



Teachers' and Administrators' Perceptions on the Provision and Utilization of Capitation Grants in Public Secondary Schools in Dodoma

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Abstract: *The purpose of this study was to explore teachers' and school administrators' perceptions regarding the provision and utilization of capitation grants in public secondary schools in Dodoma City, Tanzania. This study was motivated by persistent concerns raised in education reports and prior research indicating that, despite substantial government investment through capitation grants, many schools continue to face shortages of essential teaching and learning resources, delayed disbursements, and gaps in financial accountability, all of which hinder the intended impact of fee-free education on learning outcomes. The study involved 18 participants, including teachers and school administrators. A qualitative research approach was adopted, employing a phenomenological design to capture the experiences and perspectives of participants. Data was collected through semi-structured interviews and analyzed using thematic analysis to identify recurring patterns and insights. The findings revealed that, although the capitation grant disbursement process is structured, challenges such as delayed funds, inadequate grant amounts, and bureaucratic bottlenecks hinder the effective utilization of these grants. Positive practices, such as participatory budgeting, transparency through financial reporting, and the involvement of school stakeholders, were identified as enablers of effective grant management. The study concludes that despite the existence of well-established financial procedures, the impact of capitation grants remains limited by structural and administrative inefficiencies. It is recommended that the government improve the timeliness and adequacy of disbursements, provide financial management training to school leaders, and promote stakeholder engagement to strengthen transparency and accountability in school financial practices.*

Keywords: *Capitation grants, capitation grants provision, capitation grants utilization, financial management, financial procedures.*

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1. Introduction

Public investment in education continues to be a cornerstone for national development, serving as a key strategy to reduce poverty, enhance social equity, and develop a skilled workforce (Hasanova & Safarli, 2024).

To achieve these goals, many nations have introduced fee-free education policies to eliminate financial barriers and ensure broader access to quality education, especially at the basic and secondary levels (World Bank, 2019). In Tanzania, one of the primary tools used to implement such policies is the capitation grant system, a

government-funded initiative designed to provide schools with direct financial resources to support daily operational and instructional needs.

Capitation grants are allocated to schools to cover essential expenditures such as the purchase of teaching and learning materials, minor maintenance work, and other recurring operational costs (Makwinya & Mgonja, 2016). While increased funding plays an important role, evidence from global education systems emphasizes that the effective and accountable use of such funds is equally critical to improving student learning outcomes (World Bank, 2018). Global programs like the School Fee Abolition Initiative (SFAI), promoted by the World Bank and UNICEF, stress both the removal of economic barriers to schooling and the improvement of financial management practices at the school level to ensure quality service delivery (World Bank, 2018).

Lessons drawn from various African countries, including Uganda, Cameroon, and Lesotho, suggest that the success of capitation grants often depends not only on the availability of funds but also on the strength of local school governance, oversight mechanisms, and community participation (Kan & Klasen, 2021; Ntili, 2023; Mohammed & Apiung, 2024). When systems lack monitoring structures or school administrators and committees lack training, funds may be poorly managed or misused, thereby weakening the intended impact on teaching and learning.

In the Tanzanian context, capitation grants were initially introduced under the Primary Education Development Programme in 2002 and later expanded to secondary education with the implementation of the Fee-Free Education Policy in 2015 (URT, 2015; Rajani, 2009). Despite these efforts, recurring issues such as untimely disbursement of funds, weak financial accountability, and limited school-level planning continue to undermine the effective use of these grants (Twaweza, 2018; Lyanga & Chen, 2020). Therefore, this study examines the perceptions of teachers and school administrators in public secondary schools across Dodoma, aiming to understand how they perceive the provision and utilization of capitation grants and how these perspectives influence the overall effectiveness of education financing in improving learning conditions.

1.1 Statement of the Problem

Adequate and well-managed school financing is essential for improving the quality of secondary education, particularly in low- and middle-income countries such as

Tanzania. To strengthen educational service delivery under the fee-free education framework, the Tanzanian government introduced capitation grants through Circular No. 3 of 2016. These grants are intended to support public secondary schools by funding key operational needs, including teaching and learning materials, minor repairs, and administrative expenses. While the policy represents a significant step toward promoting access and quality, the actual implementation and management of capitation grants at the school level remains a concern (Makwinya & Mgonja, 2016).

