

SNEHALAYA: A BEACON OF HOPE FOR THE HELPLESS

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ABSTRACT

In 1987, a passionate group of young activists founded Snehalaya. It has current existence and operations in 14 Tehsils of the Ahmednagar District and was officially registered as an NGO in 1989 in Ahmednagar, Maharashtra, India. According to Snehalaya, a strong volunteer basis free from political, religious, or ideological prejudices is essential for social work to be genuine. Since the organization's inception, its team of volunteers has been the backbone of its goal, working tirelessly to achieve it. The primary focus of Snehalaya is rehabilitation of children and women who are victims of sexual exploitation. Snehalaya also rehabilitates HIV +ve victims through a special medical care centre. Apart from rehabilitation, Snehalaya works to address the root cause of the problem of sexual exploitation by conducting awareness programmes in slum areas and red-light areas. A major source of funds for NGOs is individual donations and corporate donations. In the effort to collect maximum donations as possible, multiple processes were adopted. This had an impact on the financial system in terms of receipt generation, data record and reconciliation. The case chronicles these and their impact on business processes and stakeholders. As the operations expanded, Snehalaya realised that they must also have an integrated approach to collecting data across the various centres and projects. The concerns raised by Snehalaya's management were as follows:

1. Need for real time, accurate data for control and decisions.
2. Communicating information to donors in a timely way, to retain their trust.
3. Cost benefit and Risk analysis of any solution
4. Since any IT solution requires considerable investment, the solution should be a scalable and sustainable solution for the next 5 years.

Keywords: Digital Transformation, Business Process Re-engineering, Change Management, Project Management and Business Analysis.

Introduction

It was the first week of February 2018. Dr. Vivek a doctor by profession and a regular donor - called Snehalaya and said 'It's been six months; I have donated Rs. 5,000 by cheque, I have neither received the receipt of Rs. 5000/- nor the so-called Tax certificate under Section 80G. When you need funds you guys call a hundred times, but when we are in need of the receipt no one is bothered. I will have to think next time before donating to your organization'.

Manohar, the Snehalaya DCE (Donation Collection Executive) searched through various donation receipt books for almost 5 hours. But he could not find the receipt. He decided to create a new receipt and travelled 5 km to deliver the receipt to Dr. Vivek and apologized for the delay. The good doctor expressed his displeasure about the lack of process and insisted that receipt should be sent immediately henceforth.

Manohar spoke to Datta the Accounts Head about this issue. 'This is a recurring issue', he said. 'It is leading to a bad image with donors. Secondly, we are always running around to make sure the receipt reaches the donor. In case the 80G certificate is to be issued, we must request the donor to send the PAN number. The follow up takes a lot of time as some of them do not cooperate'. "A permanent account number (PAN) is a ten-character alphanumeric identifier, issued in the form of a laminated 'PAN card', by the Indian Income Tax Department".

As per the Indian Income Tax Department rules, it is mandatory for a donor to enter PAN for donations of any amount. The PAN number is also required for issuance of 80G certificates. Section 80G of the Indian Income Tax Act primarily deals with donations made towards charity, with an aim to provide tax incentives to individuals indulging in philanthropic activities. The 80G certificate is required for seeking this tax deduction.

Datta, the Accounts Head of Snehalaya decided to check whether the PAN numbers of donors were available as a part of statutory compliance requirement. He requested donation receipt books from 7 different donation centres and asked one team member to prepare a list of donors and their PAN numbers in an excel sheet. This exercise took almost 15 days. In the end it was found that only 30% donors had shared PAN numbers. Many

donation receipts had incomplete contact information and hence it was difficult to contact the donors to collect PAN numbers. The Accounts team and Snehalaya management had invested lots of resources to update the data but could not do so due to incomplete information. The next task was to match data about donors with information available in bank statements as a part of accounts reconciliation.

Accounts team member Mayur periodically monitored the bank statements. Frequently, he found that he could not trace donation receipts of some entries indicating amounts credited to Snehalaya by way of donations. Thus began the task of searching for donors and linking amounts credited to receipts. This was really time consuming.

