SUCCESSFUL STRATEGIES FOR IMPROVING FINANCIAL ACCOUNTABILITY IN A NONPROFIT MUSEUM: A CASE STUDY

ABSTRACT

A lack of effective fund reconciliation strategies to improve financial accountability can negatively impact nonprofit (NP) organizations. Using a qualitative, single-case study, the financial management of a northeastern NP museum was explored to identify fraud prevention strategies. Based on known issues regarding fraud in NP organizations, the study was needed and grounded in Greenleaf's servant leadership and Cressey's fraud triangle theories. Four nonprofit financial managers of a large NP museum in the northeast United States were interviewed. Their management strategies and the organization's procedural documentation were explored to answer one central research question: How do NP leaders improve financial accountability and maintain effectiveness in their museum? Using Yin's 5-step thematic analysis process and NVivo's powerful data analysis tools, four themes emerged regarding how successful NP financial managers avoid fraud. These themes included that successful NP financial managers (a) use a collaborative and growth-oriented approach, enhancing an ethical and trusting environment; (b) monitor financial transactions consistently and have established effective internal and external control systems in their departments and organizations; (c) communicate and enforce nonprofit and federal policies, procedures, and regulations; and (d) use training and development methods to equip and engage staff. A key recommendation was for NPO leaders to establish the implementation of high ethical values. The implications for positive social change included the potential for better fiscal management of donations and federal funds, resulting in improved educational and scientific programs.

Keywords: servant leadership, accountability, nonprofits, transparency, fraud prevention, nonprofit sustainability, internal controls, external controls, leading-by-example.

AUTHOR INFORMATION

Dr. Amma Tabirih (Primary) is the Head of Administration and a servant leader with over 20 years of experience stewarding nonprofit museum and gallery contracts and revenues. She strategizes the museum's budget formulation, execution, and management, and oversees its federal funds allocations, endowments, grants, and gift funds. Thus, her career experience as a nonprofit board member and financial management practitioner contributed to her interest in the study's research topic. She earned her Bachelor of Science in Management and Computer Science and Master of Science in Project Management from the University of Maryland Global Campus, and her Doctor of Business Administration in Finance degree from Walden University. tabiriha@gmail.com

Dr. Bridget Dewees (Secondary) is the Assistant Vice President for Institutional Effectiveness at Claflin University, where she leads strategic initiatives that advance institutional performance, data-informed decision-making, and continuous improvement. With over 35 years of experience in higher education and business, she is a results-driven leader known for driving transformation through evaluation, planning, and performance excellence. A committed performance excellence practitioner for more than 20 years, Dr. Dewees is the Chair of the South Carolina Quality Forum, where she promotes innovation and quality across sectors. She also serves as a Contributing Faculty Member in the College of Management and Human Potential at Walden University, mentoring doctoral students in leadership, management, and organizational development. Dr. Dewees is the Founder and Lead Consultant of Visions Consulting by Dewees, where she partners with organizations to deliver customized solutions in strategic planning, employee engagement, and organizational effectiveness. She holds a Bachelor of Science in Accounting from the University of South Carolina, an MBA from Webster University, and a PhD in Management from Walden University. Dr. Dewees is recognized for her collaborative leadership style, passion for continuous learning, and ability to align people and processes for sustainable impact. bdewees@claflin.edu

INTRODUCTION

The purpose of this qualitative single case study was to explore fund financial accountability strategies used by the financial leaders of a northeastern U.S. nonprofit (NP) museum. This research was conducted as part of a doctoral project, where the primary researcher (PR1) collected data, and the secondary researcher (PR2) provided supervisory oversight and editorial and analysis support. Both researchers contributed to the writing of this article. The article provides the background of the business problem, explains why this problem warranted study, and explains the case study process. After using Yin's (2018) 5-step thematic analysis process, the thematic analysis provided four relevant themes.

BACKGROUND

Accountability, transparency, and ethical behavior should be part of the everyday language of NPO leaders, staff, volunteers, donors, and board members (Ito & Slatten, 2020). Stakeholders expect leaders to be accountable, meet stakeholder demands, and manage the success and growth of their NPOs (Kasale et al., 2019). Financial reporting is essential to NPOs' accountability, particularly for donations and funding (Hyndman & McKillop, 2019). NPOs in the United States must comply with various state and federal regulations to maintain their tax-exempt status. Despite persistent calls to increase accountability in the NPO sector, little research has examined the burden imposed by extant regulatory requirements, especially at the state level. The federal government does not require NPOs to produce audited financial statements. However, NPOs that expend federal funds over $750,000 per year are required under the Single Audit Act to produce financial statements for the federal government (Internal Revenue Service, 2024). Hence, for smaller organizations, which make up many tax-exempt NPOs, the state requirement to file audited financial statements can impose significant costs and is likely the most onerous regulation facing NPOs (Hyndman & McKillop, 2019). With a greater understanding of the antifraud strategies needed to mitigate fraud, NPO leaders may be able to improve the long-term sustainability of their organizations. Filbeck et al. (2020) expressed that although transparency and accountability can be developed through multiple strategies, the foundation is established through organizational values and leadership commitment.

PROBLEM AND GAP IN PRACTICE

NPs are more vulnerable to fraud than for-profit organizations (Walker, 2020). In the United States, NPOs have lost an estimated $40 billion annually since 2006 because of employee theft and fraud (Blye & Luamba, 2021). The Association of Certified Fraud Examiners (2024) reported that NPOs experiencing fraud suffered an average loss of $611,000 and a median loss of $76,000. The specific business problem studied in this case was that some NPO leaders of museums lack fund reconciliation strategies to improve financial accountability and maintain the effectiveness of their organizations. The purpose of this qualitative, single-case study was to explore the fund reconciliation strategies that the financial leaders of one NP museum used to improve financial accountability and maintain the effectiveness of their organization. The sample comprised four active financial managers of a large museum in the northeastern United States who had implemented successful financial accountability strategies for effective fund reconciliation and sustained efficiency.

