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FINANCIAL MANAGEMENT PRACTICES AND FINANCIAL SUSTAINABILITY OF REGISTERED NON-GOVERNMENTAL ORGANIZATIONS IN KIBERA, NAIROBI CITY COUNTY, KENYA

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ABSTRACT
Non-Governmental Organizations (NGOs) serve a pivotal function in ensuring the well-being of the people they serve, and this is mostly the underserved populations. The general aim of NGOs is to create a favourable balance between people while upholding the value of humanity and equity. Despite this crucial role, most NGOs, especially those found in informal settlements such as Kibera are grappling with financial sustainability. Given this case, most of these entities are in the brink of closure, with some of them being unable to effectively meet their mission, and this is blamed on poor financial management practices. This research sought to ascertain the effect of financial management practices on the financial sustainability of registered NGOs operating in informal settlements. Specifically, it aimed to assess the influence of financial planning on financial sustainability of NGOs in Kibera. The research was anchored on two theoretical frameworks: the Contingency Theory and Agency theory. The study utilized the descriptive design. The research targeted 150 finance officers, from the 150 registered NGOs in Kibera. Stratified sampling approach was employed to arrive at 112 respondents. Primary data was obtained utilizing a structured questionnaire, which was distributed and retrieved using the drop-and-pick method. The collected responses was analyzed using SPSS version 29, where descriptive and inferential statistics was carried. Descriptive statistics entailed frequency distributions, means and standard deviations while inferential statistics entailed Pearson moment correlation and establishing the relation of the study variables using a multiple regression model. Diagnostic tests was carried out before the actual data analysis (normality tests, multicollinearity tests and heteroscedasiticity tests). The findings of the analyzed data was presented through figures, tables, and charts. All the ethical issues pertaining research writing were adhered to. This research found that financial planning significantly impact financial sustainability of registered non-governmental organizations. The research recommends for the establishment of proper financial planning measures that serves as a roadmap, enabling businesses to allocate resources effectively, mitigate risks, and capitalize on opportunities to improve financial sustainability of registered non-governmental organizations

KEY WORDS: *Financial Planning, Financial Reporting, Financial Controls, Financial Sustainability, Financial Management Practices*

INTRODUCTION

Good financial management practices are necessary to support higher cash inflows, projections, and market trends so that the NGOs can continue to exist. Poor sustainability has previously been addressed with sound financial management practices (Kourtis, Curtis, Hanias & Kourtis, 2021). Thus, financial management practices guarantee that return on capital surpasses expense without incurring undue financial risk. A company's or businesses senior management sets the standard for financial management, which is subsequently implemented throughout the entire organization. According to Ebenezer, Musah, and Ahmed (2020), companies with poor sustainability levels have resorted to using financial management practices to increase their sustainability. Efficient financial management systems facilitate accountability to both donors and project beneficiaries, so augmenting the organization's credibility and trust. Over time, it makes NGOs more competitive, which raises the likelihood that they will be able to achieve long-term sustainability (Sherif, 2021).

Globally, Omeri (2015) asserts that financial sustainability has emerged as a prominent term in the NGO sector due to 'donor weariness' in developed nations. Renz (2021) claimed that the current financial crisis has significantly diminished the disposable income of Americans, resulting in a decline in individual assistances to NGOs, with 75%

of NGOs agreeing with this assertion. Nonprofit organizations in the U.S., ranging from small private foundations to major public charities, are intricately integrated into the nation's society and economy. They are organizations that function by delivering services with a specific goal or purpose that serves the public good rather than producing income for owners or shareholders. Nonprofit organizations offer a variety of services, ranging from areas such as education, healthcare, social services, arts and humanities, or religion. They substantially differ in size and scope, ranging from small local charity to major worldwide organizations. Most of them are smaller firms, with approximately one million entities with yearly earnings below 50,000 U.S. dollars, compared to 70,000 organizations with annual revenues between one and 4.9 million U.S. dollars.

