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Using a Social Enterprise Service-Learning Strategy in an Introductory Management Accounting Course

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ABSTRACT: The accounting profession has long called for learning strategies that actively develop students' critical analysis and problem-solving skills in unstructured settings (Accounting Education Change Commission [AECC] 1990), and where learning outcomes map into American Institute of Certified Public Accountants (AICPA) (2000) core competencies. This paper proposes the use of a service-learning strategy in the introductory management accounting course. This learning strategy reflects the Institute of Management Accountants' (IMA) new definition of management accounting as a strategic imperative (IMA 2008), and responds to Rama's (1998) monograph revealing limited examples of service-learning in management accounting. In addition, this paper proposes that faculty work with real social enterprises that sell goods and services for profit and in support of a broader social mission. I argue that relative to working on nonprofit/government cases, working in the social enterprise setting may offer students a more tractable transition from the for-profit examples in many textbooks. I also argue that relative to working on for-profit cases, working in the social enterprise setting may provide students access to proprietary data used internally for managerial decision-making. The pedagogy of service-learning in the accounting curriculum and its relevance to that proposed in this paper is discussed. Generalized service-learning planning documents, examples, adaptations of case study questions, and a responsibility checklist are provided. Implementation guidelines that address key stakeholder barriers to success (Kenworthy-U'Ren 2008) are discussed, and examples of social enterprise service-learning implementations are presented. Post-implementation survey responses from students suggest that the social enterprise service-learning experience positively affected their learning of specific management accounting concepts, issues faced by mission-driven organizations, and how they can uniquely contribute by applying what they learn.

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INTRODUCTION

The accounting profession has long called for ways to develop students' skills in critical analysis and problem solving, particularly within real-world contexts (American Accounting Association [AAA] 1986). In response to this call, Still and Clayton (2004) recommend using service-learning[1] in accounting programs, and provide as a rationale the Accounting Education Change Commission's (1990) Position Statement Number 1, which states:

> Students must be active participants in the learning process, not passive recipients of information. They should identify and solve unstructured problems that require the use of multiple information sources. Learning by doing should be emphasized. Working in groups should be encouraged.

Accordingly, this paper has two main objectives. First, this paper aims to contribute to extant service-learning applications in the accounting curriculum. The paper proposes the use of service-learning in the introductory management accounting course as a way to develop students' skills identified as core competencies for accounting professionals (AICPA 2000). Second, this paper aims to complement extant learning strategies in management accounting. The paper proposes that faculty partner with a social enterprise organization[2] as a way for students to apply managerial accounting tools and techniques to inform current business decisions (IMA 2008).

Why Use a Service-Learning Strategy in the Introductory Management Accounting Course

The introductory management accounting course is a setting particularly well-suited to using service-learning to develop the AICPA's (2000) core competencies for at least three reasons. First, the AICPA (2000) Core Competency Framework for accounting professionals encourages educators to use learning strategies that develop skills and broaden perspectives, rather than merely deliver content. Since service-learning involves working with internal, as well as external, business data, students can be required to consider the context of their management accounting analyses, and thereby broaden the perspectives they incorporate into their decision-making processes. Second, the AAA's (1986) Committee on the Future Structure, Content, and Scope of Accounting Education identifies three essential elements in a general accounting education, including, but not limited to, the design and use of information systems, definition and analysis of decision problems, and reporting and communication of relevant accounting information. These elements are generally consistent with learning objectives in the introductory management accounting course, and are by design part of service-learning student deliverables. Third, Rama et al.'s (2000) survey of service-learning activities includes academic outcomes and personal outcomes that map into the AICPA's (2000) core competencies. Likewise, student deliverables in a management accounting service-learning may be designed to map into AICPA (2000) core competencies by requiring students to consider and report the implications of their analysis on various stakeholders, and thereby develop their skills in research, decision modeling, risk analysis, measurement, problem solving and decision-making, communication, and interaction, among others.

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[1] Rama (1998, 11) defines service-learning in accounting as a "specialized form of experiential learning that links community service projects with the accounting curriculum."

[2] A social enterprise is defined as "a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholder and owners" (U.K. Department of Trade and Industry 2002, 7).

Why Partner with a Social Enterprise for Service-Learning in the Introductory Management Accounting Course

Partnering with a social enterprise provides an opportune setting for students to apply management accounting concepts for at least three reasons. First, social enterprises generate cash flows from sales rather than from donors, and they sell tangible goods or provide services. Thus, the social enterprise context may present a more tractable transition from the for-profit examples in many textbooks to more real-world applications relative to the transition from for-profit examples to nonprofit contexts. Second, examining social enterprises exposes students to a broad set of social objectives that stand alongside profit objectives. This may make the balance between quantitative and qualitative factors in managerial decision-making more salient in the social enterprise context relative to the for-profit context. Third, the nature of the service-learning strategy can involve the generation and/or utilization of internal business data such that faculty need not fabricate or estimate data from external reports. Bamber and Bamber (2006, 268) note that "the scarcity of management accounting cases based on real companies' published reports no doubt stems from companies' reluctance to disclose proprietary information used for internal managerial decisions." Partnering with a social enterprise may, thus, provide students a unique opportunity to access real internal data used for managerial decision-making.

This paper proceeds as follows. First, the paper discusses the pedagogy of service-learning in the accounting curriculum, and its relevance to the conceptualization and design of service-learning in the introductory management accounting course. Second, the paper presents representative instructional cases in management accounting and compares these to the proposal of partnering with a social enterprise for service-learning. Third, the paper presents general guidelines and resources drawn from extant research and borne out of faculty experiences on how to implement the social enterprise service-learning strategy in the introductory management accounting course. Fourth, the paper discusses specific examples of social enterprise service-learning implemented in various introductory management accounting courses. Finally, the paper provides evidence of enhanced student learning.

SERVICE-LEARNING IN THE ACCOUNTING CURRICULUM

Prior Implementations

Faculty interested in incorporating service-learning into the introductory management accounting course may draw from prior documented implementations in other accounting courses. Rama (1998) provides a monograph of service-learning implementations in accounting, and finds a wide variety in financial accounting, tax, auditing, and information systems. These can range from those imbedded into accounting courses to those organized as extracurricular activities (e.g., Students In Free Enterprise—SIFE; Volunteer Income Tax Assistance Program—VITA). Project duration can range from one-time interactions with individuals, businesses, or community organizations to multi-semester partnerships across several courses or independent of accounting courses.

Another way to categorize service-learning in accounting is by the type of service provided—direct, indirect, or advocacy.[3] Direct service occurs when students work alongside those in need. Examples include VITA students preparing tax returns, SIFE students tutoring adults in homeless shelters about money management issues, and Master's of Accounting students assisting small

[3] See: http://tilt.colostate.edu/sl/faculty/types.cfm

business owners to put together a business plan. Indirect service occurs when students work on improving the operations and cost efficiencies in a mission-driven organization that directs resources to a population in need. Examples include students initializing a computerized accounting system for a new nonprofit, documenting the accounting procedures for a small business, and recommending internal control changes to an existing organization. Advocacy service occurs when students work with individuals, groups, or the community to bring awareness to an issue or change to potentially unjust decisions and policies. Examples include writing letters to legislators to not repeal tax provisions benefiting low-income taxpayers. Table 1 summarizes the prior implementations of service-learning in accounting. This table presents a non-exhaustive, but representative, list showing the variety of prior implementations, as well as key challenges and/or success factors that generally highlight the need for careful planning of all aspects of the service-learning design, experience, and outcome measurement.

Of all the prior implementations of service-learning in Table 1, Chiang's (2008) service-learning example in the management accounting course comes closest to this paper's proposal. Chiang (2008) presents two service-learning projects in the introductory management accounting course. First, the Community Farm Project required strategic financial analysis wherein different student teams were assigned to conduct one of the following: "cost analysis, operations efficiency analysis, marketing issues and fundraising issues" (Chiang 2008, 436). Second, the WomenSpace Project required cost estimates wherein different student teams were assigned the same task: "to analyze existing costs and to estimate the 'true' total cost of forming a supporting team" (Chiang 2008, 435). Chiang (2008) also presents strategies to integrate community projects into the coursework, provides examples of reflective activities, and discusses feedback from students and community agencies. Finally, Chiang (2008) identifies three main constraints: finding project opportunities, managing project deliverables within the time constraints, and lacking agency involvement. I consider ways to address these challenges in a later section.

This paper's proposal differs from that of Chiang (2008) in three important dimensions. First, this paper proposes that faculty explicitly match student activities and deliverables to management accounting coursework, rather than to prioritize partner needs that require tools and techniques that may be beyond the scope of typical introductory management accounting coursework (e.g., marketing proposals). Second, this paper proposes that faculty make service-learning design choices that directly map student activities and deliverables to AICPA (2000) core competencies. Finally, this paper proposes that faculty partner with a social enterprise organization with a profit motive rather than with pure nonprofits, as a way for students to apply managerial accounting tools and techniques to inform current business decisions (IMA 2008). This last dimension is discussed further in a later section.

Theoretical Framework

Rama's (1998) monograph draws from service-learning research in other disciplines and presents a theoretical framework for service-learning in the accounting curriculum. Rama (1998) distinguishes service-learning from community service, in that the former is directly tied to educational goals that are shared with the goals of accounting educators to help students: (1) reinforce their technical knowledge through practical application, (2) enhance their ethical and moral development through discussions of real-world issues, (3) become independent learners through reflective practice, (4) improve their communication and interpersonal skills through interactions with others, and (5) increase their own social responsibility and community involvement through working with mission-driven organizations. Rama (1998) then provides service-learning examples that translate these goals into specific student learning objectives.

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TABLE 1

Social Enterprise Service-Learning in Introductory Management Accounting
Prior Implementations of Service-Learning in the Accounting Curriculum

Study	Course or Setting/ Duration	University	Partner	Type—Activity	Number of Students and/or Number of Hours	Key Challenges and/or Success Factor(s)
DeBerg (1998)	Principles of Accounting/ SIFE/one semester	California State University, Chico	Chico Junior High	Direct—teaching business literacy to at-risk youth	33 students, 30 hours each	Perception of mandated "volunteering," so offer extra or independent study credit so students self-select into program.
Pringle (1998)	Intermediate Accounting I/ one semester	Santa Clara University	Eastside Project	Direct—running money management workshops to adults in homeless shelter	16 hours each	Continuity in participants from week to week and lack of partner involvement and support, so appoint a project liaison and sign an engagement contract.
Carr (1998)	VITA for credit/tax season	California Polytechnic University, San Luis Obispo	Two community sites	Direct—prepare tax returns for low-income taxpayers	4 hours per week each, plus eight hours total for marketing to potential clients	Difficulty assessing students' performance and level of learning, so require students to prepare take-home federal and state returns; also, pre-establish evaluation guidelines.
Milani (1998)	VITA/tax season	Notre Dame and St. Mary's College	Community sites	Direct—prepare tax returns for low-income taxpayers	60–70 student preparers, 25–40 hours each	Serving a large group of people within a time constraint, so assign five students as administrators.

