Abstract
The case of San Francisco Parks Alliance illustrates how a long-standing nonprofit can lead to the downfall due to financial mismanagement and donor money misuse. The key problem found on the Alliance's decision to take at least $3.8 million in restricted funds money donors had specifically given for local park improvement projects and use it instead to cover its day to-day operation costs. This misuse of restricted project funds not only betrayed donor trust but also violated nonprofit financial standards that require organizations to honor donor intention. Beyond the misuse of funds, several other financial management issues became came out. Due to inadequate cash flow planning, the Alliance was unable to fulfill its commitments without using funds that were not permitted. It also failed to maintain adequate internal controls, oversight, and transparency in financial reporting, which allowed the problem to grow unchecked over time. The collapse exposed deeper issues of accountability, as both city leaders and community partners discovered too late the financial warning signs had been overlooked or ignored. The decision context is significant as the Park Alliance was a nonprofit partner that worked closely with City of San Francisco, community groups and donors to deliver public benefits through park projects, playgrounds, and neighborhood improvements. Its role as an intermediary between donors and local communities meant that its financial integrity was critical not only for its own survival but for the success of many smaller organizations and projects that depend on it. Once the scandal come to light, public funds flowing through the Alliance were frozen, criminal and city investigations were launched, and the organization was forced to shut down, laying off its staff. The results damaged a wide range of stakeholders, donors saw their gifts misused, community groups lost access to promise funds, and several park projects delayed or were abandoned. This highlights the significance of effective nonprofit financial management procedures, such as safeguarding restricted funds, maintaining clear cash flow strategies, practicing transparency, and maintaining strong oversight mechanism. It also shows how the collapse of a single nonprofit can create ripple effects throughout a network of partners, undermining trust and damaging public projects. Finally, the San Francisco Parks Alliance case teaches nonprofit mangers, politicians, and donors about the danger of weak financial discipline and the vital need for accountability in organizations entrusted with both public and private resources.

Reference:
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