population. Eleven chief directors, five congregation superiors, thirty financial officers and accountants, and five project coordinators made up the unit of observation. Data was gathered with the help of questionnaires and preplanned interviews. Inferential and descriptive statistics were calculated from the analyzed data. Statistics were utilized to describe the data, including frequency distribution, mean, and percentages. On the other hand, inferential statistics like correlation and regression existed. The data collected was tallied.

Findings: Financing decisions were found to have a positive significant association with SSPs' financial sustainability (r=0.550, p=0.004).

Unique contribution to theory, practice and policy: We draw the following conclusions: financing decisions improve SSP sustainability. Among the study's many suggestions: ensuring that stakeholders are kept in the loop from the start of a project until its conclusion.

Key Words: *Financing Decisions, Financial Sustainability, and Social Service Projects*

Background of the Problem

Financial sustainability is one of the main goals of every organization and is among the components of the concept of sustainability. Despite decades of research and practical implementations, a consensus on the meaning of sustainability remains elusive (Law Explorer, 2016). Sustainability, as defined by Cohen (2013), is the endeavor to maintain production today without impairing ability to produce in the future. The goal is not conservation of resources, but the continued productive use of them. In practice, sustainability is typically pursued by businesses through improved resource utilization efficiency (Wales, 2013). Both financial and programmatic sustainability have been considered in conceptualizations of sustainability. Programmatic sustainability is the capacity to create, refine, and phase out programs in a way that is responsive to constituents over time (Bell, Masaoka, & Zimmerman, 2010), while financial sustainability is the capacity to generate resources to meet present needs without compromising future ones. The ideas of sustainability and SSPs (social service projects) are inextricably linked. Catholic Relief Services (2016) defines sustainability as "the ability of a project to meet all its financial obligations and the needs of the project beneficiaries." The term "social service" is used to describe the welfare organizations that work to improve society in areas including health, education, and law enforcement (Mashale, 2017). Lower Insider (n.d.) defines SSPs as "publicly focused projects or services provided by the government or non-governmental organizations (NGOs) at no cost or at a very low cost." Consequently, sustainable management is the organizational practice that results in financial sustainability (Law Explorer, 2016). That is, a proper social service is the one that also provide a sustainable financial project to the society.

Financial Sustainability of of Social Service Projects

The business model, revenue stream, and overarching mission of a charity or for-profit can have a significant impact on how they define financial sustainability (Lisa, Staplefoote, & Kristyi, 2021). Abdelkarim (2002) defined financial sustainability as an organization's ability to build and maintain a stable stream of revenue for an extended period of time, whether from internal resources or external donations and investments. Despite the fact that financial sustainability is widely acknowledged as an important feature of NPOs' self-sustainability, the literature on the drivers of nonprofit financial sustainability is rather scarce, especially for quantitative empirical studies (Ye & Gong, 2021). Academics have attempted to provide criteria by which long-term financial health can be assessed. Participation in the community, dependency understanding and analysis, fiscal oversight by the board, timely and effective financial reporting, and programmatic rigor are the five components of financial sustainability that Melanie and Jessica (2022) identified (Bhalla, 2010). León (2001) adds that there are four mainstays of fiscal stability. The ability to generate one's own income, as well as good financial and strategic planning, are among these. Financial sustainability, as defined by Bowman (2011), is the ability of a non-profit to provide the same level of service over time while weathering temporary setbacks in revenue.

Non-profit organizations (NPOs) are not forbidden from making a profit, according to Bell, Masaoka, and Zimmerman (2010). However, they claimed that the term "profit" is confusing

and that the term "surplus" provides better clarification. Appiadu (2019) defines surplus as "the amount of money remaining after deducting all expenses." Non-profits, as described by Lisa, Staplefoote, and Kristyi (2021), are groups that reinvest their earnings back into the organization to further its mission rather than paying out shareholders a dividend. Therefore, the current research will employ profit margin as a proxy for SSPs' long-term sustainability. Financial resources are critical to non-profit making organizations because they are required for growth and survival. It is important for them to maintain a stable financial position and perform well in order to enhance sustainability of the projects implemented (Kumi & Hayman, 2019). Kristin (2016) discovered that different NGOs in Canada employed financial instruments to cater for future risks that are unexpected like donor withdrawals or financial shortage. The NGOs utilize financial information to make financing decisions. This has enhanced sustainability of social service projects implemented by the NGOs. In the United States, the United States Agency for International Development (USAID) in 2019, found that just 6.2% of non-governmental organizations in Sub-Saharan Africa are financially self-sufficient. The NGOs provided excellent aid but lacked financial sustainability because of their over expenditure on external donors as the only source of funding.

