



**M.A. (Education) Part-II  
Semester-III**

**Paper -III**

**Educational Management & Supervision**

**Department of Distance Education  
Punjabi University, Patiala**  
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**LESSON NO.**

**SECTION-A**

- 1.1 : Educational Management : Meaning, Nature, Scope and Principles
- 1.2 : Functions of Local Bodies and Private Agencies
- 1.3 : Financing of Education, Problems of Financing in Indian Education
- 1.4 : Grant-In-Aid System-Meaning & Types

**Note : Students can download the syllabus from department's website [www.dccpbi.com](http://www.dccpbi.com)**

## **Educational Management : Meaning, Nature, Scope and Principles**

- 1.1.0 Objective
- 1.1.1 Introduction
- 1.1.2 Educational Management
- 1.1.3 Nature of Educational Management
- 1.1.4 Scope of Educational Management
- 1.1.5 Principles of Educational Management
- 1.1.6 Summary
- 1.1.7 Questions
- 1.1.8 Suggested Books

### **1.1.0 Objectives**

- (1) To acquaint the students with the meaning of educational management.
- (2) To Impart the knowledge regarding Nature of Educational Management.
- (3) To Impart the knowledge regarding scope of educational management.
- (4) To educate the students about the Scope of Management.

### **1.1.1 Introduction**

Educational Manage is a field of study and practice with the operation of educational organisations Educational Management Implies a comprehensive effort to direct, guide and integrate associating human strivings which are focused toward some specific ends or aims set for the society.

### **1.1.2 Educational Management**

'Education' and 'Management' are large and complex concepts. Many definitions are available in the international literature regarding these concepts, but no single definition commands the acceptance of all but they provide a basis for

thinking about the management of a school as an organization and the education of young people which schools are intended to provide. Education is the learning process by which values, attitudes, information and skills are acquired and integrated." Management of education is the process of learning values, attitudes, information and skills to achieve desired relations between resources and objectives.

### **Definitions of Educational Management**

G. Terry Page and J.B. Thomas, " Educational management is the theory and practice of the organisation and administration of existing educational establishments and systems."

Henry Fayol, " To manage is to forecast, to plan, to organise, to command, to coordinate and to Control."

'Management' and 'Educational management' seek to encourage selective behaviour in the fulfillment of particular objectives. Both the organizational members and the non-human resources which they command are devoted to the realization of specific outcomes. Certain behaviour is legitimate that it contributes to the desired ends; other behaviour is not legitimate as it does not contribute to the desired ends or it may actually prevent the organization from reaching the desired ends. Managerial, behaviours are directed towards the prescribed and limited use of human and non-human resources in order to achieve explicit and desired results. Educational Management is thus a process of relating resources to objectives required in organizations which explicitly exist to provide education. Educational management is concerned with the process of regulations, forms, calendars, schedules, arrangement of material and human equipment and other facilities of work. Thus it has three aspects :-

- (i) Management of material equipment :** It implies arrangement of each facility in such a way that each resource can be efficiently used and no wastage takes place. It involves organization of material into building, furniture and equipment, libraries, laboratories, workshops, museum and art galleries.
- (ii) Management of human equipment :** It implies an arrangement of all persons involved in the task in such a way that each member may contribute to participate in a joint activity, in conformity with a planned purpose or procedure to the end that the talents and energies may be

effectively and harmoniously utilized. Thus it involves organization of children, school staff, inspecting staff, experts, board of managements etc. In short, it implies, organization and mobilization of all people who are legitimately involved and interested in educational activity.

- (iii) Management of Ideas and principles :** In this aspect, we organize ideas and principles into school systems, time, schedules., norms of achievement, curricular and co-curricular activities.

Ideas and Principles

Educational

Management

Material	→	Human
Equipment	←	equipment

Diagram : Aspects of Educational Management

### 1.1.3 Nature of Educational Management

Management is needed whenever people work together in an organized manner. The important features which reveal the nature of management may be stated thus :

- (i) Management is a Process :** G.B. Tony says that management is a process consisting of planning, organization, staffing and controlling which is made operative through the use of material and non-material resources to achieve the pre-decided goals and aims.
- (ii) Management is goal oriented :** It endeavours to fulfill the predetermined goals and objectives. The spirit of aim achievement pervades every gradient, past or aspect of management like organization, planning, control of resources mobilization. If there are no aims, there is nothing left to be managed. There would be no management.
- (iii) Management is an integrated process :** Management is an integrated and coordinated process involving resources, machines, ideas, philosophies etc., all set for the achievement of predetermined goals. All ingredients of the process like control, personnel planning and organization are so well integrated that each one of them can be given the

name.

- (iv) **Management is based on efficiency and skills :** The success of Management is not just a correlate of the managers, it is also dependent upon the efficiency and skills of all workers participating in management. Management is a cooperative and coordinated activity.
- (v) **Management is activity based process :** Management is not static, it is dynamic and functional in nature. Every limb or organ of the body called management is in the process of flux, function, change and movement. All parts of machinery are working. If anyone of them becomes non functional, the entire machinery called management collapses.
- (vi) **Management is a multi disciplinary process :** Management involves many disciplines like philosophy, psychology, sociology, economics, even politics and ethics. It also involve technology and education. The discipline called management draws its substance from different branches of knowledge. As such it is multi-disciplinary in nature.
- (vii) **Management is Intangible/Invisible force :** According to Tony, management is an invisible force, whose impact is felt on planning, organization, direction, control, use of human and non-human resources and achievement of goals. Thus its presence can be felt everywhere in the form of results.
- (viii) **Management is Creative :** Managers utilize the scarce resources in a rational way. They make things happen in a desired manner. They convert the disorganized resources of men, materials and machines into a useful, productive enterprise. They achieve results in an effective manner.
- (ix) **Management is Universal :** Management as an activity is all pervasive; that is, it is present and practiced in all walks of life. The basic principles of management are the same in all organizations, whether they are of business, social, religious, cultural or educational nature.
- (x) **Management is a social process :** According to Newman, management is a social process because it involves dealing with people. In order to make the best use of human efforts, managers try to create close cooperation among all concerned in an organization. They try to use their resources economically so as to produce socially relevance products and services.

- (xi) Management is concerned with group efforts :** Management is concerned with getting things done through people. People form groups in order to achieve results collectively. Management helps people in realizing their individual as well as group goals in a coordinated manner.
- (xii) Management is both science and art :** Because management is a systematic, planned, data based and purposeful activity using specialized knowledge and information and makes use of hypothesis and verification of results and making of generalization etc. therefore it is science. New techniques and processes in management are being discovered regularly to add to its efficacy and efficiency.

But different managers have different and varying expertise, knack and skills and personal ways of handling affairs which no science can teach, which are in born. This makes management an art. We can thus say management is both art and science.

#### **1.1.4 Scope of Educational Management**

From the preceding points about the nature of management, it can easily be said that its scope is very vast. Management plays a crucial role in all types and sizes of organization irrespective of their nature. This is because most of the principles of management are of universal application. All Managers plan, decide things, organise work, motivate people and implement control. The techniques used by them may, however, be determined by tradition, culture and attitude governing a society.