TERMS AND DEFINITIONS

Accountability: The commitment of an individual or company to explain its procedures and behaviors and accept responsibility for them by transparently disclosing results (Ito & Slatten, 2020).

Accountability and transparency: Measures of NPOs that follow best governance and ethics practices, and whether the NPO makes it easy for donors to find critical information about the organization. (Lamothe & Shen, 2023).

Ethical culture: A culture in which managers and employees are clear about what constitutes unethical and ethical behavior in the organization (Roque et al., 2020)

Organizational culture: The combination of structures, routines, rules, and norms in an organization that guide and limit behavior (Koçak & Demir, 2019).

Occupational fraud: Fraud committed by employees against their organization (Suh et al., 2019).

APPLIED FRAMEWORK AND LITERATURE REVIEW

This article references a completed doctoral capstone project's data and analyses (Tabirih, 2024). An applied framework was created using two governing theories (servant leadership and the fraud triangle). Previous research also provided ideas about potential strategies financial managers may use to avoid fraud (Figure 1).

FIGURE 1

Applied Framework
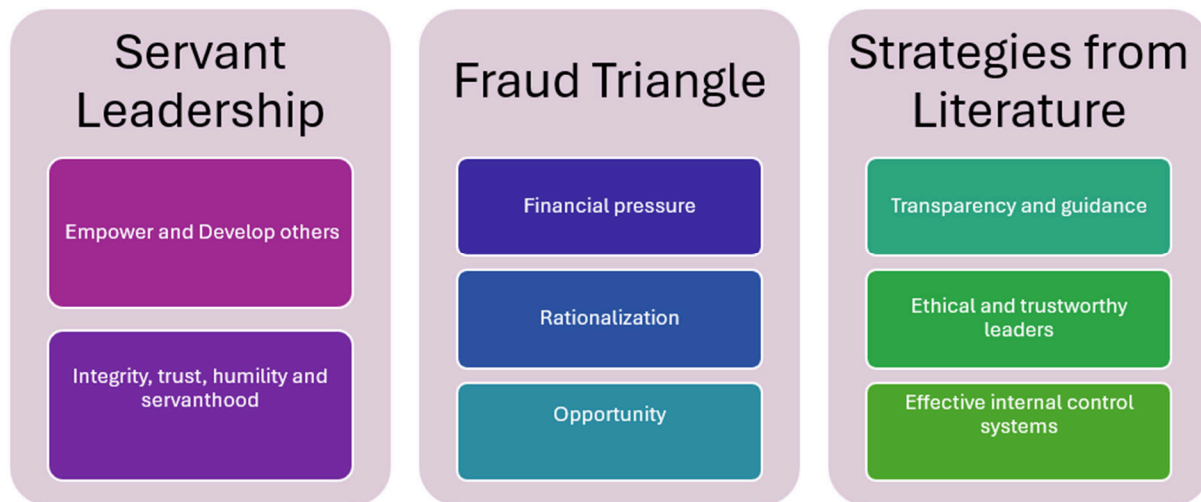
LITERATURE REVIEW

The study was guided by Cressey's (1986) fraud triangle theory and Greenleaf's (1977) servant leadership theory. Cressey suggested that employees commit fraud when they detect an opportunity, rationalize their thinking, and have serious financial needs. Cressey introduced the fraud triangle theory to describe how leaders can develop strategies to detect and mitigate fraud (as cited in Lederman, 2019). A correlation also exists between accountability and servant leadership (Eva et al., 2019). Leadership that aligns with trust and transparency is essential when dealing with financial accountability, making servant leadership a clear partner in the avoidance of fraud.

Leaders who espouse an ethical and trusting environment are correlated with servant leadership. Greenleaf (1977) described servant leaders as focusing on followers' personal growth and development. Treating employees ethically is another element found in servant leaders (Canavesi & Minelli, 2022). Servant leadership theory's essential qualities are that managers use their leadership ability to empower and develop others with integrity, humility, and servanthood. Servant leadership allows followers to carry out the tasks and processes of visioning, goal setting, leading, modeling, team building, and shared decision-making (McDaniel, 2022). Servant leadership strategies include (a) shared leadership, (b) ethical and principled leadership, (c) transparency, (d) stewardship, (e) trust, and (f) good governance. Shared leadership as a servant leadership style involves having valued and empowered employees responsible for sharing the responsibility of achieving the organization's strategic and financial goals. Ethical-principled leadership influences employees to accomplish goals with altruistic integrity.

Eva et al. (2019) explained that servant leaders facilitate the accomplishment of shared visions and organizational goals by supporting the personal improvement and empowerment of followers. Saleem et al. (2020) described how servant leaders establish clear goals and direction, resulting in a more satisfied workforce. When employees perceive that their supervisors are committed to service, empowerment, and a shared vision, they are more likely to see the organization as one that embraces servant leadership (Aboramadan, 2020). A strong focus on supporting followers suggests that servant leadership might strengthen the link between goals and team processes by elevating each member's commitment to shared organizational goals. Followers exemplify their commitment to improved organizational and job performance when their growth and needs become a priority, with the results being that they

become more engaged and effective (Eva et al., 2019). Vision and service orientation were quantitatively shown to predict a leader's decision to engage in corporate social performance practices (Preiksaitis, 2016).

Grounding this research in servant leadership and fraud theories provided a foundation to understand the role of ethical leadership and serving others in the relationship between how servant leaders guide employees and what positive outcomes come from that relationship. These two conceptual foundations are particularly beneficial in studies focused on hospitality because they help explain how a servant leader focused on the needs of the employees would then lead to employees who reciprocate by producing the desired organizational outcomes (Fitri et al., 2019).