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TABLE 1 (continued)

Study	Course or Setting/ Duration	University	Partner	Type—Activity	Number of Students and/or Number of Hours	Key Challenges and/or Success Factor(s)
Oestreich et al. (1998)	VITA/tax season	San Diego State University	Student center site	Direct—prepare tax returns for fellow students, staff, and campus neighbors	2 hours per week	Tax preparation errors, so use tax software and have graduate student or faculty review before e-filing the tax returns.
Michenzi (1998)	Information Systems/one semester	Loyola College in Maryland	Seven nonprofit agencies	Direct—tutoring small business owners; Indirect—improve accounting system.	42 students	Scope creep (i.e., partner assigning a task not previously agreed upon), so negotiate and write up agreement beforehand.
Lenk (1998)	Information Systems/four consecutive semesters	Colorado State University	Small nonprofits	Indirect—conduct research to compile internal control guide and best practices	At least 10 hours	Subjective grading, so grade components—more rigorous for Excel work, attendance check for partner site visit.
Woolley (1998)	Capstone undergraduate course/one semester	University of Utah	Over 20 partners	Indirect—build a budget system, assist in tax filing, create donor database, improve accounting procedures, physical inventory project, tutoring at-risk youth	Over 100 students, 45 hours each	Partner's accounting staff lacked task-specific knowledge, so assigned students need to have the required "systems" knowledge to affect current partner issues.
Ravenscroft (1998)	Capstone Master's of Accounting course/one semester	Iowa State University	Small business owners, through the local community development board	Direct—prepare financial statements and other accounting tasks	50–60 hours each	One student feeling "forced" to volunteer their services, so assign that student an extensive research project on the definition and extent of service-learning in business colleges.

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TABLE 1 (continued)

Study	Course or Setting/ Duration	University	Partner	Type—Activity	Number of Students and/or Number of Hours	Key Challenges and/or Success Factor(s)
Gujarathi and McQuade (2002)	Intermediate Accounting/ one semester	Brandeis University	34 community organizations	Indirect—assist in accounting functions, including bank reconciliation, general ledger, accounts receivable, accounts payable, audit preparation, and transition from a manual to a computerized system	56 students, 10–12 hours each	Placements and tasks varied greatly, so faculty should carefully plan and vet potential partners well ahead of time so as to overcome potential hurdles.
Cook et al. (2003)	BAP, SIFE, Accounting Clubs	Various universities	Community service agency	Indirect—organize fundraiser	1.5 hours per week for 4–8 weeks	Difficulty sustaining growth in personal competencies, so select longer-term, sustainable projects.
Still and Clayton (2004)	Auditing/one semester	Drury University	Small businesses and nonprofits	Indirect—internal control analysis and process documentation	Not provided	Difficulty in scheduling time outside of class to meet, so use class time to meet and for faculty to monitor work.
Still and Clayton (2004)	Governmental and nonprofit accounting/ one semester	Drury University	Small nonprofits	Indirect—review of accounting systems and procedures	Not provided	Difficulty in continuing partnerships where help was previously provided, so require identification of new partners in need each year.
Strupeck and Whitten (2004)	VITA, either for credit or not for credit	Indiana University and Purdue University	Taxpayers in neighboring communities	Direct—prepare tax returns for low-income taxpayers	20–30 students	Inconsistent support from students, faculty, and university, so obtain support from the local IRS office.

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TABLE 1 (continued)

Study	Course or Setting/ Duration	University	Partner	Type—Activity	Number of Students and/or Number of Hours	Key Challenges and/or Success Factor(s)
Tschopp (2004)	Not part of a course-based, credit-bearing class	Daemen College	Seneca Babcock Community	Indirect—assist in writing business plan	7 students	Difficulty in finding potential partners, so partner with an organization already closely affiliated with the college.
McPhail (2005)	Accounting and Business Ethics/one semester	University of Glasgow	Ruchill Unemployment and Community Centre	Advocacy—reflect on accounting profession's provision of *pro bono* services to those less fortunate, and consider mandating this as part of professional qualification standards.	53 students	Students appeared untouched emotionally during the site visit, so faculty should give students specific tasks and set expectations, such as recording their observations and reactions.
Rose et al. (2005)	Information Systems	Large state university	Two small healthcare businesses	Direct—developed systems the businesses can use	90 graduate students	Learning decrements for topics unrelated to the service-learning project and time requirements for instructors, so tightly design the activities to coincide with course topics.
Chiang (2008)	Management Accounting	College of New Jersey	Community Farm Project; WomenSpace Project	Indirect—strategic financial analysis to improve operations and maximize resources; estimate cost of forming a team to substantiate funding proposal	103 students	Time required from students, faculty, and partners was substantial, so faculty should carefully plan/ spread out deliverables, and obtain necessary data well in advance.

Still and Clayton (2004) add to Rama's (1998) framework, and note Zlotkowski's (1996) caution that community partners also benefit from the *pro bono* services provided by accounting students. However, partners should also realize their responsibilities for the students' learning experience. At one end of the spectrum, service-learning can provide much-needed free services to partners. At the other end of the spectrum, service-learning can provide students with practical experience in accounting. As a result, Still and Clayton (2004) suggest that faculty have clarity of purpose and reciprocity in choosing student learning objectives that match partner needs and *vice versa*. Hence, and although there are a variety of ways to implement service-learning, Table 2 provides a generalized example, specific to the introductory management accounting course, of student learning objectives and deliverables matched to the stated needs of the social enterprise.

Of note in this generic example is the greater emphasis on students' application of management accounting tools and techniques to provide partners with information to help in their managerial decision-making, and a lesser emphasis on students' provision of immediately workable solutions to address the partner's needs. This is in light of the relatively inexperienced students typically enrolled in the introductory management accounting course. Ideally, what partners can expect to obtain from students is a thoughtful analysis of their operations or a particular issue that will provide insights into their future decisions. The design of student activities and deliverables matched to partner needs are also neither independent nor mutually exclusive. Rather, the student activities are typical of topics covered in the introductory management accounting course and useful for addressing partner needs common to social enterprises. Identifying potential partners with appropriate needs is discussed in a later section. The design choices, with respect to the student activities and deliverables, are made by the faculty in consideration of various design elements. These design elements are discussed below.

Design Elements

Rama (1998, 17) distinguishes service-learning in accounting from community service as those "designed in such a way that they (1) meet a community need, (2) enhance understanding of material learned in accounting courses, (3) help in developing a broader appreciation of the accounting profession, (4) help in promoting a sense of civic responsibility, and (5) develop communication, teamwork and interpersonal skills." Rama et al. (2000) echo these design elements in terms of academic and personal outcomes for students. Academic outcomes include functional and broad business perspective competencies, while personal outcomes would include personal competencies (AICPA 2000). Accordingly, Table 3 presents a generalized example of mapping AICPA academic and personal outcomes specific to the student activities and deliverables in a service-learning environment. This mapping draws from the AICPA's (2000) guidelines for achieving the core competencies through experiential learning programs (e.g., internships). Notably, the core competency mappings are neither independent nor mutually exclusive of each other for each student activity or deliverable.

Rama et al. (2000) further recognize that successful service-learning programs consider (1) which academic and/or personal student outcomes to focus on, rather than attempt to accomplish them all, (2) which student characteristics may affect selected intended student outcomes, and (3) how to design the educational environment (i.e., service-learning and related coursework activities) appropriate for students' characteristics and as a function of intended outcomes. For example, academic outcomes may be more appropriate for interested, but inexperienced, students such that service-learning activities involve more data collection, analysis, and interpretation. In contrast, personal outcomes may be more appropriate for less interested, but advanced, accounting students such that service-learning activities involve more partner interactions and peer reflections. Rama et al. (2000, 680) provide a table summarizing guidelines for faculty regarding service-learning, and

TABLE 2

Social Enterprise Service-Learning in Introductory Management Accounting
Generalized Example of Student Learning Outcomes and Deliverables Matched to Partner Needs

Social entrepreneurs seek the delicate balance between mission and money [by taking] their strengths and capacity and match[ing] them to an opportunity they see in the marketplace—an opportunity that both meets their mission and provides financial stability—this is what is called the double bottom line.
—Mary Birchard, National Center for Social Entrepreneurs.

Student learning outcomes: The purpose of this service-learning is to develop students' critical thinking, analytical, teamwork, and communication skills by (1) applying managerial accounting concepts to a real-world situation, (2) examining the tradeoffs in a double bottom line environment, and (3) reflecting upon how they can develop and contribute their business skills in service to others. In the process, students may provide analysis that can potentially provide insights into and impact the partner's operations and decisions.

Partner needs: Our community partner is a social enterprise serving those made vulnerable by the harshest effects of social and economic inequality. Our partner's strategy is to mobilize resources to support people in their move toward economic independence and meaningful lives through innovative endeavors. Profit-generating activities in this social enterprise, therefore, exist primarily to support mission-related programs. Of most concern are: (1) improving the cost efficiencies of existing enterprises, (2) increasing margins from current ventures, and (3) pursuing new profit-generating activities. Addressing these concerns would reduce reliance on grants and donations, the solicitation of which requires taking resources away from funding mission-related programs.

Student Deliverables Matched to Partner Needs: Students are expected to engage in the following:

Student Learning Outcomes	**Student Activities/Deliverables**	**Relevance to Partner Needs**
Reinforce Technical Knowledge by Applying Various Managerial Accounting Concepts		
Data collection	Visit partner's operation site	
	Review current financial reports	Measure current profit margins
	Review cost classifications	Measure current cost efficiencies
	Review direct cost measurements	Assess impact on current costs
	Review indirect cost allocation	Assess impact on current costs
Data analysis	Recast into contribution format income statement(s)	Assess cost efficiencies and measure product contributions
	Analyze cost behavior patterns	Assess impact on current costs
	Conduct breakeven analysis	Pursue new, profitable activities
	Conduct incremental analysis	Pursue new, profitable activities
	Identify major cost activity pools	Assess current cost efficiencies
	Select major cost driver(s)	Assess current cost efficiencies
	Estimate major cost function(s)	Assess current cost efficiencies
	Apply theory of constraints	Pursue new, profitable activities
Enhance Ethical and Moral Development by Learning through Tradeoffs in the Real World		
Data interpretation	Propose balanced scorecard measures	Pursue new, profitable activities
	Analyze goal congruence of activities	Pursue new, profitable activities
Become Independent Learners by Becoming Aware that They Can Learn by Serving Others		
Partner interaction	Interact with partner representatives	

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TABLE 2 (continued)

Improve Communication and Interpersonal Skills by Practicing How Others Can Learn from Them	
Partner interaction	Present to partner and panel of experts
Increase Social Responsibility and Community Involvement by Working with Mission-Driven Organizations	
Peer interaction	Reflect, as a group, on experiences

suggest that faculty make conscious choices recognizing the interplay between intended academic and/or personal student outcomes, student characteristics, and the design of the educational environment. Accordingly, I adopt Rama et al.'s (2000) guidelines and present in Table 4 a generalized design of the educational environment specific to the introductory management accounting course. This table also references four appendices that speak to student characteristics and the educational environment, namely, examples of a (student) team member evaluation form (Appendix A), a partner engagement letter (Appendix B), a partner confidentiality letter (Appendix C), and a grading rubric (Appendix D). Key barriers to success are discussed further in a later section.

