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Determinants of Financial Sustainability of Community Based Organizations in Kenya: A Case of Community Based Organizations in Kibera Slum in Kibra Constituency

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Abstract: **This study set out to establish the determinants of financial sustainability of community based organizations in Kenya with a specific focus on community based organizations in Kibera Slum, Kibra Constituency. The study used a descriptive research design. The units of analysis were the 72 community based organizations in Kibera Slums. The study utilized purposive sampling technique to select 2 respondents from each of the community-based organizations in Kibera. As such the units of observation were 144. The study utilized Slovin's Formula of sampling where 106 respondents were selected. The study collected primary data using a questionnaire. Prior to the actual study, a pilot study was conducted on among 15 respondents purposively chosen from the staff working in other CBOs in Nairobi County. To ensure that the questionnaire was valid, input of experts who included the supervisor and other scholars was sought. Internal consistency method will be tested using Cronbach's Alpha. Data collected was analyzed using mean, frequency, percentages and standard deviation. The findings were presented using tables and charts. In order to estimate the rates of change in the dependent variable as a result of a unit change in each explanatory variable, the study carried out a multiple linear regression analysis. The study established that most of the CBOs in the area are relatively sustainable financially while a significant number are less sustainable and struggling financially. The study found that financial skills, budgetary control, diversified sources of income, better management of donors affected sustainability of CBOs in Kibera slums to a great extent. The study concludes that financial skills are paramount in financial sustainability and current, accurate and relevant financial data ensures sound decision-making. The study thus recommends that the CBOs need to put more emphasis on engaging competent employees in financial controls, internal controls, financial planning/budgeting, financial reporting and financial tracking. The study recommends that there is need to develop a clear policy on budget control processes in the CBOs. There is need to diversify the income generating sources of CBOs for their financial sustainability. The management of CBOs ought to make sure that they sustain a good relationship with stakeholders providing financial support especially through better information management, high level of accountability and strong communication.**

Keywords: **Financial Sustainability, Community Based organizations, financial skills and income diversification.**

I. INTRODUCTION

Financial sustainability is described by Bowman (2011) as the ability that an organization possesses in meeting its obligation in terms of finances and other equivalents irrespective of the source of funds provided they remain on course towards realization of their mission by continuing to provide goods or service to the stakeholders into unforeseen future. An organization is known to be financially stable when its immediate work is not affected if its external funding is altered (Ahmed, 2012). A number of factors have been suggested by different scholars (Wanjohi, 2010; Okumu, 2012; Waiganjo, Ng'ethe and Mugambi, 2012), as key in sustainability of programs. Key among these factors are product pricing, costs incurred to access financing, overall administrative overheads of the organization, the quality of the portfolio and the general increases in prices which has the capability of eroding the purchasing power of the currency. Financial sustainability may be measured by in terms of the level of overall operational self-sufficiency of an organization, adequate of finances to meet the obligations as they arise, the level of dependence on tax exemptions, the total value of assets together with the returns they produce. According Wanjohi (2010), CBOs are not started with the aim of generating profit from their operations irrespective of where they operate from. Both at the local and international fronts, CBOs are started with the sole purpose of mobilizing community efforts to drive development agenda. To realize the set development agenda, it is important that the CBOs works closely with the community and ensure that the community owns the projects (Cooke-Davies, 2002). Community involvement has been found to be one of the strongest strategies in ensuring project acceptance which also improves the sustainability of the projects. In Kenya, CBOs began as self-help groups in the years of 1960s by first president of Kenya, Mzee Jomo Kenyatta through coming together in the spirit referred to as Harambee (Chitere, 2010). According to Chitere (2010), the Harambee spirit was based on the understanding that one could not be able to carry out plans or actions by him/herself but would require a certain contribution from the other members of the society. The work of CBOs in Kenya has been found to play a key role in economic development. However, challenges in alignment of structure, competency of management teams and motivation of employees to work optimally have negatively affected CBO contribution to economic development (Silva and Burger 2015). CBOs play a key role in the realization of one of the key pillars of the Millennium Development Goals (MDGs) on reduction of poverty through creation of employment and improving the living standard of the community (Okumu, 2012). Waiganjo, Ng'ethe and Mugambi (2012) stresses the importance of dealing with these challenges facing CBOS if they are to perform their role effectively. Kibera has over 70 CBOs working with adolescents and other vulnerable groups. These CBOs in the region implement various activities.

1. Statement of the Problem

According to Claeye and Jackson (2012) NPOs have a significant effect on economic development of countries all over the world. Many CBOs are currently participating and others have been participating in community development activities aimed at improving the community livelihoods through economic, political, social and legal empowerment in the majority of the developing countries at national, regional and local levels (Barnett & King, 2008). This has been realized amidst constantly increasing population coupled with declining resources which has resulted in increased number of people in need (Davis, 2015). However, the proportion of organizations realizing sustainability on the financial aspects have reduced as many are accused of lacking creativity and commitment. Many CBOs and NGOs have continued with the mentality of heavy dependency on the donors which is declining at a fast rate (Besel *et al.,* 2011).

Mohammed (2008) observed that most CBO's in Africa remain heavily dependent on external financial assistance from donors. However, the 2008 financial crisis coupled with dwindling donor government financing have reduced the level of financial support advanced to NGOs in the developing countries (Ibrahim, 2012). The number of NGOs and other charity institutions ceasing operations have increased because of inability to sustain their financial demands. The general decrease in donor funding and the emphasis by donors to fund project-based activities and avoid organization's overheads portrays much threat to financial sustainability of donor funded. Kenya as a developing country faced numerous challenges such the Government alone cannot meet the development needs of its people. It is clear that if financial sustainability of community based organizations is not taken seriously, the benefits of such CBOs will be foreclosed. This would limit the contribution of community based organizations in the wellbeing of slum dwellers like Kibera and consequently achievement of Vision 2030. There have been several observations and literature reviews on the factors affecting the ability of institutions to finance their operations into unforeseen future of NGOs and CBOs from various researchers and scholars. Sisay (2015) investigated the financial sustainability of Ethiopian resident charity organizations. The study found that ERCs are facing a myriad of financial sustainability challenges. Majority of their current funding comes from donors, and yet it is inadequate to support their mission. Waiganjo, Ng'ethe and Mugambi (2012) focused their study on the strategies adopted by NGOs in Kenya to increase their ability of institutions to finance their operations into unforeseen future. In addition to that, a study conducted by Ahmed (2012), on the factors affecting the ability of NGOs to finance their operations into unforeseen future in Kenya, different sources of funding were identified.