Moreno (2017) found that financial sustainability of projects implemented in NGOs in Columbia was challenged by their over-reliance on external donors. The NGOs were highly limited in the scope of decision making as allocated funds had to be expended as instructed by the donors. The major British non-governmental organization known as Childhood Development and Aid collapsed in 2002 due to poor financing decisions within the organization (AIKhouri & Arouri, 2019). The organization had negative reserves for five consecutive years with reliance on restricted grants. The Academy for Educational Development also collapsed and ceased its operations since it suffered the financial crisis immediately after USAID suspended its funding option due to corporate misconduct as well as lacking internal control measures associated by the organization (Simone, 2017). Social service projects in Europe also struggle with financial sustainability challenge and some are dependent on the European Structural funding (Vaceková, &Svidroňová, 2016). The NGOs in Poland depend heavily on the European Union structural funds hence lessening their interest to look for other funds or income generation activities and in some ways stalled the development of the NGO sector (Hyánek, 2016). Financial sustainability in the not for profit making organizations in Central Asia has been a major obstacle to many non-governmental organizations. The organizations are not able to sustain funding of their operations due to accrued financial sustainability which decreases donor funding, decreased resource allocation and donors mainly focus on new areas and decreased amounts of social programs (Aboramadan, 2018).

According to UN (2019), many international NGOs in Africa depend on donor funding or external support agents to sustain their programs and projects. The financial resources of these organizations have financial instability that has led to closure of many NGOs. After receiving the funds, the organizations do not prepare financial statements and are not accountable for the expenses. The funds are misappropriated leading to donor withdrawal. Maxwell (2018) noted

that financial sustainability of local NGOs in South of Africa is wanting. Majority of the NGOs are not financially stable and risk closure. The social projects supported by the funds also collapse and the needy to do not achieve their objectives of helping the needy. Saungweme (2019) revealed that majority of the local NGOs in Zimbabwe were operating on strained budgets owing to reduced donor funding. Most of the local NGOs are not leveraging their assets in generating income, and most do not participate in income generating activities. The NGOs in Kenya are facing acute funds shortage. This has made it hard to sustain social projects. The major cause of funds shortage is reduced donor funding since donors are shifting to new markets and there is generally reduced funding for the social programs (Miriti & Karithi, 2020). Nyanje (2016) noted that numerous local NGOs lacked sound financing decisions and they kept their financial records in a very ad hoc way which left financiers with a lot of work confronting accounting issues while attempting to settle accounts. The local NGOs neglected meeting the statutory prerequisites, and with such poor book-keeping procedures were unlikely to have the capacity to produce their own assets and be viable.

The sustainability of projects carried out in Rwanda have faced a challenge of not continuing to benefit the target group once the project duration is completed and the donors and the top management have left. In other words, the benefits of the project stop once the project duration is completed. This has led to little control of livelihood plans on improving the living standards of the population (Bakayirere, 2019). In Rwanda, the culture of "handouts" from the Western world has dominated the minds of local NGOs and their would-be beneficiaries. The preoccupation of donor recipient communities and implementation agents has been more of "how much more are we receiving other than what are doing with the aid received?" Local development projects continually open their arms to donors without any significant accounting of the outcomes of previous aid. Even government agencies are on a perpetual borrowing mode to initiate or complete projects. Many are the Community development projects that have stalled shortly after commencing operations. Lack of enough funds, mismanagement, leadership wrangles and imposed external policies have led to crippling or closure of otherwise very well-meaning development projects (Nyamutera &Warue, 2021). From the above dimensions, financial sustainability of social service projects is a process of promoting the wellbeing of the society both now and in the future. Hence, poor management in making a social service project to become financially sustainable is a risk to the society and to organization’s name (Future Learn, 2015).

Social Service Projects of Religious Congregations

Religious congregations have played an important role in developing American culture (Edwards, 2016). Most of them have a major effect on the nations and communities in which they are active. Economic advantages in the form of jobs and other support are provided by their projects, therefore they have a good effect on the local community (Mason, 2015). NGO work often involves religious organizations. These groups range in scale from those serving a single city or region to those serving entire countries. Health and welfare, research, education, religion, and countless other fields are within their purview (Shim & Siegel, 1997). Financing

decisions are used in the regular operations of religious groups' social undertakings. A volunteer governing board, where many members serve for constrained terms; a small percentage of staff personnel, occasionally too few to provide a suitable distribution of responsibilities; and a mixture of employees and volunteers involved in the operations are cited as the most common challenges by Hankin, Seidner, and Zietlow (1997). Volunteers are often used in place of paid staff to carry out day-to-day tasks.