Management is developing into a sophisticated behavioural science. The degree of its sophistication depends on the nature of development of a country or on the ability of its learner/practitioner. Peter Drucker has correctly remarked, "There are no under developed countries, there are only under managed ones." Developing countries like India are making very bold efforts to develop and impart efficient management, procedures and techniques to improve performance of productive units in various fields. Courses in administration and management are being modernized and new institutions are being set up to impart training to personnel entering the field of industry, banking, trade and even agriculture. Institutes running various courses have started imparting training even in rural management, cooperative management, tourism management, hotel management. As far as Educational Management is

concerned, beginning with the aims of education and upto cleaning of floor of a classroom, all activities fall under the scope of management. The scope of education is indeed the scope of management. Therefore, (1) Aims of education; (2) Curricula, text books, their preparation and printing, illustration and vetting; (3) Teachers, their training and preparation, selection, recruitment, pre-service and in-service education, service conditions; (4) Teaching techniques, lectures, seminars, discussions, conferences, debates etc; (5) Models of education and methods, Dalton plan, project method, Heuristic method, Inductive approach, Micro teaching, Team teaching, Programmed learning, Simulated teaching etc. (6) Teaching aids, charts, models, cartoons, pictures, Blackboard, Bulletin board, Projections, T.V., Radio, Computers, field trips, Hobbies etc.; (7) Curricular and non-curricular school activities; (8) Building and equipments; (9) Cleanliness and discipline; (10) School inspection and supervision; (11) Examinations; (12) Organizations of hostel; (13) Rewards and punishments (14) Providing various auxiliary services like mid day meals, school uniform, text book; (15) Coordinating the work of home, school and society; (16) Planning of the academic work; (17) Financing and budgeting; (18) Pupil teacher relations etc. and everything in and outside the school which is concerned with the education of the child all fall under the scope of management.

In addition to above, education policies of the central and state governments like operation Black board, Universalization of Primary education, literacy mission, District Primary education, literacy mission, District Primary education. Development Programme, Education for all, Non formal education, Woman education, Special schemes for SC and Backward classes etc. all are covered under the scope of management. The maximum and optimum use of finances given by the government or N.G.O.'s and activities connected with surveys. Fact findings and inquiries are also under the scope of management

It is generally true of almost every science that the longer we study it, the larger its scope seems to be. The scope of management does not only seem to be large, it is actually very large and in addition to it, it is in fact expanding day by day.

### **1.1.5 Principles of Educational Management**

According to teenry pay of Principles of Management :

1. Division of Work
2. Parity of Authority & Responsibilities

3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of Individual Interest to general interest
7. Fair Remuneration
8. Centralisation & Decentralisation
9. Scalar Chain of Employees in ranks
10. Order
11. Equity (Fair treatment)
12. Stability of Tenure of Personnel
13. Initiative (Eagerness to do work)
14. Esprit de corps (Team Spirit)

### **1.1.6 Summary**

Management is concerned with people. It is by, through and for people. Managers have to provide leadership to the people as that the stated objectives may be achieved. They must have ideas for accomplishing their task. Resources other than people needed by the Managers to achieve success. They allocate them, fix priorities, develop time-schedule and apply their ideas in showing problems arising around them by educational administration we mean the Management with maximum efficiency of any organization or institution having the organized purposes connected with the education of the group of individuals forming that organization. The purpose of Educational Administration is to facilitate teaching learning.

### **1.1.7 Questions**

- (I) Discuss the meaning, nature and scope of educational Management.
- (II) Describe the Principles of educational Management.

### **1.1.8 Suggested Books**

- (I) Sharma, T.R. : Vidyak Parbandh ate Yojna Bandi, Patiala, Twenty One Publication, 1997.
- (ii) Mukerjee, S.N. : Administration of Education in India, 2-33.
- (iii) Kandel, L.L : The New Era in Education



- (iv) Mathur, S.S. : Educational Administration, Principles and Practices.
- (v) Bhatnagar, R.P. : Educational Administration Planning and
- (vi) Y.P. Aggarwal : Educational Management Planning and M.S.  
Manjit Kaur Sachdeva Administration.(2007)
- (vii) J.C. Aggarwal : Educational Administration & Management

## **Functions of Local Bodies and Private Agencies**

### **Structure of the Lesson :**

- 1.2.0 Objectives
- 1.2.1 Historical Background
- 1.2.2 Position of Local Bodies in respect of Education after Independence
- 1.2.3 No uniform pattern regarding role of Local Bodies
- 1.2.4 Educational Functions of Local Bodies
- 1.2.5 Problems Before Local Bodies
- 1.2.6 Suggestions for Improving Role of Local Bodies
- 1.2.7 Functions of Private Agencies
  - 1.2.7.1 Historical Background
- 1.2.8 Suggested Question
- 1.2.9 Suggested Books

### **1.2.0 Objectives :** Students will be able to :

1. Know about the functions of Local bodies.
2. Define the functions of private agencies.
3. Differentiate between Local bodies and private agencies.
4. Explain the problems of Local bodies.

### **1.2.1 Historical Background :**

In most countries of the world, including India, Local Bodies have been playing a very important role in providing educational facilities, especially in the field of primary education. In ancient India, every village was a republic and education was largely arranged and looked after by local agencies. Although the educational institutions were established around the gurus or teachers, still their subsistence was by and large the responsibility of the local community. The kings or rulers

made only token contributions now and then.

In medieval India also, education continued to be provided by competent religious heads with support of the local community. In the beginning, the East India Company did not accept the responsibility of providing education to their Indian subjects. The events of 1857, however, changed the situation. The British planted in India, educational practices prevailing in England. Because of the awakening of political consciousness among educated Indians, Ripon was obliged to pass the Local Self Government Act in 1883 and the charge of primary education was entrusted to Local Bodies-municipalities in urban and district boards in rural areas. It was a step in the right direction to involve the local community and local representatives in the affairs of the education of their children. At that time, state governments and the central government did not have the resources to handle this huge commitment.

Very soon, however, unsatisfactory state of affairs developed at the level of local bodies, there developed a strong reaction against primary education being managed by local bodies. In 1929, the Hartog Committee opposed the arrangement and in 1944, the Sargent Report voiced the same concern. In these transitional period, argument were advanced both in favour and against the practice. The delegation of responsibility to local bodies was a democratic step leading to decentralisation. The local bodies show a greater sense of participation and responsibility and are in a better position to prevent wastages. On the other hand, education is regarded as an important nation building activity. It was a source of eradicating the evils of illiteracy and ignorance, and therefore it should be handled by strong governmental machinery. The local bodies did not have enough resources and competence to bear the burden of universal primary education in this vast country. Giving power to local bodies having uneducated and ill equipped representatives fails to do justice to this foundational and important stage of education.

### **1.2.2 Position of Local Bodies in respect of Education after Independence**

As there was strong opposition to the delegation of powers to local bodies in the field of education, there was rethinking in the matter. A committee of the Central Advisory Board of Education recommended withdrawal of powers of inspection from the local bodies. The controversy was set at rest when the Kher Committee of the CABE, gave its report in 1952. It strongly recommended that in the

interest of mass education and in view of the constitutional directive on universal compulsory education, all the different local bodies should be made to shoulder responsibility for education. Immediately after independence, the involvement of local bodies in education was also a positive step toward democracy.

### **1.2.3 No uniform pattern regarding role of Local Bodies**

The recommendations, of the Kher Committee were not adopted by all the states. Thus we find that there is no uniform pattern of administration. After the reorganization of States in 1956, education is being administered by the state governments in some parts of the country, while in other parts responsibility for primary education has been entrusted to Local Bodies.

In some of the States, municipalities enjoy the legal authority to administer primary education in their area. In States, for example like Gujarat and Maharashtra, only the bigger municipalities are authorized to administer primary education, and the smaller ones have to contribute their financial share without having any voice in the management. Some States, for example Uttar Pradesh, was at one time running more than 81 percent of its primary schools through local bodies, and its municipalities ran secondary schools and college also. In the States like Punjab and Haryana, we find almost nil involvement of the Local Bodies in the affairs of education of any level.

The State of Delhi is a different example. There are three Local Bodies - the Municipal Corporation, New Delhi, Municipal Committee New Delhi and Delhi Cantonment Board, which share the function of running most of the primary schools in the capital.

