

ABSTRACT

Private learning institutions in South Nyanza Region play a great role in the managerial use of cash management practices for proper usage of cash in learning institutions. Finance in learning institutions was an important constraint to growth in South Nyanza Region since these learning institutions do not get grant from the government sources such as free secondary education fund, free primary and government sponsored students. Leading to low enrolment turnout in the private sector, there was an inadequacy in application of cash management practices. The purpose of the study was to determine the influence of cash management practices on performance of private learning institutions. This study determined to assess the influence of cash management practices on performance of learning institutions in South Nyanza Region. The specific objectives of the study were: to establish the influence of liquidity flow index on the performance of private learning institutions; to assess the influence of operation cash flows on performance of private learning institutions and to establish the influence of cash conversion cycle on performance of private learning institutions. Contingency theory of cash management directed the study. The study employed a survey research design. The target population constituted 151 principals/directors/managers and 151 bursars/accounts clerk lower in South Nyanza Region. A census study was used to conduct the study on the 305 respondents. Questionnaires were used to collect data. The instruments were personally administered by drop-and-pick method. The data collected was coded and analyzed by use of Statistical Package for Social Sciences (SPSS). The descriptive statistics by using mean and standard deviation and inferential statistics by use of regression analysis and analysis of variance (ANOVA) were used to analyze data. The data was presented in pie charts, histograms and tables. The study found out that liquidity flow index adds value to an institution when cash flows increases ($B=0.321$; $p<0.05$); operation cash flows resulted into a positive cash flow which indicated an increase in performance ($B=0.361$; $p<0.05$); cash conversion cycle resulted into an increase in performance ($B=0.334$; $p<0.05$) in learning institutions. It concluded that most private learning institutions use cash management practices as applied by board of management. The study recommends that cash management practices be applied extensively in the running of private learning institutions since they influence performance and valuable insights in management of cash in learning institutions.