

**THE EFFECT OF MOBILE MONEY TRANSFER ON CASH TRANSACTION
COST IN NON-GOVERNMENTAL ORGANIZATIONS IN KISUMU CENTRAL
SUB-COUNTY.**

BY

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DECLARATION

This Research project is my original work and has not been presented to any other University for academic award.


Signed... 

Date...23/11/2022

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D61/84377/2016

This Research Project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This work is dedicated to my father for instilling in me the virtues of resilience and hard work that have enabled me to go through all the challenges without quitting.

ACKNOWLEDGEMENT

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I also thank the NGO board for availing data on request plus NGO participants in this research for sparing time to respond to my questionnaire.

Most importantly, I give glory to the Almighty God for directing my steps and granting me life that I remain focused on this endeavor including at very difficult moments in my life.

ABSTRACT

This study focused on the relationship between the use of mobile money transfer and cash transaction cost. Despite the fact that mobile money transfer systems may not be designed primarily as a means of cost reduction, evidence of the research shows that it actually contributes to the reduction of the same. The study aimed at establishing the extent of mobile money transfer use by NGOs operating in Kisumu Central sub county and the relationship between the use practice and transaction cost reduction.

To achieve the objective, a descriptive study was done. The researcher used primary data. The respondents constituted 116 Finance contact persons, 29 administrators and 29 Head of audits in 119 organizations. The study adopted descriptive statistical techniques such as frequency, percentage, and mean distribution. The data was presented using frequency tables.

The study concluded that there is significant positive correlation between adoption of mobile money transfer and cash transaction cost reduction in the NGO sector.

The study recommends that future researches should narrow down to the individual indicators for more in-depth understanding. The study also recommends that future studies should consider other variables of cash transaction costs as research zeroed only on six of them.

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LIST OF ABBREVIATIONS

ANOVA:	Analysis of variance
B2P:	Business to Person
CGAP:	The Consultative Group to Assist the Poor
GDP:	Gross Domestic Product
GSMA:	Group Special Mobile Association
ICT:	Information Communication Technology
MMP:	Mobile Money Platform
MMS:	Mobile Money Services
MMT:	Mobile Money Transfers
MMU:	Mobile Money Uptake
MNO:	Mobile Money Operators
MNP:	Mobile Network providers
NPS:	National Payment System
NGO:	Non-Governmental Organizations
P2B:	People to Business
PIN:	Personal Identification Number
SMS:	Short Message Services
M-PESA:	Where M denotes mobile and PESA denotes money in Swahili in Kenya.
TAM:	Technology Acceptance Model
TPB:	Theory of Planned Behavior
TRA:	Theory of Reasoned Action

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CHAPTER ONE - INTRODUCTION

1.1 Background of the Study

Mobile money transfer (MMT) also known as Online Money Transfer is the use of non-conventional paper-based transfer of payments from the payer/customer to payee/supplier/service provider. Cash transaction costs is defined as the expenses associated with making payments or transferring cash from one point to another or from one individual/firm to another. Mobile money operations are opined to have advantages such as being multi-faceted as in an individual is able to store, spend or receive/send from the account. It is also direct as no middlemen are required for any transaction. It is also a fast, convenient, secure and low-cost way of carrying out transactions. Cash transaction costs describe the physical costs of maintaining or transacting physical cash. They include costs of maintaining cashier safes/drawers, Reconciliation by managers and cashiers of the physical cash and coordinating deposits and withdrawals. Also included is the cost of getting change to make payments, cash shrinks i.e., theft or fraud, cost of cash in transit i.e., armored vehicles for transferring cash, additional staff costs including salaries & travels and finally audits and reconciliation of tills. Operating a Mobile Money system has an effect on the cost of transacting cash that are shared above. The research therefore sought to establish whether this is true and the extent to which the independent variable does impact on the dependent variable.

Rapid growth experienced in the telecommunication sector in Kenya has led to the advent of several value-added support services. Phone based e-commerce service and mobile money are such value-added services that have reinvigorated the industry. Mobile money services are playing a pivotal role in unlocking the socio-economic progress of almost every sector in the country. Afshan and Sharif (2016) assert that from the manufacturing sectors, Information technology (ICT), to the agriculture

production, the electronic commerce simulated on the platform of mobile money services is creating adjustments on how financial transactions are handled in the country. Accordingly, organizations are increasingly exploiting the benefits brought about by the technological innovations in the mobile telephony and electronic money services. The electronic channels within which the mobile money services are transmitted are innovatively developed with several security credential making them secure and convenient to handle major transactions for such organizations. In developing economies such as India, the United Arab Emirates -UAE and other African and South Pacific nations, the advent of mobile telephony and mobile money services are changing livelihood and have become a significant tool used to end poverty (Giri, 2017). According to Parr (2014) the committee of development and strategic attainment of other millennium development goals (MDGs), the financial inclusion brought about by the advent of mobile money to the rural unbanked folks is a great achievement in the global fight against abject poverty. The majority of the unbanked citizens have taken advantage of the mobile cash services operated by companies in the mobile telephony business. Onsongo and Schot (2017) posit that in Kenya, almost 90% of banks have taken advantage of the enabling environment created by the growth of mobile money market to integrate their systems to the mobile banking services. The massive financial inclusion advantage has guaranteed exclusive access to mobile money service cash points spread across remote villages in the Republic of Kenya and its environs. The major mobile operators like Safaricom (operating Mpesa mobile cash platform), Airtel (operating Airtel money services) and the Orange Telecoms (operating the orange money mobile cash platforms) have user managed cash points across the country where varied cash transactional values are administered. Mobile money service is a relatively new entrant into the financial platform. Even though several discussions and academic

investigations in the line of marketing & finance have concentrated their exploration and analysis in this sector, there are general limitations about the findings and systemic impacts within non-governmental organizations. The subject therefore suffers the absence of exhaustive study findings about the empirical academic analyses on the economic impacts especially geared towards efficiency and cost effectiveness within organizations that have embraced the transactional systems into their operations.

The focus of this research was therefore on non-Governmental organizations operating in Kisumu Central Sub- County in Kisumu County in the Western Region of Kenya. Though several works had been carried out on the effect of embracing MMT in financial transactions, not much had been done on the specific effects on the costs of cash transactions within the region. As the donor funds keep shrinking, it is important that the little funds provided are used effectively and efficiently to achieve the donor goals and also serve the needs of the clients. According to the NGO Board, there exist 119 NGOs operating within the sub-county.

1.1.1 Mobile money transfer

Mobile money transfer is a fast, easy and secure cash transfer method whereby a sender sends money from their bank, credit/debit card or own mobile money account to another mobile money account. For a transfer to take place - a recipient needs a mobile money account and the sender requires the recipient's mobile money account number. Funds can then be transferred in an instant.