In rural areas, district boards (now called Zila Parishads) are made responsible for administering primary education. Some of them run secondary schools also. In some states like Andhra Pradesh and Rajasthan, Panchayat Samities in block areas and Zila Parishads at district level administer primary education.

### **1.2.4 Educational Functions of Local Bodies**

These functions are :

1. To organise and administer primary education in their areas.
2. To implement the Five-year Plans for education.
3. To provide and maintain accommodation, playgrounds and equipment for their schools.

4. To enforce compulsory attendance under the prescribed rules and under the special directions of the State government.
5. To open new primary schools where needed.
6. To conduct educational surveys and keep records.
7. To carry on propaganda for the expansion of primary education.
8. To recruit and exercise necessary powers over the staff of schools

Administrative set up in Local Bodies

Zila Parishads/District Boards

Education Committee of the district

Block Panchayat Committee

Gram Panchayat

### **1.2.5 Problems Before Local Bodies**

The Local Bodies are facing numerous difficulties in running the primary schools, which are :

1. The resources of local bodies for financing its educational responsibilities are very inadequate. The state government have to share major part of the burden through grant-in-aid.
2. The administrative officers and staff appointed for the guidance of the schools, are not duly qualified and competent.
3. The recruitment, transfer policy and discipline among teachers are far from satisfactory.
4. There are pressure groups and vested interests among the elected members of Local Bodies. These uneducated or ill-educated members interfere with the smooth functioning of schools and teachers.

### **1.2.6 Suggestions for Improving Role of Local Bodies**

In order to strengthen the democratic system of our country, there is need of decentralization and involvement of Local Bodies in various spheres of uplift of Community. There is a movement towards entrusting the responsibilities of primary education, health, etc. to panchayati raj institutions. To ensure their effective participation, some steps as given below, may be necessitated.

1. Decentralization can be successful only when financial responsibility is centralized.

2. For better recruitment of teachers and administrators, competent Selection Committees of technical persons and experts should be set-up. Well defined rules and practices should be established for these selections.
3. A uniform administrative pattern should be set up all over the country.
4. There should be long-range planning for expansion and improvement of primary education.
5. Guidance, Control, Finance and Inspection should remain with the State, by the large.
6. There should be check on the undue interference of elected members in the affairs of education.

After adopting democracy in its political set up, the principle of democratic decentralization has been adopted in the country in all branches of administration. In some states, local bodies are playing significant role in running primary schools. Under the third Five-Year Plan, panchayati raj has been introduced in some states and it has been doing commendable work in the sphere of primary education. In some state like Maharashtra and Gujarat the Nagar Palikas are also running secondary and higher secondary schools, intermediate and degree colleges. More than 30 percent of secondary schools are being run by district boards in Uttar Pradesh, Tamil Nadu and West Bengal. In other states like Andhra Pradesh, Madhya Pradesh and Rajasthan, education is being looked after by zila parishads, block samities and gram panchayats.

### **1.2.7 Functions of Private Agencies**

#### **1.2.7.1 Historical Background**

Private agencies have played a very significant role in Indian education. In ancient and medieval India, educational institutions were largely private. They received land and other grants from the rulers but were free from their interference. The East India Company being a Commercial Organization did not accept the burden of providing education. The Christian missionaries, however, worked with a great zeal to open its educational institutions for the people. Some British Officials and non officials also established educational institutions in their private capacity. Organizations like Arya Samaj, Ramakrishna Missio, Deccan Education Society, Muslim Bodies, Sikh Bodies, Jat Societies, Industrial

and Business Concerns, Philanthropists and many such private bodies came forward to set up their own educational institutions.

These private organizations had to face great odds because of paucity of resources. Wood's Despatch (1854) proposed to give government grants to private schools and colleges if they satisfied certain conditions laid down by the government.

The Indian Education Commission of 1882 surveyed the educational activities in the country and recommended that liberal grants should be paid to private agencies which were doing a great service in the cause of education. During the early part of twentieth century, private educational institutions vastly expanded both in quality and quantity.

Under the influence of freedom movement and as a protest against the imposition of British system of education on the people, many individuals and private organizations came forward to set up educational institutions to safeguard Indian culture and heritage through indigenous system of education.

After independence, the policy of grant-in-aid became more liberal and vigorous. The government and private agencies worked together in close cooperation, as the government introduced the same system of education in all the institutions. Private agencies continue to play a significant role in the field of education which is too gigantic for the state to manage on its own.

Private enterprises have been able to establish some very outstanding educational institutions, in the form of schools, colleges, technical institutions, professional institutions, educational complexes and even universities in different parts of the country.

Quite recently private bodies have set up a large number of public schools. No doubt, these schools have become centres of quality education which is found lacking in the already existing government and private schools. But in a large number of them business motive appears to be more dominating. Similarly a large number of coaching institutions have also grown all over the Country to prepare private students to appear in various board and university examinations. These coaching institutions are by and large run on commercial lines. They serve an important purpose, no doubt. But their motive is not very genuine.

Private agencies have certainly fulfilled many functions in education, but they are resourceful enough to fulfil many more functions in order to do greater

service in the field. Their functions can be highlighted as under :

1. They should organise themselves into registered bodies, democratically elected managing committees, fulfil the requirements as prescribed by the government for recognition.
2. As far as possible they should involve parents, teachers and local intelligentsia in their management.
3. They should avoid supplementing government institutions. Instead they should supplement them and try to fill the gaps left out by government network for education.
4. They should augment their financial resources by positive means and should not make their education costly for an average student. They should adhere to approved rates of fees and charges and should not make underhand demands from the students.
5. They should welcome grant-in-aid if available according to rules but should not be hopelessly dependent on the government grant.
6. In the interest of quality education, they should be able to enjoy some autonomy. They should not invite undue interference by their wrong practices.
7. They should be able to impart values, ideals, cultural impressions, progressive outlook, democratic principles and many other meritorious behaviours, which are found lacking in most of the government institutions.
8. Every single activity carried out in them should be guided by missionary spirit.
9. They should do full justice to the prescribed syllabi and must go beyond them in different directions in the larger interest of the students. Their normal routine must be supplemented by co-curricular activities, games, hobbies, vocational training, social service etc.
10. In the interest of quality education, they should ensure the recruitment of highly qualified, competent and dedicated teachers as well as administrators. This will necessitate giving them reasonable salaries and other facilities. They should provide



incentives to teachers for professional growth and excellence. Their teachers must enjoy above-average reputation.

11. These institutions must free themselves from narrow considerations of caste, community, sect, region etc. They must adhere to national and secular outlook.
12. They should ensure all the following requirements of high standard; buildings, campus, playgrounds, equipments, libraries, laboratories, etc. It is not as a matter of comparison or competition, but for the sake of quality education.
13. They should honestly implement the educational policies of the government. Rather they should be in a position to cast a healthy influence on these policies through feedback.

### **1.2.8 Suggested Questions :**

- Q.1 Discuss the functions of Private Enterprises in the field of education.
- Q.2 What are the problems before local bodies in running the primary schools and give suggestions for improving role of local bodies.

