Myagdi Guru
[A Peer-Reviewed, Multidisciplinary and Multilingual Journal]
Volume 8, September 2025
p-ISSN 2645-8713; Indexed in NepJOL
http://myagdicampus.edu.np/myagdiguru/
MMC, Beni

Research Article/ Management

Financial Sustainability: Challenges and Opportunities for Community Campuses in Nepal

Bishnu Acharya
Myagdi Multiple Campus, Beni Bazaar, Nepal
ORCID: *https://orcid.org/0009-0009-3045-6766*

Article History: *Submitted 20 June 2025; Reviewed 12 July 2025; Revised 20 July 2025; Accepted 5 August 2025*

Corresponding Author: *Bishnu Acharya,* **Email:** *bp.myagdicampus@gmail.com*

Article DOI: *https://doi.org/10.3126/mg.v8i1.84192*

Abstract

Community campuses in Nepal play a vital role in providing affordable and accessible higher education, particularly for students from rural and low-income backgrounds. However, the community campuses are increasingly facing notable financial sustainability challenges. This study aimed to assess the financial condition of Myagdi Multiple Campus (MMC) Beni, Nepal and identify the core causes of financial stress, and propose practical strategies for long-term improvement though SWOT model. A mixed-methods case study approach was used to analyze primary data from 20 key stakeholders and secondary data from financial statements and reports of the past five years. Quantitative analysis revealed that MMC is heavily dependent on student fees, a model that is no longer sustainable due to rising dropout rates and declining enrollment. The current financial aid has proven insufficient to cover the growing operational deficit. The major challenges include a limited revenue base, fluctuating student numbers with high dropout rates, and low stakeholder engagement, all of which negatively impact educational quality and threaten the institution's long-term viability. Despite these constraints, the study identified several opportunities to strengthen financial stability, such as diversifying revenue streams, implementing a student retention program, leveraging alumni support, and forging partnerships with local government and industry. This research may fill up a critical gap in understanding the financial sustainability of Nepalese community campuses and offers policy-relevant recommendations for institutional reform.

Keywords: Community campuses, financial challenges, financial sustainability, higher education, student dropout

Introduction

The pursuit of higher education in Nepal has grown significantly over the past two decades. No longer viewed just as a means to employment, education is increasingly regarded as a foundation for a meaningful and empowered life. This shift is reflected in the steady increase in student enrollment in higher education, as noted by Sapkota (2021). Community campuses have been a cornerstone of this expansion, offering affordable and accessible education, particularly to students from middle-class and disadvantaged backgrounds in rural and semi-urban areas (Chimariya, 2024). Higher education institutions are categorized into four types: private, community, constituent, and foreign-affiliated. Community colleges are particularly vital, comprising 37.04% of all institutions and educating about 30% of the student population. Their commitment to inclusive education is evident, with 66.33% of their students being female. Out of the 105 accredited institutions, 75 are community colleges, demonstrating their capacity to deliver comprehensive, equitable, and quality education while aligning with broader sustainability goals (University Grants Commission, 2024). Gupta and Siwakoti (2024), citing Chimoriya (2024), further emphasize that these institutions are crucial for providing accessible higher education in rural regions, with a significant majority of students (66.33%) coming from marginalized and underrepresented populations.

Despite their crucial role, these institutions face severe challenges. Political instability, globalization, and growing consumerist aspirations have led to a decline in student enrollment, as many students, particularly those who have completed Grade 12, are opting for overseas education opportunities with the promise of employment (The Kathmandu Post, 2023). A stark statistic from the academic year 2078–2079 reveals that 227,780 students received "No Objection Certificates" (NOCs) to study abroad (Rauniyar, 2023). This enrollment crisis is a major threat, with the UGC Report (2023/24) indicating that over 550 campuses, many of the community colleges, have less than 100 students. This puts immense financial pressure on these institutions, which are heavily depended on student tuition fees. The situation is compounded by insufficient or delayed government grants and rising operational costs. This financial instability hampers their ability to provide quality education and retain qualified faculties and staff. The severity of this crisis is highlighted by reports that some campuses are struggling to pay staff salaries and maintain basic operations (New Business Age, June 24, 2023).

