COSPED, TASFUED
Journal of Specialised and Professional Education (JOSPED)

Budgetary Planning Strategies in Nigerian Private Universities: Challenges and Way Forward

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Abstract
Budgetary planning is the process of making budgets, forecasting, financial planning and allocating resources to ensure the sustainability of the operation of the University and to meet the academic standard set in the private university in Nigeria. This paper gives a review of the budgetary planning strategies, funding approaches and problems encountered by private Universities in Nigeria in view of the Budget Maximization Theory formulated by Bednarczuk which posits that the administrators of private Universities would seek to maximise the available budget so as to enhance the capacity of the institution to function efficiently. This paper reviews five budgetary planning processes that are well known: incremental budgeting, zero-based budgeting, performance-based budgeting, participatory budgeting and strategic forecasting, and argues how they facilitate effective resource allocation and institutional planning. It also addresses the funding approach of private universities, which is largely based on tuition fees, aids, endowments, consultancy services and commercial enterprises. The challenges reported are inadequate funding, dependence on tuition fee, inflation and economic instability, financial management, inadequate financial management skills, governance inadequacy and technological limitations. All these factors collectively pose challenges to accurate financial forecasting, strategic planning and effective utilization of the resources. The paper concludes that for the financial sustainability and future growth of private universities in Nigeria, sound budgetary planning strategies, diversifications of revenue sources, strengthening financial management capacity and promoting transparency and accountability need to be embraced.

Keywords: Budgetary planning, Private Universities, Budget preparation, Resources allocation

1. Introduction

Budgetary planning in private university is a systematic process which involve budgeting planning, forecasting and financial planning and resource allocation to bring about effective utilization of financial resources in the university. The universities are predominantly tuitions dependent and the planning, allocation and effectiveness of the use of resources has a direct impact on the university's ability to reach its objectives such as academic excellence, research development and infrastructural expansion. In Nigeria, the expansion of private universities in the last 20 years has been quite impressive due to the rising demand for higher education and the lack of space in the public universities.

The National Universities Commission (NUC, 2022) reports that there are more than 80 private universities currently in Nigeria with accreditation from the NUC. Even with this increase, a lot of private Universities struggle with financial management issues. Excessive dependence on tuition fees exposes them to fluctuations in enrolments, and the increasing expenses of running the institution such as salaries, maintenance, and technological advancements, put them under financial strain. Besides, restricted access to external funding sources, poor financial information and absence of low skilled workers often make it difficult to make the budgeting process. Budgetary planning is an important function that will not only provide the financial stability of the private university but will also have a direct impact on the quality and performance of the private university. Administrators will be able to strategically invest in their school, to upgrade teaching and learning facilities, to enable research activities and to support students' services with a well-prepared budget. Moreover, participatory and transparent budgeting processes foster accountability and trust in the process for students, workers, regulators, and funders Abubakar & Musa (2022). In contrast, poor budgeting can result in financial mismanagement, waste of resources, loss of institutional credibility and thus impact enrolment and institutional sustainability.

Efficient financial planning is made more difficult due to issues like student fluctuations, rising inflation, insufficient staffing provisions, and poor governance. Administrators use Budget Maximization Theory to ensure that they are able to secure the greatest possible budget to increase the resources and operational capacity of the institutions, but if they fail to plan effectively, they will be unable to achieve this objective (Olaifa, 2021). Therefore, it is important to undertake strategic approaches to budgetary planning

Hammed, R. O., Yusuf, S., Abubakar, U. B. and Ibrahim, Y. K., (2026). Budgetary Planning Strategies in Nigerian Private Universities: Challenges and Way Forward, Nigeria, *Journal of Specialised and Professional Education (JOSPED),* vol. 8, no. 1, pp. 65-74.

to ensure financial resources are utilized efficiently, expenditures are properly projected and institutional objectives will be met. This report seeks to discuss budgeting strategies, highlight challenges, and propose solutions for better allocation, budgeting, and overall operational efficiency in Nigerian private universities.