In china, NGOs remain an emerging force, with various elements, including mechanisms and models, undergoing investigation and innovation; amongst these, finance management is a critical barrier for their development (Tripp, 2019). Despite the improvements implemented by the China Foundation for Rural Development in financial management, challenges persist in this domain. China's nonprofit organizations are inherently delayed and not profit-driven, resulting in low compensation and treatment, which hinders their ability to attract professional talent. This situation contributes to the subpar professional quality of certain organizations' financial personnel and underscores the pressing need for the development of skilled professionals.

In Europe, Zabolotnyy et al (2019) determined that the financial sustainability of NGOs is signified by viability, productive efficiency, and growth in market capitalization. Conversely, an augmentation in retained surplus and liquidity, along with a diminution in debt and interest payments, enhanced the financial sustainability of NGOs. Maina and Gichira (2018) assert that the U.S. has witnessed an 11 percent expansion over the past 45 years, attributable to the heightened involvement of NGOs, amounting to $3.5 trillion.

Regionally, a large number of NGOs have challenges that impede their operations and the promotion of a culture of entrepreneurship and innovation (Ismail & Mugambi, 2021). This is associated with the current business climate, which encounters a complex array of economic, socio-cultural, and technological factors, presenting significant hurdles for enterprises in Africa (Bateman, 2018). Scholars in the NGO sector (Ali, 2022; Waiganjo, et al, 2012; Njoroge, 2023) concur that financial sustainability constitutes a significant challenge for the NGO sector in Africa. A research by Shiva (2021) in Zimbabwe indicates that NGOs face considerable challenges in sustaining financial oversight. The obstacles are mostly due to limitations including insufficient finances, a lack of specialized financial competence, and inadequate governance frameworks.

In Ghana, a research by Ebenezer *et al*. (2020) on factors that affects financial sustainability of NGOs underscores the emerging inclination among NGOs to augment financial effectiveness by embracing advanced technology. These digital platforms are employed to improve fundraising, donor management, and financial management processes, leading to streamlined operations and real-time insights into financial performance. This digital 5 transformation is seen as a valuable asset for making informed decisions aimed at ensuring the long-term sustainability of NGOs. In that NGOs in Ghana rely heavily on donors for funding and have limited sources of income diversification. Additionally, they have few procedures in place to generate their own income.

Locally, In Kenya, NGOs encounter numerous challenges, including inadequate leadership, absence of strategic planning, deficient financial management practices, ineffective organizational policies and procedures, a high turnover rate among senior staff, and persistent dependence on dwindling donor funding (Rono, 2022). Moreover, the predominant allegiance and accountability of NGOs often align with their external donors rather than the local beneficiaries of the initiative, so diminishing their credibility (Islam & Morgan, 2022). Till lately, Kenyan NGOs did not regard local donors and supporters as a viable source of income for their activities. The NGO sector is currently at a crossroads: how to secure local funding from a society that disapproves of their actions, coupled with issues of inadequate credibility and accountability (Khisa, 2014).

According to Kameri-Mbote (2022) a main obstacle facing NGOs in Kenya today is how to sustain and support their activities financially. Consequently, NGOs must develop innovative tactics to maintain a competitive advantage over time. This has been prompted by diminished donor money, ongoing reductions in regional allocations, a shift in donor attention to new markets, and an overall decline in funding for social programs (Conradie, 2021). To maintain financial sustainability, NGOs must cultivate solid connections with key stakeholders, particularly donors, supporters, volunteers, staff, and the communities they serve; diversify their revenue streams; reform their governance

frameworks; improve their financial management practices; strengthen their internal capacity to anticipate and mitigate funding-related risks; invest in human capital training and development; establish sufficient cash reserves; and reduce organizational costs and overheads (Pratt & Hailey, 2021).

Statement of the Problem

Non-Governmental Organizations (NGOs) assume a critical role in the delivery of essential services including healthcare, education, social welfare, among others, particularly in informal settlements where government support is often inadequate (Piri & Salehpour, 2024). However, despite their contributions to social development, concerns about their financial sustainability persist, raising questions about the long-term viability of their operations.