Student Outcomes

Beyond a grading rubric, the effectiveness of service-learning in developing AICPA core competencies should be formally assessed using student outcome measures. Rama et al. (2000, 671) tabulate the comparative usefulness of four outcome measures. Course grades and GPA are easy to measure, but there is likely little correlation with service-learning outcomes, unless grades are tied directly to the achievement of specific learning objectives. Standardized surveys are also relatively easy to measure and may present moderate correlation with service-learning outcomes. Meanwhile, content analysis is more useful when administered over several service-learning programs and over time, and student interviews are the most difficult to quantify, but may have the highest correlation with service-learning outcomes. Rama et al. (2000) recommend calibrating findings across multiple outcome measures. Accordingly, Table 5 presents a generalized example of a survey administered to students after the service-learning experience. The faculty may then choose to adopt a quasi-experimental approach and collect, in addition to survey responses, interview data on student perceptions of their experiences (Rama et al. 2000).

Taken together, a key success factor common among prior implementations of service-learning in accounting is the importance of careful planning. The theoretical framework for service-learning in accounting programs emphasizes that student activities and deliverables match identified partner needs and map into the AICPA (2000) core competencies. In addition, student activities and deliverables should be designed in explicit consideration of the interplay among intended academic and/or personal student outcomes, student characteristics, and the design of the educational environment. Further, both academic and personal student outcomes should be measured using at least a post-experience survey and, ideally, using additional outcome measurement techniques.

SOCIAL ENTERPRISES AS PARTNERS IN SERVICE-LEARNING

Faculty interested in partnering with a social enterprise to implement service-learning in the introductory management accounting course may compare the social enterprise setting to

TABLE 3

Social Enterprise Service-Learning in Introductory Management Accounting
Generalized Example of Student Activities/Deliverables Mapped to AICPA Core Competencies

	AICPA (2000) Core Competencies		
Student Activities/Deliverables	**Functional**	**Personal**	**Broad Business**
Visit partner's operation site	Risk analysis	Professional demeanor	Strategic/critical thinking
Review current financial reports	Research	Problem solving	Leverage technology
Review cost classifications	Leverage technology	Leverage technology	Leverage technology
Review direct cost measurements	Research	Problem solving	Industry/sector analysis
Review indirect cost allocation	Research	Problem solving	Industry/sector analysis
Recast into contribution format income statement(s)	Leverage technology	Leverage technology	Leverage technology
Analyze cost behavior patterns	Decision modeling	Leverage technology	Industry/sector analysis
Conduct breakeven analysis	Decision modeling	Leverage technology	Industry/sector analysis
Conduct incremental analysis	Decision modeling	Leverage technology	Industry/sector analysis
Identify major cost activity pools	Decision modeling	Leverage technology	Industry/sector analysis
Select major cost driver(s)	Decision modeling	Leverage technology	Industry/sector analysis
Estimate major cost function(s)	Decision modeling	Leverage technology	Industry/sector analysis
Apply theory of constraints	Research	Problem solving	Leverage technology
Propose balanced scorecard measures	Research	Problem solving	Leverage technology
Analyze goal congruence of activities	Research	Problem solving	Leverage technology
Interact with partner representatives	Leverage technology	Communication	Strategic/critical thinking
Present to partner and panel of experts	Reporting	Professional demeanor	Strategic/critical thinking
Reflect, as a group, on experiences	Reporting	Interaction	Strategic/critical thinking

The AICPA Guidelines for achieving the Core Competencies through Experiential Learning Programs are as follows:
Functional Competencies:
Decision modeling—understanding cause and effect of decisions;
Risk analysis—understand business risk and financial risk of the company and the industry;
Reporting—construct concise and clear documentation;
Research—research a problem efficiently and effectively; and
Leverage technology—use technology to perform research and develop documentation.
Personal Competencies:
Professional demeanor—adapt to changing work environment, including differing requirements of different supervisors and tasks; understand and follow office procedures; dress professionally and maintain a professional demeanor; demonstrate continuous improvement to learning and learning from mistakes; produce a reasonable volume of quality work; respect confidentiality;
Problem solving (and decision-making)—balance working independently and seeking help; apply materiality concept; apply knowledge from one situation to the next; understand interrelationships of information and data;
Interaction—respect alternative ways of doing things; work well with others;
Communication—communicate clearly in expression and content; ask good questions;
Project management—organize and plan work; prioritize work and meet deadlines;
Leverage technology—use technology to improve efficiency, including spreadsheets, word processing, graphing, the Internet;

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TABLE 3 (continued)

Broad Business Perspective Competencies:
Strategic/critical thinking—apply cross-functional academic training to the job; develop a healthy skepticism; begin a project with the end in mind; understand the relationship of the task to the project as a whole;
Industry/sector analysis—apply cross-functional academic training to the job;
Legal/regulatory perspective—acquire knowledge of the (SEC) reporting guidelines or statutory provision of the IRS; and
Leverage technology—understand the interrelationship of systems; use a systems approach to information structure. Available at: http://www.aicpa.org/InterestAreas/AccountingEducation/Resources/Pages/InternshipExperientialLearning.aspx

instructional cases based on nonprofit and for-profit organizations.[4] Published instructional cases in management accounting involving organizations other than for-profit enterprises are scarce. Lipe's (2006) survey of 44 managerial/cost accounting cases published in *Issues in Accounting Education* through November 2006 reveals only four cases involving fictitious nonprofit/government organizations. Since 2006, two additional cases use nonprofit settings.

Ravenscroft and Kattelus (1998) require students to conduct cost/benefit analysis and performance evaluation for a state university, while Ingram et al. (1998) require students to determine and allocate costs for a city governmental unit. Carter (1999) requires students to select and compute balanced scorecard measures for a nonprofit service organization, while Reisch and Seese (2005) require students to select and compute indirect cost allocations for a university athletic department. Mammano and Tyson's (2008) case involves budgeting for a nonprofit service organization, and Walters and Pergola (2009) require students to apply basis cost concepts to a university library setting. Common among all six instructional cases is the requirement that students transition from the for-profit examples in textbooks to the real nonprofit/government context. In contrast, the social enterprise setting retains the for-profit context, but adds the mission consideration. Arguably, the social enterprise setting makes for a more tractable transition for students in the introductory management accounting course, since these students are not required to know or have additional instruction in nonprofit/government accounting.

Instructional cases set in social enterprises also differ from those set in for-profit entities in at least three ways. First, some cases based on for-profits may be based on fictitious data. For example, in Adams et al.'s (1999) serial case (i.e., California Car Company), students sequentially analyze a variety of business decisions for a company, including setting prices, managing operations, evaluating and reporting performance, and developing budgets. In this case, the instructor fabricated sufficient data for students to devise, for instance, "defensible ABC solutions for the assignment of overhead costs to car models" (Adams et al. 1999, 647). In contrast, the social enterprise setting may present students an opportunity to actually observe production processes and search for creative solutions.

Second, some cases based on for-profits use real external data, but the data may not already be well suited to managerial decision-making. For example, Bamber and Bamber (2005) propose the use of real 10-Ks (e.g., Amazon.com) as the context for a series of mini-cases that can be independently or jointly used to supplement other teaching materials in the introductory management accounting course. In this case, much of the quantitative analysis rests upon and results from the simplifying cost structure assumptions that the instructor must make, since publicly

[4] A social enterprise may be organized as a nonprofit, but also operate for-profit ventures in support of its social mission.

TABLE 4

Social Enterprise Service-Learning in Introductory Management Accounting
Generalized Design of the Educational Environment Based on Rama et al.'s (2000) Guidelines

Student Characteristics: Service-learning activities are selected in consideration of:	
Academic ability	Students are expected to have sufficient GPA and have passed the introductory financial accounting course. Depending on the nature of the partner's operations, reading and English ability may also be important.
Disposition toward service	Since introductory managerial accounting is typically a core business course rather than an elective, students may not be predisposed toward service. One alternative is to have students self-select to one or two course sections with service-learning.
Demographic characteristics	These students typically have at least a sophomore-level standing, and either have taken or are concurrently taking other relevant, principles-level business courses. Since this is a core course, student demographics are expected to reflect those of the business student population with respect to gender, ethnicity, and age.
Student developmental level or type	Since these students may not have previous experience working in teams, there should be some mechanism to ensure that teams are working sufficiently. This may include allocating class time to establish team norms and/or providing a team member evaluation form that serves as an explicit contract and set of expectations among team members. An example of the latter is provided in Appendix A.
Assessments of student competency prior to service experience	Since these students may not have previous experience in service-learning, there should be some mechanism to ensure that students are oriented to professional demeanor, interaction, communication, and project management. In addition, student competency can be assessed by scheduling course quizzes or exams prior to relevant service-learning deliverables. This may provide faculty with some information about the academic readiness of students to apply topics covered in the course to the partner's real situation.
Designing the Educational Environment: Service-learning activities are selected in consideration of:	
Service placement characteristics	Students should be briefed about their responsibilities to the faculty, the partner, potential contribution to the recipient/community, and the scope, timing, duration, and limits of their work. In turn, faculty should make it clear to students the roles of the partner with respect to providing data, answering questions, and supervising on-site. This may involve allocating class time to make roles and expectations explicit and/or providing an engagement letter. An example of the latter is provided in Appendix B. In addition, there should be a confidentiality letter to make explicit that students will not disclose the partner's proprietary information. An example of this letter is provided in Appendix C. Further, and to the extent possible, student teams and members should be matched based on their interest in the partner organization's mission, prior exposure to recipient populations, and prior experience in service-learning and/or community service.
Mandatory versus voluntary service	As mentioned above, one alternative is to have students self-select to one or two sections of the course that include service-learning.

(continued on next page)

TABLE 4 (continued)

Course characteristics	The example engagement letter in Appendix B contains some information about instructor support and instructional quality. In addition, the instructor should provide a grading rubric. Appendix D presents an example of a generalized grading rubric loosely patterned after the auditing example in Still and Clayton (2004).
Frequency and quality of reflection	The faculty can choose to require individual written reflections as an additional deliverable, keep reflection informal in teams, or formalize the reflection as part of debriefing the service-learning experience.

available disclosures do not often include proprietary data (Bamber and Bamber 2005, 268). In contrast, the social enterprise setting may provide students access to actual internal accounting information.