Monetary discussions have often been focused through the attribution of notes and coins. One of the significant assertions to this belief is Finley's perspective that money is fundamentally a coined metal (Verboven, 2009). This idea however, continues to hold significant scholarly acceptance among renowned economic and financial

analysts. According to Verboven (2009), various proposals have been suggested to provide solutions to the coined and notes models of money. Such proposals include the payments such as bullion, payment in kind, transfer of debt notes or models of credit sale (Verboven, 2009). However, albeit the many models and forms that have interfaced money, the functional view of currency can be discussed as being what it does. Accordingly, there is an imperative need to arrive at an alternative instrument meant to effectuate payment effectively and efficiently. Mobile money transfer delimits the borders of coins and notes by introducing a perspective of cashless interface into the financial market. It also sorts out the bulkiness of notes and coins that have been a source of insecurity.

Money can be attributed to have both economic and social nature from the scenarios of the user. People accept money barely because they can use it immediately or defer its applications. The advent of mobile money, answers the question of deferred use since innovatively, MMT fits the non-currency bracket of commerce. This implies that by having a mobile money wallet, an individual can withdraw from any currency in any part of the world, thanks to the innovative support provided by the global money market. MMT addresses the social nature of money by providing social security and assurance since the individual is often socially enabled to manage financial transactions within social setups of the society. MMT therefore, respond both to the social and economic nature of money.

1.1.2 Cash transaction costs.

Among the many challenges that have continued to affect the operations of the NGO sector is the handling and management of heavy volumes of cash for implementing scheduled programs and activities. Mpogole, Tweve, Mwakatobe, Mlasu, and Sabokwigina (2016) aver that these challenges have led to instances of cash loss

through robbery or theft among other incidences of misappropriations. These issues are similarly, coupled by situations of poor accountability of the advanced funds at the organization levels. To mitigate on the aspects of robbery or theft of cash leading to losses, NGOs have resorted to employing cash officers or support accountants to handle the role of transporting activity cash when needed in the implementation sites. Even though this system reduces the occasions of cash loss, challenges exist in remote locations that have to experience delays due to poor road infrastructure among other unforeseen challenges like poor weather. Apart from staffing costs, NGOs also incur hefty Bank charges, Cash in transit cost due to use of security firms to transport funds, Cash shrink due to fraud and thefts, Staff time on reconciliations and Change orders plus purchase and maintenance of safe/Tills for the safe custody of cash. The NGOs also have to pay insurance costs for the cash. The advent of mobile money payment infrastructure and its implementation has the propensity to address the administrative challenges while yielding colossal savings for the NGO (Sri Krishnan, 2017). As such, majority of the NGOs have adopted the mobile money transfer services to transact higher volumes of cash running into hundreds of millions to participants and beneficiaries across the country. These include the remotest places or villages in Kenya where the road infrastructure is completely dilapidated.

1.1.3 The relationship between mobile money transfers and cash transaction.

It is evident that the adoption of the mobile money transfer services for NGOs has made visible impacts to the targeted activity participants or beneficiaries. However, the area suffers limitations in literature exploration and documentation. The majority of studies have concentrated their academic investigations and literature expository in the areas of the impacts the mobile money transfers yield to the lives and livelihoods

of the poor or unbanked populations. However, the USAID is making considerable efforts through partnership with other international NGOs like Mercy Corps, Gate foundations and CGAP among others to create empirical evidences of the impacts of mobile money transfers to organizations (Suri and Jack, 2016). Accordingly, Suri and Jack (2016) explain that the key benefits of adopting E-payments achieves upgrade of expense reserves and efficiency, augmented limpidity, abridged outflow and waste. Similarly, it occurs to better quality admittance to financial amenities for the payment recipient, condensed safety threats to initiative staff and accomplices, enriched entrée to an increasing ecosystem of value added and corporate amenities for compensation beneficiaries.

1.1.4 NGOs in Kenya

The Kenyan government has commissioned a board to coordinate and regulate the overall management of NGOs. According to NGOs Co-ordination Act 1990, NGOs are defined as private voluntary grouping of individuals or associations not operated for profit or other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and promotion of social welfare, development, charity or research in the areas health, agriculture, education, industry and supply of amenities and services (National Survey of NGOs Report,2009). They are also referred to as Civil Society Organizations (CSOs), Private Voluntary Organizations (PVOs), Charities, nonprofit Organizations (NPOs). The term encompasses grass root activist groups, community groups, development and research organizations, advocacy groups and think tanks amongst others.

The Non-Governmental Organizations Coordination Board regulates the industry through setting up of operational benchmarks and financial reporting systems to ensure best practices within the industry. The foundation draws her powers from the

NGOs coordination Act (Cap 19) of 1990 and subsequent amendments and thus responsible for delivering an enabling field for the operations of the organizations under her control. The principal role of the coordination board is to facilitate aspects of registration and coordination of the NGOs. This provides it with an access to the operational information of the NGOs and thus ability to advise the government on their participation and the progress including aspects of observance to law and other statutes governing the operation of the civil society organizations or movements. The board therefore undertakes comprehensive analysis of financial and activity reports of the NGOs in respects to the observance to the national primacies and its objectives as stated in the registration documents.

The majority of NGOs in Kenya are involved in social and civil activities that support the people. These are in sectors such as health, human rights, governance, education and economic empowerment among others. NGOs have conveniently structured their operations to support the plights of the underprivileged members of the society. The Kenya government approves two major categories of NGOs for operations; the international NGOs and the national NGOs. The focus of this study was a sample of the 119 NGOs operating within Kisumu Central sub-county. The study sought to investigate the strides made with regards to the adoption and integration in the official pay system of the NGO; the mobile money transfer technology. The objective of the study was to ascertain the extent to which the application of the technology had reduced the cash transaction costs of the NGOs.

1.2 Research Problem.

The control of expenses is crucial for the efficiency and effectiveness of an organization's operations. Charitable organizations source their funds from the donor community, well-wishers and the subscriptions from members (Fisher 1998:

Mostashari,2005). Most donors have currently developed ceilings of what part of their funds should be spent on administrative and implementation areas. There is a move to cut down on unnecessary overhead costs/administration to release funds to implementation with some donors directing on ratios of 20:80 of funds provided. This is an area of compliance that the donors are keen on and could lead to loss of funding or additional funding as the case could be. The tight controls have been necessitated by the feeling by the donors that the advantage of experience of having implemented these programs should drive down the cost and enable organizations achieve higher targets with less funding. There has also been a feeling of wastage by those granted the roles of managing these funds. Cash handling costs is an area where the NPOs spend a lot of funds. This study therefore sought to answer the question of the effect on NGOs cash transaction cost by embracing MMT as their mode of making and receiving payments. Specific studies on the effect of Mobile Money transfer on cash transaction costs of NGOs are unavailable both in Kenya and internationally. This study was therefore an attempt on the topic under discussion and the results are expected to contribute to the existing literature on Mobile Money transfer and cash transaction costs of NGOs. Current mobile money market in Kenya has attracted the operations of three major service providers. Among the operators in Kenya are Safaricom - operating the platform of Mpesa, Airtel with Airtel Money and Orange telecoms providing the services through Orange Money. Commercial Banks too aren't left out with Equity's equitel.

1.3 Objective of the Study

The broader objective of the research was to ascertain how the adoption of mobile money transfer method of payments impacts on cash transactions costs by NGOs in Kenya.

