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Scholarship funding through strategic reporting: the case of Koro Island

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SCHOLARSHIP FUNDING THROUGH STRATEGIC REPORTING: THE CASE OF KORO ISLAND

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Abstract

This study used observational and textual analysis to ascertain how the Koro Island Scholarship Fund developed a reporting model to access funding for educational scholarships that facilitated access to high schooling for disadvantaged children in the Lomaiviti Group of Eastern Fiji. The reporting model also provided information to key stakeholders, such as donor groups and aid organizations, for the assessment of student and funding performance. It appears sound financial accountability of a scholarship fund is welcomed by donors. The scholarship fund appeared to work well if there was limited intrusion into the operations of a donee school, providing space for interrelations between traditional Fijian school values, the island landscape and the local conventions and customs.

Key Words: reporting, scholarship fund, observational analysis, textual analysis, accountability.

Introduction

This study examines reporting issues of a micro overseas donor organization, which provided scholarship funds for disadvantaged indigenous children of Koro Island in Eastern Fiji. It analyses how emancipating accounting systems opens up the path of student enrolment in the only secondary school on the island, by facilitating the provision of funds for school fees and deploying the help of outside agencies, through a reporting model to present an account and accountability for all funds received and spent for Koro Island High School scholarship students.

In recent times, Fiji has become a coup-prone state, with the latest authoritarian military administration presiding over a population that is 57 percent indigenous Fijian and 37 percent Fiji Indian (Fraenkel, 2013). Since the last coup of 2006, parliament has not functioned and the military has effectively run government services (Fraenkel, 2013). From 2010 to 2013, the military administration relied on a number of overseas grants to maintain educational services (Ministry of Finance, 2010, 2011, 2012), spending approximately 1% of Fiji’s GDP on secondary education (Ministry of Finance, 2013a; 2013b). Secondary school student enrolments increased only 9%, from 71% (1990) to 80% (2012) (Ministry of Finance, 2013a), meaning that at least one in every five young Fijians missed out on school enrolment in the last twenty years.

Recognizing the shortfall in Fijian secondary school enrolments and the lack of affordability of school fees for many potential school students, the Koro Island Scholarship Fund (KISF) was set up in 2008 as a registered micro overseas scholarship fund to facilitate the collection of overseas donations for the payment of school fees of disadvantaged young people living on Koro Island, a remote island in the Lomaiviti group of Eastern Fiji. Its specific objective was
Koro Island is one of seven volcanic islands in or near the Koro Sea and contains 14 villages called koro which ring around the coast of the island (Brown, 2009). Most of these villages contain primary schools. RAWCS (2011) notes that the income derived from subsistence agriculture (around F$500) is often insufficient to cover the costs of the fees for student enrolment (between F$100 and F$150 per annum) at Koro Island High School (KIHS). In 2014, the Fijian government announced that there would be universal free secondary school education to all residents of Fiji (Ministry of Finance, 2013b, p. 60). As a result of the government’s decision to provide universal free secondary school education, the KISF officially closed in 2014. However, between 2008 and 2013, it successfully funded up to 30 students at KIHS.

The question addressed in this study is: What reporting initiatives were deployed by a grassroots micro overseas Koro Island Scholarship Fund to access funding, facilitate school enrolments, assess student performance and fulfil its accountability functions?

The paper is important because it considers some of the critical reporting issues micro overseas donor organizations face in funding a scholarship venture for a remote region of the Pacific. As such the findings of this study have implications for micro overseas donor organizations working in other parts of the developing-world, particularly in starting up a funding process, including gaining access to funds, restricted access to donees, and generally limited resources. It is often difficult for school children to obtain funds in communities to gain access to schools (Higgins and Lauzon, 2003).

The study is structured as follows. The next section presents the literature review. This forms the backdrop for a discussion of the reporting issues facing scholarship funds operating in distant fields. This is followed by a methods section on how the study used observational and textual analysis. Then a section analyzing the results of the study is drawn. The final section of paper presents the conclusion of the study.

**Literature Review**

The globe consists of many environments in which local inhabitants experience low incomes, low expectations of education, and underpreparedness as students (Gasman, 2007). It is particularly difficult if a vicious cycle exists where funding is not provided because students do not appear to measure up (Gasman and Dresner, 2010) or because they are too poor to pay for school fees. Many scholarship funds recognize these hardships (Alexander, 1996) and are motivated to help low income young people gain access to schools in developing countries.

