

**DETERMINANTS OF FINANCIAL SUSTAINABILITY OF NOT-FOR-PROFIT
ORGANISATIONS IN MANDERA COUNTY
A CASE STUDY OF HABIBA INTERNATIONAL**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF BACHELOR DEGREE IN DEVELOPMENT
STUDIES**

MOUNT KENYA UNIVERSITY

DECEMBER 2015

ABSTRACT

This study set out to examine the determinants of the financial sustainability of Habiba international in Mandera County. This was guided by the following objectives: to determine the effect of income diversification; to establish the effect of strategic financial management, and to find out the effect of participation in income generating activities on financial sustainability of HI as well as to find out how the donor relationship management affects its financial sustainability in Mandera county. The main or literature (empirical) was reviewed along themes that reflect specific variables in the objectives above. The stud adopted the case study research design. The target population of this study included the management team of the Habiba International in Mandera County. Stratified random sampling method was used to select the sample population. The questionnaire survey method and thus the questionnaires as the research instruments were used for collection of primary data. Secondary data was collected through review of research literature. Quantitative data was analyzed using excel, descriptive statistics was used for interpretation. The study found that donor relationship management contribute most to financial sustainability of nongovernmental followed by strategic financial management then income diversification while own income generation contributed the least to financial sustainability of nongovernmental organizations. The study recommends that in order to ensure that the not-for profit organizations remain sustainable, they should procure employees that are competent in strategic planning, plan implementation and financial analysis. The management of such organizations should increase their income sources from their usual ones. The management should also maintain a good relationship with the donors through information management, consistent accountability and meaningful communications.