Budgetary Control is an important aspect of financial management in organizations. Proper budgeting without control will definitely end into nothing since control gives a basis for performance evaluation and feedback. Control therefore provides a check on the plans of the organization and for correction of any deviation from the stipulated plans of the organization in question. When there is proper control on inflows and outflows the organization will be able to maintain a required level of cash balances and therefore a positive liquidity.

Credit management also plays a key role in monitoring cash inflows and determining credit worthiness and collection periods. Proper credit analysis and credit reviews allow management to develop efficient cash flow plans to maintain a sound liquidity without necessarily affecting customer relations.

In pursuant to this, primary data was collected by questionnaires and through researcher’s observation while secondary data was collected from journals and related works. Results indicate
that budgetary control and credit management explain 22.6% of the variance in the liquidity in Makerere University Units. Furthermore the findings revealed that both independent variables (i.e. Budgetary control and Credit Management) were significant predictors of liquidity with; Betas = .395,P<.05 and .182,P<.05 respectively. As indicated, Budgetary control was more significant which means that Budget Monitoring, Budget Reviews and observing a strict commitment control system are critical factors in enhancing the liquidity situation in these Units.