The financial sustainability of registered NGOs operating in Kibera has increasingly been compromised due to volatile financial sustainability as measured by current ratio making these NGOs to struggle in running their programs. For instance, in 2020 the current ratio of these organizations was 1.8 which fell to 1.65 in 2021 before falling further to 1.48. In 2022 it slightly increased to 1.76 but fell to 1.3 in 2023 and further again to 0.8 in 2024 (NGO Coordination Board of Kenya, 2024). This performance over the five year period were below the recommended threshold of current ratio of 2. This clearly indicate that these NGOs could not be able to sustain their operations since they were financially unsustainable.

Empirical evidence show mixed findings. For instance, Ahmed *et al*. (2022) explored the effect of financial planning on financial sustainability of organizations in South Asia. They discovered that effective financial planning, involving financial forecasting, was found to be a key component of strategic planning that enhances the long-term sustainability of organizations. This study created both contextual and methodological gaps that the current study came to fill by done in Kenya and utilizing descriptive design. Mugenyi (2021) examined the effect of Financial Management Practices on the sustainability of NGOs in Nairobi County. The study showed that Financial Management and Practices have significant effects on NGO sustainability. There existed a conceptual gap since this study looked at budgetary practices, WCM practices, the adoption of IFMIS and internal control practices as variables whereas the current research concentrated on financial planning, financial control and financial reporting.

Msomi, & Olarewaju (2021) studied the impact of financial planning on financial sustainability among SMEs in South Africa. Their findings highlighted that financial planning positively influences financial sustainability. However, this study was geographically limited to South Africa-based organizations among SMEs, leaving a contextual gap in understanding how these financial planning dynamics apply among NGOs in Kenya. Chepkemoi and Njeru (2017) examined the effect of Financial Management and Practices on Financial Sustainability of NGOs in Nairobi County: A Case Study of Local NGOs. It was found that financial management strategies significantly influenced the financial viability of local NGOs in Nairobi County. This study looked at cash budgeting as the only factor affecting financial sustainability creating a conceptual gap that the current research came to fill by incorporating financial planning, financial control and financial reporting.

This study aimed to bridge these gaps by analyzing how financial management practices impact financial sustainability, ensuring that NGOs in Kibera can remain operational and resilient amid funding uncertainties.

Objective of the Study

To ascertain the effect of financial management practices on financial sustainability of registered NGOs in Kibera, Nairobi City County, Kenya.

Specific Objective

To ascertain effect of financial planning on financial sustainability of registered NGOs in Kibera, Nairobi City County, Kenya.

THEORETICAL REVIEW

Stewardship Theory of Management

Menyah K.'s (2013) stewardship theory posits that managers will invariably act as responsible stewards of the assets they oversee when granted autonomy. Otieno et al (2013) assert that the stewardship model posits that managers will make decisions that serve the firm's best interests, preferring collective decisions over self-serving ones. This

individual is driven by ethical considerations for the firm, believing that the success of the initiative would yield personal wealth (Davis et al, 1997). Maslow (1943) asserts that the concept of stewardship is rooted in psychology, suggesting that individuals are self-actualizing and hence aspire to attain organizational goals voluntarily. The stewardship theory advocates for collaboration between the managing administrator and the board of executives as a fundamental characteristic of accounting and control systems to enhance long-term performance (Davis et al., 1997). This theory is relevant to our research as it relates to the dependent variable (financial sustainability), wherein NGO managers are responsible for effectively managing the resources under their stewardship.

The Contingency Theory

Pike (1986) proposed this theory, asserting that comprehending sophisticated, theoretically better techniques and methodologies is not the sole prerequisite for effective asset resource allocation. Comparative analysis needs to be conducted about the relationship between the corporate environment and the development and expansion of the capital management framework. Pike (1986) asserts that the design and mission of an alliance's capital organizational structure are founded on three areas of the business environment recognized as interconnected. This theory has been demonstrated to be noteworthy in management accounting and organizational theory. Furthermore, it has been proposed that the contingency technique be employed in the formulation of accounting arrangements. It is contended that by expanding the contingency framework to corporate reporting, it may be feasible to delineate and predict such structures. The unforeseen elements are classified into four categories: social considerations, organizational features, client features, and other data sources. These are designed to be associated with particular characteristics of corporate reporting systems.