2. Concept of budgetary planning

A budget is a financial plan that shows the revenue and expenses of an organisation within a given period, typically one year. It is a planning, coordinating and controlling financial resources to attain the objectives of the organization. Bamidele et al., (2024) defines a budget as a financial statement which is prepared in advance quantifying the anticipated outcomes of future plans. First, this definition emphasizes the future-oriented aspect of budgeting as a management activity. Likewise, Ohaegbulem et al., (2023) says that a budget is an expression of a plan of action in quantitative terms that enables the manager to coordinate and execute organizational objectives. This perspective focuses budgeting not only as a financial tool, but also as a planning and management tool to support decision making and performance measurement. A budget in the public and educational institutions is regarded as a tool for resource allocation and accountability. A budget is a systematic plan that enables the efficient allocation of limited resources in an educational institution like a university, which ensures financial discipline and sustainability, according to Oyebode (2020). This is especially true in Nigerian private universities which may have limited financial resources. Additionally, Obafemi (2021) considers budget as a managerial tool which serves as a planning and forecasting tool for income and expenditure and a tool for measuring the performance. The above definition highlights the two functions of budgeting as a planning and control instrument.

Budgetary planning: A process of systematic and structured organisation that enables the University to anticipate, plan and manage its financial resources to meet short term and long term institutional goals. It includes predicting income, budgeting spending, and using resources wisely to support different departments in the organization, programs, and strategic projects. Within the context of the Nigerian private universities, budgeting and planning are very important because the income of the private universities is largely dependent on the internally generated revenue which is largely based on tuition fees and which is generally influenced by enrollment fluctuations, economic instability and social factors (Shittu et al., 2025). An extensive budgetary planning process combines forecasting and financial planning to enable administrators to look ahead for revenue sources, to estimate operating expenses and to plan for contingencies. For example, a university can predict an increase in student numbers and use this to calculate a rise in tuition fees, but also be preparing for salary rises, maintenance of buildings and equipment, and research funding. Allocation of available resources is judicious ensuring that funds are judiciously allocated to priority areas such as upgrading of laboratories, funding of Research Projects, expansion of library resources, faculty development programmes, etc. In this way, universities can ensure scarce resources are used in the best way possible funding core activities that will help them excel and grow. (Yusuf et al., 2025)

In terms of Budget Maximization Theory, the University administration is driven to allocate the greatest possible budget to increase the size of their operations and influence within the institution (Bednarczuk, 2024). The theory emphasizes that managers are purposeful about linking their applications of extra support to outcomes that are measurable, and how new money can be used to improve academic programmes research output, staff welfare and infrastructure development. This way, resource allocation will not be random, but will be based on the strategic priorities and goals of the institutions. In addition, budgetary planning is also used as a decision-making process, which helps administrators to pinpoint inefficiencies, cut down on wastages, and concentrate on initiatives with a strong impact, to improve the effectiveness and sustainability of operations (Umoh, 2025). Budgetary planning is not just a financial process, but a strategic process, which connects the forecasting process, planning, and resource allocation to institutional objectives. It helps to maximise utilization of limited resources, minimise risk and maximise institutional growth. Private universities can legitimize rise in the budget, allocate resources and improve the academic and operational performance based on the principles of Budget Maximization Theory. This makes budgeting to be the pillar of financial management and sustainable development in Nigerian private universities. (Iyiomo & James, 2024)

Budget Preparation: Budget preparation in private universities in Nigeria is a process that is orderly, strategic and is the procedure of estimating expected revenues and expenditure for a well-defined fiscal period, which ensures financial discipline and sustainability of the institution. The process normally starts at the departmental level where academic and administrative units present detailed proposals that show the financial requirements associated with their expected activities, staffing needs, infrastructure needs and strategic interests. The budget committee of the university co-ordinates the budget planning and budget preparation by ensuring that they are in line with the goals of the university and submitted to the governing council for approval. A crucial control activity that helps to foster accountability and avoid financial mismanagement is effective budget preparation. The scholars have focused on data-driven budget-making in recent years to make it as accurate as possible and more responsive to the fluctuating economic conditions. (Yusuf et al., 2025). For efficient and accurate budget formulation, the use of digital financial management has been recommended Ajape et al., (2025). Also, regular budget review and revision is crucial to capture new realities and institutional priorities. In conclusion, a well-crafted budget is a financial blueprint that can lead to better decision-making, efficient use of resources, and sustainable operations of Nigerian private universities.

