

ISRG Journal of Arts, Humanities and Social Sciences (ISRGJAHSS)



ISRG PUBLISHERS

Abbreviated Key Title: ISRG J Arts Humanit Soc Sci

ISSN: 2583-7672 (Online)

Journal homepage: <https://isrgpublishers.com/isrgjahss>

Volume – IV Issue - V (September-October) 2026

Frequency: Bimonthly



EVALUATING UNIVERSITY FUNDING AND FINANCING SUSTAINABILITY IN NIGERIA: A DESCRIPTIVE LITERATURE REVIEW OF EFFICIENCY, ACCOUNTABILITY AND INSTITUTIONAL OUTCOMES

JACINTA CHIKA IWUNZE (Ph.D)

FEDERAL MINISTRY OF EDUCATION, FEDERAL GOVERNMENT COLLEGE, ENUGU, NIGERIA.

| **Received:** 08.10.2026 | **Accepted:** 12.10.2026 | **Published:** 13.10.2026

***Corresponding author:** JACINTA CHIKA IWUNZE (Ph.D)

Abstract

Inadequate public financing, infrastructure deficits, rise in operational costs, growing demands for quality teaching, research and innovations all raise concerns around the financial sustainability of Nigerian universities, such that have become increasingly important over the years. From an Educational Measurement and Evaluation perspective, this article evaluates university funding and financial sustainability in Nigeria, focusing on funding adequacy, resource-use efficiency, financial accountability, revenue diversification and institutional outcomes. A Descriptive Literature Review Design is adopted in the study as it synthesizes relevant scholarly literature, policy documents and authoritative institutional sources on higher-education financing. It is a review centrally informed by Ndubuisi-Okolo and Dibua (2023), whose critical review identifies insufficient funding, poor management, limited institutional autonomy and political factors as major constraints on the financial sustainability of Nigerian public universities, while advocating revenue diversification through grants, consultancy, business ventures, investments and alumni engagement. The review further discovers that financial sustainability should not be assessed solely by the volume of funding received, but by the relationship between financial inputs, management processes, institutional outputs, educational outcomes and the capacity to sustain those outcomes. The usefulness of evaluation approaches such as the Balanced Scorecard in assessing institutional financial sustainability is demonstrated in existing Nigerian evidence, while research on performance-based funding suggests that funding can be linked to measurable quality and completion outcomes. Consequently this article proposes the University Financial Sustainability and Institutional Performance Index (UFSIPI) as a conceptual framework comprising funding adequacy, financial efficiency, accountability, revenue diversification, institutional outputs, educational outcomes and long-term sustainability. It is a framework proposed for future empirical validation.

Keywords: UNIVERSITY FUNDING, FINANCIAL SUSTAINABILITY, EDUCATIONAL MEASUREMENT, EDUCATIONAL EVALUATION, FINANCIAL ACCOUNTABILITY, INSTITUTIONAL PERFORMANCE.

1. INTRODUCTION

The position occupied by universities in the development of human capital, knowledge production, technological innovation and national economic capacity is very strategic. The responsibilities of Universities extend to research, innovation, professional training, community engagement and the production of knowledge required for economic and social development- beyond the classroom. Adequate and sustainably managed economy is required to discharge these responsibilities effectively.

Consequently, financing of Nigerian universities has become an important concern in educational management and economics. The question however, is not simply whether universities receive sufficient financial resources, determining whether available resources are adequately allocated, efficiently utilized, properly accounted for and converted into measurable educational and institutional outcomes, is equally important.

Inadequate funding, poor management, limited autonomy and political factors have all been identified by Ndubuisi- Okolo and Dibia (2023) as major constraints on the financial sustainability of Nigerian public universities. The duo thus recommends greater revenue generation through grants, consultancy, business ventures, and investment returns and alumni support.

The particular relevance of the issue stems from the fact that university expenditure represents an investment in human capital. Educational value is expected to be produced and guaranteed with funding- through improved infrastructure, teaching resources, staff development, research productivity, student achievement and graduate competence. On that premise, an objective evaluation of university financing requires more than documenting financial allocations. The relationship between financial inputs and educational outcomes needs to be examined.

