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How to Manage School Fees Records in Kenya

School Fees · 11 Nov 2026

How to manage school fees records in Kenya: set up a per-student ledger, receipt every payment, handle partial payments and credits, and reconcile weekly against M-Pesa and bank.

The simplest reliable way to manage school fees records in Kenya is to give every student one account — a single running ledger where every charge, payment, waiver and credit is posted once, in date order — then reconcile that ledger against your M-Pesa and bank statements every week. Most fee-record problems come from recording the same money in two places (a receipt book *and* a spreadsheet *and* a notebook), not from a lack of effort. This guide sets out a structure any school can run, on paper, in a spreadsheet or in software.

Who this guide is for

Bursars, school accountants, proprietors and administrators who are responsible for billing learners, recording payments, chasing balances and reporting collections to a board or director. The examples use Kenyan terms — fee structures per term, M-Pesa payments, admission numbers — but the underlying method applies anywhere.

Step 1: Fix the fee structure before you bill

Write down, per grade and per term, exactly what each learner is expected to pay. A typical Kenyan structure separates:

- **Tuition** — the core fee;
- **Boarding or lunch** — where applicable;
- **Transport** — often priced per route;
- **Activity, exam and development levies** — agreed with the board or parents;
- **Ad-hoc items** — trips, uniforms, remedial classes.

Every item should have an approved amount on file. When a parent disputes a charge, the dispute is settled by the written structure — not by memory. Never bill from a figure someone "remembers"; bill from the approved structure.

Step 2: One learner, one ledger

A ledger is a running account. Each learner's ledger records every entry that changes what they owe:

Entry type

Effect on balance

Example

Charge

Increases what is owed

Term 1 tuition billed: KSh 45,000

Payment

Decreases it

M-Pesa payment received: KSh 20,000

Waiver / bursary

Decreases it without cash moving

Staff-child discount approved: KSh 5,000

Credit / overpayment

Creates a negative (school owes learner) balance to offset future charges

Parent paid KSh 50,000 against a KSh 45,000 invoice

Fine / incidental charge

Increases it

Lost textbook replacement: KSh 800

Refund

Settles a credit by paying cash back

Overpayment refunded on transfer

The discipline that makes this work: **everything is posted once, to the learner's ledger, with a date and a reference**. If a payment lives in an M-Pesa message, a receipt book and a class list, it will eventually disagree with itself.

Step 3: Receipt every payment immediately

For each payment — cash, M-Pesa till or paybill, bank deposit, cheque — record at minimum: date, amount, learner's admission number, payer's name, channel and reference (M-Pesa code or slip number), and who received it. Issue a receipt straight away; a numbered receipt book or a printed receipt is the parent's proof and your audit trail.

Two Kenyan-specific habits save hours later:

- **Capture the full M-Pesa transaction code at the counter.** "KSh 10,000 – M-Pesa" is useless at reconciliation; "RFK3XXXX21, 10,000, J. Mwangi" is not.
- **Mark bank deposits as unverified until they clear.** A deposit slip in hand is not income until the bank confirms it. Keep a separate "unverified" line so unconfirmed money never inflates your collections figure.

Step 4: Handle partial payments and overpayments cleanly

Partial payments are the norm, not the exception. Two rules keep them clean:

- **Apply payments to specific invoices or terms.** If a parent pays KSh 15,000 against a KSh 45,000 tuition invoice, record it against that invoice — not as a vague "payment on account" floating in a notebook. Then the balance per invoice is always computable.
- **Never write off an excess silently.** If a parent overpays, the difference is a *credit* on the ledger that offsets next term's charges or is refunded. Overpayments quietly absorbed are how trust (and audits) break down.

The same applies to waivers and bursaries: record them as named entries with an approver's name, not as gaps where charges mysteriously vanished.

Step 5: Reconcile weekly, close monthly

Reconciliation means proving the ledger against independent evidence. Once a week:

- Total payments in the ledger per channel (M-Pesa, bank, cash).
- Compare against the M-Pesa statement, bank deposits and the cash book.
- Investigate every difference the same day — most are a missed reference or a payment posted to the wrong learner.

At month-end, produce three figures: **total billed**, **total collected** and **total outstanding** (the sum of all positive ledger balances). Keep credits and unverified deposits as separate lines — they distort the picture if they are folded into collections or arrears.