NPO leaders, especially financial managers, must understand how to maintain the existence of NPOs. For NPO executives, effective financial management entails continually evaluating overall economic health while securing resources and defining long-term business decisions. Given the scope of effective NPO financial management, NPO leaders must demonstrate numerous professional competencies. When the right leadership style is carried out and implemented in an organization, it enables that organization to achieve or exceed its overall objectives. Great leadership is often considered the primary factor driving organizational performance. The servant leadership style generates superior organizational performance, achieved by encouraging followers to emulate leaders' behaviors and emphasizing the importance of followers putting the needs of others first. Employees' perceptions of leadership, such as ethical leadership, impact organizational performance significantly. NPO leaders who demonstrate an ethical leadership approach are recognized as trustworthy, honest, and fair (Le et al., 2022).

Accountability is a crucial element of governance. NPOs are typically accountable to multiple stakeholders and often engage in accountability in various ways (Landreth Grau, 2021). Organizations attain accountability when an individual manager agrees to execute their duties within an environment of trust and high ethical standards. Accountability evokes a sense of responsibility to others for performance, compliance, disclosure of information and transparency, and efficient delivery of goods and services. Accountability is necessary for every successful business, regardless of how people view it in the type of organization. Accountability also represents external responses regarding compliance with laws and industry standards. Harris and Neely (2021) found evidence consistent with organizations with stronger governance, better performance, and more professional staff associated with greater transparency. Harris and Neely also noted that organizations that rely more on contributions and those in states that require public disclosure of their audited financial statements are also more transparent.

Good governance and financial management are needed to improve accounting practices in some NPOs to avoid public scandals and enhance public confidence in NPO policies and procedures (Hyndman & McKillop, 2019). Hyndman and McKillop (2019) explained that good governance is needed in NPOs to ensure that the management of activities deals with ethical behaviors and actions.

Fraud within organizations is associated with the absence of internal controls rather than their weaknesses (Haynes, 2022). Internal control is the most effective strategy to prevent and detect employee theft (C. A. Rashid, 2022). A lack of adequate internal controls plays a more significant role in NPO occupational fraud cases, according to Abu Amuna and Abu Mouamer (2020). Managers implement internal control to protect company assets and minimize fraud risk. Organizations implement internal controls as an essential strategy to prevent and detect financial fraud, waste, and abuse and ensure their employees comply with laws, accounting standards, and organizational policies (Abu Amuna & Abu Mouamer, 2020). Good internal control practices will detect and prevent any issues that may result in the misstatement of financial information (C. A. Rashid, 2022). The key reason for internal control in organizations is to prevent loss before it happens, leading to reduced fraud or early fraud detection (Marchetti, 2020).

RESEARCH TECHNIQUE OVERVIEW

DESIGN

The study was conducted as a qualitative, single-case design. The project focused on one location, an NP museum in the northeastern United States. It used data from interviews with four participants and organizational documentation to answer one central research question: How do NP leaders improve financial accountability and maintain effectiveness in their museum?

STUDY SAMPLE

Researchers must choose the right participants to obtain the insight needed to explore the phenomenon under study (Rees-Punia et al., 2020). The participants' eligibility selection criteria and the shared relationship may go beyond the narrative level but remain rooted in the real practices of qualitative research (Dewey et al., 2021). The participants in this study were four financial managers of an NP museum in the northeastern United States who had implemented successful financial accountability strategies to improve fund reconciliation and effectiveness in their organization for at least 5 years. Using eligibility criteria helps researchers identify characteristics of potential participants that align with the overarching RQ (Costello et al., 2020). Eligibility criteria for participation in studies are the parameters (e.g., age and employment status) that researchers establish to ensure that the participants qualify to join the studies. Participants are eligible if they have experience and knowledge of the phenomenon under investigation (Saunders et al., 2019). Researchers often select participants actively engaged with the organization's stakeholders who have sufficient knowledge or awareness of their organization (Costello et al., 2020). In addition, the eligibility criteria should include someone highly skilled to provide their perspectives on the research topic to add value (see Dewey et al., 2021). Moreover, eligibility criteria are a strategy to ensure alignment with the RQ (Pavlek et al., 2021). O'Donohue (2021) suggested that identifying and including experts in the field of study enhances content validity.

We encouraged participants to inquire about the research study before consenting to participate to establish a comfortable interaction. Saunders et al. (2019) suggested that informing potential participants of how a study might provide mutually beneficial opportunities enhances the working relationship. Establishing a comfortable interaction with participants enables active engagement and the willingness to share information freely.

Participants needed to be willing to participate in recorded interviews, share company documents that supported their statements, and discuss their experiences mitigating or preventing fraud in the NP museum. When participants decide whether to contribute to research, they are significantly influenced by the information provided by researchers and their situations (Dewey et al., 2021). The objective of a study needs to be presented straightforwardly so that the participants can understand what they agree to do and are being truly informed (Costello et al., 2020).

Participants' willingness to contribute to studies depends on their abilities and interests and the complexity and context of the research investigations (Xu et al., 2020). Our participants received background information about me, a detailed explanation of the purpose of the study, and how the collected data would be used and published in a way that ensured that the results of the study would not harm them or their welfare in any way. The participants were assured that they would receive a summary of the final findings in return for their participation, which could be used to improve NPO fund reconciliation and enhance internal control toward financial accountability and maintenance of effectiveness in their organization. Also, transparency presents an opportunity to share information, deliberate and discuss points and alternatives, and get an elevated level of stakeholder commitment and support (Zogaj, 2022). Ortega-Rodríguez et al. (2020) suggested that organizations should prioritize preventing corruption and bribery and developing efficient and transparent accountability for different institutions; transparency undoubtedly contributes to improving NPOs.