Schweikart (2015) expresses considerable apprehension regarding the harmonization and discrepancies in bookkeeping data presented across nations, and the "approval" that the needs for bookkeeping data in various countries are influenced by environmental factors. Given that numerous scientists are employing this theory to formulate a theory of universal bookkeeping, Schweikart's (2015) assertion that minimal practical work has been conducted to substantiate the notion of ecological impacts on accounting is no more a substantial argument.

This theory is pertinent to this research as it substantiates the significance of financial planning in the sustainability of finance.

EMPIRICAL LITERATURE REVIEW

Financial Planning and Financial Sustainability

Ahmed *et al*. (2022) researched the effect of financial planning on financial sustainability of firms in South Asia. The research employed a mixed-methods approach, including surveys and focus group discussions, to study organizations in South Asia. They targeted a population of 18 organizations, using convenience sampling to select participants from various industries. They found that effective financial planning, involving financial forecasting, was found to be a key component of strategic planning that enhances the long-term sustainability of organizations. Despite the valuable insights, the geographic focus on South Asia leaves an important gap regarding the application and impact of financial planning in other regions, particularly Africa. Our research on organizations in Kibera aimed to address this gap by offering context-specific insights into how financial planning contributes to financial sustainability in resource-constrained environments.

Gleißner et al. (2022) undertook a longitudinal research involving financial analysis and evaluations of financial plans among large organizations in North America. They targeted a population of 32 large institutions, using purposive sampling to select organizations known for their financial planning practices. They concluded that long-term financial planning with regular review and consistent adjustment of financial plans are crucial for maintaining financial health and sustainability. However, this research focused on large corporations and institutions, presenting a contextual gap concerning smaller, locally managed organizations. By investigating organizations in Kibera, our study addressed this contextual gap and provide insights relevant to financial planning strategies among small-scale enterprises and institutions in developing regions.

Msomi, & Olarewaju (2021) studied the impact of financial planning on financial sustainability amongst SMEs in South Africa. The research conducted a qualitative case study using interviews and document analysis of nonprofit organizations in South Africa. Their target population consisted of 35 SMEs selected through purposive sampling.

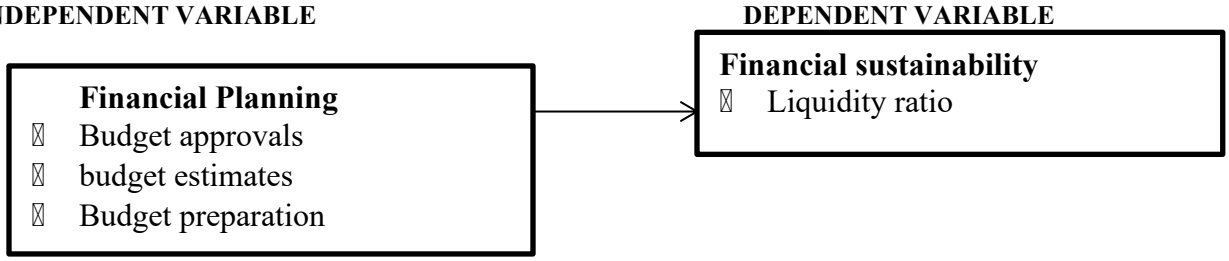
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Their findings highlighted that financial planning, particularly focusing on budget forecasting, revenue diversification, financial risk assessment, and long-term investment strategies, positively influences financial sustainability by ensuring efficient resource allocation and aligning financial strategies with organizational goals. However, this study was geographically limited to South Africa-based organizations among SMEs, leaving a contextual gap in understanding how these financial planning dynamics apply among NGOs.