1.4 Value of the Study

The study would yield value to the following interest groups:

It would enable the donors assess the resolve by the NGOs in cutting down administrative costs. They would be able to review the budgets presented with funding proposals and flag areas of staffing in finance department, cash transfer costs & auditing & compliance department plus bank charges. This would prevent managers from using their own discretion to benefit themselves by engaging more unnecessary staff or contracting services the organization can do without.

The managements and BODs would be able to identify cash transaction cost saving areas and include them in their policies. This would reduce the proportion of donor funds spent on administrative activities against that spent on programmatic activities. This in turn should endear the organizations to donors.

The policy makers are able to use the findings of this research to come up with policy guidelines on management and control of NGOs. This could help them come up with policy documents that could help deal with challenges affecting the Not for Profits Organizations more so those aspects that adversely threaten their operations.

The study would offer invaluable insights and act as a significant reference point for knowledge to various scholars and professionals in the sectors of international developments, especially those seeking to understand the principles of mobile money transfer and its relations to cash transaction cost of NGOs in Kenya. Accordingly, the study unveiled a realization on the NGOs, the explicit gains on the adoption of Mobile money transfer in the operation of NGO in Kenya, while forming a part of empirical data for mobile money companies to refer on improvements and adjustments.

CHAPTER TWO - LITERATURE REVIEW

2.1 Introduction

The chapter consulted various literatures that were significant to the study on the effects of mobile money transfer on cash transaction costs by NGOs in Kisumu Central sub-county. Accordingly, the study appraised various view points from financial analysis and academicians among other professionals on the application of the mobile money transfers technology on the savings on cash transaction costs on the operations of the NGO. Even though limited literature and professional publications existed in this field, the study endeavored to consult various scholarly works, theoretical foundations, and the perspectives of academicians that have been published in the field of innovative mobile money transfers and adoption in the operations and management frameworks of NGOs. In addition, the literature reviewed various reports from subscriber and regulators to ascertain the pros and cons so far identified and published that have the potential to affect the operations of the user in the mobile money transfer platform. To ensure all the aspects were captured, the chapter was organized into various sections and segments including the theoretical review, conceptual framework, the empirical review and a summary of the entire section.

2.2 Theoretical Review

To ascertain the impacts of the mobile money, transfer services on the cash transaction cost by the NGO sector in Kenya, the research reviewed theories from different sources such as academicians and experts in the relevant field. It delved into several concepts of the diffusion of the innovative theory a model that explains the acceptance of technology as a driver to the adaptability of technology (Albarracín, Chan, & Jiang, 2018). Similarly, the study consulted the principles of the technology acceptance model

(TAM) to provide an explanation on the relationship between the perceived usefulness & ease of use. Additionally, the study reviewed the relevance of the theory of planned behaviors and the theory of seasoned actions as academic expositions linked to the objectives of the study.

2.2.1 Diffusion of Innovation Theory

The Diffusion of Innovative (DOI) theory illustrates the trends and models by which technology is adopted or accepted by the people. DOI originated from E.M Rodgers in the early 1960s and one of the early theories in social science (Zhang, Yu, Yan, & Spil, 2015). The origin of the theory can be traced from the field of communications seeking to explain how, or overtime, an idea gains impetus and spreads through a specific demography of system or people. Researchers and various professionals have used the theoretical foundation as a hypothesis, to provide viewpoints on the behaviors and attitudes of consumers towards an innovation. The relevance of the theoretical ideas to this study is taken from the fact that it provides significant focus on the acceptance of technology. According to Zhang et al. (2015), people who adopt innovations early have varied characteristic compared to late adopters. Thus, the theory explains how social frameworks acknowledge and essentially proceed to utilize an idea or a form of innovation.

The application of the DOI theory follows a sequence of expectation that the theory clamps a relative advantage of the situations it is applied and that compatible and pilotable within the context of its applications. The comparative advantage is implying that the technology tested on the theory should be superior over the initiative it surpasses while the compatibility expects the innovation to entertain a degree of people's alignment to it based on their beliefs and practices (Zhang et al, 2015). Accordingly, the trial-ability of the innovation presupposes the extent to which an

innovation can be developed and explored from a variety of avenues based on a constrained premise before a decision on its acceptance or dismissal is schedule. Finally, the theoretical intersection anticipates the innovations observe-ability to describe the propensity at which the consequences of the advancement could be unmistakable to others. The theory, therefore, illustrates the origin of a new concept or objective for instance the mobile technology and the processes of its propagation within the community. The dissemination is carried on various platforms within the community through various channels and the cons that deter an early achievement of innovative frontiers like the mobile money technology. The importance of the theory to this research can be traced from these expectations and expressions in the foundations of the theory.

2.2.2 The Theory of Technology Acceptance Model (TAM)

TAM is used in the context of the founder to explain the behavioral approaches on computer usage and in the field of information technology (IT).

Sánchez-Prieto, Olmos-Migueláñez, and García-Peñalvo, (2016) in their theoretical assertions explain that TAM elucidates the intentions through which a client either acknowledges or dismisses the innovations data and how the acknowledgements are made. Thus, given that, TAM has the advantage of focusing on data innovation; it portends solid hypothetical foundation compared to the extensive empirical evidence.

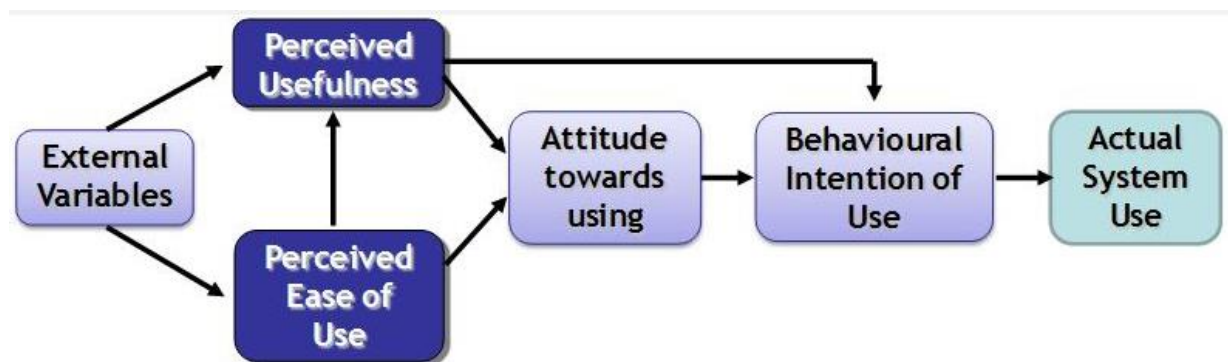
The Technology Acceptance Model (TAM) focuses on the essential association between the client's acceptance of the outer factors and the candid use of the PC.

Sánchez-Prieto, et al. (2016) assert that even though the clients may comprehend the sufficiency of novelty, the application of TAM may suffer limitation especially when it is entangled in ways that the efforts may not be valuable to the utilization. Therefore,

the fundamental focus of TAM, is contemplated on two thoughts, the deceptive usefulness and the ostensible office.