In recent times, overseas philanthropic funding by developed countries for developing country education programmes has grown particularly in capacity-building programmes (Mirabella, Gemelli, Malcolm and Berger, 2007; Co, 2004). However, these philanthropic organizations are under increasing pressure to present accounts and forms of accountability for their funders. This involves a complex relationship between being reliant on resource providers while also staying on track with funding goals (Barman, 2007). As Offenheiser, Holcombe and Hopkins (1999) observes there is an obligation for these organizations to be a
responsive, efficient, and effective steward of donors’ resources and apply these resources in an appropriate way.

Such accountability pressures are experienced by educational institutions in developing countries. Welch (2007) notes that even though state funding for students living in developing countries is limited, governments demand greater accountability, accountancy and governance from educational institutions. Certainly, in Fiji, the military administration has gone to considerable effort to demand accountability from secondary high schools with the Ministry of Education (2014). There is, in other words, a relatively high degree of reporting responsibility placed on education officers to account for school operations.

Apart from meeting the demands of legal systems and rules, which represent a form of regulatory legitimacy, accountability and transparency help sustain other forms of legitimacy of the not-for-profit entities, including cognitive, normative and output legitimacy (Ossewaarde, Nijhof and Heyse, 2008). Normative legitimacy represents the collective account of responsibility of the entity, while cognitive legitimacy demonstrates whether the entity uses intellectual knowledge and technical expertise to conform with its mission. On the other hand, output legitimacy shows how a not-for-profit entity achieves its objectives through transparent accounts and evidence. Here, it should be borne in mind that the complexity of local contexts may hamper normative and cognitive legitimacy, while insufficient data about operational effectiveness may stifle output legitimacy. Ossewaarde et al (2008) also claim that donors value output and cognitive legitimacy above all other categories of legitimacy.

Performance measurement (or outcome measurement) also helps enhance not-for-profit entities’ accountability and fund-raising (Benjamin, 2010a). A performance measurement defines, monitors and uses performance measures to improve the effectiveness of a not-for-profit entity in meeting beneficiaries’ needs (Benjamin, 2010b). An ability to set clear performance measurement targets allows donors to evaluate the entity’s achievements (Benjamin, 2010a). However, there appears a difference between performance measurement involved in philanthropic relationships and performance measurement used in principal-agency relationships. Under a principal-agency relationship, principals (donors) demand agents (managers of not-for-profit entities) to render an account of outcomes of the entity’s activities, placing pressure on the agent to provide a measurable result, perhaps determined or influenced by the principal. Under this arrangement, a delegated authority arises, which may negatively impact on the entities’ less measurable good intentions (Benjamin 2010b). On the other hand, a philanthropic relationship gives primacy to the needs of recipients rather than donors, allowing manager of not-for-profit entities to pursue good intentions rather than being absorbed in achieving measurable results. Nevertheless, even in a philanthropic relationship, the withdrawal of funds by donors may arise from an entity’s poor performance.

There is a considerable literature that contends that not-for-profit entities may enhance their trust through “communicated accountability practices” that generate relevant, reliable and timely annual reporting that encompasses both financial and non-financial performance information (Yasmin, Haniffa and Hudaib, 2004; p. 103). Relevant, reliable and timely annual reports contain key entity information about the entity’s performance during the year and are seen as reliable if they are verified by an auditor, and are timely if they are promptly signed off and submitted for stakeholder dissemination by the mandatory deadline.
In addition to providing forms of accountability and transparency, not-for-profit entities may also enhance their trust with donors by providing explanatory expenditure information through expenditure efficiency ratios, such as an administration expense ratio (administrative expense/total expenses), cost of fundraising ratio (fundraising expense/total funds raised), fundraising ratio (fundraising expense/total expense) and program expense ratio (program expense/total expenses) (Ryan and Irvine, 2012a). These ratios might appear in the annual reports’ financial statements, and are particularly helpful to donors, if they are contextualized by narrative explanations of interpretation so that a comprehensive understanding of the financial results is gleaned (Ryan and Irvine, 2012a). These also represent a form of accountability to both external and internal stakeholders of the not-for-profit entity (Ryan and Irvine, 2012b). Caution, however, needs to be exercised on over-reliance of simplified ratios as they may be open to manipulation and inconsistencies as well as providing an incomplete picture of the entity’s performance.