DATA COLLECTION

We used semistructured videoconference interviews as the primary data collection technique. We complemented the data sources with the organization's documents to ensure reliability through methodological triangulation, as Natow (2020) recommended. An interview protocol was used to ensure each participant's interviews followed similar structures (see Appendix). However, depending on their answers, follow-up questions helped achieve richer data, as recommended by DeJonckheere and Vaughn (2019). Participants were interviewed between October 26 and November 6, 2023; each interview lasted 30 minutes.

DATA ANALYSIS

Data analysis involves exhaustive efforts by researchers to focus on all the evidence to pursue a high-quality analysis that best answers the RQ (Yin, 2018). Researchers develop and assess the validity and analyze the data collection process while maintaining the quality of the collected data (Santos et al., 2020). We used data triangulation during the data analysis to increase rigor and transparency. A researcher conducting a case study using two or more data collection forms can obtain data triangulation (Natow, 2020). We collected information through the

responses from semistructured interviews, archival records, website content, and secondary data. We used thematic analysis to analyze the data and to search for patterns or themes (see Williams & Moser, 2019). Thematic analysis consists of compiling, disassembling, reassembling, and interpreting the data (Saunders et al., 2019). By prioritizing transparency, rigor, and a manual coding approach, researchers can ensure the validity and reliability of their thematic analysis, leading to robust and insightful findings (Fuchs, 2023).

NVivo is a useful tool that researchers use in data management and organization, data analysis, coding, and theme identification from the collected data (Williams & Moser, 2019). Qualitative analysis software such as NVivo helps researchers generate spreadsheets, codes, and themes and facilitates visual displays of the data. NVivo is used to identify key themes, the frequencies of the themes, and member checking of data interpretation with participants to attain data saturation (Kiger & Varpio, 2020). The disassembling phase encompasses dividing the compiled data into fragments and labels to form patterns that include color coding to define the relevance of the information and its effects (Yin, 2018). The disassembling phase using color coding helps researchers to track and control the data for interpretation. The highlight of the themes and subthemes aids researchers in transitioning from research content to data analysis (Yin, 2018). As soon as the data transcription and compilation from the interview and document review were completed, PR1 compiled the data in correlations to match the theme or create more to make meaningful sense of the data collected. NVivo software was used to separate the unrelated themes and codes into patterns. NVivo was chosen over others due to its collaborative functionality for data organization and tracking. NVivo software allows researchers to import and export with Microsoft Excel, Microsoft Word, IBM, Microsoft OneNote, and Evernote applications. PR1 maintained a catalogue of the coded terms and themes from the collected data into short words or phrases for making significances in correlation with the central concept of the servant leadership conceptual framework. PR1 and PR2 regularly discussed themes, analysis, codes, and final results.

RESULTS

Following the thematic analysis process described by Yin (2018), where researchers are directed to compile, disassemble, reassemble, and interpret the data, the researchers used NVivo to organize the data into codes, categories, and themes. Table 1 provides the initial codebook, organized by theme. Data, as evidence of these themes, are provided in Table 2.

TABLE 1

Codebook and Themes

Theme	Codes
A successful financial manager's collaborative and growth-oriented leadership approach enhances an ethical and trusting environment.	Employee professional growth approach Commitment to a growth approach Ethical approach; Lead by example; Leaders provide guidance; Ethical leadership
Successful financial managers monitor financial transactions consistently and have established an effective internal control system in their departments and organizations.	Efficiently and systematically review, evaluate, and distribute financial reports Provide access to financial data and reports Conduct internal and external audits Communication and assurance statements Operate a General Council office Oversee audits, risk assessment, and fraud awareness Segregate approval authority Implement internal controls
Successful financial managers communicate and enforce nonprofit and federal policies, procedures, and regulations.	Communication policies and procedures Use of written policies and federal guidelines Guidance on federal regulations provided
Successful financial managers use training and development methods to equip and engage staff.	Equip staff through training on policies Engage staff in meetings Overcome knowledge gaps through training Track staff training; Departmental meetings Outline job responsibilities and job descriptions Ensure job tasks align with descriptions.

TABLE 2

Data Evidence of Themes and Coding Structure

Theme	Evidence
A successful financial manager's collaborative and growth-oriented leadership approach enhances an ethical and trusting environment.	"I use myself as an example. I might have to negotiate an agreement because we are short staffed. The agreement gets finalized,...I have to stop myself [from signing] and say, 'No, let me have somebody else sign it.' " (P2).
	We have a lot of audits and because of that, people are always aware, and you know if you're doing something wrong. It is just a matter of time until it might get caught. And so, you know, I think that's the general atmosphere at the organization is that we do look at security operations, HR [human resources], finance. facilities management. We look at every aspect of a nonprofit, you know, museum operations, and we look and audit those processes on a nonstop basis. (P4)
Successful NP financial managers monitor financial transactions consistently and have established an effective internal and external control system in their departments and organizations.	"Every order...has to go through layers of approval, and so the there is a requester for the PC type order. The requester has to notify the project manager...for the approval. And...then the request comes to me for financial verifications." (P3)
	"The organization has a lot of things in place where we do ask directors, or we do ask employees, you know, to sign an assurance statement that they're confident no fraud is taking place." (P4)
	"The inspector general's office conducts period audits, so they go out, and each year, they focus on different things...contract payments...and in addition...outside auditors come in to conduct audit." (P1)
Successful financial managers communicate and enforce nonprofit and federal policies, procedures, and regulations.	Written policies designate the amount of authorized expenditure by job type and level.
	Approved agreements had multiple signatures on them.
	"I do a financial report ...and track all this stuff like nobody's business because that is our job. We have got seven people who are tracking, umm, probably in the neighborhood of about $8 million a year in payments." (P2)
	Core metrics are tracked using the Government Performance and Results Act (GPRA), Office of Management and Budget standards, and the GPRA Modernization Act of 2010. (Organization performance plan report).
Successful financial managers use training and development methods to equip and engage staff.	"There is an awareness by individuals in all departments regarding delegated authority. Whether they are, like, at the associate director level or even a credit card or charge card holder, a procurement delegate, they are delegated authority." (P4).
	Informational meetings and procurement and delegation training occur quarterly. (P4).