Despite regular disbursements, schools continue to face challenges such as limited financial oversight, poor planning, weak accountability systems, and capacity gaps among key stakeholders (Msoka, Muteti & Eugene, 2020). According to Msoka et al. (2020), these issues undermine the effective utilization of the grants and raise questions about whether the funds are truly being used to improve educational outcomes. Although previous studies have addressed the adequacy of funding, its impact on enrollment, and the general challenges of fee-free education, there is notably limited empirical research focusing specifically on how school-level implementers, namely teachers and administrators, perceive the provision and utilization of capitation grants due to the rise of the challenges mentioned.

This gap is particularly evident in the context of Dodoma, where public secondary schools vary widely in how they manage financial resources (Ndaula, Suru, & Swai, 2025). Teachers and school administrators play a critical role in budgeting, procurement, and day-to-day financial decision-making, yet their experiences, insights, and challenges have not been sufficiently documented or analyzed. Understanding their perspectives is vital for identifying weaknesses in the system and recommending improvements in policy and practice. This study, therefore, seeks to fill this gap by exploring the perceptions of teachers and school administrators regarding the provision and utilization of capitation grants in public secondary schools in Dodoma City. This study answered the question: What are the teachers' and administrators' perceptions on the provision and utilization of capitation grants in public secondary schools in Dodoma? In turn, the findings aim to provide evidence-based recommendations to enhance transparency, accountability, and the overall effectiveness of education financing mechanisms in Tanzania.

2. Literature Review

2.1 Empirical Literature Review

Foli and Afriyie (2019) conducted a study on headteachers' perceptions of the implementation of the capitation grant scheme in the Sunyani West District of the Brong Ahafo Region in Ghana. The study involved 40 headteachers selected from public basic schools in the district. A descriptive research design within a quantitative research approach was used to explore how headteachers understood the concept, implementation process, and challenges of the capitation grant scheme. Data were collected through questionnaires and interview guides and analyzed using descriptive statistical methods. The results showed that 70% of the headteachers had a strong understanding of the grant's source and purpose, recognizing it as government-provided financial support to enhance school operations. However, the study identified major challenges, including frequent delays in the release of funds and the inadequacy of allocated amounts, which hindered effective implementation. The researchers concluded that while the capitation grant scheme is beneficial, its potential is undermined by operational inefficiencies. They recommended that the government ensure timely and sufficient disbursement of funds and that the Ghana Education Service strengthen training programs for headteachers in financial management to promote effective and accountable use of resources.

Guntram and Kumburu (2024) conducted a study on the strategies employed by heads of schools in managing capitation grants in public secondary schools in Tanzania. The study involved a total of 63 participants, including heads of schools, Town Secondary Education Officers, and teachers, who were selected using purposive and simple random sampling techniques. A mixed-methods research approach was adopted, using a concurrent design to collect both qualitative and quantitative data. Data collection methods included interviews, questionnaires, and documentary reviews. Quantitative data were analyzed using descriptive statistics and presented in tables with frequencies and percentages, while qualitative data were analyzed through content analysis. The results revealed that heads of schools applied several effective strategies, such as regular monitoring, evaluation of financial resources, proper budgeting aligned with school goals, and enforcing accountability and transparency in financial transactions. The study concluded that the strategic management of capitation grants by school heads plays a crucial role in improving the quality of education. It is recommended that heads of schools should undergo continuous training in financial management to strengthen their budgeting and oversight skills.

Paul and Machumu (2022) conducted a study on the determinants of School Management Teams' effectiveness in managing capitation grants in community secondary

schools in Mvomero District, Morogoro Region, Tanzania. The study adopted quantitative research design and involved a total of 160 participants, including members of School Management Teams (SMTs), school board members, ward education officers, teachers, and students. Respondents were selected using both purposive and simple random sampling techniques. Data was collected through questionnaires and analyzed using multiple regression analysis to assess how various factors, such as education level, individual characteristics, government roles, and school leadership practices, influence SMT effectiveness in managing capitation grants. The results revealed that education, individual characteristics, and leadership practices had a significant positive effect on SMTs' effectiveness, while the government's role had a relatively weaker influence. The study concluded that strengthening SMT capacity requires not only internal improvements in leadership and communication but also external support through clear policy guidelines and timely funding. It was recommended that the government ensure regular training, timely disbursement of funds, and flexible grant guidelines, while SMTs should prioritize effective communication, time management, and accountable financial practices to enhance capitation grant management.