The financial vulnerability of community campuses stems from several interrelated factors. In addition to the appeal of urban private colleges and overseas education, declining student enrollment is also a result of demographic shifts and youth migration for employment (Pokharel, 2020). High dropout rates are often attributed to financial difficulties, a lack of market-oriented academic programs, and a perceived decline in educational quality (Adhikari, 2019). Meanwhile, operational costs for salaries, infrastructure maintenance, and technology upgrades continue to rise, while government and UGC grants remain inadequate and often conditional (UGC, 2021). For these organizations, financial sustainability goes beyond simply balancing a budget; it requires revenue diversification, cost-effectiveness, long-term strategic planning, and active community involvement (Tiwari & Shrestha, 2021; Ghimire & Devkota, 2022). These factors collectively raise serious concerns about the long-term financial sustainability of these vital non-profit institutions.

In the context of higher education, financial sustainability is crucial for an institution's ability to operate, enhance academic quality, and achieve long-term goals without constant reliance on uncertain external support (UNESCO, 2011; Weisbrod et al., 2008). This concept aligns directly with Sustainable Development Goal (SDG) 4, which emphasizes inclusive, equitable, and quality education for all. Achieving SDG 4 necessitates strengthening community campuses through targeted investments in educational equity, teacher training, and digital infrastructure (UNDP, 2025; Zaleniene & Pereira, 2021). While some campuses have experimented with income-generating initiatives like property rentals and partnerships with NGOs, the effectiveness and scalability of these strategies are largely unresearched. This highlights a significant gap in existing literature. While studies have focused on education access (Basnet, 2019), quality assurance (Acharya & Bhattarai, 2020), and equity (Sharma, 2021), there is a distinct lack of integrated, data-driven analysis on the financial structures and strategic responses adopted by community campuses to ensure their viability. The SWOT framework is a relevant tool for this kind of analysis, as noted by Trow (2006) and Johnstone (2003). Adhikari and Shrestha (2019) confirm that most Nepali community campuses suffer from weak financial planning. However, scholars like Khanal (2015) and Sharma et al. (2020) argue that financial sustainability can be achieved through better resource management and income diversification. Furthermore, Gupta (2022) and Gupta and Shiwakoti (2024) highlight the role of UGC funding and alignment with SDG 4 and SDG 17, while Thapa (2024) advocates for innovative financing models. Few studies examine the financial structures, strategic responses, or sustainability models adopted by community campuses. The lack of integrated analysis on how these institutions can remain financially viable under current constraints reflects a significant research gap.

This study aims to fill this research gap by focusing on the financial sustainability of MMC, a representative community campus in western hill, Nepal. By using a case study approach with primary and secondary data, the research seeks to answer the central question: "How can community campuses improve their financial sustainability in the face of current financial challenges?" The findings are intended to offer practical, replicable strategies for other community campuses, thereby contributing to the broader discourse on sustainable, inclusive higher education in Nepal.

Research Methods

This study has employed the mixed-methods case study approach to assess the financial sustainability of community campuses, with MMC as the focal institution. The research has been designed both with descriptive and exploratory, aiming to understand the institution's experiences, challenges, and strategic responses under Strengths, weakness, opportunity and through (SWOT) model

The methodology involved the integration of both primary and secondary data. Primary data were collected from a diverse group of 20 key stakeholders, including students, faculty, administrative staff, alumni, community members, and individuals from the Campus Management Committee (CMC). A structured questionnaire with 10 questions, divided into four sections—demographics, financial challenges, opportunities, and personal perspectives—was the main tool for data collection. Semi-structured interviews were also conducted to gather more in-depth insights. Secondary data were sourced from official institutional documents, such as annual reports, academic audit reports, strategic plans, and EMIS reports from the past five years.

For data analysis, quantitative data from the surveys were processed using frequency distribution, percentage analysis, and basic financial ratios to identify trends and assess key financial health indicators. To complement this, qualitative data from interviews and open-ended questions were analyzed using thematic analysis, which helped to capture a deeper understanding of stakeholder perceptions and suggestions.