There were multiple ways in which donations could be collected.

1. Donor approached Snehalaya office to give a donation.
2. Volunteers approached the donor and collected the donation.
3. Donations were received through internet banking. In this case the accountant traced the transaction, identified the donor, and generated the receipt. The receipt was then sent by post or manually. There were chances of it getting misplaced.
4. Corporate donations were pre-planned, so a receipt was generated immediately and there were no reconciliation delays in this case.

Company Background

In 1987, a passionate group of young activists founded Snehalaya. It has current existence and operations in 14 Tehsils of the Ahmednagar District and was officially registered as an NGO in 1989 in Ahmednagar, Maharashtra, India. According to Snehalaya, a strong volunteer basis free from political, religious, or ideological prejudices is essential for social work to be genuine. Since the organization's inception, its team of volunteers has been the backbone of its goal, working tirelessly to achieve it.

Snehalaya's mission was inspired by the clarion call of '*Shiva BhavaJivaSeva*' (To serve the *Jiva* or living in a spirit of worship) given by Shri Ramkrishna, Swami Vivekananda and by Deendayal Upadhyaya's concept of '*Antyodaya*'.

The primary objective of Snehalaya is to rehabilitate children and women who are subjected to sexual exploitation. The rehabilitation takes care of basic needs such as food, shelter and clothing and provides beneficiaries with proper education and health care. Depending on age group, mental and medical health of beneficiary an individual rehab program was planned. Snehalaya also rehabilitated HIV +ve patients through a special medical care centre.

Apart from rehabilitation, Snehalaya worked to address the root cause of the problem of sexual exploitation by conducting awareness programmes in slum areas and red-light areas.

Today Snehalaya has 280 children and 56 women in residential rehabilitation projects, 900 children in slum based Balbhawans (children's residential facility), and more than 3000 HIV positive patients under rehabilitation. Snehalaya has 350 full time workers, numerous volunteers, and well-wishers.

Under the Indian Societies Registration Act of 1960, Snehalaya was established in 1992. According to Section 80G of the Indian Income Tax Act of 1961, it has Tax Exemption Recognition. Snehalaya was accredited by Credibility Alliance for upholding the standards for ethical governance of nonprofit organizations. A group of nonprofit organizations known as Credibility Alliance are dedicated to improving accountability and transparency in the voluntary sector..

All donations given to Snehalaya, unless directly specified, were spent according to the discretion of its management for betterment of beneficiaries, project running costs and in capacity building through organisational development.

Figure 1 depicts the organisational chart of Snehalaya.