Third, cases based on for-profits may retain complex real data, but this may require a higher level of accounting skills from students, beyond those developed in the introductory management accounting course. For example, Swain et al. (2010) present financial data drawn from field research of an actual small CPA firm. The first part of the case requires students to record journal entries for various transactions and accruals in order to prepare the income statement. The second part of the case requires students to identify direct and indirect costs, estimate fixed and variable costs, and conduct cost-volume-profit analysis, while the third part requires students to develop an operating budget and conduct variance analysis.[5] This case is implemented over two semesters, including a financial accounting course and a management accounting course. While it is unclear whether the CPA firm's data have been altered, the instructor does provide students with flow diagrams and spreadsheet templates to guide their budget preparation and variance analysis. This, in turn, decreases students' potential experiential learning opportunities (Swain et al. 2010, 738). In contrast, faculty can select the social enterprise partner in such a way that the partner's needs match the skill sets of the accounting students, and so that students can manage the internal data provided without significant alterations, fabrications, or simplifications. The next section discusses this and other general guidelines for implementing a social enterprise service-learning specifically in the introductory management accounting course.

GENERAL GUIDELINES FOR SOCIAL ENTERPRISE SERVICE-LEARNING

Two recent teaching notes provide guidance for service-learning in accounting. Strupeck and Whitten (2004, pg. 111) provides a checklist for VITA service-learning projects while McCoskey and Warren (2003) discuss some practical issues that need to be addressed in planning service-learning in upper-level or graduate accounting courses. Accordingly, Table 6 presents a generalized timing and responsibilities checklist for each party directly involved. Kenworthy-U'-Ren (2008) reviews the last decade's developments in service-learning for business schools and discusses the barriers to successful implementation. Hence, following are general implementation guidelines in consideration of barriers related to the parties involved.

[5] Swain et al. (2010, 736) intend this case for use in either the undergraduate introductory or intermediate cost accounting class, or the graduate introductory cost accounting class. Interestingly, and although these topics are typically covered in the introductory management accounting course, these authors have successfully used this case only for intermediate cost and graduate cost accounting courses (Swain et al. 2010, 738).

TABLE 5

Social Enterprise Service-Learning in Introductory Management Accounting Generalized Survey of Student Outcomes

This semester, a service-learning component involving the analysis of a social enterprise was introduced as a requirement in the core Management Accounting course at [Business School, University]. We are attempting to measure the effectiveness of the project as a learning tool. Please provide your personal and confidential response to the following questions. All responses will be anonymous, and results will only be analyzed in the aggregate. I greatly appreciate your participation.

For the following, please circle the number corresponding to your response (No impact = 1, Significant impact = 7). If you feel the question is not relevant to the way you perceive the service-learning was conducted, circle NA (Not Applicable).

Did you find that working on the project affected your learning in the following dimensions?

Student Activities/Deliverables	**No Impact**						**Significant Impact**	
Reinforced Your Technical Knowledge by Applying Various Managerial Accounting Concepts								
Determining cost classifications	1	2	3	4	5	6	7	NA
Identifying and measuring direct costs	1	2	3	4	5	6	7	NA
Understanding cost allocation methods	1	2	3	4	5	6	7	NA
Recasting traditional format income statement(s) into contribution format income statements	1	2	3	4	5	6	7	NA
Analyzing cost behavior patterns	1	2	3	4	5	6	7	NA
Conducting breakeven analysis	1	2	3	4	5	6	7	NA
Conducting incremental analysis	1	2	3	4	5	6	7	NA
Identifying major cost activity pools	1	2	3	4	5	6	7	NA
Selecting major cost driver(s)	1	2	3	4	5	6	7	NA
Estimating major cost function(s)	1	2	3	4	5	6	7	NA
Applying theory of constraints	1	2	3	4	5	6	7	NA
Enhanced Your Ethical and Moral Development by Learning Through Tradeoffs in the Real World								
Proposing balanced scorecard measures	1	2	3	4	5	6	7	NA
Analyzing goal congruence of activities	1	2	3	4	5	6	7	NA
Became an Independent Learner by Becoming Aware that You Can Learn by Serving Others								
Interacting with partner representatives	1	2	3	4	5	6	7	NA
Improved Your Communication and Interpersonal Skills by Practicing How Others Can Learn from You								
Presenting to partner and panel of experts	1	2	3	4	5	6	7	NA
Increased Your Social Responsibility and Community Involvement by Working with Mission-Driven Organizations								
Reflecting, as a group, on experiences	1	2	3	4	5	6	7	NA

TABLE 6

Social Enterprise Service-Learning in Introductory Management Accounting
Generalized Checklist of Roles and Responsibilities

Timing and Responsibilities	Faculty	Staff or Student Assistant(s)	Partner	Students
One Semester Before Implementation				
Write grant proposal to seek funding for assistant(s) and site visit(s)	X			
Identify staff or student assistant	X			
Identify potential partner(s)		X		
Screen partner need(s) to match course topics		X		
Negotiate student activities/deliverables	X		X	
Map student activities/deliverables to AICPA core competencies	X			
Draft survey to measures desired student learning outcomes		X		
Engage appropriate partner(s)	X			
Write partner engagement and confidentiality letter(s)		X		
Sign partner engagement and confidentiality letter(s)	X	X	X	X
Obtain background and financial data from partner(s)		X		
Draft student case study and questions based on partner-provided data	X			
Finalize and approve student case study and questions	X		X	
Coordinate site visit(s)		X	X	
Agree on information transfer protocol (i.e., when/how to field questions)		X	X	
First Week of Semester of Implementation				
Orient students to the service-learning framework, design, and outcomes	X			
Form teams, agree on group norms, review team member evaluation form	X			X
Sign partner confidentiality letter(s)		X		X
Introduce partner, case study, and questions to students	X			
Explain student activities, deliverables, and grading rubric	X			
Attend site visit(s)	X	X	X	X
Every Week of Semester of Implementation				
Field students' service-learning questions		X		
Field students' technical questions	X			
Field students' proprietary data questions			X	
Obtain/provide formal or informal feedback on student reflections	X	X		X
Last Week of Service-Learning Experience				
Submit student deliverables				X
Present to expert panel				X
Debrief student case study and questions	X			
Administer learning outcome survey to students		X		
Grade student deliverables	X			
Meet with partner to synthesize and/or present students' analysis	X	X	X	X
Obtain/provide formal or informal feedback from partner(s)	X		X	

Faculty

Kenworthy-U'Ren (2008) argues that although faculty may enhance student learning, gain personal satisfaction, and connect with the community through the service-learning experience, these are largely intrinsic benefits. There may not be extrinsic faculty benefits, even in educational institutions with an infrastructure in place to support service-learning endeavors. Even if a demonstrated commitment to service-learning has official currency for tenure and promotion (e.g., counted as service or counted once parlayed into a scholarly publication), the faculty still faces a heavier workload if he or she chooses to solely handle the logistics of the service-learning experience. Therefore, faculty may seek to delegate time-consuming responsibilities, including: writing grant proposals; identifying, screening, and engaging appropriate partners; drafting the engagement letter, confidentiality letter, learning outcomes survey, case study, and case questions; coordinating site visits and the information transfer protocol; and administering the learning outcomes survey. Ideally, the faculty can delegate these duties to the university's office or staff responsible for community service, civic engagement, and/or service-learning. Alternatively, a graduate or undergraduate student assistant with prior relevant experience can be hired and made responsible for administrative duties. Funding for the student assistant and the class site visits may be sought from various university offices, if available. If not, grant opportunities can also be found externally (Available at: http://www.servicelearning.org).

Kenworthy-U'Ren (2008) also argues that a barrier to service-learning success is when the faculty prioritizes his or her personal agenda over the partner's needs or the course learning objectives. On one hand, a faculty already affiliated with a social enterprise (i.e., sits on the board) may assign preferred projects with less regard to whether the required accounting skills match what the students can sufficiently provide, or whether the analysis required maps with desired student learning outcomes. On the other hand, faculty with close relationships with social enterprises may be better able to identify appropriate student projects therein. To address personal agenda concerns, faculty can establish a partner screening process which includes explicit documentation of how the partner needs match students' ability to add value through their analysis, and how student activities/deliverables map to AICPA core competencies and desired student learning outcomes. Also, and if available, faculty can solicit potential partner suggestions from other faculty, students, programs (e.g., SIFE), departments (e.g., Office of Community Service), schools (e.g., School of Social Work), administrators (e.g., Executive Director of the Office of Mission and Identity), student organizations, alumni, and other institutional stakeholders (e.g., members of the Board of Trustees). Alternatively, potential partners may be sought through the local Chamber of Commerce, Small Business Development Center (McCoskey and Warren 2003), or through Campus Contact (Available at: http://www.compact.org).

University

Kolenko et al. (1996) identified insufficient institutional support as one early barrier to service-learning success. More recently, however, McCoskey and Warren (2003) note that engagement in service-learning is supported by many universities that now have a service component in their mission statements. Such institutional support should be sought at many levels and to the extent possible.[6] First, if the university has formalized its commitment to community engagement, then there may be some community outreach, funding, and/or staff support for faculty. Second, if the

[6] One administrator from the university's Office of Mission and Ministry, who provided financial support and served on the expert panel judging students' final presentations for the social enterprise service-learning implementation, commented: "It was powerful. It raised the competence level. Instead of thinking their way into new ways of acting, this challenged students to act their way into new ways of thinking."

business school has fully aligned the incentives it provides faculty with the university's service mission, then there may be faculty policies that support service-learning, such as a higher teaching credit or a teaching load adjustment to compensate for the heavier workload in a course incorporating service-learning; more flexible class scheduling for those courses, since they potentially require more student and partner contact; and administrative support for service-learning logistics and planning (see Table 6). Third, if the accounting department fully supports its faculty's service-learning endeavors, then there may be adjustments made to allocations of course preparations, assignments to multiple sections of introduction to management accounting, and distributions of teaching assistants within the department in support of courses with the service-learning component.

Social Enterprise Partner

Kenworthy-U'Ren (2008) notes that another barrier to implementation success is lack of reciprocity with the partner. At one end of the spectrum, engaged partners become disinterested in the project if they come to believe that the cost of investing their scarce resources (e.g., staff time compiling background and financial data, facilitating site visits, and fielding student questions) exceeds the potential benefits from the students' analysis. At the other end of the spectrum, partners may come to expect analysis and recommendations beyond those initially agreed upon (i.e., scope creep) once they come to realize the extent of their on-site responsibilities to the students, or based on the preliminary analysis and findings by the students.

Another manifestation of the lack of reciprocity in service-learning is what Kenworthy-U'Ren (2008) refers to as the "conspiracy of courtesy," wherein faculty and students provide only indirect services. By design, they do not work directly with individuals in need. In this case, faculty and students (i.e., service providers) may perpetuate their own presumptions about what those individuals need, rather than recognize the actual strengths and weaknesses of those individuals. Hence, if the partner (and, thus, individual) needs are framed only from the perspective of the service providers, then the manner in which the service-learning experience is designed may hamper (rather than enhance) students' ability to help those individuals in need.