To ensure the validity and reliability of the findings, the study utilized data triangulation. Information gathered from the questionnaires, interviews, and institutional records was cross-verified and compared, providing a robust and realistic portrayal of MMC's financial situation. This multi-source approach strengthened the conclusions and provided a comprehensive view of the challenges and opportunities for financial sustainability.

Result and Discussion

Results

Analysis of Dropped-out Rate

According to the Myagdi Multiple Campus academic audit report for 2022 AD, the average dropout rates from academic years 2074 to 2078 B.S. were 53.1% in the Faculty of Management, 48.89% in Education, and 35.23% in Humanities. However, campus EMIS shows a sharp increase in dropout rates from first-year enrollment to fourth-year enrollment in 2079 and 2080 B.S., reaching 65.1% and 68.2%, respectively. This drop-out rate has raised alarm bells for the future of the campus.

Due to rising youth unemployment and depression in Nepal, there is a growing trend of students going abroad immediately after secondary education. One of the faculties of MMC shared, "This year, around 40 out of 100 second-year students in BBS left for foreign countries. As a result, less than one-third of students attend classes regularly, have with low motivation and engagement". Similarly, in information discussion with students, Mr. Binod (changed name) said:

> While studying in the first year, the three of us used to sit on the same bench. Out of us, two friends have already gone abroad, and the remaining one—my room partner—has also had their visa confirmed. I still come to college, but I just can't focus on my studies. All I keep thinking is, what should I do? What should I do? *(Interview, 2025)*

Similarly, a bright student currently

studying in the fourth year of BBS expressed her feelings with deep pain as,

> My best friend, who studied with us from the very beginning, has already reached Australia. I decided to stay in Nepal and do something here, so I joined college. But Tribhuvan University never conducts exams on time, nor does it publish results on time. A four-year course is taking six years to complete. There's no certainty about what the outcome of this education will be. These days, I feel like I made a mistake by staying here—maybe I should have gone abroad right after 12. (*Interview, 2025)*

The above representative examples suggest that the student dropout rate is likely to increase further in the near future. This indicates a potential student crisis at MMC in the coming years.

Analysis of Financial Situation

In order to understand the financial sustainability of MMC, the income and expenses of the last five years have been analyzed. This analysis examines the extent to which the campus's self-generated income can cover its regular operating expenses.

Table 1

Status of Income and Expenditure

Particulars	Fiscal Year (B.S.)				
	2076/77	2077/78	2078/79	2079/80	2080/81
Self-Generated Income					
Student fees	15009860	15023356	26953608	24365632	23031724
other income	6195572	3312152	3655158	4192085	4156985
Total	21205432	18335508	30608766	28557717	27288709
Add : UGC grants (non-capital)	8189400	2985260	3245000	3622200	2719600
Total income including grants	29394832	21320768	33853766	32179917	30008309
Cash operating expenses					
Staff expenses	17090104	16338684	23680988	27142005	27331232
Administrative expenses	6095547	4995765	9451377	7580588	7093611
Total cash operating expenses	23185651	21334449	33132365	34722593	34424843
Surplus/Deficit (excluding grants)	-1980219	-2998941	-2523599	-6164876	-7136134
Surplus/Deficit (including grants)	6209181	-13681	721401	-2542676	-4416534
Cash operating expenses to self-generated income ratio	91%	86%	92%	82%	79.14%
Cash operating expenses to total income ratio	127%	100%	102%	93%	87.17%

Sources: Myagdi Multiple Campus Annual Report 2023/24 and EMIS report 2025

The financial data for MMC over the fiscal years 2076/77 to 2080/81 B.S. reveals financial weaknesses. Despite a peak in self-generated income and total income from UGC grants in 2078/79, both have declined by 2080/81. Operating expenses, particularly staff costs, have risen sharply, outpacing the growth in income. The campus consistently reported deficits when excluding UGC grants, with the largest deficit of NPR 7136134 in 2080/81. Even when grants are included, deficits persisted, highlighting an ongoing reliance on external support.

