

## URPA 5354, Fall 2005

### Management of Nonprofit Organizations: Understanding the "Third" Sector

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Class meetings: Mondays 7-9:50 p.m.

There are approximately 495,000 tax-exempt organizations in the United States (excluding churches) that may receive tax-deductible contributions in 2003. Of those with incomes above \$25,000, roughly 55,000 are classified as human service organizations and another 28,000 are health related<sup>1</sup>. As key providers of social services, innovators in social reform, funders of new methods of activism, and analysts of public policy—among many other roles—civil society, philanthropic and nonprofit groups are at the center of public debate and policy in the United States and in many other countries around the world.

The management of nonprofits, or the third sector, continues to grow more challenging as the second sector (business) and first sector (government) influence its programs, funding and direction. The defining characteristic of a nonprofit organization is that it operates with a non-distribution constraint. This means that, although many nonprofit organizations derive revenues from the sale of services or products, they cannot distribute any profits or surpluses to owners or shareholders. Yet some critics charge that the lines between the sectors are becoming more and more fuzzy as nonprofits engage in commercial revenue generation, social entrepreneurship and active competition for contracts.

This course will explore the role of non-profit organizations as they intersect with private interests and government, and shape and express our national character by raising and overseeing vast social change in the U.S. and abroad. Students in this class will also learn about the challenges and opportunities of managing non-profit organizations in a radically different demographic, economic and social context in the 21<sup>st</sup> century.

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<sup>1</sup>(Hodgkinson and Weitzman, 1996).

## **Readings**

Boris, Elizabeth and C. Eugene Steuerle (eds.) 1999. *Nonprofits and Government: Collaboration and Conflict*. Washington, D.C.: Urban Institute Press.

Ott, Steven J. 2001. *Understanding Nonprofit Organizations: Governance*, L. Boulder, CO: Westview Press.

Philanthropy in Communities of Color through <http://www.arnova.org>  
Course Reader available at UTA Bookstore

## **Course Requirements**

### **Discussion Memos: 20% of your grade**

Students are expected to complete the assigned readings prior to class and come prepared to discuss them. Students will choose two weeks to serve as a discussion leader for that week's readings and prepare a discussion memo. The discussion leader will begin with a critical overview (10-15 minutes) of that week's readings, not a summary statement but an analysis of the ways the readings complement or contradict each other, the ways the readings interpret theories discussed in class and questions raised by the readings.

### Guidelines for Discussion Memos

1. Discussion memo should be typed and 1-2 pages long.
2. The first part of the discussion memo should summarize briefly the central arguments from the reading. It is important to point out the most important ideas and their logical connections and contradictions. A good memo will not outline every argument but will steer the reader towards the key elements of the argument.
3. The second half of the discussion memo should include your reflections. What do this week's readings say about nonprofits? How do the readings connect with other material we have covered in class? What ideas do the readings provide to someone engaged in managing a nonprofit?
4. Finish your discussion memo by formulating three questions on the readings. The questions should highlight essential ideas in the readings, show connections or contradictions between the readings and other course material and help generate good class discussion.
5. E-mail a copy of your discussion memo to me before class.

**Research a Nonprofit Assignment: Oral presentation 15% of your grade; written paper 45% of grade**

In an effort to apply the readings and theories discussed in class and to engage you with current literature, you are required to engage with a nonprofit organization or an issue of your choosing. The outcome of this engagement is a research paper applying the readings and theories discussed in the course to the nonprofit organization or issue under study. You are required to use at least two articles from the *Nonprofit and Voluntary Sector Quarterly*, found at <http://nvs.sagepub.com/> to support your argument, use as a comparison with the nonprofit you are studying, or to counter an issue currently under debate in the nonprofit literature.

Your engagement with a nonprofit may take the form of working as a short-term volunteer, attending a board meeting or interviewing a key administrator in the organization. Students will present their analysis to the class at the end of the semester. Please let me know if you have special needs that prevent you from fulfilling this assignment.

The final research paper must include an abstract at the beginning of your paper, an overview of the nonprofit you have chosen; the research question you are answering; a methods section (how did you gather your data); and a conclusion that includes policy recommendations. The written product should be approximately 20 pages (double spaced, excluding references, tables or figures, APA style, with complete citations). Use the articles in *Nonprofit and Voluntary Sector Quarterly* as an example for formatting your paper.

Your oral presentation should be 10-15 minutes in length and engage your classmates in understanding the importance of the issue or organization you chose to study and help us develop new knowledge about this issue or group. Please do not read your paper verbatim to your classmates and me, think of us as prospective donors, prospective board members, or others you want to impress with the importance of your issue or nonprofit organization.

**Field Report: 10% of your grade**

Each student will present a status report of their research project during the 5<sup>th</sup> and 6<sup>th</sup> week of classes. Students will turn in 3-4 page summary that includes: one paragraph describing the nonprofit; the research question or issue addressed through this study; challenges and opportunities faced in fulfilling this assignment or working with the nonprofit; ways that the challenges/opportunities faced have altered the original goal of the project, and the literature you are using to frame your questions. The purpose of these

discussions is to allow you to get feedback, learn about each other's interests and exchange ideas on the issues you may be confronting.