To address these concerns, Dorado and Giles (2004) suggest that faculty recognize that the partner relationship can be viewed as three "paths of engagement:" tentative, aligned, or committed. A tentative relationship is transitory, in that each party seeks to learn from the other based on a single-project basis. An aligned relationship is also short-lived, but with each party weighing the costs and benefits of a sustained relationship. A committed relationship is longer in term and characterized by multiple and/or repeated projects over several semesters. Ideally, effective partnerships develop from tentative, adjusted toward alignment, and then sustained through a mutually beneficial relationship. Reciprocity would then be characterized by faculty and students gaining a deeper understanding of the partner's social mission and the needs of the individuals ultimately served, and by the partner receiving insights from students having applied management accounting tools and techniques to the partner's issues.

The practical ways of minimizing the potential lack of partner reciprocity are as follows. First, faculty should carefully screen potential partners with needs that match course topics and that match the preferred path of engagement, as well as those partners with sufficient resources to provide on-site support for students. Second, faculty should negotiate with the partner representative all student activities and deliverables to make explicit the partner's responsibilities for the students, as well as to clarify the scope and limitations of students' responsibilities toward the partners. Third, faculty and students should attend the site visits to gain a better understanding of the partner's social mission, their strengths, as well as the partner's needs as they define them. Fourth, there should be a detailed and mutually agreed-upon engagement letter (see Appendix B for a generalized example),

an information transfer protocol (i.e., how/when to field student questions and partner concerns), and a set of student case studies and questions. Appendix E provides a generalized set of student case studies and questions. Alongside these generic examples are their adaptations to the social enterprise service-learning implementation example discussed in a later section.

Students

Consistent with extant research and prior implementations in other accounting courses (see Table 1), in a class of about 25–30 students, students can expect to work in teams of three to five and devote 10–20 hours each for at least 10 percent of their course grade derived from the service-learning experience. Although enthusiasm among students for service-learning has been increasing such that it no longer remains a barrier to successful implementation (Kenworthy-U'Ren 2008), for some students, working with a social enterprise in a more "consultant" capacity, rather than as a volunteer, may be a new experience.[7] Thus, faculty must clearly communicate to the students that although relatively costly in terms of time and effort, the main benefit of working through this unstructured environment is gaining important skills necessary for those entering the business profession. On one hand, students may be amenable to working with the social enterprise, especially if they already volunteer for, are familiar with, or share the same sensibilities as the social enterprise (e.g., concern for the environment). On the other hand, students may get frustrated with the relatively unstructured nature of the social enterprise setting, the lack of just-in-time data typically provided in textbook problems, the ambiguous and/or incomplete nature of the available data, and their perceived inability to make a real contribution given their inexperience.

To reduce such student apprehension or resistance, one option would be to incorporate service-learning in one or two sections of the introductory management accounting course, rather than make it a mandatory component in all sections. With proper outreach, interested students can self-select to the sections with the service-learning component. To further alleviate student issues after registration, it is critical that in the first week of the semester of implementation, the faculty orients students to the service-learning framework, design, and outcomes; has students sign the partner confidentiality letter; introduces the students to the partner, the case study, and the questions; explains the student activities, deliverables, and grading rubric; and has students attend the site visit(s). Faculty can make explicit the link between the work, skill development, and professional success in business by assigning or discussing recent business press and other articles[8] and peer examples.[9] Having students sign the confidentiality letter signals the serious nature of the experience. Explaining the case study, questions, activities, deliverables, and grading rubric clarifies the faculty's expectations. Having students attend the site visit(s) may provide them with a better understanding of the social enterprise's mission and of the individuals they are ultimately serving. In addition, having students form groups, agree on group norms, and review the team member evaluation form (see the generalized example in Appendix A) sets peer expectations for the students.

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[7] One faculty member who implemented the social enterprise service-learning strategy commented: "This was the first time students took a textbook and worked on something for somebody else, and not just for the professor or just for the class."

[8] Some examples include: Taparia (2007), who shows how helping social enterprises helped his professional growth; Kersnar (2006), who profiles CFOs who bring traditionally for-profit business solutions to solve nonprofit problems; and Reason (2005), who discusses how better budgeting saved the San Diego Zoo.

[9] For example, a former student indicated that during the semester, she interviewed with a prospective employer for a summer internship opportunity, and was able to use her work with Haley House to talk about why she feels more informed about and committed to pursuing a career in business consulting, and how to use her business skills to help others build theirs.

Providing students avenues for support throughout the implementation period is important to further address student resistance. If available, the staff or student assistant can field questions related to the service-learning experience, such as logistical questions about the site visit. The faculty can field technical questions about how to properly apply management accounting tools and techniques to the social enterprise setting, while the partner can field questions about proprietary information. Also, faculty can choose to obtain and/or provide formal or informal feedback on student reflections about the service-learning experience. This can be accomplished through periodic in-class check-ins or by arranging in-office meetings.

In the last week of the implementation period, it is important for faculty to debrief students. After students submit their deliverables and present to a panel of experts (partner representative, faculty, staff/student assistant, independent/peer faculty), faculty should debrief the student case study and questions so that students and partners can take away common learning points. Administering the learning outcome survey to students and grading student deliverables will enable faculty to assess the extent to which the service-learning experience impacted or enhanced student learning. To further strengthen students' reception of the value of the case, faculty can provide positive incentives in three ways. First, students, along with the faculty, can meet with the partner to synthesize and/or present students' analysis. Second, the students' work and the impact on the community could be publicized.[10] Finally, faculty, along with the partner, can obtain and/or provide feedback to the students about how their deliverables may be used to inform the partner's future managerial decisions.

EXAMPLES OF SOCIAL ENTERPRISE SERVICE-LEARNING IMPLEMENTATIONS

The proposed social enterprise service-learning strategy has been implemented in the same private university in the introductory management accounting course for each of three consecutive years and by two different faculty members. In the first year, the author implemented the social enterprise serial case that required both quantitative and qualitative analysis in the introductory management accounting course for the undergraduate honors class. In the second year, another instructor used a single case based on the same social enterprise partner, but that required less qualitative analysis. In the third year, the author implemented a subset of the serial case based on two different social enterprise partners, and where one case required less quantitative analysis, while the other required less qualitative analysis. The range in the required analysis (quantitative and qualitative) was based on instructor preferences and the current business needs of the various social enterprise partners.

Haley House

In the first year, undergraduate students in the honors introductory management accounting section analyzed the profitability, budget, and financial performance of five for-profit ventures within one social enterprise partner, Haley House, Inc.[11] Haley House aims to help those faced with significant barriers to financial, emotional, and social independence by providing on-the-job

[10] In the case of the author's first social enterprise partner, Haley House, a few articles mention the role of the management accounting project in actualizing an initiative involving the university's Dining Services (DeLuca 2008; Cullen 2008), and ultimately broadening students' perspectives to consider serving the needs of others (Hamilton 2008).

[11] The vision of Haley House states: "Haley House is dedicated to staying true to our mission of using food as a vehicle to ensure financial independence and nourishment for all. As we grow, we strive to make our business model sustainable on both a financial and environmental front. We are deeply committed to growing the Haley House way of life and hope to share our practices with any and all that are interested" (see http://www.haleyhouse.org/pg/show/id/3).

training in a Bakery Café: cooking classes for at-risk youth, affordable housing in desirable neighborhoods, and other services. In support of their social mission, Haley House operates various for-profit ventures, including sales of specialty products, a Bakery Café, and a catering business. Appendix E presents both a generalized set of case studies and questions, and their adaptations to the Haley House project.[12]

At the beginning of the first year, the instructor introduced the Haley House Project as a three-part serial case. To prepare, students first conduct site visits to observe the operations, meet with members of the management team, and obtain needed information. Next, they are told that they will present their analysis to a panel of experts, and that their analysis will directly contribute to the partner's ability to fulfill their overall mission. As managerial accounting topics are discussed in class, and after textbook problems are mastered, the instructor assigns relevant parts of the case and reminds the students of the often-ambiguous nature of the partner's information. The challenge then is for the students to search for relevant information and apply the proper tools to address the partner's current concerns. Part one of the serial case includes five cases, part two involves a budgeting exercise, and part three requires a balanced scorecard proposal.

For the first part of the serial case, each for-profit venture was assigned to two groups of three to five students each. Besides grading a two-page memo (with supporting attachments), each group presented their findings to the panel of experts. Hearing another group's interpretation and use of the same information from the partner was important in conveying that there are no single right answers in management accounting. Debriefing each case was also very important in emphasizing what the students are learning, how it is goal-congruent with their professional aspirations, and how much the social enterprise partner values their efforts.

The second part of the serial case involved engaging in a budgeting process. Groups were reformed so that there was one member from each of the original groups. This way, each for-profit venture was represented in the budgeting process. Again, a two-page memo (with supporting attachments) was graded. The grading was supplemented through the debriefing, which elicited a rich discussion of the tradeoffs that this and other organizations face in the budgeting process.

The third part of the serial case involved designing a balanced scorecard. Students were again reformed, back to their original groups. This was a way for students to experience working in dynamic teams and to learn how to adjust their teamwork approach to fit that context. At another level, then, students were challenged to increase their threshold for ambiguity for an explicitly stated and fruitful reason. Grades were again based on evaluation of a two-page memo. To motivate teamwork, the instructor required that after each part, groups submit a group member evaluation form that indicated each member's contribution and performance, and have all members of the group sign the form. This was also used to convert the group's case grade into weighted individual group member grades.

In the second year, a different instructor taught the honors section of the introductory management accounting course. That set of new students worked with Haley House to analyze the costing of specific menu items in one of its for-profit initiatives. Hence, rather than a serial case, the social enterprise service-learning experience was set up as single project, with groups of two students each who were assigned different menu items from the Bakery Café. Their cost analysis involved computing direct material, direct labor, and allocation overhead. With respect to allocating overhead, the students were required to determine the current cost allocation system, compute and

[12] In accordance with the confidentiality agreement with Haley House, some details about the cost structure and profit goals are necessarily omitted or altered. However, the actual internal data needed to fulfill the case requirements were solicited by and made available to students. In lieu of providing teaching notes, the author would be pleased to provide example calculations and discussions relevant to the Haley House project upon request.

apply the predetermined overhead, and assess the appropriateness of a job-order or ABC cost allocation system.[13]

Artists for Humanity and Bikes Not Bombs

In the third year, a set of new students in one non-honors introductory management accounting section of the introductory management accounting course worked with Artists for Humanity,[14] which is an organization which aims to help at-risk youth gain training and employment in the arts. To support their social mission, Artists for Humanity runs various studios that sell products (e.g., T-shirts) and services (e.g., graphic design, gallery rental space) to corporate and non-corporate clients. These studies include painting, photography, graphic design, sculpture, video, and screen printing.

Meanwhile, students in another introductory management accounting section worked with Bikes Not Bombs,[15] which is an organization aimed at supporting youth leadership training and environmental stewardship by training after school students and young adults how to refurbish, repair, and use bikes. To support their social mission, Bikes Not Bombs sells refurbished bikes in a retail bike shop.