Kangu and Ngonge (2025) conducted a study on the challenges facing heads of public secondary schools in managing capitation grants in Songea Municipality, Tanzania. The study used a mixed-method approach with a cross-sectional survey design. A total of 172 participants were involved, including 2 municipal education officers, 5 secondary school heads, 5 ward education officers, 32 school board members, and 128 public secondary school teachers. Purposive sampling was used for education officers and school heads, convenience sampling for school board members, and random sampling for teachers. Data were collected through interviews, questionnaires, and documentary reviews. The study found that heads of schools faced significant challenges, such as a lack of financial budgeting skills, insufficient auditing abilities, and inadequate training in financial management, which are crucial for effective capitation grant management. The researchers recommended that the government employ qualified school bursars, provide in-service training and workshops for school heads and their assistants, ensure timely and adequate fund allocation, and that schools develop disaster preparedness plans for safeguarding financial records.

Msoka et al. (2020) conducted a study that examined the effectiveness of heads of schools in managing capitation grants in public secondary schools in Tanzania. The research focused on evaluating financial management

skills, accountability practices, and challenges faced by 15 heads of schools in utilizing capitation grants to support school operations. A quantitative research design was employed, with data collected through questionnaires administered to the heads of schools and relevant school staff. The findings revealed varying levels of effectiveness, with many heads demonstrating good budgeting and resource allocation skills, while others faced challenges such as inadequate financial training and delayed fund disbursement. The study concluded that effective management of capitation grants significantly contributes to improving school infrastructure and learning resources. It is recommended that continuous capacity-building programs be instituted to enhance heads' financial management skills and that timely disbursement of funds be ensured to optimize the use of capitation grants.

2.2 Theoretical Review

The theory in line with this study is *systems theory*, which was introduced by Ludwig von Bertalanffy (1940), and offers a useful framework for understanding the interconnected nature of school operations and financial resource management. In this study, public secondary schools in Dodoma functioned as systems composed of subsystems such as school leadership, teachers, students, financial committees, and physical infrastructure. The capitation grant serves as a critical input into this system, intended to support instructional materials, maintenance, and service delivery. The findings showed that the effectiveness of capitation grants depends on how well these subsystems interact, highlighting the importance of structured planning, shared decision-making, and timely communication among stakeholders.

The study revealed that strong leadership, functional financial committees, and inclusive planning mechanisms facilitated better coordination and more efficient use of funds. These elements align with Systems Theory's emphasis on integration and balance among subsystems to ensure the proper functioning of the whole. When school leaders and teachers collaborated to identify priorities and monitor expenditures, the system operated more smoothly, resulting in improved transparency, accountability, and service delivery. Conversely, when certain components such as delayed fund disbursement, inadequate stakeholder engagement, or poor financial oversight were weakened, the entire system's performance was negatively affected. This reflects Systems Theory's assertion that dysfunction in one part of the system can compromise the effectiveness of the entire organization.

Moreover, the challenges identified in the study, including funding inadequacy, bureaucratic delays, and lack of digital systems, highlight the need for systemic reforms to improve overall educational outcomes. Systems Theory underscores that for a school to function optimally, all subsystems must be supported, responsive, and aligned toward shared objectives. Therefore, improving capitation grant utilization requires strengthening each part of the educational system: from government financial structures and school-level planning bodies to the capacity of individual school heads and teachers. When these elements are well-coordinated and adequately resourced, capitation grants can produce meaningful outputs such as improved infrastructure, enhanced learning conditions, and better student outcomes.

3. Methodology

3.1 Research Design

This study employed a phenomenological research design to explore and understand teachers' and school administrators' perceptions regarding the provision and utilization of capitation grants in public secondary schools in Dodoma. Phenomenology was chosen because it emphasizes capturing the experiences and interpretations of individuals, making it suitable for understanding how education practitioners perceive and make sense of the financial processes and practical realities related to capitation grant management (Yin, 2014). By using this qualitative approach, the study aimed to uncover in-depth insights into how teachers and administrators experience, understand, and interpret the effectiveness, challenges, and impact of capitation grants in their respective schools. This design allowed the researcher to focus on the perspectives of those directly involved in managing and utilizing these funds, thus offering rich contextual data that may be overlooked by quantitative methods.

