Financing education and especially public education is of crucial importance. However, the ability to pay for such a noble course depends in part, at last on the extent to which the government and the community and all stakeholders desire to make further sacrifice to satisfy the practiced need.

This study investigated how secondary schools diversified their finances by involving in school based economic activities and initiatives, found out the use to which funds from those activities were put, identified the problems that faced income-generating activities and proposed possible solution to those problems.

The study examined school based economic activities that secondary school can resort to it. trying to bridge the resource gap between financial resources forth coming from parents, the community, the government and what schools really need for effective implementation of their educational programmes.

The research involved nine secondary schools, Head teachers and nine B.O.G members in Turbo division of Uasin Gishu district. A questionnaire and an observation schedule constituted the instruments of this study.

The results of the data from questionnaires and observations schedule were analysed. Tables, frequency distribution and percentages showed that:

i) Many schools had made efforts and were generating funds from school based economic activities varied in diversity and viability among schools.

ii) Head teachers and B.O.G have a lot of difficulties mainly lack of entrepreneurial skills, capital and time in an attempt to initiate and run income-generating activities.

iii) Many secondary schools faced financial constraints and this affected the smooth running of educational programmes.

This study made the following recommendations on how the generation of funds from school based economic activities by secondary schools could be enhanced

i) Secondary schools should develop their school based income-generating unit, to operate optimally and should manage them along business principles

ii) The Ministry of Education should give schools a clear policy on income generating activities. One "ay would be by allowing schools to have a vote head for this facility which would streamline the acquisition and disbursement of funds for these activities.

iii) Schools should be assisted to exploit the full potential of these sources of funds by training principals and teachers involved on entrepreneurial skills and assist in acquiring the required initial capital