Note. A review of the departmental policy confirmed that written requirements matched those of the interviewees and the process described.

DISCUSSION

The study was guided using servant leadership and the fraud triangle as its framework to answer one central research question: How do NP leaders improve financial accountability and maintain effectiveness in their museum?

Four themes from data analysis led to ways that NPO financial managers can structure and guide their teams of employees toward more successful, efficient, effective, and engaging processes (see Figure 2). These themes provide ideas to ensure NPOs can remain sustainable. Along with stated commentary by the four financial managers of the museum, policies and procedures were reviewed to confirm that the organization implemented these processes. P4, whose department provides procurement delegation training, explained that this training's purpose was to keep all financial managers current on organizational policy, procedures, government regulations, and any changes to those

procedures. The museum is partially funded by the federal government and must use strict processes to ensure compliance. A PowerPoint used in training meetings was provided as documentation that included compliance review updates, refresher delegation training, and briefings on property procurement procedure changes. Further, the annual assurance statements, signed by department directors, put each director directly on the line to represent that their department was free from fraud.

Additionally, external audits assist with ensuring compliance. A review of the organization's website provided access to their independent audit report by a public accounting firm, showcasing the last 2 years of transactions. Further, security access reports are periodically provided that certify who has financial delegation authority. P2 explained that "we have a single audit conducted ...only looking at federal grants and contracts" in addition to the other controls.

To ensure an environment of transparency and collaboration, along with trustworthiness, was established, P2 explained that they trained their staff to "always pretend that an auditor is looking over your shoulder at the computer because they could be looking at anything in that file." Moreover, the organization uses generally accepted accounting principles throughout the year concerning its financial procedures.

Other processes that these successful managers explained were used by the museum included:

- Keeping an eye on employee use of credit cards (P1 and P3).

- Ensuring travel expenses were useful, documented, and contributive to the organization. Avoiding first-class travel was a given (P1).

A review of the credit card uses written policy included a process for canceling inappropriate payments or charges. P3 explained that they had to use that process in one situation where an employee used the card to buy movie tickets by accident.

PREVIOUS RESEARCH AND THEME ALIGNMENT

Theme 2's reliance on controls was discussed in previous research (Abu Amuna & Abu Mouamer, 2020; Ahmed & Nganga, 2019). Buabeng (2020) found that organizational rules and procedures must exist and be communicated and trained to ensure compliance becomes part of the organization's culture, aligning with all four of our study's themes. Segregation of duties (Anindya & Adhariani, 2019) and written internal control policies (Lawson, 2020) were also described in previous studies and confirmed by our study.

Servant leadership has previously been found to help prevent fraud (Eva et al., 2019), and aspects of servant leadership traits were seen in the four participants. Their role modeling, leading by example, and ensuring their employees have support, guidance, trust, and collaborative environments are all elements of servant leadership. P4, for example, explained that they led through "frequent communication. Leading by example...not being afraid to go and get work done...assisting where we can be proficient." Greenleaf (1977) explained that vision was a critical element of a servant leader. P1 confirmed that "vision is also the key...very hands-on and detail oriented." This confirms previous research by Preiksaitis (2016), which found that a leader's level of vision contributed to positive corporate social performance, assisting with positive social change, similarly described by our study participants. Finally, Aboramadan (2020) noted that when supervisors have committed to service, empowerment, and a shared vision, servant leadership is more than likely to be present, and Eva et al. (2019) explained that when servant leadership is present, the implementation of ethical policies is more effective.

FIGURE 2

Applied Framework with Themes
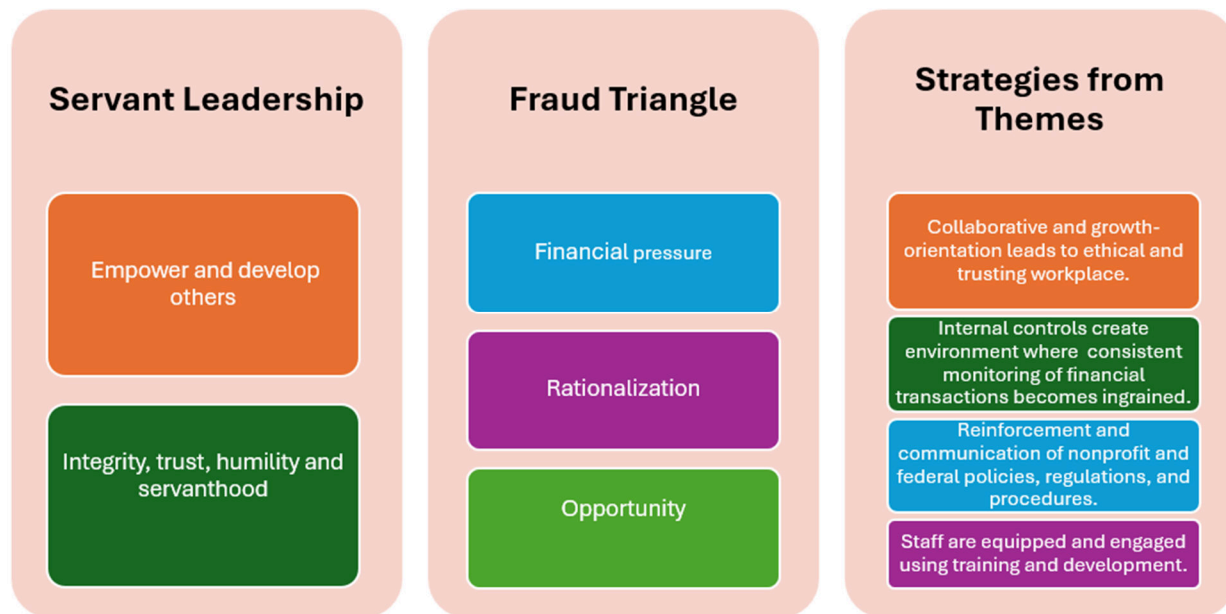
PRACTICAL APPLICATIONS AND IMPLICATIONS

This study's results may apply to helping business leaders establish effective fund reconciliation strategies and financial accountability in their organizations. NPO leaders could take advantage of useful information regarding successful fund reconciliation strategies that the financial managers of the NP museum use to establish and improve financial accountability and effectiveness in their organization. The implications for positive social change included the potential for better fiscal management of donations and federal funds, resulting in improved educational and scientific programs

All businesses are subject to the risk of fraud, so in the face of evolving threats and complex regulatory landscapes, organizations must adopt proactive strategies for fraud prevention to safeguard their assets, maintain stakeholder trust, and uphold ethical standards (Adaga et al., 2024). Bhat (2023) stated that internal control is a fundamental component of organizational governance, designed to ensure the reliability of financial reporting, safeguard assets, and mitigate the risk of fraud. An effective internal control system's key components include establishing a robust control environment, segregation of duties to minimize conflicts of interest, stringent access controls limiting unauthorized access to sensitive information, and continuous monitoring and review of financial transactions (Bhat, 2023).

The research results supported Cressey's (1986) fraud triangle theory, which explained that business leaders can use the theory to understand better why individuals commit fraud. Financial managers who understand the fraud triangle design concept may gain insight into fraud and the strategies to prevent fraud that ensure business success. The three components of Cressey's fraud triangle theory are financial pressure, rationalization, and opportunity. Each component should be considered by NPO financial managers when assessing antifraud internal controls.

We identified that having an effective internal control system helped the four financial leaders in the study to establish effective fund reconciliation, financial accountability, and efficiency in their respective departments. We also identified that leaders who enhanced ethical behavior and trust in the work environment helped the financial managers to establish effective fund reconciliation and improve financial accountability and efficiency in their respective departments. We identified transparency and guidance as ways to help leaders establish financial accountability. Some transparency and training used to establish effective financial accountability involved communicating policies and procedures and equipping employees through training. The participants indicated that

NPOs could experience continuing effective financial accountability and sustainability if they establish effective internal control systems, transparency, guidance, and ethical leadership.

CONCLUSION AND IDEAS FOR FUTURE RESEARCH

The purpose of this qualitative, single-case study was to explore the fund reconciliation strategies that four financial managers of an NP museum used to establish financial accountability and effectiveness. The findings of this study are limited in scope, so further research is needed to identify other strategies that the financial managers of NPOs could use to establish effective internal controls better to manage donations, grants, and federal funds. Based upon the findings, we offer several recommendations for future researchers who might address the following:

- A limitation of this study was using a small sample of only four participants, who were financial leaders of one NP museum, which could impact the transferability of the findings.

- Conduct similar research using other NPs or different industry types to collect rich data on strategies to establish effective fund reconciliation to improve financial accountability.

- Consider including employees working under the supervision of leaders of NPOs to obtain different perspectives related to strategies to establish effective fund reconciliation to improve financial accountability.

- Conduct quantitative or mixed methods studies to examine the relationship between fund reconciliation strategies and other variables.

Further, changes in governmental processes, budget and grant opportunities, and financial regulations due to the 2025 United States executive and congressional leadership change may create a new playing field for NP financial oversight and processes. As a result, additional research may find significant changes in how NPs organize and handle their fraud prevention and oversight.

The results of this study confirmed that servant leadership can guide leaders toward creating fraud-prevention policies that encourage trustworthy practices. The leaders of the participant museum confirmed that training employees, creating a transparent workplace, and leading by example are critical components to avoiding fraud. As governmental support wanes, ensuring donors that an organization is fraud-free will become even more critical. We suggest that the themes from this study are key recommendations that other NP leaders would be wise to implement. Instilling ethics, values, and visionary practices will encourage others to operate with compliance.

REFERENCES

Aboramadan, M. (2020). Servant leadership and followers' creativity: Does climate for creativity matter? *Evidence-based HRM, 9*(1), 78-94. https://doi.org/10.1108/ebhrm-01-2020-0012

Abu Amuna, Y. M., & Abu Mouamer, F. (2020, June 29). *Impact of applying fraud detection and prevention instruments in reducing occupational fraud: Case study: Ministry of Health (MOH) in Gaza Strip*. Social Science Research Network. https://ssrn.com/abstract=3643587

Adaga, E. M., Egieya, Z. E., Ewuga, S. K., Abdul, A. A., & Abrahams, T. O. (2024). A comprehensive review of ethical practices in banking and finance. *Finance & Accounting Research Journal*, *6*(1), 1–20. https://doi.org/10.51594/farj.v6i1.705

Ahmed, S. O., & Nganga, P. (2019). Internal control practices and financial performance of county governments in the coastal region of Kenya. *International Journal of Current Aspects, 3*(V), 28–41. https://doi.org/10.35942/ijcab.v3iv.59

Anindya, J. R., & Adhariani, D. (2019). Fraud risk factors and tendency to commit fraud: Analysis of employees' perceptions. *International Journal of Ethics and Systems, 35*(4), 545–557. https://doi.org/10.1108/IJOES-03-2019-0057

Association of Certified Fraud Examiners. (2024). *Occupational fraud 2024: A report to the nations.* https://www.acfe.com/-/media/files/acfe/pdfs/rttn/2024/2024-report-to-the-nations.pdf

Bhat, S. (2023). The effectiveness of internal controls in preventing fraud and financial misconduct. *Journal of Law and Sustainable Development*, *11*(5), Article e1178. https://doi.org/10.55908/sdgs.v11i5.1178

