

## **Neglected Internal Sources of Public Tertiary Educational Institutions Financing: Strong Reasons Why Public Tertiary Education Institutions are Financially Constrained to Meet Up With their Financial Needs in Nigeria**

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**Abstract:** *This paper examines internal sources of tertiary education financing, strong significant reasons why some public tertiary education institutions are constrained to meet up with their financial needs in public tertiary education institutions in Nigeria. Michael Okpara University of Agriculture Umudike, University of Port Harcourt River State are among public tertiary education institutions in Nigeria. Therefore, the two universities are chosen for extraction of population and sample of this study. The population of this study is 16,000 which comprised 9,000 males and 7,000 female students from Michael Okpara University of Agriculture and University of Port Harcourt River state respectively. Stratified random sampling technique was used to obtain 26 male respondents in three departments from Michael Okpara University of Agriculture Umudike and 28 female students in three departments in University of Port Harcourt River State. This gave a sample size of 162. Descriptive survey research design was adopted for this study. One research question and one hypothesis guided this study. Instrument used for data collection was researcher developed questionnaire “titled, internal sources of tertiary education financing, strong significant reasons why some public tertiary education institutions are constrained to meet up with their financial needs in public tertiary education institutions in Nigeria was used,” with four rating scale of strongly agree, agree, dis agree and strongly disagree. The instrument was validated by two specialists. Cronbach alpha statistics was used to determine the reliability coefficient of this study at 0.78 and 0.97, which shows that the instrument is reliable to be used for this study. Mean and standard deviation were used to analyze the data while t test of independent was used to test the hypothesis. The findings from this study reveals that leasing of facilities, sale of agricultural produce, among others, are varied internal sources public tertiary education institutions could use to augment with meager funds provided by government in public tertiary education institutions in Nigeria. It was recommended from this study that some public tertiary education institutions should engage in internal sources of revenue generations such as: Renting and leasing of facilities, pre degree and Jupeb programs, sale of agricultural produce among others.*

**Keywords:** *Facility Rental, Commercial Activities, University Events, Endowments and Donations, Internal Revenue Sources*

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## Introduction

Funding has been pivotal for sustainability of human and non-human infrastructures in public tertiary education institutions in Nigeria. Without funding staff will engage in both innate and open regrets, such as tantrums, withdrawal from responsibilities. Dilapidated buildings will fallow unrepaired in public tertiary education institutions. Funding and lack of funding determines the success or failure of any level of educational institutions (Ayeni & Babalola, 2009). There are tremendous regrets by some public tertiary education institutions in Nigeria on poor funding. State universities and colleges of education are the worst hit on dilapidated infrastructure and poor funding (Okebukola, 2002 & Sodunke 2001). Inadequate grants and lack of funding to public tertiary education institutions are caused by insecurity, frequent change of government and tremendous run out of the country by investors to countries where there are menial charges on taxes and abundances of social amenities.

Frequent moves by investors to other countries to African counties and other countries of the world instead of Nigeria, have caused Nigeria to suffer into balance of payment deficits and unemployment. This would in the near future, cause Nigerian government to devalue her currency as a result of capital flight. Public tertiary education institutions have severally gone to general strikes due to inability of Nigerian government to provide adequate financial and infrastructural resources to tertiary education institutions in Nigeria. Inadequate funding has thus, possessed serious setbacks on education, hospitals and power generating companies in Nigeria. These mishaps have caused lecturers and teachers in the lower education sectors to form professional

militancy to obtain their salaries and other subvention in Nigeria (Uwazuruike, 1998). In view of these financial crisis in education, public tertiary education institutions have scouted for alternative internal fund generating means to finance their projects and continue their responsibilities in progress instead of waiting for government delayed subventions (Sanni 2016, Onuoha, 2013, Sodunke 2011 & Udo 2008).