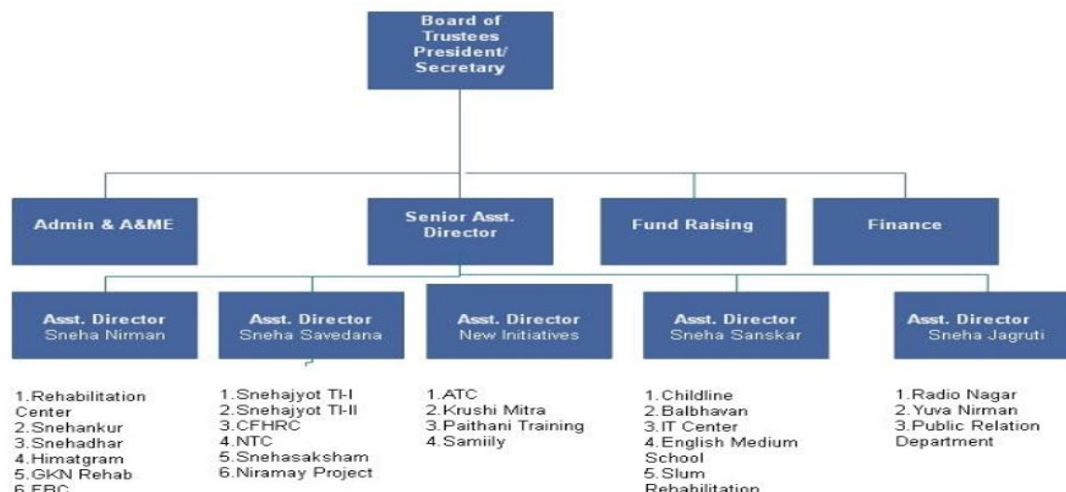


Figure 1: Organisational chart

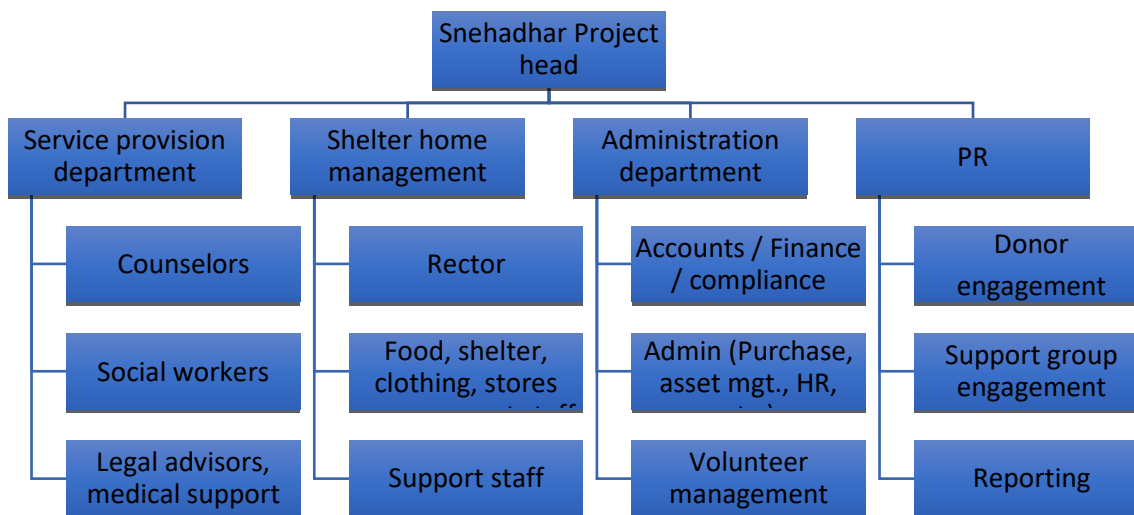


Figure 2: Snehadhar operational structure

Activities under each project had their own operational structure. As an example, the structure for Snehadhar, is shared in Figure 2. The structures of other activities were on similar lines.

The context

There are 132028 NGOs in India of which 17848 are in Maharashtra. Of the total NGOs in India 47384 work on issues pertaining to children and 45131 on women's issues.

The regulatory authorities for this sector included the Charity commissioner, Income Tax Department and Maharashtra State Commission for Women (MSCW).

Resources and Operations

Snehalaya had around 1000 active volunteers to collect donations. Donations ranged from Rs 10/- to Rs 10,00,000/-. Donor categories included: Individuals, corporates, institutions, Government and overseas donors. Volunteers worked in the following areas: collecting donations, medical services, training and teaching, legal assistance, professional services (construction, architects, chartered accountant, lawyer, IT professional), counselling, public relations, event management and day to day administration. *What do full time workers do? Donations??*

Similar NGOs(Non-Governmental Organizations)

Like Snehalaya there are other NGOs in India working for a similar cause. Some of the well known ones are CREA-helping women to understand their rights and live a life free from violence, MAKAAM-informal platform for securing women farmers' rights, SEWA- Self Employed Women's Association-Supply chain of artisans. AZAD Foundation-enabling women to access livelihoods with dignity for sustainable development to name a few.

The problem

Snehalaya received its funding from individual donors and organizations. Business organisations donated under their CSR initiatives. There were 20 different kinds of activities, 20000 beneficiaries, 28 projects and 30000 donors spread across Ahmednagar, Aurangabad, Srirampur, Pune, Mumbai, Nasik, Shirdi.