Moreover, despite the increased efforts by various strong donors like USAID, DFID, OXFAM, World Bank and other donors on capacity building procedures of the CBOs and NGOs with refresher courses on the best applicable practices in the NGO sector, NGOs need to adopt appropriate financial sustainable strategies to have a more reliable financial position and gain sustainability in the long run (Nicklous, 2012). There are several CBOs operating at grass level in all settings including Kibera slum focused by this study. However, financial sustainability on CBOs is not exhaustive and lack of specific focus to the target study area has left a gap that requires further exploration. To address this gap, this study sought to examine the determinants of financial sustainability of CBOs in Kenya with a focus on Kibra Constituency where the largest slum in Africa is found.

2. Objective of the Study

The general objective of this study was to establish the determinants of financial sustainability of Community based organizations in Kenya: A case of Community Based Organizations in Kibera slum, in Kibra Constituency. Specific objectives includes:

i. To determine the influence of financial skills on financial sustainability of CBOs in Kibera Slums, Kenya

ii. To explore the contribution of income diversifications on financial sustainability of CBOs in Kibera Slums, Kenya

iii. To assess the extent to which donor relationship management influence the financial sustainability of CBOs in Kibera Slums, Kenya

iv. To establish the influence of budgetary control on financial sustainability of CBOs in Kibera Slums, Kenya

3. Research Questions

In conducting the study the following research questions were answered

i. To what extent do financial skills influence the financial sustainability of Community based organizations in Kibera Slums, Kenya?

ii. How does income diversification of development intervention contribute to financial sustainability of Community based organizations in Kibera Slums, Kenya?

iii. To what extent does donor relationship management influence the financial sustainability of Community based organizations in Kibera Slums, Kenya?

iv. Does budgetary control have any influence on financial sustainability of CBOs in Kibera Slums, Kenya?

II. LITERATURE REVIEW

1. Theoretical Review

Portfolio Theory: This school of thinking was advanced by Markowitz in early 1950's. It has been defined as the foundation to current modern finance. This theory underwent many transformations to what is currently known as Modern portfolio theory (MPT). This theory focuses on how organizations or investors can maximize their returns. It argues that investors need to invest their wealth in a diversified portfolio with varying degrees of risks and returns so that incase one of the investments do not perform well, it is compensated by the investment in other categories (Bhalla, 2010). This theory holds that investors need to select their assets in a way that they collectively bear lower risk as compared to any individual asset on its own. This theory holds that through diversification, investors are able to lower the volatility as a trade off with the expenses associated with reduced expected income (Kingma, 2003). Diversification of income is well embedded in the portfolio theory which assumes that for the purposes of simplicity, returns on any investment is normally distributed over the period evaluated (Greenlee & Tuckman, 2007). This assumption promotes portfolio efficiency hypothesis computed through expected returns and standard deviations (Norstad, 2005). This theory has been applied by many investors in the current times in their bid to optimize investment returns. The theory promotes public financial management practices which are significant in ensuring that organizations are able to pay off their financial obligations as and when they are required to do so (Trussel, 2002). This theory supports the objective on income diversifications and how it influences institutions ability to pay off its financial obligations as and when its is required to do so.

Stakeholder Theory: This school of thought was developed in the 1980 by Richard Edward Freeman who argued that a firm is system made up of many stakeholders operating within the larger system that makes available important legal and market necessities for its activities (Freeman, 1984). This theory holds that all legitimate people taking part in activities of an institution with the aim of getting some benefits. However, it is important to note that the priority of these interests of each stakeholder may not be self-evident (Donaldson & Preston, 1995). The theory identifies stakeholders using the interests that they hold in an organization which are considered (Freeman, 2008). However, it is also important to note that the interests of different stakeholders need not harm them. To ensure future existence, this theory argues that an organization can safeguard the interests of all stakeholders without infringing on the interests of any one of them. It needs to create a balance where interests of all stakeholders are considered. This theory approaches interests of stakeholders from a managerial point of view by looking at attitudes and practices. The growth of this theory is because of the economic theory of the firm. The relevance of the theory to the study is that the top management team in CBO is responsible for reporting timely information to stakeholders. The management of an organization is also charged with the responsibility of justifying the spending of NGOs (Haber, 2004). The theory argues that stakeholders have an important role to play as far as financial sustainability of NGOs is concerned (Onyango, 2002).

2. Empirical Review

Financial Skills: Financial management according to Habib (2013) describes how the internal controls of an organization operate. Financial management has been seen as one of the tools used in improving accountabilities, accuracies and transparency thus helping an organization to attain the set goals and objectives (Koitaba, 2013). Proper financial management practices can lead to improvement in financial position of the business. Various activities are undertaken in the financial management practices including management of cash, coming with goals and objectives of an organization on a long term horizon and other strategic tools that support operations of an organization. Financial management covers activities like formulation and implementation of plans for control expenditures and incomes within an organization and decisions withy regarding to funding (Fourier, 2008). Financial management plays an important role as far as project performance is concerned. This is achieved through ensuring that projects are achieved in time and within budgets established (Cleland, 2009). Financial management does not only entail determination of the costs that have gone in given projects but also covers proper budgeting practices. For financial sustainability in an organization, sound accounting and financial management practices are paramount. Sound financial management practices require management of an organization to put in place systems of ensuring accuracy, relevance and timeliness of the data collected (financial) that is to be used in making of informed decisions of an organization. An organization should also work on the current systems of internal controls to ensure they are strong enough to detect any financial impropriation (Anthony & Young 2003). Strengthening the financial management of an organization plays an important role by ensuing that the assets of an organization are well protected. Thus, an organization should strive to clearly document its internal controls while regular assessments, revisions and tests should be conducted on these systems.

Leon (2011) argued that majority of the NGOs have put in place donor-based accounting systems. These however are too risky since they do not adequately control the flow of information in an organization. Such systems also are exposed to significant level of errors. To remit these limitations of donor based accounting, NGOs need to implement cost center accounting systems. With these systems, the organizations are able to maintain the books of account on a double entry system. An efficient financial management system supporting financial sustainability of NGOs should be in position to of reporting relevant financial information on a regular basis (Leon, 2011). According to Mugambi, Ng'ethe and Waiganjo (2012), financial management had a direct and significant influence on financial sustainability of NGOs. Concurring with these findings, Ali (2012) noted that financial management is the most significant determinant of financial suitability among NGOs.

