

Financial resources are key inputs to the education process. The adequacy and effective utilization of financial resources will to a larger extent determine the quantity and quality of resources acquired. This will subsequently impact on the attainment of the school objectives. This study focused on the sources and uses of funds in public primary schools in the Free Primary Education (FPE) context. Specifically, the study sought to evaluate the effectiveness of the unit cost funding system criterion in meeting the financial requirements of the institutions as spelt out in their respective budgets. Special attention was given to government and parents (household) financing, the main sources of funds for primary schools under this criterion. The study employed the descriptive research design and targeted all the 320 public primary schools in Narok district. The sample consisted of 32 schools which is 10% of the target population. All the 32 respondents from these schools took part in the study. Data was gathered using interviewer-administered questionnaires, observation schedule and documentary analysis. Such data was analysed descriptively with thematic emphasis, and also by use of simple descriptive statistics (ie frequencies, percentages and means) and inferential statistics (simple regression analysis model). The results were presented in tables, bar graphs and pie charts where applicable. Findings from the study revealed that most public primary school budgetary items were being financed using unit cost funding system. It further established that schools were facing problems in their annual budget execution that were much attributed to the limitations of the unit cost funding system. The positive effects of unit cost funding system on the financial requirements of public primary schools in terms of improved facilities, adequate teaching and learning materials and minimal variances in operational cost budget outturns were more profound in highly enrolled schools than in lowly enrolled schools. Even though, the uniform unit cost funding system applied by government to finance primary education costs was not effectively meeting financial requirements of most schools as expenditure in some votes was not directly related to units (enrolment). Such a situation was exacerbated by inadequate budgetary allocations to some votes and low enrolments. The study indicated that inadequate parental obligation was mostly attributed to economic factors that were poverty related. Further, the findings revealed that the extent of parental (household) contributions to the education costs was much influenced by the environmental settings within which the schools exist. Therefore, due to schools operating in diverse environmental settings and being of different sizes, a unit cost funding system that is responsive to relative school budgetary needs, changes in price levels of goods and services, and poverty levels of parents/community is recommended as an alternative funding criterion. The findings are particularly useful to scholars in the university interested in further research on primary education financing. They also serve as a reference area for policy makers in education on matters pertaining to sustainable financing options that could effectively meet the financial requirements of public primary schools.