



# **The Tr-Ac-Net Organization**

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# **Community Accountancy**

**PUTTING ACCOUNTANCY TO  
WORK FOR ALL OF SOCIETY**

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**DRAFT FOR DISCUSSION**

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## **PREFACE**

### **1 ... SOCIETY'S SYSTEMIC FAILURE**

#### **WHAT IS WRONG?**

Huge missed opportunities  
past expectations  
is this the future?  
systemic dysfunction  
wrong modes of interaction  
wrong way information flows  
inaccessible data  
complex chaotic world  
decline of professionalism

#### **NON-WORKING VALUE DYNAMICS**

Fund flow accountability  
Value destruction  
Negative multiplier  
Where do benefits emerge  
External funding ... external benefit  
Big projects with high risk and low return  
Planning performance disconnect

### **2 ... PRINCIPLES**

#### **2-1 ACCOUNTING'S KEY CONCEPTS**

TOP FEW KEY CONCEPTS

OTHER KEY CONCEPTS

SOME CONCEPTS ABOUT ANALYSIS

#### **2-2 COMMUNITY FOCUS**

**WHAT IS COMMUNITY ACCOUNTANCY**

A FUSION OF SEVERAL DISCIPLINES  
WHY COMMUNITY ACCOUNTING'S  
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### **3 ... ANALYSIS**

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PURPOSE OF ANALYSIS

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STANDARD COST ACCOUNTING  
COST, PRICE AND VALUE  
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PROFIT  
VALUE ADDING  
VALUE CHAIN  
SUSTAINABILITY  
MAKING THINGS SIMPLE  
    Balance sheet and time series  
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KEYNESIAN MULTIPLIER

## **3-2 COST, PRICE AND VALUE**

### **COST, PRICE, VALUE BASICS**

COST  
PRICE  
VALUE  
PRODUCTIVITY  
PROFIT  
VALUE ADDING

### **IMPACT ON SOCIETY**

HOW PRICE IMPACTS COMMUNITY  
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STANDARD ACTUAL COMPARISON  
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HOW VALUE CHAIN WORKS  
WITHIN THE COMMUNITY  
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FROM GROUND TO CONSUMER  
PRODUCT LIFE CYCLE  
PROJECT VALUE CHAIN

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MANY VIEWS OF SUSTAINABILITY  
MONEY SUSTAINABILITY  
COMMUNITY VALUE SUSTAINABILITY  
ENVIRONMENTAL SUSTAINABILITY  
SUSTAINABLE SOCIETY STRATEGY

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## **4 ... PRACTICE – GETTING STARTED**

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### **4-5 VALUE CHAIN ANALYSIS**

### **4-6 ISSUE ANALYSIS**

COMMUNITY  
MALARIA

MICROCREDIT  
MONEY CENTER BANKING AND FINANCE INSTITUTIONS  
GLOBAL MANUFACTURING AND ENGINEERING  
OFFICIAL RELIEF AND DEVELOPMENT ORGANIZATIONS  
INTERNATIONAL NGOS  
COMMUNITY BASED NGOS  
UNIVERSITY BASED RESEARCH INSTITUTIONS  
OTHER RESEARCH INSTITUTIONS  
COMMUNITY BASED BUSINESSES

## **5 ... COMMUNITY DATA**

## **6 ... COMMUNITY ACCOUNTANCY APPLICATIONS**

### **6-1 MALARIA**

### **6-2 MICROFINANCE**

# PREFACE

## **PURPOSE**

This paper introduces COMMUNITY ACCOUNTANCY and describes how it may be used to benefit society in the same way that the power of corporate accountancy has been used for profit business and capital markets. It describes some of the characteristics of Community Accountancy and how it works in practice. This paper attempts to answer two questions: (1) Why community accounting? and, (2) What is community accountancy and how does it work?

This paper aims to be understandable to non-accountants ... but it does ask for some modest level of analytical thought. The prerequisite is little more than the arithmetic needed to understand a bank statement and an interest in looking at the surroundings with open eyes and a questioning mindset.

## **SECTION 1 ... THE CRISIS OF SYSTEMIC FAILURE**

The global economic system functions rather poorly for most of society. In fact it is best described today as a crisis of systemic failure. While many things have contributed to this, one important factor is the inadequacy of the system of metrics which reports on corporate profit performance and macro-economic aggregates and indexes and only serves corporate stakeholder interests while there is little or nothing that relates to value flows for society.

## **SECTION 2 ... PRINCIPLES**

### **2-1 ACCOUNTING' KEY CONCEPTS**

### **2-2 COMMUNITY FOCUS**

### **2-3 FUNCTIONAL STRUCTURE**

### **2-4 ABOUT DATA AND DATAFLOWS**

Community Accountancy is a derivative of Corporate Accountancy. It uses many of the concepts of corporate accountancy modified to make community the central focus and expanded to include the consumption of value and value creation in the community. Community Accountancy brings the power of useful data for community stakeholders just as there is for corporate stakeholders.

## **SECTION 3 ... ANALYSIS**

### **3-1 COST ACCOUNTING**

### **3-2 COST, PRICE, VALUE**

### **3-3 COMPARATIVE ANALYSIS**

The aim of analysis in the context of Community Accountancy is to make use of neutral data to draw conclusions that improve understanding, help decision makers take better decisions and to hold people and organizations to account for ineffective performance.

## **SECTION 4 ... PRACTICE – GETTING STARTED**

### **4-1 COMMUNITY**

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### **4-6 ISSUE ANALYSIS**

The practice of Community Accountancy has many similarities with corporate accountancy. The manner of organization reflects the structure of society. The modus operandi combines simplicity and relevance with the sensible use of 21<sup>st</sup> Century technology.

**SECTION 5 ... EXAMPLES**  
**5-1 MALARIA FOCUS**

The practice of Community Accountancy has many similarities with corporate accountancy. The manner