The ratio of cash operating expenses to self-generated income also indicates that the campus's internal revenue is insufficient to cover its regular expenditures. Excluding UGC grants, the income is consistently lower than the expenses, and this gap has been widening over the years. A staff member associated with the campus's financial administration remarked that several new programs have been introduced recently, but student enrollment in those programs has not met expectations. While the campus's annual expenditures continue to rise, its regular income is not enough to meet the operating costs. Apart from the regular grant provided by UGC, other grants are minimal. Even when occasional grants are received, they cannot be used to cover salary and allowances. In this situation, a teacher stated:

> Some senior faculty members at the campus are nearing retirement, but the campus does not have sufficient funds set aside for their retirement benefits. If the current fund is used to provide gratuity to just five teachers, it will be completely depleted. After that, the campus may even face difficulties in paying salaries to the remaining staff. *(Interview, 2025)*

From the above fact, the financial challenges of MMC are compounded by both its financial deficits and the high student dropout rates. These dropout rates directly impact the campus's financial health by reducing the number of tuition-paying students, which is a primary source of self-generated income. The high dropout rates combined with the inability of self-generated income to cover operating expenses and the heavy reliance on external grants highlight the critical financial sustainability challenges faced by MMC.

Analysis of Respondents' Views

This section details the presentation and analysis of the data collected to address the study's objectives. To comprehensively understand the financial challenges and opportunities facing the campus. Data was systematically gathered from MMC stakeholders using interview and survey that included both closed-ended (multiple-choice) and open-ended questions. The quantitative data was tabulated and analyzed, while the qualitative responses were used to provide deeper context and insight.

Financial Challenges

The following table presents an analysis of the responses received from stakeholders regarding the financial challenges and their impacts.

Table 1

Financial Challenges Facing by MMC

Statements	Frequency	Percent
Inadequate funding from government	15	75.0%
High dependency on tuition fees	18	90.0%
Low student enrollment and high dropout rate	20	100.0%
Limited access to grants and donations	10	50.0%
Operational inefficiencies	5	25.0%
High infrastructure and maintenance costs	3	15.0%
Educational programs with higher financial burden	10	50.0%

Source: Field Survey, 2025

Table 1 shows, the primary financial challenge of MMC is highlighted by the responses. The most cited issue is the "high dependency on tuition fees," with 18 respondents (90 %) identifying this as a significant problem. This is followed closely by "low student enrollment and high drop-out rate," mentioned by 20 respondents (100%), indicating that this is perceived as a critical issue. "Inadequate funding from government" is also a concern for 15 respondents (75%). Other challenges, such as "limited access to grants and donations" (50%) and "educational programs with higher financial burden" (50%), are seen as less prominent but still relevant. Operational inefficiencies (25%) and high infrastructure and maintenance costs (15 %) are considered to have a relatively smaller impact.

In this context, one respondent represented from administration section, stated that in recent years, the enrollment rate at the campus has not increased, while the dropout rate has risen alarmingly. The campus is entirely dependent on student fees to cover its regular expenses and has not been able to generate additional sources of income. This situation has further intensified the financial challenges faced by the campus.

These facts indicate that in recent years, Myagdi Multipurpose Campus has faced financial challenges due to various underlying factors.

Impact on Quality of Education and Long-Term Sustainability

In addition, the respondents were also asked to what extent the financial challenges impact the quality of education and long-term sustainability at MMC. According to response of stakeholders, the financial challenges at MMC have a "significant negative impact" on the quality of education, as reported by 15 respondents (75%). This reflects a strong consensus that financial instability adversely affects educational standards. A "moderate negative impact" is noted by 3 respondents (15 %), while only 2 respondent (10 %) believes the impact is "slight." No respondents felt that these challenges have no impact or a positive impact on the quality of education.

In terms of long-term sustainability, 13 respondents (65 %) believe that the financial challenges "threaten long-term sustainability." This indicates a prevailing concern that these issues jeopardize the campus's future viability. A "moderate impact on sustainability" is noted by 4 respondents (20%), while only 3 respondent (15 %) feels that the impact is "slight." No respondents felt that the challenges have no impact or enhance sustainability.

Primary Source of Financial Instability

Stakeholders were asked to identify the primary causes of the campus's financial challenges. Their responses are presented below.