Fasano, & Deloof (2021) studied the effects of financial planning practices on financial sustainability of firms in Italy. It used quantitative analysis with regression models to examine organizations in Italy, targeting a population of 42 medium to large entities across different sectors. They employed stratified random sampling to ensure representation across industries. Their findings indicated that financial planning practices, including annual budgeting that guides the financial decision and expenditures, significantly enhance financial sustainability. However, this research was concentrated on Italian organizations and lacked focus on NGOs creating a contextual gap. By focusing on organizations in Kibera, Kenya, our study aimed to provide insights into financial planning strategies among local enterprises and institutions, addressing both geographic and thematic gaps.

Kiptoo *et al*. (2021) researched the impact of financial planning on the financial sustainability of insurance companies in Kenya. The research adopted a descriptive survey approach with questionnaires and interviews. Their target audience included 25 insurance companies in Nairobi, with participants' selected using simple random sampling. Their findings indicated that organizations which engaged in investment planning were able to achieve financial sustainability through diversified revenue sources and improved financial management. However, the study's heavy reliance on self-reported data may introduce bias, representing a methodological gap. Our case study approach incorporated multiple data sources, such as interviews, financial records, and financial audits, to provide a more comprehensive and triangulated understanding of the impact of financial planning practices on financial sustainability.

Figure 1: Conceptual Framework



Source: Researcher (2025)

Research Design

The research employed a descriptive and explanatory design. Descriptive research design allows researchers to collect detailed information about the population being studied, in this case, NGOs in Kibera. Descriptive research allowed the researcher to understand the current state of a phenomenon. In this case, it help in understanding the financial management practices and financial sustainability of NGOs in Kibera. This baseline information is crucial for any further analysis or intervention. In addition, descriptive research helps in identifying patterns and trends within the selected population. By employing this design, this study helped to identify applied management practices and how they affect financial sustainability. This can provide useful insights for organizations and policymakers. Explanatory design is a strategy employed to explicate the influence of numerous factors on a particular phenomenon (Mugenda & Mugenda 2003). Testing for the link between financial management practices and financial sustainability made utilization of the explanatory design. It explains the causal relationships between financial management practices and financial sustainability. This approach was selected because it enabled the examination of quantitative data and the testing of hypotheses about the correlations between variables (Saunders et al., 2009).

Target Population

The total target population for this study comprised of 150 registered NGOs in Kibera (NGO Coordination Board, 2025). Given the study's focus on financial management practices, the research targeted finance officers of 150 registered NGOs since these are the NGO staffs that are well versed and conversant with financial management

practices of these organizations. The unit of analysis comprised of the 150 NGOs while the unit of observation comprised the 150 finance officers.

Sampling Design

Levy and Lemeshow (2023) characterize a sample as a representative fraction of the entire population chosen for research purposes. Gall, et al (2007) define a sample as a carefully selected subset that correctly represents the entire populace in its characteristics. Cooper and Schindler (2011) and Oso et al (2011) assert that sampling is a commonly employed method in inferential statistics for predicting population behavior. Sampling procedures ensure that the sample accurately represents the characteristics and qualities of the entire population. A stratified sampling approach was employed to determine a sample size of 112 NGOs in Kibera.

Data Collection Instruments.

Data was obtained from both source and secondary sources. Secondary data pertaining to the dependent variable was gathered via a data collecting tool to assess the liquidity ratio. Primary data was gathered through structured questionnaires. A questionnaire, as defined by Bryman (2015), is a compilation of statements or inquiries employed to assess an individual's perspectives, demographic information, attitudes, opinions, or various other forms of data. The research employed structured questionnaires to collect source data, as the target audience was well-educated and capable of writing. A questionnaire provides an opportunity for anonymity, enabling the researcher to obtain precise information while allowing the informant to furnish accurate responses. In this investigation, the research employed the Yamane (1967) formula to determine the sample as follows.