Perceived utility alludes to the propensity at which the people trust that the utilization of a given framework will enhance his performance. Sánchez-Prieto et al. (2016) aver that people will often utilize an innovation based on their belief that its use is likely to yield to beneficial results based on the ostensible convenience and value.

The outline herein under represents Sánchez-Prieto et al. (2016) elucidations.



Based on the model above illustration, the utilizations of data frameworks would be resolved by the intension that the person provide. This has the capacity to resolve a person’s demeanor issues in connection to the real utilization of the frameworks and by perceived usefulness, anyone applying a relative framework. The TAM acquires both an empirical and hypothetical backing from several applications by various specialists in the field of innovative data zone. According to Sánchez-Prieto et al. (2016), while conducting a meta-investigation of writing about the foundation of TAM, concludes that the model confirms reasonable results, and maintains its variability in the explanation of innovations acknowledgement by the clients of the data framework. Luarn and Lin (2005) continues to explain that the model having been applied in various projects like content processors, banks and health institutions frameworks among others and yielded better clarification.

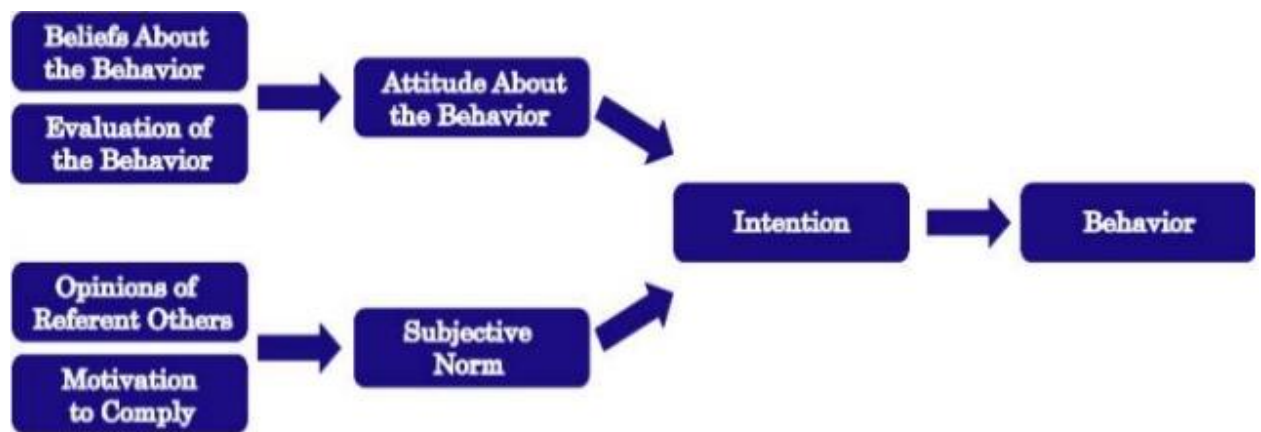
2.2.3 The Theory of Reasoned Action

The theory of reasoned action (TRA) traces its beginning in social psychology discussion and seeks to distinguish the determinant of an individual drive towards a particular behavior engagement. The revision of the theory was scheduled by Fischbein and IcekAzjenandand seeks to link an individual belief to explain his or her behavior (Liébana-Cabanillas et al, 2015). The theory was developed in the endeavors to estimate the variances between the human attitudes and behaviors towards certain investigative causal issues. The theory therefore provides models that help in predicting the deliberate behaviors given that behavior can be either planned or deliberate.

According to Liébana-Cabanillas et al. (2015) an individual determined by their purpose to perform the behavior and that the purpose is, in turn, a function of their attitude toward the behavior and their subjective norm. The theory further explains that the best predictor of behavior is the intention. They aver that intention is the cognitive demonstration of an individual's readiness to implement a given behavior, and thus, considered the immediate antecedent of behavior. Luarn and Lin (2005) clarifies that three aspects determine the individual intention: their attitude toward the specific behavior, their subjective norms and their apparent behavioral control. TRA holds the view that only specific attitudes toward the behavior in question are expected to predict that behavior. Additionally, when determining attitudes toward the behavior, one only needs to determine people's subjective norms. This may include their views about how individuals they care about will interpret the behavior in question.

In order to predict someone's intentions, it is important the knowledge these beliefs are important as knowing the person's attitudes. Therefore, perceived behavioral control influences intentions since they are the people's perceptions of their aptitude to execute

a behavior.



The TRA appreciates that individuals carry out assessment of what they are ready to win or lose within their state of mind. When these occur, the individual thoughts, objectives, convictions, or qualities impacts on the behavioral attitude they depict within a working setup. The hypothesis on TRA has been applied broadly into various empirical investigations and demonstrated the achievement in the projection or clarification of human conduct in several case scenarios. Therefore, given the successful application of its theoretical foundations, it is suitable in the investigation of the determinant of the utilization of the PC as an individual case reference.

2.2.4 The Theory of Planned Behavior.

The Theory of Planned Behavior (TPB) started as the Theory of Reasoned Action in 1980 seeking to predict a person's intention to engage in a behavior at a specific place and time (Sheeran and Abraham, 2017). Therefore, the theory is applied in explaining human behaviors over which people have the propensity to exert self-control. The key elements to the theory are the behavioral intent. Sheeran and Abraham (2017) are of the opinion that the behavioral intentions are often influenced by the attitude about the possibility that the behavior will achieve the expected outcome and the subjective evaluation of the risks or the benefits of that outcome.

The TPB clarifies that behavioral achievement depends on both motivations of the intention and ability or the behavioral control. It provides a differentiation between three types of beliefs that is normative, behavioral, and control. The applications of the TPB have successfully yielded towards the explanations and predictions of a wide scope of behaviors and intentions including services utilization, health related behavioral scenarios to aspects like substance abuse or smoking among others (Sheeran and Abraham, 2017).

TBT is a hypothesis that can be applied to predict or clarify the human behavior or conduct within a particular setting like the data frameworks. The behavioral controls explain the convictions about the entrance into assets and toward the significance chance to perform decided conduct. The application of the TPB to technological innovations has been demonstrated in numerous studies using quantitative research methods. For example, Martins, Oliveira, and Popovič, (2014) used the TPB to study workers' decisions about technology usage and their attitudes toward adoption of technology. The applications have delivered positive results in the studies giving credence to its foundations. The theory therefore systematically explains that importance of behaviors and intentions in the application of technological models or applications on the day-to-day operations of human life

2.3 Empirical Review

Several empirical researches have been conducted in Kenya on the adoption of the mobile money transfer services and their impacts in the several sectors of the economy. The impacts have yielded both positive and negative results. The study sought to borrow significantly from the previous studies but more specifically from the identified gaps in the studies so as to form the academic base for the investigations on the impact of the adoption of mobile money transfer services in the cash transaction costs of the

NGOs in Kisumu Central sub county. Martins et al. (2014) explain that the alleviation or enhancements programs such as the mobile money transfer bring about high volumes of transactions for the beneficiaries made in little installments. This creates a need for the adoption of simplistic models like the mobile money transfers away from the highly bureaucratic and procedural process handled in mainstream financial institutions.