To collect donations receipt books were made available at each of the centres and with individual volunteers. Volunteers were connected to one or the other centre. The receipt book generated three copies 1- Donor Copy, 2-Head Office Copy, 3-Centre copy. When all the pages in a receipt book were completed, it was manually submitted to the Snehalaya head office by the volunteer. The process involves logistics, time, and coordination.

There was no central repository of donors. Some donations were anonymous leading to further complications. In the absence of accurate data and reports, outreach to current and past donors for fundraising was hampered.

Donors could not be given duplicate receipts as it took a long time to trace the receipt books at the central office. Donation receipts form an important aspect of trust and relationship building with donors. For an NGO transparency of work is a critical success factor. Snehalaya faced the risk of lapsed donors from the corporate category, especially those who were not satisfied with the transparency of financial operations. As corporate donations under CSR were a major source of funding for Snehalaya this was a grave issue. The relationship with donors and referred donors had a significant role in sustaining the financial resources of the NGO.

As part of the compliance requirements Snehalaya had to submit details of donation purpose and link it to actual utilisation.

The bank reconciliation was a major activity, and it took about 3 months' time and extensive manpower to complete this activity. The entire administrative work overshadowed the primary tasks and objectives of the Snehalaya.

Volunteering at an NGO is a thankless one. Snehalaya was blessed to have hundreds of committed volunteers working tirelessly for the cause. But these administrative issues demotivated the volunteers and made the task of collecting donations difficult. Some of the volunteers gave negative feedback to the director before quitting their work. Sainath, was a promising volunteer who belonged to Beed, Maharashtra, India. In his exit interview with the Snehalaya Director he said: 'Sir, I had a lot of enthusiasm and will to help the kids, as I am an orphan myself. But looking at the way the donation process is handled, I am finding it difficult to focus on the primary purpose of my work'. Another volunteer Kavita reported, 'After 50% of earlier donors refused to give donations citing receipt issues, I am hesitant about contacting the past donors for donation'.

This was a wakeup call for the Snehalaya management. How could this mess be brought under control, they wondered? As an immediate response they started gathering data about donations and receipts to analyse the lapsed donors. They also formed a core team to analyse the problem and come up with an appropriate solution. It included the accounts head, two representative donation collection executives, two IT engineers from among the volunteers and a consultant who was experienced with the working of NGOs.

Team members had their own perspective and ways to deal with the problem.

The volunteers said 'Let us maintain google sheets for donation collections and use mail merge to communicate the receipts to the donors. The data could be captured through google forms. This would be the quickest and easiest way to start collecting data'.

The consultant pointed out 'First of all we need to document all processes, communicate to all concerned and gain their acceptance of a standard process. Then we can think about how to automate and streamline the same. It will take time, but we will be able to design a robust solution for our problem. Documentation brings about a lot of clarity of thought. Even if we can design a manual solution, we will achieve a lot'.

The IT engineers promptly suggested “We could use a cloud based automated solution which could capture all the receipts and donations. Secondly, it can generate receipts for donors. Thirdly, it can also tell which beneficiary has got the amount and for what purpose. This could help us to reconcile all the donations received and receipts given to the donors.

The accounts head was concerned about the day-to-day accounting process and suggested the use of an accounting software.

The discussion minutes were shared with top management. The management’s concerns were:

- Real time data for control and decisions
- Communicating information to donors in a timely way, to retain their trust.
- Cost benefit and Risk analysis of any solution
- Since any IT solution requires considerable investment, the solution should be a scalable and sustainable solution for the next 5 years.