The research employed a 5-point Likert scale to measure responders' evaluations of various elements related to the several topics under investigation. The participants were requested to evaluate the statements pertaining to their specific financial management methods on a scale from 1 to 5. Given that responders are inclined to respond to all or the majority of the feedback form items, a Likert scale was employed due to its perceived reliability. Furthermore, as Likert scale evaluations represent interval scale characteristics, they can be readily analyzed using standard methodologies (Barua, 2013).
The instrument was divided into two sections. Section A to cover questions of a general nature and section B to cover questions relating to financial management practices.

Data Collection Procedure

In light of the research's nature, the researcher employed primary sources. A standardized questionnaire was utilized to gather data from the staff. The data gathering process utilized the drop-and-pick method, allowing respondents a two-week period to submit their responses.

Data Analysis and presentation

This research employed quantitative technique to analyze data, ensuring a comprehensive assessment of how financial management practices impact the financial sustainability of registered NGOs in Kibera, Nairobi County. Quantitative analysis explored the connection between key financial management practices against financial sustainability. This method is suitable as it enables the identification of statistical patterns and trends within large datasets, supporting objective conclusions (Neuman, 2019). Data gathered through structured questionnaires was processed using statistical software such as SPSS and Excel, applying descriptive statistics like means and percentages, as well as inferential techniques comprising Pearson moment correlation and regression analysis that analyzes the connection between the dependent variable (financial sustainability) and the independent variables (financial planning, financial reporting, and financial controls).

Multiple linear regression is a robust quantitative research tool that helps determine the level to which independent variables influence the dependent variable, making it particularly relevant for this study. By utilizing this model, the research quantified the specific impact of each financial management practice on financial sustainability. The multiple linear regression model for this research can be expressed as follows:

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

Whereby;

Y = Financial Sustainability

β_0 = Constant

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X_1 -Financial Planning
β_1, is the coefficient of X_1 whilst ε is error term.

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive Statistics

Table 1: Descriptive Statistics *on Financial Planning*

	N	Mean	Std. Dev.
Our organization has a structured financial planning process that aligns with its long-term sustainability goals.	85	4.3059	0.67301
We develop and adhere to an annual budget that guides our financial decisions and expenditures.	85	4.4353	0.98134
Financial forecasting is a key component of our strategic planning, helping us anticipate future financial needs and risks.	85	2.8353	1.73786
Our organization actively engages in investment planning to ensure long-term financial sustainability.	85	2.9176	1.19734
We regularly review and adjust our financial plans to respond to changes in funding and economic conditions.	85	3.2353	0.92127
Valid N (listwise)	85		

Source: Field Study (2025)

In table 1 above, on the aspect of whether Our organization has a structured financial planning process that aligns with its long-term sustainability goals and whether we develop and adhere to an annual budget that guides our financial decisions and expenditures, it was noticed that most of responders strongly concur with the statement at an average of 4.3059 and 4.4353 with a variation of 0.67301 and 0.98134 respectively. On the statement of whether there Financial forecasting is a key component of our strategic planning, helping us anticipate future financial needs and risks, whether our organization actively engages in investment planning to ensure long-term financial sustainability and whether we regularly review and adjust our financial plans to respond to changes in funding and economic conditions, majority of the responders are neutral with an average of 2.8353, 2.9176 and 3.2353 with a variation of 1.73786, 1.19734 and 0.92127 respectively.

Table 2: Financial Performance Descriptive Statistics

Mean	Std. Deviation	Skewness		Kurtosis	
Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
3.6824	.92854	-2.608	.261	4.917	.517

Source: Study Data (2025)

As evident in Table 2 the average financial sustainability of registered non-governmental organizations is 3.6824 with an insignificant deviation of 0.92854. This indicated that financial sustainability is steady with closely normal dispersal grounded on its sustainability as also confirmed by its kurtosis and skewness.

Correlation Analysis

The researcher created a correlation matrix between the variables utilizing the SPSS software. The results are summarized in Table 3.

