
The author, whom is a professor at Harvard and the Co-Founder HBS Social Enterprise Initiative, published his article in *Nonprofit & Voluntary Sector Quarterly*, a respected journal running over 25 years with a deep background in nonprofit organizations. Within the article the author takes an in-depth look the relationship between businesses and non-profit organizations; comparing how the business and organization that it is supporting can benefit from the exchange and interaction of resources, funds, and publicity. The article is riddled with countless, direct examples of detailed interactions between a variety of businesses and organizations detailing exact names and situations. The only repetitive aspect of the article was it’s overly insistent views on the business side; while the organizations side was accounted for to an extent, the author took significant priority on the business's side of the equation.


The author, an economist at Mathematica Policy Research, Inc. in Cambridge, Massachusetts, published a detailed article in the *Journal of Public Economics* regarding the pay scales of hospital administrators amongst profit, nonprofit, nonprofit religious and governmental institutions. Direct points are made on the bases of pay rates between the different types of institutions, along with bonuses; how much the bonus should be based on performance and how much each type of institution can allocate to said bonus. The author manages to support his finding with many charts detailing average pay scales from each sector to make the comparison fairly easy coupled with the statistical equation used to calculate the bonus amount along with a thorough breakdown of the individual process within the equation. The one area the author falls short on is failing to truly explore all the details of the pay scale as the main part of the article is take strictly in regards to hospital CEOs and minimally regarding any other position in the hospital causing the argument to take a narrow aspect and failing to take into account spending on funds on any other hospital employees. This narrow aspect makes it slightly more difficult to grasp parts of the points being made by the author.


The author, PhD in Public Administration from the University of Southern California, published his article in the respected journal *Nonprofit & Voluntary Sector Quarterly*, which has an expansive background in nonprofit organizations. The article’s author takes a biased “grantees” perspective which argues that the “grant maker” influences the “grantee” heavily; describes how well the “grantee” can conform/is conformed to the donor. The article demonstrates how new NGO’s are more likely to be susceptible to the ideals of the “grant maker”, even if the “grant maker” remains silent. The author gives evidence by giving scenarios where NGO’s would have to or have had to conform to their “grant makers” unwritten laws.

The author, a Professor of Public Affairs and Director at the RGK Center for Philanthropy and Community Service, discusses in-depth the principals of venture philanthropy and mindsets of philanthrocapitalists. The article demonstrates how venture philanthropy can be greatly beneficial to new organizations that are starting to help aid them in increasing in scale to be able to make a substantial impact within their niche. The author makes a point that venture philanthropists are fairly rare to find, mainly due to the fact they have to put large amounts of funds into what they consider and 'investment', however the only return they hope to see is their benefiting organizations growing and making waves in its respected area. The only major fault of the article is the author makes minimal attempts to explain venture philanthropy towards the beginning of the article and only does so minimally throughout the rest, thus unless the reader has significant knowledge already on the topic, formation of the concepts takes significant time.


The author, a PhD in business management with a specialization in accounting and management in the public sector, work appears in *Nonprofit Management & Leadership*. This article focuses on the developing country of Spain and its introduction into the third sector with assistance of nongovernmental organizations for development (NGODs). The study reviews four main characteristics of the NGOD which are used for assessing the position of the yet-emerging sector; with data from 33 voluntary NGODs, the authors were able to analyze several relationships that yielded the data to show proof that the NGOD sector in Spain is an emerging one.


The author, a past professor and director of the PhD Program in Social Welfare at the Wurzweiler School of Social Work, whose work appears in *Nonprofit Management & Leadership*, analyzes how President Bush encouraged religious organizations to perform Faith-based social services. A similar article in the journal *Society*, by author Steven Smith, states how Bush’s Faith and Community-Based Initiative would hopefully break ties from the government but unfortunately Gibelman demonstrates that Bush not only failed to do so, but also proved that the Initiative started Faith-fronted scams that embezzled hoards of money from people who trusted the church. The author also makes a point to state that this is hidden from the public eye as a result of religious affiliations hiding themselves from the media, making this article an eye-opener to the public.


The author, a current consultant to World Bank and USAID, has a published article in *Society*, a journal that discusses research findings dealing in the areas of social sciences and public policy. The author focuses her article on public policy issues of ‘blurred boundaries’ between for-profit and nonprofit organizations, which has succumbed due to commercialism; several examples followed her statement. James also focuses intriguingly on being a nonprofit versus a for-profit organization with reasons of motivation for being so including three theories for why an entrepreneurs choose nonprofits.