Table 2

Primary Source of Financial Instability

Response	Frequency	Percent
Insufficient government support	3	15.0%
Fluctuations in student enrollment and High Rate of Dropped out	15	75.0%
Ineffective financial management	2	10.0%
Lack of external funding opportunities	0	0.0%
Total	20	100.0%

Source: Field Survey, 2025

Table 2 demonstrates, in response to the question asked to stakeholders regarding the primary causes of financial challenges, the predominant source of financial instability is attributed to "fluctuations in student enrollment and high Rate of dropped out," cited by 15 respondents (75%). This is seen as the main driver of financial instability. "insufficient government support" is considered the primary source by 3 respondents (15%), and "ineffective financial management" is seen as a primary issue by only 2 respondents (10%).

Overall, the data reveals a clear perception of financial instability impacting both the quality and sustainability of MMC, with a strong focus on enrollment issues and high reliance on tuition fees.

Opportunities for the Long-term Sustainability

To address the financial sustainability challenges faced by MMC, several opportunities can be explored from the view point of stakeholders. This study was to explored the possible solutions as opportunity. Using both closed-ended (multiple-choice) and open-ended questions to gather comprehensive insights from 20 responds. An attempt has been made to tabulate the quantitative data collected from the multiple-choice questions and draw deeper conclusions based on the qualitative responses received from the open-ended questions. The findings, including the respondents' answers and their suggestions, are presented and analyzed in the following sections.

Table 3

Opportunities for the Long-term Sustainability

Areas of opportunity	Frequency	Percent
Diversification of revenue streams:	17	85.0%
Enhancing grant application capabilities:	14	70.0%
Strengthening alumni networks and engagement	17	85.0%
Cost management	11	55.0%
Partnership and collaboration	12	60.0%
Research and innovation	10	50.0%
Enhancing student enrollment and retention	15	75.0%
Community engagement	12	60.0%

Source: Field Survey, 2025

Diversifying Revenue Streams: Eighty-five percent respondents expressed that, one crucial strategy is to diversify the campus's revenue sources. This can be achieved by expanding course offerings to include new programs and courses that attract more students and meet current market demands. Additionally, the campus can offer continuing education and professional development programs, such as short-term certification courses, non-credit courses, workshops, and training programs for professionals. Developing and offering online courses can also help reach a broader audience and generate additional income. One respondent representative from CMC and two from campus administration were argued that. the campus should be flexible in policy to increasing the number of life-members to collect long term fund. This approach will help ensure a steady and reliable source of financial support for the future.

Enhancing Student Enrollment and Retention: To address the issue of declining enrollment and high dropout rates, the majority of respondents (75%) suggested that MMC focus on providing scholarships, financial aid, and employment opportunities to students. This would not only attract new students but also reduce dropout rates. Additionally, investing in modern infrastructure to improve campus facilities can enhance the learning environment, making it more appealing to prospective students. Furthermore, strengthening student support services, including academic advising, counseling, and career services, can support student success and retention, ultimately leading to improved enrollment and reduced dropouts. According to one respondent from the parents' group and one from the students' group, maintaining the stability of Myagdi Multiple Campus can be achieved by increasing student enrollment through highlighting its positive attributes. To do so, they suggested promoting the campus's strengths, including its clean and peaceful environment, comprehensive program offerings, successful alumni, and the significance of the Quality Assurance and Accreditation (QAA) received by the campus. Additionally, they emphasize the benefits of studying at a community campus, such as smaller class sizes and personalized attention. By effectively communicating these advantages, the campus can attract more students and increase enrollment.

A students who recently participated in entrepreneurship program argued,

> … for that, the campus must introduce programs that help students become self-employed. The incubation center established at the campus should be operated effectively, and every effort must be made to support students in becoming self-reliant. If we had the opportunity to become self-employed during our higher education itself, we wouldn't even think about going abroad just for employment. *(Interview, 2025)*

Partnerships and Collaborations: Sixty percent of respondents highlighted the potential of partnerships. The campus can collaborate with local businesses and industries for sponsored research, internships, and job placements. A respondent representative from Myagdi Chamber of Commerce, said;

The campus can enhance its financial and academic standing by partnering with local businesses and industries for sponsored research, internships, and job placements. Additionally, forming international collaborations with foreign universities can facilitate exchange programs and joint degrees, boosting the campus's global appeal and broadening its academic offerings.