This underscores the relevance of Educational Measurement and Evaluation. Measurement provides and specifies procedures for obtaining evidence about specified attributes or indicators, while evaluation implies/involves judging the quality, effectiveness, adequacy or value of a programme, policy or intervention against established criteria.

A particularly appropriate context for such an approach is provided by the Nigerian higher-education environment. An allocation of

₦2,525,932,228.02 to each public university was announced by TETFUND for its 2026 intervention, alongside separate allocations to polytechnics and colleges of education. Concerns about delays by some beneficiary institutions in accessing and utilizing allocated funds, were also identified by the Fund.

Given the magnitude of such intervention, the evaluation question is unavoidable:

Are financial resources being transformed into institutional and educational value- how effectively?

The importance of this question is already demonstrated in existing research. A balanced Scorecard approach was used by Odewole et al.(2020) to examine financial sustainability in Nigerian public higher educational institutions and substantial dependence on central government funding was reported. Meanwhile, Madu et al. (2022), discovered that electronic-payment adoption and technological capability were positively associated with financial sustainability in Nigerian tertiary institutions. Performance-based

funding is further proposed by Atolagbe et Al.(2020) as a mechanism for connecting financing with quality assurance and measurable educational outputs.

It is evident from these studies that the relationship between funding and institutional sustainability can be measured and evaluated. The literature, however, remains fragmented across educational management, economics, accounting, technology and quality assurance. Having an integrated framework that brings these dimensions together from an Educational Measurement and Evaluation perspective is therefore imperative. That is the gap this article is set to address.

Objectives of the Review

This article seeks to achieve the following:

Examining the major sources and patterns of university funding in Nigeria,

Thoroughly synthesizing literature on the financial sustainability of Nigerian universities;

Examining the relationship between financial management and institutional performance;

Identifying measurable indicators for evaluating university financial sustainability;

Examining the relevance of Educational Measurement and Evaluation to university financing, and proposing a conceptual framework for evaluating financial sustainability and institutional performance.

2. CONCEPTUAL REVIEW

University Funding

This refers to financial resources mobilized and allocated to the support of teaching, research, infrastructure, personnel, administration, student services and institutional development.

The following are the major sources available to Nigerian universities:

Government appropriations; TETFund interventions, internally generated revenue; research grants, consultancy; endowments; alumni contributions; entrepreneurial activities; public-private partnerships, among other legitimate revenue sources.

Public Universities traditionally depend on government financing. This has increasingly come under pressure because of fiscal constraints and expanding institutional responsibilities. Revenue diversification has consequently been advocated by Ndubuisi-Okolo and Dibia(2023) as part of the solution to financial sustainability.

This implies that contemporary university financing should be understood as a portfolio of resources, rather than as a single government-funding stream.

Financial Management

Budgeting, resource mobilization, allocation, expenditure control, monitoring, reporting, auditing and financial decision-making are all encompassed in financial management.

Thus, the quality of institutional financial management partly determines the effectiveness of funding.

It is possible for a university to receive considerable financial resources and yet obtain limited educational value if resources are poorly allocated, expenditure is inefficient or financial controls are weak.

An important evaluation question arises from this distinction:

What educational and institutional value does each category of financial input generate?

From a purely accounting concern, financial management is moved by that question towards performance evaluation.

Financial Sustainability

The capacity of an institution to maintain its essential operations, fulfil its mission and pursue its strategic objectives over an extended period without persistent financial instability defines financial sustainability.

Insufficient funding, poor management, limited autonomy and political factors are identified in Ndubuisi-Okolo and Dibua (2023) as important constraints on the financial sustainability of Nigerian public universities.

Therefore, financial sustainability should be viewed as multidimensional: Funding adequacy + financial efficiency + accountability + revenue diversification + institutional performance + resilience.

3. THEORETICAL FRAMEWORK

Resource Dependence Theory

Resource Dependence Theory (RDT) developed by Pfeffer and Salancik (1978) provides an anchor for this study.