Income Diversification: Income diversification is defined simply as a process in which multiple income sources are created (Minot et al., 2006). Diversification of revenue is important to the organization so as to improve the financial sustainability of CBOs. According to a survey done by Suri (2009), economic crisis has always had a strong impact on the NGOs revenue trends with having decreased sources of funds. In order to respond to the economic crisis, NGOs have tapped on international markets for better funding streams. In view of the economic crisis, seeking funds from global financing partners can play an important role as far as financial sustainability is concerned (Kurosaki, 2003). Specifically, funds coming from international states and governments have played an important role in ensuring financial sustainability of CBOs. Boas (2012) noted that for NGOs to effectively diversify their funding and incomes sources, the need to decide on goals to be achieved is paramount. Goals among NGOs can either be on a short term or long term horizon. Boas (2012) further argues that organizations focusing their operations on grant makers and donors in most cases strive to diversify the financial sources among financial partners with strong reputation. Similarly, Seipulnik and Alymkulova (2005) argue that the greatest strategy of ensuring financial sustainability is diversification of the sources of incomes. According to Seipulnik and Alymkulova (2005), diversification of the sources of finance ensures that NGOs have a wider base of funding that determines the long term financial sustainability. Rasler (2007) notes that establishment of a completely financial sustainable NGO is faced with greater challenges of making sure that the internal capacities are strong enough. It also requires the need for improvement in legal factors and securing sufficient resources. Before striving to be financial sustainable, NGOs need first to strengthen of their self-governing and organizational capacities. At the same time, an efficient regulatory system is paramount for NGOs to achieve this (Muzinda, 2007).

Kirongo (2010) argues that to finance their operations, NGOs seek financial resources from third parties related to NGOs, beneficiaries of the programs of NGOS and other unrelated third parties. Related third parties of NGOs include donors and granters, beneficiaries include the members of the community and members and they offer financial support in form of cost recoveries. With unrelated third parties, funding occurs in terms of commercial ventures. The donations and grants are in most cases classified as external sources of funding among NGOs while commercial ventures are seen as internal funding sources of NGOs. Guamfi (2010) argued that international sources of funding NGOs are likely to reduce. Thus, NGOs should not solely rely on these sources of financing if they strive to be financially sustainable. Basel, Williams and Klark (2011) noted that comprehending how cultural and economic factors interrelate among communities with low incomes and the challenges that CBOs face to remain financially sustainable is important for improvement of most NGOs. A number of NGOs are financed from diverse streams and sources of incomes including grants, donation and fees from members.

Donor Relationship Management: Just like NGOs, CBOs are faced with a challenge of getting a reliable and regular source of financing their operations. Assessment of donors by CBOs is a challenge just as striking deals with the conditions of funding (Kirk & Nolan, 2010). There are perceptions of existence of cartels at individual level which determine the ability of CBOs to access funds from donors (Silva & Burger, 2015). There is a growing reliance on donor funding. On the other hand however, donors prioritize on their agenda on given projects and this is put forward as one of the conditions that organizations should attain for them to be funded. For example, a donor may call for proposals on environment led projects and when an organization apply for funding, the donor imposes other activities to be implemented along this one (Serageldin, 2006). The proposed new activity may not be a priority to the community but for them to receive the funds; the organization must comply and implement such an activity (Low, 2006). This lead to utilization of resources in areas of no preference to the community as opposed to addressing the community needs. According to Roll (2009) improving on funding strategies of NGOs in promotion of the organizational values and mission is an important aspect of ensuring sustainability. Establishing proper plans of fund raising result into financial sustainability of organizations (Padilla et al., 2012). Organizations should ensure that their fundraising plans are incorporated into the budgetary processes, the short term, medium and long term planning horizons (Bray, 2010). Nkirote (2012) revealed NGOs need to improve on their financial management practices in order to realize the established goals and objectives. However, there is significant inadequacy of financial management skills among most organization that has been attributed to poor financial results (Porter & Goldman, 2013).

Woller and Schreiner (2012) did a study to assess factors resulting into financial sustainability. The study revealed that one of the most crucial factors that organizations striving to be financial sustainable should evaluate was productivity. The other factor was ensuring accountability. The funding sources of CBOs determine their financial and capital structures. It also determines the inherent risks that CBOs face and this migjht have an influence on ability of CBOs to meet their goals and objectives. Butler, Denison and Yan (2009) noted that financial capital and structure of CBOs play an important role towards their development and sustainability in financial terms. In terms of ownership, the members of the community rather than shareholder are key stakeholders in most CBOs (Wanyama, 2009). This is in complete contrast with other body corporates where through corporate governance; there is a management team, shareholders and the board of directors. According to Low (2006), NGOs are established on assumption that board plays an important role in decision making and shaping their overall directions. Thus, the overall success and performance of CBOs is determined by those in charge of the board. It is important that boards advocate for efficient and effective use of resources to generate value for their organizations (Kaplan, 2014). The management should also play an active role in CBOs by combining their skills set, knowledge and competencies (PMI, 2008).

Budgetary Control: Budgetary Control and accountability provide the necessary pillars on which improvement in organizational operations can be realized to ensure that the organization gets value for its expenditures (Low, 2006). Budgetary controls begin at the point of developing estimates on the expenditures that are to be undertaken by an organization over a specified period of time or on a given project with clearly specified outcome targets. It enables the donors or providers of financial support to monitor the way resources advances are being utilized by the CBO so that they are not mismanaged (Cornwall et al., 2000). Budgets act as controls beyond which managers are not supposed to spend the resources advances. They need to squeeze their expenditures within allocated resources because everything has to be accomplished within the budget as shared with the donor (NPA, 2008).There exist different levels of accountability identified as administrative, political and social (Narayan, 2002). All organizations operate within a society which requires that they take care of their stakeholders and the external environment for their sustained operations. Failure to do this may result in conflicts which may jeopardize the sustainability of operations (NPA, 2008). Political accountability occurs in political settings while administrative accountability is realized in internal processes (Reuben, 2003). This can be ensured through promotion of participation by project beneficiaries. Adeyele (2016) argues that modern day budgeting began in the Roman and Egyptian civilization periods of 500BC and 2500BC respectively where merchants matched the value expected of a given commodity in the future against its expected income so as to know the probability of their businesses making a profit or loss. In another study, Siyanbola (2013) noted that formal development of budgets originated from the middle age period.

Kipkemboi (2013) admits that budget reflects approximations of future likely occurrences, and what viewed to be acceptable performance statistics. They facilitate measurement of performance by comparing actual with budgeted results. This helps in providing information that indicate the need to analyze and carry out more research to establish whether there was over and under spending and the justifications for the same. Kimani (2014) noted that budgetary control focus on achieving four distinct things: define and evaluate the short- and long-term plans of the firm, identify responsibilities and the persons to handle each, delegate authority to budget managers who needs to work around the clock to ensure that the targets are met, and allocate resources optimally on the different tasks. Budgets are mainly meant to motivate budget managers to work hard because they identify how they need to utilize the resources at their disposal to deliver on set targets. For NGOs and CBOs operating within low income communities like the slums, project managers need to develop well qualified and knowledgeable experts like lecturers who can assist in designing and implementing baseline studies to direct CBO operations (Zimmerman & Stevens, 2006). Since CBOs focus is on providing goods and services, the knowledgeable experts can help in ensuring optimal allocation of resources for smooth operational flows and sustained provision of the same into the unforeseen future (Mulroy, 2003).