Alumni Engagement: Engaging alumni can be a significant resource for financial sustainability, as expressed by eighty-five percent of respondents. Developing a strong alumni network and encouraging alumni to contribute financially through donations and endowments can provide a steady income stream. Additionally, engaging alumni in mentorship programs can support current students and foster a sense of community, further strengthening alumni ties to the campus. Two respondents from the alumni group of MMC suggested that the campus's successful alumni, who are dispersed globally, can play a notable role in financial campaigns by developing a structured alumnus fundraising strategy that leverages digital platforms, themed campaigns, and global alumni engagement. By engaging these accomplished alumni, the campus can leverage their support to raise long-term funds and enhance its reputation through their advocacy and endorsement.

Research and Innovation: Ten (50%) of respondents, agreed that, the research grants and funding from local, national and international agencies can provide significant financial support. One of the participants, a representative from the Research Management Cell (RMC) of MMC, stated:

> It is essential to conduct research activities with financial support and collaboration from various agencies. Our research should focus on sustainable campus development and cost reduction. Furthermore, I believe that research can be leveraged to develop technology and business enterprises, establish innovation hubs and incubators, and attract investment to generate income. *(Interview, 2025)*

Cost Management: Effective cost management, as suggested by fifty-five percent of respondents, can help optimize the use of existing resources and cut unnecessary expenses.

Implementing cost efficiency measures can reduce unnecessary costs, contributing to overall financial savings. One respondent from CMC authority and one form campus administrative section expressed that, financial stability is most important for the campus's sustainability. They emphasize the need to identify and eliminate unnecessary expenses, maximize existing resources and facilities, and explore alternative sources of income to ensure long-term sustainability. Furthermore, they suggest that the campus should review programs with low enrollment and high costs, with a view to reducing unnecessary expenditures and increasing student enrollment.

Community Engagement: Sixty percent of respondents emphasized the importance of community engagement. Offering community education programs and services can generate income while enhancing the campus's reputation. Hosting public events, seminars, and conferences can attract participants and generate revenue, fostering stronger community ties. A senior faculty member proposed that implementing community education programs and services can have a dual benefit, generating revenue and enhancing the campus's reputation. By organizing public events, seminars, conferences, and entrepreneurship programs, the campus can attract both the local community and students, creating additional income streams and fostering stronger community connections. Additionally, a student, suggested that completing various campus programs with active student participation can help reduce costs and increase engagement. She recommended that to support students who need additional classes for graduation, arrangements can be made for these classes to be taught by peers from the same or higher-grade levels, promoting a collaborative and cost-effective approach.

Grants and Funding: Seventy percent of respondents identified this as a key opportunity. Seeking funding opportunities from government bodies and non-governmental organizations (NGOs) for specific projects and initiatives can provide essential financial support, helping to bridge funding gaps and support campus activities and development. A faculty member suggested that to get enough funding, the campus should meet the UGC's quality standards and join their Quality Enhancement Program as soon as possible. He explained the role of the campus to fulfill the educational needs of the district and suggested that the campus should be included in the regular budget of the local body.

Discussion

The findings of this study highlight a complex and interconnected set of financial challenges that pose a serious threat to the long-term sustainability MMC, which reflect the broader situation faced by many community campuses in Nepal. As identified in the literature (Gupta, 2022; Adhikari & Shrestha, 2019), a critical concern for community campuses is their over-reliance on tuition fees. MMC depends more than 80 percent revenue on students' fees. Same fact ninety percent of respondents agreed that tuition fees remain the primary source of income, creating financial vulnerability, especially amid declining student enrollment and increasing dropout rates.

The rising dropout trend, particularly

in the years 2079 and 2080 B.S. where the dropout rate reached over sixty-five percent is alarming. It is not merely a symptom of academic disengagement but a reflection of larger socio-economic forces, including youth unemployment, out-migration, and declining trust in the national higher education system. The students' narratives underline the emotional and academic toll, reinforcing what Sapkota (2021) observed regarding student dissatisfaction with delayed exams, prolonged graduation timelines, and uncertain career prospects.

