

SOME REFLECTIONS ON NONPROFIT FINANCE THEORY – CASE OF CO-MANAGEMENT AND CO-PRODUCTION II.

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ABSTRACT: *This paper is the author's second attempt to explore some new dimensions of the emerging nonprofit finance theory in light of the co-management and co-production between government and nonprofit organization. Relying mainly on available literature of existing schools that explains economic rationale for nonprofit activities here I would like to add some notes how co-management and co-production may modify thesis rooted in nonprofit theories. In the first paper – presented at EGPA Annual Conference in Malta in 2009 - questions where does co-management and co-production raises more efficient output in case of „earned income” or „government funds” were visited. This time I would like to explore two other fields of nonprofit revenue: donation (corporate or individual grants) and borrowing. I would also like to rethink again some questions of setting prices, making profits or running at a loss in case of co-management and co-production. How co-management and co-production effect costs and income of nonprofits? Does co-management and co-production have a „crowding-out” effect between different financial resources? Answers are to be approached via examples and cases from Hungary.*

KEYWORDS: *nonprofit finance, co-management, co-production, nonprofit organization, donation, borrowing.*

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