Forecasting and Financial Planning: Financial planning and forecasting are essential parts of budgetary management in private universities in Nigeria to assist universities in predicting the financial conditions in the future and taking any action accordingly. Financial forecasting is the process of using the past data, trends, and economic indicators to foresee future income and expenses and make informed decisions Eyinade et al., (2022). At private universities, forecasting is especially important because they are highly dependent on tuition payments and are sensitive to variations in student numbers. Recent studies, forecasting in financial planning is increasingly being emphasized as a critical area that requires special attention. Such factors as inflation and exchange rates significantly interfere with accurate cost forecasting. Moreover, researchers suggest a need for introducing data-driven methods and models, scenario, and sensitivity analysis to deal with impreciseness and uncertainty in financial planning. Another viable strategy is the use of financial management information systems to ensure the accuracy of financial planning and forecasting data. Besides, there is a growing need for training and capacity-building initiatives to improve forecasting and planning competencies among Nigerian private universities' managers and staff. In short, financial planning and forecasting are vitally important for sustaining the long-run development of Nigerian private universities (Yusuf et al., 2025).

Resource allocation in Nigerian private universities denotes to the process of allocating financial, human, and material resources in order to meet the former's needs in the most efficient manner. Since most private universities have limited funds, the resource allocation process should be transparent and based on certain criteria in order to ensure that nothing is wasted and every penny is spent on priority areas or subjects. Typically, the resource allocation in universities depends on such variables as students' demands, strategic options, and available resources. According to the recent studies, resource allocation in Nigerian private universities is based on a performance-related system, which implies that resources are apportioned according to performance indicators achieved by different departments and programmes (Tijani & Ihaza, 2021). At the same time, Ibrahim (2019) states that involving stakeholders in the process of decision-making regarding resource allocation should be considered as a priority since it promotes accountability and transparency. Besides, it is necessary for the authorities to establish a system of auditing and monitoring the resource allocation process in order to ensure that nothing is misappropriated and that all funds are spent on priority areas. Finally, the other viable option is to expand sources of income in order to have more funds to allocate. In conclusion, the efficient allocation of resources is critical for promoting the operational efficiency and sustainability of Nigerian private universities.

2.1 Budgetary Planning Strategies

Budgetary planning strategies in higher education institutions entail the processes of planning, allocating, analyzing, controlling, and auditing financial resources to achieve fiscal responsibility and sustainability. The role of budgetary planning strategies in Nigerian private universities cannot be over emphasized because most universities derive their income mostly from internally generated revenues which are mostly in the form of fees, research grants, donations, and endowments Umoh (2025). Therefore, without proper budget planning strategy, inefficiencies such as slow payments to partners and stakeholders result in hindering the achievement of the university's mission and objectives. Effective budgetary planning in higher education can take a number of forms including incremental, zero-based, performance-based, participatory, and strategic budgeting among others. Incremental budgeting is appropriate for use in a higher education institution because it allows the revision of the previous budget to meet the needs of the current academic year while maintaining a level of fiscal restraint and responsibility. On the other hand, Zero-Based Budgeting (ZBB) is also effective when it comes to allocating financial resources to a higher education institution. Unlike incremental budgeting, zero-based budgeting does not use the previous year's budget as a basis for the current year's. Rather, it requires that every function or department within a university must justify every expense as if it were a new entity at the beginning of each fiscal year. This method is ideal for use in private institutions in Nigeria because it promotes fiscal discipline, accountability, and effective use of funds to achieve the stated objectives of a university (Ahmed et al., 2025).

In addition, another important strategy in higher education is Performance Based Budgeting (PBB). PBB funds are allocated based on measurable outcomes, such as a student's graduation rate, research productivity, accreditation success of programmes, etc. This approach will promote accountability because spending is tied to results and the departments and faculties will work efficiently and focus on important projects. For private universities in Nigeria, PBB helps guarantee that limited financial resources are used in ways that produce tangible academic and institutional outcomes, and offers administrators justification for the extra funding given under the Budget Maximization Theory. Olaifa (2021), Bednarczuk (2024). Participatory budgeting is one method that complements these strategies by engaging faculty, administrative and, in some instances, student input. The participation of stakeholders in budget decisions increases transparency, accountability and institutional need alignment. Through participatory budgeting, administrators can determine priorities for programmes, look ahead at financial issues and allocate resources more equitably across departments. This approach tackles some of the key issues in Nigerian private universities, including poor governance, insufficient budgetary transparency, and budgetary intransigence. Budget Maximization Theory, on the other hand, provides a framework for considering participatory budgeting as a means to reinforce the case for increased budgets, including strategic investments, through the mechanism of broad institutional support for such investments (Augustine, 2022).