		Financial Planning	Financial Sustainability
Financial Planning	Pearson Correlation	1	.387**
	Sig. (2-tailed)		.000
	N	85	85
	N	85	85
Financial Sustainability	Pearson Correlation	.387**	1
	Sig. (2-tailed)	.000	
	N	85	85

Source: Field Data (2025)

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An insignificant and moderate positive correlation exists between financial planning and financial sustainability (r = 0.387). This correlation is statistically significant at the 0.05 level (p = 0.000). This findings agree with the findings by Fasano, & Deloof (2021) who indicated that financial planning practices, including annual budgeting that guides the financial decision and expenditures, significantly enhance financial sustainability. It further the agrees with findings by Kiptoo *et al*. (2021) who indicated that organizations which engaged in investment planning were able to achieve financial sustainability through diversified revenue sources and improved financial management.

Regression Analysis

Multiple regressing analysis was computed to derive the relationship between the variables.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.549[a]	.301	.276	.79030

a. Predictors: (Constant), Financial Controls, Financial Planning , Financial Reporting

Source: Field Study (2025)

The results designate that an R square of 0.301 was evaluated, demonstrating that changes in the financial planning, financial reporting and financial control were responsible for 30.1% of the changes in financial sustainability of registered non-governmental organizations. 69.9% of the remaining changes were related to external factors that this model did not take into account.

Analysis of Variance (ANOVA)

The ANOVA test was done and the results shown in Table 5.

Table 5: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.833	3	7.278	11.652	.000[b]
	Residual	50.591	81	.625		
	Total	72.424	84			

a. Dependent Variable: Financial Sustainability

b. Predictors: (Constant), Financial Controls, Financial Planning , Financial Reporting

Source: Field Study (2025)

In table 5, p-value 0.000 as calculated denotes that the regression model was statistically substantial in predicting the connection amongst financial management practices and financial sustainability of registered non-governmental organizations as the p-value <5%.

Regression Coefficients

The regression output was done and represented in Table 6.

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	11.233	2.170		5.177	.000
	Financial Planning	1.523	.385	-.373	-3.962	.000

a. Dependent Variable: Financial Sustainability

Source: Field Study (2025)

The scholar undertook regression analysis to come up with the linking amongst financial management practices and financial sustainability of registered non-governmental organization. The following regression equation was developed.

Y (Financial Sustainability) = 11.233 + 1.523X_1

The findings show that in the absence of financial management practices, the financial sustainability measured by liquidity ratio of registered non-governmental organizations will be 11.233 which is significant at 0.000. In reference to objective one, the findings indicate that a unitary rise in financial planning would result to 1.523 rise in financial

sustainability. A p-value of 0.000<0.05) meant that it was both favorable and statistically significant. Accordingly, objective one was rejected. This findings are in agreement with the findings by Ahmed *et al*. (2022) who researched the effect of financial planning on financial sustainability of firms in South Asia and found that effective financial planning, involving financial forecasting, was found to be a key component of strategic planning that enhances the long-term sustainability of organizations. It further agrees with the findings by Gleißner et al. (2022) who undertook a longitudinal research involving financial analysis and evaluations of financial plans among large organizations in North America and found that long-term financial planning with regular review and consistent adjustment of financial plans are crucial for maintaining financial health and sustainability.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The research's results showed that financial planning markedly enhanced financial sustainability of registered non-governmental organizations. This research demonstrates that financial planning measures significantly impact financial sustainability of registered non-governmental organizations. Proper financial planning serves as a roadmap, enabling businesses to allocate resources effectively, mitigate risks, and capitalize on opportunities. It's not just about survival; it's about positioning the organization for sustained growth, resilience, and adaptability. Whether its managing cash flow, optimizing investments, or setting achievable goals, financial planning ensures informed decision-making at every level.

Recommendations

The research revealed that financial planning greatly enhance financial sustainability of registered non-governmental organizations. The research recommends for the establishment of proper financial planning measures that serves as a roadmap, enabling businesses to allocate resources effectively, mitigate risks, and capitalize on opportunities to improve financial sustainability of registered non-governmental organizations

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