Separating and Integrating Non-financial and Financial Measures

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Separating and integrating non-financial and financial measures: A case study of a sporting organization playing the value in kind (VIK) game

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Structured Abstract

Purpose: The purpose of this study is to characterise the types of practices - or 'routings' as they are denoted in this paper - that have been developed to incorporate non-financial inscriptions, representing value-in-kind (VIK) sponsorship resources, into accounting systems.

Design/methodology/approach: This study adopts field-based research, utilising Latour's (1999) concept of the 'circulating reference', to illustrate how VIK (non-cash) resources were managed in an Australian sporting organization.

Findings: This paper contributes to our understanding of: first, how accounting infrastructure is constituted and stabilised by a network of multiple and overlapping accounting practices; second, how VIK resources are allocated and managed via local practices; and, third, the importance of "budget relief" as a method of valuation in accounting practice.

Research implications: Our paper has implications for understanding how financial and non-financial accounting inscriptions are related in practice, requiring both integration and separation within networks of multiple and overlapping routings of accounting practices.

Originality/value: Our work highlights previously unexplored accounting practices, which assist in the process of utilizing VIK resources in the context of a sporting organization.

Keywords: VIK, value-in-kind, non-financial inscriptions, budget relief, accounting infrastructure, accounting and sport, circulating reference

Separating and integrating non-financial and financial measures:
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"For London 2012, … VIK accounted for 55 per cent of domestic sponsorship, and 66 per cent of IOC sponsors' contribution to the LOCOG budget… Because the Games are the world's biggest and most complex peacetime operation, it takes far more to deliver them than pure cash. The Olympic sponsorship model is like a giant joint venture, with both the IOC and the local organising committee outsourcing critical products and services from sponsors, without which the Games couldn't happen - and that's why the majority of Games sponsorship in the modern era is delivered in the form of VIK." (Crow, 2013)

"For me to go to a company now and say, 'Hey get money out of your bank account and give it to me' – it's a very tough discussion," said Rio 2016's Chief Commercial Officer Renato Ciuchini. We started seeing VIK as a much easier discussion …It makes sense. With the economy weak, not only are companies reluctant to shell out hard cash for the right to co-brand with the 2016 Olympics, they also have excess capacity Olympic organizers can put to good use." (Panja, 2015)

"In the lead up to selecting Tokyo as host city for 2020 Olympics, VIK became an important criterion for selection… "for the first time in the history of Games bids, the IOC asked the three 2020 candidate cities to estimate the proportion of VIK they would source as part of their domestic sponsorship revenue." (Crow, 2013)"

1. Introduction

Substantial and significant non-financial/non-cash resources are transferred between sponsor organizations and recipient organizations in the sport, arts, and not for profit spaces. Such resources are commonly referred to as value in kind (VIK). An increasing number of transactions between organizations involve substantial VIK transactions (Adby, 2002; Burfitt *et al*., 2009; Dolphin 2003). As Burfitt, Baxter and Chua, 2009 stated, "These transactions are material sources of revenue and resources for many event-based organizations (for example, organising committees for the Olympic Games, FIFA World Cup and so on), charities, social welfare/community groups, arts bodies and other non-profit groups (p. 67)." However, VIK is often 'overlooked' when organizations capture transactions relating to sponsorship in their accounting systems. This is because of the complexities relating to the recognition, valuation, timing, and record keeping related aspects of VIK. Consequently, VIK is often *not* recorded and recognised for transaction processing, budgeting, and internal business valuation purposes.

In the context of the increasing significance of VIK resources in sponsorship relationships, the extant literature rarely focuses on how VIK resources are managed and, more particularly, how recipient organizations *account* for these resources. The nature of VIK resources, as non-cash or non-financial items raises questions as to how such transactions should be treated within a recipient's accounting system and associated management activities. How should these resources be translated into the reports used to inform the users of these outputs? Is it possible to utilise traditional accounting controls to capture VIK resources, as well as recognise such resources in transaction recording, internal business valuation, planning and budgeting processes? Or are VIK resources excluded from or not adequately captured by the accounting processes of the organization? Adding to this, VIK resources are often represented in terms of physical quantities of items; for example, a sponsor provides 500 kgs of protein supplements for a sporting team – that is, the recipient organization is required to grapple with transactions expressed in predominantly non-financial measures (Vaivio, 2006, 1999a, 1999b; Catasus, *et al*, 2007). Yet these often very significant and material resources are made available to the recipients and placed under their control and, therefore, should be incorporated into the resource management and accounting processes of the organization.[1] As the accounting processes for transforming and managing VIK resources are not overtly codified by professional accounting standards and textbook pedagogies of accounting practice, it has fallen upon practitioners to improvise in order to adequately manage these non-cash VIK resources.

Using a case-based field study of a rugby league football club in Queensland, Australia, this paper will explore the situated practices whereby these resources are incorporated into (or marginalised by) the resource management and accounting processes that have emerged with respect to the field of sport. This study will show that a multiplicity of practices (denoted as 'routings' in this paper) were developed to capture these resources and incorporate them into the accounting systems of the organization. As such, there was an "active creation of regimes of control and monitoring which have to be intertwined with other parts of a management regime (Power 2015, 50)." Despite different methods being used, and the 'local' or specialised nature of some of the accounting processes followed, the resulting data and reports were considered useful and useable in the ongoing internal and external operations of the business of the football club. Reporting obligations, banking and loan discussions, as well as internal planning and budgeting discussions were carried out using these data and reports. The significant proportion of VIK resources within the total resources utilised by the organization was managed without diminishing the use of extant accounting data and reports.

Our study engages with Latour's (1999) concept of a circulating reference to show the ways that VIK resources are transformed, via an unbroken chain, from non-financial inscriptions (quantities of products) into financial reports and/or management planning and budgeting reports. Incorporating VIK resources into the accounting system of the sporting organization required a multiplicity of methods, but common to these methods and their workability was the maintenance of a circulating reference or a series of traceable translations from sponsorship to accounting reports, through a combination of strategies that can be described as making do (Ciborra 2002) and using local books (Wouters and Roijmans, 2011). (This contrasts to the situation described by Dambrin and Robson (2011) whereby opacity obscured the tracing of the key transformations within an accounting performance management system.) Because the circulating reference has been maintained by emergent practices, the sporting organization has been able to incorporate the non-financial inscriptions

[1] There are other accounting implications of VIK (such as potential tax impact) not included in the discussion here as it is not the focus of this study.

(Vaivio 2006, 1999a, 1999b; Catasus, *et al*., 2007) inscribing VIK resources to accomplish accounting processes required to deliver workable accounting reporting practices, such as measuring, recording, reporting, planning and budgeting – despite the absence of professional and pedagogic frameworks for doing so. These routings establish a methodology needed to manage the VIK resources within the organization, and in so doing enable a form of 'practice stabilization' via the constitution of an 'accounting infrastructure' as argued by Power (2015). The multiple routings identified are required due to the tensions that arise from the concern at various times to either integrate or separate the VIK resources, as well as the representation of the resources in their original, non-financial or translated financial forms. Our case study highlights the importance of developing routings, which are highly situated and local, as a basis for workable accounting inscriptions. The management of VIK resources must bring the 'outside' world (the world of the sponsor) in to the 'local' world (the world of the sporting organization), and a traceable series of accounting transformations is an important part of this process, coupling both worlds in the accounting reports used to operate the business.

The aim of the paper is to explore the routings that are constituted to manage VIK, that cohere and couple the 'inside' world of the organization with the 'outside' world of the sponsor. These routings will be considered in the context of Power's (2015) concept of practice stabilisation with the aim of describing how the different routings or chain of circulating references are developed for different purposes or tasks within the organization. It will show how non-financial measures are used in the process of planning and using resources, and how this process assists with the achievement of budget relief in an organization.

The following section of this paper will review extant literature informing this research. A description of the case study research method will follow. This is then followed by a discussion of the empirics and key findings. The paper concludes by outlining the potential implications of our study and future research opportunities.

2. Literature review

The literature review first considers extant literature that has informed our understanding of accounting and VIK resources. In section 2.1, emerging research on accounting and sport is considered followed by a review of accounting for VIK. Michael Power's (2015) concept of 'practice stabilization in infrastructure' is introduced in Section 2.2. In section 2.2.1 accounting for non-financial information is explored in extant literature, and the concept of 'budget relief' is raised. Finally, section 2.3 considers a relevant theoretical lens for aiding our understanding of VIK transactions, namely Latour's (1999) concept of the circulating reference.

2.1 Accounting for VIK

The emerging research on accounting and sport has focused on a variety of disparate issues. Such issues have included: the valuation of players (Kulikova & Gushunova 2014, Kedar-Levy & Bar-Eli, 2008) and players' contracts (Jensen et al 2015, Amir & Livne 2005); the value of media rights (Cowie & Williams (1997), sports franchises (Vine 2004), and the economic effects of events (or mega events) on the community (Walton et al 2008, Horne & Manzenreiter 2004); the influence of accounting on sport through media coverage (Andon & Free 2014); audit processes connected to 'salary caps' (Andon & Free 2012); and, even the impact of the emotions connected with sport on budgeting and performance measurement (Baxter et al 2018).

However, little work has been done on sponsorship and the significant impact that non-cash resources have on sport through an increasing reliance on VIK sponsorship by sporting organizations. By way of context, significant VIK activity is associated with large sporting events, such as the Olympics, football (FIFA) and Rugby World Cups, and Commonwealth Games (refer to the quotations above). In relation to the sponsorship of the Olympics, VIK continues to grow in prominence. For the London Olympics in 2012, for example, VIK sponsorship comprised 50% of sponsorship revenue of £970M (LOCOG, 2012). In the case of the Rio Olympics in 2016, the Organising Committee struggled to gain adequate funding, being forced to look to VIK to make up the difference. The attraction of VIK for companies is based on its relative economic benefits compared to cash sponsorship (for example, it is more economical for a car manufacturer to provide the car than the cash equivalent of the car's market value). Sponsorship targets can be achieved more easily when the contract includes a large portion of VIK resources. Against this backdrop, there is growing significance of the importance of VIK in the sponsorship arsenal of large corporate supporters of these events. This also reflects a need for the organising committees to be aware of the growing proportion of their resources that will be provided in the form of VIK.