These projects were structured as two-part serial cases. For the first part, students working with Artists for Humanity (Bikes Not Bombs) computed the total product costs attributable to the program and administrative functions, and assessed the usefulness of the current allocation system given the partner's current concerns. For the second part, student teams were assigned different for-profit ventures, and each team prepared a representative job-order cost sheet, prepared a contribution format income statement, and conducted incremental analysis for three different cost savings scenarios.[16]

EVIDENCE OF ENHANCED STUDENT LEARNING

Students from each of the three years provided survey responses based on a seven-point Likert scale, where 1 = no impact and 7 = significant impact. The questions were based on the learning objectives, including the application of specific management accounting tools, examination of the tradeoffs in a double bottom line environment, service-learning reflections, and their learning experiences (see Table 5 for a generalized example of sample survey questions relevant to the

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[13] Also in the second year, some of the then-junior-level students who worked on the first year's Haley House Project continued working with the partner to devise zero-budget marketing programs as part of the students' marketing principles core course.

[14] The mission of Artists for Humanity (AFH) is to "bridge economic, racial and social divisions by providing underserved youth with the keys to self-sufficiency through paid employment in the arts" (See http://www.afhboston.com/index.php). At the heart of AFH is its apprentice program, which provides inner-city youth with a unique combination of arts education and employment, and real-world business exposure in a safe and supportive atmosphere. Student teens work for three hours per day after school, five hours per day, five days a week, during summer, with the option of extended summer hours. In addition, teens earn a 50 percent commission from artwork they produce and sell. While the hourly wages teach the students the value of a day's wage and the discipline of holding a steady job, the chance to produce and sell art provides teens with an entrepreneurial incentive that motivates them to strive for excellence.

[15] Bikes Not Bombs' mission is to "promote bicycle technology as a concrete alternative to war and environmental destruction" (See http://bikesnotbombs.org). Each year, Bikes Not Bombs takes in between 5,000 and 6,000 donated bikes, diverting them from the solid waste stream and reusing them in its three innovative program areas: Overseas Development in Countries of the Global South, year-round Youth Programs for Boston-area young people, and Retail Bike Shop/Vocational Training Center.

[16] Also in the third year, some of the then-senior-level students worked with yet another social enterprise partner, namely, Swim Across America, to analyze accounting cycles and assess the internal control systems as part of their accounting information systems elective course.

desired learning outcomes). Students were also asked for demographic information, as well as open-ended questions aimed at continuous improvement of the case.[17]

Untabulated descriptive statistics across all three years of the social enterprise service-learning implementation indicate that, overall, there were more male students (66 percent). There were more finance majors (42 percent) than accounting majors (17 percent), and the remainder majors were marketing, information systems, economics, undeclared business, or non-business. The mean student age was 19.6 and, prior to the course, students provided an average 1.6 hours per week of community service. During the course, this service contribution substantially increased, since each student contributed an average of 15.2 service-learning hours in addition to being engaged in the social enterprise serial case. Further, students engaged in the more extensive serial case in the first year contributed more hours (mean of 22.1 hours) than students engaged in the less extensive separate cases in the second year (mean of 17.9 hours), and even less for students engaged in a subset of the serial case in the third year (mean of 10.8 hours).

Table 7 presents the students' ratings of how the case affected their learning along three dimensions: managerial accounting concepts, real-world tradeoffs, and service-learning outcomes. Recall that while the first-year serial case required more extensive analysis of five for-profit initiatives, the second-year case focused on the estimation of the cost of specific menu items offered in one of the five for-profit initiatives of the social enterprise, and the third-year case required more qualitative analysis of financial and nonfinancial information. First, students indicated that the social enterprise case enhanced their learning of specific managerial accounting concepts, with overall mean ratings ranging from 4.7 for theory of constraints[18] to 6.4 for different pricing schemes, among others. Despite differences in the social enterprise partners and cases in each of the three years, students' learning remained fairly consistent and high. This suggests that the social enterprise case teaching strategy allows for flexibility and is adaptable to different instructors, course goals, and case usage (serial, subset, or single) without sacrificing the student learning experience. One exception is that the mean (median) rating for cost estimation was significantly higher in the second year (6.0) compared to the first year (5.2), with $p = 0.0199$ (0.0360). This is not surprising given that the second-year case focused on costing out specific menu items, which gave students greater opportunities to practice how to estimate costs. This also suggests that instructors adopting this social enterprise service-learning strategy can reasonably expect that a greater emphasis on a particular management accounting tool or technique will increase the student learning experience of that particular management accounting dimension.

With respect to the effect of the social enterprise case on the students' understanding of real-world tradeoffs, students indicated that the case significantly enhanced their learning about tensions between mission and money, budgetary accuracy versus timeliness, the reporting of information versus the incentive behind what is reported, as well as tensions between quantitative and qualitative considerations in a cost-benefit analysis situation. Mean ratings ranging from 5.0 to 6.2 over the three years suggest that exposing students to the real issues faced by social enterprises helps them to gain a deeper understanding of the challenges of running a for-profit venture, regardless of what specific cases they are asked to deliver.

[17] Students completed only a post-implementation self-assessment questionnaire. Although this is generally consistent with studies presenting outcomes of service-learning in accounting (e.g., Chiang 2008), and generally consistent with how course evaluations are administered, Rama et al. (2000) recommend that faculty use multiple outcome measurement tools to calibrate the extent of desired student outcome achievement.

[18] Notably, more concrete, quantitative activities/deliverables received higher mean scores compared to qualitative activities/deliverables. One possible explanation is that inexperienced (sophomore-level) students may find that qualitative skills are more difficult to apply to unstructured problems. In our implementation examples, lower scores were obtained for the application of the Theory of Constraints (4.7 overall).

TABLE 7

Social Enterprise Service-Learning in Introductory Management Accounting
Evidence of Enhanced Student Learning

Did You Find Working on the Case Affected Your Learning in the Following Dimensions?

Outcome Category	Year 1 Mean	Year 2 Mean	Year 3 Mean	Overall Mean
Number of Students	27	34	23	84
Managerial Accounting Concepts				
Case Part 1				
Cost classifications	5.6	5.9	5.9	5.8
Cost behaviors	5.2	5.1	5.8	5.3
Cost estimation methods	5.2	6.0		5.7
Cost driver selection criteria	5.3	5.3	5.3	5.3
Cost allocation systems	5.3	5.8		5.5
Cost structure analysis	5.3	5.2		5.2
Breakeven analysis	5.3			5.3
Contribution analysis	5.3			5.3
Theory of constraints	4.7			4.7
Traditional format income statement			5.7	5.7
Contribution format income statement			5.5	5.5
Case Part 2				
Types of budgeting systems	5.2		5.3	5.2
The budgeting process	5.9		5.0	5.4
Issues in cost allocation	5.9		5.0	5.8
Job order cost sheet			6.1	6.1
Absorption costing			5.5	5.5
Variable costing			5.5	5.5
Different pricing schemes			6.4	6.4
Measuring social impact			6.1	6.1
Case Part 3				
Goal congruence	5.6			5.6
The balanced scorecard	6.0			6.0
Social impact perspective			6.3	6.3
Constituent perspective			6.1	6.1
Internal operations perspective			5.9	5.9
Financial perspective			5.7	5.7
Learning and growth perspective			6.2	6.2
Real World Tradeoffs				
Mission versus money	6.0	6.2	6.3	6.2
Budget accuracy versus timeliness	5.4	5.2	4.9	5.2
Information versus incentives	4.9	4.8	5.4	5.0
Cost-benefit analysis	5.4	5.3	6.0	5.5
Service-Learning Outcomes				
Nonprofits need help with costs	6.4	6.5	6.5	6.4
You have business skills to offer	6.2	6.0	6.2	6.1
You can learn by serving others	6.2	5.9	6.3	6.1
Others can learn from you	6.0	5.8	6.2	6.0

Responses are based on a seven-point Likert scale (1 = no impact and 7 = significant impact). Year 1 is the Haley House three-part serial case implementation by the author, Year 2 is the Haley House single case implementation by a different instructor, and Year 3 is the Artist for Humanity and Bikes Not Bombs separate case implementation by the author. See Table 5 for a generalized example of sample survey questions relevant to the desired learning outcomes.

Further, the project resulted in positive service-learning outcomes. Students learned that nonprofits (or rather, social enterprises) need help with costs, that they have relevant skills to offer, that they can also learn by serving others, and that others can learn from them. Mean ratings ranged from 6.0 to 6.4 over the three years.

In addition to the student ratings, content analysis[19] of open-ended questions reveals that students most liked working with a real social enterprise facing critical decisions, that they were learning skills, and how the case was implemented in class. One student commented:

> What I liked most about this project is the fact that it was actually meaningful to some other entity. Nothing was necessarily fabricated and we got to leverage our skills in a real consulting case . . . something that I will never forget.

Students least liked the constraints and the uncertainty, whether it was over the way groups were put together, the imperfect nature of the information provided by the social enterprise, or the necessary directions and deadlines. One student commented:

> Some parts of the project seemed tedious, yet probably necessary in real world. It was hard to write a memo as a group.

Nevertheless, untabulated ratings indicate that students found the project to be interesting (mean of 5.0) and that, overall, they found the project to be a valuable learning experience (mean of 5.8). Other stakeholders informally offered similarly positive feedback. Overall, the key to maximizing students' positive experience and minimizing their negative impressions is to set appropriate expectations and craft case requirements so that they are challenging, but attainable. This learning strategy represents a way to expand introductory-level students' academic experience while encouraging their civic engagement.

CONCLUSION

This learning strategy description focuses on how faculty can use a real social enterprise partner to develop a serial or single case that applies management accounting concepts covered in an introductory-level course. Although developing a case through a partnership with a real social enterprise requires an investment in time for all parties involved, there are several notable advantages to employing this learning strategy, specifically for undergraduate business students. First, the transition may be smoother from textbook problems to real-world application of managerial accounting concepts in the context of a social enterprise engaging in multiple for-profit ventures compared to the context of purely nonprofit enterprises. Second, the real management accounting data may be more accessible from real social enterprise partners in need of business help compared to the limited internal data available from for-profit companies concerned with disclosing proprietary information, or compared to fabricated data in cases based on a fictitious company. Third, because a social enterprise's multiple for-profit ventures sell goods and provide services, there may be greater flexibility for instructors whose course considerations include quantitative and

[19] The open-ended "most" and "least" questions were: "What did you like most about working on the project?" and "What did you like least about working on the project?" The process for content analysis first involved the instructor randomly selecting five participant responses to identify initial categories of responses and modifying them to make them clearer. The categories of "real entity," "learning skills," "course implementation," and "other" were eventually determined to most accurately represent the concepts of interest for "most." The categories of "data issues," "case problems," "course implementation," and "other" were eventually determined to most accurately represent the concepts of interest for "least." The final levels of inter-coder agreement for the "most" and "least" questions using Cohen's kappa were 78.7 percent and 82.4 percent, respectively, demonstrating acceptable levels of reliability in coding (Cohen 1960).

qualitative analytical skill development, manufacturing and service industry contexts, and presenting the preparer's and decision-maker's perspective of management accounting information.