**Participation: 10% of your grade**

Since this is a graduate level course, I expect student to engage with the readings for that week and participate actively in the discussion in class.

Grades are based on the following weights:

Discussion Memo	20%
Presentation of Case Study	15%
Written Case Study	45%
Field Report	10%
Class Participation	10%

**Course Outline (Subject to Change by Instructor)**

- ⌚ August 22: Class #1 Overview of Non-Profit Organizations

Introduction

Review of course requirements

Introduction to nonprofit theories

- ⌚ August 29 - Class #2 What is a nonprofit? Theories and Controversies

Jeremiah Hall. Too many ways to divide donations? The Christian Science Monitor. June 20, 2005 (READER)

Boris, Elizabeth and C. Eugene Steuerle, eds. 1999. *Nonprofits and Government: Collaboration and Conflict*. Introduction and Chapter 1

Weisbrod, Burton. 1977. The Nonprofit Sector: What Is It? Paper presented at seminar on the Economics of Nonproprietary Institutions, 29 April – 1 May 1977 at the University of Miami Law and Economics Center (READER)

- ⌚ September 5 - LABOR DAY- NO CLASS



- ⌚ September 12 - Class #3: Defining “Nonprofit” Organizations: Legal Framework

**\*\*SHARE WITH INSTRUCTOR THE NAME OF THE NONPROFIT YOU PLAN TO RESEARCH. IT IS IMPORTANT TO OBTAIN PERMISSION FROM THE INSTRUCTOR FOR THE ORGANIZATION OR INDIVIDUAL YOU WISH TO INTERVIEW.**

O'Neil, *Nonprofit Nation*: Chapter 2-Theories (READER)

Texas Associations and Nonprofit Corporations law (READER)

Ott, Steven. *Understanding Nonprofit Organizations*: Chapters 1,2,3 5 &6

Gross, Robert A. 2003. *Giving in America: From Charity to Philanthropy*. In Lawrence Friedman and Mark McGarvie (eds.) *Charity, Philanthropy and Civility in American History*. Oxford: Cambridge Press. Chapter 1. (READER)

🕒 September 19 - Class #4: Ethical Leadership

Ott, Steven. *Understanding Nonprofit Organizations*: Chapters 7, 8 & 9

Waldron, John. May 8, 2000. *In depth: Insurance and Employee Benefits*. San Antonio Business Journal. (READER)

🕒 September 26 - Class #5: Strategic Planning and Fundraising

**\*\*TURN IN FIELD REPORT BEFORE THURSDAY  
& BE PREPARED TO MAKE 3-5 MINUTE PRESENTATION NEXT  
MONDAY, October 3.**

Ott, Steven Jr. 2001. *Understanding Nonprofit Organizations: Governance, Leadership and Management* Chapters 10-16

"Venture Philanthropy 2002: Advancing Nonprofit Performance Through High-Engagement. Grantmaking Lessons, essays, and a survey of venture philanthropy funds." By Community Wealth Ventures. (READER)

🕒 October 3 - Class #6: Nonprofits as For-profits

**\*\*PRESENT FIELD REPORT AND DISCUSSION OF PROJECTS**

Boris, Elizabeth and C. Eugene Steuerle, eds. 1999. *Nonprofits and Government: Collaboration and Conflict*. Chapter 7-9

Ott, Steven Jr. 2001. *Understanding Nonprofit Organizations: Governance, Leadership and Management*. Chapters 17, 18, 19

🕒 October 10 - Class #7 Nonprofits and Government Contracts

Ott, Steven Jr. 2001. *Understanding Nonprofit Organizations: Governance, Leadership and Management*. Chapters 20-23

Boris, Elizabeth and C. Eugene Steuerle, eds. 1999. *Nonprofits and Government: Collaboration and Conflict*. Chapters 2-5

🕒 October 17 - Class #8 Managing Volunteers

Ott, Steven Jr. 2001. *Understanding Nonprofit Organizations: Governance, Leadership and Management*. Chapters 27-30

Boyd, Barry. 2003. Competencies for Leaders of Volunteers During the Next Decade: A National Delphi Study. Paper presented at "Frontiers of Leadership: People, Places & Programs" the Association of Leadership Educators International Conference (Anchorage, AK, July 16-19, 2003). 12p. (READER)

🕒 October 24 - Class #9 Accountability of Nonprofits

Read the final report by **The Panel on the Nonprofit Sector** available at <http://www.nonprofitpanel.org> The panel is presenting this report to Congress in the Fall 2005 in response to calls for more oversight of nonprofits in the U.S.