These are part of strategic budgeting and forecasting. Future revenues can be projected, costs associated with operations can be estimated, and various financial risks can be modeled, allowing administrators to plan effective budgets that are based on evidence of the institution's priorities. This will ensure that universities are proactive, rather than reactive, and can plan ahead, whether it be in relation to infrastructure expansion, staff development, research funding, or the creation and development of student support programmes. With the proper budgeting planning, forecasting, and resource allocation, institutions become more efficient, reduce financial risks, and make the most of the funds for academic/operational growth. (Jaja et al., 2023). These strategies are essential in Nigerian private universities to ensure the stability of operation, competitiveness, and student and faculty recruitment. Institutions should be able to show transparency, minimize financial mismanagement, and build confidence among stakeholders by creating a clear, systematic process that establishes connections between budgeting and measurable outcomes and strategic goals. In the end, the implementation of these strategies, in line with Budget Maximization Theory, guarantees the optimal use of available resources, sustainable institutional development, and quality education services. (Kolade et al., 2018).

2.2 Private Universities in Nigeria

Private universities in Nigeria is an institution founded by individuals, religion or corporate bodies. These institutions are regulated by the National Universities Commission (NUC) which guarantees compliance with academic standards, accreditation and guidelines of operations. Private universities have a hierarchical structure of governance and participatory style of administration. The Chancellor or Proprietor, the highest authority in this hierarchy, offers strategic leadership and ensures that the university's long-term vision and mission are upheld. The Governing Council is the highest decision-making body, and it is responsible for approving policies, budgets, financial reports and major institutional projects. The Vice-Chancellor is the Chief Executive Officer who is responsible for conducting day-to-day operations, executing decisions of the council and organizing academic and administrative activities. Deans, heads of departments and financial officers play a key role in the administration of academic programmes, in the utilization of departmental resources and in the management of financial operations, ensuring them to be in line with the budgeting/forecasting priorities and resource allocation (Lucky 2024).

Organisation structure is efficient, transparent and accountable. Academic departments develop their budgets based on teaching, research and operating requirements, and administrative offices, especially finance and bursary departments, aggregate the various needs into an institution's budget. These units also keep track of expenses, audit revenue streams, and adhere to the accounting principles. Importantly, many private universities use participatory budgeting, in which the faculty, department heads and sometimes the representatives of the students participate in the budget discussion and decisions on the budgeting are based on the priorities of the institution, which promotes equity. This will reinforce governance, increase accountability and aid in strategic allocation of resources (Obafemi 2021).

2.3 Funding

Available financial resources, institutional priorities, and the need for sustainable operations in the Nigerian private universities are intertwined in the funding of the universities. Private universities are funded mainly through internal funds and tuition and school fees are the major source of income, whereas the government funds public universities at a much higher rate. Funds collected from tuition fees are used to pay salaries, provide instruction and materials, to conduct research, and for keeping the infrastructure in good working order. The reliance on tuition income makes the schools vulnerable to fluctuations in numbers, delayed payments and economic fluctuations in general, however, requiring careful budgeting, forecasting and allocation of resources in order to ensure that they remain operational (Amao et al.,2021). In addition to tuition, private universities also charge registration and admission fees, which include the costs of administrative requirements, orientation and student support services. Accommodation and hostel fees serve as a continuous source of income that ensures the welfare and maintenance of students' housing, utilities and welfare services. The predictable revenue sources include student service fees which are also used to fund facilities like the library, health services, recreation centers, etc. which also helps in the effective management of financial resources Onchekwa et al., (2025).

Private universities actively look for new sources of funding in addition to tuition fees. Specific projects, laboratories and post graduate programmes are financed by research grants received from Government, private foundations and international organizations. Likewise, consultancy services that involve faculty training or advisory work to industries or government bodies are another way of earning extra income and building ties and visibility for the institution. They are all sources that should be carefully forecasted to ensure that projected inflows are consistent with planned expenditures and priorities (Okonkwo et al., 2025). Another major part of the funding dynamics is the donations, endowments and the contributions of alumni. The donation can be unrestricted so that universities can use the funds in a flexible manner or can be dedicated to a specific purpose, such as scholarships, research or infrastructure. Endowments are made up of investments that give a long-term financial stability while the contributions from the alumni are channeled towards the academic programmes, infrastructure, and the services to the students. The efficient management of these funds can lead to a private university's larger budget allocation, as per the Budget Maximization Theory that prioritizes the allocation of available funds for strengthening the institution and ensuring its operational efficiency (Akinnubi 2020; Bednarczuk 2024).