The argument of RDT is that organizations depend on resources controlled by actors in their external environments. Organizational decisions, behaviour and autonomy can be influenced by this dependence.

The theory is of particular relevance to Nigerian universities. This is because public institutions depend on the government, TETFund, students, donors, development partners, industry and other stakeholders for resources.

Depending excessively on a single source can increase institutional vulnerability. Thus, revenue diversification becomes a potential mechanism for reducing resource dependence.

Diversification must however be accompanied by accountability and evaluation. An institution does not necessarily become financially sustainable by generating additional revenue. If the Additional income has to be stable, affordably generated or achieved, and that, not at the expense of academic quality.

Consequently, RDT provides the theoretical basis for examining the relationship between resource dependence, funding diversification and institutional sustainability.

4. METHODOLOGY

Research Design

A Descriptive Literature Review Design is adopted for the study. The design is viewed as appropriate because the study does not collect primary data from university administrators, academic staff or students. It identifies, describes, compares and synthesizes

existing literature and documentary evidence relating to university funding and financial sustainability, instead.

Rather than statistical, the purpose is interpretive and synthesizing.

Sources of Literature

The literature base is made up of the following:

Peer-reviewed journal articles; scholarly publications, government policy documents; TETFund publications; National Universities Commission materials; university institutional documents; international higher-education reports; and relevant African comparative literature.

Nigerian literature is prioritized because the article focuses on Nigeria, while international and African literature is used where it provides theoretical, methodological or comparative insight.

Selection and Organisation of Literature

The Literature followed the following order of thematic organization :

Funding adequacy; financial efficiency; financial accountability; revenue diversification;

institutional outputs; educational outcomes; and financial sustainability

The review is a thematic synthesis of relevant literature, rather than claiming to be a systematic review or meta-analysis.

5. LITERATURE REVIEW

Funding Adequacy

Adequate funding refers to the foundation upon which university operations depend. Infrastructure, equipment, research, staff development and teaching quality may be affected by inadequate infrastructure.

Insufficient funding is identified in Ndubuisi-Okolo and Dibua (2023) as a major factor limiting the financial sustainability of Nigerian public universities.

Comparing one year's budget with another however, does not adequately capture the problem. Assessing Funding adequacy should be relative to :student population; staffing requirements; programme costs; infrastructure needs ;research obligations; inflation; institutional mission; and national development priorities. A useful measurement question is therefore:

Does the available funding sufficiently address the institution's demonstrable educational and operational needs?

Financial Efficiency

Efficiency here has to do with the relationship between resources used and outputs produced.

A conceptual efficiency ratio may thus be represented as: Financial Efficiency = Institutional/Educational Outputs ÷ Financial Inputs.

This formula is not in any way intended to reduce university performance to a single number, it rather demonstrates the importance of connecting financial expenditure with observable outcomes.

Expenditure per student; expenditure per graduate; research expenditure per research output; staff-development expenditure per staff member; infrastructure expenditure relative to functional

facilities; and administrative expenditure relative to academic expenditure, are altogether possible indicators.

With such indicators, institutions can guided ask whether resources are being used economically.

Financial Accountability

Accountability deals with the extent to which institutions can demonstrate that resources were received, allocated and used appropriately. Financial accountability should however not stop at compliance. It involves at least four levels, thus:

Level	Central question
Financial accountability	Was the money properly accounted for?
Managerial accountability:	Was it managed efficiently?
Performance accountability	Were planned outputs achieved
Outcome accountability	Did expenditure produce meaningful educational results?

The fourth level is of particular relevance to Educational Measurement and Evaluation.

Revenue Diversification

One strategy frequently proposed for reducing institutional dependence on government financing is revenue diversification.

Grants, consultancy, business ventures, investment returns and alumni engagement are all recommended in Ndubuisi-Okolo and Dibua(2023) as potential additional sources of revenue.

