

**TREASURY MANAGEMENT PRACTICES AND FINANCIAL
PERFORMANCE OF DEPOSIT TAKING SAVINGS CREDIT COOPERATIVE
SOCIETIES IN KERICHO COUNTY, KENYA.**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF
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UNIVERSITY**

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DECLARATION

This study project is my own work, and have never submitted it to another institution of higher study or an assessment body.

Sign: 

Date: 19/04/2023

Gideon Kiplangat Mutai
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This is to acknowledge that this research project has been presented for review with my permission as the University Supervisor.

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ABSTRACT

Saccos are unable to accumulate savings and deposit fast enough to meet members' credit needs. e-platforms that provide fast loans exacerbate this issue. A loan, unlike in banks, requires multiple inputs to fund. This forces saccos to acquire expensive commercial bank loans to satisfy their members' desires, incurring high borrowing expenses. Treasury management practices cannot be understated, especially in terms of saccos' long-term financial performance in Kenya. This research sought to find out how treasury management practices affects performance of Deposit Taking Savings and Credit Co-operative Societies within Kericho County, Kenya. Sacco's in Kenya have been investing for a long time with the goal of increasing their capita. The objectives of this study were to the effect of liquidity policies, cashflow forecasting and Members deposit on financial performance of Deposit Taking Savings and Credit Co-operative Societies within Kericho County, Kenya, Kenya visa vie regulations and external environment factors. Significance of this study will benefit policy-makers both in the government and Savings and Credit Co-operative Societies, particularly in terms of enhancing policy deliberations in this area. The study also provided a new body of knowledge to scholars. The scope of study was Kericho County, Kenya, Kenya due to factors such its diversity in the types of Savings and Credit Co-operative Societies and the sporadic nature of previous studies on the subject. The issue that this study was try to solve is whether Deposit Taking Savings and Credit Co-operative Societies Societies have implemented competent treasury management practices in their day today treasury operations, and whether they have been able to boost their liquidity as a result of this approach and overall financial performance, guaranteeing compliance with the Sacco Societies Regulations 2010 relating to liquidity ongoing maintenance. On literature review the study was anchored on Baumol's EOQ Model of Cash Management, Miller-Orr Cash Management Model and Stakeholders Theory. The study adopted a descriptive research design where the researcher went to the saccos of interest to collect information on treasury management practices and financial performance of saccos in Kericho County, Kenya, Kenya. The population of this study was 171 respondents from Employee, Matatu, Farmers and Youth Based Saccos within Kericho County, Kenya. From the population stipulated no sample was drawn and instead a census of all the respondents were taken. Data was collected by means questionnaire method which had both closed and open ended . a pilot study was done to prove the validity and reliability of data collection instrument. Both descriptive and inferential statistics and with the help of statistical tools such as SPSS and Excel were applied to analyze the data obtained. A series of multiple regression analysis (standard and step wise) was applied since they gave net impact estimates and explanatory power. The study concluded that treasury management practices had a positive and a significant effect on financial performance of deposit taking Saccos in Kericho County. Based on descriptive and inferential analysis, the study concluded that liquidity policies influenced the financial performance of deposit taking Saccos to a very great extent. The cashflow forecasting was found to influence the financial performance to a great extent. Cash budgeting and members deposits influenced the financial performance of the Saccos to a great extent. Other studies should be done on factors outside this study that were identified by the coefficient of determination model that contributed to the financial performance of Deposit Taking Savings and Credit Co-operative Societies.