Mobile Money payment procedures are essentially information technology (IT) procedures. There are networks through which users make cash transactions to various destinations guided within operational frameworks of the service provider. Luarn and Lin (2005) elucidates that E-payments adoption enhanced cost investment funds and productivity, expanded straightforwardness as it decreased spillages or siphoned subsidies.

The implementation of the e-payment platform within the NGOs sectors has yielded positive results. When an NGO implements the e-payment to several of its project beneficiaries who attended its frequent trainings and follow-up activities, efficiency and cost effectiveness is expected within its operations. NGOs that adopt the Mobile Money Bulk Payment Systems secure savings in costs and achieve contributor's time through the eradications of cash payments. The productivity of the staff is expected to improve through the reduction of paperwork while managing to free up time for the delivery of content, augmented limpidity and similarly, compacted the safety jeopardies of the organization's employee due to cash management.

Developing studies on the versatile cash frameworks across nations reveal immense benefits of the mobile telephone with regards to the intermediation of financial services. Studies like Van der Boor, Oliveira, & Veloso 2014; World Bank 2014; and GSMA, 2015. are setting up a basis on the impacts in several states. Van der Boor et al. (2014) elucidates that, mobile cash is effective because it is not as expensive as the other means

of money transfer. A similar study by GSMA (2015) on the appropriation of mobile money administrations reveals that a near 300 million accounts were enrolled for portable money. However, when the figures are tallied by the same organizations to the growth witnessed in the industry and the future prospects, they represent a meager eight percent of the portable association in the business sector.

From a global perspective, examination of banks reveals that the branchless management of an individual account including portable cash is 19 percent less expensive by and large than option administrations (GSMA, 2015). The alternative to mobile cash, therefore, increases especially in dealing with lower exchange sums of money. The same is supported by a report in Kenya that stated that the amount of cash transacted grew when M-PESA or Airtel Money was used and contrasted the conventional types of settlements (The Central Bank of Kenya, 2018). Reaching for clients at the base of the pyramid for financial services has been difficult and expensive when utilizing the mainstream cash systems of banks and other smaller financial institutions. The exposure to the mobile money to clients eases the logistical cost involved in transactions while enabling the lowliest of clients to attain full-service connectedness.

The person to person (P2P) exchanges and airtime top-ups has been on the domineering side globally on the volume and esteem. However, the accelerated development was more noted in 2014 especially was experienced in shipper installments, mass distributions and bills representing an improved environment of organizations and business-based clients of mobile cash. The increment in quantity of global settlements by the applications of portable cash reduces expenses for the global settlements of clients. Vendor installments have been on the rising mode communicating a client enthusiasm among the existing mobile money suppliers. These aspects positively

influence the clients to an increased consumption of the mobile merchandise and ventures. The platform has elicited growth in the sector leading to 258000 traders enlisted to utilize the mobile money. (GSMA, 2015).

Mobile banking in Kenya is revolutionizing the way business payment systems are transacted in almost every sector of the economy. According to The Central Bank of Kenya (2018), the uptake of mobile money services in Kenya influences the execution of conduct, association, and the leadership of the entire economy. The statistics from the Central Banks of Kenya reveal that in December 2007, a total value of 3.77027 billion was transacted in 1.34527 million numbers of accounts (The Central Bank of Kenya, 2018). These figures rated against the current statistical data of 332.352 billion transacted in the month of July 2018 from 42.613 million accounts, represents the significant influence of the mobile money transfer services on the overall economy of the country (The Central Bank of Kenya, 2018). In making comparisons on the two years 2007 and the half years 2018, a figure of 2.243 trillion was transacted in half year 2018 compared to the 16.4 billion transacted in full years 2007 (The Central Bank of Kenya, 2018).

The scenario elucidates the significance of the mobile money transfer services in influencing the economic payment patterns in the country Kenya. In a study of the use of non-cash payment by campus business in Iringa Tanzania, Mpogole, et al. (2016) clarify that campus businesses holds an affirmative viewpoint about the use of mobile money for business transactions. The findings of the study place the mobile money platform on the advantage due to the efficiency and the cost effectiveness. The main areas of advantage according to Mpogole, et al. (2016) are the reduction of the risk to cash handling for organization and the operational ease it brings to the operations given its cost effectiveness. The study of Mpogole, et al. 2016; is in agreement with the

exposition of GSMA, 2015; which postulate that mobile money as a technological advancement in the cash management system cross cuts over a varied division of the economy while influencing massive change and efficiency. According to Afshan and Sharif (2016), in an investigation on the situations of mobile money transfers in India, where the study concentrated on appropriation by encouraging a glance at the utilization of spreading of advanced hypothesis, it examined the traits that influenced mobile money appropriations. The study affirms that there is significance in the adoption of technology when implemented to support financial management systems within an organization and may yield to efficiency when fully adopted by the implementing teams.

As indicated by Mpogole et al. (2016) in their examination of the impact of mobile money uptake on NGO performance within Tanzania, the investigation give proof that mobile money is vital to the financial execution of NGOs. This is specifically framed in the context of when taking a gander at the different key execution parameter of client fulfillment, financial security, cost decrease, consistence, long term development and reach. Comparative proof from this examination is that MMU has yielded significant advantages to the entire Tanzanian consumer hence; it is a model that should be grasped by all sectors of the economy. Given the similarities of the Tanzanian and Kenyan populace, the cultural resemblances and the comparable economic operations, the study can be applied to the Kenyan situations and provide relevant answers to the prevailing questions in this study.

2.4 Conceptual Framework

Because of the variables that affect cash transaction costs like time factor in managing payments, reduced time and money spent on logistics and decreased printed material and paperwork because of utilization of dependable versatile cash exchange

administrations, supportive and versatile mobile innovation framework and capable staff, it's normal that an organization that implements mobile money technological innovation will experience an overall reduction in transaction costs.

2.5 Summary of the Literature Review

The chapter comprehensively analyzed literature and publications relevant to the subject of investigation; the impact of mobile money transfers on cash transaction costs of NGOs in Kisumu Central sub-county. The exploration confirmed that mobile money transfer has a significant effect on the cash transaction costs of the NGOs sector in Kenya. The impacts are spread across various departments but more specifically in the finance and accounting departments given their influence in cost effectiveness, efficiency, diminished risk to cash handling, security to staffs and the yields to minimal cases of misappropriations. Nonetheless, the majority of the literature publication and analyses in the study did not directly focus on the impact of the mobile money transfers systems on the cash transaction cost of NGOs in Kisumu central sub county. This fact informed the essential for this study since it would provide an experiential and hypothetical resource base for the NGOs and development partners seeking to implement technology in the cash transactional systems of their operations or those of their offshore partners.

CHAPTER THREE - RESEARCH METHODOLOGY

4.1 Introduction

The chapter focused on the methodologies to be used during the application of the study. It focused on the following: research design, the target population, sampling techniques and the methods on which the data collections, analysis and the presentation would be applied.