Recent research also suggests that Technology is also suggested in recent research as capable of supporting financial sustainability. Using data from 223 non-academic employees across 12 Nigerian higher institutions, Maduet Al.(2022) found a positive relationship between electronic-payment adoption and financial sustainability, with technological capability acting as a mediator.

It follows therefore that revenue diversification should be accessed through both quantity and quality.

The following questions are important:

How much is the revenue generated?; How stable is the revenue?; What is the cost of generating the revenue ? Does the revenue generated reduce dependence on the government?

Does it support academic objectives?; Does it create new institutional risks?

Balanced Scorecard and Financial Sustainability

The study by Odewole et al.(2020) is an important Nigerian contribution to the measurement of university financial sustainability. Twenty five public federal higher-education institutions were examined by the researchers, using secondary financial data and a Balanced Scorecard approach. According to their report, more than 92% fell within a basic sustainability category based on the relationship between internally generated revenue and recurrent expenditure, while none reached the advanced category characterized by zero reliance on external funding.

This study is of particular significance to the present article because it demonstrates that financial sustainability can be operationalized through measurable indicators.

It also establishes an important precedent for the proposed UFSIPI.

Technology and Financial Sustainability

Madu et al. (2022) provide another important measurement-oriented contribution.

Their study found that electronic-payment adoption had a significant positive effect on financial sustainability and that technological capabilities mediated this relationship.

This suggests that financial sustainability is not merely a function of funding volume-it can also be influenced by the institutional systems through which financial resources are collected, managed and monitored.

Technological capability could therefore constitute an additional indicator within future institutional financial-sustainability assessments.

Performance-Based Funding

Funding is explicitly connected with educational quality assurance in Atolagbe et al.(2022). Their literature-based article proposes that Funding formulas , as proposed in their literature-based article, could be linked to measurable outputs such as student credit attainment and degree completion. This is an argument highly relevant to Educational Measurement and Evaluation.

Its implication is that funding can be designed around measurable institutional outcomes rather than historical allocations alone.

Performance-based funding should however be applied cautiously. Institutions may be encouraged by poorly designed indicators to prioritize easily measurable outcomes while neglecting less easily measured dimensions such as research quality, equity, innovation and community engagement. Indicator validity consequently becomes crucial.

6. TETFUND AND THE EVALUATION OF UNIVERSITY FINANCING

One of the most important components of Nigeria's tertiary-education financing structure is TETFund. It announced

₦2,525,932,228.02 for each public university, for the 2026 intervention cycle. Concerns were also reported by the fund about delays in accessing and utilizing previously allocated resources-illustrating why allocation figures alone are insufficient measures of funding effectiveness.

Let us suppose that two universities receive identical allocations:

University A: is credited with accessing , implementing and evaluating its projects efficiently.

University B: on the other hand is credited with delaying access to its, under utilizing funds or failing to convert expenditure into functional outputs.

The two institutions have potentially very different outputs and outcomes despite having identical financial inputs.

The tools needed to distinguish funding allocation from funding effectiveness are therefore provided by Educational Measurement and Evaluation.

TETFund's research funding mechanism is a particularly useful contemporary example.

2024 Institution-Based Research grants at the University of Nigeria, Nsukka were released in tranches, with progress reports, financial documentation and completion reports required as part of the funding process. That is a demonstration of an important evaluation principle, thus: Funding→ implementation conditions → monitoring → evidence → completion →outcome assessment.

7. FUNDING AND INSTITUTIONAL OUTCOMES

Ultimately, University funding should contribute to: functional infrastructure; quality teaching; research productivity; staff development; student achievement; graduate competence; employability; innovation; and institutional development.

This broad orientation is reflected by TETFund's current intervention structure- with funding directed towards research, infrastructure, ICT, staff development and other institutional priorities.

The existence of funding however, does not establish effectiveness. It must be established by evaluation whether Input → Output → Outcome has actually occurred.

Example:

A:Input	B: Output	C:Outcome
₦X million allocated for laboratory development:	Laboratory constructed and equipped :	Improved practical teaching, Research productivity and Student competence.

D: Impact
Improved graduate skills and contribution to national innovation.