III. METHODOLOGY

1. Research Design ,Target Population And Sampling

This study employed a cross sectional survey design in investigating the determinants of financial sustainability of CBOs in Kibera. Target Population: For the purpose of this study the 72 community based organizations in Kibera Slums was the units of analysis. The 72 CBOs operate in the sectors of Youth, Relief, Micro-Finance, Welfare and Health. The main reason for this choice is that these community based organizations in Kibera Slums were most likely to exhibit all or most of the aspects of financial sustainability studied. From these CBOs the units of observation were the Financial Managers and the CEOs/Managing Directors in target population. The corresponding number of staffs designated as managers, representative board trustees, group leaders, customer attendants and technicians in the CBOs.

Table 1: Target Population

Sector	Number of NGOs	Percentage
Youth	10	13.3
Relief	11	15.6
Micro-Finance	3	4.4
Welfare	21	28.9
Health	27	37.8
Total	**72**	**100.0**

Sample and Sampling Frame: The study utilized stratified sampling and purposive sampling techniques in selection of units of analysis and units of observation. The 72 community based organizations in Kibera Slums were studied. This was because all these CBOs have operated in the area for a period of more than 10 years are better places to understand the financial sustainability and therefore will be possible to get credible responses within a reasonable time. Basing on the total population at Solar Kiosk Kenya of 144, Slovin's formula was used to calculate the sample size (n) given the population size (N) and a margin of error (e). It is computed as n = N / (1+Ne2). Punzalan and Tejada (2012) note that most survey studies determine sample sizes using Slovin's formula. Based on this, the sample size of the study was 106 respondents. In this regards, the study involved 144 finance managers and the CEOs/MDs as the units of observation.

Table 1: Sample Size

Sector	Management Staffs	Percentage	Sample Size
Youth	20	13.3	14
Relief	22	15.6	17
Micro-Finance	6	4.4	5
Welfare	42	28.9	31
Health	54	37.8	40
Total	**144**	**100**	**106**

2. ***Research Instruments and data collection***

This study utilized research questionnaire as the main data collection instrument while secondary data was collected from annual reports of the community based organizations in Kibera. Kothari (2003) notes that ordered and systematic responses are generated by questionnaires. The questionnaires had a mixture of both open and close ended questions. Questionnaires were divided into sections for ease of analysis. In general, two sections were covered in the questionnaire. Secondary was also used on the financial aspect of the studied CBOs. To collect this data, data collection sheets were structured and used. The researcher administered questionnaires in person at respondents' work places. The questionnaires were distributed on a drop and pick latter method. The pilot study was conducted using 15 respondents drawn from CBOs operating in other areas in Nairobi County on financial sustainability of Community based organizations in Kenya. In ensuring that the instruments of the study are valid, supervisors played an important role in reviewing each construct on the questionnaire. At the end of the process, invalid questions were deleted from questionnaires. To determine reliability, the study adopted the internal measure of consistency called Cronbach Alpha. Reliability with a predetermined threshold of 0.7 is considered acceptable. That is, values above 0.75 indicated presence of reliability while values below signified lack of reliability of the research instrument.

3. Data Processing and Analysis

During the analysis of data, the researcher processes the collected data to draw inferences and deductions (Tromp & Kombo, 2009). The collected data was coded in SPSS software. Both means, standard deviations and regression analysis were employed to analyze the data. The regression equation was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon:$$

Whereby; Y = financial sustainability, X_1 = financial skills, X_2 = income diversifications, X_3 = donor relationship management, X_4 = budgetary control. Further, β_0 = the regression intercept, β_1, β_2, β_3 &β_4 =Regression Coefficients and ε = Error term normally distributed about a mean of 0 and for purposes of computation ε is assumed to be 0. This offered a quantitative and qualitative description of the objectives of the study. Averages, frequencies and percentages accurately serve this purpose. There was further processing for presentation of results in a variety of graphs and charts using Ms Excel. Content data was presented in prose form. Conclusions were then drawn from the findings and recommendations made.

IV. RESULTS AND DISCUSSIONS

1. Pilot Study and Response Rate

A pilot study was done to ensure that the instruments are valid and reliable. To achieve this, test-retest was employed. After piloting, the responses were entered into SPSS and Cronbach Alpha was employed. The findings indicated that financial skills had a coefficient of 0.741, budgetary control had 0.774, income diversifications had 0.838 and donor relationship management had a coefficient of 0.743. All constructs depicted that the value of Cronbach's Alpha are above the suggested value of 0.7 thus the study was reliable (Nunnally, 1974). From the target population, a sample of 106 respondents was selected in collecting data with regard to the determinants of financial sustainability of Community based organizations in Kibera slums in Kibra Constituency, Kenya. The findings are shown in Table 3. The researcher distributed 106 questionnaires to respondents. Out of these, 88 were completely filled up and collected by the researcher. This was equivalent to a response rate of 83.0%. The response rate was in line with Mugenda and Mugenda (2012) who revealed that response rates of over 70% are sufficient for analysis and interpretation of the findings. A similar take is undertaken by Richardson (2005) who noted that excellent response rates should be over 70%.

2. Descriptive Analysis

Background information: From the findings, majority of the respondents 63.6% were male and 36.4% were female. Thus, most of the respondents were male as compared to female respondents. . According to Figure 4.2, most of the respondents 43.2% were 30-30 years, 24.0% were less than 30 years, 19.3% were 40-49 years and 12.5% were over 50 years. These results demonstrated that the respondents were well distributed in terms of age hence different views of the determinants of financial sustainability of Community based organizations in Kibera across varying ages are accounted. About 37.5% of the respondents indicated that they were finance managers, 31.8% of them were managing directors, 18.2% of the respondents were CEOs of the CBOs while 12.5% of the respondents comprised of other staffs such as assistant managers and general staffs. Thus respondents of the study were either directly or indirectly involved in decisions to formulate and implement projects among the CBOs. From the study, most (27.3) of the respondents were working in CBOs whose main focus of their activities was in relief, followed by 26.1% of the respondents drawn from the CBOs involved in social welfare and 18.2% of them were staffs of CBOs involved in youth activities. In addition, 15.9% of the respondents were drawn from the CBOs involved in health activities while 12.5% of them were working in CBOs whose area of focus was micro-finance. Accordingly, the study involved CBOs focus in various areas of organizational activities hence the responses are representative.