Social Service Projects of the Dominicans Region of Rwanda and Burundi

The Dominicans, often known as the Order of Preachers, are a very old religious order (Wirtz, 2019). The Order originally began in the 13th century as a family. Friars, contemplative nuns, active sisters, members of secular institutes, and lay people all make up this diverse and dynamic family. Dominicans are actively involved in the economic life of their country. They act as a coordinating body for a number of separate initiatives. Dominicans can be found in several different nations in Africa, including Rwanda and Burundi. Rwanda is home to one group of nuns and friars while Burundi is home to another. The financial sustainability of the SSPs established by the Dominicans in Rwanda and Burundi can be evaluated. Eleven (11) SSPs are available to them. The friars' work in Rwanda includes an initiative to aid the country's disabled people in tandem with the National Union of Disability Organizations of Rwanda (NUDOR). The Rwandan sisters run two schools: Saint Dominic Primary School and Don Bosco Kabarondo Institute for Secondary Education. They have two clinics—one in Matimba, and another in Gihara. The friars' humanitarian efforts in Burundi include the establishment of two non-governmental organizations (NGOs): Centre Ubuntu, which focuses on human rights, and Centre Agakura, which emphasizes environmental protection, individual growth, and an agro-pastoral education program. Mwaro University and Mwaro Clinique are two more of the friars' endeavors. The locals have access to potable water thanks to a borehole run by the nuns. By providing workers with employment, as well as compensation in the form of wages, benefits, and retirement plans, the Dominicans help advance society as a whole. However, it is not yet known whether religious organizations in Rwanda and Burundi can maintain the financial sustainability of the social service projects they have launched.

Statement of Problem

Through their massive contributions to social development through humanitarian actions and community development through various projects, religious projects are a crucial factor in boosting economic growth in the country. Financial sustainability of the religious organizations also affects sustainability of the SSPs. After the constitutional change in Burundi in 2015, international funding was cut off. This resulted to financial limitations in the NGOs and the Dominicans SSPs suffered leading to closure of three out of eight of Centre Ubuntu projects, particularly those with poor financing decisions. This is evidence that the projects' financial sustainability is in jeopardy. Further, the problem of financial reports, where reports show errors in records, lack of adequate financial knowledge, and lack of planning, has also been reported by the Vicar Provincial of Rwanda and Burundi (Manikiza, personal communication, 2020). These ill practices are related to poor financing decisions and may have negatively

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affected donors' trust leading to withdraw of some donors. The future of the Dominican SSPs is gloomy if nothing is done to improve their situation.

There have been studies done on financing decisions and financial sustainability of SSPs. For instance; Jackson (2018) found that, faith-based organizations in USA need effective financial management both to sustain themselves and to improve the performance of their service programs to the community. Further, in USA Allen (2020) established that, religious NPOs need successful implementation of financial management strategies both to sustain themselves and improve the performance of their service programs to the communities they serve. Mucheru (2022) showed that there is a statistically weak but positive relationship between donor relation and financial sustainability of faith-based organizations in Kenya. Mugambi (2016) found that financial sustainability of donor funded projects in Kenya increase if donor policies are not stringent and are aligned towards the recipient countries' policies. Liwa (2020) found that good financing decisions enable NGOs in Tanzania to diversify their income which enhances project sustainability. There is however study limitation on financial sustainability of SSPs implemented by faith-based organizations in Rwanda and Burundi since there exists no similar study in the two countries. The current study aimed to fill the research gap by examining the relationship between the financing decisions and the financial sustainability of SSPs, focusing on the Dominican region of Rwanda and Burundi.

Research Hypothesis

$H0_1$: There is no significant correlation between financing decisions and financial sustainability of SSPs of Dominican region of Rwanda and Burundi.