Despite the growing importance of VIK in sponsorship arrangements, particularly in sporting organizations, little has been written about how to manage VIK resources from an accounting perspective. While Birkett (1968) raised the theoretical prospect of VIK transactions, referring to an exchange of goods or services instead of cash transactions in business environments, the matter has remained mute for many years. In 2005, Flack and Ryan (2005, p. 74) asserted that the 'prevalence' of VIK was yet to inform the discourse of accounting. Their call remained largely unanswered until Burfitt *et al* (2009) considered the role of management accounting practices in relation to inter-organizational alliances (IOAs) involving non-cash (VIK) transactions. This study found that the management accounting processes utilised to deal with these economically significant resources were far from being clearly outlined or standardized in practice. Burfitt et al (2009, p.67) found that management accounting control practices exhibited a "lack of directly transferable expertise from traditional accounting systems in accommodating VIK transactions". Correspondingly, they further observed that there is "a need for improvisation in a range of formal controls to manage VIK. … VIK transactions challenged, extended and modified the boundaries of conventional formal controls" (Burfitt, et al 2009, p.74). Burfitt et al suggested that emerging practices in relation to managing VIK transactions with respect to strategy and planning, resource management and budgeting, transaction recording, and reporting within and between firms, needs to be understood to allocate and utilize VIK resources. The implication of this is that we have very little understanding of the emergent accounting infrastructure that has emerged to enable the incorporation of VIK resources into day-to-day accounting processes via a range of practices. The following sub-section, outlines the importance of understanding this infrastructure and associated range of practices, focusing particularly on Power's (2015) concept of "practice stabilisation".

2.2 Practice Stabilization in infrastructure – understanding the routing of VIK resource management practices

Michael Power introduces the accounting concept of "practice stabilization in infrastructure" (Power, 2015). In the context of writing about the origins of accounting systems, he identifies four stages in their development: policy object formation, object elaboration, activity orchestration, and practice stabilization in infrastructure. It is the fourth item, practice stabilization in infrastructure that is of interest to our study. This is described as the creation of infrastructure elements - data collection processes, dedicated roles and tasks, oversight structures, and audit trails, which constitute the "active creation of regimes of control and monitoring which have to be intertwined with other parts of a management regime" (Power 2015, p.50). Such infrastructure is then established to ensure that an accounting process (such as accounting for VIK resources in this case) continues – leading to so-called 'practice stabilization' or a 'threshold' of institutionalisation (Power 2015, p.48). As Power describes, the development of accounting infrastructure brings information that previously wasn't available in a form that is useful to the decision makers in a business.

Our case study will characterise the practice stabilization enabling the management of VIK resources in terms of the different 'routings' or practices constitutive of an accounting infrastructure, arranging accounting information for the attention of managers within a business. In explaining the development of practice stabilization, Power outlines the importance of 'problematization' (Power 2015, p.48) – or developing an awareness of the need for an accounting system response, such as need to account for VIK resources. A series of practices or routings are created and used to address the concerns that were identified as part of the problematization. Within this infrastructure and practice stabilization, actors constitute the very specific 'situated functionalities' of practice, which are "hard-wired into routines and governance systems" (Power 2015, p.52). Correspondingly, the processes developed to account for VIK are repeated, establishing an infrastructure that acts to maintain the accounting processes that it was set up to support. Importantly, Power's concept of practice stabilization is consistent with Latour's processes of fact building and translation, which inform the methodology of this study. In this vein, Power states, "With the development of infrastructure, impact is transformed from an abstract matter of concern' to a matter of (organizational) fact (Latour, 2005)" (Power 2015, p. 50).

This study will investigate the detail of a practice stabilization of an accounting infrastructure developed for the purposes of managing VIK resources. While Power (2015) writes generally about an infrastructure established to support performance reporting, this study outlines a detailed system, with multiple routings, each with different purposes, with an overall objective of managing the use of VIK resources within a sporting organization. It will focus on: the detailed organizational infrastructure of the firm, which is the subject of the study; the data generated; the tasks performed; and, the structures and data trails established, which, in total, enable the accounting for VIK resources. In so doing, the study responds to Power's (2015) call for further work in relation to the development of new accounting practices, and his associated call for more work to 'explicate and explain' the concept of infrastructure (2015 p. 52).

2.2.1 Accounting for non-financial information

One of the key issues arising in practice is the problem of integrating non-cash VIK resources into reporting systems. Sponsorship contracts frequently describe VIK as a list of items and quantities, which can be characterised as non-financial inscriptions. Extant literature indicates that there is no one way to couple non-financial and financial numbers. However, Vaivio (1999a, 1999b, 2006) has noted a substitution effect with respect to non-financial inscriptions. In his studies, Vaivio argued that whilst non-financial inscriptions may operate separately from financial numbers, there is a more recent tendency for non-financial inscriptions to 'complement' financial measures. Vaivio, however, focused on non-financial measures used in performance measurement. His work is extended in this study by focusing on VIK as a significant non-financial resource that must reviewed, not only in terms of its effects in terms of performance evaluation, but as a significant resource that must be allocated via planning and decision-making processes also. Moreover, VIK resources are significant resources in some organizations, such as the sporting organization under consideration (with many sporting organizations relying heavily on sponsorship). By systematizing these non-financial measures representing VIK, these resources are given more focus and become part of the discussions by organizational management relating to planning and budgeting and reporting, making "visible new dimensions of performance (Vaivio 1999b p. 709).

Vaivio called for further studies in the area, considering "…how emerging non-financial measurement becomes embedded in management processes. How is this change being implemented and in what management practices do the non-financial measurements become rooted? (1999a p. 411)". This encourages the study of new areas of use of non-financial measures and this is a challenge that is being undertaken by our study in the space of non-financial measures representing VIK resources. Vaivio also described the way that these measures were integrated in the organization that he studied and how, as a result of that process, they became "organizationally constituted artefacts" (1999a p. 429). Likewise, our study too will focus on describing the way that non-financial measures representing VIK resources are integrated into the accounting systems of the organization under study.

More recently, Catasus *et al* (2007) have investigated the effects of non-financial measures. Their study gives support to Kaplan and Norton's (1996) view that the principal argument for working with measurements (including non-financial metrics) is that of achieving action. Correspondingly, Catasus et al (2007) investigated the importance of measuring significant aspects of the organization's operations, with a view to drawing these to the attention of management. They find that it is not the act of measuring that results in action, but without it, the action is less likely. Their study identifies the need to mobilize a response within the organization. In doing so, they recognise Mouritsen's (1998) observation that "a set of mechanisms have to be mobilized in firms" (p.46) in order to achieve desired outcomes and find that the process of mobilizing includes "summoning attention, resources and strategies for action (p. 509)". However, there has been scant attention paid to the accounting practices connecting non-financial inscriptions representing VIK resources and their effects. These resources have to be managed and there are different actors, decisions and effects involved. The VIK must be translated into something that these user groups can understand and act upon. These resources must be allocated or combined with the financial inscriptions in order to achieve the financial reports and management planning and budgeting reports required by organizations to operate. What are the chains of translation that enable this to happen? Do these chains of translation necessarily require the construction of some sort of coherent and convergent causal relationship between non-financial and financial inscriptions, as is characteristic of the balanced scorecard literature (Kaplan and Norton 2004, 2008, Ittner and Larcker 1998), to determine how a change in action results in changed measures of financial performance? It is the intention of this study to identify the ways that the case organization has systematized the methods for coupling and incorporating non-financial inscriptions used to identify VIK resources into an organization's accounting system.

Relatedly, Vaivio (1999b) also identified the role of non-financial inscriptions in making things visible that were previously not considered important. "Non-financial management accounting measures created a new calculable space within the organization. This space reshaped traditional segmentations of responsibility" (1999b, p.709). While Vaivio' s study focused on performance measurement, the use of these non-financial inscriptions can be extended to other areas, including resource management, planning and utilisation. By attempting to incorporate the non-financial inscriptions that represent the VIK resources into accounting infrastructures, the significance of VIK resources to organizational functioning is accentuated. VIK resources are not just resources on the side; things that are there to be used without appropriate accountabilities. They are important and often significant resources of the organization. By bringing VIK into the financial reports, these resources are made more important to all – especially those who are used to noticing the things included in accounting reports. Further, Vaivio (1999a) highlighted that the visibility of non-financial measures was also enhanced by their systematization, stating: "Systematized and highly focused non-financial measures made problems, management processes, and organizational routines visible at LI-U.K. which were not captured by conventional financial measurements" (1999a, p.430). Previously, these non-financial inscriptions were private numbers and not organised centrally. But by incorporating non-financial numbers into the accounting infrastructure, central management could focus on items that were previously only considered in isolated and *ad hoc* ways.

This line of thinking is echoed by Mouritsen et al (2001). Their paper discusses the concept of valuing in the context of intellectual capital – an item whose treatment was not specified by accounting standards or in the GAAP, but which contributes significantly to operations and the realisation of objectives in the future. Mouristsen et al stated: "To value – or valuing – is a verb, which indicates a process of committing certain organizational traits to numbers. It is a process of transforming a version of the firm into a numeral format that can "stand for" it and represent it to an audience of "stakeholders". So, to value means to create numbers for certain organizational arrangements" (2001, p.401). By attempting to recognise items of VIK that contribute to value in terms of a reduced need to give up cash in the future for an equivalent purchase, there is an attempt to value VIK sponsorship that does not have a price tag or historical cost attached to it. This approach to valuation is of key importance, with the study highlighting the importance of enumerating the extent of 'budget relief' associated with the acquisition and utilisation of VIK resources. The concept of 'budget relieving' was mentioned originally in Burfitt et al 2009, whereby it was stated that "Items are included in the sponsorship contract value if they replace items already included in cash budgets" (2009, p. 79). Here, budget relief it is discussed as a valuation method used to decide on sponsorship value in the context of VIK. This concept warrants further study as it appears to be one of the few areas where accounting seems to approach the economic concept of opportunity cost.

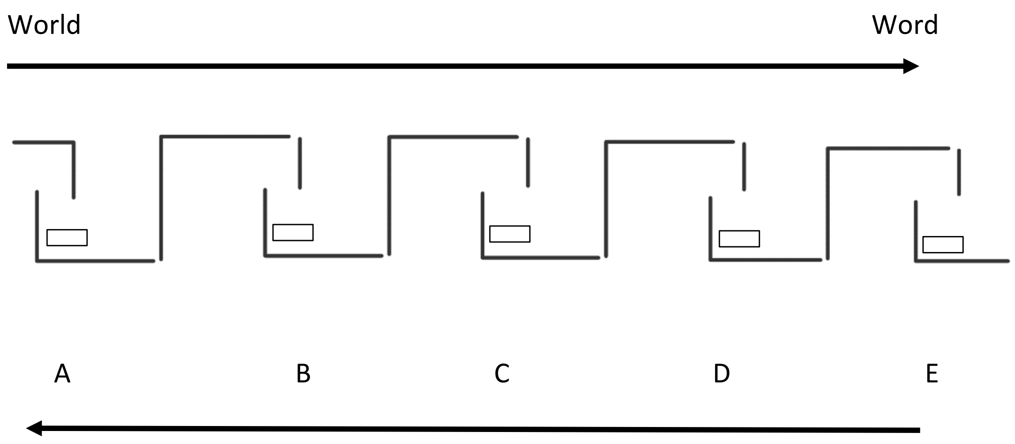
2.3 Theorising accounting for VIK resources

The different transformations of VIK will be described using the concept of 'a circulating reference', which is narrated in *Pandora's Hope* (Latour, 1999). These transformations create different routings for different accounting uses and purposes. In chapter 2 of *Pandora's Hope*, Latour (1999) stated an objective of engaging with "the classic question that the philosophy of science has attempted to solve … how do we pack the world into words?" (p.24). Latour does not consider different worlds to be separate from the words that are used to describe them. He describes the connection between the worlds that are studied and the words that describe these worlds as "circulating references" (Latour 1999, p 69). Accordingly, Latour outlines a direct connection between the objects of study (the worlds or nature) and the account or description describing them. They are connected by a series of transformations or translations.