From the study, 45.5% of the respondents agreed that their CBOs had been in operation for a period of between 6 to 10 years which is a long period. Further, 31.8% reported that their organizations had been in existence for a period of more than 10 years while 22.7% reiterated that their CBOs had been operational for a period of less than 5 years. This was a clear indication that most of the firms sampled had been operating in the area for a long time hence were better placed to respond to the issues sought by this study concerning the determinants of financial sustainability of Community based organizations in Kibera. From the study, majority of the respondents (shown by 60.2%) unanimously recapped that their CBOs had 20 and above employees which agrees with the study, 29.5% of them indicated that their organizations had between 10 and 20 employees while 10.5% of the respondents worked in CBOs with less than 10 employees. These results imply that the respondents worked in CBOs mainly comprising of a varying number of employees hence, the findings in the study are representative of the real situation of the determinants of financial sustainability of Community based organizations in Kibera. From the findings, 39.5% of the respondents unanimously indicated that they had worked with the CBOs for a period of 5 - 10 years, 33.4% of them had been working in the community based organizations in Kibera for a period of 5 to 10 years, 14.5% of them had been working in their organizations for less than five years whereas 12.6% of them had worked in the CBOs for a period of more than 15 years. This finding shows that majority of the respondents who took part in the study had worked for a significantly longer time frame and thus were knowledgeable.

Financial Skills and Financial Sustainability of CBOs: The study also sought to establish the respondents' level of agreement with various statements regarding financial skills as a determinant of financial sustainability of CBOs in Kibera slum. The results obtained are as depicted in Table

Table 3: Effects of Financial Skills on Financial Sustainability of CBOs

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
The CBO always prepare cost estimates.	0.0%	3.1%	44.8%	45.8%	6.3%	3.3010	0.6628
Our Organization always prepare financial forecast.	0.0%	3.6%	48.2%	42%	6.3%	3.2610	0.6711
This CBO always have cash flow analysis.	0.0%	27.1%	6.8%	41.4%	22.6%	2.6280	1.1772
The CBO always prepare cash book on daily basis	0.0%	4.2%	45.8%	37.5%	12.5%	3.0830	0.775
Financial reporting and organizational sustainability are correlated.	0.0%	7.7%	53.8%	23.1%	7.7%	2.7680	0.6304
Financial reporting practices are used as a basis for discussion for improvements in the quality of financial management	0.0%	12.5%	50%	33.3%	4.2%	3.1240	0.7506
Sound financial practices are essential in CBOs	0.0%	3.1%	45.8%	45.8%	5.2%	3.3200	0.6481
The CBO's corporate governance employed affects the efficiency of financial management practices	0.0%	3.1%	45.8%	45.8%	5.2%	3.3200	0.6481
Consistency is noted as a benchmark of quality in financial reporting practices	0.0%	21.2%	21.2%	34.6%	23.1%	2.6750	1.0711

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Majority of the respondents were neutral with most of the statements regarding financial skills as a determinant of financial sustainability of CBOs. The results in Table 3 indicate that, 45.8% of the respondents agreed, 44.8% of them showed impartiality, 6.3% strongly agreed while 3.1% of them disagreed that the CBOs always prepare list of expected activities and convert them into money values. These corresponded to general neutrality with the statement as shown by a mean score of 3.3010. 48.2% of the respondents showed neutrality while 42% of them agreed that the Organizations always prepare forecast of all monies we hope to get and how to use it generating overall neutrality with the statement as shown by a mean score of 3.2610. Majority (41.4%) of the respondents agreed that the CBOs always have an allocation for all types of things that require to be purchased in this business as shown by a mean score of 2.6280. As shown in Table 3, 34.6% of the respondents showed agreement, 23.1% of them strongly agreed, 21.2% showed neutrality while 21.2% of the respondents disagreed on that consistency is noted as a benchmark of quality in financial reporting practices. These results generated general neutrality as shown by a mean score of 2.6750. According to Table 3, 45.8% of the respondents indicated neutrality, 37.5% of them agreed, 12.5% strongly agreed and 4.2% disagreed that the CBOs always enter all transaction into cash book on daily basis. These results in overall contributed to an agreement as shown by a mean score of 3.0830. Majority (45.8%) of the respondents and another 45.8% of the respondents showed agreement and neutrality respectively on that the CBO's corporate governance employed affects the efficiency of financial management practices. This accounted for general neutrality with the statements as shown by a mean score of 3.3200. The results shown in Table 3 further reveal that there was impartiality on that there is a relationship between financial reporting and organizational sustainability as shown by a mean score of 2.7680. This was generated by 53.8% of the respondents showing neutrality, 233.1% showing agreement and 7.7% showing disagreement and strong agreement in each case. Further, 50% of the respondents showed neutrality and 33.3% of them agreed that financial reporting practices are used as a basis for discussion for improvements in the quality of financial management. The overall rating was neutrality with the statement as shown by a mean score of 3.1240. These results are in concurrence with Leon (2011) that sound accounting and financial management skills are pre-requisites for CBOs to be financially sustainable.

Income Diversifications and Financial Sustainability of CBOs: To explore the contribution of income diversifications on financial sustainability of CBOs in Kibera Slums, the study sought to ascertain the extent to which income diversification affects the financial sustainability of CBOs in Kibera.The respondents were required to indicate their level agreement with various statements about the effect of income diversification as a determinant of financial sustainability of CBOs in Kibera slum.

Table 4: Effects of Income Diversification on Financial Sustainability

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Foreign donations as sources of funding are on the decline	0%	6.3%	33.3%	51%	9.4%	3.2590	0.7415
Domestic source of funding for CBOs are becoming increasingly reliable	0%	17.6%	26.9%	47.2%	8.3%	3.1300	0.8799
High dependency on donor funding has a tendency to shift interventions to match donor priorities	0%	8%	30.1%	40.7%	21.2%	2.9030	0.8816
Having multiple sources of funds increases the chances of CBOs being financial sustainable	0%	27%	7%	41%	23%	2.6200	1.1843
The Organization has responded with good planning and hard work brings success in their core activities	0%	12.5%	33.3%	25%	29.2%	2.5410	1.4923
Diversifying funding ensures the organizations' sustainability over time	0%	3.1%	45.8%	45.8%	5.2%	3.3200	0.6481
CBOs with more government funding are stronger financially than others	0%	11.4%	51.4%	25.7%	11.4%	2.9120	0.8370
Maintaining a balance between external and internal resources allows an organization to meet its operating and administrative expenses	0%	16.7%	50%	27.8%	0%	2.9460	0.8401