Financial sustainability evaluation should therefore extend to the outcome and impact levels.

8. EDUCATIONAL MEASUREMENT AND EVALUATION PERSPECTIVE

University financial sustainability is enhanced by three essential functions as contributions of Educational Measurement and Evaluation.

Measurement

Indicators through which institutional conditions and outcomes can be quantified are identified through Measurement.

Evaluation

Whether measured results meet established criteria or objectives is determined by Evaluation.

Decision-making

Future funding, resource allocation and management decisions are informed by Evaluation evidence. This produces the following relationship:

Measurement →Evidence →Evaluation →Decision →Improved Resource Allocation

Educational Measurement and Evaluation (EME) should thus not be understood as being limited to classroom testing. Its principles can be applicable to programmes, institutions, policies and educational systems.

9. PROPOSED UNIVERSITY FINANCIAL SUSTAINABILITY AND INSTITUTIONAL PERFORMANCE INDEX (UFSIPI)

University Financial Sustainability and Institutional Performance Index (UFSIPI) is proposed in this article as a conceptual framework for future empirical development- not as an already validated measurement instrument. The framework should be made up of seven dimensions.

PROPOSED UNIVERSITY FINANCIAL SUSTAINABILITY AND INSTITUTIONALPERFORMANCE INDEX (UFSIPI)

UFSIPI Dimension:

What the Dimension Measures Illustrative Indicators

Core Evaluation Question

1. What is measured: Adequacy of Funding

Illustrative Indicators: Sufficiency of financial resources in relation to institutional needs

Funding per student; funding relative to identified institutional needs

Core evaluation question: Are available resources sufficient to meet institutional needs?

2. What is measured: Financial Efficiency

Illustrative Indicators: Extent to which available resources are used economically to produce outputs

Cost-output ratios; expenditure structure; expenditure per student/output

Core evaluation question: Are financial resources being used economically and efficiently?

3. What is measured: Financial Accountability

Illustrative Indicators: Transparency, compliance and timeliness in the management and reporting of funds

Audit compliance; financial reporting; reporting timeliness

Core evaluation question: Are financial resources properly managed, documented and accounted for?

4. What is evaluated: Revenue Diversification

Illustrative Indicators: Degree to which the institution relies on multiple and sustainable revenue sources

Government funding/IGR/grants; proportion of internally generated revenue; revenue concentration

Core evaluation question: Is institutional dependence on a single funding source appropriately reduced?

5. What is measured: Institutional Outputs

Illustrative Indicators: Tangible institutional products resulting from financial investment

Infrastructure; research outputs; staff development; teaching facilities

Core evaluation question: What tangible institutional outputs have been produced from the resources provided?

6. What is measured: Educational Outcomes

Illustrative Indicators: Educational changes attributable, wholly or partly, to institutional activities and investments

Student completion; achievement; graduate competence; employability

Core evaluation question: What measurable educational changes have resulted from the investment?

7. What is measured :Financial Sustainability

Illustrative Indicators: Institution's capacity to maintain operations and performance over time

Revenue stability; liquidity; financial resilience; ability to sustain programmes

Core evaluation question: Can the institution maintain its operations and performance over time?

Proposed Development and Validation Pathway

The following stages should subsequently be undergone by the UFSIPI before it can be used as an empirical measurement instrument:

Stage

Development/Validation Activity Purpose

1

Indicator specification

Define precisely what is to be measured under each of the seven dimensions

2

Expert validation

Establish the relevance, clarity and content adequacy of the indicators

3

Pilot testing

Test the framework with a small sample of Nigerian universities

Reliability assessment

Determine the consistency of the measurement dimensions and indicators

5

Construct-validity analysis

Establish whether the proposed dimensions adequately represent the underlying constructs

6

Weighting procedures

Determine the relative contribution of each dimension to the overall index

7

Empirical testing across Nigerian universities

Establish the applicability, comparability and usefulness of UFSIPI across different university contexts

Table1.PROPOSED DEVELOPMENT AND VALIDATION PROCESS FOR UFSIPI

Stage

What will be

done? Why is it

necessary?

