

## **Factors that Affect the Financial Performance of Schools**

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### **Abstract**

This desktop study investigated the determinants of financial performance of schools. This study was triggered by the necessity of solutions to financial challenges that schools and their ability to provide quality education to students. The researchers attempted to identify the factors that influence the financial performance of schools and provide possible solutions to this performance. The study examined and explained various factors that affect the financial performance of schools including, enrolment rates, funding sources, operating costs, teaching staff, reputation, cost management, competition, stakeholders' involvement, state and federal policies, leadership and governance, financial management practices and size and location. The study made use of desktop review approach. The results indicated that financial management, management accounting practices and competency of teaching faculty have significant influence on the financial performance of a school. The researchers recommend that schools adopt management accounting practices such as budgeting and cost accounting, and the inclusion of management in board meetings.

**Keywords:** Financial management, budgeting, teaching faculty, federal policies