

College of Business & Public Administration

COLLABORATION—PAST, PRESENT, AND FUTURE

Our Promise: The College of Business and Public Administration (CBPA) prepares our learners to succeed as leaders and global citizens by bringing the world into the classroom and the classroom into the world.

CBPA stands by its promise. And, this year, one of the college's projects removed even more boundaries separating the world and the classroom.

Five students volunteered to help United Way of Central Iowa (United Way) develop best practice procedures for evaluating the financial soundness of the nonprofit agencies in which it invests. The result was one extraordinary experience.

"I got so much more than I expected from this project," says Ted Brewer, BN'12, whose degree is in accounting. "It was great to work on a real-time business project, one that makes a difference, not just to United Way, but to the whole community."

AN IDEA TAKES ROOT

According to Sarah Roy, BN'82, chief operating officer of United Way, the project began to take shape in fall 2011 when United Way set a goal to establish a set of criteria for the consistent financial review of funded agencies.

A finance/audit subcommittee was tasked with developing a methodology for such a review. Based on best practices at other United Way organizations as well as procedures used by industry observers such as Charity Navigator, the subcommittee developed an assessment model with three to six specific metrics in each of four key categories:

- Sustainability—the financial strength of the nonprofit agency and its ability to weather interruption in cash flow (e.g., working capital)
- Efficiency—the agency's ability to raise sufficient funds to meet its program goals (e.g., manage expense ratios)
- Governance—the soundness of the organization's decision-making process (e.g., board independence)
- Audit results—the extent to which the agency's audit is (un)qualified (e.g., reportable conditions)

The proposed assessment model required detailed information on more than 50 nonprofit agencies in the Des Moines area. In line with United Way's investment strategy, the nonprofits were sorted by type of service, such as health, education,

or income (agencies that provide subsidized housing or employment services).

The subcommittee's recommendation was that United Way gather publically available data, primarily from the IRS Form 990 and independent audit reports.

PATH TO COLLABORATION

The task of gathering detailed financial data from publicly available sources invited the possibility of United Way working with skilled volunteers with a good financial background. That's where the collaboration came in.

Roy, who earned her Bachelor of Science in Business Administration degrees in actuarial science and accounting from Drake, was also a member of Beta Alpha Psi, an honorary organization that recognizes excellence in the field of business information. Sean Vicente, a partner at KPMG in Des Moines and a member of the United Way Audit Committee, also serves on the CBPA's Accounting Advisory Council. Both were well aware of the CBPA's commitment to provide service-learning for undergraduates and saw an opportunity in the making.

Vicente contacted Chuck Terlouw, associate professor of practice in accounting at Drake, who suggested using students from Beta Alpha Psi, which requires that its members do pro bono work in the community.



Drake students collaborate with United Way of Central Iowa board members. L to R: Todd Drake; Jennifer Barp, vice president, worldwide finance, Kemin Industries, Inc.; Susan Davis, assurance partner, McGladrey & Pullen; Amra Beganovic; Ted Brewer; London James; Julie Harvey, vice president of finance, *The Des Moines Register*.

DEEP DIVE INTO THE DATA POOL

At the time, two seniors, Todd Drake and Ted Brewer, and three juniors, London James, Amra Beganovic, and Hannah Downing, volunteered for the research project, which required 75 hours of student time throughout a three-month period to pull together all of the data. Each of the volunteers was assigned responsibility for 10 to 12 nonprofits.

From the perspective of the students, the project went beyond the collection of routine accounting information. Once the data had been collected, the students were charged with completing the first-round evaluation for each agency's business fundamentals, based on preliminary guidelines (one of three relative rankings) from the United Way subcommittee.

Roy's financial staff reviewed the student evaluations before the project results were finalized. "They did a terrific job," she says. "We didn't make many changes in their initial evaluations. And they made some excellent suggestions for improving the process when we update the assessment model next year."

THE VALUE OF GIVING

Service-learning projects, like internships, are a critical part of a business education. Opportunities do vary, but the United Way collaboration was in a class all its own. Too often these projects are about resume building or earning a little extra money. The United Way/Drake collaboration was different. It was a win-win for everyone.

When talking to the students on the project, one immediately senses their level of enthusiasm.

"You don't learn about nonprofit accounting from the textbooks," says James. "I had to take basic for-profit principles and apply them to a very different situation."

Drake offered a different perspective. "It was a wonderful opportunity to work with professionals and community leaders who were trying to solve a real problem," he says.

But perhaps the most important part of the project went above and beyond accounting.

"It was a way to give back to the community," says James, who will lead the United Way/Drake collaboration in its second year.

"I had a wonderful sense of being part of a community," says Brewer, who intends to volunteer at United Way in some capacity once he is out in the workforce.

The experience got even better when the group won first prize in the "Out-of-the-Box" category at the regional Beta Alpha Psi competition in St. Louis last March. The project team also competed for a national award at the Beta Alpha Psi finals in Baltimore in August.

WHERE TO FROM HERE

The project to populate United Way's nonprofit assessment model was not the only non-profit CBPA service-learning project of the 2011-2012 school year.

Half a dozen students in Stephen Gara's tax accounting class stepped up for the "Volunteer Income Tax Assistance (VITA) program during the tax season. "This was not a make-work project," says Gara, associate professor of accounting and director of the School of Accounting. "The students' work had real consequences for low-income individuals and families."

The two projects highlight a future direction for additional high quality service-learning opportunities for CBPA undergraduates, perhaps working with nonprofits that need help with finance and accounting issues or assisting low-income families with taxes, budgeting, or other financial record-keeping tasks.

Whether additional projects come from United Way or other community organizations remains to be seen, but representatives from both Drake and United Way are encouraged. "This project drew on connections from the past," says Roy. "But what is best about it is that we are building connections for the future."



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