Revenue generation is also very much related to commercial activities. Campus shops, cafeterias, guest houses and conference facilities not only generate extra income for the university, but also improve the campus atmosphere and satisfy the needs of students and outsiders. Working professionals, international students, corporate clients are attracted to short courses, professional training programmes, and certificate courses, which also help to boost the revenue of the college and support faculty development and institutional promotion. In addition, passive income from investments and financial assets, including endowment funds, stocks and bonds, can help to balance university budgets and support the funding of long-term projects (Jacob et al., 2021). In some cases, private universities may be eligible to receive funds from government, or NGO, to support capacity building, research projects, technology adoption, infrastructural development, etc. – these are less reliable than tuition or internal revenue and they can be essential to building the capacities of the university and its staff, and to investing in strategic projects. The combination of various revenue streams can help universities diversify their funding sources, minimize reliance on tuition fees, and maintain financial sustainability. This holistic approach enables institutions to make strategic plans and resource allocation decisions, avoiding the waste of resources that would otherwise go towards unproductive investments to achieve institutional objectives (Iyiomo & James, 2024).

In reality, there is a need to develop strong budgeting planning, accurate forecasting and effective resource allocation to manage the funding dynamics of private universities. Administrators need to focus on spending, income from projects, and on how to invest resources in the best way for the institution, such as research, infrastructure, academic performance, and employee well-being. The university manager seeks to maximize the use of total budgetary resources in the university by proving the contribution of additional funds to measurable results, such as an improvement in teaching quality, the number of scientific publications, students' satisfaction, and so forth, using the theory of Budget Maximization. This helps to make the best possible use of the funds available, ensuring that the budget is used efficiently to meet the operational needs and strategic goals of the institution (Augustine 2022, Bednarczuk 2024).

3. Theoretical Framework

The Budget Maximization Theory (BMT) was pioneered by Niskanen (1971), who postulated that managers of an entity formulate ways of maximizing budgets because they desire to increase the agency’s resources, power, and scope of activities. In contrast, Bednarczuk’s (2024) recent development on the BMT shows that bureaucratic budget preferences are situational, depending on the context and institutional constraints surrounding the budget process. The theory has been used to explain how managers of higher education institutions (HEIs) in Nigeria strive to mobilize funds through various avenues, including hostels, grants, consultancy fees, and commercial income, to achieve organizational goals (Akinnubi, 2020). The theory’s basic premise is that maximizing resources helps HEI managers offer better services, which ultimately benefits the universities’ staff, students, and overall performance. BMT assumes that a university’s management will request more money to achieve specific goals and demonstrate that the proposed additional funds will improve the institution’s performance. As a result, the theory is applicable in HEIs, particularly Nigerian private universities, because it provides a framework for the management to show that their every request for more funds will result in some benefits to the institutions (Olaifa 2021). In addition, the theory can be used to explain how managers in private HEIs use justification as a strategy to ensure that every expenditure made is deemed appropriate and serves a particular purpose (Tijani & Ihaza, 2021). The theory is also relevant to the Nigerian private university system because it sheds light on how the management can maximize the available resources to achieve the stated objectives, considering that most of these institutions have limited external funding (Beredugo et al., 2021).

3.1 Application of Budget Maximization Theory to Budgetary Planning Strategies

The relevance of BMT to budgetary planning strategies is unquestionable, given its ability to provide a theoretical framework for maximizing available resources to achieve the objectives of Nigerian private HEIs. For example, it guides the use of incremental methods in budget planning, whereby adjustments to the baseline in the form of increases or decreases are proposed based on the previous year’s spending (Tijani & Ihaza, 2021). In this context, BMT assumes that the management proposes more funds based on the number of students enrolled and the associated costs of providing hostel services, thereby showing the relationship between the two variables (Umoh, 2025). Alternatively, BMT can be applied to the zero-based budget (ZBB) method, which works based on the idea that every amount requested by the universities has a specific purpose (Beredugo et al., 2021). For example, the management can maximize the available resources by using the ZBB approach to cut unnecessary costs and fund more projects, especially when there are insufficient revenues from students' fees, grants, and consultancy services (Adekoya & Augustine, 2022).

