



EFFECT OF REAL TIME GROSS SETTLEMENT ON FINANCIAL PERFORMANCE OF PUBLIC UNIVERSITIES IN KENYA

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ABSTRACT

Due to the increasing systemic risk inherent to deferred net settlement systems, Universities are under pressures to deliver timely financial obligations as it falls due. Adoption of real-time gross settlement (RTGS) systems was recommended. The purpose of this study was to establish the effect of RTGS on financial performance of Public Universities in Kenya. A descriptive survey design was used with a sample of 11 staff from three functional areas. Questionnaires were used as research instruments while data analysis was done through regression and descriptive statistics. The study findings showed that there was no significant difference between the effects of RTGS on financial performance of Public Universities. We also established a strong positive relationship (0.690) between shortening of funds transfer period cost of transfer. Also a negative correlation (-0.633) was observed between shortening of funds transfer and low maintenance. Hence use of RTGS is more efficient.

Key words: RTGS, financial performance, Public Universities, innovations