Stage1.Indicator specification

What will be done: Identify and clearly define the indicators for each of the 7 UFSIPI dimensions

Why is it necessary?: To establish exactly what will be measured Stage 2. Expert validation

What will be done: Educational Measurement & Evaluation, Economics and university-management experts assess the proposed indicators

Why is it necessary: To establish content relevance, clarity and adequacy

Stage3.Pilot testing

What will be done: Administer the preliminary UFSIPI to a small number of Nigerian universities

Why is it necessary? To identify weaknesses and improve the instrument

Stage4.Reliabilityassessment

What will be done: Test the consistency of the dimensions and their indicators

Why is it necessary? To determine whether the instrument produces consistent measurements

Stage5.Construct-validity analysis

What will be done: Examine whether the indicators actually measure their intended dimensions

Why is it necessary? To establish construct validity Stage 6. Weighting of dimensions

What will be done: Determine the relative contribution of each of the seven dimensions to the overall index Why is it necessary?: To establish how each dimension contributes to the UFSIPI score

Stage7.Empiricalvalidation

What will be done: Apply the refined UFSIPI across a broader and representative sample of Nigerian universities

Why is it necessary?: To establish its applicability, comparability and usefulness

It is important to note that these seven stages describe how UFSIPI would eventually be developed and validated. They are not themselves the seven dimensions of UFSIPI.

Table 2. CONCEPTUAL STRUCTURE OF UFSIPI

Level	
UFSIPI Component What is being assessed? Level: INPUT	1. Are resources sufficient? ↓
USSI I Component: Funding Adequacy	2. Are they properly and efficiently managed? ↓
What is being assessed: Are sufficient financial resources available?	3. What has been produced? ↓
Level: MANAGEMENT	4. What educational change has occurred? ↓
UFSIPI Component: Financial Efficiency	5. Is the institution able to sustain its performance?
What is being assessed: Are resources used economically? Level: MANAGEMENT	The distinction between the seven dimensions of UFSIPI and the seven stages for developing/validating UFSIPI immediately is made clear by this separation .
UFSIPI Component: Accountability	At-a-glance conceptual structure Financial Inputs ↓
What is being assessed: Are resources properly managed and accounted for?	Funding Adequacy ↓
Level: MANAGEMENT	Financial Efficiency+ Accountability +Revenue Diversification ↓
UFSIPI Component: Revenue Diversification	Institutional Outputs ↓
What is being assessed: Is the institution appropriately diversified in its sources of revenue?	Educational Outcomes ↓
Level: OUTPUT	Financial Sustainability
UFSIPI Component: Institutional Outputs	The distinction between what is invested, how it is managed, what it produces, what educational change occurs ,and whether the Institution can sustain its performance, is particularly made clear by this separation:
What is being assessed : What has been produced with the resources?	Dimension Illustrative indicators Evaluation question Funding adequacy
Level: OUTCOME	Funding/student; funding/ identified need Are resources sufficient?
UFSIPI Component: Educational Outcomes	Financial efficiency
What is being assessed: Have measurable educational changes occurred?	Cost/output ratios; expenditure structure Are resources economically used?
Level: SUSTAINABILITY	Accountability
UFSIPI Component: Financial Sustainability	Audit compliance; reporting timeliness Are resources properly accounted for? Revenue diversification Government/IGR/grant ratios
What is being assessed: Can the institution maintain its operations and performance over time?	Is dependence appropriately distributed? Institutional outputs
The logic of the framework at a glance Financial Inputs	Infrastructure, research, staff development What was produced?
→	Educational outcomes
Financial Management	Completion, achievement, graduate competence What changed educationally?
→	Sustainability
Institutional Outputs	Revenue stability, liquidity, resilience
→	Can the institution maintain its performance?
Educational Outcomes	
→ Sustainability	
Funding Adequacy Financial Efficiency Institutional Outputs	
Educational Outcomes Financial Sustainability Accountability	
Revenue Diversification	
The framework thus asks five sequential questions:	

Note again that the index is not presented as an already validated instrument. As a conceptual proposal, it requires subsequent empirical development, including:

indicator specification; expert validation; pilot testing; reliability assessment; construct-validity analysis; weighting procedures; and empirical testing across Nigerian universities.