From the results shown in Table 4, majority (40.7%) of the respondents agreed, 30.1% of them indicated neutrality and 21.2% strongly agreed that high dependency on donor funding has a tendency to shift interventions to match donor priorities as shown by a mean score of 2.9030. 51% of the respondents agreed, 33.3% of them showed neutrality and 9.4% of them strongly agreed that foreign donations as sources of funding are on the decline as shown by a mean score of 3.2590. Further, 41% of the respondents agreed and 23% strongly agreed while 27% disagreed that having multiple sources of funds increases the chances of CBOs being financial sustainable. The resulting mean score was 2.6200 which show general neutrality with the statement. Table 4 also shows that 45.8% of the respondents agreed and another 45.8% of the indicated neutrality with that diversifying funding ensures the organizations' sustainability over time. The resulting mean score was 3.3200 which imply general neutrality with the statement. Further, majority (47.2%) the respondents agreed, 26.9% indicated neutrality and 17.6% of them disagreed that domestic source of funding for CBOs are becoming increasingly reliable. The results generally implied neutrality with the statement as shown by a mean score of 3.1300. There was neutrality with that CBOs with more government funding are stronger financially than others as shown by a mean score of 2.9120. This emanated from 51.4% of the neutral, 25.7% agree and 11.4% disagree and strongly agree responses. 33.3% of the respondents showed neutrality, 29.2% strongly agreed, 25% of them agreed, and 12.5% of the respondents disagreed that the Organizations have responded with good planning and hard work brings success in their core activities hence generating general neutrality as shown by a mean score of 2.5410. Half (50%) of the respondents indicated neutrality, 27.8% of the agreed and 16.7% disagreed that maintaining a balance between external and internal resources allows an organization to meet its operating and administrative expenses. These results accounted to general neutrality with the statement as shown by a mean score of 2.9460. These results are coinciding with those of Suri (2009) donor funding has played an important role as far as performance of CBOs is concerned. However, although there exist challenges with regard to funding, majority of the CBOs have positively responded to these challenges.

Budgetary Control and Financial Sustainability of CBOs: The study sought to establish the respondents' level of agreement with various statements that describe the ability of the CBOs to account for financial sustainability. In this section, the calculated weighted mean is rounded off to the nearest whole and the result counter-checked against the matching number in the key provided. The results are as depicted in Table 5

Table 5: Effect of Budgetary Control on Financial Sustainability of CBOs

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Our organization long term and short term budget plans have an influence on performance of your CBO	0%	7.4%	40.7%	44.5%	7.4%	3.2230	0.7677
Our budgets have clear goals and objectives which by extension influence performance of the CBO	0%	3.7%	48.2%	44.4%	3.7%	3.3330	0.6323
All departments prepare budget plans prior to the budget year	0%	3.7%	33.3%	63%	0%	3.5930	0.572
All the stakeholders to the budget are involved	0%	4.2%	45.8%	37.5%	12.5%	3.0830	0.7755
We are sensitized on the budget control	0%	5.2%	36.5%	50%	8.3%	3.2820	0.7162
Approved Budgets are shared with all departments	0%	3.1%	42.7%	47.9%	6.3%	3.3220	0.6608
The organization has offered training and development programs to the budget committee members	0%	2.1%	39.6%	54.2%	4.2%	3.4400	0.6066
Reporting of deviations from budget targets are frequently reported and the same has an influence on performance of the CBO	0%	3.1%	40.6%	51%	5.2%	3.3720	0.6434
The adoption of financial modelling in the budgetary process has enhanced accuracy of the budgets	0%	6.3%	33.3%	51%	9.4%	3.2590	0.7415
Managers always take corrective action when deviations are reported and the same is presumed to influence performance of the CBO	0%	6.3%	45.8%	43.8%	4.2%	3.2940	0.6792

According to Table 5, 51% of the respondents agreed, 33.3%showed neutral and 9.4% of them strongly agreed that the adoption of financial modelling in the budgetary process has enhanced accuracy of the budget plan thus influencing performance of the CBOs. The overall weighted average was neutrality with the statement as shown by a mean score of 3.2590. Majority (50%) of the respondents agreed, 36.5% showed neutrality and 8.3% of them strongly agreed that the CBOs are sensitized on the budget control process which and consequently influences the performance of the CBO hence an overall neutrality with the statement as shown by a mean score of 3.2820. Further, 54.2% of the respondents agreed, 39.6% were neutral and 4.2% of them strongly agreed that the organizations trained and developed members in budget committees. This enhanced their accuracy and thus organizational performance. There was general neutrality with statements as seen by a mean of 3.4400.

From the study, 51% of the respondents agreed, 40.6% of them were neutral and 5.2% strongly agreed that reporting of deviations from budget targets are frequently reported and the same has an influence on performance of the CBOs. This accounted for general neutrality with the statement as shown by a mean score of 3.0830. 63% of the respondents unanimously agreed, 33.3% of them showed neutrality and 3.7% of them disagreed that all departments prepare budget plans prior to the budget year and which by extension influences performance of the CBOs. Accordingly, there was general neutrality with the statement as shown by a mean score of 3.5930. The respondents on overall showed neutrality that approved budgets are shared with all departments which by extension influence the performance of the CBOs as shown by a mean score of 3.3220. This emanated from 47.9% respondents who indicated agreement, 42.7% showed neutrality and 6.3% strong agreement with the statement. 44.5% of the respondents agreed, 40.7% showed neutrality and 7.4% disagreed that the organizations' long term and short term budget plans have an influence on performance of the CBOs. The resulting rating was neutrality with the statement as shown by a mean score of 3.2230. In addition, 48.2% of the respondents indicated neutrality, 44.4% agreed and 3.7% strongly agreed and another 3.7% disagreed that their budgets have clear goals and objectives which by extension influence performance of the CBOs. The overall weighted average was neutrality with the statement as shown by a mean score of 3.3330. Finally, 45.8% of the respondents showed neutrality, 43.8% agreed and 6.3% of the respondents disagreed that managers always take corrective action when deviations are reported and the same is presumed to influence performance of the CBOs. These results contributed to general neutrality with the statement as shown by a mean score of 3.2940. These results are reflecting the findings by Low (2006) that various aspects of budgetary control are essential building-blocks for driving improvement and better-value for money in community based organizations.

Financial Sustainability of CBOs

The respondents were required to indicate their level of agreement with various statements regarding the influence of various aspects on financial sustainability of CBOs in Kibera Slums. The results are as depicted in Table 6.