The Bulk of expenditures government offset's in public institutions especially in tertiary education institutions in Nigeria revolves in two sets of expenditures: Capital and recurrent expenditures. However, capital expenditures are expenditures involved in expenditure of capital funds for financing capital projects in Nigerian educational institutions in Nigeria (Aderemonu, 1988). Capital expenditures are used for provision of new buildings, renovation of old buildings, provision of power generating sets and other teaching and learning facilities and equipment. On the other hand, recurrent expenditures are expenditures government spends on payment of salaries of academic and non-academic staff salaries, purchase of equipment, hosting of conferences and workshops (Adesua, 1981). Recurrent expenditures are very paramount for staff welfare and development. Money provides the essential purchasing and basic maintenance power with which education institutions requires for its human and physical inputs to thrive (Adeyemi, 1998) Recurrent expenditures are disbursed in all public and private organizations where human beings are involved in day to day activities that results in the production of goods and rendition of services in both developing and developed countries of the world. Effective and efficient salary and capital

projects administrations in public universities are fast tracked by effective internal fund generating plans (Uwazuruike, 2021). Planning Recurrent and capital expenditures are the dual means of organizational efficiency and effectiveness. It is exhibits effective work in progress. Some internal sources universities can use to raise funds are elaborated below:

**Lend of university Auditorium, Lecture halls, Sell of Proceeds, University Games, as Internal Sources of Revenue Generation.**

Due to gradual delay on payment of school fees by parents and care givers of some students, schools fees are inadequately realized and few realized fee are paid to government coffers. This has caused delayed or inadequate funding to public universities, especially state owned public universities. It is without doubts that capital and current needs of public owned universities are delayed or not disbursed to public universities due to scarcity, unavailability or other circumstances beyond government controls which requires urgent attention to tackle (Adesua, 1981). On the other hand, capital and recurrent expenditures delayed because of funds government has diverted to other projects. Sequel to these financial bottlenecks in public tertiary education institutions, there are different local fund raising strategies public universities could use to augment or overcome some financial circumstances or needs in public universities (Adesua 1981). Those funds raising strategies include: Monies generated from weekend programs, evening education programs, joint universities preliminary examination programs, textbooks, plays, sells of agricultural products, earning from sports, cultural days, get together parties, symposiums, hostel fees, rents of halls for examinations, earnings obtained from

commercialization of university vehicles, shops, rental of public tertiary education halls for wedding, meetings and conferences. It is without doubts that some public universities are yet to wake up from financial slumber to meet up with their day-to-day financial needs.

**Benevolent Communities**

Team work and resourcefulness of communities have been endearing on provision of facilities and equipment for teaching and learning. With kind efforts of communities, lecture halls are set up, chairs, desks are provided and handed over to public tertiary education institutions authorities to administer especially, universities cited in communities and states where there are high browed rich personalities in Nigeria especially, those whom their wards are schooling in those universities' polytechnics and colleges of educations in Nigeria. Public tertiary education institutions, scout for provision of lots of facilities and equipment through fund raising activities (Ehiametalor, 1985). Fund raising has been a ritual or common ideal and feature of most communities, mainly in the West, South and East part of Nigeria. Most of those funds are raised during launching; get together parties, community festivals among others. Some fund-raising strategies initiated by communities are very successful because of invited dignitaries from official positions in government, industrialists and other well to do individuals in states and communities in Nigeria.

**Endowment funds got from Award of Honorary Degrees to Deserving Personalities in Nigeria.**

Endowment fund is a form of fund generating means for some universities. Honorary degree

awards to universities are internal source of revenue generation that enables public tertiary education institutions to solve their pressing educational needs in Nigeria (Uruakpa, 2005). Financially well to do personalities, non-governmental organizations, contribute money voluntarily to some public universities. In the past decades, some notable Nigerians have benevolently succored the plight of some universities in Nigeria. Names of some of these personalities are written in gold on the projects they have provided their financial resources to, in public tertiary education institutions in Nigeria (Ehiamatalo et al, 1985). For example, Imo state University Owerri, federal University of technology Owerri. Obafemi awolowo University Ile Ife have given honorary awards to governors, presidents and other philanthropic individuals in Nigeria. A well planned honorary awards provides financial landmarks to some public tertiary education institutions in Nigeria. Because of the needs for financial resources in public universities, some public universities management have resolved to confirm some well to do individuals in Nigeria during special occasions for the purpose of recognizing their financial prowess and financial benevolent to public education institutions especially, universities. It is also from this ceremony that more funds are generated to public universities in Nigeria. Some notable endowment funds have been generated from high browed business men and politicians to public universities in Nigeria. Some of these personalities that bourgeoned in financial and landed property wealth include: Chief Gabriel Igbiniedion, Dr. M.T Mbu, Eze Akanu Ibism endowment fund to faculty of business administration, Enugu campus, Others are: endowment fund from First Bank of Nigeria Plc to University of Nigeria Nsukka among others. Donors of those funds

feels very happy, cheers and impressed to donate. Endowment fund draws populism to names of donors. Endowed funds to universities depend on the goodwill of donors.