The author, a PhD in Philosophy, published an article in the well-respected journal of Nonprofit & Voluntary Sector Quarterly discussing how nonprofit charity need to take all donations regardless of the source of the money unless there is an imminent possibility of damage to the charities reputation. However even in that situation the author includes the argument even if ‘dirty’ money is given to a charity the money is no longer ‘dirty’; the charity has the moral responsibility to accept all donations to help extend its services to all who made need it. The author provides a detailed example at the start of the article how charities refused millions of dollars in donations from a court settlement strictly as a result of not wanting to obtain 'tainted' money, although the charities could have easily used the large sums of money to help extend their services and expand a good deal. Throughout the article the author managed to thoroughly go through moral aspects of charity money coming from various sources, however most possible causes to make the charity try to refuse the money were diffused with good detail and strong arguments.


The author, a PhD in Economics from Northwestern University, whose article was published in the Journal of Public Economics, which focuses on problems of public economics, and in this case nongovernmental donations. The articles primary spotlight is on the two ‘countervailing effects on donations’ which reviews the direct and indirect types of contributions. An interesting topic of individual donations based upon whether there are governmental grants or program sales activity involved, the article finds evidence that there is still an impressive input of private offerings despite the additional money. The positive yield is shown by use of several tables included within the article which is also heavily supported by a plethora of sources and external citations.


The author, a PhD in economics from Yale, published her article in Voluntas, the International Journal of Voluntary and Nonprofit Organizations, which is published primarily for its international society for third-sector research. The author focuses on the social capital of the business of NGO’s with individual “feel-good” donations. It discusses how small-scaled donations are more of an individual self-pleaser than an actual do-gooder for the NGO; grand donations are the ones that immediately effect the NGO’s finances. The article also indirectly compares the differences between corporate donations and individual small-scaled donations. There was a lack of bias in the article, but its main focus was primarily small-scaled donations making it more one-sided than the other. Rose-Ackerman also discusses reasons why non-profits get more donations than for-profits for reasons such as fear of it going to employees over actual aid.
Analysis

Nongovernmental organizations, otherwise known as NGOs, are well known worldwide for advocacy, humanitarian aid, and other well doings. Although the mission of the NGO may be a good idea at heart, receiving funding for that mission is a different story. A major issue of conflict for the bulk of NGOs is resource mobilization. This paper will analyze several questions including, but not limited to, “Where do these organizations get their money?”, “Does governmental aid/grant makers mean that the NGO is being coerced to do something because of the funding?” Also, the questions of NGO of missing or embezzled funds will be asked and addressed as well. The primary focus of this paper is the synthesis of literature that I have reviewed on the topics listed above which I will cross-examine from multiple authors’ viewpoints, including answering the questions 1 – 4.

An NGO defined by John Hopkins Comparative Nonprofit Sector Project (JHCNSP) is an organized, private, nonprofit-distributing, self-governing voluntary organization (Morris, 2000). These types of organizations can focus on charitable work, service, self-help, and/or empowerment which can also be a distinctive level of operation. NGO levels of operation include Community-based Organizations (CBOs), Citywide Organizations, National NGOs, and International NGOs (William, 1991). Different types of NGOs yield different types of funding, including certain ways that they choose to receive their funding. For example, a Citywide Organization such as a rotary club are acceptance based NGOs which have annual dues. These types of NGOs focus primarily on the persons within the network or club. Although there are several types of levels of operations, I am mainly going to focus on national and international NGO funding.

Most NGOs and INGOs have a plethora of resources for receiving income to aid their primary goal, whichever it may be. One of the most common forms of income is by donations. Donations come in several ways, whether it be cash, food, item-based or even blood, such as the Red Cross. Cash-based donations vary in amounts and types. Individuals often donate smaller cash amount to organizations that they like or participate in, where as bigger donations usually come from a business or entrepreneurs. Usually businesses or entrepreneurs donate to NGOs in order to boost their credibility and their social status. In Austin’s article Strategic Collaboration Between Nonprofits and Business in Nonprofit and Voluntary Sector Quarterly, an example of this is presented by Georgia-Pacific (G-P) who believed that “by partnering with TNC in the joint management of environmentally important timberlands, it would enhance its credibility with government regulators. This motivation is consistent with legitimization and political theories that stress using collaboration as a vehicle for increasing influence and power” (Austin, 2000). Fundraising and other NGO support are also very common ways that NGOs receive funding. NGOs use several different fundraising techniques. MSF, or Doctors without Borders is well known for several different fundraising techniques including outdoor fundraising campaigns which states that “each day a team of fundraising ambassadors who represent MSF goes to different corners in Hong Kong, to invite the public to join as “MSF field partners”. “MSF Field Partner” is a monthly donation program that accepts regular donations that help MSF aid MSF in “intervening timely and swiftly to emergencies” (MSF HK, 2009).