3.2 Sample and Sampling Techniques

The target sample for this study comprised teachers and school administrators from selected public secondary schools in the Dodoma region. These groups are directly involved in the management, allocation, and utilization of capitation grants, making them key informants for understanding perceptions on the provision and use of these funds. Public secondary schools were selected because they are the primary recipients of government capitation grants, and their experiences provide practical

insights into the effectiveness, challenges, and strategies related to fund utilization.

A purposive sampling technique was employed to select participants who are knowledgeable and directly engaged in capitation grant management. This approach is commonly used in qualitative research to ensure that data are collected from individuals with relevant experience and insights, enhancing the depth and richness of the findings (Cohen, 2013).

Specifically, the study included:

- 10 teachers, who are involved in the daily implementation of educational programs and interact directly with resources allocated through capitation grants.
- 8 school administrators, who oversee and coordinate the management and utilization of school funds.

The total sample of 18 participants was considered sufficient for qualitative inquiry. According to Cohen (2013), qualitative studies require an adequate number of participants to provide rich, detailed data and ensure credibility, without being unnecessarily large or unmanageable. This sample enabled the study to generate meaningful interpretations and recommendations for improving the provision and utilization of capitation grants in public secondary schools in Dodoma.

3.3 Data Collection Tools and Procedures

The research data was collected through semi-structured interviews with key participants, including teachers and school administrators, to gain in-depth insights into their perceptions, experiences, and challenges regarding the provision and utilization of capitation grants. According to Creswell and Creswell (2018), interviews, as a qualitative data collection method, provide rich, detailed information through guided conversations that allow participants to express their views openly and in their own words. Semi-structured interviews are particularly suitable for this study because they offer flexibility, enabling the researcher to probe for further details, clarify responses, and explore emerging themes (Creswell & Creswell, 2018).

Regarding procedures, the researcher first obtained permission from the relevant school authorities and explained the purpose of the study to participants,

emphasizing voluntary participation and confidentiality. Interviews were scheduled at convenient times to avoid disrupting school activities and were conducted in a quiet and conducive environment within school premises or district education offices. Each interview lasted approximately 40 minutes (Kvale, 1996) and was audio-recorded with participants' consent. Notes were also taken to capture non-verbal cues and contextual information. After data collection, the recordings were transcribed verbatim, coded, and analyzed thematically to identify recurring patterns and insights, ensuring that the findings reflected participants' authentic experiences and perceptions of capitation grant management.

3.4 Data Analysis

The qualitative data collected through semi-structured interviews with teachers and school administrators were analyzed using thematic analysis, a systematic and flexible method for identifying and interpreting patterns within qualitative data (Braun & Clarke, 2006). This analytical approach facilitated a comprehensive understanding of participants' experiences and views on the provision, disbursement, and utilization of capitation grants in their schools.

All interviews were transcribed verbatim to ensure accuracy and authenticity of the participants' responses. The transcripts were reviewed and coded in detail, leading to the identification of key themes that reflected core issues in grant management. These themes included the availability and condition of textbooks and learning materials; provision of teaching aids for effective instruction; classroom infrastructure and learning environment; sanitation facilities and toilet conditions; access to and condition of additional school facilities; and the impact of missing resources on the overall quality of teaching and learning. Thematic analysis of these domains revealed how teachers and administrators perceive the role and effectiveness of capitation grants in shaping the educational environment within public secondary schools in Dodoma.

3.5 Ethical Considerations

Ethical considerations were central to this study to protect participants' rights and maintain the integrity of the research process (Kvale, 1996). Ethical approval was obtained from the St. John's University Research Ethics Committee, as well as relevant governmental and educational authorities, including the Dodoma Regional Education Office and the heads of selected schools. Participants, including teachers and school administrators,

were fully informed about the study's objectives, scope, and potential risks through a detailed informed consent process. Consent was obtained from all participants, emphasizing that participation was voluntary and that they could withdraw at any stage without any negative consequences. Verbal explanations were also provided to ensure participants clearly understood their rights and the purpose of the study (Mdee & Thorley, 2016).