Blye, M., & Luamba, D. (2021). Fraud in nonprofit organizations: How to mitigate it? *International Journal of Business Administration and Management Research*, *9*(4), 385–392. https://doi:10.37391/IJBMR.090401

Buabeng, A. A. (2020). *A comparative case study of internal controls and the impact of fraud on nonprofit organizations.* [Northcentral University Doctoral Dissertation]. (No. 28091358). ProQuest. https://www.proquest.com/dissertations-theses/comparative-case-study-internal-controls-impact/docview/2451380720/se-2

Canavesi, A., & Minelli, E. (2022). Servant leadership: a systematic literature review and network analysis. *Employee Responsibilities and Rights Journal, 34*(3), 267–289. https://doi.org/10.1007/s10672-021-09381-3

Costello, L., Dare, J., Dontje, M., & Straker, L. (2020). Informing retention in longitudinal cohort studies through a social marketing lens: Raine study generation 2 participants' perspectives on benefits and barriers to participation. *BMC Medical Research Methodology*, *20*(1), Article 202. https://doi.org/10.1186/s12874-020-01074-z

Cressey, D. R. (1986). Why managers commit fraud. *Australian & New Zealand Journal of Criminology*, *19*(4), 195–209. https://doi.org/10.1177/000486588601900402

DeJonckheere, M., & Vaughn, L. M. (2019). Semistructured interviewing in primary care research: A balance of relationship and rigour. *Family Medicine and Community Health*, *7*(2), Article e000057. https://doi.org/10.1136/fmch-2018-000057

Dewey, R. S., Ward, C., Junor, A., & Horobin, A. (2021). Talk to us! Communication is a key factor in improving the comfort of MRI research participants. *Health Expectations*, *24*(4), 1137–1144. https://doi.org/10.1111/hex.13217

Eva, N., Robin, M., Sendjaya, S., Van Dierendonck, D., & Liden, R. C. (2019). Servant leadership: A systematic review and call for future research. *Leadership Quarterly*, *30*(1), 111–132. https://doi.org/10.1016/j.leaqua.2018.07.004

Filbeck, G., Zhao, X., & Warnaka, M. (2020). Glassdoor's best places to work internationally: Are they best for shareholders? *International Journal of Finance & Economics*, *27*(4), 4350–4363. https://doi.org/10.1002/ijfe.2375

Fitri, F., Syukur, M., & Justisa, G. (2019). Do the fraud triangle components motivate fraud in Indonesia? *Australasian Accounting, Business and Finance Journal*, *13*(4), 63–72. https://doi.org/10.14453/aabfj.v13i4.5

Fuchs, K. (2023). A systematic guide for conducting thematic analysis in qualitative tourism research. *Journal Of Environmental Management And Tourism, 14*(6), 2696–2703. https://doi.org/10.14505/jemt.v14.6(70).17

Grau, S. L. (2021). Understanding and engaging with your stakeholders. *Marketing for Nonprofit Organizations*, 85–108. https://doi.org/10.1093/oso/9780190090807.003.0004

Greenleaf, R. K. (1977). *Servant leadership: A journey into the nature of legitimate power and greatness.* Paulist Press.

Harris, E. E., & Neely, D. (2021). Determinants and consequences of nonprofit transparency. *Journal of Accounting, Auditing & Finance*, *36*(1), 195–220. https://doi.org/10.1177/0148558X18814134

Haynes, A. (2022). Financial regulation and fraudulent activity. Corporate misconducts relevance to society through everyday misconduct, pp. 124–146. In Ed. Barry Ryder's *A Research Agenda for Financial Crime.* Edward Elgar Publishing. https://doi.org/10.4337/9781802201345.00013

Hyndman, N., & McKillop, D. (2019). Accounting for the public sector at a time of crisis. *Abacus*, *55*(3), 437–451. https://doi.org/10.1111/abac.12170

Internal Revenue Service. (2024). *Audits of exempt organizations* https://www.irs.gov/charities-non-profits/other-non-profits/audits-of-exempt-organizations

Ito, K., & Slatten, L. A. (2020). A path forward for advancing nonprofit ethics and accountability: Voices from an independent sector study. *Journal of Public and Nonprofit Affairs*, *6*(2), 248–273. https://doi.org/10.20899/jpna.6.2.248-273

Kasale, L. L., Winand, M., & Morrow, S. (2019). A stakeholder approach to performance management in Botswana national sport organisations. *Managing Sport and Leisure*, *24*(4), 226–243. https://doi.org/10.1080/23750472.2019.1612269

Kiger, M. E., & Varpio, L. (2020). Thematic analysis of qualitative data: AMEE guide No. 131. *Medical Teacher*, *42*(8), 846–854. https://doi.org/10.1080/0142159x.2020.1755030

Koçak, R. D., & Demir, S. (2019). Organizational culture and the Turkish military. *Academik Bakis*, *13*(25), 37–51. https://dergipark.org.tr/en/pub/gav/issue/50603/658952

Lamothe, M., & Shen, I. (2023). Does Accountability matter in performance?: Cases from Charity Navigator. *Journal of Nonprofit Education and Leadership, 13*(3), 36–51. https://doi.org/10.18666/jnel-2022-11549

Lawson, S. (2020). *Strategies business leaders use to prevent employee financial fraud in their nonprofit organizations*. [Doctoral dissertation, Walden University]. (No. 29264879) ProQuest. https://www.proquest.com/openview/e4a0ed85e16ee95627a39087d43f8359/

Le, J., Springer, D. W., & Garden, C. (2022). Preparing the next generation of nonprofit and community leaders. *Preparing Leaders of Nonprofit Organizations*, 158–173. https://doi.org/10.4324/9781003294061-12

Lederman, L. (2019). The fraud triangle and tax evasion. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3339558

Marchetti, A. M. (2020). *Small nonprofit fraud: Risk mitigation strategies* [Doctoral dissertation, Walden University]. ProQuest Dissertations and Theses Global. Link.