From the financial data, it is evident that MMC has consistently struggled to cover operating expenses through internally generated income. Without UGC grants, the campus runs into substantial deficits every year, with the gap growing in recent fiscal years. The ratio of cash operating expenses to self-generated income (ranging from 79.14% to 92%) demonstrates that the current income model is not sustainable. As highlighted by Khanal (2015), diversification of income sources is essential for resilience and financial health, yet MMC has not successfully mobilized such sources.

On a positive note, the study identifies significant opportunities. These align with Sharma et al. (2020), and Khanal (2015), argue that alumni engagement, community partnerships, and research can serve as important avenues for resource mobilization. Respondents in this study also proposed actionable strategies, such as launching short-term and skill-based programs, operating the campus incubation center effectively, and increasing community outreach. Notably, eighty-percent emphasized alumni engagement and revenue diversification, underscoring untapped potential within the campus's social capital.

Moreover, the SWOT model applied here reveals not only external threats and internal weaknesses but also strategic strengths and opportunities. MMC's recognition through QAA, its peaceful learning environment, and its local reputation are strengths that can be leveraged to attract students. Simultaneously, community engagement and local partnerships present realistic and culturally rooted opportunities for resilience which align with Sharma, R., Gautam, B., & Khatri, P. (2020).

However, the study also reveals a serious internal limitation: weak financial management and strategic planning. Respondents reported that even when external grants are available, legal restrictions and lack of flexibility in fund usage limit their impact. There is also an impending crisis in retirement liabilities, suggesting poor long-term financial planning. These concerns validate Acharya's (2021) findings on inadequate institutional capacity and emphasize the need for professionalization of financial administration.

Conclusion, Implications and Suggestions

This study examined the financial sustainability of community campuses in Nepal, with a specific case study of MMC. It revealed that decreasing number of students, insufficient government grants, and rising operational costs are key factors contributing to financial strain. Although community participation and local efforts have supported these institutions to some extent, financial planning, income diversification, and institutional capacity remain underdeveloped. The findings suggest that for community campuses to remain sustainable, they must adopt strategic financial management practices, enhance accountability, and strengthen partnerships with local governments, alumni, and donors. The study also highlights the need for targeted government policies and regular support mechanisms tailored to the unique challenges faced by nonprofit educational institutions. Given the limited scope of a single case study, further research involving a broader sample of community campuses across different regions of Nepal is recommended to generalize findings and develop a comprehensive sustainability model.

The findings of this study reveal that Community campuses in Nepal, exemplified by MMC, face a critical need to overhaul their financial models to ensure long-term sustainability. The core issues stem from an over-reliance on a narrow income base of tuition fees, which is no longer viable due to declining student enrollment and limited government support. This precarious financial situation is exacerbated by a lack of strategic planning, weak alumni engagement, and minimal external partnerships. To counter these challenges, the study recommends a multi-phased approach. In the short term, campuses should focus on diversifying revenue through demand-based vocational programs, implementing cost-saving measures, and strengthening student enrollment. Concurrently, developing partnerships with local governments and NGOs can provide a much-needed infusion of resources.

For sustained growth, a more strategic and innovative mindset is essential. In the medium term, campuses should prioritize creating and implementing a comprehensive strategic financial plan. This includes actively building a structured alumni network and leveraging it for fundraising, while also promoting research and innovation through consultancy and collaborative projects to generate new income. Looking ahead to the long term, these institutions must foster a culture of entrepreneurship, supporting student startups and building strong industry-academia ties. Expanding into digital education platforms and collaborating with other institutions to share resources will be key to reducing costs and creating new revenue streams, ultimately paving the way for a resilient and thriving future.

References

Acharya, R. (2021). Challenges of resource mobilization in Nepalese community colleges. *Journal of Higher Education Studies, 14*(2), 32–45.

Adhikari, R. (2019). Factors affecting dropout in higher education in Nepal: Financial difficulties, misaligned curricula, and institutional quality. *Journal of Education and Research, 9*(1), 1–12.