Theoretical Review

Resource Based View Theory

Birger Wernerfelt (1984) proposed the resource-based view theory. This theory emphasis on creating internal value-producing and distinctive resources. The foundation of the resource-based vision, which forms the basis for a firm's competitive advantage, is the application of a collection of priceless actual or intangible resources at the firm's disposal. This effectively transforms into priceless resources that require great effort to fully mimic or completely replace (Barney, 2001). Therefore, RBV describes that resources, capabilities and core competencies are highly correlated to explore the firm's sustainability that prolong the firm's performance. Firm specialized know-how have a great impact on performance. Resource based view (RBV) stresses to sustainable competitive advantage whereas ordinary capabilities effect on performance in the same environment and dynamic capabilities in altering (Drnevich & Kriauciunas, 2011; Spanos & Lioukas, 2001). The RBV examines the link between a firm's internal characteristics and its performance (Branco & Rodrigues, 2006) and states that differences in the resources that firms control can help explain why some firms perform better than others (Stoelhorst, 2008). Resources are all the assets, capabilities, organizational processes, firm attributes, information, and knowledge in control of the firm (Barney, 1991). Barney (1991) argue that certain characteristics can make resources sources of (sustained)

competitive advantage. Resources should be valuable, rare, inimitable and non-substitutable (Barney, 1991; Dierickx & Cool, 1989).

For a resource to be valuable, it must enable the firm to conceive and implement strategies that improve its efficiency and effectiveness (Barney, 1991). A resource also must be rare among firm's current and potential competition. As long as the number of firms that possess a particular valuable resource is less than the number of firms needing this resource, a resource has the potential to generate a competitive advantage (Barney, 1991). A firm should focus its attention on internal analysis to access information about itself and the resources it already controls. This will enable the firm to obtain superior insights into the value of strategies it can implement with existing resources and into the potential of new resources acquired in the strategic factor market (Barney, 1986). Furthermore, there must be ex-post limits to competition (Peteraf, 1993): a resource must be difficult to imitate by competitors, because it is socially complex (Teece, 1997). Furthermore, the resources must be non-substitutable, which means that there cannot be strategically equivalent substitutes that enable the competitor to implement the same strategy. Tangible resources are financial and physical assets; intangible assets include intellectual property (e.g. copyrights, trademarks, patents and registered designs), organizational assets (e.g. culture, human resource management and organizational structure) and reputational assets (Galbreath, 2005). In conclusion, resources must be valuable and rare to achieve a competitive advantage. RBV indicates that strategic resources should be obtained and implemented by managers in meeting the valuable criteria, scarcity, and non-substitution and on developing a well-organized firm. Compared to organizations which are best in practice, those which can initiate the capability better can overtake firms with resources to put in best practice (Collins 2013). The theory is applicable in this study since utilization of organizations resources both external and internal may enhance sustainability of social service projects.

Financial Sustainability Model

The financial sustainability model was introduced by John Jackson and Addison Mitchell McConnell Jr in 1980. According to Hivers (1996) the model of financial sustainability means the ability of an organization to attain financial sustainability through sustainable revenues that cover the costs of operations, costs of funds, inflation or losses. The model points out that financial self-sustainability is the ability of a group or institution to increase its capacity in making choices or transforming those choices into the desired outcomes or actions. Financial Sustainability model emphasizes on ability to maintain, seize available opportunities, adhere to goals and mission and risks mitigation of a SSP. The financial sustainability model ensures that all stakeholders operate from a continuous coordination in attaining value. The model ensures that all stakeholders are agents of change in ensuring that they are all headed in one direction and taking the necessary steps for the better. The model also allows risk assessment by SSPs. There is also a continuous means of adjusting actions so as to achieve targets and improve performance. Financial sustainability is a challenging issue for NPOs as they aim at balancing their mission with financial responsibility. The financial sustainability model

provides the framework for investigating the financial sustainability of an NPO by considering changes in financial position over time. SSPs rely on financial sustainability theory in ensuring they are funded, well maintained, and sustainable to meet the societal needs. The model is relevant to the study because it shed light on how, when the inflow of revenue fails to generate surplus or cover expenses, there will be a slowdown in the operations of a project and will have to shut down eventually.

Empirical Review

Financing Sustainability of Social Service Projects

According to Sontag-Padilla, Staplefoote, and Morganti (2012), the reason why financial sustainability of projects has received considerable interest is because most SSPs struggle to sustain the ability to be financially agile over the long term. The ability to retain financial capacity over time, including the resources needed to take advantage of opportunities and counteract challenges, is what Bowman (2011) calls financial sustainability. Allen (2020) did research in the United States to learn more about the tactics used by leaders of religious nonprofit organizations (RPOs) to ensure the financial sustainability of their projects' operations. The organizations' yearly financial reports were used to produce this study's data across a five-year time frame. The projects' financial sustainability was measured based on the projects' trends of revenue increase. The results showed that RPOs might build plans for achieving financial stability and sustainability if they successfully implemented financing decisions and improved collaboration skills among the leaders. While both studies utilize similar financial sustainability indicators, this one employs secondary data rather than the primary data that would be used in the present study. In addition, the study was conducted in a developed country where the congregants are economically stable to support church activities unlike in African countries such as Burundi where some congregants depend on religious project for survival.

