

UNIVERSITY OF NAIROBI
FINANCE DEPARTMENT SEMINAR
6TH – 9TH OCT. 2010 AT GREEN
HILLS HOTEL, NYERI

IMPROVED REVENUE GENERATION

REVENUE GENERATION

◎ I. Government Capitation

- The capitation for the current Financial Year 2010-2011 is Kshs.4.069 billion which forms 37% of the total annual budget of Kshs.11 billion. In the current FY 2010-11 the Government included Kshs.500m being arrears for personal emoluments which is 5% of the total annual budget. The development capitation for the current Financial Year is Kshs.40 million.
- Therefore the major component of budget financing comes from the internally generated funds.

II. Tuition Fees

- Here we have the Regular Fees and the Module II Fees.

II. Tuition Fees

◎ A) Regular Fees

- This is what is collected through the colleges. The students are also partially financed by HELB through loans and bursaries. This is the component that is retained to finance operations centrally.
- The Challenge here is the delay by colleges on remittance of special fees (e.g. Medical, Sonu and Inter-college transfers).
- In the current FY 2010-2011 this component accounts for Kshs.514.5 million representing 4.7% of the total annual budget.

II. Tuition Fees

◎ B) Module II Fees

- This is what is collected through UNES from the self sponsored students. The students are also partially financed by HELB through loans and bursaries.
- This is a major component of University budget financing.
- In the current FY 2010-2011 this component accounts for Kshs.3.6 billion representing 32.7% of the total annual budget.
- The policy guidelines with respect to fees includes:
 - No fees no classes
 - No accommodation fee no room allocation

III. Income Generating Units

- IGU funds are generated through various units both in Central, Colleges, SWA and Unes.
- In the current FY 2010-2011 this component accounts for Kshs.793 million representing 7.2% of the total annual budget. Given that this is a significant component of budget financing there is need to improve on the management of these IGUs and also grow the same.

IV. Grants

- ⦿ This is revenue generated from external donors in support of research programmes undertaken by university researchers.
- ⦿ In the current FY 2010-2011 this component accounts for Kshs.901 million representing 8.2% of the total annual budget.
- ⦿ The university strategy is to grow this source of revenue since it has high potential for growth.

V. Accommodation, Rental and other Incomes

- ⦿ This is revenue generated from student accommodation by SWA in the halls of residence, rental incomes from university houses, Uni-Plaza, Billboards etc.
- ⦿ In the current FY 2010-2011 this component accounts for Kshs.460 million representing 4.2% of the total annual budget.
- ⦿ Examples of areas where revenue generation can be enhanced are:
- ⦿ Enhance Consultancy business on all sectors of the Kenyan Economy
- ⦿ Water bottling at the upper Kabete Campus

V. Accommodation, Rental and other Incomes

- ⦿ Enhancing the UON Business Centre and other units replicate areas they are strong in.
- ⦿ Commercialization of the Kibwezi and other University farms
- ⦿ Sourcing Development Grants from local and international Partners e.g. IFC, Safaricom, Equity, Colgate-Palmolive
- ⦿ Sourcing Research Funds
- ⦿ UON to Register Patents, Copyrights and Trademarks
- ⦿ Bill Boards
- ⦿ Fully process and export coffee from Kabete Farm

V. Accommodation, Rental and other Incomes

- ⦿ Provision of quality & affordable meals to students – No cooking which will result in savings on electricity, water, cleaning and reduce chances of fire erupting
- ⦿ Refund to students – Managed very prudently
- ⦿ Investment Income – time deposits yielding the highest rate in the market.
- ⦿ Trade-in of Assets instead of leaving them idle
- ⦿ Modernize and increase capacity of the Printing Press
- ⦿ Develop state of art hospitality and conference facilities e.g. Kilimani Plot, CCU etc

V. Accommodation, Rental and other Incomes

- Significantly increasing university branded merchandise
- Increasing agency arrangement with national and international publishers
- All university consumables supplies to be sourced through the central stores
- Increase certificates storage charges
- Effectively utilize legal means to collect difficult debt
- Revamp the debt collection section

END