The accounting profession recognizes that students need opportunities to develop their critical thinking and problem-solving skills, especially in unstructured environments that mimic the information environment in the real world. Illustrative examples of this learning strategy are presented to show that instructors can craft cases that may start out quantitative, but move progressively qualitative. The quantitative analyses often require students to first search for relevant information, and thereby increase their threshold for ambiguity and exercise their business judgment. These are necessary skills for those entering the business world (AICPA 2000). The qualitative analyses typically require students to critique the current system and make recommendations for improvements. This is an essential skill for business professionals who are expected to add immediate value (IMA 2008). Finally, feedback from students indicates that this learning strategy enhanced their learning along a variety of dimensions.

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APPENDIX A

Social Enterprise Service-Learning in Introductory Management Accounting
Generalized Example of Team Member Evaluation Form

This evaluation will help determine the relative contribution of each team member. Identify the team and members in the column headings (you MUST include their names). Rate each other using a scale of 1 (very poor) to 10 (exceptional), include the total (out of 100), and sign and date where indicated below.

Team Name:	**Name:**	**Name:**	**Name:**	**Name:**
1. Attended group meetings.				
2. Contributed to group discussions.				
3. Assumed a fair share of the work.				
4. Worked well with others.				
5. Was creative and enthusiastic.				
6. Assumed a leadership role.				
7. Contributed to the deliverables.				
8. Was timely in preparing work.				
9. Provided quality work.				
10. Helped others to learn.				
TOTAL—*please add the total points for each member (range: 0–100)*				

Other comments:

_____

_____

_____

Signatures: Date: _____

_____ _____

_____ _____

APPENDIX B

Social Enterprise Service-Learning in Introductory Management Accounting Generalized Example of Engagement Letter

[Date]
[Contact's Name]
[Contact's Title]
[Community Partner]
[Address Line 1]
[Address Line 2]

Dear [Contact's Name],

Thank you very much for meeting with us last [date of meeting] about our service-learning initiative in the [Business School, University]. We believe that a community partnership with [Community Partner] will be mutually beneficial and herewith initiate the process of engagement. Below, we outline the roles of the parties, detail the project process, propose a set of student cases, provide an overview of the schedule over the Fall and Spring semesters, list the background, financial, and other information requested, and attach the confidentiality letter. We respectfully request that you return a signed copy of the confidentiality letter so that we can then schedule a meeting with our program coordinator and access the background, financial, and other information requested.

Project Goals and Preparation

The main goal of this service-learning program is to create a collaborative learning and service community of students and professionals in social enterprises. This involves (1) developing an information system where students, with faculty guidance, can match up with social enterprises in need of business help, (2) elevating the classroom learning experience through site visits to social enterprise partners, and (3) applying students' skills to inform real business decisions faced by social enterprise partners. Our students work in active partnership with the community partners, engaging in far more than intellectual exercises that result in paper output. Rather, they learn to distinguish between symptoms and root causes of problems, to define their scope, and to provide analysis that can potentially provide insights into implementable proposals with measurable results. Students often enjoy exceptional access at their community partners, gaining industry insights, the perspective of senior management, and a deeper appreciation for the partner's social mission. Planning and preparations for the partnership are made in Fall semester [indicate dates], and student participation is facilitated through the core Managerial Accounting course, which is taught in the Spring semester [indicate dates].

The Parties

Community Partners include small existing organizations engaged in for-profit enterprises in support of a broader social mission. An appointed *Partner Contact* from the partner organization is expected to meet with the program coordinator to make adjustments to the proposed set of student cases so that deliverables meet the partner's needs. The appointed contact will also provide background, financial, and other information to guide student teams with their analyses. To minimize unnecessary partner disruptions, all information requests and questions from student teams will be routed through the program coordinator in the Fall semester, and the project liaison in the Spring semester, at scheduled intervals to be agreed upon before the beginning of the Spring

semester. Finally, the community partner is expected to provide feedback about the student team deliverables presented, and to complete a post-project questionnaire and interview.

The *course instructor*, [faculty's name], screens community partners, designs the scale and scope of the proposed set of student cases, and provides project guidance and academic support to the student teams. The course instructor periodically meets with the program coordinator and project liaison to assess team progress. She or he is also responsible for evaluating and synthesizing team deliverables for the partner.

Program coordinator functions are assigned to the course instructor's student assistant, [student assistant's name]. She or he is the primary contact for the partner in the Fall semester, and is expected to streamline the information transfer in preparation for Spring semester. The program coordinator reports to the course instructor and meets periodically with the course instructor and project liaison.

Project liaison functions are assigned to one of the course instructor's student assistants, [student assistant's name], who has demonstrated exceptional performance in the core Managerial Accounting course in a previous semester. The project liaison is the primary contact for the partner in the Spring semester, and is expected to schedule the student teams' site visits to the partner site, compile student team questions and consolidate partner responses, and field questions regarding the student cases and deliverables. The project liaison reports to and meets periodically with the course instructor and the program coordinator.

Student teams select from the proposed set of student cases that represent the best fit with their members' interests and competencies. While projects may vary widely, each team is responsible for improving the partner's organization through analyzing a major challenge or opportunity and delivering practical recommendations that meet the partners' needs. Teams subsequently meet with the project liaison to reach mutual agreements about the scope and deliverables for each case, and confer at key junctures throughout the Spring semester. Final case assignments are made following consultation with the course instructor, program coordinator, and project liaison. Student teams present their work to their class. Team finalists are chosen by the class and the course instructor, and make formal presentations before a panel consisting of faculty, community partner representatives, and social enterprise experts. Teams are judged on the quality of their analyses, the feasibility and creativity of their proposed solutions and recommendations, and their performance as a team. Top-ranked teams receive first-hand feedback and recognition for their work.

Detailed Process Information

The partner selection process involves a series of meetings or conference calls with the course instructor and the program coordinator. During these conversations, we aim to determine the nature and scope of the project and student cases. All cases must allow students to provide a concrete deliverable within a three-month time frame. On average, students will spend about 800–1,000 total hours working on this project.

Once the cases have been defined and adjusted, the student teams review the project descriptions, and then each team submits a bid for two projects to the course instructor, program coordinator, and project liaison. The course instructor, program coordinator, and project liaison then determine two student teams per case. These teams are selected based on their academic background and personal interests.

Once the project begins, space at the partner site is not required. We ask that students meet with the project liaison periodically to ensure that the project is on track. This usually means a face-to-face meeting every 2–3 weeks and, usually, an interim report in between.

All work done is considered to be proprietary and students sign a confidentiality letter. Interim reports are delivered to the course instructor. Final reports are delivered to the partner, along with

the course instructor's synthesis. In the past, some projects have led to internships, which have allowed the partner to more quickly implement the deliverable provided by the student team. This is up to the partner.

Proposed Student Cases

There are about 25–30 students enrolled in the core Management Accounting course. Each student team consists of three to five student members. Student cases may include: recasting traditional income statement(s) into contribution format income statements, analyzing cost behavior patterns, conducting breakeven analysis, conducting incremental analysis, identifying major cost pools, selecting major cost drivers, estimating major cost functions, applying theory of constraints, proposing balanced scorecard measures, and analyzing goal congruence of activities.

Overview of the Schedule for Fall and Spring Semesters

Fall Semester 20XX—we expect that in the Fall semester, we will obtain signed confidentiality letter from partner, meet to propose student cases and access financial and other information, meet to adjust student cases and access additional information as necessary, and finalize student cases, deliverables, and information transfer protocol.

Spring Semester 20XX—we expect that in the Spring semester, we will present project and student cases to core Managerial Accounting classes, assign student cases to two student teams each, prepare interim reports, present final reports, present to the expert panel, and synthesize the student deliverables.

Initial Request for Background, Financial, and Other Information

1. Mission Statement
2. Organization Chart
3. Financial statements from the prior three years
4. Tax returns from the prior three years
5. Operating budget from the prior three years
6. Reports, studies, or analyses of past financial performance
7. Annual reports submitted to various stakeholders (e.g., sponsors, donors) for the past three years
8. Strategic plan(s) for the current and/or future years
9. Notes from meetings of the Board of Directors
10. Other information that may help students analyze their assigned cases

Please let us know if you have any questions about this partnership arrangement. We look forward to working with you to make this year's project a positive and mutually beneficial experience.

Sincerely,

[Faculty's Name]
[Faculty's Title]
[School address]
[Phone contact]
[Email contact]

APPENDIX C

Social Enterprise Service-Learning in Introductory Management Accounting
Generalized Example of Confidentiality Letter

[Business School, University]
Management Accounting
Spring 20XX

Team Name: _____

Dear Student enrolled in the Introductory Management Accounting Course:

[Community Partner] requests consulting assistance from you, the undersigned students registered for the Introductory Management Accounting class in Spring 20XX at [Business School, University]. We understand this assistance is free of charge and we incur no obligation to [University] for providing this assistance.

We agree to furnish all relevant information, including financial data, to the Team.

We expect that you recognize and acknowledge the competitive value and confidential nature of such information. Therefore, you as a team agree to the following: 1) hold any non-public information furnished to you by [Community Partner] on or after the date of this agreement in strict confidence, and 2) not to disclose such information to anyone other than the professors and advisors representing [University] without prior consent. You further agree that you and your advisors will use such information solely for the purpose of evaluating and assisting the Organization.

We ask you to please acknowledge the foregoing by countersigning this letter below.

Sincerely,
[Community Partner]

By: _____

Title: _____

Received and consented to this _____ day of _____, 20XX
(Please sign and date)

_____ _____
Print Student's Name: Print Student's Name:

_____ _____
Print Student's Name: Print Student's Name:

APPENDIX D

Social Enterprise Service-Learning in Introductory Management Accounting Generalized Example of Grading Rubric

For each category, five points meets almost all the criteria at the highest level, four points meets most of the criteria with minimal lapses, three points meets some criteria with some lapses, two points misses most of the criteria, and one point meets very few criteria. The total points for the team will be based on the above rubric. Individual team member points are determined based on the total points for the team, as adjusted based on the relative contribution of the member (derived from the team member evaluation form).

Community Partner: _____
Team members: _____
_____
_____
_____

Student Outcomes	Student Activities	Points Possible	Points Assigned
Data collection	Visit partner's operation site		
	Review current financial reports	5	
	Review cost classifications	5	
	Review direct cost measurements	5	
	Review indirect cost allocation	5	
Data analysis	Recast into contribution format income statement(s)	5	
	Analyze cost behavior patterns	5	
	Conduct breakeven analysis	5	
	Conduct incremental analysis	5	
	Identify major cost activity pools	5	
	Select major cost driver(s)	5	
	Estimate major cost function(s)	5	
	Apply theory of constraints	5	
Data interpretation	Propose balanced scorecard measures	5	
	Analyze goal congruence of activities	5	
Partner interaction	Interact with partner representatives		
Partner interaction	Present to partner and panel of experts		
Peer interaction	Reflect, as a group, on experiences	5	
	Student Deliverables		
	Quality of written executive report(s)	5	
	Quality of excel spreadsheets	5	
	Quality of presentation materials	5	
	Quality of presentation	5	
	Quality of responses to panel questions	5	
Total points		100	

APPENDIX E

Social Enterprise Service-Learning in Introductory Management Accounting Generalized Set of Case Studies and Questions and Their Adaptation to the Haley House Project

Haley House aims to help those faced with significant barriers to financial, emotional and social independence by providing on-the-job training in a Bakery Café: cooking classes for at-risk youth, affordable housing in desirable neighborhoods, and other services. In support of their social mission, Haley House has various for-profit ventures including selling specialty products, running a Bakery Café, and a catering business.