Mucheru (2022) investigated what factors affect the financial sustainability of faith-based organizations in Kenya. Both descriptive and correlative methods were used in this study. Growth in assets was used to measure long-term sustainability, while annual surpluses were used to measure short-term sustainability. The results indicated a weak but positive correlation between donor relation and long-term financial sustainability. As opposed to the current study, which focuses solely on the SSPs of the Catholic Church in Rwanda and Burundi, the former looked at the financial sustainability of faith-based organizations more generally. Mucheru (2022) conducted the study in Kenya while Allen (2020) conducted the study in USA. The former is a developing country while the latter is a developed country. Still in Kenya Mbugua (2017), looked into the sustainability of community-based projects in the Nairobi Archdioces. The research included a secondary data panel that spanned five years. Project sustainability was measured using net income, profits, and liquidity. Findings indicate that top management support was a key aspect to the projects' financial sustainability. Top leaders support and resource allocation towards the project was weak and almost nonexistent in many projects leading to project failure. This study used secondary data unlike the current study that will use

primary data. As opposed to secondary data, the researcher has more authority when using primary data and the tools' reliability and validity and be easily ascertained. The measures of financial sustainability also differ from the current study hence findings may differ. Mbugua (2017) study differs from Mucheru (2022) with regards to the methodology used. While the former used primary data, the latter used secondary data though the researchers were from the same country.

Financing Decisions and Financial Sustainability of Social Service Projects

Bose (2009) argued that financial decisions for NPOs refer to the decisions on the sources of funds to finance the investment social projects. Financial managers have a responsibility to guarantee that raised money are allocated with as little risk as possible. Funds can be managed internally or externally, with the decision ultimately resting with the managers. Traditionally, fundraising is the primary source of income for most non-profits, along with grants, service contracts, product sales, and service fees (Carroll & Stater, 2009). Therefore, fundraising is stated as one of the methods NGOs can raise external funding, and it plays an important role in the financing decisions NGOs make. Scholars looked at two fundraising measurements in relation to financial sustainability: annual donor growth and donor retention. Ye and Gong (2021) looked at what factors contribute to financial sustainability NPOs. The research used empirical research to investigate to what extent the nature, nurture and environmental drivers help to explain financial sustainability. According to the research, foundations located in the more affluent areas are more likely to shape short-term resilience to the unexpected economic shocks and meanwhile achieve long-term success in maintaining or expanding services. Secondary data from existing empirical research was utilised for this analysis. In order to get accurate data, the current study employed interview guides and questionnaires to collect primary data.

Agdamag (2014) conducted research on the Philippines's non-profit Bukas Palad Foundation's donor retention program. The research demonstrated the importance of donor retention to the long-term success of community activities in the Philippines. The research also showed that international donors need more relevant and timely information about the impact of the nonprofit and how their money is being managed in order to give confidently. Donor retention was used as a metric of financial sustainability, as opposed to the surplus revenue that were used in the current study. There is a methodology gap between the two studies since Ye and Gong (2021) utilized a qualitative research design while Agdamag (2014) employed a quantitative research design. Mawudor (2021) conducted a study to see how well-managed donor relationships affect the financial sustainability of church related organizations (CROs) of CROs. Using a stratified proportional random sample method, the researchers determined that donor management had no bearing on an organization's ability to remain financially stable in Kenya. The notion of the current, which tries to analyze the financial sustainability of SSPs conducted by the Catholic church, differs from the focus of the former on general church-related organizations. Community projects in the Philippines were the focus of Agdamag (2014), while Mawudor (2021) examined the financial sustainability of church related

organizations. Thus, even though the NPO was the unit of analysis in both research, the contexts are different. Another look into the difficulties and opportunities for maintaining donor-funded initiatives in rural Cameroon was conducted by Muluh (2019). The investment fund in local, agricultural, and community-based micro-projects was used to assess the factors that influence the success or failure of development efforts. The sustainability of the project was evaluated based on its capacity for continuation and growth. The study found that the primary difficulties encountered by project recipients were the less transparent loan request procedure and the lack of collateral security. The previous research examined the problems and potential solutions as independent variables, but the present research uses financial sustainability as the independent variable. There is a gap in geographical coverage because Mawudor (2021) conducted his research in Kenya and Muluh (2019) conducted his research in Cameroon.