1. A similarity between articles that focuses on the topic of donations is William Luksetich article, Government Funding and Nonprofit Organizations and Cagla Okten’s article, Determinants of donations in private nonprofit markets. These two articles have similar concerns, issues, and conclusions. Luksetich’s article analyzes NGOs who raise fund and if that affects the availability of grants that are available to them. Okten’s article is very similar because it analyzes NGOs chances at
private donations when they receive governmental grants and the organizations own program sales activities (which is similar to fundraising). “Positive effects of government grants on private donations have also been found for the American Red Cross” (Okten, 2000). In both cases, they can still receive both the governmental grants in the Luksetich case, and private donations in Okten’s case.

Another similarity between articles that deals with donations is Rose-Ackerman’s Altruism, ideological entrepreneurs and the non-profit firm and Delfin’s Foundation Impact on Environmental Nongovernmental Organizations: The Grantees’ Perspective. Rose-Ackerman’s argument is between individual versus large-scale business and corporate donors which states that individuals usually donate smaller amounts that have minimal effect on the organization, however large corporations and businesses tend to donate higher amounts to NGO’s and as a result have a higher impact on the organization they are donating to. Delfin’s article further supports this (and is similar) by stating how the grant-makers who are giving the larger donations cause the organizations (NGOs) to be swayed to the particular direction of the grant-maker. “Their presence is intimidating… Even when grand-makers do not utter a word, or suggest a single tactic, they make tenant activists of their grantees, rendering them hostages to whatever strategy or action the funder choose” (Delfin, 2008). Obviously through these articles, especially Delfin, it has been demonstrated how some NGOs can be coerced or swayed into a direction that is not necessarily their own.

The last similarity is between three of the articles regarding scandals and embezzlement of money. Gibelman & Gelman’s article in Voluntas: International Journal of Voluntary and Nonprofit, A Loss of Credibility: Patterns of Wrongdoing Among Nongovernmental Organizations, discusses scandals and the loss of credibility through examples of NGOs becoming greedy, mismanaging money, or embezzlement. “Watch dog agencies”, were created to watch over NGOs who are suspected of mismanagement or wrongdoing. It aids the NGO in clarifying board responsibilities, strengthening internal organizational controls and investments in board development. This allows for better donor trust with NGOs (Gibelman & Gelman, 2004). A similar article, also by Gibelman & Gelman, in Nonprofit Management & Leadership, Should we have faith in faith-based social services? Rhetoric versus realistic expectations, discusses President Bush’s encouraged Faith-fronted organizations that led to major scams that stole money from people who believed in the religious organization. One example of embezzlement listed in the article was in 1995, the Episcopal Church (N.J.) which was an embezzlement of $2.2 million dollars (Gibelman & Gelman, 2002). Pop-up NGOs, or Mushroom NGO’s (which only appear when there is money involved) are quite common during a crisis or big event that could possibly bring in money. Morris is the last piece of this terrible triangle, also in Nonprofit & Voluntary Sector Quarterly, called Tainted money and charity: Do 501(c)(3)s have a right to refuse a gift?. This article deals with the refusal of recovered embezzled money that is dispersed to nonprofits in which certain “charities refused the gifts—as tainted, as dirty money”(Morris, 2008). It was interestingly found that 39% of respondents to a survey by Guidestar stated that “charities should not accept contributions from controversial sources”(Morris, 2008).