### **Donors from Foreign Organizations**

Helps comes from foreign organizations to finance educational institutions in Nigeria. After Nigerian independence, countries like American and Britain were much resourceful in assisting Nigeria to finance its education. Some people were brought from America to teach in some secondary and tertiary education institutions in Nigeria. Foreign Agencies like John F . kennedy Foundations, Rockefeller Foundations, Ford Foundations and Carnegie Corporations were organizations that contributed both financially and non-financially to Nigerian education. It is observed that some universities in Nigeria do not create synergy with foreign donor agencies anymore. This is because, some educational institutions in Nigeria have taken long time to engage in serious research efforts. Some projects and staff development projects are carried out through lease or rent of equipment and facilities in public tertiary education institutions in Nigeria. Some foreign donor agencies have been very supportive to education from the decades ago to this present generation (Anyagugu 2021). On the other hand, some educational institutions in Nigeria are sluggish to request for financial assistance because, they felt that they would be cajoled by foreign donors (Adesina, 1981)

For long, some universities are in financial quackmire and unable to devolve certain strategies to augment for their daily financial and logistics needs. This is because, certain local agricultural projects, internal funds generating strategies are abandoned by some



universities that placed full trust on government subventions and fall apart when government refused or delayed to disburse funds they would have used for their day-to-day activities in public universities in Nigeria. Some abandoned means of fund raising such as cultural days, sell of agricultural produce, lending of school facilities for meetings, conferences and examinations are as a result of inadequate planning by public universities heads (Uwazuruike, 2021) This has left some universities into financial chokes in Nigeria. This has resulted to fallowing of building projects, workshops, conferences, in-service training, scholarship grants that are supposed to boost the ratings and intellectuality of students and staff in public universities in Nigeria. Vast array of fund raising intervention strategies backed up by some universities have boosted infrastructural facilities and staff development in Nigeria institutions. Crumbles or set-backs public universities experience on myriads of their plans are observed from inability of university vice chancellors and other management staff of public universities to think out projects that are germane to public universities needs for effective teaching and research. Inadequate financing of projects and education programs in public universities have led to low standards of university graduates and staff in public universities. The researcher agrees because some public universities were unable to procure facilities, equipment and sponsor their staff on scholarship programmes Time is now available and numerous for public universities to make out frantic plans to venture into projects that would yield lots of revenues or income to public universities in Nigeria. It is not flimsy story that some public universities vice chancellors go into borrowing to carry out capital and recurrent projects in their

institutions which thus leaves pile up of projects for succeeding vice chancellors to offset. This financial pandemonium has resulted into various clamours and politicking by senior and junior staff against some public universities vice chancellors in Nigeria. Effective fund generation motivates staff and eschews atmosphere of rancor or acrimony in public universities because, public university vice chancellor spends or delve into fund gulping projects from what they have obtain from internal revenue generating projects in public universities. Effective and efficient vice – chancellors have set good pace to provide interest arousing or stimulating university environment from ambiance of projects and succoring of some staff needs in public universities. Abundance of revenue generating strategies attracts several encomiums from people whom the goodwill vice some chancellors have set touches their minds and emotions.

### **Sale of Agricultural Produce**

Resources got from agricultural produce are sources of revenue generation to some public tertiary education institutions in Nigeria that engaged in varieties of agricultural practice in Nigeria. Agricultural practices such as vegetables, poultry farming and rearing of animals, generate millions of naira to public tertiary education coffers in Nigeria especially, during Easter, December and New Year periods (Olayiwola, 2012). Revenues generated from sale of Agricultural produce are helpful and impactful. They are used to carry out some universities projects such as lecture halls, procurement of power generating sets, vehicles, building of luck up stores, renovation of old buildings and a source of revenue for carrying out public tertiary educations conferences,

picnics and symposiums (Anyagou, 2021). Some community services, such as drug dispensing for polio, cough and cold and other medical checkups by tertiary education medical personnel serves as means of providing healthy living among communities that surrounds or host some public tertiary education institutions in Nigeria.

### **Revenues Derived from Universities Capital Projects.**

Universities capital projects, like commercial stores, hostels, restaurants, hotels among others, are sources of revenues to public tertiary education institutions (Ogunu, 2000). Revenue generated from vast array of universities projects are used to add more value to public tertiary education institutions in Nigeria, such as renovation of old buildings, establishment of new building facilities and provision of science equipment.

### **Leasing or Renting Out Tertiary Education Buildings**

Leasing or renting out some tertiary education buildings and vehicles are sources of income to universities in Nigeria. Some projects and staff development projects are carried out through lease or rent of equipment and facilities in public tertiary education institutions in Nigeria (Rowel, 2016). Funds that come from government are used for paying salaries of staff and financing projects government has carried out their supervision or survey on. Other projects government was not reliably informed are abandoned. These inadequacies on meager funds disbursed to public tertiary education institutions have caused many tertiary education institutions to keep waiting so long till when funds will be approved for some of

their high capacity projects which are not easy to come by. However, funds realized from internal sources on rents and lease of equipment and facilities are used to augment for the provision of facilities, equipment and payment of wages to casual workers in public tertiary institutions in Nigeria.

### **Sale of Forms for Pre- degree and JUPEB**

Pre-degree and JUPEB are internal sources of generating revenue in universities, polytechnics, and colleges of education in Nigeria. Meanwhile, staff that teach and set internal examinations for students in pre-degree and JUPEB foundation programs have to be paid. Funds that remained after settling staff in pre-degree and JUPEB are used to carry out other public tertiary education financial needs in public tertiary education institutions in Nigeria.

### **Statement of the Problem**

Internal sources of revenue generation in public tertiary education institutions are profound in sustaining public tertiary education institutions to meet up with their financial and other logistics needs in Nigeria. However, it is of no doubt that some public universities are financially constrained with meager resources provided by government for current and capital expenditures. It is sacrosanct that some abandoned capital projects, conferences, workshops, research activities and other staff motivation strategies are kept in abeyance because, of inadequate funds to complete many of those projects and conferences in public tertiary education institutions in Nigeria. It is of no doubts that public tertiary education institutions vehicles are lying fallowed in car parks due to inadequate funds to effect their

repairs. Furthermore, some casual workers are not paid for months because funds provided by government are very meager to offset the payment of casual workers in public tertiary education institutions in Nigeria. This paper proffers solutions on how universities would get sustained financially, through internal sources of revenue generations in public tertiary education institutions in Nigeria.

## Methods

This paper examines internal sources of tertiary education financing, strong significant reasons why some public tertiary education institution are constrained to meet up with their financial needs in public tertiary education institutions in Nigeria. Michael Okpara University of Agriculture Umudike, University of Port Harcourt River State are among public tertiary education institutions in Nigeria. Therefore, the two universities are chosen for extraction of population and sample of this study. The population of this study is 16,000 which comprised 9,000 males and 7,000 female students in Michael Okpara University of Agriculture and University of PortHarcourt River state respectively. Stratified random sampling technique was used to obtain 26 male

respondents in three departments from Michael Okpara University of Agriculture Umudike and 28 female students in three departments in University of Port Harcourt River State. This gave a sample size of 162. Descriptive survey research design was adopted for this study. One research question and one hypothesis guided this study. Instrument used for data collection was researcher developed questionnaire “titled, internal sources of tertiary education financing, strong significant reasons why some public tertiary education institution are constrained to meet up with their financial needs in public tertiary education institutions in Nigeria was used,” with four rating scale of strongly agree, agree, dis agree and strongly disagree. The instrument was validated by two specialists. Cronbach alpha statistics was used to determine the reliability coefficient of this study at 0.78 and 0.97, which shows that the instrument is reliable to be used for this study. Mean and standard deviation were used to analyze the data while t test of independent was used to test the hypothesis.

## Results

### Research question one

What are internal sources of funding in public tertiary education institutions in Nigeria?

**Table 1: shows details of internal sources of funding in public tertiary education institutions in Nigeria?**

S/NO	Respondents:	Males 78		Females 84		Decision
		X	S.D	X	S.D	
1.	Incomes from hostel hostel accommodation	3.06	0.10	Agree	3 .00 0.01	Agree
2.	Revenues from renting	3.60	0.10	Agree	3.60 0.10	Agree

lecture halls for examination and church activities

3. Revenues from sale of Agricultural 3.00 0.10 Agree 3.10 0.01 Agree

Products.

4. Revenues from rent out of some 2.50 0.20 Agree 2.50 0.50 Agree

some university premises for wedding purpose.

5. Incomes from philanthropic 3.01 0.00 Agree 2.50 0.50 Agree

Individuals and organizations.

6. Incomes from cultural days 3.00 0.10 Agree 2.60 0.40 Agree

7. Incomes inter universities 3.00 0.50 Agree 3.00 0.01 Agree

competitions

8. Incomes from commercialization 3.01 0.40 Agree 3.01 0.00 Agree

of public tertiary education vehicles

9. Incomes from awards and honors 2.60 0.10 Agree 2.50 0.10 Agree

to deserved personalities from Nigeria and in diasporas communities

10. Incomes from sale of books and 2.50 0.10 Agree 3.10 0.10 Agree

junk foods from stores.

**Total 28.74 1.60 Agree 28.91 1.78 Agree**

### Test of Hypothesis

Table 2: Shows test of hypothesis on the various sources of internal incomes in public tertiary education institutions in Nigeria.

X	S.D	t-cal	t-crt	Decision
28.74	1.60	28.83	2.089	reject
28.91	1.78			

The analysis above mean x is 28.74 with standard deviation of 1.60. in the same vein,

mean for males students is 28.91, with standard deviation of 1.78. The analysis of t-cal at 0.05



alpha level is 28.83 while t-crit at 0.05 alpha level is 2.089. From the analysis, t-calculated (t-cal) is greater than t-critical (t-crit). Therefore, the hypothesis is rejected. This implies that there is no significant difference in the opinion male and female students on various internal sources of incomes in public tertiary education institutions in Nigeria.

### **Discussion of Findings**

The findings of this study revealed that internal sources of public tertiary education funding have been the fulcrum tertiary education institutions have used to mitigate her financial needs to finance projects, pay wages to casual workers, sponsor conferences, annual general and mid- year meetings. Funding is unavoidable in all sectors of Nigerian economy especially, in education. The findings revealed that internal sources of funding have significantly created financial relieves to public education institutions mostly universities, polytechnics and colleges of education in Nigeria. (Olayinwola, 2012) identified that resources got from agricultural produce are sources of revenue generation to some public tertiary education institutions in Nigeria that engaged in varieties of agricultural practice in Nigeria. Agricultural practices such as vegetables, poultry farming and rearing of animals, generate millions of naira to public tertiary education coffers in Nigeria especially, during Easter, December and New Year periods. Little wonder, (Rowell, 2016) opined that leasing or renting out some tertiary education buildings and vehicles are sources of income to universities in Nigeria.

Some projects and staff development projects are carried out through lease or rent of equipment and facilities in public tertiary

education institutions in Nigeria. Some foreign donor agencies have been very supportive to education from decades ago to this present generation (Anyago 2021). On that note, (Sanni 2016, Onuoha, 2013, Sodunke 2011 & Udo 2008), encapsulated that financial crisis in public tertiary education institutions have caused higher education institutions to scout for alternative internal fund generating means to finance their projects and continue their responsibilities in progress instead of waiting for government delayed subventions (Sanni 2016, Onuoha, 2013, Sodunke 2011 & Udo 2008).

### **Conclusion**

Inability of Nigeria public universities to scout for means of generating revenues to finance some projects, carry out research, engage in in-service staff training / development, provide scholarship to their staff and students has resulted into series of setbacks to Nigerian public tertiary education institutions that depends much on government funding. It is because of these short comings, that some projects are abandoned, no good means of training staff. Conferences that supposed be done monthly in public universities takes long time before they are held and no means of scholarship for students. This is why some students, after graduation remained so poor because, they do not have much experiences on jobs responsibilities that would have reflected in their intellectual and skill development. Again, some public universities do not have adequate equipment and facilities to teach their students. Ceremonies that would have attracted dignitaries to donate to public universities were not held, and some funds generated are plundered. Internal sources of funds have been the only key for sustainability of public

education institutions during financial crisis in Nigeria.

### **Recommendations**

1. Heads of public universities should think out fund raising strategies to augment with the funds provided by state and federal government. This would help in the development of public universities in Nigeria.
2. Funds generated to public universities in Nigeria should be judiciously used for development of public universities in Nigeria.

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