Lathen (2008) recommends that not-for-profit entities follow the Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundation in order for them to win over public trust of the entities’ accountability, compliance and governance. This guide contains seven broad categories that invoke a number of underlying accountability principles, including legal compliance with all regulation, effective governance, strong financial oversight, and responsible fundraising. Within the responsible fundraising category, the guide urges entities’ to clearly identify the organization, use donors contributions according to donors’ intent, provide donors with information so that they comply with tax requirements, ensure there are clear gift-acceptance policies, train staff who fundraise on behalf of the entities, ensure management does not compensate fundraisers with commissions and respect donors’ privacy. Lathen (2008) also advances the disclosure checklist provided by the Statement of Recommended Practice for Charities (SORP) (2008) as it provides a comprehensive list of themes that cover a number of mandatory and recommended details that are to be covered in the annual reports of not-for-profit entities. These themes include details of administration, advisors and trustees; governance, structure and management; mission and objectives; achievements and performance; financial review; and plans for the future. In terms of the theme of achievements and performance, a mandatory requirement of SORP is for management to review the activities undertaken.

The mobilization of resources for social movements, such as the establishment of scholarship funds, also has a deep literature. McCarthy and Zald (1977) documented how social movement organizations could mobilize resources to sustain and enhance social movements, while Brilliant (2000) recognized how fundraising and fund allocation represent a strategy for empowering people and achieving social change. A difficulty arising from the formalization of social movement structure was the possible loss of passion for the movement because of administrative and accounting functions (Piven and Cloward, 1991). However, these difficulties varied due to the variation of structures and activities of funding arrangements (Brilliant, 2000). For example, the record keeping of funding developed by grass-roots groups is often determined by their own needs, whereas larger, more established groups had relatively more sophisticated accounting procedures as part of their community obligations to provide information about their growing financial assets (and liabilities) and activities of the funds. The larger the philanthropic group, the greater the tendency towards bureaucratization (Rose, 1994). Regardless of the size of the social movement organization, it is important to improve the quality and quantity of available information about funding activities. Brilliant (2000) notes how benefits may accrue to an organization if it improves the record-keeping and data-gathering of its members. Barman (2007) also posits that when donors control
resource distribution, they are able to earmark or restrict their funds to particular beneficiaries within the recipient organization.

In terms of scholarship funds, the issue of responsibility for the receipt and use of funds is important because key stakeholders such as individual donors and educational and charitable oversight bodies may want to know that the funds are being properly used for the purposes they were given. For accountability purposes, the scholarship foundation needs to collect, analyse, communicate, record, and report this information to make sense of its operations and to allow readers of this information to make key decisions about the school. Scholarship foundations leaders’ awareness of everyday accounting processes provides an essential contribution to a higher level of accountability. Thus, scholarship foundation involvement in the financial concerns of its core operational activities can make a difference in the quality of service it provides and overcome difficulties at the operations phase.

**Method**

Observational and textual analysis was used to ascertain how the Koro Island Scholarship Fund (KISF) developed a programme to access funding and help children access education. Textual analysis was also used to account for the funding and membership processes. Observational and textual analysis of reporting of the Koro Island Scholarship Fund (KISF) and archives of external agencies of KISF, including the Rotary Australia World Community Service (RAWCS) were also employed in this study.

Institutional context often shapes reporting not only in supporting but also discouraging reporting take-up. Examples of these bodies are the Koro Island Scholarship Fund (KISF) and Rotary Australia World Community Service (RAWCS) that have the capabilities of helping the Koro Island High School (KIHS) provide education to more children on the island. Observational analysis, as part of interventionist action research, and textual analysis of archives, as well as a recent fieldwork study carried out in the village of Nasau on Koro Island were conducted to ascertain the milieu of reporting of KISF and KIHS. The study’s observational analysis provided data (and themes) from six years of participant observation of meetings of the KISF. The study is primarily a qualitative analysis of the evolution of the funding process in one micro overseas funding organization.

*Observational Analysis*

Both co-authors were previous teachers and had spent time working in high schools in Fiji as part of the Australian Volunteers Abroad programme, a not-for-profit scheme chiefly sponsored by the Australian Aid Development Program. This represented a form of interventionist research conducted in 1994 and the related observational analysis which provided knowledge of the schooling system in the Lomaiviti Group of Eastern Fiji. One of the co-authors had experience working at the KIHS for the whole of 1994 and thus enjoyed an early emic viewpoint of KIHS systems. The other had experience working at another high school in the nearby island of Taveuni teaching in the area of accounting and thus also enjoyed an early emic viewpoint of the approach of indigenous school children and staff administration to the discipline of accounting. This emic research meant that the co-authors immersed themselves in the object of study.

From 2008 to 2014 the co-authors comprised the board of directors and management of the KISF. They were responsible for registering, maintaining and administering the KISF;
preparing the KISF’s governing document and constitution as well as the objectives of the KISF. They also reviewed the fund’s activities each year and ensured the financial review was conducted annually. The co-authors were keen to keep administrative costs at zero to ensure the micro overseas donor organization was an attractive entity for potential donors. The relationship with Rotary Australia came about because KISF was able to use the Rotary charitable licence to offer donors tax deductions for donations.

This form of interventionist research conducted between 2008 and 2014 and the related observational analysis provided a wealth of knowledge that applied directly to the research question. In keeping with Dumay’s (2010) spirit of the interventionist role, the research steps taken in this study meant that both researchers intervened or became involved in the scholarship foundation process. During this work experience the researchers were directly involved with the actors, systems and processes of the KISF and KIS and used conventional ethnographic methods – observation – to support archives of empirical research materials. The researchers were deeply immersed in the island. Using active participant observation they again enjoyed an emic viewpoint for the study of human behaviour from the inside of the system, in contrast to an etic viewpoint which studies human behaviour from standardized outside constructs. Essentially there was interaction and cooperation between the main stakeholders of the KISF and the researchers which facilitated the substitution of abstract knowledge for usable knowledge generalisable for understanding social systems.

Textual Analysis
Textual analysis considered material on funding, written in English, provided by the KISF (KISF, 2008, 2009, 2010, 2011, 2012, 2013, and 2014), the Rotary Australia World Community Service (RAWCS, 2008, 2009, 2010, 2011, 2012, 2013, 2014) and Koro Island school reports from 2008 to 2013. The co-authors used data collection methods including observation and analysis of archives to provide ‘thick’ material on the fund and the context in which it worked. Consistent with Dumay (2010), the material allowed a balance between action, reflection, understanding, theory and practice (although limitations are noted in the last section of the article). Data collection was instrumental in providing practical reports of interest for individuals, groups, communities and organisations involved with KISF. By observing and experiencing the ongoing dynamics of human interactions as part of the KISF, fresh insights were gleaned not ordinarily obtained through stand-alone etic methods.

The aim of the KISF, as articulated in its strategic plan was to enrol secondary school students in school by paying for yearly school fees. The KISF had experience in costing and planning school projects, maintaining a database of registered donors members and engaging with indigenous Fijian leaders, school representatives, village leaders, the Fiji Ministry of Education and NGOs such as Australian Development Aid Programme, and Fiji-Australia Group and RAWCS.

KISF has access to external donor markets, a charitable remit to send funds for school fees and a deep experience of Koro Island topography and culture. Rotary Australia World Community Service (RAWCS) helped Rotary Clubs in Australia and micro charities using the RAWCS charitable umbrella to develop and manage international community service projects. (RAWCS, 2013). RAWCS was able to facilitate tax deductible donations to support entities. Through RAWCS, KISF was able to secure tax deductions for its donors. In the past RAWCS had helped facilitate various projects overseas, including the establishment of dental, medical and general health facilities overseas, the bringing of clean water to villages, the protection of villagers from malaria, the provision of shelter for those left homeless after
natural disasters, the transportation of medical equipment to remote regions, the provision of microfinance to poor communities, the introduction of literacy programs to villages and the supply of AIDS education programs (RAWCS, 2013).

Results

In the context of KISF’s use of a reporting model to access funding, facilitate new school enrolments for KIHS and account for all funds received and spent, the results of the analyses found close ambits of interest between KISF and RAWCS. Both were committed by social movements and duties of reporting and accountability and gaining access to funds for worthy programs. However, while RAWCS spent considerably more on bureaucratic procedures and general administration, as well as on non-current assets (and liabilities), KISF spent their entire revenue on school fees. Clearly, KIHS benefitted from using KISF skills in gathering external donor funds exclusively to assist students to attend the high school.

Access of Funds

Observational analysis revealed that KISF identified individual donors from outside Fiji, predominantly from Australia and then deployed a number of strategies to gather funds from them through information sessions about Koro Island, Koro Island High School website and the difficulties prospective students had in paying for school fees. One of these strategies was the promise to donors that every dollar received was spent on school fees and that reports would be generated to verify this promise. Here, as shown in Figure 1 (flow 1), the KISF Fund raised donor funds from individual private donors for contributions, who, in turn, appeared to welcome the foundation’s stringent accountability procedures and internal control imperatives.

Under this scenario, textual analysis of accounting documentation showed that an acknowledgement of any funds received by KISF was sent to the donors (flow 2 of Figure 1). The KISF recorded the donor funds in a cash receipts account and then deposited the donor funds into the RAWCS fund account (flow 3). Any funds received directly by the RAWCS or through the KISF by RAWCS, necessarily triggered an automatic receipt sent by RAWCS to the donors (flow 4). The donor, thus received a formal numbered receipt from RAWCS and a formal acknowledgement letter from the KISF. Observational analysis of donor feedback appeared to show that these procedures were well received by donors. Under Australian tax legislation these receipts from RAWCS could be to receive full tax deductions. Donors also received a Fijian receipt (not tax deductible) and together with a school report both of which are discussed below.

A further imperative of the reporting process, picked up by textual analysis, was the flow of all money through RAWCS so that it could pay the donee’s school fees directly to the KIHS Account (flow 5). Yet again, for reasons of internal control and accountability, the KIHS Treasurer then sent Fijian educational unique numbered receipts to KISF (flow 6). Here, the KISF sent a copy of the unique numbered cooperative member receipt to donors thus providing the donors the assurance that the funds donated had been spent for its proper purpose. In a departure from other student sponsorships schemes, KISF provided substantial documentation of the student’s background, progress and hand-written donee letters once a year.

Facilitate new fee paying students

Facilitate new fee paying students
Observational analysis showed that the transmission of accounting information between KISF and school students was critical. The distribution of application forms to prospective students was managed by KISF. As shown in flow I of Figure 1, textual analysis of the documentation of application forms was thorough. These application forms required students to apply by letter for the scholarship and furnish a reference. A signed application form with reference and letter was posted by the student applicant through the school to KISF (flow II). It was deemed prudent, for verification and control procedures, for the applicant’s school vice-principal to mail the letter of application; a supporting letter from KIHS; a supporting letter from a village member and a photo (optional). Acceptance/rejection advice was then sent to the applicant and KIHS (flow III). The KIHS then notified the applicant of acceptance/rejection (flow IV) and the enrolment of a successful applicant followed (flow V). Again for prudential reasons, the payment of applicant’s fee was carried out by the RAWCS Treasurer who sent it by electronic transfer to the KIHS bank account. Receipt of payment was sent by KIHS to KISF by post (flow VI). Copies of the student enrolment were sent by KISF to donors. A KIHS school report of each student’s progress was then sent by KIHS to KISF by post. KISF then sent report, copy of receipt and student letter to donors.

From the written application records, it appeared most of the applicants’ parents were either subsistence farmers or carried out domestic duties. Some fathers were pastors or missionaries. In some circumstances the applicant’s father had died; or there was no father; or the mother had left the family, leaving the father to look after the children under difficult financial circumstances. In other circumstances, the applicants’ fathers could not afford the school fees either because they either lacked cash surpluses from subsistence farming, were too old to work or were unemployed. Some applicants were deserted by their parents at an early age, and looked after by a relative, often grandparents or uncles and aunts. Most applications were accompanied by a formal letter of support from a representative of the applicant’s primary school together with a primary school report furnishing marks for their subjects of mathematics, English, health science, social science, vernacular (Fijian), music, and arts and craft. From a reporting perspective, it might be said that the applications were comprehensively supported by timely formal documentation, with administrative support provided by primary school administrators and KIHS administrators.

Observational analysis discerned that both RAWCS and donors were appreciative of the documentation procedures. However, the greatest practical difficulty of the procedures was the timeliness of receipt of documentation from KIHS.

<Insert Figure 1 here>

There were occasions when reminder letters and calls were made to the school administration requesting the required paperwork to expedite the process. Occasionally, local inhabitants from nearby islands were enjoined to contact KIHS to remind them to ‘send the paperwork’.

Observational analysis found that KISF funding and spending activities grew but its small board of two people never expanded. KISF never spent a cent on administration. Thus, it was possible for KISF to deploy every dollar raised from funders for the payment of school fees for donee students. An important implication from this result is that the expenditure efficiency rates as advanced by Ryan and Irvine (2012a) may, at least for this micro overseas donor organization, not be relevant as administrative expenses were kept to zero.
analysis revealed that the KISF balance sheet never held a non-current asset or current or non-current liability. Indeed, its only current asset was cash at bank. Its cash flow statement was entirely operational (no funds were devoted to financial or investment activities). Its revenue and expenditure statement merely comprised expenditure on school fees deducted from donor fund revenue. The KISF generated six consecutive surpluses. These accounts were made available for public scrutiny. Despite growth in membership fees and contributions, KISF did not consider growing the infrastructural base of the foundation. A stated aim of KISF was to collect data about the funds, including information on their assets and funders. The grass roots composition of KISF ensured the fund never deviated from its purpose of analysis.

Assessing student performance

The main medium of assessment of the performance of the scholarship fund and funded student was the school report. Here donors could assess by consecutive terms a student’s number of school absences, grades of individual subjects and comments from teachers and principal of the student’s performance. They represented a form of cognitive legitimacy. Each school subject also provided a ranking of the individual’s performance against the rest of the class. Donors appeared to welcome these reports to make decisions. In terms of Ossewaarde et al.’s (2008) categories of legitimacy, they appeared to establish a form of output legitimacy. One donor ended their six year donation because the number of absences from one of their scholarship funded students was relatively high. There was also a concern by one other donor that some high achieving scholarship funded students achieved higher results than non-funded students, and questioned whether the latter students were disadvantaged by the presence of these funding arrangements. Another donor also questioned whether the additional burden to the school of carrying more students put a strain on school facilities such as toilets or the boarding house. The concerns were not so overwhelming as to jeopardize the normative legitimacy of the entity but there appeared room for further scrutiny, possibly field study analysis, to ascertain the impact of the scholarship funding on the students, parents and school administration.

Conclusion

In studying the link between start-up of a scholarship fund and reporting responsibilities, it is important to recognize a number of limitations of the reporting model proposed in this study. First, the inclusion of twelve flows in the model raised a potential criticism of over-complexity. However, it should be noted that the reporting model attempted to include, and satisfy, the remit of five major stakeholder groups - KIHS, RAWCS, KISF, donors and aspiring cooperative members - and overcome four difficulties – to assess access of funding, facilitate education for more students and account for all funds received and spent, and assess student performance. Given the relatively large number of stakeholder groups involved and the high-order issues it tried to achieve, the number of flows in the model was justifiable.

Second the reporting model assumed a ready, timely, free-flow of information from all parties concerned. It is well to remember that as a developing country, Fiji has enjoyed a considerable period of time during which many of its entities have relied on a Traditional form of reporting where there is a reliance on oral communication and deference to custom rather than written Western forms of reporting as advanced by the western industrial nations (Brown, 2012). Dar (2014) looked at the link between western reporting practices and accountability and found that western reporting subjugates local knowledge, leading to local employees’ sense of disempowerment. These workers produce hybrid accounts in response to
these imported reporting practices that help build donor and local trust practices. Although
timeliness of reporting was not considered a key strength on Koro Island, the inclusion of
outside agencies to assist and encourage KIHS reporting provided practical possibilities for
the issue of accountability of received donations. It is worth noting here that no donor raised
an expectation of performance measurements as one might expect from relatively larger
nonprofit funding intermediaries as investigated by Benjamin (2010a). A necessary limitation
of the study was that the analysis did not employ narrative analysis to find out the fund
perceptions of the school board, teachers and student. Clearly, future research might consider
how these groups interpreted these reporting expectations.

Donors received a three-pronged ‘report’ of their donation: first through the
acknowledgement by the KISF of the funds sent, second through the receipt signed by the
RAWCS and third through a KIS report sent out by the KISF. The reporting procedures
helped forge the link between KIS and KISF because it placed importance on indigenous
knowledge of the school board and village elders to address administrative issues concerning
admission and rejection of scholarship.