To ensure confidentiality and privacy, all data collected were securely stored in password-protected digital files and locked physical storage. Participants' responses were anonymized using pseudonyms or codes in all reports. Interviews were conducted in private, non-disruptive settings within schools to minimize any sense of pressure or coercion (Kumar, 2019). The study was designed to avoid causing any psychological, emotional, or physical harm, with questions framed neutrally and participants allowed to skip any items they were uncomfortable answering. A support mechanism was arranged within the schools to help if participants experienced any distress. By adhering to ethical principles of non-maleficence and beneficence, the study ensured the dignity, autonomy, and well-being of participants while contributing valuable insights into the provision and utilization of capitation grants in public secondary schools (Kumar, 2019).

4. Results and Discussions

4.1 Process of Receiving and Utilizing Capitation Grants

Participants described the process of receiving capitation grants as structured, rule-bound, and relatively transparent. The allocation and disbursement of funds follow a clearly defined administrative path, beginning from the Ministry of Finance and Planning, through the President's Office - Regional Administration and Local Government (PO-RALG), and finally reaching the school accounts via the Government Electronic Payment Gateway (GePG) system.

According to Hassan and Otieno (2024), this structured flow is intended to safeguard public resources, ensure compliance with financial regulations, and reduce opportunities for mismanagement or corruption. The system operates under national financial management frameworks that prescribe how, when, and for what purposes the grants are to be used.

Despite the positive structure, participants also noted that the system's effectiveness depends heavily on timely

communication and coordination among stakeholders. Once schools receive the capitation grants, internal mechanisms are triggered, most notably, the convening of the school executive committee. This committee, which includes heads of schools, academic staff, and sometimes community representatives, plays a crucial role in determining expenditure priorities based on guidelines issued by the Ministry of Education, Science, and Technology. This participatory approach helps ensure that the use of funds is aligned with actual school needs and enhances local ownership of the financial planning process. However, rigid compliance with budgetary categories and slow approval processes can sometimes impede the prompt execution of essential activities.

One participant commented that:

Once funds are received, the school executive committee is informed, and a joint meeting with school leadership is held to plan expenditures based on the available amount. (*Interview; Head of school D, May 2025*).

This indicates a collaborative approach in financial planning that encourages transparency and inclusiveness. Schools often use noticeboards to communicate fund utilization, which promotes accountability and helps reduce suspicions among teachers, students, and parents regarding how the money is spent.

Another said:

A report is prepared and displayed on the noticeboard (*Interview; School B Teacher, May 2025*).

However, several participants expressed frustration over bureaucratic procedures. The requirement for multiple approval layers, ranging from internal budget committees to external audits by district education officers, often delays the disbursement or implementation of funds, especially when urgent purchases or activities are needed.

One participant noted that:

The process is not too bad, but it involves a long chain of approvals, which delays fund utilization (*Interview; School A Teacher, May 2025*).

Kabelele and Machumu (2022) observed that although Tanzanian schools follow clear financial processes, bureaucratic red tape often disrupts the timely implementation of school activities. Furthermore, URT (2019) notes that delays in the release and approval of

funds undermine the effectiveness of school improvement efforts, particularly those that require real-time intervention, such as acquiring examination materials or repairing classrooms before the rainy season.

4.2 Factors Influencing Utilization of Capitation Grants

The study found that the proper utilization of capitation grants in public secondary schools is strongly influenced by several interrelated factors, including early budgeting, clarity of institutional priorities, and the level of stakeholder involvement. Schools that engage teaching staff, school boards, and management teams in the planning process are more likely to ensure that funds are directed toward actual and pressing school needs. Early financial planning provides room for wide consultation and adjustment, thereby promoting strategic allocation and responsible use of public funds. This process not only enhances transparency but also increases staff commitment to implementing decisions made during budget planning sessions (Mohammed & Apiung, 2024).

Additionally, clarity in setting priorities during budget formulation was identified as a key facilitator of effective financial management. Schools that define specific goals for teaching and learning materials, infrastructure repair, or student support services are more capable of aligning grant expenditures with developmental objectives. On the other hand, schools that do not establish clear expenditure plans or fail to convene timely planning meetings often misuse funds or allocate them to less impactful initiatives. A lack of prioritization and reactive financial decisions were associated with inefficiencies and delays in service delivery.