Ott, Steven Jr. 2001. *Understanding Nonprofit Organizations: Governance, Leadership and Management*. Chapters 31-33

Strom, Stephanie. "Accountability: New Equation for Charities: More Money, Less Oversight." *New York Times*. Nov. 17, 2003, Section F, page 1. (READER)

🕒 October 31 - Class #10 International Nonprofits and NGO's

DeTorrente, Nicolas. 2004. Humanitarian Action Under Attack: Reflections on the Iraq War. *Harvard Human Rights Journal*. 17:1-30, Spring. (READER)

Boris, Elizabeth and C. Eugene Steuerle, eds. 1999. *Nonprofits and Government: Collaboration and Conflict*. Chapter 10

🕒 November 7 – Class #11 Nonprofits and Civic Engagement

Alexander, Jennifer, Renee Nank and Camilla Stivers. 1999. Implications of Welfare Reform: Do Nonprofit Survival Strategies Threaten Civil Society? *Nonprofit and Voluntary Sector Quarterly*, 28: 4, 452-475 (READER)

Is Foundation Grantmaking Biased? Social Movement and Grassroot Organizations Left in the Cold. 2003. *Stanford Social Innovation Review*, Summer, page 10. (READER)

🕒 November 14 - Class #12 Philanthropy in Communities of Color  
ARNOVA book

Ott, Steven Jr. 2001. *Understanding Nonprofit Organizations: Governance, Leadership and Management*. Chapter 4

🕒 November 21 - Class #13 Trends and Challenges for Nonprofit Sector  
BEGIN CLASS PRESENTATIONS

Colvin, Geoffrey. "The Gift of Arrogance." Fortune Magazine. Dec 24, 2001.  
(READER)

Wolf, Thomas. 1999. *Managing a Nonprofit Organization in the 21<sup>st</sup> Century*.  
NY: Simon and Schuster. Chapters 10 & 11. (READER)

🕒 November 28 - Class #14  
CLASS PRESENTATIONS

## **FINAL PAPERS DUE BY THE END OF CLASS NOVEMBER 28.**

### **Internet Resources**

Nonprofit and Voluntary Sector Quarterly

<http://nvs.sagepub.com/>

Association for Research on Nonprofit Organizations and Voluntary Action  
(ARNOVA)

<http://www.arnova.org/>

Internet Nonprofit Center (Form 990 site)

<http://www.guidestar.org>

<http://www.form990.org>

The Contact Center

<http://www.contact.org>

Charitable Organization Guides

<http://www.nonprofits.org>

<http://www.ncrp.org>

<http://www.give.org>

<http://www.charitychannel.com/> (Discussion groups about nonprofits)

Council on Foundations

<http://www.cof.org>

Federal and State sites

<http://www.obscure.org>

<http://www.fedworld.gov>

NGOs

<http://www.cafonline.org/policy/countryprofiles.cfm> (British nonprofits)

<http://www.sangoco.org.za/> (South African NGO coalition)

Venture Philanthropy

<http://www.venturephilanthropyguide.org> (by Natasha van Bentum, a fundraiser for Greenpeace; offers a nice review of the literature on venture philanthropy, strategic philanthropy and social entrepreneurship)

### **Research Assignment:**

- ⌚ Choose a nonprofit or an issue pertinent to nonprofits by the second week of classes
- ⌚ If you are interviewing staff in a nonprofit or engaging as a volunteer, meet with the instructor to get approval.
- ⌚ Develop your protocol (questions that will address your research questions). Share with me before interviewing your subject.
- ⌚ Gather your data and analyze it based on the readings and discussions held in class.
- ⌚ Prepare a 20 minute presentation of your research and present it to your class during one of the last 4 classes of the semester. Time slots for presentation will be chosen randomly. Please let me know if you have special needs that prevent you from presenting your research. Your grade will reflect two elements of this assignment: Your in-class presentation will count for 15% of your grade and your written report will count for 45% of your grade.

Your research paper may include the following information:

- ⌚ Describe the overall operation and programs of the agency.
- ⌚ Mission Statement (what is the purpose of the organization, vision for its future?)
- ⌚ Are there similar organizations in town? If so, what is unique about this nonprofit? Why is this organization needed?
- ⌚ Location of the organization. Is its location determined by the needs of its clients?

- ⌚ Organizational goals (short term, mid-range, long term)
- ⌚ Why should this organization be tax exempt?
- ⌚ Brief history of the nonprofit. Why was it founded? Who does it serve? Who was involved in its creation?
- ⌚ List of board members and key administrators. Describe how the board works? How many directors serve on the board?
- ⌚ An overview of its budget. Where does this nonprofit get its funding? What percentage comes from private donations? Government contracts?
- ⌚ What is the biggest fundraising challenge facing the agency or organization?
- ⌚ What are some past and present organizational issues that have challenged the work of this agency? How has the nonprofit worked to resolve them?
- ⌚ What accomplishments is the agency most proud of?
- ⌚ What threats do you see for the nonprofit sector or for your organization as a nonprofit entity?