4.2 Research Designs

The research design of the study was suggested so as to enable the collection and interactions with quality information that would support the arrival at a comprehensive conclusion related to the impact of the applications of the mobile money transfer services on the cash transaction costs of NGO in Kisumu central sub county.

The research applied a descriptive approach to its investigation. The descriptive study enabled the researcher to investigate through the data for the research and deduce worthy information that helped in responding to the research problem. Accordingly, the descriptive study solidly helped to anchor that basis to which the utilization of the mobile money transfer service in the operations of the NGO in Kisumu central sub county affects their cash transaction cost.

4.3 Target Populations and Sampling

The main target for the study were the Finance, Administrative & Audit staffs in the NGOs operating in Kisumu Central sub-county and had adopted the use of mobile money transfer services within their operations. Several NGOs had adopted the mobile money services as a transactional platform when dealing with their beneficiaries and partners, especially those who operate in peri-urban centers. The target populations who were Head of Finance/Administration or Audits of NGOs within Kisumu sub-county

enabled the study to effectively investigate the extent to which the adoption of mobile money transfer in the operations of NGO impacted on cash transaction cost. The study utilized questionnaires on respondent.

4.4 Sampling

The sample included all the 119 NGOs operating or registered in Kisumu central sub county. Responses from the representatives of these NGOs were collected using questionnaires.

4.5 Data Collection

The research took into consideration the collection of both primary and secondary data. The secondary data was based on the several literatures, studies that had been previously published from peer-reviewed journals available in various publications. The secondary research also relied on testing various theoretical foundations relevant to the applications of technology for community consumption. The primary research took into account the semi structured interviews and discussions which were handled on the segmented demography. The data was collected using the questionnaires and the interviews. The structured questionnaire was developed from the literature reviews content scheduled within the research questions to focus on the delivery of the objectives of the research. The study allowed respondents to seek clarifications in areas they had little understanding so as to refine the accuracy of the results that were received.

4.6 Data Analysis

The received questionnaires were confirmed against the ones released to establish those that were received back. The data collected were sorted and cleaned after coding. A statistical data analysis tool Statistical package for social science (SPSS) version 22.0 was used for the analysis. The descriptive model was employed to analyze the data into

mean scores and percentages for easier interpretation and understanding. The interpretation was rated against the previous findings as per the literature review section. This will help to establish whether the findings of the study are in agreements with previous works and publication and if a variance is established contrast, then provide reasonable evidence to the deviation.

CHAPTER 4 - DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the data analysis, presentation, interpretation and discussions of the findings. The study ascertained how the adoption of mobile money transfer method of payments impacts on cash transactions costs by NGOs in Kenya. The chapter begins with the response rate and then demographic information of the respondents.

4.2 Response Rate

A total of 175 questionnaires were sent out to the respondents to fill. Of these, 164 were returned for analysis. The latter accounted for 93.7% response rate. A response rate of 70% and above is adequate (Mugenda and Mugenda 1999) and hence, a response rate of 93.5% was acceptable for data analysis. Table 4.1 shows the response rate.

Table 4.1: Response rate

Category	Frequency	Percentage
Administered	175	100
Returned	164	93.7

Source: Reseacher,2022

4.3 Demographic Characteristics of the respondents

Among the demographic information sought were use of mobile transfer, age, years of experience operating on mobile money transfer. These variables were considered to have an influence on the relationship between adoption of mobile money transfer method of payments and cash transactions costs by NGOs in Kenya. The results are presented in table 4.2

Table 4.2: Use of mobile money transfer

Category	Frequency	Percentage
Using	164	100
Not using	0	0
Total	164	100

Source: (Researcher,2022)

4.4 Demographic Characteristics of the respondents

Among the demographic information sought were use of mobile transfer, age, years of experience operating on mobile money transfer. These variables were considered to have an influence on the relationship between adoption of mobile money transfer method of payments and cash transactions costs by NGOs in Kenya. The results are presented in Table 4.2.

Table 4. 1: Use of mobile money transfer

Category	Frequency	Percent
Using	164	100.0
Not using	0	0.0
Total	164	100.0

Source (Researcher, 2022)

Table 4.2 shows that all 164(100.0%) of the respondents were using the mobile transfer. This implies that all the targeted organizations have already adopted the use of mobile transfer. Additionally, the respondents were asked to indicate the number of years they have worked in the organization. The results are presented in Table 4.3.

Table 4.3: Respondents' years worked in the organization

Category	Frequency	Percent
<5 years	0	0.00
5-10 years	57	34.8
More than 10 years	107	65.2
Total	164	100.0

Source (Researcher, 2022)

As shown in Table 4.3, most respondents i.e. 107(65.2%) had worked in the organization for more than 10 years, 57(34.8%) for 5-10 years and none for a period of less than 5 years. This implies that the respondents had worked in the organization for a long period, hence easily understood the organizations' values and principles.

Lastly, the respondents were asked to state the number of years they had operated mobile money transfer in the organization. The results are presented in Table 4.4.

Table 4.4: Respondents' years using mobile money transfer.

Category	Frequency	Percent
<5 years	0	0.00
5-10 years	90	54.9
More than 10 years	74	45.1
Total	164	100.0

Source (Researcher, 2022)

Table 4.4 shows that majority 90(54.9%) of the respondents had used mobile money transfer in the organization for 5-10 years,74(45.1%) for more than 10 years and none for a period of less than 5 years. This implies that the respondents had used mobile money transfer in the organization for a long period.

4.5 Effects of mobile money transfer on the cost of redoing counts, auditing tills and time associated

Frequencies, percentages and mean distribution was used. It enabled the researcher to analyze how the respondents rated the effects of mobile money transfer on the cost of redoing counts, auditing tills and time associated. These were applied for the level of agreement on a five-point Likert scale and summarized in Table 4.5.

Table 4.5: Effects of mobile money transfer on the cost of redoing counts, auditing tills and time associated

Rating	Frequency	Percentage	Mean
Very high	52	31.7	3.93
High	84	51.2	
Average	7	4.3	
Low	6	3.7	
Very low	15	9.1	
Total	164	100.0	

Source: (Researcher,2022)

According to the table 84(51.2%) indicated that mobile money transfer occasioned very high reduction on the cost of redoing counts, auditing tills and time associated, 52(31.7%) stated high, 15(9.1%) very low, 7(4.3%) average and 6(3.7%) low reduction. The results show that mobile money transfer has high (Mean=3.93) reduction on the

cost of redoing counts, auditing tills and time associated. This implies that when mobile money transfer is adopted, there will be high reduction in cost of redoing counts, auditing tills and time associated. This concurs with the findings of Sri Krishnan 2017 that embracing mobile technology on cash transactions has colossal savings on NGOs.

4.6 Effects of mobile money transfer on bank charges

Frequencies, percentages and mean distribution was used. It enabled the researcher to analyze how the respondents rated the effects of mobile money transfer on the reduction of costs of bank charges. These were applied for the level of agreement on a five-point Likert scale and summarized in Table 4.6.