Conceptual Framework

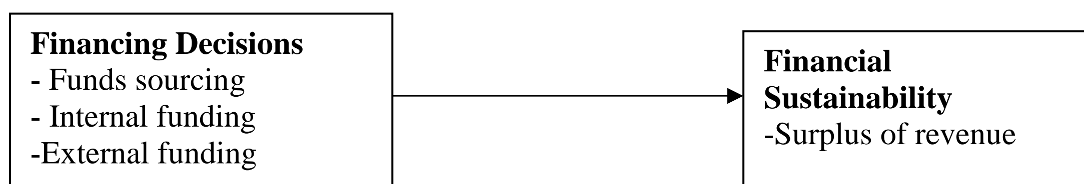

Figure 1: Conceptual Framework

Research Design and Methodology

The research methods used in this investigation were correlation, and narrative research designs. All eleven SSPs in the Dominican area of Rwanda and Burundi served as the study's primary population. 11 Directors, 5 congregational leaders, 30 CFOs, and 5 coordinators served as the study's units of analysis. A census was implemented for the 11 SSPs in the Dominican region of Rwanda and Burundi to account for the very small population engaged in the current study. Data was gathered with the help of a questionnaire and an interview guide schedule. Following collection, the data was cleaned, organized, and entered into SPSS Version 28. Direct quotes were used to tell stories based on the qualitative interview data. In addition to producing descriptive statistics, inferential statistics were derived from the studied quantitative data. Statistics were utilized to describe the data, including frequency distribution, mean, and percentages. Researchers were able to present the data in a more understandable way thanks to descriptive statistics, making it easier to understand. To learn how the independent variable could foretell shifts in the dependent variable, a regression model was fit to the data. Since the response variable in this study needed to be predicted, multiple regression analysis was employed. We utilized the following set of regression equations:

$$P = \beta_0 + \beta_1 FD + \varepsilon'$$

Where: P= SSP, Financial sustainability, β_0 = Intercept, β_1 = Regression coefficient for the explanatory variable, FD = Financing decisions ε' = Error term

Descriptive Statistics

Financial Decisions

The purpose of this research was to learn how SSPs in the Dominican region of Rwanda and Burundi make decisions regarding their finances. Participants were asked to identify the primary funding mechanism for the social service initiatives. Figure 2 displays the results.

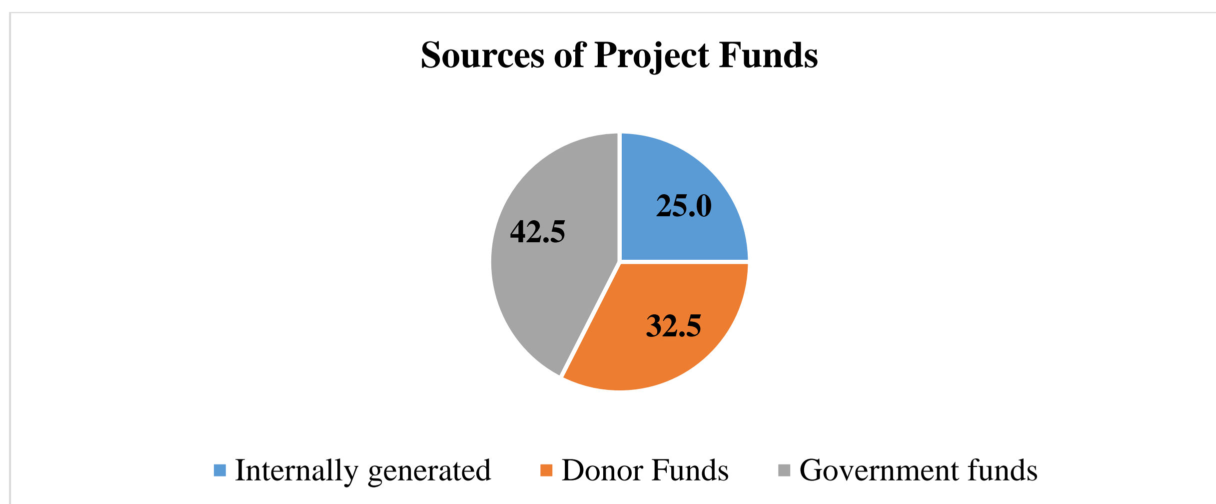

Figure 2: Sources of Project Funds

Findings in Figure 2 show that 42.5% of the projects' main source of income was government funding, 32.5% donor funding, and 25% was generated from the projects. Findings imply that although the projects' cash inflow is not increasing, the project coordinators still make efforts to ensure that the projects are running effectively through proper utilization of internal funds. This is an indication that the project coordinators have the ability to make sound financial decisions to enhance project sustainability. Findings concur with Carrol and Stater (2009) that project managers are responsible for making decisions on where to source for project funds whether internally, externally, or both. In addition, Bose (2009) noted while raising funds, the financial managers are bound to ensure that the funds are allotted at minimal risk. Managers should decide the nature of the fund, either from external sources or internal sources. Respondents were further asked to tick on the level of agreement/disagreement with statements related to project financial decisions. Findings are presented in Table 1.