Literature Review

The Snehalaya Director wondered about the right approach to address these issues. The team was further asked to prepare a business case for the problem and present it to the management. There are previous references of NGOs that automated their operations or implemented ERP Systems for their operations. David (2002) and Anand (2022) highlight the role of the internet and social media in digitization. The present-day digital infrastructure has made several options available to change managers in organizations. According to Price-Cohen (1990) and Kristin (2021), “Digital transformation (DT) describes technology-based improvements in business processes, business models, and customer experience. It promises efficiency gains for industrial enterprises”. However, there are barriers when it comes to NGOs adopting digital changes. Whereas Yatharth (2021) and Singh (2001) point out that manual processes and lack of standardization in the working of NGOs give rise to human errors and security lapses. Several researchers believe that desired results are better achieved with NGOs. The combination of factors includes greater flexibility, readiness for change and improvisation, close relations with client groups, networking, sensitivity, and commitment (Srivenkataramana, 1997, Sundaram, 2000). Bajpai (2003) found that NGOs in India have developed several strategies based on the child rights perspective to intervene on behalf of the children.

Snehadhar was a shelter for women in distress (suffering from domestic violence, cheating, harassment, etc). Snehadhar shelter homes were located in Pune and Ahmednagar. These provided temporary stay, legal advice, medical aid, counselling, education, and vocational training to these women.

Appendix 1: Details of activities of Snehalaya

A. Rehabilitation

1. Rehab Centre (Children's Shelter Home): Respite for rescued children, capacity-350 children
2. Snehankur (Adoption centre) : Emergency care for abandoned infants, medical & psychological support for expectant mothers; capacity -60 children
3. Snehadhar (Women's Shelter): Emergency safe house for women experiencing domestic violence along with their children; capacity for 100 women
4. Himmatgram (Biofarm): 25 acre farm & home, for HIV families, providing sustainable produce; capacity-100 persons
5. Childline Ahmednagar: Free helpline for children and the public to help at-risk children. Voted #1 of 499 in India; 300 Calls/Day
6. Sneha Saksham Unlimited: Counselling and support for sex workers who wish to start a new life

B. Healthcare

1. Sex Worker Outreach
2. Community based sexual health clinic: medical care & rehabilitation for sex workers
3. Caring Friends Hospital care for patients with HIV, AIDS & other infectious diseases; capacity - 50 beds
4. Snehbandhan: Free counselling, sexual health screening & training for Tamasha¹ artistes
5. Bedside Assistance Training: capacity - 240 trained workers/ year
6. Residential course and training of health-support staff

¹Tamasha is a traditional form of Marathi theatre, often with singing and dancing, widely performed by local or travelling theatre groups within the state of Maharashtra, India.

C. Education

1. Balbhavan (Slum School): 100 children / centre
2. Community lead drop-in centres in 7 Ahmednagar slums, offering education for youth of all ages
3. English Medium School: capacity for 400 children
4. An inclusive primary school for children who have been pushed out of the education system
5. Agricultural Training Centre: 45-day residential course; Training the next generation of agricultural entrepreneurs
6. Training for beneficiaries: arts and crafts for livelihood generation

D. Awareness

Radio Nagar 90.4 FM

A Community forum Broadcasting platform for being heard.

YuvaNirman (Youth Volunteering)

Awareness Workshops & conferences to encourage careers in social work

Snehalaya UK

London office to provide support to Snehalaya through campaigning, fundraising and volunteers.

Krushimitra

A platform to bring farmers together for sharing best practice and creating sustainable agriculture practices in the rural communities.

Campaigns & partnerships

Malala Fund

- campaign for equality in education

Paani Foundation

-Fighting the drought to make villages in Maharashtra water-abundant.

Her Voice

To protest against gender violence & inequality

Noplica

Incorporating learning and play in an innovative way to help their beneficiaries develop vital language skills

Appendix 2 :

Awards and recognition for Snehalaya:

1. Dr. DurgabaiDeshmukh National Award for outstanding and innovative contribution to women's welfare and empowerment for over two decades. Presented by the President of India
2. Indians for Collective Action (USA) Golden Jubilee Award
3. Spirit of Humanity Award for Education
4. Polestar Award for Social Impact
5. Real Hero Award
6. Mumbai for Women Empowerment presented by The Reliance Foundation
7. PrajMaha Entrepreneur Award

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