Latour illustrates this by describing a soil field study of a site on the edge of the Amazon forest, where it transitions into the savannah. He shows the process of taking the science (the actual forest or the 'matter', such as soil samples) and transforming it to another stage (the 'form', such as various forms of scientific records and reports, which still have the same meaning but have sacrificed resemblance to the previous matter of the forest and adjoining savannah). These transformations are connected in a chain, with the chain being traceable and reversible in both directions, as well as allowing it to transport the truth to other times and places, such as the laboratories of the scientists once they have retreated from the field. Latour also states that if the chain is broken, the truth is no longer transported because a broken chain "ceases, that is, to produce, to construct, to trace, and to conduct it" (Latour, 1999, p 69).

As such, it is the circulating reference that traces knowledge or a reference through each stage, in either direction. Each stage is connected in meaning with previous and subsequent stages. Each stage transforms matter to form, with the subsequent stage using the new form as its own matter, and again transforming this matter to a new form. Each previous stage produces the form from an earlier transformation of matter, and that form is then the matter subject to a later transformation. Each stage also has a small gap between form and matter: a "gap that no resemblance could fill" (Latour 1999, p 69). The process of transferring knowledge with a circulating reference, the "transformation at each step of the reference" (Latour 1999, p 71), illustrates a trade-off between the progressive reduction through each successive stage (losing locality, particularity, materiality, multiplicity and continuity), while gaining amplification (compatibility, standardization, text, calculation, circulation and relative universality). Figure 1 below is the authors' simplified version of Latour's diagram, which will be adapted and applied later in the paper. The shapes show that at each letter (A, B, C etc) there is a transformation from matter to form. While a transformation occurs, the circulating reference is maintained as each is connected and traceable to the previous or following translation.

Figure 1: Latour's circulating reference



Label	Matter	Form
A	Forest	Forest sample
B	Forest Sample	Sample results
C	Sample results	Results summary
D	Results summary	Report draft
E	Report draft	Scientific paper

In terms of the application of this theoretical framing to accounting, Dambrin and Robson (2011) used Latour's concept of the circulating reference in their study of a firm in the French pharmaceutical industry and its attempts at performance reporting for sales staff. Dambrin and Robson described the process of calculating the performance of sales teams against targets. This process did not follow an unbroken chain that is clearly traceable. Part of the process was a ‘black box’ due to rules prohibiting the reporting of doctors’ prescription practices. As this key sales information was ‘missing’, the chain of connections was broken. Despite this lack of a circulating reference, there was confidence from the sales staff in the numbers that were used to calculate the rewards paid to them. Even though they could not check the calculations that informed their bonus payments, they claimed to be satisfied that the numbers were good enough. Dambrin and Robson (2011) described this black box as an example of methodological opacity, which, they believed, allowed confidence in the process because workers did not object to the obscured ‘broken’ inscriptions informing performance calculation. Dambrin and Robinson (2011, p.488) contrast this “to the consulting discourse of visibility and transparency of performance in organizations and organizational sub-units (Kaplan and Norton, 2001, p. 131, 2004, p. 413; Berggren and Bernshteyn, 2007), by showing how ambivalence and opacity may, in fact, contribute to the working of performance measurement networks.” In their case, sales staff were confident in the outcomes and that the process was workable:

“A significant part of the ‘making do’ with performance measurement lies … in the creative combination and comparison of several different inscription devices, some of which ostensibly serve different purposes (Briers and Chua, 2001; Star and Griesemer, 1989). We suggest that in such ‘bricolage’ or its absence lies much of the history of so-called “success” or “failure” of performance translation (Dambrin and Robson, 2011, p. 448).”

Dambrin and Robson’s comment suggests that the process of calculating performance measures involves an acceptance in practices of ‘making do’ and ‘bricolage’. This everyday acceptance of such ‘making do’ is reported also by Andon *et al* (2007) in their study of the performance measurement practices of an Australasian telecommunication organization undergoing substantial change in relation to its values and purpose.

Our paper’s intended contribution is to illustrate that multiple routings are created in an organization to deal with the complexity of accounting for VIK resources in an organization. It is not the intention of our study to focus on specific aspects of financial and/or management accounting policy or processes, but rather to highlight the routings used and the way that the resources are able to be brought into and included in accounting information that is useful for users. Our study will explore the routings that are constituted in managing VIK, resulting in an entanglement or separation of financial and non-financial inscriptions that cohere and couple the ‘inside’ world of the organization with the ‘outside’ world of the sponsor. These routings will be considered in the context of Power’s (2015) concept of practice stabilisation with the aim of describing how the different routings or chain of circulating references are developed for different purposes or tasks within the organization. It will show how non-financial measures are used in the process of planning and using resources, and how this process assists with the achievement of budget relief in an organization. It will do so in the context of a sporting organization, wherein VIK is vitally important to its day to day operations and ongoing financial sustainability.

3. Research Methods and Case Organization

A case study method has been adopted for this study of the emerging accounting practices associated with different routings for transforming VIK resources into useful accounting information. The case study method was selected to examine this nascent field of accounting research because it has enabled a processual and contextualised understanding of real-life events (Yin, 2003). Within the accounting literature, there is a call for the greater use of case studies (Ahrens and Chapman, 2006; McKinnon, 1988). The case study method has an important role to play in the exploration of organizations and how they function. Using this method, observations and interviews allowed the researchers to understand how VIK was managed in the organization. There were opportunities to observe how the people in the organizations talked about VIK and discussed how it was addressed within the organization.

Data collection activities were carried out in a rugby league club based in Queensland, Australia. For the purposes of this research study, the club will be referred to as "The Giants". The club was visited on multiple occasions by the primary researcher, who interviewed, worked and interacted with staff and management and observed both sporting and non-sporting activities of the club over the course of more than two years. The Giants were in the early stages of establishing their identity (being five years into their inaugural operations at the start of the primary researcher's involvement). Despite its short existence, the club was strongly identified with its geographic region.

On some occasions, the primary researcher was also an interventionist, working with management on the process of managing VIK resources within the sporting organization. This had the advantage of direct involvement in the process and 'being part of the plot'. The role of the researcher in influencing the activities of the organizations under study is acknowledged. It was a part of gaining access, as the club had requested advice and assistance with the processes of managing VIK, but, in turn, this also enabled a more refined and nuanced discussion of VIK in this local situation.[2] This researcher's relationship with the field also provided an advantage of utilising researcher reflexivity as a resource. While working with the Giants management, the researcher was asked for, and gave opinions on the methods used and discussed options with staff who were responsible for managing and reporting on the VIK resources. In the opening discussion held with the club's Managing Director, he outlined the motivation behind becoming involved in the research project. He saw the project as an opportunity to review the way that the club managed the VIK resources that they had, taking stock of their current methods and processes, and looking for opportunities to manage the resources in a better way in the future. He stated:

"We obviously have a lot of VIK, in our organization, as do all sports, I think we have always been pretty heavy handed in our treatment and accounting for it." (Managing Director)

[2] The primary researcher was invited to work with the club due to a history of working with VIK resources as a member of an organising Committee for the Olympic Games, as well as previously carrying out research on accounting for VIK and related issues.

While such researcher interaction may raise concerns of potential impact on the methods that were utilised to manage and report on VIK, the benefits as previously described are seen as being sufficient to counter potential disadvantages. Moreover, there is precedent for doing so in extant accounting research (see Wouters & Roijmans 2011).

In line with recommended practice, the case organization was chosen based on its suitability to address the practical and theoretical concerns of this research. The Giants rely heavily on sponsorship resources, with VIK resources contributing a significant portion of the sponsorship revenue (a proportion of 2:3 when compared to cash). Also, overall, VIK contributes about 15% of the total revenue of the club. Moreover, the researcher was able to obtain access to the site and maintain this access over a two-year period (Silverman, 2013).

Data were collected via semi-structured interviewing, document study, archival search, media search, direct observation, participant observation and inspection of physical and cultural artefacts (Yin, 2009, p.102). These varying forms of data were collected based on a consideration of their relevance and context (Baxter and Chua, 1998; Ahrens and Dent, 1998; Yin, 2003). As such, this research project has involved more than 10 field trips by the primary researcher to collect data from the sporting organization.

More than 20 interviews were conducted, most of which were recorded and transcribed (see Appendix 2). Access was initially gained through the General Manager, Player and Community Development. A process of snowballing was used to gain access and agreement from later interview subjects. Choice of interview subjects was based on their knowledgeability of VIK resources, sponsor relationships, and the values of the organization. During the interviews questioning followed a pattern of beginning with a discussion of work history, which led into a discussion of previous experience with VIK. The discussion then focused on the use of VIK within the Giants. This line of inquiry was then pursued based on the information provided. Set questions were not used, but themes were followed as per the previous outline. Appendix 2 outlines the interviews carried out and specifies whether the interview was recorded and transcribed. Appendix 3 outlines key interview themes.

Direct observation of the Giants' offices, place of training, playing venues (its home ground) and associated natural settings of the case (such as meeting and workshop venues) allowed for observation of relevant behaviours and their local situations. Observational data are summarised in Appendix 4. The collation of other research evidence has been summarised in Appendix 5, with this including review of sponsor communication via newsletters and reports, review of newspaper articles reporting on activities of the organization, observation of workshops in communities, and video and photographic reports on workshops and community visits. As part of this, inspection of physical and cultural artefacts was carried out to gain a greater understanding of the research setting. Observation of games played was undertaken, as well as community work done (with much of this being undertaken in remote areas of Australia). While the researcher has not been able to directly observe all such activities (due to funding restrictions and distance), these were often recorded, and the photo/video/audio evidence has been made available for analysis.

Data collected during field work have been analysed following a process of open-coding (Strauss and Corbin, 1990; Gurd, 2008). This is important because it helped with the development of theory during the analysis stage of the research. As the data collection and analysis progressed, the coding process helped with the identification of significant themes and the refinement of the developing theory. Analysis in NVivo has been used to help with clarification of themes in the data and assisted with analysis and guidance during the data collection process. NVivo has been used to store and organise data and as part of the process of data analysis. Themes identified by analysis were then used to analyse and sort the material in NVivo. NVivo was the basis of the identification of relevant material for the refinement of theory, analysis of data and the writing up of the research.

5. Empirics: VIK in the land of the Giants.

In this section the evidence from the field is mobilised to enable an understanding of the routings developed to carry out the accounting practices required to affect the management of VIK resources. Four different types of routings that result in the transformation of VIK will be described, using Latour's concept of circulating reference as a framework for this purpose. The VIK resources are transformed through these circulating references, which create different routings for different accounting uses and with different accounting purposes. A network diagram and focused specific sections of the diagram showing an example of each circulating reference will be used to illustrate this concept in action. These will be explained in some detail and examples of VIK will be provided. Section 5.1 discusses the Giants' use of VIK and the challenge of incorporating this into its accounting systems. Section 5.2 outlines different ways that VIK was managed, and the four types of routings that can be identified as examples of treating these resources within the Giants' accounting systems. Each of these four routings will be outlined using a discussion of the observations from the Giants and illustrated with a focused section of the larger network diagram (Figure 1). The four routings are also highlighted together on the larger network diagram on Appendix 1.

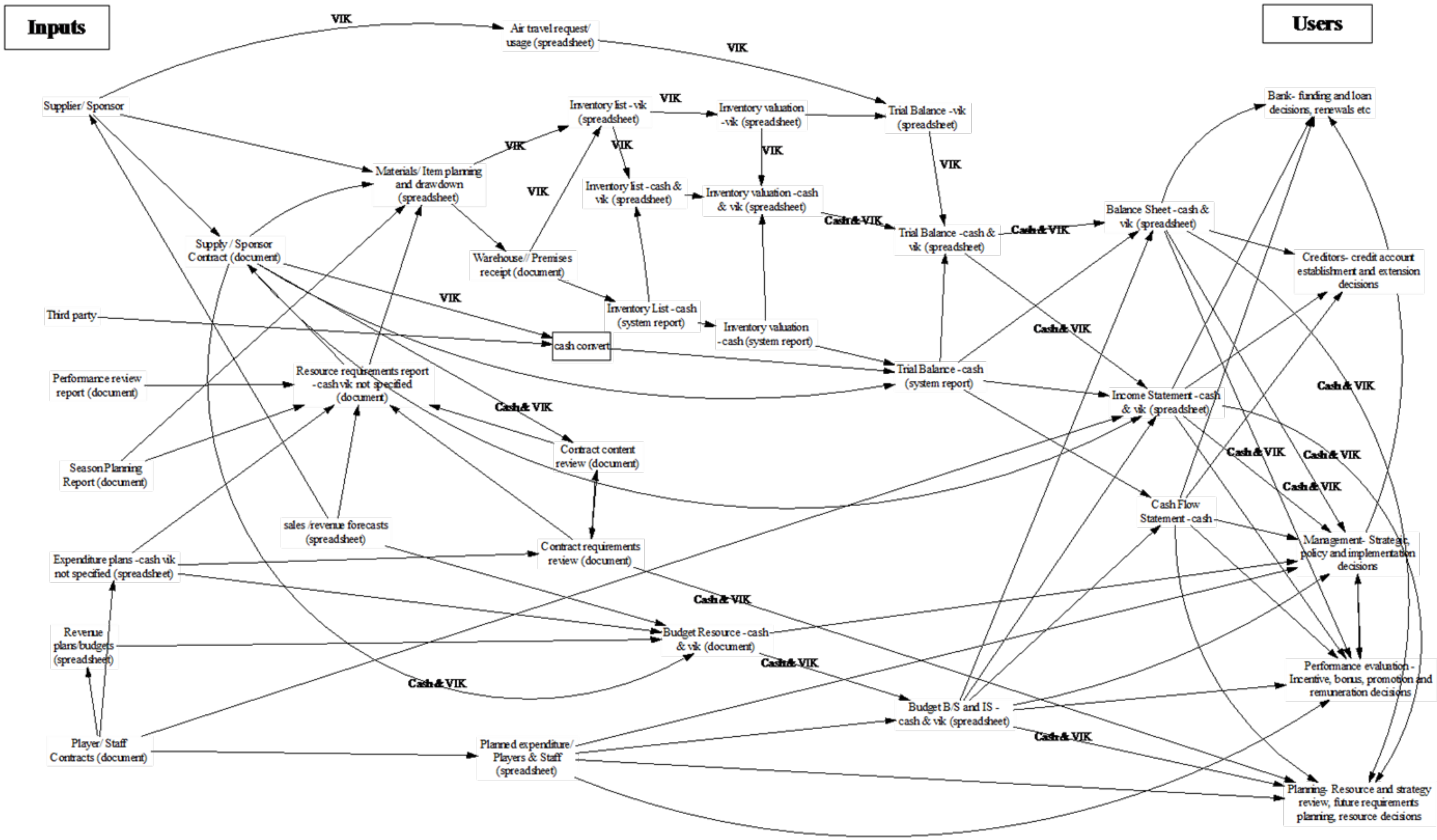


Figure 1: Incorporating VIK resources into the Accounting reporting

5.1 VIK and accounting systems.

As stated at the outset, this study considers a case organization that relies heavily on VIK resources – resources not conventionally associated with the operation of accounting systems. Conventionally, accounting systems manage resources that are associated with processes of transformation involving transactions encompassing monetary exchange and a dollar value. In the land of the Giants, the world that is the subject of the study, a material proportion of the resources that are made available to this sporting organization are resources inscribed by non-financial inscriptions. These non-financial inscriptions may be hours of services supplied or the numbers of seats made available on aeroplanes. Despite the different resources that are available and used, the accounting processes that are followed are similar to those of organizations that rely on cash resources, once they are adapted to accommodate the non-financial inscriptions that represent the VIK resources. The adaptations that are required are denoted as routings (Power 2015), which are practices stabilized into an emergent infrastructure accounting for VIK. As previously outlined, this case study aims to identify the different routings developed and used in a sporting organization to manage and control the VIK resources, which are made available as a result of sponsorship arrangements.

The sponsorship arrangements at the Giants vary greatly across individual sponsors. Major sponsors include airlines, insurance companies and brokers, mining, construction and building companies, suppliers of sporting clothing and equipment companies, liquor wine and beer manufacturers, radio and television broadcasters, and taxi and hire car firms. Sponsorship contracts can range from no VIK (all cash), a small amount of VIK (a contract where the sponsorship involves a significant amount of cash and a small amount of the sponsor's product as well), through to 100% VIK, wherein hundreds of thousands of dollars-worth of air travel are supplied, for example. Giants' management recognises the importance that both the VIK resources and the sponsoring organizations have to the club. These alliances are central to the ongoing sporting and community programmes that the club operates. However, the club must incorporate these non-financial inscriptions representing VIK resources into the accounting processes to enable appropriate ('true and fair') resource management.

Figure 1 illustrates the resource network of the case organization. The inputs are shown on the left-hand side of the figure. These are captured and represented in the various accounting reports, some of which are system generated (these are identified in the figure as "system report"), while others are captured on locally held spreadsheets ("spreadsheet"). The resources captured by the organization's system are the cash-based transactions that it was set up to record. VIK resources cannot be entered into the cash-based system. In order to ensure that VIK is able to be included in the decision-making processes of users (see "Users"), practices have emerged to capture VIK in spreadsheets at the point where it is received or introduced into the organization. In order to manage the separate chains of transformations, additional spreadsheets have been created to combine the two. In Figure 1 transactions are labelled as "VIK" or "cash and VIK", unless they are cash transactions (which are unlabelled). The users of the reports of this chain of circulating references are shown on the right-hand side of the Figure. In addition, some of the uses of the information are listed to illustrate the way that the "word" becomes useful and the resources are able to be considered in totality as the VIK resources are mixed with the cash resources of the organization.

In the context of the network diagram (Figure 1), the complexity of the challenges facing the Giants is clear. In order to generate the information required to assist management in their activities within the organization (shown above as "Users"), the resources that are required, planned for and used must be captured by accounting reports. Without including the VIK resources, the informational value of the reports would be significantly diminished. The spreadsheets utilised by managers in different parts of the business are a good example of some of the ways that the Giants tried to manage their VIK resources. The Managing Director of the Giants felt that they were doing a reasonable job in managing their VIK resources, but observed that there were some challenges faced in incorporating VIK into the accounting processes. He stated:

"I think when you have a stable management team it makes it easier, measuring and, from a cost control point of view, I think we did very poorly initially, I think we can still do it better now but we are definitely more savvy about making sure that it's measured, that it's controlled and it's allocated and spent in the appropriate way, but there's always a need to review it." (Managing Director)

His perspective of developing improved practices in terms of planning and controlling VIK indicates awareness that these were important and significant resources within the organization – as well as an important part of prudent financial management. The Managing Director strengthened this view when presenting to the Strategic Management Team, outlining his reasons for wanting to get involved in this research project:

"From my point of view, it's something that would position the club fairly well as an alternative thinker in this space. A lot of clubs just get it and don't really utilise the contra (VIK) very well. It's a good opportunity for us." (Managing Director)

Indeed, one motivation for the Managing Director to get involved in this research study was a strong desire to review the Giants' processes regarding the recognition and management of VIK resources. He wanted to understand not only current practices, but also to learn how they might do a better job. In so doing, he provided a statement of support to the team for the processes that are carried out by those who deal with VIK resources. This was an attempt to ensure that the rest of the management team also considered these resources as an important and valuable organizational resource.

The management of VIK was often the task of those with relevant expertise. For example, Media VIK was controlled directly by the Marketing Manager, who worked to ensure that the TV and print media was managed at the same level as it would have been if the organization were paying cash for the resource. She stated:

"cash is cash, it is what it is, when you buy something you get what you paid for, you get a quote, or you get a booking schedule and that's what you get. The same with contra and I just treat it exactly the same." (Marketing Manager)

In interviews, the Marketing Manager outlined how she utilised her previous experience to check the information that was reported to her on VIK consumption, akin to Levi Strauss' (1962) description of a 'bricoleur' being "adept" at making do with what is "at hand" (p11). The Marketing Manager had an informal system of verifying the charges for VIK usage to ensure that it was commensurate with a cash rate equivalent. Her industry expertise was used to verify that VIK was being consumed in a reasonable way. This use of specific expertise was common across the staff interviewed in this study, whereby expertise was used to ensure that the VIK was being utilised to achieve value for the organization from the sponsor, as well as ensuring that resources were not left unused or underutilised. This local knowledge facilitated the keeping of local books on particular VIK resources and the progress of their consumption.

Such practices were still being developed to deal with many of the VIK based sponsorship arrangements, especially for new contracts. The Corporate Sales Manager explained that developing these local practices was an ongoing process of improvisation and experimentation. However, during discussions with the CFO, he expressed some concern that there wasn't consistency in methods across the club, but there seemed to be agreement that things were much better now than previously. Based on the research observations, there appeared to be a combination of local information systems (Wouters and Roijmans, 2011) or informal systems (Wouters and Wilderom, 2008) in operation, utilising the skills and experience of those managing the VIK resources relevant to their organizational activities. For many, such as the Corporate Sales Manager, their preferred practices for managing VIK involved highly situated and bespoke spreadsheets for controlling the usage of VIK within the Giants (as illustrated in Figure 1).

The approach taken within the Giants in relation to the recording, planning, and budgeting of VIK resources involved a separation of the recording of cash-based transactions and the VIK based transactions, which were then brought together as the processes moved through transformation stages to completion. While there wasn't a consistent methodology across the whole organization there was a consistent attempt to look at the complete picture, one that included VIK resources. To do this, to 'make do', a commonly used work around method seems to be the use of a spreadsheet adding cash and VIK together (see network diagram Figure 3) so that an assessment could be made of the total budget/forecast revenue and expenditure amounts. In a discussion with the CFO, he outlined his method of looking at his budgeting plans for future years. He mentioned that his ability to see the different cash and VIK numbers separately, but also get a view of the whole picture was important in terms of the budget process. He also reported using this method to track his ongoing expenditure figures and as a means for controlling the relationships with individual sponsors/suppliers of VIK goods and services. These examples are illustrated in Figure 1 as we see the preparation of cash reports for the income statement and balance sheet, as well as combined cash and VIK reports to ensure that the full picture, including all resources is front of mind for management and informs sound organizational resource management.

While the spreadsheet used by the Managing Director or CFO detailed cash and VIK resources separately, there were times when the overall total of resources was important.

In this later case the summary spreadsheet was valuable. The Managing Director expressed concerns during interviews that, within the organization, VIK needed to be considered as important as cash. While he reported highlighting it separately on many documents, he was not averse to using headline numbers where the task was discussing totals with staff. He stated:

"We just basically refer to it now in all of our reporting as sponsorship and there's two columns. I actually merge those columns... I hide the two columns and it's just sponsorship dollars so whether it's cash or contra it's all sponsorship (Managing Director)

When pressed in interviews to suggest methods that might improve the process, the Managing Director wasn't able to come up with an improvement on their current attempts to 'make do', stating:

"I don't think there's an accounting treatment that you could overlay on your cash and your contra, but I suppose you could, but it hasn't been formulated yet." (Managing Director)

And although the Managing Director noted the "labour intensiveness" of accounting for VIK resources, he acknowledged the overall importance of VIK resources to both the financial management of the sponsors and recipient organizations. He stated:

"I think there's a place for it, there may be some time in the future that that non-cash mentality grows to a higher level. I think the level of controls that you've got to have over it make it sort of labour intensive therefore it will never replace cash, but it certainly has a place. In tough economic times it's a wonderful resource because people are more willing to spend because they look at the unit cost, so I think from a budget management point of view… I think if you can have that VIK strategy it certainly makes it a lot easier to manage your budgets and certainly to manage your cash flow." (Managing Director)

In short, being able to better mobilise and account for VIK resources was seen as a win/win outcome for both parties involved.

5.2 Routings from worlds to words: Illustrating the transformation of VIK

In this section, four examples of accounting for VIK resources are narrated. These examples will follow the chains of transformations associated: first, planning and budgeting for VIK (5.2.1); second, controlling an array of VIK resources (5.2.2); third, accounting for VIK in the context of cash management (5.2.3); and, accounting for the valuation of VIK sponsorship contribution (5.2.4).

5.2.1 Planning and Budgeting for VIK

This section outlines the practices developed to transform various forms of non-financial VIK into the 'word' of planning or budgeting reports produced by the club.

The club adopts various methods to deal with the problem of aggregating and integrating non-financial VIK resources to enable a chain of transformations – from many places of origin, characterised by disparate resources and their traces, to one amplification (the word), a resource plan or a budget. The different resources or budget items are represented by non-financial inscriptions, which are not easily combined. An attempt to bring together all of these different types of resources in a way that makes sense to the person reading a budget report requires a process of commensuration or translation from the world of many different resources to the word of the relevant report. Producing meaningful reports requires a transformation of these other resources into a financial resource, which may represent a market value, a production cost price, or even some other type of value. In attempting to include these resources in the world of the different types of accounting planning and budgeting reports, actors may have to work outside of the accounting system to determine the value of the resources. There is a need to find values elsewhere to enable the process of inscription.

In the world of the Giants resource requirements are considered as part of the annual planning process. The club conducts activities to review its performance each season (see Figure 1: Performance review report and Season Planning report). As part of this review function, planning and budgeting for the next season are undertaken too. Each area of the club specifies its resource requirements, and these are checked for their alignment to goals and plans. Current VIK contracts are included in this (see Figure 1: Contract content review). Correspondingly, the use of VIK resources is planned and then budgeted. The consumption of previous periods is considered and incorporated into the plans also. The exchange below gives some insights into the way this process unfolded.

Interviewer: "When you do your budgeting do you include in your budgets areas where you expect to get contra to satisfy the requirements?"

CFO: "Oh yeah, absolutely, yeah".

Interviewer: "So can you explain a little bit to me how you do that"?

CFO: "Well given that most of the contracts, you know, run two to three years I know what the contras going to be for the following year so ... for that particular item, expense item that they might be incurring, I know what the value of contras going to be so ... and based on previous history got a pretty good indication of what it's going to be going forward".

Interviewer: "So, you set your budget up and you include cash items and contra items?"

CFO: "Yeah, effectively, yeah, I need to split the budget between cash and contra so…"

Interviewer: "And so, in real terms that's how you do it? Do you put them in separate columns?"

CFO: "I do actually, yeah, yeah".

Interviewer: "So, it's a way of keeping them separate but understanding the whole picture"?

CFO: "Exactly, yeah".

This process of requirement planning was carried out in other parts of the Giants' business in different ways. The marketing team outlined their marketing activities, including the usage of any media VIK that was contracted, and developed a plan for the use of this as part of their overall media plan. The staff managing the players' activities controlled a fair portion of the club's budget, but VIK was managed in different ways on the sports side depending on what it was. Nutritional supplements were consigned to club personnel directly responsible for the sporting activities and team management – that is, the football department. The biggest concern for the CFO was the potential for items to run out during the budget year and any shortfall having to be funded from elsewhere in the form of cash! He stated:

"I guess from my perspective the concern is, like, getting towards the end of the year and them running out of contra and us then having to spend cash because it's not being managed properly." (Chief Financial Officer)

The impact of any overspend was minimal for that type of VIK (that is, nutritional supplements), but for some types of VIK where the value was significant, the controls that were put in place were far more stringent (see Figure 1: Air travel request/usage). For example, one of the early and significant sponsors of the club was an airline, with a large portion of the contract being VIK. VIK air travel was controlled through the executive assistant to the Managing Director. The consumption was planned and pre-approved. The planning process for air travel was clear with formal budget allocations and control.

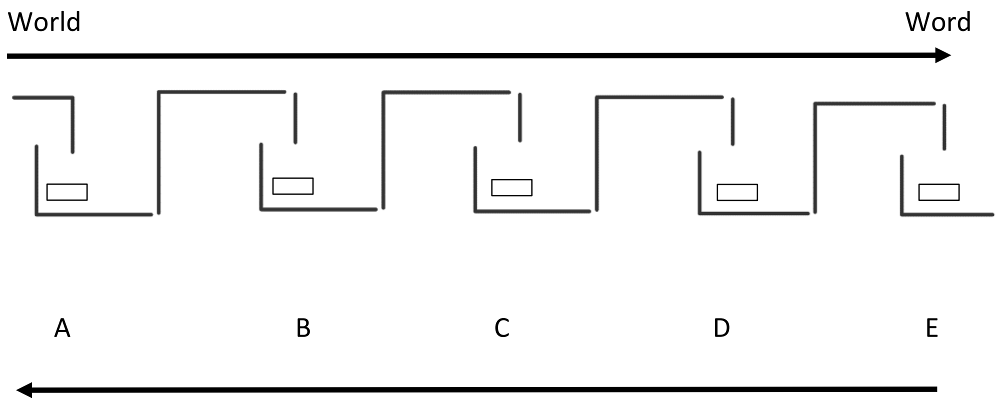
Once the competition was planned, the consolidation of the resource requirements required further transformations to allow this to be done in a useful form. The process of converting requirements into cash amounts was done for non-VIK items and many of the VIK resources were listed with a dollar value, but not combined into reports until a later stage. This process meant that as budget reports were compiled, some of these were not complete in the sense that they did not include all resources required to operate the business. A significant amount of VIK was not included in the budget compiled to ascertain the cash requirements of the club in the forthcoming planning period. This budgetary report emphases the cash required to hire the training and playing venues, staff salaries, equipment and operating expenses, and the hospitality and cleaning costs enabling the functioning of the team and club. The cost of air travel required to transport the team to away matches, for example, was not included. At this point, all of the VIK requirements are not visible to management. The optimal position is to have these items shown in a joint report but have the VIK requirements separately listed to ensure that the requirements for VIK resources that need to be acquired are clear to management.

As the budgeting activity progressed, the Corporate Sales Manager sought opportunities to approach suppliers to discuss their relationship with and support of the club. He reported asking suppliers to consider becoming sponsors to further support the team. This would invariably become a discussion about the possibility of providing the goods or services, previously supplied for a cash payment, as part of a VIK sponsorship contract. This was successful in many instances as printers and dry-cleaning businesses, amongst others, were recruited into the fold of club sponsors and supporters. As this occurred, the budgets were altered to reflect the change in status of the items that were moved from cash budgets to VIK budgets. This resulted in a reduction of the cash requirements for the organization. The VIK budgets incorporated both currently signed sponsors as well as any planned sponsorship arrangements in the budget period.

At the end of the budget period, the new season (cash and VIK) budgets were finalised and shared amongst the key managers in the club (see Figure 1: Budget B/S and I/S -cash & vik). These budgetary requirements became the framework of the business plan to be executed. And, herein, was a further transformation – from that of an in-process document to a stable business budget. The accounting information had the approval of club management and was to frame discussions held by managers and staff. The information about planned expenditure and consumption was implemented, orders were placed, and VIK resources were consumed. The team was recruited, the players trained and were coached, the team played, and supporters turned up. The circulating reference is again complete from the resource planning activities through to the active budget, allowing the club to carry on its business.

Figure 2 below illustrates a simplified version of the circulating reference constituting the routing that transforms and integrates non-financial VIK into planning and budgeting reports.

Figure 2: The worlds to words in planning and budgeting for VIK

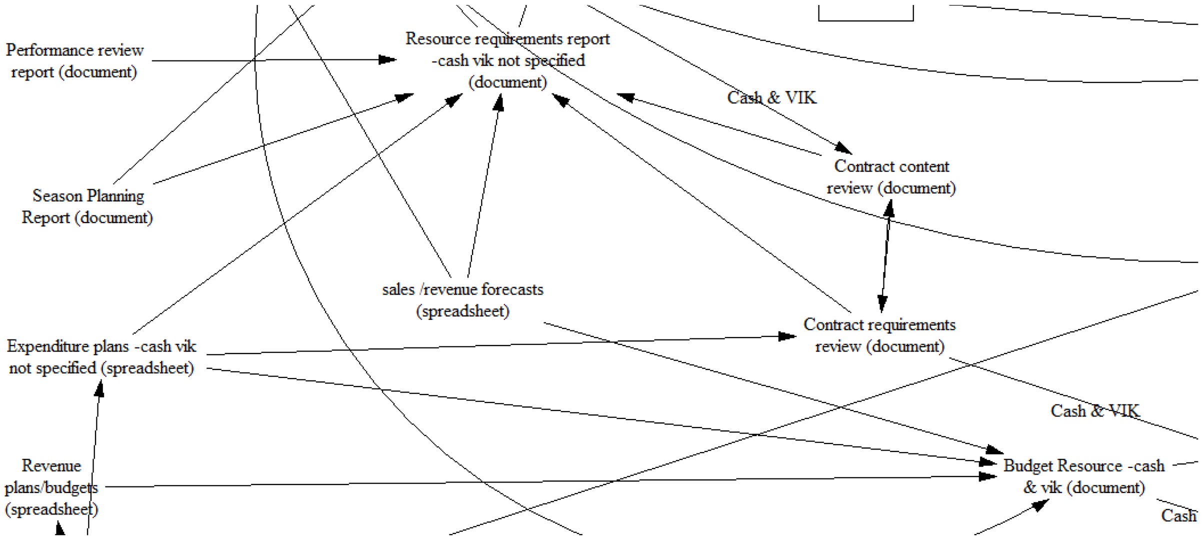


Label	Matter	Form
A	Performance review report	Resource requirements Report
B	Resource requirements Report	VIK contract content review document
C	VIK contract content review document	VIK Contract Vs Requirements Review Doc
D	VIK Contract Vs Requirements Review Doc	Adjusted VIK Requirements Document
E	Adjusted VIK Requirements Document	Budget and planning reports created

In Figure 2 (above) we can follow the circulating reference of the planning and budgeting process for an item such as players match uniforms. These will be listed on the Performance review report (A) as a cash item until a sponsorship contract is signed. If not signed by the time the resource requirements report (B) is generated, it will be transformed into a cash item in this report. VIK contract review document (C) verifies that the item is not currently supplied by a sponsorship contract, this is then transformed into an item on the VIK Contract

Vs requirements review (D) and becomes a sponsorship focus item on the Adjusted VIK requirements document (E). At whatever stage the sponsorship contract for players match uniforms is signed and the player match uniforms are provided through a VIK contract with a sponsor, the item will then be listed separately as a VIK item. As discussed above, the items are listed separately on reports to indicate their form (Cash or VIK) so that management are clear on how the items are to be funded. The status changes as the sponsorship contract is signed.

Figure 3: Planning and budgeting for VIK - focused excerpt from network diagram (Figure 1)



This routing (Figure 3) is specific to the requirements of keeping the VIK in its non-financial form while listing it alongside the cash requirements in an integrated budgeting and planning document.

5.2.2 Controlling an array of VIK resources

Different functional areas and users within the organization were observed to have developed different ways of dealing with the complexities of an array of VIK resources from a range of suppliers. These complexities were faced not just in the initial stages of deciding how to value and record VIK, but also right through the lifecycle of the contract as the VIK resources were transformed via planning, budgeting and use (controlled). The GM, Compliance and Group Finance, identified this during an interview, showing his concern for the risk of losing control of VIK resources, stating:

"…. clearly, it's an area that's very easy to lose control of so ... and we've just got such an array of different contra [VIK] agreements so we probably ... I'm only guessing but we might have 30 different

contra arrangements, so they're all different in nature, they all have different value." (General Manager of Compliance and Group Finance)

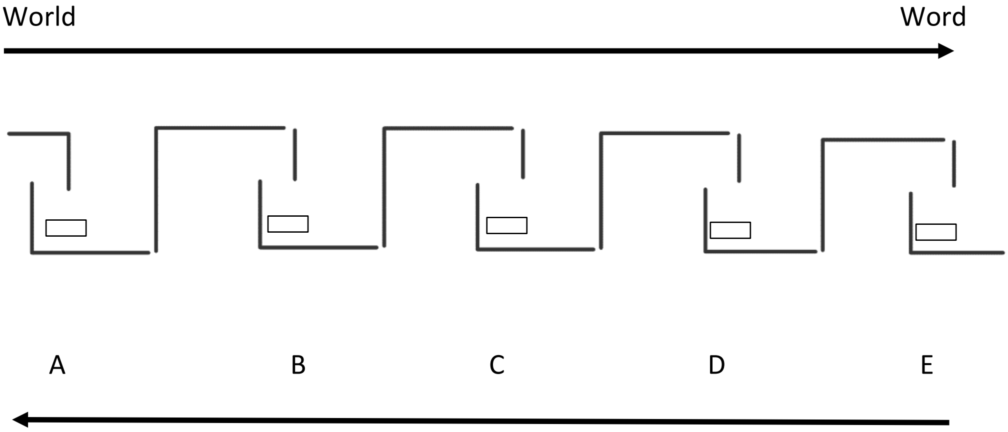
In response to the diverse types of contracts outlined above, what evolved was a range of different methods of dealing with the VIK resources within the various operational departments that end up managing these items. The airline sponsor provided VIK airfares, and this was considered valuable and closely controlled by the Executive Assistant to the Managing Director, as previously described (illustrated in Figure 1 at the top of the diagram). Other resources, such as energy drinks, were managed by the areas that used the resource (see Figure 1- Materials/Item planning and drawdown). These departments were only accountable if they consumed all the resources and had to request additional cash budgets to acquire more resource. In these cases, dispersed local actors severally tracked the consumption of lower value VIK resources, reporting periodically to the accounting team. Thus, the local methods that emerged to account for VIK differed according to the needs of the functional area, which was responsible for planning and controlling VIK resource usage (in partnership with the accounting team overseeing this process). The materially significant areas (such as airfares) were tightly controlled. Less significant items (such as training equipment) were controlled directly by significant users, such as the football department.

The General Manager, Compliance and Group Finance, described an ongoing process to try and track some items more thoroughly, as recent experience was characterised by some items of VIK running out prior to the end of a football season. He stated:

"It's really control of the use, especially when you've got things like alcohol and we have soft drinks and we've got vitamin supplements for the players, we've got suits for staff, so all of those things and really that's a ... <u>you control that on a one-on-one basis</u>, so depending on what the contra is, who's responsible and ... so we're just setting up some controls this year to track it more accurately, track the actual usage." (General Manager of Compliance and Group Finance, emphasis added)

If an item that is supplied as part of a VIK contract and the amount provided under the contract is exceeded, then cash will need to be provided to continue to use that product within operations. This means that limited cash resources will have to be redirected from elsewhere. Hence, an important routing involved establishing a circulating reference that enabled an ability to separately track and account for the use of individual items of VIK. This is illustrated in Figure 4.

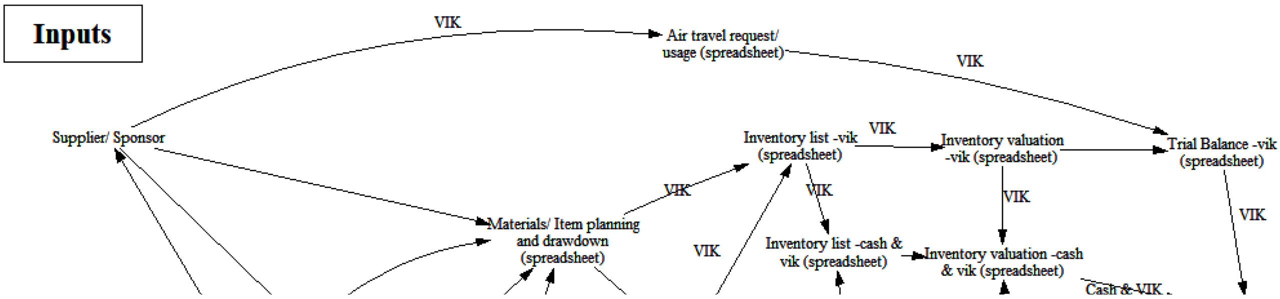
Figure 4: The worlds to words of controlling VIK resources individually



Label	Matter	Form
A	Resource requirements report	Sponsor contract
B	Sponsor contract	Air travel request
C	Air travel request	Air travel usage spreadsheet
D	Air travel usage spreadsheet	Trial Balance Report
E	Trial Balance Report	Balance Sheet Income Statement

VIK in the form of air travel is used to illustrate the circulating reference constituting this routing. The need for air travel is identified in the material requirements report. As the air travel is supplied by a major sponsor, it is identified as a VIK resource. The item is separately listed as VIK and is considered a significant resource, so is tracked separately for both order and usage (in this case by the EA to the Managing Director). All of the information in this stage is expressed in the form of VIK, number of flights, seats and destinations. Travel requests and flights taken are recorded. Usage is tracked against the limits in the sponsorship contract. It is only at the end of the process that a trial balance amount, translating the item into a value for the purposes of adding the value to other types of resource consumption, that a cash value will be estimated. The routing for this item is separate and specific as it is considered to be a significant resource to the organization.

Figure 5: Controlling VIK resources individually - focused excerpt from Figure 1 (air travel).



Whilst this routing (Figure 5) demonstrates the task of maintaining the separateness of items of VIK to enable management decision making and operational control, the same items of VIK may also need to be joined with other financial inscriptions to be useful in other decision situations. This is discussed in the next section, which focuses on the translation of the VIK items later in the accounting process to enable their inclusion in the profit and loss statement or financial reporting.

5.2.3 Accounting for VIK in the context of cash management

In the world of the rugby league club, it is important to achieve the objective of creating an environment that allows the team to be successful, according to the criteria selected by senior management and coaching staff. Success will be measured based on on-field performance and also against criteria relating to off-field performance. Given the prevalence of salary caps (Andon and Free, 2014) and funding restrictions, a focus on the use of resources (including VIK) to achieve these outcomes is imperative.

But VIK is only of value if these forms of sponsorship resources are utilised by the club. And the club only recognises VIK as a positive resource endowment if its effects are recognised as “budget relieving”, that is, replacing a need to spend cash. Cash that is acquired through sponsorship contracts and ticket or merchandise sales will contribute to the funds available to pay players and coaching staff or hire venues for games. VIK resources acquired from sponsors are useful if they replace the need to purchase the players jerseys or pay for air travel to an interstate game. These are the resources that the Giants need to operate, whether paid for in cash or a resource acquired through a sponsorship deal.

In response to the great variety of VIK resources and the differences that the non-financial inscriptions brought to the task, Giants management responded in a variety of ways to the challenge of incorporating VIK into the accounting processes as discussed above and in the previous sections. Management outlined multiple methods to manage VIK resources during field discussions. Sponsorship contracts were constructed based on negotiations between the Giants management (usually the sales manager and his team) and the sponsor. As indicated by the MD during discussions, VIK was introduced into these discussions (mostly by the sponsors) because it is cheaper to provide and provides a connection between the sponsor and the team. In this regard it was stated:

"At a lesser unit cost to their cost of manufacturing but they also almost guarantee use of the product and code brand alignment by giving us product … and we're encouraged to use the product because it's value-in-kind, so there's a dual benefit, the benefit to the supplier around the unit cost but also the benefit to the supplier around use and being seen to be using that product." (Managing Director).