One participant emphasized the importance of aligning spending with predetermined objectives, stating,

Utilization becomes effective when we follow the usage guidelines and conduct meetings to plan based on school priorities (*Interview; School D Headmistress, May 2025*).

Another participant commented on the positive role of collaborative decision-making in enhancing transparency and accountability in school budgeting, noting,

A positive factor is the involvement of teachers in the budget preparation process" (*Interview; School A Teacher, May 2015*)

The importance of setting priorities during the budgeting process was also echoed by a different participant who warned against the risks of vague financial planning:

The absence of clear priorities during budgeting contributes to mismanagement (*Interview; School A Head of Finance Committee, May 2025*)

These perspectives align with the findings of Makwinya and Mgonja (2016), who contend that participatory budgeting in schools enhances the relevance of financial decisions and increases the likelihood that resources will be directed to where they are most needed. Their study underscores the importance of involving multiple stakeholders, including teachers, parents, and board members, in budget preparation, as it reduces the risk of fund misappropriation and fosters shared responsibility in school development.

4.3 Role of School Leaders and Financial Committees

School leaders and financial committees form the cornerstone of financial management in public secondary schools (Foli & Afriyie, 2019). Their responsibilities extend beyond basic fund handling to include strategic oversight, budget approval, and coordination with teaching staff and other stakeholders. These leadership bodies serve as gatekeepers, ensuring that the use of capitation grants adheres to national financial guidelines and aligns with school development priorities. Effective leadership within this structure enhances financial discipline, minimizes misuse of funds, and fosters a culture of transparency and accountability.

Participants highlighted that when school heads and financial committees are actively involved in the planning and monitoring of expenditures, fund utilization tends to be more efficient and consistent with institutional goals. These committees often meet regularly to review budget proposals, validate expenditure reports, and guide corrective measures in cases of financial irregularities. Their coordination efforts, especially with academic staff and school boards, were described as instrumental in bridging gaps between policy expectations and day-to-day implementation.

One participant noted the critical supervisory role of the leadership structure, stating,

They are responsible for proper supervision (*Interview; Head of School B, May 2025*).

Another participant emphasized the adherence to financial protocols under the direction of school leaders, commenting,

They ensure the funds are used according to the planned procedure (*Interview; School C Teacher, May 2025*).

Likewise, the importance of allocating and monitoring public funds was underscored by another school officer who explained,

They allocate and supervise the use of these funds to ensure that government money is used correctly. (*Interview; School B Teacher, May 2025*).

These participant insights are consistent with the work of Ngowi (2021), who emphasized that the presence of strong leadership and active financial committees is essential in fostering effective and accountable financial practices in Tanzanian schools. According to Ngowi (2021), such structures not only ensure regulatory compliance but also promote ownership and confidence among school stakeholders, which are vital for sustainable education financing.

4.4 Accountability Mechanisms

Accountability emerged as a critical theme in the management and utilization of capitation grants. Participants consistently underscored the value of transparent practices in ensuring that public funds are spent effectively and ethically. Most schools were reported to implement structured internal accountability mechanisms such as the preparation and public display of income and expenditure statements, monthly financial review meetings, and the engagement of teachers, school boards, and sometimes parents in budget discussions. Twaha (2018) added that these practices not only foster trust among stakeholders but also help prevent financial mismanagement by creating a shared sense of ownership and oversight.

Beyond internal efforts, schools are also subject to external accountability measures, including routine audits by government agencies and school inspections conducted by education quality assurance officers. These formal reviews reinforce internal systems by providing

independent evaluations of financial practices and compliance with policy standards.

Participants indicated that these combined efforts, both internal and external, have significantly improved financial discipline at the school level. One participant explained,

Each month, we give financial reports on the utilization of capitation grants. (*Interview; School C Head of Finance Committee, May 2025*).

Another added,

We maintain transparency with all teachers, the community, and the school board regarding how funds are used (*Interview; Head of School A, May 2025*).

Twaweza (2018) observed that open and routine financial reporting in Tanzanian schools enhances stakeholder trust and reduces opportunities for misappropriation. Similarly, the World Bank (2021) noted that regular monitoring and public disclosure of financial information are essential for improving the efficiency and effectiveness of limited public resources in the education sector.