2. One prime source of disagreement of opinions is between two authors. Austin’s article Strategic Collaboration Between Nonprofits and Business and Delfin’s Foundation Impact on Environmental Nongovernmental Organizations: The Grantees’ Perspective, both found in Nonprofit & Voluntary Sector Quarterly, have a difference of opinion concerning which side gives more in the relationship between businesses and NGOs. Austin believes that businesses have to contribute more to the collaboration while Delfin believes that NGOs have to conform more to the relationship to do that of what the business asks them to.
Two authors that have the similarity of donating funds to NGOs also have a major difference in the reasons why they are donating money to the NGO of choice. Rose-Ackerman’s article Altruism, ideological entrepreneurs and the non-profit firm, focuses on individuals who donate to NGOs but only because of social capital. They mostly contribute just so that they are able to state that they have donated, even though they have made a very insignificant impact. Frumkin’s article, Inside venture philanthropy, on the other hand donates to NGOs because they want to create a long-term investment within the NGO. This includes seeing it prosper, develop, and possibly sit on the board of directors.

One article remained very in need of further and broader research. Ballou & Weisbrod’s article Managerial rewards and the behavior of for-profit, governmental and nonprofit organizations: Evidence from the hospital industry, in the Journal of Public Economics was very narrow-minded about their topic. It focused only on the compensation and bonuses of hospital CEOs and completely ignored all other hospital staff's pay rates. This leads to speculation of who else is getting paid what, and approximately how many people are not getting paid enough or at all, but the CEOs still get their bonuses. Further research needs to be looked into in order to look into other pay scales.

3. One issue that the required reading presented that was extended upon is Giberman & Gelman’s article, A Loss of Credibility. This expose focused on loss of credibility, embezzlement, fraud, and mismanagement of money. It also presented and introduced “Watchdog Agencies”. The other Giberman & Gelman article Should we have faith in faith-based social services? had the same issue which dealt with scamming and fraud in religious organizations. If Watchdog Agencies were introduced to some of these mushroom NGOs that embezzled money, billions of dollars could have possibly been saved.

Another extension of the literature I reviewed is the concept of merger that occurs within businesses and NGOs. Berger’s article in Social alliances: company/nonprofit collaboration, California Management Review, discusses how difficult it is for a business and NGO to collaborate with one another. Several clashes the article reviews include goals, values, cultures, strategies, management styles, and operating approaches. Berger mentions that some NGO and businesses do prosper and make “social alliances”, but it is often very difficult to get there. This extends to Austin’s article Strategic Collaboration Between Nonprofits and Business because he also states that all businesses and NGOs are not going to be compatible with one another. He also motions the pluses to a successful collaboration along with the steps that it takes for a business and an NGO to work together.

The final extension of the literature I reviewed is Wallace’s chapter 7 of The Aid Chain, called the ties that bind. The chapter reviews the NGO’s people reporting on a regular basis to the donors in order to receive future donations. The problem the NGO is having is that they have a “lack of confidence” in their reporting (bad English skills) and it is very tedious and uses excessive staff time. “Sixty percent of time now goes to reports instead of programs” (Wallace, 2007). NGOs feel pressured by the donors to give fast and improved results but is often difficult to do in such a small amount of time, yet they still proceed timidly with the reports in fear of the donor stopping future donations. This chapter extends to Delfin’s article, Foundation impact on environmental nongovernmental organizations, because Delfin focuses on the “Grantees” perspective, which is pressured to do things the way the “grant-maker” wants in fear that they would lose future funding. Thus, Delfin’s article is an extension of Wallace’s chapter 7.
4. Based on the literature I reviewed, I found several interesting and compelling conclusions. One major finding was that donors can indirectly or possibly directly influence NGOs choices, thus meaning it is also possible that government run nonprofit organizations are working for the government rather than just receiving funds from them. Wallace and Delfin both provided quotes and substantial information that would lead to this conclusion.

Another interesting conclusion that emerged from the review of the literature is that it seems that the more popular or funded a NGO is, the more individual private donors will contribute to the NGO. This, in my eyes, is social capital meaning that the private individual donors are only donating to proclaim that they have done “their part” and are satisfied that they are able to tell others about it.

Several articles including Delfin, Austin, and Wallace made it apparent that bigger donations, usually made by businesses or corporations, are the ones who actually really contribute to the NGO instead of the individual small donor. The conclusion that I find is that the individual small donor is actual a better fit and contributor to the NGO possibly because it does not stray the NGO from its original ideal mission and purpose, where as the bigger donors are more likely to sway the NGO to certain positions. Therefore, even though it is a much smaller contribution, it does not change the NGO in any way except for adding a few dollars to the bank.

Citations:


