



Using an Intranet Portal, Uniform Accounting Charts and Activity Based Accounting to Assist Entrepreneurial Nonprofit Program Management

John Sacco
George Mason University, USA

Elizabeth Strait
MPA Candidate, George Mason University, USA

EXECUTIVE SUMMARY

A youth oriented environmental nonprofit organization that has pursued an entrepreneurial path, which includes adding earned income to traditional donations, is studied in order to explore some of the information technology (IT) gaps occurring in such aggressive undertakings. To address these IT gaps, the study notes the broad issues of intranet portals, including traditional business processing, coordination and the interest in knowledge creation. However, this case study explores, in-depth, the accounting issue of operating a geographically dispersed organization by managing the main facets of its environmental programs via an intranet portal, uniform accounting charts and activity based accounting. To its credit the nonprofit entity has a strong strategic plan and vision in place. It needs to have a common intranet accounting system

to better facilitate coordination of funding, program activities and auditing. Because of resource limitation a more exhaustive intranet system is still on the horizon.

ORGANIZATIONAL BACKGROUND

This particular nonprofit organization focuses on environmental programs. The mission has been to involve youth (ages 10-14) in civic education and environmental action. For the purposes of this paper the organization is called *The Youth Environmental Nonprofit* (TYENP). The nonprofit has been in operation since 1993. The primary genesis of funding came from a private foundation that provided, over time, a multi-million dollar grant. As of 2003, this nonprofit still has monetary resources amounting to about 15% from the original grant.

The organizational approach of *The Youth Environmental Nonprofit* for addressing environmental problems rests on a common strategy for all its environmental programs. This is a multi-step approach that starts with an inventory of community environmental problems, then moves to training and implementation and ends with evaluation and feedback. The common program strategy ought to be a plus for the intranet portal, since one function of the portal is to provide a picture of organization milieu and vision (Scott, 1998).

Originally, the organization started with a single program — a hands-on environmental improvement program for youth in participating communities. The nonprofit eventually added two more programs, one directed toward watershed guardianship and one directed toward applying school curriculum to environmental projects. While each of three programs has a different environmental focus, all try to go through the same multi-step approach. Given that all programs are youth-oriented, the nonprofit has a Youth Advisory Board, thus making one of the target audiences a stakeholder.

As with many nonprofit organizations, this one has kept to its basic mission, and multi-step approach for achieving that mission, but has evolved considerably in terms of organizational structure and funding. The evolution, as has been the trend in the nonprofit world, is to become more entrepreneurial as defined by adding more earned income to traditional philanthropic support.

Initially, the entity had a headquarters office and field offices, with all the field offices operating under the same charter. Now, in addition to the field offices, the entity has affiliates and partners to carry out the three programs. Indicative of the entrepreneurial approach, affiliates are franchises. These affiliates pay a franchise fee and purchase products from the headquarters as well as training manuals. A franchise gets started with their own financing, paying an annual fee to headquarters. Partners are more dependent than affiliates. The partners receive initial funding from headquarters and they purchase products (e.g., water quality testing kits) from headquarters at cost. The partners also receive a sales commission from headquarters on the sale of certain products. Along these entrepreneurial lines, the factories that make the products for headquarters pay the main office a royalty and use the nonprofit endorsement on products the company sells to other customers. Other than regular email, no e-connection exists among the various parties mentioned.

The organizational chart, *Figure 1*, shows relationship between headquarters and its affiliates, its partners and its field offices.

19 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/teaching-case/using-intranet-portal-uniform-accounting/33601

Related Content

LIBNET: A Case Study in Information Ownership & Tariff Incentives in a Collaborative Library Database

A. S.C. Hooper (2006). *Cases on Information Technology: Lessons Learned, Volume 7* (pp. 324-344).

www.irma-international.org/chapter/libnet-case-study-information-ownership/6397

Using Asynchronous Computer Conferencing to Support the Teaching of Computing and Ethics

Pat Jefferies and Simon Rogerson (2003). *Annals of Cases on Information Technology: Volume 5* (pp. 370-386).

www.irma-international.org/article/using-asynchronous-computer-conferencing-support/44553

Alignment Conservativity Under the Ontology Change

Yahia Atig, Ahmed Zahaf, Djelloul Bouchiha and Mimoun Malki (2022). *Journal of Information Technology Research* (pp. 1-19).

www.irma-international.org/article/alignment-conservativity-under-the-ontology-change/299923

Newcomer Assimilation in Virtual Team Socialization

Shawn D. Long, Gary F. Kohut and Gaëlle Picherit-Duthler (2005). *Encyclopedia of Information Science and Technology, First Edition* (pp. 2122-2128).

www.irma-international.org/chapter/newcomer-assimilation-virtual-team-socialization/14571

The Incremental Artificial Immune System for Arabic Handwritten Recognition

Khelil Hiba, Benyettou Abdelkader and Afef Kacem (2019). *Journal of Information Technology Research* (pp. 88-106).

www.irma-international.org/article/the-incremental-artificial-immune-system-for-arabic-handwritten-recognition/238027