4.5 Challenges in Grant Management and Utilization

One of the most pressing challenges reported by participants was the inadequacy of capitation grant funds relative to the growing demands of secondary education. As student enrollment increases and operational costs rise, driven by inflation and expanded curricular and extracurricular programs, schools are expected to provide more services without a proportional increase in financial resources. Participants emphasized that the capitation grant, which is calculated on a per-student basis and remains largely unchanged, fails to reflect the actual financial needs of schools. This shortfall hampers the ability of institutions to effectively implement essential programs, including those aimed at improving academic performance, maintaining school infrastructure, and procuring sufficient teaching and learning materials.

In addition to insufficient funding, participants highlighted delays in disbursement as another critical barrier to effective financial planning and execution. Because funds often arrive later than scheduled, schools are unable to adhere to their procurement timelines,

resulting in postponed activities or rushed purchases that compromise both quality and cost-efficiency. These financial uncertainties disrupt the academic calendar, hinder continuity in planned initiatives, and diminish the overall impact of school improvement efforts.

One participant explained,

We fail to meet all planned needs because the funds are not sufficient (*Interview; School B Teacher, May, 2025*).

Another noted,

The major problem arises when the funds are less than the requirements, especially for supporting academic improvement programs (*Interview; Head of School B, May, 2025*).

The issue of delayed disbursement was also noted:

Funds arrive late, so it's hard to stick to the plan (*Interview; School D Head of Finance Committee, May 2025*).

Hakielimu (2020) also reported that the static nature of capitation grants, coupled with inflation and increased school responsibilities, limits the effectiveness of financial planning and undermines program delivery in Tanzanian schools. Furthermore, URT (2022) confirmed that many public schools experience significant operational setbacks due to both the insufficiency and untimeliness of capitation grants, leading to delays in achieving educational objectives and reduced service quality.

4.6 Strategies for Improving Utilization of Capitation Grants

To address the ongoing challenges associated with capitation grant management, participants proposed a set of strategic interventions aimed at maximizing the impact of available financial resources. A key recommendation was the strict adherence to government-issued utilization guidelines, which provide a structured framework for categorizing and tracking school expenditures. Following these guidelines ensures that spending aligns with national priorities and reduces the risk of financial mismanagement or misuse. Participants highlighted that proper compliance improves accountability, especially when coupled with regular financial reviews and documentation.

Another recurring recommendation was the adoption of improved digital financial systems in schools. Participants noted that many inefficiencies stem from manual record-keeping and paper-based procedures, which are not only time-consuming but also prone to error and manipulation. Introducing computerized financial management platforms can accelerate processing, enhance real-time reporting, and simplify auditing.

In addition, broader stakeholder engagement, particularly the involvement of parents and local communities, was viewed as essential for supplementing government funds and fostering a collective sense of ownership over school development. By encouraging external contributions and transparency, schools can address funding gaps and strengthen institutional resilience.

One participant stressed,

We must follow the guidelines on how to use each category of funds (*Interview; School A Headmistress, May, 2025*).

Highlighting the need for modernization, another participant suggested,

The financial management system should be improved—ideally, everything should be done through a system (*Interview; School C Assistant Finance Committee Chairperson, May 2025*).

A third participant emphasized community involvement:

Stakeholders and parents should be involved in supporting some school needs, like student meals (*Interview; School B Teacher, May 2025*).

These insights align with the findings of Mpokigwa and Nyamhanga (2022), who argue that integrating community contributions with state funding not only improves financial sustainability but also enhances educational quality in underfunded public schools. Similarly, Twaha (2018) advocates for equipping school leaders with training in digital financial management tools to improve transparency, accountability, and efficiency in grant utilization processes.

4.7 Adequacy of Capitation Grant Amount and Disbursement Procedures

Despite the structured framework of the capitation grant provision, participants raised concerns about the adequacy

and relevance of the current funding model. While a few individuals considered the existing grant levels and disbursement systems to be functioning reasonably well, the overwhelming majority expressed dissatisfaction. They highlighted the growing mismatch between fixed grant amounts and the escalating costs of school operations. Rising prices of teaching and learning materials, inflation, and increasing enrolment rates were cited as key pressures that undermine the sufficiency of the funds provided.