Interviews with Giants management, however, made it clear that – from the recipient's perspective – the VIK portion of the proposed deal would only be valuable if the VIK goods or services were 'budget relieving' (Burfitt *et al*, 2009), that is, the organization would pay cash for the goods or services if they weren't provided as part of the contract, or the organization is able to cash-convert the VIK resources through sale to a third party (see Appendix 1- cash convert). In either case, the VIK that is included in a contract must be reviewed and determined as satisfying the budget relieving criterion to be considered valuable to the recipient. It is only then that the value of the contract can be agreed between the parties.

In managing VIK resources there is a chain of transformations from the world of sponsor negotiations to the word of the accounting reports used by management in their decision-making processes. When the corporate sales manager signs a sponsorship contract with a sporting clothing manufacturer, for example, it is important that these resources (in the form of players' jerseys, shorts and socks) are included in the list of resource items consumed when an expense report is maintained. If this does not occur, then the clubs' expenses are understated. In this context, the Giants maintained spreadsheets and recorded the consumption of VIK resources on a progressive basis. It was stated:

"For the larger ones, again, Coke, Lion Nathan, Tyrrell's our new wine supplier. They send through a spreadsheet every month for us. They also know who's allowed to order. … For the smaller ones, at the moment I'm relying on them to send me the statements." (Corporate Sales Manager)

By recognising the transactions that have occurred as the resources are consumed, the transformation occurs, and the items are included in a spreadsheet. This spreadsheet then travels within the club and is forwarded to the accounts staff. This spreadsheet is based on information supplied by the sales staff and verified against supplier information. In the case of the sporting gear, consumption of this resource was lumpy, concentrated at the start of the season. Nonetheless, consumption was recorded as the VIK resource was transferred from the supplier to the club (see Figure 1: inventory list -vik (spreadsheet)).

Once recorded in a spreadsheet, the data were compiled by the chief financial officer and added, in a spreadsheet, to the data extracted from the financial reporting system, such as general ledgers (see Appendix 1: Inventory valuation – vik (spreadsheet) or Trial Balance – vik (spreadsheet) if consumed). VIK also had to be valued at this point, in order to allow it to be combined into a consolidated financial report. Generally, this value was based on a market value for the items supplied. Once consolidated, these data were transformed into the words constitutive of financial reporting requirements, materialised in income statements, balance sheets and cash flow statements (see Figure 1: Income statement-cash & vik (spreadsheet) and Balance Sheet – cash & vik (spreadsheet)). The word inscribed in these financial statements allows knowledge sharing about VIK resources and their management. This information is utilised in discussions about club performance and, in particular, with outside parties – such as the club's bank. When facing the difficulty of explaining variances in his income statement reporting and cash flow numbers, the Managing Director was quick to explain the impact of the VIK resources on his reports. This lack of understanding on the part of the banks and other outsiders is hardly surprising. This is illustrated by a comment from the MD in reference to his banker's confusion over VIK:

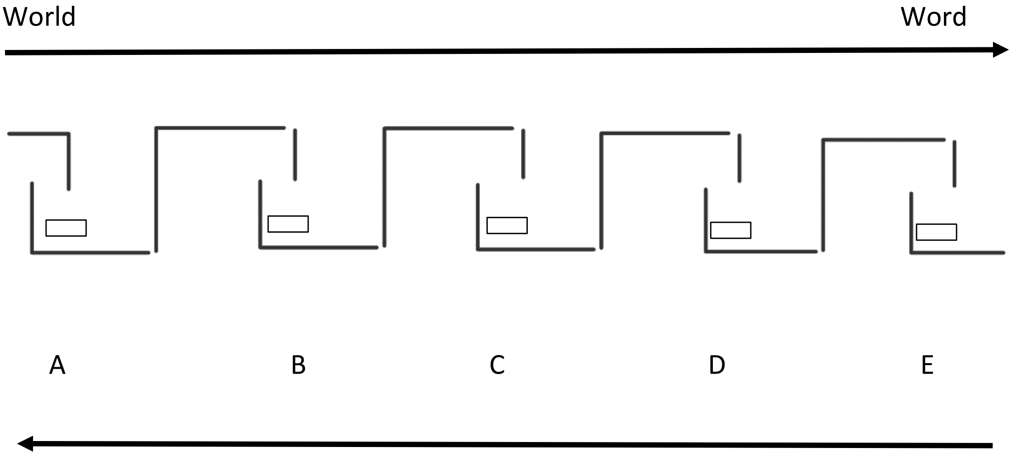
"From an accounting point of view, it does my finance department's head in 'cause you can't reconcile your cash flows to your budget forecast, that's a technical challenge, but, and to be honest, bankers and different people that review your financial statements go, 'oh, well your cash flows don't match your financial statements'." (Managing Director)

He reported having to explain to the bank that the difference was VIK resources received and utilised. This was accepted, but a difficult discussion ensued to ensure the bank understood the financial statements. Again, the Managing Director stated:

"It does complicate that finance leveraging point of view because they sit there and they look at the turnover and then they look at the cash flows and go well, hang on, these don't intertwine, well that's because it's cash flow, so it's difficult and maybe my background in finance makes it easier for me to be a fan of it because I understand the wheel turns equally as good, okay there's a bit more labour to it, but it does make it more difficult (for them to understand)." (Managing Director)

Within the case organization there were a number of methods used to capture the consumption of VIK resources. Moreover, different parts of the organization captured the consumption of the resources in different ways, depending on the quantity and the frequency of the consumption of a VIK resource. This multiplicity meant that the VIK resources were transformed into an element of the formal accounting system from different points of origin and using different methods. Nonetheless, if VIK resources were used, they were included, ultimately becoming part of the income statements and expense reports used to analyse the organization performance by a number of users. These steps are summarised in Figure 6 below, with limited transformations shown for simplicity.

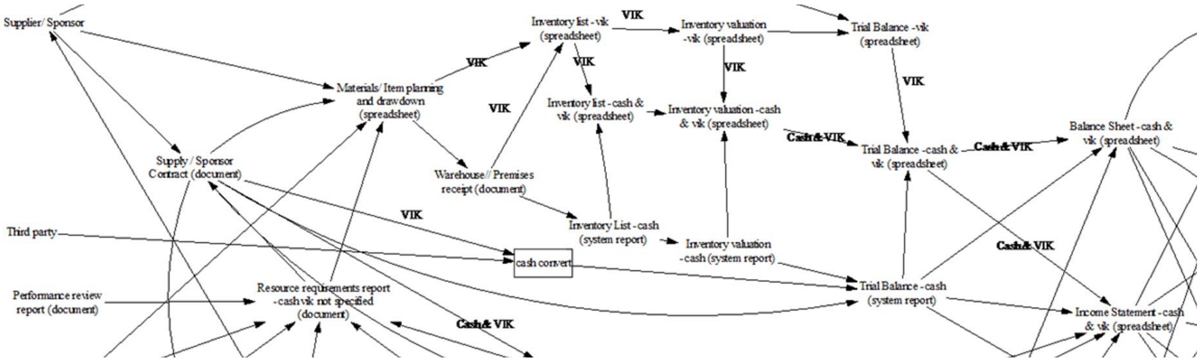
Figure 6: The worlds to words of accounting for consumption of VIK resources



Label	Matter	Form
A	Supply Contract	Goods Received Docket
B	Goods Received Docket	Material Inventory List
C	Material Inventory List	Inventory Value Report
D	Inventory Value Report	Trial Balance Report
E	Trial Balance Report	Balance Sheet Income Statement

In Figure 6 above, an item that is required by the organization to carry out its activities (such as the wine used to entertain club sponsors during a pre-game lunch) is tracked through the organization as outlined in Figure 1. The wine sponsor contract is the supply contract. As the wine items are ordered and then delivered to the club facilities, they are tracked through the normal goods receipt system via a docket, added to the beverages inventory list (alongside any other beverages ordered and paid for by cash), and then recognised once used in the trial balance report as an expense item (when they are no longer in stock). This process is illustrated below in Figure 7. They are valued in the trial balance and balance sheet/income statement. The valuation associated with the VIK is commensurate with the amount of 'budget relief' provided by an item.

Figure 7: Accounting for the consumption of VIK resources - focused excerpt from Figure 1



5.2.4 Accounting for the valuation of VIK sponsorship contribution

The sponsor negotiation process involves settling on the value of the sponsorship. This value can be listed in terms of the amount of cash provided by the sponsor, the amount of VIK resources provided, as well as the amount of sponsorship recognition that the sponsor will receive from the club:

"when I break that down in my spreadsheet, I have… a figure for that intrinsic association and IP and the value of that. You need it. … if you're asking someone to invest 250K, they might get 180K worth of inventory, you know, which you can easily cost out, like your corporate facility, your sign, database access, you know, invites to events, which you can put a figure to. There's an intrinsic value that you need to have in there as well. How much is that association worth" (Corporate Sales manager)

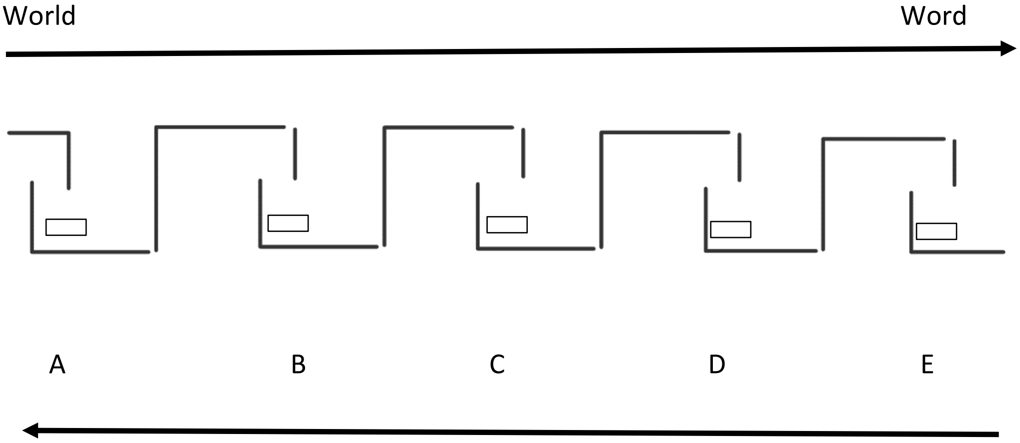
In this process, there is a need to value items separately and to consider the amount that individual items contribute to the club's business activities. The valuation of an item of VIK will likely be different to the amount that the sponsor will consider as its value. The cost of the product or service to be provided to the sponsor is its cost price (sales price less any margin). Even at a discounted price for large quantities or preferred customer recognition, this value will be less than the price at which the club could purchase the product.

As discussed above, the sponsor will prefer to supply its product as part of the sponsorship deal. The amount of recognition of sponsorship will be higher for the same amount of value forgone than if they provided sponsorship in cash form. The negotiation of the value of recognition between the sponsor and the club will decide the outcome of the recognition level. The club makes a decision on an equivalent cash valuation to complete this activity.