McDaniel, M. (2022). Servant leadership and its vulnerability. In S. K. Dhiman & G. E. Roberts (Eds.), *Palgrave handbook of servant leadership* (pp. 1–19). Routledge. https://doi.org/10.1007/978-3-030-69802-7_2-1

Natow, R. S. (2020). The use of triangulation in qualitative studies employing elite interviews. *Qualitative Research, 20*(2), 160–173. https://doi.org/10.1177/1468794119830077

O'Donohue, W. (2021). A forensic interview protocol for adult sexual assault: Content validity and consumer acceptability. *International Journal of Psychology & Psychological Therapy, 21*(2), 133–147. https://dialnet.unirioja.es/servlet/articulo?codigo=8008597

Ortega-Rodríguez, C., Licerán-Gutiérrez, A., & Moreno-Albarracín, A. L. (2020). Transparency as a key element in accountability in non-profit organizations: A systematic literature review. *Sustainability, 12*(14), Article 5834. https://doi.org/10.3390/su12145834

Pavlek, L. R., Rivera, B. K., Smith, C. V., Randle, J., Hanlon, C., Small, K., Bell, E. F., Rysavy, M. A., Conroy, S., & Backes, C. H. (2021). Eligibility criteria and representativeness of randomized clinical trials that include infants born extremely premature: A systematic review. *Journal of Pediatrics, 235*, 63–74. https://doi.org/10.1016/j.jpeds.2021.04.028

Preiksaitis, M. K. F. (2016). *Servant leaders' use of high-performance work practices and corporate social performance.* [Walden University Doctoral Dissertation]. Scholarworks. https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=3969&context=dissertations

Rashid, C. A. (2022). The role of internal control in fraud prevention and detection. *Journal of Global Economics and Business, 3*(8), 43–55. https://doi.org/10.31039/jgeb.v3i8.40

Rees-Punia, E., Patel, A. V., Beckwitt, A., Leach, C. R., Gapstur, S. M., & Smith, T. G. (2020). Research participants' perspectives on using an electronic portal for engagement and data collection: Focus group results from a large epidemiologic cohort. *Journal of Medical Internet Research, 22*(10), Article e18556. https://doi.org/10.2196/18556

Roque, A., Moreira, M. M., Figueiredo, J. D., Albuquerque, R., & Gonçalves, H. (2020). Ethics beyond leadership: Can ethics survive bad leadership? *Journal of Global Responsibility, 11*(3), 275–294. https://doi.org/10.1108/JGR-06-2019-0065

Saleem, A., Aslam, S., Yin, H., & Rao, C. (2020). Principal leadership styles and teacher job performance: Viewpoint of middle management. *Sustainability, 12*(8), Article 3390. https://doi.org/10.3390/su12083390

Santos, K. D. S., Ribeiro, M. C., Queiroga, D. E. U. D., Silva, I. A. P. D., & Ferreira, S. M. S. (2020). The use of multiple triangulations as a validation strategy in a qualitative study. *Ciencia & Saude Coletiva, 25*, 655–664. https://doi.org 10.1590/1413-81232020252.12302018

Saunders, M. N. K., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson.

Suh, J. B., Nicolaides, R., & Trafford, R. (2019). The effects of reducing opportunity and fraud risk factors on the occurrence of occupational fraud in financial institutions. *International Journal of Law, Crime and Justice, 56*, 79–88. https://doi.org/10.1016/j.ijlcj.2019.01.002

Tabirih, A. (2024). *Fund reconciliation strategies for improving financial accountability and effectiveness in nonprofit organizations* (Publication No. 15312) [Doctoral Studies, Walden University]. Scholarworks. https://scholarworks.waldenu.edu/dissertations/15312

Walker, H. (2020). Fraud in nonprofit organizations [Honor's Thesis, Georgia Southern University]. https://digitalcommons.georgiasouthern.edu/honors-theses/542

Williams, M., & Moser, T. (2019). The art of coding and thematic exploration in qualitative research. *International Management Review, 15*(1), 45–55. https://www.americanscholarspress.us/journals/IMR/pdf/IMR-1-2019/IMR-v15n1art4.pdf

Xu, A., Baysari, M. T., Stocker, S. L., Leow, L. J., Day, R. O., & Carland, J. E. (2020). Researchers' views on, and experiences with, the requirement to obtain informed consent in research involving human participants: A qualitative study. *BMC Medical Ethics, 21*(1), Article 93. https://doi.org/10.1186/s12910-020-00538-7

Yin, R. K. (2018). *Case study research and applications: Design and methods.* SAGE.

Zogaj, A. (2022). Nonprofit organizations, social media, and trust: How self-congruence can help organizations choose the right social media endorsers. *Journal of Nonprofit & Public Sector Marketing, 35*(5), 568–588. https://doi.org/10.1080/10495142.2022.2130496

APPENDIX: INTERVIEW PROTOCOL

1. Could you please describe your company's experiences with fraud over the past 2-3 years?

2. What leadership strategies are you using to ensure effective funding reconciliation to establish proper financial accountability in your organization?

3. How did you assess the effectiveness of your leadership strategies in implementing proper fund allocation and reconciliation requirements?

4. What measures do you use to handle the risks related to your operations and financial reporting?

5. What accountability mechanisms have you developed to ensure proper accounting controls?

6. (a). What specific checks and balances do you apply to ensure transparency in financial reporting? (b) How do you promote accountability and high ethical standards within your organization?

7. How have scandals in NPOs influenced the financial accountability strategies and operational controls implemented in your organization?

8. What mechanisms have you developed to guard against potential fraud?

9. How do you communicate your financial accountability strategies to employees?

10. How does your organization measure its effectiveness in mitigating or preventing fraud?

11. What additional information would you like to share that we have not discussed as related to the strategies you have to mitigate or prevent fraud?