### **1.2.9 Suggested Books :**

1. Mathur S. S. : Educational Administration, Principles and Practices.
2. Aggarwal J. C. : Educational Administration.
3. Sharma T. T. : Educational Administration in India (Pbi.)  
Punjabi University, Patiala.
4. Sharma T. R. : ਵਿਦਿਅਕ ਯੋਜਨਾਬੰਦੀ ਅਤੇ ਸੰਗਠਨ (Pbi.)
5. Y.P. Aggarwal : Educational Management.Planning and  
M.S. Sachdeva Administration (2007)  
Manjit Kaur

**Title: Financing Of Education**

**Structure of the lesson**

- 1.3.0 Objectives of the lesson
- 1.3.1 Introduction
- 1.3.2 Importance of financing of Education
- 1.3.3 Considerations for financing of Education
- 1.3.4 Financing of Education at Centre, State and Local level
- 1.3.5 Problems of Finance of Education
- 1.3.6 Budgeting
- 1.3.7 The Process of Budgeting
- 1.3.8 Summary
- 1.3.9 Suggested Questions
- 1.3.10 Key words
- 1.3.11 Suggested reading

**1.3.0 Objectives of the lesson**

After going through the lesson, the students will be able to

- write the concept of finance in relation to education
- explain the factors affecting financing of education
- understand the importance of financing of education at central, State and Local level
- explain the concept of budgeting
- Explain the process of budgeting

### 1.3.1 Introduction

Planning of education cannot be complete without planning for finance of education. Educational planning ascertains the present educational facilities and resources. It also has to ascertain the future requirement of educational facilities and resources according to the changing educational needs and targets, growth of population and availability of resources. The development of a country depends on education to a large extent. Therefore every country provides a part of its gross national income for spending on education. The finance of education, therefore, needs to be done efficiently, so as to achieve the targets of education and simultaneously, utilizing the finance judiciously. So finance of education is an integral part of education.

### 1.3.2 Importance of Finance of Education

Finance for education is of great importance because of the following reasons:-

- i) Finance of education is important for removal of disparities /biases :** Finance of education removes disparities in education by providing equality in opportunities for education. It brings the weaker and backward sections of the society (e.g. women, schedule caste, schedule tribe, physically handicapped etc.) on the same platform for education by providing special provisions through special grants.
- ii) It is important to provide funds for all areas and stages of education :** By planning for finance of education, all stages of education primary, secondary and higher secondary stage will be taken care of finance for it. Similarly not only academic streams, but technical and professional streams in education, will be given due share of finance for its wholesome growth.
- iii) Financing of Education is important for quality control of education :** Financial planning of education also plays its role in improving the quality of education. Planning of finance will enable systematic resource allocation. It will save time and resources in allocation. Thereby it will enhance the quality of education.
- iv) Financing of education increases participation of private sector in education :** Financial planning of education will take into consideration, the amount of grants to be provided to private enterprises. This, in

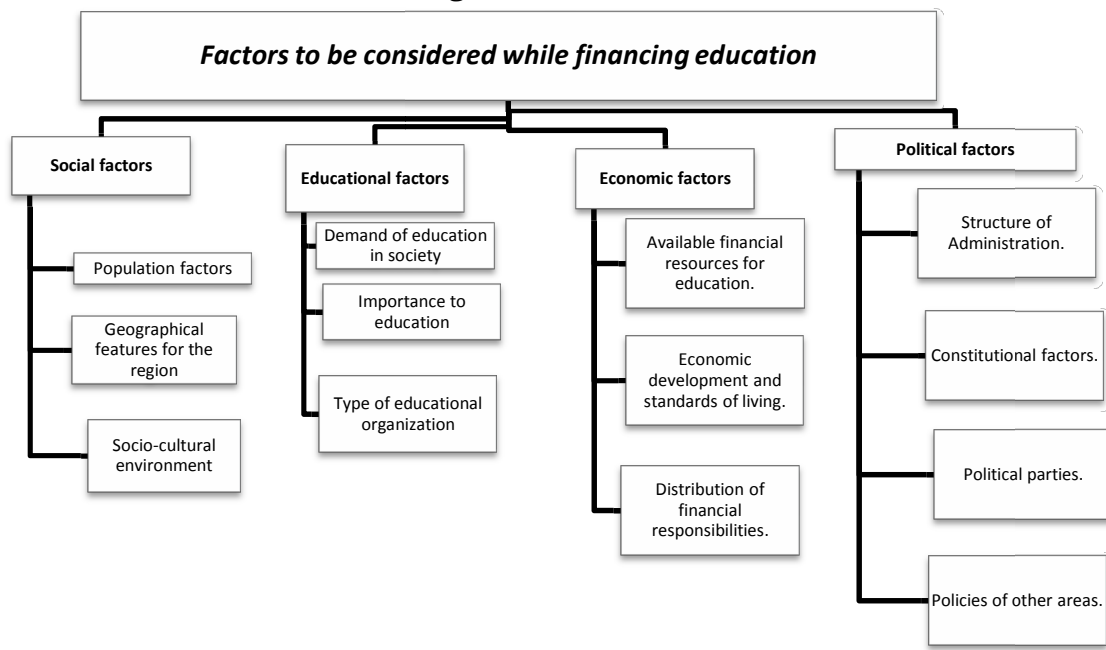
turn, will lead to increase in more participation on behalf of private sector in education.

**v) Financing of education ensures efficiency :** By financing of education, its efficiency can be ensured. Timely provision of finance will make the implementation of educational plans a success. It will enable to increase the efficiency of work in the field of education.

**vi) Financing of education is helpful in removing obstacles in implementing plans :** The success of implementation of any plan depends upon the timely provision of finance. Financing of education does away with obstacles in providing education.

### 1.3.3 Considerations for financing of education

Financing of education is based on certain factors. For the sake of convenience, these factors can be classified as given below:



#### (a) Social factors :

**1 Population factor :** The size of population and its various characteristics have its impact on educational financing. More thickly populated areas need more expenditure on education. The movement of population from

one place to another needs more finances so as to create more educational facilities at the new place. More population in the school going age group(5 to 17 years old ) as compared to population in the production age (20 to 60 years old) will need more expenditure on education.

**2 Geographical features of the region :** Geographical features of the region and the distribution of population also influence educational financing. Hilly regions, regions with too many rivers and difficult approaches , regions inhabited by tribes and nomads, regions which are sparsely populated, regions which are largely rural call for a large number of schools and colleges to be opened, a fact which tends to increase the cost of education.

**3 Socio-cultural environment :** Socio-cultural status also defines the differential needs for education. Depending upon the socio-cultural demands, the country has to spend more on the level or type of education which is emphasized in the society.

**(b) Educational factors :**

**1. Demand for educations in the society :** More demand for education in the society will require opening new educational institutions, more human and material resources, in addition to more buildings more libraries, furniture, playgrounds and libraries etc. It would be possible by providing more funds. Therefore demand for education in the society is also one of the important factors influencing financing of education.

**2. Importance to education:** Financing of education is also influenced by the importance or the status that is accorded to education by a country. The more important a nation considers in the total national economy, the higher status it acquires in the society. If the educated people are given higher status in the society, more and more people will seek education. This in turn will need more allocation of funds to education.

**3. Type of educational organization :** The kind of institution, their structure and duration of training or education influence the system of educational financing. If a particular level of education is to be provided, then to meet the expenditure, more money should be made available.

**(c) Economic factors**

**1. Available financial resources for education :** Availability of money or financial resources determines how the system of education will be financed. The

sources of finance include state aid (Central, provincial or local), taxation on land and property educational cess and loans for education etc. Availability of more money with the country will enable more financing for education and vice versa.

**2. Economic development and standards of living :** The amount of national income and the standards of living of the people are major economic factors that determine the extent of provisions for education and , in turn of its financing policies. In the countries having surplus economy, people prefer to get education. Such countries also have surplus resources to spend on education. People's standards of living are positively correlated with the level of educational outlays.

**3. Distribution of financial resources :** The share of government sector or private sector, central government or state government or local government decides the allocation of financial resources depending upon the responsibility for education.