Table 4. 6: Effect of mobile money transfer on bank charges

Rating	Frequency	Percentage	Mean
Very high	36	22	3.67
High	80	48.8	
Average	20	12.2	
Low	14	8.5	
Very low	14	8.5	
Total	164	100.0	

Source (Researcher, 2022)

According to the table, 80(48.8%) indicated that mobile money transfer caused high reduction on bank charges, 36(22.0%) stated very high, 20(12.2%) average, 14(8.5%) low and 14(8.5%) very low reduction. The results revealed that mobile money transfer have high (Mean=3.67) reduction on bank charges. This implies that when mobile money transfer is adopted, there will be high savings in bank charges. This is in line

with the findings of Srikrishnan 2017 on cost savings by NGOs when they embrace mobile money transfer on their payment system.

4.7 Effects of mobile money transfer on cash shrink

Frequencies, percentages and mean distribution was used. It enabled the researcher to determine how the respondents rated the effects of mobile money transfer on the reduction of costs associated with cash shrinks. These were applied for the level of agreement on a five-point Likert scale and summarized in Table 4.7.

Table 4.7: Effect of mobile money transfer on costs associated with cash shrink

Rating	Frequency	Percentage	Mean
Very high	90	54.9	4.20
High	47	28.7	
Average	10	6.1	
Low	3	1.8	
Very low	14	8.5	
Total	164	100.0	

Source (Researcher, 2022)

Table 4.7, 90(54.9%) of the respondents indicated that mobile money transfer had very high reduction on cash shrink, 47(28.7%) stated high, 14(8.5%) very low, 10(6.1%) average and 3(1.8%) low effect. The study findings suggested that mobile money transfer had high (Mean=4.20) reduction on cash shrink. This implies that when mobile money transfer is adopted, there will be lower losses occasioned by cash shrink. This supports the findings of Luam and Lin (2005) that embracing mobile payment improves straightforwardness and decreases spillages.

4.8 Effects of mobile money transfer on cash on transit costs & staff travel costs related to funds transaction

Frequencies, percentages and mean distribution was used. It enabled the researcher to determine how the respondents rated the effects of mobile money transfer on the reduction of costs associated with cash on transit services & staff travels related to transacting funds. These were applied for the level of agreement on a five-point Likert scale and summarized in Table 4.8.

Table 4. 8: Effect of mobile money transfer on cash on transit costs & staff travel costs related to funds transaction

Rating	Frequency	Percentage	Mean
Very high	90	54.9	4.23
High	43	26.2	
Average	19	11.6	
Low	2	1.2	
Very low	10	6.1	
Total	164	100.0	

Source (Researcher, 2022)

As per the table above, 90(54.9%) of the respondents indicated that mobile money transfer caused very high reduction on Cash on Transit costs & staff travel costs related to funds transaction, 43(26.2%) stated high, 19(11.6%) average, 10(6.1%) very low and 2(1.2%) low reduction. The study findings revealed that mobile money transfer caused high (Mean=4.23) reduction on cash on transit costs & staff travel costs related to funds transaction. This implies that when mobile money transfer is adopted, there will be high savings in cash on transit costs & staff travel costs related to funds transaction. This is

in line with the findings of Suri and Jack (2016) that embracing technology improved efficiency and lead to cost saving.

4.9 Effects of mobile money transfer on Costs associated with preparation and coordination of deposits or change orders

Frequencies, percentages and mean distribution was used. It enabled the researcher to determine how the respondents rated the effects of mobile money transfer on the reduction of costs associated with preparation and coordination of deposits or change orders. These were applied for the level of agreement on a five-point Likert scale and summarized in Table 4.9.

Table 4. 9: Effect of mobile money transfer on costs associated with preparation and coordination of deposits or change orders

Rating	Frequency	Percentage	Mean
Very high	99	60.4	4.35
High	47	28.7	
Average	4	2.4	
Low	5	3.0	
Very low	9	5.5	
Total	164	100.0	

Source (Researcher, 2022)

Table 4.9, 99(60.4%) of the respondents indicated that implementation of mobile money transfer system reduced very highly the costs associated with preparation and coordination of deposits or change orders, 47(28.7%) stated high reduction, 9(5.5%) very low, 5(3.0%) low and 4(2.4%) average effect. The study findings suggested that mobile money transfer reduced to a high (Mean=4.35) extent the costs associated with

preparation and coordination of deposits or change orders. This implies that when mobile money transfer is adopted, there is high reduction in costs associated with preparation and coordination of deposits or change orders. This supports the findings of Srikrishnan 2017 and Suri and Jack (2016) that embracing mobile payment reduced cost for the organization.

4.10 Effects of mobile money transfer on cash transaction costs of start/rebuild drawer/close drawers or safe

Frequencies, percentages and mean distribution was used. It enabled the researcher to determine how the respondents rated the effects of mobile money transfer on the reduction of costs associated with costs of start/rebuild drawer/close drawers & safes. These were applied for the level of agreement on a five-point Likert scale and summarized in Table 4.10

Table 4. 10: Effect of mobile money transfer on costs of start/rebuild drawer/close drawers or safe.

Rating	Frequency	Percentage	Mean
Very high	83	50.6	4.35
High	68	41.5	
Average	6	3.7	
Low	2	1.2	
Very low	5	3.0	
Total	164	100.0	

Source (Researcher, 2022)

As shown in Table 4.10, 83(50.6%) of the respondents indicated that mobile money transfer occasioned very high reduction on costs of start/rebuild drawer /close drawers or safe, 68(41.5%) stated high, 6(3.7%) average, 5(3.0%) very low and 2(1.2%) low effect. The study findings revealed that mobile money transfer reduced very highly (Mean=4.35) the costs of start/rebuild drawer/close drawers or safe. This implies that when mobile money transfer is adopted, there will be high reduction in costs of start/rebuild drawer /close drawers or safe. This is in line with the findings of Srikrishnan 2017 and Suri and Jack (2016) that embracing technology led to reduction on costs.

4.11 Areas the respondents believed should retain cash as the payment system.

Petty cash: Several respondents suggested that petty cash system should be maintained in terms of cash. The volunteered reason was that these were small and impromptu and running them through the normal mobile payment system occasioned unnecessary costs and delay in reacting to emergencies.

High volume/Small value payments to participants: Other respondents suggested that these should be made in cash. They reasoned that most times, the facilitators and the trainees/attendees are together and therefore, the former need to be advanced the funds to disburse. This would help avoid the unnecessary disbursement and withdrawal charges that the organization must incur in mobile payment. It would also reduce the occasions of funds being wired to other people rather than the signing participants' phone lines due to issues of mobile debts. They opined some participants shy off from attending if they know the funds would not come direct to them.

4.12 Risks associated with MMT Payment and mitigation measures against.

The respondents noted the risks associated with MMT as follows:

Fraud: There is high risk of losing finance through fraudsters who use several techniques to con users of their money. Some respondents even alluded to insider dealings by MMT providers. It is suggested that there be serious education to the population and efforts be made to nab such conmen with strict laws being enacted to deal firmly with offenders.

