

SSEMANDA GEORGE WILLIAM (2014-M102-30007)

Budgeting Process and Budget Performance in Non-profit Making Organisations: A Case Study of Caritas-Masaka Diocesan Development Organisation.

Budgeting is an essential activity in business operations and has a great bearing on performance (Ackah & Agboyi, 2014; Hatten, 2015; Kariuki, 2010; Dropkin et al. 2011). The researcher focused on investigating the budgeting process and budget performance in non-profit making organisations taking a case study of Caritas- Masaka Diocesan Development Organisation (MADDO). The objectives of the study included; to establish the effect of budget planning on budget performance of Caritas MADDO, to establish the effect of participation and feedback on budget performance of Caritas MADDO and to examine the effect of budgetary control on budget performance of Caritas. The study was inspired by the expectancy theory of motivation developed by Victor H Vroom and expanded and refined by Poter and Lawler and others. In order to have an in-depth study, the research took a descriptive case study research design to establish the relationship between the independent variable (budgeting process) and the dependent variable (budget performance). Results of the study show that budgetary planning affects budget expenditure effectiveness and, therefore, influences budget performance of Caritas MADDO; budgetary control does not significantly influence any of the elements of performance and, therefore, doesn't affect the budget performance of Caritas MADDO; participation and feedback affects both revenue and expenditure effectiveness, and, therefore, highly influences the budget performance of Caritas MADDO. It can be said that among all factors, budget participation and feedback is the most important element of the budget process and it has showed significant interactions with all elements of budget performance.

Recommendations include but not limited to; Upholding and strengthening planning, control and level of feedback and participation as they measured and explained the budgeting process. The need for regular or periodic meetings at departmental and project level. There is need for the budgeting process for the different units/departments to be conducted in a workshop/unit meeting setting, so as to enhance participation of all the staff in the respective budgeting units. The organisation should create a self –governance framework that subdivides the hierarchical organisational structure into smaller self-managing units with managers that have authority to run their units as they see fit.

Key Words: Budgeting Process, Budget Performance, Non-profit Making Organisations Caritas-Masaka Diocesan Development Organisation