10. Proposed Evaluation Model

The conceptual relationship can be represented as: FINANCIAL INPUTS

Government funding TETFund

IGR

Grants

Research funding Partnerships

↓

FINANCIALMANAGEMENT PROCESSES

Planning Allocation Expenditure Monitoring Accountability

↓

INSTITUTIONAL OUTPUTS

Infrastructure Equipment

Staff development Research

Teaching resources

↓

EDUCATIONAL OUTCOMES

Student achievement Completion

Graduate competence Research productivity Employability

↓

LONG-TERMIMPACT

Human-capital development Innovation

Economic productivity Social development

↓

FINANCIAL&INSTITUTIONAL SUSTAINABILITY

This model constitutes the article's principal conceptual contribution.

11. Literature Gap

Important gaps are revealed in the reviewed literature. Gap 1: Fragmentation

Funding, revenue generation, technology, financial management or quality assurance are frequently examined separately in existing Nigerian studies.

Gap2:Limited integration

The integration of educational economics, educational management and educational measurement/evaluation within a single framework, is insufficient.

The discussion largely remains focused on funding levels rather than the relationship between funding and measurable educational outcomes.

Gap4:Limited development of institutional sustainability indices

There remains room for a broader Nigerian framework incorporating financial, institutional and educational indicators simultaneously, despite the fact that the Balance Scorecard and other financial measures have been used.

The proposed UFSIPI addresses these gaps are addressed conceptually by the proposed UFSIPI

12. DISCUSSION

Five principal conclusions are supported by the literature.

First, though necessary, funding adequacy is insufficient. Adequate resources are required by Universities, but resources alone do not guarantee effectiveness.

Second, the relationship between funding and institutional outcomes is mediated by financial management. The manner in which resources are allocated and monitored matters.

Third, Financial dependence can be reduced by revenue diversification, but alternative revenue sources must themselves be evaluated for sustainability and educational compatibility.

Fourth, beyond expenditure compliance, accountability should move to outcome accountability.

Fifth, the mechanism through which funding effectiveness can be demonstrated is provided by measurement and evaluation.

A shift from: "How much was funded?" to: "What measurable educational value was generated by the funding?" is therefore proposed by the article.

An EME-oriented approach features this as its essential contribution.

13. IMPLICATIONS FOR EDUCATIONAL MANAGEMENT

Integrated financial and educational performance-monitoring systems should be established by University managers.

Such systems should track the following:

Funding; expenditure; infrastructure; staffing; research; student outcomes; graduate outcomes; and financial resilience.

Consequently, Financial management should become increasingly evidence-based and outcome-oriented.

14. IMPLICATIONS FOR EDUCATIONAL ECONOMICS

University financing, from an economic perspective, represents investment in human capital.

Thus, the relevant question is not merely the size of expenditure but its efficiency and return in educational and socioeconomic terms.

Important economic concepts included are: allocative efficiency; productive efficiency; opportunity cost; cost-effectiveness; return on educational investment; human-capital development; and

financial resilience. This is why university financing is an inherently interdisciplinary subject.

15. IMPLICATIONS FOR EDUCATIONAL MEASUREMENT AND EVALUATION

The article demonstrates that EME specialists can contribute substantially to university financial sustainability through the following activities:

Indicator development; needs assessment; programme evaluation; cost-effectiveness analysis;

Performance measurement; monitoring and evaluation; outcome assessment; impact evaluation;

Development of institutional indices; and validity and reliability assessment of evaluation instruments.

This implies the expansion of the application of EME from learner assessment to institutional and policy evaluation.

16. RECOMMENDATIONS

The article recommends based on the literature reviewed, that:

The adequacy and predictability of university funding should be improved by the government.

Measurable institutional needs and performance information should increasingly be incorporated in funding decisions.