Hackers: Some respondents pointed out to hackers who have skills to access and break any security features. These technical people end up transferring users' funds without a trace. At some point, it is even impossible for the clients to be compensated because of the intricacies involved. There is need to enhance further the security features of the MMT to guard against the risk and at the same time, the scheme for compensation should not be too stringent that payment is impossible.

Loss of funds on the demise of user: MMT allows for storage of funds. However unlike in conventional financial providers where one nominates a beneficiary, it is operated solely by the owner and unless someone is able to assess the password, any balances in the account is lost on the demise of the owner. The MMT providers need to borrow some practices from the conventional providers to guard against the same.

CHAPTER FIVE - SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of the findings, conclusion, and recommendation of the study.

5.2 Summary of the study findings

The section presents the summary of the findings as per the study objectives.

5.2.1 Effects of mobile money transfer on the cost of redoing counts, auditing tills and time associated

The study determined how the respondents rate the effects of mobile money transfer on the cost of redoing counts, auditing tills and time associated. Majority of the respondents indicated that mobile money transfer had high and very high effect on the cost of redoing counts, auditing tills and time associated. Therefore, the study findings suggested that mobile money transfer tended to have high effect on the cost of redoing counts, auditing tills and time associated.

5.2.2 Effects of mobile money transfer on bank charges

The study established how the respondents rate the effects of mobile money transfer on bank charges. Most of the respondents indicated that mobile money transfer had high and very high effect on bank charges. Consequently, the study findings revealed that mobile money transfer tended to have high effect on bank charges.

5.2.3 Effects of mobile money transfer on cash shrink

The study determined how the respondents rate the effects of mobile money transfer on cash shrink. Majority of the respondents indicated that mobile money transfer had high

and very high effect on cash shrink. Therefore, the study findings suggested that mobile money transfer had high effect on cash shrink.

5.2.4 Effects of mobile money transfer on cash on transit costs & staff travel costs related to funds transaction

The study established how the respondents rate the effects of mobile money transfer on Cash on Transit costs & staff travel costs related to funds transaction. Most of the respondents indicated that mobile money transfer had high and very high effect on Cash on Transit costs & staff travel costs related to funds transaction. Consequently, the study findings revealed that mobile money transfer had high effect on cash on transit costs & staff travel costs related to funds transaction.

5.2.5 Effects of mobile money transfer on costs associated with preparation and coordination of deposits or change orders

The study determined how the respondents rate the effects of mobile money transfer on costs associated with preparation and coordination of deposits or change orders. Majority of the respondents indicated that mobile money transfer had high and very high effect on costs associated with preparation and coordination of deposits or change orders. Therefore, the study findings suggested that mobile money transfer had high effect on costs associated with preparation and coordination of deposits or change orders.

5.2.6 Effects of mobile money transfer on cash on costs of start/rebuild drawer/close drawers or safe

The study established how the respondents rate the effects of mobile money transfer on costs of start/rebuild drawer/close drawers or safe. Most of the respondents indicated

that mobile money transfer had high and very high effect on costs of start/rebuild drawer /close drawers or safe. Consequently, the study findings revealed that MMT caused high reduction on costs of start/rebuild drawer/close drawers or safe.

5.3 Conclusion

From the findings, it is concluded that adoption of mobile money transfer method of payments affects cash transactions costs by NGOs in Kenya. Accordingly, it is concluded that mobile money transfer tends to have high effect on bank charges, cash shrink, and the cost of redoing counts, auditing tills and time associated. Additionally, mobile money transfer has high effect on cash on transit costs & staff travel costs related to funds transaction. Similarly, mobile money transfer has high effect on costs associated with preparation and coordination of deposits or change orders. Lastly, mobile money transfer has high effect on costs of start/rebuild drawer/close drawers or safe.

5.4 Recommendations

Based on the findings of the research, it is clear that adoption of mobile money transfer method of payments affects cash transactions costs by NGOs in Kenya. The study therefore suggests the following recommendation to the policy makers to have a guide for the adoption of mobile money transfers.

5.5 Recommendations for further studies

Future studies could zero in on the following:

Narrow down to the effect of each indicator of cash transactions costs.

Because only six variables of cash transactions costs: bank charges; cash shrink; cost of redoing counts, auditing tills and time associated; cash on transit costs & staff travel costs related to funds transaction; costs associated with preparation and coordination of

deposits or change orders; and costs of start/rebuild drawer/close drawers or safe. A research could be undertaken to assess the effect of adoption of mobile money transfer method of payments on cash transactions costs by NGOs in Kenya.

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TO WHOM IT MAY CONCERN

The bearer of this **FREDRICK OCHIENG OKELLO**

REGISTRATION NO: **D61/84377/2016**

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, he is expected to carry out a study on **"The effects of Mobile Money Transfer on Cash Transaction cost in Non-governmental organization in Kisumu Central Sub-county."**

He has identified your organization for that purpose. This is to kindly request your assistance to enable her complete the study. The exercise is strictly for academic purposes and your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

A handwritten signature in black ink, appearing to read 'NIXON OMORO', written over a horizontal line.

DR NIXON OMORO
CO ORDINAOTR, SOB, KISUMU CAMPUS

Cc File Copy

QUESTIONNAIRE

Dear respondent,

I, Fredrick Ochieng Okelo is an MBA student at the University of Nairobi (Kisumu Campus) specializing in Finance. In partial fulfilment for the requirement of the programme, I am carrying out a research on **The effects of mobile money transfer on cash transaction costs in non-governmental organizations in Kisumu central sub county.**

All the information volunteered by filling in the questionnaire or through any other means is meant only for this research and will be treated with utmost confidence. I therefore humbly request you to fill in accurately and sincerely.

INSTRUCTION: Tick or fill in the appropriate spaces provided.

PART 1.

Name of the organization:

.....

1. Years in operation: Less than 5 years 5-10 years Above 10 years
2. Have you adopted Mobile Money Transfer? Yes No
3. Years' operating mobile money: Less than 5years 5-10years Above 10 years
4. Position of the respondent.....

PART II

5. How do you rate the effect of MMT on the cost of redoing counts, auditing tills and time associated with recounts?
Very High High Average Low Very low
6. With regards to bank charges, how can you rate the effect of MMT on reduction of the transaction cost.
y high High Average Low Very low
7. What is your rating of the effect of MMT on cash shrink (Cost of theft, fraud or other cash loss activities)?

Very high High Average Low Very low

8. Regarding the cost of Cash in Transit costs or costs of staff going to make deposits, how do you rate the reduction caused by embracing MMT?

Very high High Average Low Very low

9. How do you rate the reduction by MMT on costs associated with preparation and coordination of deposits or change orders?

Very high High Average Low Very low

10. How would you rate the cost reduction by MMT on Start/rebuild drawer/close drawer or safes?

Low Very low Very High High Average

11. Do we have areas you believe should retain cash as a model of payment and why?

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12. What are the risks experienced when utilizing the MMT payments systems that disadvantage it from bank payments and how can they be mitigated?

Risk One:
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Risk Two:
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Risk Three:
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13. Any Comments:

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