

BUSINESS

How smart financing is helping Ugandan schools stay open and growing

As a new school term begins, classrooms fill with eager learners, but behind the scenes many schools face a familiar financial storm. Salaries must be paid, utilities cleared, supplies purchased and facilities maintained, all before most parents complete paying school fees. This timing gap can strain budgets, disrupt operations and in extreme cases affect the quality of learning. Education and finance experts say the solution lies in one often overlooked tool—early financial planning. In Uganda's private education sector, where fees are commonly paid in installments, the start of term represents the period of highest expenditure and lowest cash inflow. Without careful budgeting and access to flexible financing, schools risk delays in staff payments, stalled projects and reduced service delivery. Equity Bank Uganda is positioning itself as a key partner in helping schools navigate this pressure

through structured financial solutions tailored to the academic calendar. According to Equity, institutions that forecast income and expenses term by term are far more resilient to seasonal cash shortages. By separating day-to-day operational costs from long-term development projects, schools can maintain stability while still pursuing expansion. "When schools plan early, they understand how much money will come in and how much will go out," said Olivia Mugaba, Head of SMEs at Equity Bank Uganda. "This helps them avoid pressure at the beginning of the term." The bank works with school administrators to map projected fee collections against anticipated expenses, ensuring that loan repayments fall during periods when revenue is strongest. Across the country, many private schools are investing heavily in infrastructure to meet growing demand. New classroom blocks, dormitories, school buses, ICT



Olivia Mugaba- Head of SMEs at Equity Bank

laboratories and improved water and energy systems are becoming standard expectations. Ms Mugaba explained that through tailored asset financing, schools can acquire these investments without making large upfront payments. Funds are often paid directly to approved suppliers, accelerating delivery while ensuring transparency. In some cases, the asset itself serves as collateral, reducing the need for additional security. "Repayment schedules are designed around school fee

cycles, with options for termly or seasonal payments and, in some cases, short repayment breaks during holidays when income drops," said Ms Mugaba. Financial institutions now offer multiple credit products designed specifically for educational institutions. These include long-term loans for construction projects, working capital facilities for operational expenses, overdrafts for short-term liquidity, and bridging loans to cover temporary cash flow gaps. Such flexibility is intended

to ensure that learning continues uninterrupted, even when finances fluctuate. Schools investing in renewable energy or water systems may also qualify for special financing arrangements, reflecting the growing importance of sustainable infrastructure in education. Beyond loans, digital banking platforms are transforming how schools manage finances. Systems such as School Pay, Peg Pay, and Sure Pay enable parents to pay fees electronically, reducing long queues and improving accountability. Online banking services also allow institutions to pay staff and suppliers efficiently while maintaining real-time financial records, an important factor for transparency and planning. Banking support increasingly extends beyond financing to include advisory services. Schools can receive guidance on budgeting, project planning, risk management, and digital financial management, helping administrators make

informed decisions as they grow. To access financing, institutions typically need to provide registration documents, financial statements, enrollment trends, and detailed project plans. Smaller facilities can sometimes be approved quickly, while larger developments undergo more extensive assessment. As Uganda's education sector expands, financial sustainability is becoming as critical as academic performance. Experts warn that without careful planning; even well-intentioned investments can strain institutions. By combining early budgeting, flexible financing, digital tools, and advisory services, banks and schools are working to ensure that financial challenges do not derail learning. For thousands of students returning to school each term, the goal is simple: classrooms that function smoothly from day one. Behind that stability, however, lies a carefully managed balance sheet. In the modern education landscape, keeping schools running may depend as much on financial discipline as on dedicated teachers and eager learners.