The link between RAWCS and KIHS was also important because RAWCS had the capacity
to offer financial administrative support for the KIHS. RAWCS’s international presence also
enhanced this initiative through regulatory legitimacy. There appeared, in other words, forms
of accountability which might serve similar accountability initiatives for other international
development programmes for the empowerment of developing country education. The KISF
developed as a philanthropic organization to empower school children through grassroots
record-keeping and minimal bureaucratization. The KISF’s emphasis on consensus and
egalitarianism, exemplified a unique grassroots organizational style in which seamless transactional
processes were the dominant factor influencing both patterns of funding, giving and receiving. KISF
appeared, in other words, to flourish under a philanthropic relationship, where it was able to pursue its
own ideals rather than those demanded by donor. The analysis also showed that the KISF would have
been able to satisfy the relevant items of disclosure checklist of SORP.

This study offers potential reporting initiatives for those micro overseas donor organizations
wanting to start up a grassroots scholarship fund for a developing country region. It also
provides practical solutions for the issue of accountability of received donations. In keeping
with the broad social accounting remit of fulfilling educational and philanthropic objectives,
this paper shows how micro donor organizations may be able to use reporting processes at a
relatively very low cost to bring about the educational development of disadvantaged
indigenous children. The study raises three sets of policy issues about the development of
scholarship fund reporting in Eastern Fijian schools. First, few resources are required to
present a full written account of transactions when the accounts are supplemented by timely
inflow of source documents from the donee school administration. Second, accurate and
timely reporting appears to be well received by individual and organizational donors,
particularly in providing financial reporting feedback, facilitating individualized letters from
donee recipient and furnishing copies of school reports to donors so they can assess student
progress. Third, the scholarship fund appears to work well if there is limited intrusion into the
operations of a school, where local conventions, customs, laws, rituals and values of a
developing country region are critically important and complex. These reporting initiatives
allow micro overseas donor organizations the means to showcase regulatory, cognitive,
normative and output legitimacy; enhance trust through the communication of accountability;
demonstrate their philanthropic allegiance to the primacy of the needs of recipients; and be
open to criticism from any interested stakeholder on the performance of the organization.
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RAWCS (2011). Koro Island Scholarship Fund Application Form, Rotary Australia World Community Service Ltd, Perth, Australia.


**Table 1 Framing and analyses of micro overseas scholarship fund (2008–2014)**

<table>
<thead>
<tr>
<th>Observational analysis (Emic interventionist research from 2008 to 2014)</th>
<th>Textual analysis (Etic analysis of archives 2008 – 2014)</th>
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</table>
| Observational analysis conducted by one co-author who is Chief Executive Officer of KISF with qualifications in PhD Journalism and former volunteer Koro Island High School 1995 (2008-2014). Observational analysis is also conducted by the other co-author who is a Certified Practising Accountant (CPA Australia and Fellow Institute of Practising Accountants Australia) and Chartered Accountant (Fiji Institute of Accountants) PhD Accounting, and Treasurer for KISF (2008-2014) Both officers ensured preparation and dissemination of accounts to cooperative members, and facilitated internal and external stakeholder communication. | Primary materials of ministries of KISF and RAWCS included:  
- Project Application Form for Funding & Volunteers (RAWCS, 2011).  
- Koro Scholarship Fund Application Form (KISF, 2008) Secondary materials, included  
- annual reports of Ministry of Finance, Ministry of Education, and RAWCS  
- primary reports of accounting and accountability to donors. |
1. KISF seeks donors

2. Funds sent to KISF

3. Donor funds are then deposited into RAWCS KISF Fund Account;

4. Transfer payment by RAWCS to KIHS bank account;

5. RAWCS Treasurer sends tax receipt to donor;

6. Receipt of payment sent by KIS to KISF by post;

1. Application forms distributed to donees by KISF

II Donee application to KISF

III. Acceptance/rejection advice sent by KISF to applicant and school

IV. KIS notifies applicant student of acceptance/rejection and time of enrolment

V. Enrolment of student by KIS

VI. KIS report and student letter sent by KIS to KISF by post;

Copies of KIS receipts, enrolments and student letters sent by KISF to donors;

II. Donee students

III. Acceptance/rejection advice sent by KISF to applicant and school

IV. KIS notifies applicant student of acceptance/rejection and time of enrolment

V. Enrolment of student by KIS

VI. KIS report and student letter sent by KIS to KISF by post;

KORO ISLAND SCHOLARSHIP FUND (KISF)

KORO ISLAND HIGH SCHOOL (KIS)

DONEE STUDENTS

DONORS

ROTORU AUSTRALIA WORLD COMMUNITY SERVICE (RAWCS)
Figure 1 Flow chart of KISF access to funding (flows 1 to 6) and new KIS membership administrative processes (Flows I to VI)