Table 6: Influence of Various Aspects on Financial Sustainability of CBOs

Statements on Influence of Various Aspects	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
Sound financial skills support financial sustainability of CBOs	0%	3.1%	44.8%	45.8%	6.3%	3.3010	0.6628
Financial management knowledge affects financial sustainability of CBOs' activities in the slum areas	0%	3.1%	49%	43.8%	4.2%	3.3260	0.6323
Income diversification has a strong impact on the organizations' revenue trends	0%	0.0%	29.2%	62.5%	8.3%	3.4590	0.5882
CBOs diversify their sources of funding and make their financial sustainability more reliable	0%	27.1%	6.8%	41.4%	22.6%	2.6280	1.1772
Developing a coherent donor relationship to address the CBOs challenges promotes their financial sustainability	0%	7.7%	7.7%	53.8%	23.1%	2.7680	.63043
High dependency on donor funds has a negative relationship with the financial sustainability of CBOs	0%	27.1%	6.8%	41.4%	22.6%	2.6280	1.1772
The extent of success of donor supported projects is determined by budgetary capacity of the CBOs	0%	27%	7%	41%	23%	2.6200	1.1843

From the results shown in Table 6, majority (45.8%) of the respondents agreed that sound financial skills support financial sustainability of community based organizations. 44.8% of them showed neutrality with the same, 6.3% strongly agreed while 3.1% disagreed with the statement. An overwhelming majority (62.5%) of the respondents agreed that income diversification has a strong impact on the organizations' revenue trends. In addition, 29.2% showed neutrality while 8.3% of them strongly agreed with the statement. 41.4% of the respondents agreed that CBOs diversify their sources of funding and make their financial sustainability more reliable, 27.1% disagreed, 22.6% strongly agreed with the same while 6.8% of the respondents were neutral with the statement. According to Table 6, 41.4% of the respondents agreed, 22.6% strongly agreed, 27.1% disagreed and 6.8% of them showed neutrality with that high dependency on donor funds has a negative relationship with the financial sustainability of CBOs. Further, 41% of the respondents agreed, 23% strongly agreed while 27% disagreed and 7% of them showed neutrality on that the extent of success of donor supported projects is determined by budgetary capacity of the CBOs. On the other hand, 49% of the respondents remained neutral, 43.8% disagreed and 4.2% strongly agreed that financial management knowledge affects financial sustainability of CBOs' activities in the slum areas. 53.8% of the respondents agreed, 23.1% of them strongly agreed, 7.7% were neutral and 7.7% of them disagreed that developing a coherent donor relationship to address the CBOs challenges promotes their financial sustainability. These results are concurring with Cleland, (2009) that one of the most important project management activities needed to ensure a project is delivered within the cost expectations laid down by the project's definition. Boas (2012) also found that community based organizations the most sustainable financing strategy is to diversify income sources.

3. Regression Analysis

To supplement the means and standard deviation, it was important to carry out inferential statistics. Thus, regression analysis was conducted. This helped in determining how the independent variables (financial skills, income diversifications, donor relationship management and budgetary control) affected the dependent variable (financial sustainability). At the end of the analysis, an ANOVA, model summary and beta coefficients were produced. Before any other inferential statistics are conducted, an ANOVA should be carried out. It helps in determining whether the overall model is significant. Table 7 shows the results in this regard.

Table 7: ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.928	4	4.232	2.804	.032
	Residual	16.517	83	0.199		
	Total	33.445	87			

The researcher combined all the study variables after which an Analysis of Variance was conducted. Table 7 shows the findings the F calculated at 5% Level of significance was 2.804. Since F calculated is greater than the F critical (at 4, 83 F-critical is 2.48), this shows that the overall model was significant. The ANOVA results reveal that there is a significant relationship between financial skills, income diversifications, donor relationship management and budgetary control with financial sustainability of CBOs in Kibera slums. These results are corroborating with Sisay (2015) whose ANOVA test found a significant relation between financial sustainability challenges and opportunities faced by local NGOs in Ethiopia. In addition, the analysis of variance conducted by Nkirote (2012) indicated that the predictor variables influenced the predictor variable significantly at 5% significance level in African Centre for Technology Studies.

After determining the overall fitness of the model, a model summary was extracted showing the values of R square. Table 8 shows the results obtained.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908[a]	.825	.789	0.752

a Predictors: (Constant), financial skills, income diversifications, donor relationship management and budgetary control

According to Table 8, the four variables that were studied (financial skills, income diversifications, donor relationship management and budgetary control) explain 82.5% of the financial sustainability of CBOs in Kibera slums as represented by the R^2. This therefore means that the four variables (financial skills, income diversifications, donor relationship management and budgetary control) contribute 82.5% to the financial sustainability of CBOs in Kibera slums while other aspects not studied in this research contribute 17.5% of financial sustainability of CBOs in Kibera slums. The beta coefficients of the model show the extent of the influence of the independent study variables and the dependent one. Table 9 shows the beta coefficients of the model.

Table 9: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.444	0.185		3.31566	0.000
Financial skills	0.338	0.151	0.615	2.23841	0.036
Income diversifications	0.362	0.183	0.151	1.97814	0.028
Donor relationship management	0.426	0.198	0.236	2.15152	0.016
Budgetary control	0.471	0.224	0.172	2.10268	0.011

As per the SPSS generated table above, the equation:

$\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ becomes $Y = 1.376 + 0.338\beta_1 + 0.362\beta_2 + 0.426\beta_3 + 0.471\beta_4$.

The regression equation above has established that holding all factors (financial skills, income diversifications, donor relationship management and budgetary control) constant at zero financial sustainability of CBOs in Kibera slums will be 1.376. The corresponding p-value was 0.004 which shows the dependent variable was significant. Silva and Burger (2015) in a study of Uganda's NGO sector between 2002 and 2008 applied a Linear Regression Model to predict financial vulnerability and confirmed that revenue concentration and surplus margin were significant predictors of financial vulnerability where all the predictor variables scored significant values of less than 0.05. The regression model as well shows that financial skills are positively related to financial sustainability of CBOs in Kibera. The regression coefficient for this was obtained to be 0.338 with a significant value of 0.036 less than 0.05 indicating a significant effect of financial skills on financial sustainability of CBOs in Kibera. Thus, a unit growth in financial skills would lead to a 0.338 times increase in the financial sustainability of CBOs in Kibera slums. These results concurring with Waiganjo, *et al.*, (2012) that there was a strong positive relationship between financial management and financial sustainability of the NGOs implying that financial skills are integral for financial sustainability of non-profit making organizations.