Generalized Set of Case Studies and Questions

Cost Concepts

Financial and nonfinancial information can be used to better understand cost concepts and how management accounting is a cost/benefit proposition as follows:

1. Obtain the current year's budget and prepare an income statement reflecting cost classifications (e.g., product and period cost, direct materials, direct labor, indirect costs).
2. Discuss the advantages and disadvantages of using this income statement for managerial decision-making.
3. Given the partner's current concerns, discuss whether the partner should assign indirect costs to each product line, product/service, or some other cost object, and why.

To debrief this case, the instructor can facilitate a class discussion framing the students' responses using, for example, a value chain analysis.

Haley House Group C: Growth and Expansion of the Bakery Café

Haley House currently operates the Bakery Café, and is concerned about how to grow sales and trim costs.

1. Obtain the current operating budget and prepare:
    a. An income statement reflecting cost classifications (e.g., product/period, direct, indirect).
    b. A contribution format income statement (i.e., reflecting variable versus fixed costs).

What are the costs and benefits of using the above income statements for decision-making?

Cost Estimation and CVP Analysis

To reinforce the view that CVP analysis is only as good as the underlying cost behavior identification and assumptions, the instructor can include a cost estimation exercise as the basis for CVP analysis, and then extend the learning by conducting sensitivity analyses as follows:

1. Obtain monthly financial data from at least the prior year and generate three cost functions using the following cost estimation methods: account classification, high-low method, and least squares regression. Discuss which cost estimation method you would recommend, and why.
2. Based on the cost function from your recommended cost estimation method above, compute the breakeven point in terms of sales volume and dollars, the operating leverage, and the safety margin. Discuss the implications of these computations on the partner's business risks.
3. Prepare separate contribution margin format income statements reflecting the following:
    a. A decrease in sales price in response to a general economic downturn.
    b. An increase in unit variable costs, which is then passed on fully to customers.
    c. A production expansion that increases fixed costs.

Discuss your assumptions about sales volume and the cost structure for each scenario. Then, discuss which scenario(s) you would recommend, and why.

To debrief this case, the instructor can add a spreadsheet exercise to conduct sensitivity analyses on how their recommendations are affected by changes in the underlying assumptions

made. This will help students appreciate the power of CVP analysis and the dynamic issues involved.

Haley House Group A: Launching the Haley House Cookie

Haley House will be selling fresh-baked cookies through the University Dining Services. Obtain the contract details, the profit goals for the current year, and the details of the product prices and costs. In addition, a new diesel van will be used for delivery. Obtain the costs associated with the van and incorporate it into your analysis.

1. What is the breakeven point in volume and dollars?
2. What sales volume will result in the expected profit?
3. What is the safety margin in terms of sales dollars? What does this mean?
4. What is the operating leverage factor, and what does this mean in terms of business risk?
5. Prepare separate contribution margin format income statements for each of these scenarios:
    a. Reach the expected profit level.
    b. Use only organic ingredients and biodegradable packaging, which, in turn, would increase the unit sales price. What are you assuming about the sales volume under this scenario?
    c. Increase production and sales. What are you assuming about the cost structure in this context?
6. Which (combination of) scenarios or changes to scenarios would you recommend, and why?

Haley House Group D: Growth and Expansion of Catering Services

Obtain the catering jobs data from the previous year to generate three total cost functions using the following cost:

a. Account Classification method
b. High-Low method
c. Least Squares Regression method

Which estimation method would you recommend, and why?

Incremental Analysis

Central to management accounting is its usefulness in critical business decisions. Hence, the more students gain experience using management accounting information for real decisions the partner faces, the more they will appreciate its importance. These decisions can be provided by the partner or identified by the students, guided by the instructor as follows:

1. Given the partner's current concerns and competitive advantages with respect to its for-profit venture(s), identify short-term decisions that the partner is facing. For example, are there parts of the production process that can/should be outsourced; are there products/services that should be offered, emphasized, deemphasized, or discontinued; and are there special orders?
2. Compute the incremental profit impact of each of the decisions identified above and state your assumptions, if any, about sales volume, sales mix, and the cost structure for each. Discuss quantitative factors that the partner should consider in each decision.

3. Make recommendations on decisions the partner should make in light of its current concerns.

To debrief this case, the instructor can also use a spreadsheet exercise to conduct sensitivity analyses and emphasize the effects of changes in the assumptions underlying the quantitative analyses, as well as facilitate a class discussion of the impact of qualitative factors.

Haley House Group C: Growth and Expansion of the Bakery Café

Haley House currently operates the Bakery Café, and is concerned about how to grow sales and trim costs.

1. Obtain information relevant to each of these scenarios. Compute the incremental profit for each, and state your assumptions about sales volume, sales mix, and the cost structure:
   a. Streamline breakfast—hire a new executive chef so the former executive chef can focus on the cooking class program. As a result of this personnel change, the Bakery will be offering daily specials that are expected to increase sales.
   b. Stretch lunch traffic—offer a free drink before noon and advertise the take-out option. This plan requires new signage and advertising, but is expected to increase sales.
   c. Promote beer and wine service—expand the variety of organic beers and wines to include those popular in the community. The signage, table top signs, and advertising packet would need to be updated. This is expected to increase sales.
   d. Rent out space for special events during evenings—new signage and advertising costs will be incurred. This plan would generate sales, but would proportionately increase catering and utility costs.

Which (combination) of scenarios or changes to scenarios would you recommend and why?

Cost Allocation Systems

To elevate students' understanding of the need for and differences in cost allocation systems, the instructor can assign students to search for relevant management accounting information and use these to come up with recommendations as follows:

1. Discuss the main cost objects and recommend primary cost drivers for each cost object.
2. Compute the cost per cost object under a job-order costing system and then discuss for which of the partner's current concerns this information would and would not be useful, and why.
3. Compute the cost per cost object under an ABC system and then discuss for which of the partner's current concerns this information would be useful and would not be useful, and why.

To debrief this case, the instructor can facilitate a class discussion polling students about which system would be more appropriate to use for a host of the partner's current concerns and, in the process, compare and contrast these two cost allocation systems.

Haley House Year 2

Haley House is concerned about whether menu prices are covering the cost of their menu items. From the Bakery Café's menu, select one menu item that involves at least three labor production steps (e.g., preparation, cooking, plating), and that requires at least three different ingredients.

1. Observe the preparation of the menu item to better understand the production process.
2. Compute the direct material cost per unit.
3. Compute the direct labor cost per unit.
4. Compute the allocated overhead cost per unit as follows:

    a. Discuss the main cost objects and recommend primary cost drivers for each cost object.
    b. Compute the overhead cost per cost object under a job-order costing system, and then discuss for which of the partner's current concerns this information would and would not be useful, and why.

Budgeting Process

Two key tradeoffs in the budgeting are relevance versus reliability and timeliness versus accuracy. The instructor can have students experience these as follows:

1. Using the current year's operating budget as a template, prepare the upcoming year's operating budget. State and justify all assumptions made about sales and cost projections.
2. Identify whether the partner currently takes a top-down, bottom-up or other approach to the budgeting process and make recommendations about changes to this process, especially given their current concerns.

To debrief this case, the instructor can compare and contrast the budgets students prepared to highlight the challenges organizations face in the budgeting process.

Haley House Part 2

The purpose of the second part of the Haley House case is to critique the current year's budget, put together the next year's budget, and make recommendations that would improve the current budgeting process.

1. Obtain the necessary financial and budgetary process information.
2. Put together next year's budget using the current year's format as a template. (Hint: use what you learned from Case Part 1 and the questions above for your projections.)

Spend a maximum of two hours making adjustments to your budget in Question 4 above. Justify all your adjustments, and keep in mind that you will held responsible for advocating for your segment. (Hint: you may use data from Case Part 1.) What recommendations would you have to improve this budgeting process?

Transfer Pricing

In social enterprises, resources are often in-kind, scarce, and shared among responsibility centers. This context, thus, lends itself well to exploring the challenges in applying transfer pricing rules as follows:

1. Select one human and/or physical resource that one responsibility center provides another.
2. What is the current transfer price that the internal buyer pays the internal seller? Who determines this transfer price, and what is the rationale for setting the transfer price as such?
3. Compute an alternative price for this transfer and recommend changes to the current transfer pricing policy and process.

To debrief this case, the instructor can have each group present their case and other groups provide feedback as a way to discuss the quantitative and qualitative factors that responsibility centers and top management need to consider in setting transfer pricing policies.

Haley House Group E: Revision of the Cooking Class Program

Haley House offers cooking classes at the Bakery Café kitchen. Cooking class students also visit a farm owned by Haley House.

1. The Bakery Café charges the cooking classes a location fee per class plus an administrative fee. Are these appropriate, and why?
2. Cooking class students sometimes help out in the food production for catering jobs.
    a. Should the Cooking Class Program pay for being provided access to "real-world experience" through Catering? Why?
    b. Should Catering pay for being able to use student labor from the Cooking Class Program? Why?

Cooking class students visit the farm in the country. Should the farm be "compensated" for this? If so, why?

Performance Measurement and Goal Congruence

Students have ample chances to compute performance measures but infrequently have opportunities to design or evaluate a performance measurement system. The instructor can provide these opportunities as follows:

1. Describe and critique the current performance measurement system in light of the partner's concerns.
2. Design a balanced scorecard (BSC) for the partner's for-profit venture(s). For the financial perspective and another perspective, identify at least two objectives each and how these translate to increasing stakeholder value and the overall mission. Develop measures, targets, initiatives, funding, and responsibility for each objective.

To debrief this case, the instructor can have the class create a strategy map and ask the students to explicitly describe the linkages across the various BSC perspectives.

Haley House, Part 3

The purpose of this part of the group project is to prepare a Balanced Scorecard (BSC) for Haley House.

1. Read the articles about Haley House and the Balanced Scorecard.
2. Follow the steps in developing a BSC for Haley House as a whole as follows:
    a. Define the value proposition and long-term strategy for Haley House.
    b. For each perspective of the BSC, identify at least two objectives each (consistent with the strategy) and how they translate to increasing stakeholder value and the overall mission.

Prepare a strategy map to clarify the logic of the strategy (i.e., an explicit description of the linkages across BSC perspectives).