Table 1: Financing Decisions

Statements	SD		D		N		A		SA		M
	F	%	F	%	F	%	F	%	F	%	
The projects' main source of funding is the project revenue	14	35.0	16	40.0	0	0	6	15.0	4	10.0	2.45
The projects depend on external funding for financial sustainability	8	20.0	5	12.5	1	2.5	20	50.0	6	15.0	3.48
We frequently send fund proposals to donors to seek for funding	1	2.5	12	30.0	0	0	16	40.0	11	27.5	3.55
Some projects need constant external financial boost to be financially sustainable	0	0	0	0	2	5.0	11	27.5	27	67.5	4.63
Average mean											**3.53**

N=40

Key: SD=Strongly disagree, D=Disagree, NS=Not Sure, A=Agree, SA= Strongly agree, M=Mean

Table 1 shows that the majority of respondents agree that external funding is necessary for the financial sustainability of some projects (m=4.63), that projects depend on external funding for financial sustainability (m=3.48), that project managers frequently send fund proposals to donors to seek funding (m=3.55), and that the majority of respondents disagree that the main source of funding for projects is the project revenue (m=2.45).

The superior of the Annunciata sisters said that several of the projects had secure funding because;

> We source funding from both the government and donors. I ensure the funds are utilized properly through frequent audits. The audit reports are shared with the donors to enhance transparency. This build trusts with the donors and they channel more funds to the projects. I also make efforts to involve all stakeholders in project management (staff, donors, and the community). Financing decisions are based on community objectives and goals and are implemented according to community objectives and goals (Interview, February 15, 2023).

However, the sources of funds are not reliable in some SSPs. This was confirmed by one the DMA superior who put forth that;

> Some projects are coordinated by supervisor, who never give report or show a plan. This raises conflicts with stakeholders especially the donors who are strict on transparency and accountability. There is a serious problem of the reliability

and sustainability of such SSPs, because of absence of transparency (Interview, February 17, 2023).

Findings imply that the congregation superiors involve the staff when making project financial decisions. This is important since the finance managers and accountants are very conversant with the financial position of the projects. They are therefore best suited to advice on where to source for project funds. In most scenarios, the congregation staff source project funds externally since projects do not generate adequate funds to sustain them. Project managers seek external funding from the donors and governments enhance project sustainability. Findings are in line with Agdamag (2014) donor retention is vital to the ongoing sustainability and longevity of the community programs. The study differs with Mawudor (2021) that financial sustainability of CROs does not depend on how well an organization manages donors.

Financial Sustainability of Social Service Projects

The study's secondary objective was to ascertain whether or not the SSP could continue to operate profitably. Participants were given a series of statements about the long-term financial viability of SSPs and asked to check the boxes corresponding to their level of agreement or disagreement. Results are shown in Table 2.

Table 2: Financial Sustainability of Social Service Projects

Statements	**SD**		**D**		**N**		**A**		**SA**		**M**
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	
The project have an increase of revenue year to year	8	20.0	5	12.5	4	10.0	15	37.5	8	20.0	2.45
The project have decreased revenue year to year	10	25.0	3	7.5	4	10.0	13	32.5	10	25.0	3.25
The project has been able to maintain an increase of revenue within 3 years	8	20.0	14	35.0	4	10.0	6	15.0	8	20.0	2.48
The revenue generated from projects have been reinvested back to enhance financial sustainability	0	0	2	5.0	2	5.0	16	40.0	20	50.0	4.35
Average mean											3.1

N=40

Key: SD=Strongly disagree, D=Disagree, NS=Not Sure, A=Agree, SA= Strongly agree, M=Mean.

Table 2 shows that respondents agreed that the project's revenue decreases from year to year (m=3.25) and that the revenue has been reinvested to improve financial sustainability (m=4.35). However, respondents did not agree that the project's revenues were growing each year (m=2.45) or that they would continue to grow over the course of three years (m=2.48).