Outcome-oriented monitoring and evaluation of TETFund's interventions should be strengthened by TETFund itself.

Legitimate revenue sources should be diversified through research commercialization, consultancy, continuing education, alumni support, endowments and strategic partnerships.

There should be evaluation of revenue-generating activities for both financial and educational consequences.

Integrated financial-performance dashboards linking expenditure to institutional and educational outcomes should be established by Universities.

There is need to expand financial accountability into performance and outcome accountability.

Institutional funding evaluation and indicator development should involve the expertise of Educational Measurement and Evaluation specialists.

Greater institutional financial autonomy should be promoted by government, alongside stronger accountability mechanisms.

The UFSIPI framework should undergo empirical validation across Nigerian universities before being adopted as a formal institutional index.

17. CONCLUSION

Sustaining Nigerian universities financially is not merely a question of inadequate funding. The problem is multidimensional-involving funding adequacy, financial management, efficiency, accountability, revenue diversification, institutional performance and educational outcomes. From the literature reviewed, one can see that Nigerian universities remain substantially dependent on external funding, while existing studies show that financial

sustainability can be measured through financial ratios, Balanced Scorecard approaches, technological capability and other institutional indicators.

The importance of evaluation is further demonstrated by the current TETFund environment. Each public University was in 2026, allocated more than ₦2.5 billion under the Fund's intervention programme, while concerns regarding access and utilization of allocated resources were simultaneously highlighted by TETFund. The existence of such substantial funding makes rigorous evaluation of such substantial funding is made especially important by its existence.

Consequently, this article centrally argues that university financial sustainability should be evaluated rather than merely described.

Funding needs to be traced from: financial input → management process → institutional output → educational outcome → sustainable impact.

A conceptual mechanism for doing so is provided by the proposed University Financial Sustainability and Institutional Performance Index (UFSIPI). The economic, managerial and evaluative dimensions of university financing are brought together by its seven dimensions-funding adequacy, financial efficiency, accountability, revenue diversification, institutional outputs, educational outcomes and sustainability.

Deliberately, the framework is presented as a conceptual proposal requiring empirical validation. The index should therefore be developed, validated and tested by future research across Nigerian universities.

Ultimately, it is not right to judge the effectiveness of university financing simply by how much money enters the system, it should rather be judged by how effectively resources are transformed into quality teaching, productive research, competent graduates, functional infrastructure, institutional resilience and broader socioeconomic value.

That implies a shift- from expenditure-centred financing to evidence-based evaluation of educational value, which offers a more rigorous pathway towards sustainable university education in Nigeria.

REFERENCES

1. Atolagbe, A. A., Awodjii, O. A., & Oluwalola, F. K. (2022). Performance-based funding: A panacea for quality assurance in Nigeria higher education. *International Journal of Educational Management*, 18(1)
2. Madu, F. N., Onodugo, V. A., & Isichei, E. E. (2022). Electronic payment system and financial sustainability of tertiary institutions in Nigeria. *African Journal of Economic and Management Studies*, 13(4), 683–696. <https://doi.org/10.1108/AJEMS-11-2021-0475>
3. Ndubuisi-Okolo, P. U., & Dibua, E. C. (2023). Financial sustainability of public universities in Nigeria: A critical review. *Asian Journal of Economics, Finance and Management*, 5(1), 162–170.
4. Odewole, P. O., Salawu, M. K., & Salawu, R. O. (2020). Financial sustainability of educational institutions in Nigeria: Balanced Scorecard approach and implications for policy designs. *36th IBIMA Conference Proceedings*.

5. Pfeffer ,J.,& Salancik,G.R.(1978).The external control of organizations: A resource dependence perspective. Harper & Row.
6. Tertiary Education Trust Fund. (2026). TETFund announces allocationofN2.5billiontoeachuniversityin 2026 intervention.
7. University of Nigeria, Nsukka. (2024). Disbursement of funds for TETFund year 2024 Institutional Based Research (IBR) projects.
8. University of Ilorin. (2025). TETFund projects at the University of Ilorin.