Third sector accounting reform and integrated social accounting for Italian social economy organizations

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Abstract

This paper provides a detailed description of the new Italian social accounting rules and guidelines that the Government issued during the last four years.
The application of the new law and guidelines requires new skills and knowledge for implementation. The new skills and knowledge are helpful for large organizations and also for medium and small ones that recognize the importance of using these tools (financial reporting, social reporting, social impact assessment) for improving their efficiency and effectiveness. Integrated social accounting may be helpful in this regard, and as such, the authors pose the research question: Is the integrated social accounting model (ISA model) applicable to the new accounting rules and innovations introduced by the law and guidelines for the Italian third sector entities? Are Italian non-profit organizations ready for these accounting innovations?
The authors also pay attention to the United Nations Sustainable Development Goals (SDGs 2030) and social impact assessment (SIA).
Using the case study method, the authors provide initial evidence from an Italian social economy organization, a food bank, implementing tools of social accounting that consider essential aspects of performance measurement and control and its impact on the economy, society, and the environment.

Keywords: Non-profit, Social economy, Integrated reporting, Social accounting, Sustainable development goals, Food bank.

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Appendix 1: Set of indicators for the Italian Food Bank

The Banco (*Banco Alimentare della Lombardia*) uses a set of indicators in the Social Reports 2018, 2019 referable to the SDGs as follows:

INDICATORS	**SDGs**
N. of (equivalent) meals donated	*1, 2, 11, 17*
N. of (equivalent) meals distributed per person	*1, 2*
N. of food-packs	*1, 2, 11, 17*
N. of cooked meals	*1, 2, 11, 17*
Tonnes of collected food	*1, 2*
Kilos of food per person	*1, 2*
% Grow in total collected and distributed food	*1, 2*
Economic value of collected food (% of the total revenues)	*1, 2*
Grow (tonnes) of collected and distributed food	*1, 2*
Tonnes of collected food per supplier	*1, 2*
Grow (tonnes) of collected food per supplier	*1, 2*
% Of food from the EU	*1, 2*
% Of food from the food supply chain	*1, 2*
% Of food from the annual day of the "Colletta Alimentare"	*1, 2*
Tonnes of collected food per categories	*1, 2*
N. of people served	*1, 2*
N. (and %) of people served in the province	*1, 2*
% Grow of people served from the last year	*1, 2*
N. of kids served	*1, 2*
N. of people served in the Region/outside the Region/per province	*1, 2*

N. of kids served in the Region/outside the Region/per Province	*1, 2*
N. of partner agencies served in the Region/outside the Region/per province	*1, 2*
N. (and %) of people served per partner agency	*1, 2, 11, 17*
N. (and %) of sites per partner agencies	*1, 2, 11, 17*
N. (and %) of people of the Region served per distributor	*1, 2, 11, 17*
N. (and %) of people of main Province served per distributor	*1, 2, 11, 17*
N. (and %) of poor people in Italy	*1, 2*
N. (and %) of poor families Italy	*1, 2*
N. (and %) of poor kids Italy	*1, 2*
N. (and %) of poor people Region	*1, 2*
N. (and %) of poor kids (0-7 age) Italy	*1, 2*
Tonnes (and value) of food wasted - Italy	*12, 13*
Tonnes (and %) of Recovered food - surplus	*2, 12, 13*
Tonnes (and %) of food collected - donations	*12, 13*
Contributions from the EU	*1*
Fruit and vegetable program indicators	*2, 12, 13*
Food recovery from industry	*2, 12, 13*
Food recovery from large-scale retailers	*2, 12, 13*
Food recovery from collective catering and school canteens	*2, 12, 13*
Food recovery from some specific projects	*1, 2, 4, 11, 12, 13, 17*
Food collection from "Colletta alimentare" project	*2, 17*
% Of food per food categories	*2, 3*
Tonnes of fruits and vegetables	*2, 3*

Kilos of proteins	*2, 3*
Protein in 1 kilo of food distributed	*2, 3*
N. of protein meals received per day	*2, 3*
Indicators on environmental impact	*2, 12, 13*
Indicators on the volunteers' satisfaction	*2, 11, 17*
Indicators on the partner logistics platform	*2*
Indicators volunteer from companies	*2*
Indicators on the company collection	*2*
Indicators on the supporters (with donations of goods, services, and liberal donations)	*1, 2, 11, 17*
Indicators of CRM initiatives of the supporting companies	*1, 2, 17*
Surpluses in the agri-food chain	*1, 2*
% Growth in recovered surpluses compared to last year	*1, 2*
Donations (collected food)	*1, 2*
Financial resources	*1, 2*

Other Indicators present in the Social Report 2018:

- General indicators — *N. of meals per day; N. of company donor; N. goods and services donated from companies, associations, foundations, and public institutions; N. of fridge vehicles; Mq. of Warehouse; Mc. of Cold storage; Mq. of offices; N. of Boxes and crates; N. of Pallet truck; N. of Lifters; N. of partner agencies; N. of daily food collections; History, development, innovation indicators; N. of meals per euro donated.*
- Specific program indicators — *Initiatives 2018 Indicators; N. of editions of the "Social Report"; "Social Report" Workgroup composition; Year of the first edition of the "Social Report"; N. of students; Web platform for the partner agreement management; Consolidation and development of the "community networks"; Recommended Daily Dose (RDA) - ISTAT / CNEL source; Food supporters and donor companies; Catering companies and food shops; Company canteens; Catering companies, event pick-ups, hotels, bakeries; School refectories.*
- Human resources indicators — *N. of volunteers; Number of hours donated by volunteers; Economic value of volunteer work; Economic value of 1 hour of volunteer work; Economic value of volunteer work as % of the total revenues; N. of permanent volunteers; N. of employees; N. of male/female employees; N. of employees for age; N. of collaborators; N. of full-time equivalent volunteers; N. of volunteers from*

"Colletta alimentare"; N. of volunteers from Companies; Retention rate; Volunteer background; Volunteer activities; Job placement and social inclusion indicators.

- Financial resources and value created indicators — *Economic value of the food collected (% of the total operating expenses); Value created (food, no-cash contributions, volunteer work, goods, and services); Expenses; Profit/loss; Value distributed; Expenses; Operating expenses; Amortization and financial expenses.*