Similarly, the performance-based budget (PBB) method can also be used to implement BMT in private HEIs because it makes the institutions provide justification of the proposed budget based on the performance results of various university departments, activities, and services rendered to students (Oriakpono et al., 2022). As a result, the PBB method will enable the universities to request more funds because of the performance results demonstrated by different units while also providing information on the financial needs of each department. In addition, BMT can be applied to participatory approaches to budgeting, including strategic planning and forecasting, by allowing the management of private HEIs to participate in the process to ensure that the allocation of extra funds serves a specific purpose (Adekoya & Augustine, 2022). The theory is relevant to strategic budgeting and forecasting as a tool to ensure that revenues from fees, consultancy, and commercial activities are used in accordance with the objectives of the private universities.

Budget Maximization Theory offers valuable insight into how the managers of private HEIs in Nigeria can maximize the limited resources to achieve the stated goals. The theory has been applied to various methods, including incremental, zero-based, performance-based, and participatory budgeting, that can be used to help the management of private HEIs get extra funds from various sources. In addition, the theory can be used to ensure that every expenditure is justified in terms of its impact on the performance of the institution to provide quality services to the students and achieve the set goals within the available resources. Ultimately, BMT can help Nigerian private universities address the challenges of lacking sufficient funds, heavy reliance on students' fees, and lack of effective financial management (Bednarczuk, 2024; Akinnubi & Olaifa 2021).

4. Challenges of Budgetary Planning

The budgetary planning process in many private universities is confronted with a number of challenges which include:

i. ***Limited funding and revenue instability:*** Insufficient funding is the main challenge that private universities face in Nigeria as they mainly rely on their own revenue to supplement the limited government grants. Lucky, (2024). This makes their budget highly dependent on the number of students enrolling for courses that contribute immensely to the university's revenue. In addition, the revenue is exposed to social, economic, and political fluctuations and has adverse effects on the budgetary planning process since it requires constant readjustment of the allocated funds against the available resources. According to the Budget Maximization Theory, managers in private universities will always tend to increase the budget bottom to cushion the effect of the reduced funds on the university's growth, quality of education, and operations. However, the unstable flow of income reduces the ability of administrators to effectively forecast and plan budgets leading to delays in payments of staff salaries, infrastructural maintenance, and other critical functions required for the university's smooth operations. Consequently, the inability to fund the university's activities according to the proposed budget undermines the institution's objectives.

ii. ***Reliance on Tuition Fees:*** Like all other private institutions, private universities highly depend on fees paid by students to support their operations, research, and infrastructural developments. Any form of changes or unpredictable fluctuations in students' enrolment negatively impacts the institutions' growth and creates a great challenge in the budgetary planning process. Ajape et ai., (2025). Besides, the reliance on this unstable source of revenue discourages investment in research and development and other vital programs that aid in increasing the number of students enrolling for courses at the institutions. The administrators are forced to make short-term planning decisions regarding the use of the limited revenue and ignore other critical aspects of the university's growth. In addition, the lack of alternative and reliable funding sources limits the ability of administrators to effectively execute the budget and achieve the university's goals. According to the Budget Maximization Theory, the managers would want to increase their budget to ensure there is enough money to support the running costs of the universities, purchase new equipment and improve the working conditions of the staff.

iii. ***Inflation and Economic fluctuations:*** The impact of inflation and economic instability has a significant effect on the budgetary planning process of private universities. The rising cost of goods and services, utility bills, and salaries of staff challenges the ability of these institutions to operate within the proposed budget. Inflation, which has been a major challenge in many countries, including Nigeria, reduces the purchasing power of individuals and businesses and, therefore, affects the spending patterns of private universities. Iyiomo & James, (2024). With unstable financial forecasts, universities may experience a great gap between their estimated budget and actual expenses. In addition, the lack of appropriate planning and forecasting skills makes it difficult for administrators to justify the variations in the budget. From the perspective of Budget Maximization Theory, the administrators will tend to increase the budget to help cushion the effect of inflation on the university's operations. On the contrary, economic fluctuations prevent the administrators from easily accessing more funds, leading to poor implementation of the university's projects and programs. As a result, the inability to adjust the budget according to the unpredictable changes in economic conditions reduces the chances of enhancing the quality of education, research, and other activities within the private universities.