The results also show that the financial sustainability of CBOs in Kibera is positive and significantly related to income diversifications. This is indicated by a regression coefficient of 0.362 which is a positive coefficient and a p-value of 0.028 less than 0.05 showing the significance of the relationship. Based on the coefficient, it is evident that a unit increase in the scores of income diversifications would lead to 0.362 times increase in the financial sustainability of CBOs in Kibera. This is in line with Boas (2012) whose inferential analysis confirmed that there was a significant relationship between income diversifications and financial sustainability of NGOs. Their study established a beta coefficient of 0.432 and $p<0.05$ implying that NGOs that diversify their sources of funding and make their funding more reliable and sustainable. From the results, a unit increase in the scores of donor relationship management would lead to a 0.426 increase in the scores of financial sustainability of CBOs in Kibera slums. This had a significant value of 0.003 which is less than 0.05 depicting the significance of the relationship between donor relationship management and financial sustainability of CBOs in Kibera. Therefore, based on these, there is a positive and significant relationship between donor relationship management and financial sustainability of CBOs in Kibera. This shows that, a unit increase in the donor relationship management would result to 0.426 times increase in financial sustainability of CBOs in Kibera. These results are reflecting Nkirote's (2012) whose beta coefficient of 0.324 and p-significant value of 0.002.

The regression results also show that budgetary control has a positive effect on the financial sustainability of CBOs in Kibera. This is shown by the regression coefficient of 0.471 and a significance value of 0.11 which is less than 0.05 the critical value at the 5% level of significance. This therefore shows that taking all other independent variables at zero, a unit increase in budgetary control would lead to a 0.471 increase in the scores of financial sustainability of CBOs in Kibera slums. The results are reflecting Kerine's (2014) results that there is a significant relationship between budgetary and financial sustainability of NGOs in Nakuru. Overall, budgetary control and donor relationship management had the greatest effect on the financial sustainability of CBOs in Kibera slums. All the variables were significant ($p<0.05$). This finding is in line with Ali (2012) who revealed that the relationship between an organizations and its donors play an important role as far as financial sustainability is concerned.

V. CONCLUSION

The study concluded that there is a moderate influence of financial skills to the financial sustainability of CBOs. As such there is a strong positive relationship between financial management and financial sustainability of the CBOs. The various aspects of financial skills which affect the financial sustainability of CBOs include financial controls, internal controls, financial planning/budgeting, financial reporting and financial tracking. Accordingly, good financial and accounting skills are paramount and it is essential that management has current, accurate, and relevant financial data to ensure sound decision-making. Financial skills contribute the least to the financial sustainability of CBOs in Kibera. The study further concludes that income diversification has a significant effect on the financial sustainability of CBOs in Kibera. The various aspects of income diversification which affect the financial sustainability of CBOs in Kibera Slums include domestic sources of funding, foreign sources of funding, self-financing activities, for-profit activities, revenue structure, borrowing decisions, availability of government funding and operating and administrative expenses. It is deducible that funding from donors has provided excellent opportunities for the CBOs however, with the funding challenge most community based organizations have responded with the same entrepreneurial spirit, good planning and hard work that brought them success in their core activities.

The study also concludes that donor relationship management has a significant contribution on the financial sustainability of CBOs in Kibera Slums. The various aspects of donor relationship management which affect the financial sustainability of Community based organizations in Kibera Slums include sufficiency of funding, consistency in funding, funding conditions/ control, dependency ratio, donor priorities, donor expenditure protocols and accessibility to donors. From the findings it is clear that there is a significant relationship between the percentage of budgetary funds sufficiency funding, consistency in funding, funding conditions of funding controls and fundraising requirements for board members. Sustainable donor relationship management helps CBOs to achieve their mission and continue to make an impact on the lives of their beneficiaries. Donor relationship management has the greatest effect on the financial sustainability of CBOs in Kibera slums. The study deduces that the level of budgetary control has a crucial role on the level of financial sustainability of the CBOs in Kibera. In this regard, budgetary control guarantees the establishment of agreements between the stakeholders and the provision of appropriate information at each level and for different purposes for financial sustainability. The various aspects of budgetary control which affect the financial sustainability of CBOs in Kibera Slums include financial planning, budgetary monitoring and evaluation, staff competency and training and transparency. Budgeting control is a good tool to aid in communication between different levels of management. Budgetary control contributes much effect on the financial sustainability of CBOs in Kibera.

Based on the findings it emerged that financial skills are essential for financial sustainability of CBOs. The study thus recommends that the CBOs should lay emphasis on hiring staff who are competent in financial controls, internal controls, financial planning/budgeting, financial reporting and financial tracking. Accordingly, the staff should be trained frequently to ensure continued competence level. In addition, there is need for all community based organizations' staff to have financial knowledge irrespective of their area of specialization. The study further recommends that there is need to diversify the income generating sources of CBOs for their financial sustainability. The CBOs can broaden their scope of income to include human resource management especially leadership, funding, programme development, general management and material resources. This would enhance attraction of domestic sources of funding, foreign sources of funding, improve their self-financing activities and increase their revenue structure. Proper leadership would be the most essential ingredient that inform their borrowing decisions, availability of government funding and guide the operating and administrative expenses of the CBOs. The study finally recommends that since donor relationship management affects the financial sustainability of the community based organizations, the management of these CBOs should ensure that they maintain a good relationship with the donors mainly by information management, ensuring there is accountability and meaningful communications. The study recommends that there is the need to develop a clear policy on budget control processes in the CBOs. More efforts should be made by management of NGOs to sensitize the employees on its importance so as to enhance their understanding. In this regard the NGOs should develop more formal practice in the development of budgetary control processes, that concern establishment of agreements between the stakeholders and the provision of appropriate information at each level, financial planning, budgetary monitoring and evaluation, staff competency and training and transparency.

The study has investigated the determinants of financial sustainability of Community based organizations in Kibera slums and established that financial skills, income diversifications, donor relationship management and budgetary control are the main determinants of financial sustainability of Community based organizations in Kibera slums. There are however many other not-for-profit organizations in Kenya whose management and areas of operations are either similar or different from those of CBOs in Kibera Slums due to differences in the focus regions and operating settings all together. This warrants the need for another study which would ensure generalization of the study findings for all the not-for-profit organizations in Kenya and hence pave way for new policies. The study therefore recommends another study be done with an aim to investigate the determinants of financial sustainability of not-for-profit organizations in Kenya. The study recommends that that further research be carried out other emerging factors affecting the financing of CBOs and their overall effects on the operations of such organizations. It would be in the interest of the organizations if the stakeholders know the influence of aspects of technological advancements and globalization on the communication, information sharing, stakeholder involvement/participation and ease of carrying activities of the CBOs as a determinant of their financial sustainability.

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