Adhikari, S., & Shrestha, P. (2019). The funding crisis in community campuses of Nepal. *Tribhuvan University Journal, 34*(1), 90–102.

Business Age. (2023, January 24). Community campuses face financial crisis in Parbat. *New Business Age.* https://newbusinessage.com/article/community-campuses-face-financial-crisis-in-parbat-

Chimoriya, D. R. (2024). *Community campuses in Nepal: Challenges and the way forward*. Academia.edu. https://www.academia.edu/121833591/Community_Campuses_in_Nepal_Challenges_and_the_Way_Forward

Ghimire, P., & Devkota, S. (2022). Financial vulnerability of Nepalese community campuses: Challenges and policy considerations. *Journal of Education and Development, 32*(1), 45–58. https://doi.org/10.3126/jed.v32i1.46352

Gupta, R. (2022). Financial vulnerability and sustainability strategies in Nepalese public higher education. *Kathmandu Economic Review, 8*(1), 65–78.

Gupta, S. P., & Shiwakoti, R. (2024). Community colleges in Nepal and the quest for sustainability: Challenges, prospects and SDG alignment. *Shiksha Shastra Saurabh, 24*, 1–[last page missing].

Johnstone, D. B. (2003). Cost-sharing in higher education: Tuition, financial assistance, and accessibility in a comparative perspective. *Czech Sociological Review, 39*(3), 351–374.

Kathmandu Post. (2023, May 15). Why students are leaving Nepali campuses. *Kathmandu Post*. https://kathmandupost.com

Khanal, B. (2015). Alumni engagement and institutional development in Nepalese community campuses. *Journal of Education Reform, 6*(2), 59–70.

Khanal, P. (2015). Financing higher education in Nepal: Implications for equity and quality. *International Journal of Educational Development, 43*, 143–153.

Myagdi Multiple Campus. (2022). *Academic audit report 2023*. Myagdi Multiple Campus.

Myagdi Multiple Campus. (2023). *Annual report 2079/80*. Myagdi Multiple Campus.

Myagdi Multiple Campus. (2023a). *Strategic plan 2023–2026*. Myagdi Multiple Campus.

Poudel, S. (2018). Economic challenges of community campuses in rural Nepal. *Education and Development, 29*(2), 103–117.

Poudel, T. N. (2018). Financial management in community campuses of Nepal. *Journal of Education and Research, 18*(1), 1–10.

Rauniyar, R. (2023, July 23). Trend of students going abroad continues despite increased investment in education. *Republica e-Paper*. https://myrepublica.nagariknetwork.com

Sapkota, S. P. (2021). Financing and mobilization of revenue in higher educational institutions: Evidence from Far-West Province, Nepal. *Creative Education, 12*(1), Article 1. https://doi.org/10.4236/ce.2021.121021

Sharma, K., Rai, D., & Paudel, S. (2020). Exploring alternative funding models for Nepalese higher education. *Nepalese Journal of Education Finance, 5*(1), 21–36.

Sharma, M. (2021). Equity and inclusion in Nepal's community campuses: A policy perspective. *Educational Perspectives Nepal, 6*(2), 33–44.

Sharma, R., Gautam, B., & Khatri, P. (2020). Sustainability of community colleges in Nepal: Issues and opportunities. *Educational Perspectives, 12*(2), 45–59.

Tiwari, R., & Shrestha, P. (2021). Financial management practices in community campuses of Nepal. *Journal of Higher Education Studies, 15*(2), 75–88. https://doi.org/10.3126/jhes.v15i2.40211

Trow, M. (2006). Reflections on the transition from elite to mass to universal access: Forms and phases of higher education in modern societies since WWII. In J. F. Forest & P. G. Altbach (Eds.), *International handbook of higher education* (Vol. 18, pp. 243–280). Springer.

University Grants Commission. (2023). *Annual report 2023*. UGC Nepal. https://www.ugcnepal.edu.np/

University Grants Commission. (2024, December). *Annual report 2023–2024*. https://www.ugcnepal.edu.np/

United Nations Development Programme (UNDP). (2025). *Sustainable Development Goals: Goal 4 – Quality education*. https://www.undp.org/sustainable-development-goals