iv. *Poor financial management:* Lack of appropriate financial management strategies, control, and transparency in the use of funds hinders effective and efficient budgetary planning in private universities. For instance, in Nigeria, poor fund management in private universities reduces their ability to utilize the available resources to achieve their goals Akinnubi, (2020). Budget forecasting, planning, and allocation of resources become difficult due to limited and ineffective financial management, control, and auditing mechanisms. In addition, the administrators are unable to maximize their budget due to inadequate monitoring of the budget implementation process at different stages. According to Budget Maximization Theory, the administrators intend to increase their budget bottom to fund more projects and improve the quality of education in the universities. However, the poor financial management and control do not allow them to utilize the extra funds efficiently, thereby undermining the purpose of increasing the initial budget bottom.

v. *Lack of skilled budget officers:* The shortage of competent budget officers and financial managers presents a great challenge in effective budget forecasting, planning, and resource allocation in private universities in Nigeria. Most of these institutions face difficulties in hiring and retaining highly-skilled professionals with adequate knowledge and experience in budgeting Ajape et al., (2025). Consequently, the administrators submit unrealistic and unattainable budgets that do not reflect the actual needs and requirements of the universities. The limited skill and knowledge in budgeting make it difficult for the administrators to justify their budget bottom and request for more funds to support the university's growth and development. In addition, the lack of professional skills in budgeting creates limitations in making effective forecasting and resource allocation plans. According to the Budget Maximization Theory, the incompetence of the administrators in budgeting creates pressure on them to request for higher budgets, but they fail to use their skills and knowledge to ensure that the extra funds are utilized to achieve the university's goals.

vi. *Governance and accountability:* Inefficiencies in governance and lax accountability impede effective budgetary planning in private universities. Decisions made in these universities regarding the use of funds may lack transparency, creating a great challenge in the budget implementation process Jacob etaal., (2021). The administrators intend to increase the budget bottom to fund more programs, activities, and projects to improve the quality of education and boost student enrolment as per the Budget Maximization Theory. The lack of governance and accountability makes it difficult for these administrators to access alternative sources of funding, therefore, limiting their ability to develop a realistic budget proposal. Lack of transparency discourages stakeholders' trust and support, which could have been useful in supporting the universities' growth and development initiatives.

vii. *Poor Technology:* Some private universities utilize manual and, therefore, ineffective processes while managing their budgets, forecasting, planning, and allocating resources Faboyede et al., (2020). This inefficiency limits the ability of administrators to operate within the proposed budget, make effective resource allocation decisions, and meet the set objectives. The lack of technology in budgeting creates challenges in recording, tracking, and analyzing budget data, thus, restricting the ability to justify any changes that may take place in the budget during the implementation process. From the perspective of the Budget Maximization Theory, administrators tend to increase their budget bottom to ensure that they can meet the university's needs and achieve their goals. Without the use of advanced technology in budgeting, the administrators find it difficult to utilize the additional funds to maximize their budget and, consequently, improve the operations of the university.

5. Way Forward on Strategies for Enhancing Budgetary Planning

Although there are several challenges associated with the budgeting process of these institutions, the universities can overcome these problems by considering various ways and strategies to enhance their budgetary planning.

i. *Diversification of Revenue Sources:* To overcome the over-reliance on students' fees, Nigerian private universities must consider other sources of revenue from where they can supplement their earnings. Some of the alternative sources of funds include: research grants, endowments, consultancy fees, alumni donations, partnerships with industries, and income-generating schemes. It is paramount for the universities to put in place proper budget planning to incorporate the additional incomes as it will help determine the amount of money that will come from each of the sources. In terms of the Budget Maximization theory, the universities can request for more budget from the donors by emphasizing on the benefits they will derive from their donations. Diversification of revenue sources will also help the institutions since they will not only rely on one source of income, thus, they have the ability to choose the most appropriate funding source, which will help the university grow sustainably.

ii. *Expansion of Alternative Funding Sources:* This proposal is closely tied to the diversification of university's revenue streams. In order to have a stable income, it is necessary for institutions to actively seek alternative funding sources including: grants, donations, research funds, and partnerships with industries. The universities can also consider encouraging their alumni to donate to their institutions. In addition, it would be wise if the universities could develop new programmes such as professional certificates, executive development courses, and distance learning, which can generate more income. Alternative funding sources are critical for the university to cushion it from financial difficulties brought about by economic fluctuations. They also enable the institutions to achieve financial stability despite the uncertainties associated with the student fees.