**(d) Political factors:**

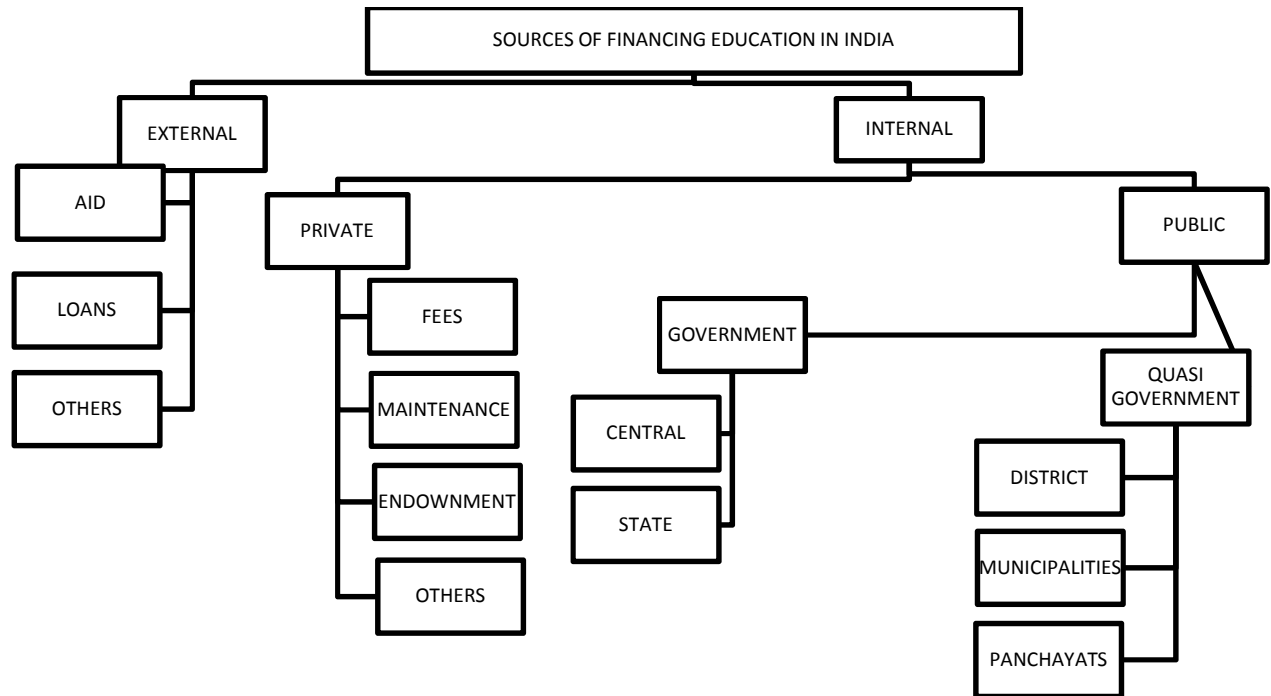
**1. Constitutional factors :** Allocation of financial resources or funds to various branches of education is guided and controlled by legal and constitutional considerations. If the constitution of the country has greater importance for certain areas of education, then more finances are to be allocated to that area, to achieve the objective.

**2. Political parties :** the election manifesto of the ruling party, the form of government, demands made by the electorate, pressures exercised by different political parties may influence the financial provisions for education. For examples a democratic country will allocate more funds for education of the weaker sections of the society.

**3. Policies of other areas :** Sometimes one area of development gets upper hand (e.g. agriculture, industry etc.), then the financial allocation for education suffers and lacks financing to a great extent.

**1.3.4 Financing of education at Centre, State and local level**

Finances for education are acquired in several ways. These can be classified broadly in following manner.



**1. External Resources:** These financial resources include foreign aids, loans and other finances from international agencies and organizations out of the country like UNICEF and UNO etc. in the form of certain specific developmental programmes of education. These finances are allocated to the country in the form of external resources.

**2. Domestic resources :** Funds acquired from domestic resources are called domestic funds. These may be broadly classified into public funds and private funds.

**A. Private funds :** Private funds include (a) fees (b) endowments and land grants.(c) maintenance (d) gifts (e) others.

**a) Fee :** Fee include all kinds of money collected from the students. The various kinds of fee charged from students are tuition fee, magazine fee, games fees, laboratory fee, library fee, reading room fee, building fee etc. Public schools are charging hefty amount from the students in the form of fees. With the

implementation of many schemes after independence, the schools fees were waived to a few categories of the students. At present, under right to education act-2009, students are provided free of cost education from 6 year to 14 years of age. Higher education is still not free of cost for all the students except schedule casts and schedule tribes.

**b) Endowments and land grants :** Endowments are sums of money, the principals of which are to be maintained intact and only the income from the interest on the principal amount may be consumed. Land grant was also a practice of financing education, which prevailed in ancient India. Many religious and philanthropic trusts used to ancient India. Many religious and philanthropic trusts used to make provision for allocation to education. The income from endowments is permanent, stable and fixed but due to economic depression may cause unsteady income reducing the facilities off and on.

**c) Maintenance fund :** The maintenance fund are also charged from the students . It is collected from the students for maintenance of building, furniture, laboratories, libraries and other equipments.

**d) Other sources :** There are a number of other sources of getting money to fiancé education. These include donations, gifts , subscriptions, bequests, fines, sale proceeds, interest on bank balances and securities, rent from building and loans etc.

**B. Public funds :** Public funds include (i) government fund, and (ii) Quasi government funds(Local bodies funds).

**i) Government funds :** The government gives grants, subsidies, or subventions to education. The government funds may be grouped into (a) central government funds and (b) state government funds.

**a) Central government funds :** The central government may give grants, either directly or through their autonomous bodies such as the UGC, NCERT or other bodies. These grants are always shown directly in the budget. These grants include contribution from government to private bodies such as private schools, universities, education boards, managements etc.

**b) State government funds :** In India, the education being , a central as well as state subject, state governments also provide grants, subsidies or subventions to education.



**ii) Local bodies funds :** Local bodies include municipal boards and corporations , district boards, cantonment boards, notified area committees, zila parishads and panchayat samities. The money received from these bodies out of their general funds or special taxes levied by them for education are known as local bodies funds.

In India, there have been a practice to adopt a combination of public and private sources. But the tendency, at present, is that the government's share is gradually increasing while the other sources including the land grants and the endowments are shrinking.

### **1.3.5 Problems of finance of Education**

Educational finance helps in smooth functioning of educational system and thereby encourages education. But there are certain internal and external problems which reduce effectiveness of education.

#### **A. Internal problems:**

**1 Problems with basic requirements :** Financing can be effective only in those organizations where finances for basic facilities are available in plenty. If there is lack of finances for basic facilities, then financing can no longer be effective.

**2 Expansion of educational facilities :** Increasing enrollment in education and day by day innovations need to review financing of education periodically and needs allocations of more and more funds.

**3 Expansion of educational services :** Due to development in the area of science and technology, demand for better education and more additional services, such as psychological service, guidance and counseling, work experience etc. needs increased financial investment in education.

**4 Removal of disparities in educational opportunities :** In spite of many efforts by the government, disparities in various states, even various parts of the state and sections of the society do still exist. It needs "equitable sharing".

**5 Priorities :** Priority areas (e.g. primary, secondary, tertiary, professional etc) have always been changing. There are many areas of educational expenditure (e.g. building, equipment, library, staff salaries etc). Therefore financial discipline needs to fix the priority areas in order of relative importance.

**6 Efficient utilization of funds :** In the present context, when the demand for services is expanding and paying capacity of people is increasing, the educational administrator has continuously to review the facts of economic life. As the resources for education are scarce, the question of efficient utilization of funds assumes still greater importance.

**B. External Problems:**

**1 Unemployment of youth:** Increase in unemployed youth with degrees calls for the responsibility of both the central and state government to provide funds for meaningful educational facilities and economic benefits for those youth so as to ensure their continuous development and useful membership of society.