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An interview with a superior who agreed with the findings revealed the following;

> Some SSPs partly sustainable but majority needs external support and need to ask for funding for donors to achieve financial sustainability. The projects still have a long way to achieve sustainability. Projects like health centres which are the majority require a lot of finances to run. The unfortunate fact is majority of the community members who seek services from the projects (basic schools, hospitals) are poor and cannot afford most of the services which are at times offered at a discount rate or free hence need to seek donors to enehnace sustainability (Interview, February 13, 2023).

Findings in Table 2 and key informants imply that the SSPs have been facing sustainability challenges. This is proven by the fact that the annual revenues have been decreasing and when the revenue increase, maintaining the upwards trends is challenging. The project coordinators are however making efforts to reinvest back some revenue to sustain the projects and prevent total closure/collapse of a project. Findings concur with Sontag-Padilla, Staplefoote, and Morganti (2012), that most SSPs struggle to sustain the ability to be financially agile over the long term. Ademiluyi and Odugbesan (2018) also established that there is lack of sustainability of community water supply and sanitation programs in the sense of service delivery and upkeep of services.

Inferential Statistics

Correlation Analysis

The inferential statistics involved in the study were correlation and regression analysis. This was with an aim of examining whether there is a relationship between the study variables. The inferential statistics enabled the researcher to establish the relationship between financing decisions and financial sustainability of SSPs of Dominican region of Rwanda and Burundi. Results are shown in Table 3.

Table 3: Coefficient of Correlation

Variables		Sustainability	Financing
Sustainability	Pearson Correlation	1	
	Sig. (2-tailed)		
Financing	Pearson Correlation	0.550**	1
	Sig. (2-tailed)	0.004	

H0₂: There is no significant relationship between financing decisions and financial sustainability of SSPs of Dominican region of Rwanda and Burundi.

Results show a positive significant relationship between financing decisions and financial sustainability of SSPs (r=0.550, p=0.004). The study hence rejects the null hypothesis since there is statistical evidence to claim that there is a significant relationship between financing decisions and financial sustainability of SSPs of Dominican region of Rwanda and Burundi. Findings are in agreement with Kibet and Kibati (2019) that financing decisions had

significant relationship of r=.575 with operational sustainability of the NGOs in Nakuru county.

Regression Analysis

A regression analysis was carried out to establish how a unit change in financing decisions would predict a change in financial sustainability of SSPs.

Table 4: SPSS Regression Output

Model Summary

Model	R	R Square	Adjusted R^2	Std. Error of the Estimate
1	0.653	0.526	0.379	0.632

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.705	1	10.705	28.2591	.000[b]
	Residual	14.395	38	0.3788		
	Total	25.100	39			

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.802	1.642		2.315	.026
	Financial decisions	.664	.179	.485	3.716	.001

Table 4 show R^2 value of 0.526 which shows that 52.6% of variations in financial sustainability of SSPs may be explained by financing decisions. Findings further imply that other factors that were not part of the study scope contributes to 47.4% of financial sustainability of SSPs of the Dominican region of Rwanda and Burundi. ANOVA results show that regression model had an F value of 28.2591 (p= 0.000). Therefore, the model was considered suitable in explaining changes in projects' financial sustainability caused by financing decisions. The regression model shows that a unit change in financing decisions would cause a significant change in project sustainability by a factor of 0.664. Financing decisions had the greatest effect on project sustainability (3.716). Findings are in agreement with Agdamag (2014) that there is a significant relationship between donor retention and longevity of the community programs in Philippine.

Conclusion

The decisions are made in consultation with the staff, beneficiaries, and project financiers. The most preferred source of project funding is external sources from donors and the government. The internal sources are the revenue collected from the income generating projects. Reinvesting the profits in the projects enhances sustainability although this is limited by the various financial obligations that the congregations have to meet.

The correlation results show that there is a significant relationship between financing decisions and financial sustainability of social service projects. Slightly more than half of changes in in financial sustainability of SSPs may be explained by financing decisions. Regression model was considered suitable in explaining changes in projects' financial sustainability caused by financing decisions since the F value was greater than and it was also significant.

Recommendations

Findings show that some project supervisors do not involve the staff and stakeholders in decision making. Project manager should adopt a participative leadership style. The project managers should create a plan that will effectively involve stakeholders from project initiation to completion. The project coordinator should however make decisions based on the community needs. The early identification and effective involvement of different stakeholders and members in projects are paramount during the project life cycle. Leaders should also enhance a good policy framework that will ensure that financing decisions are made based on a given standard. This will help the congregations to avoid cases of poor resource allocation that jeopardize sustainability of projects.

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