iii. ***Strategic Financial Planning and Risk Management:*** Strategic financial planning will empower the universities to meet the challenges that come with the dynamic higher education environment. The process involves a comprehensive understanding of the institution's needs by developing a system of forecasting, which will help the universities to appropriately allocate funds to specific areas based on their demands. In relation to the budget maximization theory, the strategic financial planning process will enable the administrators to ask for more money in their proposals to support their needs. The process also helps the universities to make their own decisions without relying on the government or external donors. This, therefore, implies that the administrators will be in a position to make wise decisions that will add value to the universities' operations. Risk management is an integral part of strategic financial planning, which will enable the Nigerian private universities to minimize the impacts of political and economic developments, thus, ensuring that the educational quality and standards are maintained. With a solid risk management strategy in place, the universities can allocate resources appropriately to support their operations. This will also enable the institutions to withstand financial strains, which eventually allow them to continue paying their staff and maintain their academic standards.

iv. ***Enhancement of Financial Accountability and Transparency:*** Accountability and transparency are crucial aspects of effective budgetary planning and financial management, which need to be emphasized by the universities. As a result, the institutions will have to implement strong systems that will ensure that the budgets they prepare are fully utilized. This is important because it promotes awareness to all stakeholders regarding how the process works as well as how the money is used to achieve the objectives of an institution. In terms of the budget maximization theory, it will be essential for the administrators to be transparent so that they can demonstrate to the donors and authorities how the extra money will help add value to the institution. In this way, the universities can have the ability to use the additional funds for their own purposes. On the other hand, financial accountability will ensure that the funds are utilized appropriately to achieve the best results.

v. ***Capacity Building:*** It is paramount for the universities to invest in the human resource capacity to build the skills and abilities of financial officers, who manage the budgeting process. It is important to note that their skills and expertise play a key role in determining how much money will be dispensed to various departments and programmes. Therefore, the administrators should ensure that they allocate more resources to training the staff. This will enable them to carry out their duties effectively and efficiently, which will definitely add value to their operations. In relation to the budget maximization theory, the administrators can convince donors to give more money by arguing that the extra funds will add value to the institution's operations. Capacity building will also help improve transparency and accountability, which, in turn, will help the universities to utilize the extra funds to achieve their goals.

vi. ***Policy Revisions:*** It is important for the universities to emphasize the need for reforming policies so that they can have effective governance. The revised institutional policies will enhance accountability as well as promote cost-benefit analysis of all projects and activities. This will ultimately help the universities achieve their goals since they will be operating under clear guidelines, which will ensure that the budgeting process and forecasting are done efficiently. According to the budget maximization theory, the administrators will be able to request for more money since the new policies enable them to operate under an organized and systematic framework. This, therefore, implies that the universities will be in a position to utilize more resources to add value to the institution.

vii. ***Adoption of Technology in Budgetary Planning:*** The use of technology is essential in the modern dynamic world because it makes the process of planning, forecasting, and budgeting more efficient and effective. It is critical for the Nigerian private universities to adopt the use of technology to monitor and track their expenditures. The process will enable the institutions to determine the amount of money they spend and where the money goes. In terms of the budget maximization theory, the administrators should use the available technology to ensure that they are operating at their maximum capacity. By utilizing the technological resources, the institutions can guarantee that the extra funds that they get will add value to the institution. For instance, the universities can use the new system to report their figures, which will ultimately help them get the most out of the money.

6. Conclusion

Budgetary planning helps to achieve budgetary goals and objectives, which play a key role in the efficient operation of the universities and ensures that they are able to accomplish their goals while operating within their means. Effective budget planning, forecasting, and allocation can aid Nigerian private universities to achieve their goals of providing quality education and promoting excellence in research, teaching, and maintenance of a conducive learning environment. Some of the methods used in budget planning include incremental, zero-based, performance-based, participatory, and forecasting budgets among others. All these methods aid effective planning that leads to the efficient use of the available resources, minimizing wasteful spending, and promoting accountability. Despite the benefits of budgeting, there are still various challenges facing budget planning in private institutions in Nigeria. Some of the challenges include inadequate funding leading to the inability to clear debts and provide quality education and research. Reliance on private fees as the main source of income exposes the institutions to high financial risks. Challenges such as inflation and poor funding mechanisms also affect the process of proper budgeting. Other factors that impede proper budgeting in private universities include lack of skilled labor, governance problems, and lack of appropriate technologies. The presence of these challenges has led to the inefficient use of the limited resources available at these institutions, and they also limit their ability to withstand financial storms. Some of the impacts of improper budgeting include poor staff welfare, lack of quality research and development, and inadequate maintenance of infrastructure.

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