**2 Population mobility:** Movement of young people from villages to big cities is causing requirement of more funds for growing population of cities; and villages are losing economic contribution of the youth. Educational facilities related to employment possibilities have to be expanded in villages.

**3 Age-distribution of population :** Increase in life span and population explosion had put pressure on public utility services and thereby making the finance for education to suffer. Schemes such as gainful employment for retired people to decrease their dependency on the young and extending the time span of education for youth at school (e.g. 10+2 scheme) will prove beneficial.

**4 Extension of educational opportunities:** Educational facilities have to be extended vertically and horizontally. There is need to improve the people socially, culturally and professionally through increased training. There is already inadequacy of funds. The inequalities of funds in different areas make the problem of financing extended programmes a complex matter. Therefore, a revision of present techniques and evolving a new finance structure with a significant role of central government is needed.

**5 Concentration of wealth :** Economic imbalances in some states and areas due to modern industrial development. It had caused some areas /states with more wealth and less educational loads and vice-versa. These inequalities are also a hurdle in financing for education.

**6 Level of national income:** High level of national income can be achieved through better financing of education.

**7 Financial control :** The problem in financing is about the control of finance by centre and state government. The state wants aids without the control of centre government whereas centre-giving aids necessarily keeps a control.

There is imbalance in share of private enterprises and government in the area of education.

**8 Centre-state relationship :** centre occupies a superior position in the management of national economy as compared to state and local bodies. The states have limited resources and money raising powers and the local bodies have still less means for supporting education. The burden ultimately lies with the state. This matter also has to be looked into.

**9 Educational personnel :** The teacher being the “Central pivot” of the educational machinery needs to be paid attention in view of the running cost of living, demand for better and qualified personnel, service conditions, and income level in other professions and relationship with the general economic conditions in the country. Meeting the cost of engaging suitable personnel is the most significant element in the educational finance.

**10 Research in educational finance :** The field of educational finance is dynamic, complex, broad, and changing. Thus, there is need for research in educational finance.

### **1.3.6 Budget**

#### **Concept:-**

- A budget is a financial document used to project future income and expenses.
- Webster Dictionary defines budget as “financial report containing estimates of income and expenses.”
- A budget plans future savings and spending as well as outlining projected income and expenses.
- Budget enables the educational institutes to estimate whether they can continue to operate within the projected income and expenses.
- A budget is a quantitative expression of a plan for a defined period of time. It may include planning, budgeting and controlling of funds, their theory and practice which cannot be excluded from the work of educational managers. The budget and the budget process constitute the most important vehicle for effective management. It has a great managerial value.
- The school budget is often defined as a school programme expressed in fiscal terms.

-The budget structure is usually concerned with specifying various categories of expenditure such as staff salaries, superannuation benefits, wages, repairs and maintenance, books, stationery and materials.

### **1.3.7 The process of budgeting**

The process of budgeting consists of four steps. These steps are described below:-

- Preparation of budget
- Form of the budget
- Presentation and adoption of the budget
- Administration of the budget

#### **1. Preparation of budget:-**

This consists of the formulation of integrally related three plans:-

- The educational plan
- The expenditure plan and
- The financial plan

The educational plan is a comprehensive statement of the various activities and programmes of education along with their objectives and justification clearly mentioning whether the quality of education will be ensured by it or not. This plan also states whether the programmes visualized are feasible or not, whether supporting services already existing are adequate or not, whether the expenditure on its various programmes is worth the money to be spent on them. All these aspects of a plan be considered in the context of all levels of education.

The Expenditure plan part of the budget gives an analysis of the cost of the educational programmes and activities which form the basis of the educational plan. Expenditure, in this plan, are shown under the categories such as expenditure by purpose and expenditure by level and types of education. The expenditure plan is based on the expenses of the preceding years. Estimates for the coming year are, generally, prepared in the basis of preceding year. It should be comprehensive enough including expenses to be incurred on all kinds of items. All costs should be tabulated and analyzed by the year of expenditure, currency of expenditure and recurring expenditure. All items of expenditure such as administrative staff, teaching staff, equipment, fellowship and training, others running costs such as electricity, water, rent and recreation, etc., should be included in that. While preparing the expenditure plan costs must be viewed over a number of years and that the costs estimated for the items should be

calculated at a rate higher than that for the preceding year. The financial plan should also show the income of the department, school or the institution, The financial revenue or the resources obtained should be sufficient to meet the expenditure to be incurred on all items of the programme. The financial plan must very clearly specify how the costs of the various items of the programme will be met. That is, it should mention the optimum contributions which will be made by the central, state, and local governments, the income from the fees and other sources, etc. If the total income from the sources is not sufficient and there is the deficit, the financial plan must specifically mention how this deficit will be met. There have been in the past two main weaknesses of traditional system of budgeting. This includes failure to relate costs of educational inputs and the separation of estimated expenditures and revenues from policy making. These should be avoided.

2. Form of the Budget: The forms in which budgets are prepared are varied. In different countries there are found different ways in which budgets are prepared. But the three elements are, generally, found common to them. These are the Preamble, the Data, the Estimates of Receipts and Expenditure. The Preamble is the introduction to the budget and forms its policy background. It, generally, consists of a brief justification, statement of objectives and guiding principles of the budget formulation given by the person or the department for the use of the body or the agency that has to approve the budget. It has to describe and analyse why the proposed expenditure has to be incurred. The data contained in the budget includes three kinds of statements : (i) the expenditure for the previous year, (ii) the budget for the current year and (iii) the estimates of receipts and expenditure for the ensuing fiscal year. It may also include a statement of the assessment valuation, the tax required and the programme of maturing indebtedness. The statements of Receipts and Expenditure is a detailed statement or description which enables the top management or the approving authority to understand whether it is within their capacity or resources to allow that expenditure whether it is justified or in line with the management's policy to accept the responsibility of spending that money. This part of the budget is prepared, generally, under the same classificatory heads of revenue sources and accounting that are used in the ledgers of receipts and payments in the accounting system.

3. Presentation and Adoption of the Budget: The Budget, thus prepared, is submitted to the higher authority for its approval. In case of the national budget

it is submitted to the Parliament. In case of the State budget it is placed before the State Legislature. In case of a university, it is placed before the executive council or to the state government as the case may be. In case of the budget of other bodies, the rules or procedures are not uniform or alike. They are, generally, found in the acts, statutes and ordinances of the respective organization or the agency. The higher authority to which the budget is submitted scrutinizes it, discusses it with other members and the concerned people. In some cases it discusses the budget with the person who has submitted it. The budget, before being submitted to the higher authority, is generally printed. In case of the national and the state level budget it is considered essential. In case of small organizations and private organizations this may not be necessary. The budget is presented to the higher approving authority much before the opening of the ensuing fiscal year. After the discussion the budget is passed either with modification or as it was. The modified budget is finally accepted and adopted by the higher authority. Then, it becomes an accepted and legal document.

4. Administration of the Budget: This means planning how the expenditure approved for various programmes and activities will be incurred and managed. This involves controlling of funds, work-plan for each activity and implementation of the work-plans. There has to be a central agency for co-ordinating the budget expenditure. Everyone cannot be allowed to spend money. Before someone spends money on something he must take approval of that from the co-ordinating or central authority. For that reason the organizations appoint finance officers, controller of finance or financial managers. There are comprehensive rules and procedures of administering the budget. Control of funds is an essential component of budget administration. It is a major responsibility of the educational financier. The administration of the budget calls for a very judicious use of funds and money. It has to be ensured under the financial administration that the funds are properly and wisely used, standards are maintained, fixed norms are adopted and followed, and the expenditure does not exceed estimates." Mukerji enumerates a few important principles of financial management as follows:

- (i) All funds received should be promptly placed in a depository or school.
- (ii) Proper arrangements should be made for obtaining and accounting for funds from taxation and other sources.