A worked example

Baraka's Term 1 ledger at a mid-sized Nairobi school:

Date

Entry

Ref

In (KSh)

Out/Charge (KSh)

Balance (KSh)

6 Jan

Tuition + activity levy billed

INV-T1-102

46,500

46,500

10 Jan

M-Pesa payment

RFK3XXXX21

20,000

26,500

31 Jan

Bursary approved by board

WVR-07

5,000

21,500

20 Feb

Cash payment at office

RCT-0342

10,000

11,500

28 Feb

M-Pesa payment

RGN7XXXX09

11,500

0

2 Mar

Lost library textbook

LIB-88

800

800

At any date the balance is just the running total — and every figure on the parent's statement has a reference behind it. If the last M-Pesa payment had been KSh 13,000 instead, the ledger would show a **credit of KSh 700** after the fine, carried into Term 2 billing.

Common mistakes to avoid

- **Duplicate records.** A receipt book plus three spreadsheets plus a notebook guarantees disagreements. Pick one system of record; everything else is a printout of it.
- **Mixing family and student accounts.** Siblings often pay from one M-Pesa transaction. Post the split to each child's ledger so each statement is correct.
- **Counting unverified deposits as collected.** Slips and uncleared cheques bounce. Keep them on a separate line until confirmed.

• **Balancing by subtraction.** "We billed X and collected Y so arrears are X−Y" fails whenever a credit or waiver exists. Outstanding is the sum of positive ledger balances, computed learner by learner.

• **Loose access.** Fee records contain personal data about children and families; Kenya's Data Protection Act, 2019 applies to how you store and share them. Limit who can view ledgers and statements to staff who need them.

• **No arrears follow-up rhythm.** Balances chased only at exam time collect slowly. A weekly per-class arrears list with a reminder to parents works far better.

Weekly fees checklist

• All payments since the last check posted with full references.

• Unverified bank deposits reviewed and either confirmed or queried.

• Ledger totals reconciled to M-Pesa statement, bank and cash book.

• New charges (trips, replacements, fines) posted to the right ledgers.

• Per-class arrears list produced and reminders sent to parents.

• Credits reviewed — confirm they will offset next billing, or queue refunds.

Where Mwalimu Ease fits in

This is close to how Mwalimu Ease works out of the box: every student has a single running ledger and every charge, payment, waiver, credit and fine posts to it, so the balance shown anywhere in the system is always the same number. Fee structures are defined per grade and term and billed to a whole class in one action. Recording a payment is search-first — type an admission number, a name or a guardian's phone — then split it across invoices, with the applied amount capped at each invoice total and any excess posted automatically as a credit. Each payment lands on a printable receipt, unverified deposits stay out of income until confirmed, and the dashboard shows billed, collected, outstanding and credits on separate lines with a monthly collection trend. A stream view lists a whole class's balances as a downloadable statement, and balance reminders go out to parents. Library overdue fines post straight to the ledger too, so parents see one consolidated balance. The details are in the finance documentation.

Frequently asked questions

How long should a school keep fee records?

There is no single school-specific retention rule, but financial records should be kept for several years — five to seven is common practice for institutions — because ledgers feed audits, board reports and disputes with parents. Digital records make retention cheap; whatever you keep, store it securely under the Data Protection Act, 2019.

Can we keep records in a spreadsheet?

Yes — a well-kept spreadsheet ledger beats a badly kept system. Its weak points are access control, accidental edits and one person holding the file. Once more than one person records payments, errors multiply and software starts earning its cost.

How do we handle a parent who pays for two children in one transaction?

Post the split explicitly: one payment entry per child's ledger, each referencing the same M-Pesa code, with a note on the split. Never park the whole amount on one child and "remember" the rest.

What is the difference between outstanding and arrears?

In practice they are the same figure seen differently: outstanding is the sum of positive balances across all ledgers; an arrears report is that figure broken down per class or per learner, usually aged by how overdue it is.

Should cash payments still be accepted?

Many schools still take cash at the office. If you do, receipt it on the spot, bank it on a fixed schedule, and reconcile the cash book daily — cash is the channel where errors and leakage hide.

Sources: Mwalimu Ease finance documentation; Ministry of Education; Office of the Data Protection Commissioner (Data Protection Act, 2019). Last reviewed 11 November 2026.

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