

ANALYSIS OF LIQUIDITY MANAGEMENT IN THE SAVINGS AND CREDIT  
COOPERATIVES (SACCOs) IN UGANDA: A CASE STUDY OF WAZALENDO SACCO

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### **Abstract:**

This study was carried out to analyse liquidity management in Savings and Credit Co-operative Societies in Uganda using Wazalendo SACCO as a case study. The objectives of the study were; identifying the current liquidity levels, assessing liquidity management challenges and designing strategies that can help WSACCO effectively manage liquidity. A total of thirteen WSACCO branches were sampled to obtain the data for the study. The empirical findings of this study are presented using descriptive statistics or frequencies, both as absolute numbers and percentages to describe and summarize the data and answer the research questions for the study.

On identifying liquidity levels in WSACCO, it was established that; outstanding loans, financial performance, savings mobilisation and the quality of decision making had great influence on liquidity levels in WSACCO though external borrowing was also noted to affect liquidity levels in WSACCO. The influence of working capital management and economic shocks on liquidity levels did not come out clearly. From the findings asset quality and season of the business had the least influence on liquidity levels in WSACCO.

On assessing liquidity management challenges in WSACCO, it was established that the highest most challenges to liquidity management in WSACCO are slow growth of deposits, financial sustainability and Savings mobilisation. Mixed reactions were however noted on management of finances, product design and matching maturities of inflows and out flows being a challenge to liquidity management in WSACCO.

With regard to designing strategies that can help WSACCO effectively manage liquidity, findings indicate that; loan recovery procedures, member sensitization, cash flow analysis, appropriate loan collection procedures are the main strategies that can help WSACCO to manage its liquidity in addition to short term financing and setting limits on savings withdrawals, External borrowing as a strategy to manage liquidity was least considered by the respondents