(iii) Internal check is necessary where cash is handled. This means none of the financial operation are left entirely in the hands of single person or a group.

(IV) There should be a procedure for securing information on how much expenditure has been incurred. The routine method is to give, those responsible for expenditure a monthly statement of their commitments compared with their estimates for the whole year. In this connection one can borrow from industry their technique of management accounting.

(v) Provision should be made for a careful audit of all accounts to guard against losses due to mistakes or misuse of funds and to certify that accounting is complete and accurate .

### **1.3.8 Summary**

Planning of Education is an important part of administration and supervision as finance of education enables to achieve objectives and targets of education by utilizing funds judiciously. Finance enables to remove disparities, provide funds for all areas and stages of education, for quality control, for increased participation of private sector in education and ensures efficiency. Financing of education needs to consider factors like social factors, educational factors, economic factors and political factors. Finances for education are acquired in the form of external and domestic resources. External resources include foreign aids, loans and funds from international organizations. Domestic resources include private funds like fees, endowments and land grants, maintenance funds and gifts etc. ; and public funds like funds from the government ( Centre and State) and local bodies. Smooth functioning of education is disrupted by some internal and external problems in financing of education.

### **1.3.9 Suggested Questions**

1. Explain the concept of financing of education. Write its importance also.
2. Describe various considerations for financing of Education.
3. Write in detail about the financial resources at Centre, State and Local level.
4. What are the hurdles in financing of education?
5. What do you mean by “budget”? Elaborate the process of budgeting describing all the steps?

**1.3.10 Key words**

**Grants:-** Grants are the assignment in money or material made by one grants are the assignments in money or material made by one government unit to another e.g. central government to state government unit to another e.g. central government or the bodies expects no repayment for this.

**Equitable Sharing:-** Equitable sharing means paying regard to the equality of the local bodies to provide and support the schools needed for backward sections of the society.

**Budget:** An estimate of income and expenditure.

**1.3.11 Suggested readings**

Bhatnagar, R.P. and Aggarwal, V. (2004). *Educational Administration, Supervision, Planning and Financing*. R. Lall Book Depot, Meerut.

Misra, R. C. (2007) . *School Administration and Management*, A. P. H. Publishing Corporation, New Delhi.

Sharma, R. A. (2012). *Educational Administration and Management*, R. Lall Book Depot, Meerut.



## **GRANT-IN-AID SYSTEM - MEANING & TYPES**

### **Structure :**

- 1.4.0 Objectives
- 1.4.1 Introduction
- 1.4.2 Meaning of Grant-in-aid System
  - 1.4.2.1 Purpose of Grant-in-aid
  - 1.4.2.2 Characteristics of Grant-in-aid
  - 1.4.2.3 Types of Grants
  - 1.4.2.4 Improvement of Grant-in-aid
- 1.4.3 Summary
- 1.4.4 Questions for self-evaluation
- 1.4.5 Suggested Questions
- 1.4.6 Suggested Books

### **1.4.0 Objectives :**

1. To acquaint the students with grant-in-aid system, its purpose and features.
2. To tell them different types of grant-in-aid.
3. To explain them the ways of improving grant-in-aid system.

### **1.4.1 Introduction :**

In India, in the past, grant originally was a gift or real property or money from the sovereign power to a natural or legal heir for use in purposes likely to benefit the general public. Gradually it came to mean a contribution by a govt. unit to another unit, often by a larger unit to a subordinate one, ordinarily to aid

in support of a specified, function like education, but sometimes also for general purposes.

#### **1.4.2 Meaning of Grant-in-aid System :**

Grant-in-aid may be defined as a financial grant, frequently in the form of periodical payment, made by govt. or agency to another govt. or agency to an individual by way of assistance for a special purpose. It is a sum of money assigned by a superior to any inferior govt. authority or agency either out of the exchequer of a former or out of the sources of revenue specifically designed. There are certain factors which influence grant-in-aid. These are as follows :

1. Provision of basic requirements to institutions of various levels.
2. The size of a needy institution in the form of number of courses and number of students.
3. Desired quality of education.
4. Staff salaries - it is the largest single item of expenditure and forms basis of assuming grant-in-aid.
5. Educationally backward communities and sectors of society such as scheduled castes, scheduled tribes, minorities, women etc. receive special attention while assessing grant-in-aid.
6. Grants may get curtailed in the case of institutions which lack adequate building, laboratory, library etc. for the proper utilization of funds.
7. The income of the aided institutions forms an important basis of grants.
8. Over all assessment of the needs, circumstances and records of past performance of an institution may be an important consideration.

##### **1.4.2.1 Purpose of Grant-in-aid**

Following are the main purposes of the grant-in-aid :

1. **Equalization of Educational Opportunities :** Equality of educational opportunity to the children of all people, irrespective of caste, class and colour and economic status is the basic principle of the educational system of all democracies, the adult franchise is given the power of the ballot which makes education indispensable. Education has to train all citizens. The purpose of grant-in-aid is to provide equality of educational opportunity to all people.

2. **Encouragement of Private Enterprises :** Today people all over the world and particularly those in democrated countries have recognised the power of government to improve their individual and social status but because of their responsibilities for other social service government alone can't shoulder the entire burden of financing education. The purpose of grant-in-aid is to bring forth private enterprise in the field of education and encourage their cooperation.
3. **Sharing their Burdens :** It is well known that the financial resources of private agencies differ according to the availability of donations and subscriptions from the public. They can't raise funds to the extent required for the efficient conduct of an educational programme. The grant-in-aid share the burden of private sector in providing good education.
4. **Ensuring Efficiency & Control :** In the process of process of indiscriminate expansion of education, quantity may be emphasized at the cost of quality. The system of grant-in-aid helps to maintain standard of efficiency and provides sanction for supervision & control.
5. **Stimulating Various Areas of Study :** Technical and vocational education has always been neglected in India. In these circumstances, the state may encourage the provision of neglected, though valuable areas of study through grant-in-aid.

#### 1.4.2.2 Characteristics of Grant-in-aid

Following are the characteristics of grant-in-aid system :

1. **Adequacy :** The amount of grant should be adequate, it should neither be too less to leave recipient to fall back on his uncertain and meagre resources, nor too much to encourage profiteering out of it.
2. **Flexibility :** Every good system of grant-in-aid must be sufficiently elastic to allow for variations in the amount of grant to suit local conditions and to the size and character of the institution aided.
3. **Stability :** It should be stable. It means that it should be such as to ensure to agencies conducting good schools; a more or less stable income. Frequent fluctuations in the amount of grant given will cause uncertainty to educational managements.
4. **Simplicity :** It refers to the modus operands of the grant-in-aid system.

A long channel and several formalities through which an application for grant has to pass, often cause vexations delays and disheartens people. All procedural complexities should be done away with a simple method.

- 5. Security :** The grant made should be protected from misappropriation profiteering and fraud. The rules in this behalf should be so framed as to minimise chances to false payment, irregular accounts and mismanagement of fund. Provision for regular audit and supervision should be made and the grant should be suspended or even withdrawn if any such defalcation is suspected.

#### **1.4.2.3 Types of Grants :**

There are numerous types of grants. They may be named on the basis of periodicity of occurrence, specific purpose for which they are made, sources from which they flow, manner of their payment, authority that provides their sanction and the like.

Following are the different types of grants :

- I. Recurring Grants :** Grants which are given repeatedly, often or periodically like every month, quarter or year for the operation and maintenance of the institution; to meet expenses on teacher's salaries, textbooks, allowances, pensions, rent, scholarship, midday meals and transportation etc.

Following are the recurring grants :

- (a) Maintenance Grant :** The item of expenditure generally admissible for this grant includes salaries of teachers, establishment charge, maintenance, costs contingencies, rent taxes, losses due to fee remission, scholarships and other financial concessions to students.
- (b) Salary Grant :** It includes salaries, allowances of teachers and ministerial staff, contribution to provident fund, remuneration to staff during professional training period.
- (c) Hostel Grants :** This grant is paid for the maintenance of hostel and boarding house attached to educational institutions. Generally this is paid as part of maintenance grant.
- II. Non-Recurring Grants :** Grants which are paid occasionally and not repeated often are called non-recurring grants. They include grants made

for the purposes of construction, extension and alteration of school building, purchase of school site of construction, extension, equipment and furniture etc. These grants are classified into following 3 types :

- (a) **Building Grant** : This grant is given for purchasing, erecting, extending and modifying school or hostel building or for acquiring land for their construction or for playgrounds. A part of total expenditure is contributed by the government and the rest has to be met from private efforts. The rules for building grants are subject to a number of conditions, such as mode of application for grant, approval of the plans and estimates by the department which should be satisfied that subsidy will help to complete construction.
- (b) **Equipment Grant** : This type of grant is made to meet the expenditure on apparatus, appliances, chemicals, audio-visual aids, books, maps, furniture, games material and other essential requirements without which the school cannot effectively function.
- (c) **Special Grants** : Grants 'not covered' under any of the above mentioned categories are termed 'special grants'. They may be given for some special purpose or object provided. The special object may be experimentation in education, organisation of athletics teaching of a subject and the location of school in backward areas.

### III. Grants According to Sources :

- (a) **Central Grants or Federal Grants** : These are the grants given by the central or federal government to the state government, local bodies or private agencies from its revenue receipts.
- (b) **State Grants or Government Grants** are the allocation made by state government to local bodies and private agencies.
- (c) **Local Bodies Grants** are the grants given by the municipal board, district board or other local bodies to institutions and private agencies.
- (d) **U.G.C. Grants** are the funds allowed by University Grants Commission to the universities & colleges for advancement of higher education.
- (e) **Foundation Grants** are the financial aid made by a philanthropic foundation trust endowment or agency for improvement of education.

**IV. Grants According to Form :**

- (1) **Monetary Grant :** If the grants are given in the form of cash or money, they are called monetary grants.
- (2) **Land Grant :** If the grant is made in the form of land, it is called a land grant.
- (3) **General Grant :** When the grant doesn't specify the purpose for which it is to be appropriated, it is called a general grant.
- (4) **Specific Grant :** The grant is specific when the granting authority remarks the grant for a specific purpose e.g. primary education, scientific equipment to school etc.
- (5) **Block Grant :** This is a grant paid in a lumpsum periodically or occasionally to education named generally, without specifying any particular sector of education on which the funds should be spent.
- (6) **Adhoc Grant :** This is a lumpsum grant meant for some special purpose and is given without entering into any detailed assessment.
- (7) **Conditional Grant :** It requires certain stipulation to be fulfilled by the recipient before it can be utilized, the stipulation can be of any kind but it apportions financial responsibility on the grant or the grantee.
- (8) **Proportionate Grant :** It envisage that grantee will contribute a certain proportion of the total expenditure, a part of which is being given as grant-in-aid.
- (9) **Matching Grant or Rupee-for-Rupee Grant :** The condition of this grant is that half of the total expenditure will be met by the grant and the other half has to be subscribed by the grantee.
- (10) **Unconditional Grant :** An unconditional grant gives full freedom to the recipient to spend the aid in any manner he likes.

**V. Constitutional Grant :** These grants are given under Act 275 and 282 of the Constitution of India for the purpose of equilization of resources or stimulation of a particular type of activity. It is given for the promotion of education of the scheduled tribes and scheduled areas and for the institutions of higher education.

#### **1.4.2.4 Improvement of Grant-in-aid :**

Following are the ways of improving grant-in-aid :

1. The grant-in-aid for the salaries and allowances of teachers & other administrative & supervisory staff sanctioned by the govt. should be on a 100% basis. Some defined rules should be prescribed regarding the basis on which the number of teachers required should be calculated.
2. For the non-teacher costs, a block grant per child in attendance should be given. The amount of this grant should be fixed separately for each category of schools and should be revised every 3 to 5 years.
3. The resources raised locally by the Zila Parishad as well as the state grant thereon should be lift with the Zila Parishad for such development programmes as it deems necessary.
4. Grant-in-aid for non-recurring expenditure should be given separately, preferably at the rate of about two-third of the expenditure.
5. Grants should never be delayed. The payment of grants should be made immediately.
6. In most of the states, grant-in-aid rules do not either define certain basic terms like 'approved' income and expenditure or for a very circumstized interpretation in as much as it could be used as a convenient tool to deny or curtail the much needed assistance to collegiate institutions. Therefore, these terms should be properly defined.

#### **1.4.3 Summary**

Grant-in-aid is financial grant in the form of periodical payment made by Govt. or agency to another govt. or agency for a special purpose. Its purpose is to give equal opportunities to all people irrespective of caste, colour and creed etc. It encourages private enterprise in the field of education so that burden of govt. can be shared. It says emphasis on quality and ensures efficiency and control. It stimulate various areas of study. Grant-in-aid should always be adequate. It should be flexible to allow for variations in the amount of grant to suit local conditions. It should be stable and its modus operands should also be simple. The grant made should be protected from misappropriation, profiteering and fraud. Grants are of various types. They can be named as follows :

1. On the basis of periodicity of occurrence
  - Recurring / Non-recurring
2. Specific purpose for which they are made
  - Special / Specific Grants
3. Sources from which they flow
  - Central / Federal Grants
4. Manner of their payment
  - land grants, monetary grants etc.
5. Authority that sanctions the grant
  - Constitutional Grant

System of grant-in-aid in our country needs improvement. Grants for salaries of teachers by the govt. should on 100% basis. Block grant per child in attendance should be given. The resources raised locally by the Zila Parishad as well as the state grant thereon should be left with the Zila Parishad. Grant for non-recurring expenditure should be given separately. Grants should be given at right time. Basic terms should be properly defined.

#### **1.4.4 Questions for Self-Evaluation :**

- Q1. Grant-in-aid may be defined as financial grant. (Yes / No)
- Q2. Grant-in-aid gives equal opportunities to all. (Yes / No)
- Q3. Grant-in-aid encourages private enterprise to share the burden of govt. (Yes / No)
- Q4. Grant-in-aid ensures efficiency and control. (Yes / No)
- Q5. Grant-in-aid does not help in stimulating various areas of study. (Yes / No)
- Q6. Grant-in-aid should be delayed as much as possible. (Yes / No)
- Q7. Grant-in-aid is of many types. (Yes / No)
- Q8. Grants which are given repeatedly are called recurring grants. (Yes / No)
- Q9. Grant-in-aid system is perfect in India and needs no improvement. (Yes / No)
- Q10. Grants given by State Govt. are called state grants. (Yes / No)

*Answers : (1) Yes (2) Yes (3) Yes (4) Yes (5) No (6) No (7) Yes (8) Yes (9) No (10) Yes*



**1.4.5 Suggested Questions :**

- Q1. What is grant-in-aid? Explain its different types.
- Q2. What do you understand by grant-in-aid? What is its purpose?
- Q3. What is grant-in-aid? What are its features?
- Q4. Explain grant-in-aid and describe the ways through which it can be improved?

**1.4.6 Suggested Books :**

Educational Management Planning: Y.P. Aggarwal, M.S. Sachdeva and Manjeet Kaur