



Exploring Organizational Mission Accountability of Nonprofit and For-Profit Leaders: An Exploratory Case Study

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Outline

- Introduction
- Problem Statement
- Purpose of the Study
- Research Method and Design
- Population and Sample
- Research Questions
- Instrumentation/Data Collection Approach
- Data Analysis
- Findings
- Recommendation
- Conclusion
- References

Introduction

- Twenty-first Century, Proliferation Misappropriation 501(c)3 Organizations Increased In U.S. (ACFE, 2018; Lee, 2011).
- In 2008, IRS Awareness Nonprofits/For-Profits Leaders Stealing For self-Interest (Harris et al., 2017)
- Thousands and Millions of Public Donations were Stolen (ACFE, 2018)

Problem Statement

- The general problem is that some larger nonprofit and for-profit organizations made decisions to conceal the misappropriation of funds of more than \$100,000, which can negatively impact the organization's financial stability.

Purpose of the Study

- The purpose of this qualitative exploratory multiple case study aimed to understand prevention methods used by board members of nonprofits and for-profits to protect the organization's resources.

Research Method and Design

- Qualitative Research Method is the Preferred Method
- Face-to-Face Interviews
- Research Method help to determine
 - Dependability
 - Trustworthiness
 - Credibility
 - Transferability
 - Confirmability
- Qualitative Case Study Design was Suitable Method

Population and Sample

- Five Board Members of American Companies U.S.
- Required to be a Current Board Member
- Least Six Months of Experience Board Member

Research Questions

- RQ 1: What changes have been implemented by board members to improve accountability for misappropriation of funds, for example, theft, embezzlement, or fraud?
- RQ 2: How do members of the board plan to protect resources from future misappropriation better?

Instrumentation/Data Collection Approach

- Researcher Primary Instrument
 - Interviews Digitally Recorded
 - Purposeful Sampling of Five Board Members
 - Conducted 25 – 35 Minutes Interviews
 - NCH Express Scribe Transcription
 - Transcribed Verbatim and Data Triangulation

Demographics

Participants Demographics

<u>Pseudonym</u>	<u>Gender</u>	<u>Age Range</u>	<u>Years of Experience</u>	<u>Board Member's</u>
P1	Male	25 to 50	2	8
P2	Female	25 to 50	5	8
P3	Male	27 to 67	1	7
P4	Female	29 to 32	4	3
P5	Female	40 to 70	5	4

Data Analysis

- 1st - Participant's transcript were re-read
- 2nd - Data broken down into smaller components, word groups and categories
- 3rd - Labeled word groups with descriptive words

Results

- The overall perception of board is improvements are needed to better prevent theft and protect assets.
- Board's need to implement a plan to better governance their organization
- Better comprehension of board's responsibilities

Theme 1

- Board Members have limited experience or no experience but maintain a level of expertise in managing finance.
- Board Members have multiple measures to prevent theft or fraud
- Board Member's methods of accountability to report theft

Limitations

- Limited research on nonprofit Accountability
- Attempts were made to conduct the Case Study to include several organizations in U.S.
- Much information has been provided as allowable about the participants and their organizations

Recommendation to Leaders and Practitioners


- Recommendation is to hire an outside auditor and oversight committee
- Recommended board members conduct thorough background checks
- Recommended that board members have an effective way to record cash donations or other resources
- Recommended that leaders set up a system of virtual meetings, for example, Zoom or Google Duo
- Lastly, recommended that board members assess their annual reports

Recommendation for Future Research

- Recommended that future studies use the same research questions.
- Future studies should be done on how leaders and board members can effectively determine plausible methods of accountability and enforce them.
- Recommended to use both research questions but conducted with employees and volunteers.
- Research question should be reversed to conduct the study.

Conclusion

- The purpose was to explain and understand the research problem.
- The results indicated a lack of integrity in the auditing process could lead to more misappropriation of funds if there continues to be a lack of governance by board members.
- Recommended that board members implement measures for accountability, accounting policies, background checks, review monthly statements, assess annual reports, and oversight committee.

The background is a dark, almost black, field with several overlapping, semi-transparent geometric shapes in shades of dark grey and black. A bright, glowing light streak enters from the top right corner, extending diagonally towards the center, creating a lens flare effect.

Thank you for your attention

Any Question?

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