This concern is supported by Hakielimu (2020), who found that capitation grants in Tanzania have not kept pace with inflation and school needs, leading to gaps in service delivery and limited support for quality improvement initiatives.

One school leader noted,

The amount is not enough at all, considering the high costs of teaching materials and school operations (*Interview; School A Teacher, May 2025*).

Echoing concerns about timeliness, another commented,

The disbursement procedures should be reviewed to ensure timely delivery (*Interview; School D Teacher, May 2025*).

A third participant linked stagnant grant levels to broader economic challenges:

The cost of living has increased, but the monthly grant amount remains unchanged. (*Interview; School A, Assistant Committee Chairperson, May 2025*).

These views are consistent with recommendations from the World Bank (2021), which emphasized the importance of periodically reviewing both the size and timing of capitation grants to ensure they remain responsive to shifting economic realities and the operational demands of schools. Without such adjustments, the ability of public schools to meet quality education standards is likely to remain constrained.

5. Conclusion and Recommendations

5.1 Conclusion

The findings of this study revealed that while the process of receiving capitation grants is structured and operates under national financial guidelines, its practical implementation is often hindered by bureaucratic delays, rigid compliance procedures, and insufficient communication among stakeholders. Although the Government Electronic Payment Gateway (GePG) ensures transparency in fund transfers, delays in disbursement and the extended approval chains at district and school levels limit the timeliness and effectiveness of fund utilization. Despite these limitations, the internal planning processes involving school executive committees have contributed positively to collaborative financial decision-making.

Another important conclusion drawn from the study is that the effective utilization of capitation grants depends on the early establishment of clear institutional priorities, participatory budgeting, and consistent engagement of stakeholders such as teachers, school board members, and parents. Schools that adopted inclusive planning mechanisms allowed for wider consultation and maintained transparency in financial communication demonstrated more strategic and accountable use of funds. However, schools that lacked clear expenditure plans or delayed stakeholder involvement often faced inefficiencies in addressing pressing school needs.

The role of school leadership and financial committees was found to be central in promoting financial accountability and adherence to guidelines. Strong leadership and well-functioning financial oversight structures were consistently associated with improved planning, supervision, and utilization of grants. Moreover, schools with active internal accountability mechanisms such as regular budget meetings, public disclosure of spending reports, and external audits were better positioned to foster transparency, trust, and responsible use of public resources.

Lastly, the study concluded that the major challenges facing capitation grant management include inadequate funding relative to rising operational costs, delayed disbursement of grants, outdated manual accounting systems, and limited financial management training. These challenges significantly affect schools' ability to meet learning needs, maintain infrastructure, and support academic programs. Improving the efficiency of capitation grant utilization will require a multi-pronged

approach, including timely and adequate disbursement, capacity building for school leaders, digital financial systems, and stronger collaboration with local stakeholders.

5.2 Recommendations

This study recommends:

1. To enhance the effectiveness of capitation grant utilization, it is recommended that the government review and adjust the grant allocation formula to reflect current economic conditions, rising student enrolment, and the growing operational needs of schools. The fixed amount per student is no longer sufficient, given inflation and increased demand for resources.
2. The government should prioritize the timely disbursement of funds to avoid disruptions in school activities and planning cycles. Reviewing the disbursement schedule and simplifying bureaucratic procedures would enable schools to implement planned activities within the academic calendar more efficiently.
3. School leaders and financial committees should receive regular, targeted training in financial management, budgeting, and the use of digital financial systems. Equipping heads of schools and committee members with up-to-date skills will improve their ability to plan, implement, and account for the use of public funds effectively. Integrating digital financial tools can also reduce manual errors, enhance transparency, and simplify reporting and auditing processes. These improvements will foster a culture of accountability and professionalism in school-level financial management.
4. Schools should continue to strengthen participatory planning by actively involving teachers, school boards, and even parents in budget formulation and monitoring. Transparent communication, such as displaying financial reports on school noticeboards and holding regular feedback meetings, can promote stakeholder trust and shared responsibility. Encouraging community contributions, both financial and in-kind, can also help address funding gaps and ensure broader support for school development initiatives. A collaborative, transparent, and well-coordinated approach to grant utilization will ultimately contribute to improved teaching and learning environments in public secondary schools.

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