The sponsorship contract outlines the details of the agreement. It answers the questions as follows. What does the sponsor get? What does the club get? How much VIK value does the club get for each recognised dollar of sponsorship? How many seats at games do sponsors get? In addressing these questions, the sponsor negotiations may involve the separation of the different valuations associated with VIK resources, as reflected in the following quotation from an interview with the Corporate Sales Manager:

"with hotels … I said, okay, well, what are our requirements? Yeah, we're going to have two functions, you know, and so rather than saying to them, you know, I'd like value in coin for two functions for 150 people, with that I knew what my figure was. I said, can I have value in coin for $40,000 for all of this? <u>They've said to me, okay, well, Jeff, our GP [gross profit] for functions and whatnot is a lot different to room nights</u>. How about we break it down that you can have 28K worth of catering, you know, the lower GP stuff, and 12K of our higher GP stuff, which might be room hire, room nights, conference facilities and whatnot" (Corporate Sales Manager, emphasis added)

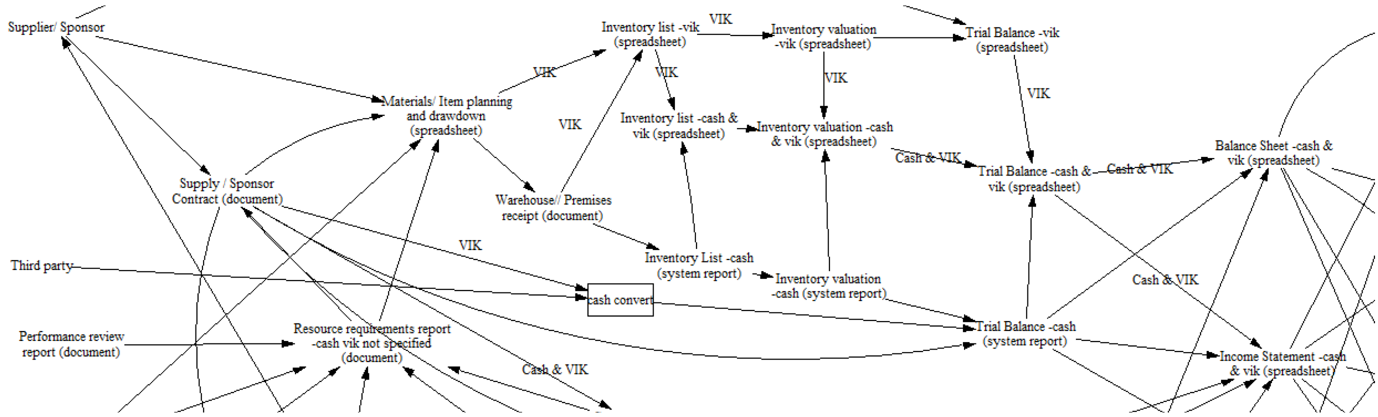
Figure 8: The worlds to words of VIK – accounting for VIK sponsorship contribution



Label	Matter	Form
A	Revenue plans	Sales/revenue forecasts
B	Sales/revenue forecasts	Supplier sponsor
C	Supplier sponsor	Supplier /sponsor contract
D	Supplier /sponsor contract	Resource requirements report
E	Resource requirements report	Supplier sponsor contract

In the circulating reference outlined above in Figure 8, the revenue plans include a portion of sponsorship revenue. This sponsorship revenue may begin as a non-specific item that is not allocated to an individual sponsor. These plans are completed at a similar time to the resource requirements report. Resource requirements may include the number of room nights in hotels around Australia, for example. Sales revenue forecasts would include the amount of revenue required to support the club's business activities. Potential supplier sponsors, hotels that are approached by the club to provide sponsorship support, may offer VIK as part of their arrangement. This would be negotiated as outlined above and may involve varying valuations of the subparts of a sponsorship deal. What is the value assigned to room nights from a hotel? What is the value assigned to events and catering from a hotel? Budget relief would also be a consideration in the valuation process here. VIK resources offered would be verified against the resource requirements report. Finally, the sponsor contract would be agreed and signed by both parties. The relevant section of Figure 1 is presented in Figure 9 below.

Figure 9: Accounting for VIK sponsorship contribution - focused excerpt from Figure 1



This section has detailed four examples of the routings sustained by circulating references transforming VIK resources into the Giants' accounting activities. These routings allow the organization to use the resources, in their non-financial or financial forms. Section 6 discusses the issues arising from this case study of the Giants sporting club and its routings of VIK.

6. Discussion

The case examines the growing significance and materiality of VIK resources in an Australian rugby league club. Section 5 has outlined the practices developed by the sporting organization in response to the challenge of managing significant VIK resources. Four different sets of practices or 'routings' were described, and the methods that these routings utilised to deal with the VIK resources were different in each. They are interesting in that each routing is different in the ways that financial and non-financial inscriptions of VIK are either separated from or integrated in relation to the other. These differences indicate the tensions confronted by the club management in terms of managing organizational resources in the form of VIK. Section 5.2.1 discussed the routing accomplishing the integration of non-financial inscriptions using an example of the transformation of VIK initially characterised in non-financial terms (such as quantities of supplements for players) into meaningful financial inscriptions included in the club's budgets. This routing is significant because it made VIK visible and, therefore, a focus of management discussion (Vaivio 1999a 1999b 2006). Section 5.2.2 outlined the separation of non-financial inscriptions to enable the local and differential management of an array of diverse high and low value forms of VIK (such as air travel compared to energy drinks). This routing was primarily operational in focus and resulted in information that was specific and focused on individual line items, which was important for control purposes. The routing exploring the integration of financial inscriptions resulting from the acquisition and use of VIK was discussed in Section 5.2.3. This section highlighted the problems created for the sporting organization because external users (such as banks) were unable to readily interpret the effect of integrating VIK on revenue, expense, and cash flow items in the traditional financial statements. This section also indicated the importance in practice of the concept of "budget relief" in the process of translating VIK resources into credible accounting inscriptions. Section 5.2.4 followed with a discussion of the separation of financial valuations and inscriptions in the context of sponsor negotiations. An example was provided whereby sponsors and the club valued VIK from the same sponsor differently, depending on its nature (indicating, for example, the different profit margins on different goods and services available from one sponsor).

6.1 Routings and matters of concern - the development of a conceptual framework

The routings discussed above developed as a response to matters of concern confronting managers in practice, such as those who were observed and interviewed in our case study of a sporting organization. The prevailing matter of concern is: how VIK resources are to be incorporated via accounting practices into processes of organizational resource management? In this section, we outline a conceptual frame that encapsulates the translations of matters of concern in relation to VIK and their accountings in terms of four potential routings, which have been described using the Latour framework as part of our study.

As Figure 10 illustrates below, VIK resources are treated in different ways to bring them into use within the organization. In some routings, as outlined in Quadrant 1, practices are developed to translate VIK resources initially inscribed in terms of non-financial inscriptions (such as kilos of a protein supplement for use by the football players) in ways that enable their integration into the financial reporting structure. Other routings, such as those encompassed by Quadrant 3, are developed as part of the accounting infrastructure to integrate VIK resources initially expressed in financial terms (for example, thousands of dollars of airline travel for the sporting team) into the financial reporting structure, encompassing both management and financial accounting reports. Alternatively, practitioners may also confront matters of concern with respect to maintaining the separation of VIK to facilitate their management. Such situations are anticipated in Quadrants 2 and 4. In some situations, local practices are developed to enable the individualised control and management of particular items of VIK, or to facilitate discussions and negotiations with sponsors. As such, Figure 10 outlines these four different ways that the VIK resources are potentially treated by accounting systems, highlighting also the tensions arising from a need to integrate or separate VIK resources, as well as representing VIK in non-financial or financial forms or materialisation.

Figure 10: Accounting for VIK in the Giants

	Integration	Separation
Non-financial	<u>*Integrating non-financial inscriptions*</u> • ***Visualization:*** *Cash and VIK items are listed side by side in original form.* • ***Purpose:*** *Integration of VIK into the reporting systems to make organizational resources visible, becoming a focus of management discussion.* • ***End Users:*** *Management, internal planners, sales representatives.*	<u>*Separating non-financial inscriptions*</u> • ***Visualization:*** *Line item focus enabling the tracking of individual items. Identified as Cash or VIK with no tradability between items.* • ***Purpose:*** *Operational planning and action. Control of utilization and expenditure.* • ***End Users:*** *Operational staff.*
Financial Valuation	<u>*Integrating financial inscriptions*</u> • ***Visualization:*** *Integration of financial and non-financial inscriptions into P & L & balance sheet.* • ***Purpose:*** *Ensure reporting of total revenue and an evaluation of "budget relief" with respect to expenses. Educating banks and creditors.* • ***End users:*** *Banks, creditors, finance staff.*	<u>*Separating financial inscriptions*</u> • ***Visualization:*** *Sponsor recognition level.* • ***Purpose:*** *Sponsorship discussion - potential items and value. Cost structure discussion.* • ***End Users:*** *Sponsors, sales representatives, senior management.*

Identified and analysed above is a diversity of practices used by the Giants in response to the need to create new accounting practices, where the existing practices proved to be inadequate to identify and capture the VIK resources that the organization had at their disposal and required in order to function. This study builds on the work of Power (2015) by describing the detail of the development of an accounting infrastructure: the capillary-like network of routings that have been developed to enable and support the accounting for VIK in the land of the Giants. These routings required to account for VIK assume multiple and different pathways through a complex and inter-related set of accounting practices.

The Giants also confronted the challenge of translating VIK into the information that the users find useful and interesting. In order to be useful to users, VIK has to be embedded in a chain of translations that are connected to and inform the matters of concern of user groups. The multiple routings identified in the previous section highlight some of the important sets of practices that have assisted in making VIK resources useful to a range of users associated with the Giants. By providing the information in different forms (financial, non-financial, integrated and/or separated) as a result of these differential routings, and, in different reports (local spreadsheets or global financial statements), the different needs of the user groups were addressed. Arguably, traditional cash and accrual-based financial reports, consolidating financial valuations, would leave some users without the level of detail required to make the evaluation or decisions required in this context. This would leave the management of this sporting organization, for example, in a difficult situation when negotiating with existing or prospective sponsors and communicating with internal actors regarding the use of VIK. Showing aggregate organizational information excluding the value of VIK resources would make loan discussions with banks or other creditors, or even analyst assessment using ratio analysis problematic as the data employed are far from complete. The provision of data following the sets of practices illustrated by the routings identified above provides a far more comprehensive and useful set of information for users' decision, such as operational, credit decisions, and contract decisions.

In discussing the routings available to translate VIK into useful information, this paper explored the challenges faced by the Giants in incorporating the non-financial inscriptions representing VIK resources or inputs acquired from sponsorship agreements into their accounting systems. These non-financial inscriptions are not like those that are described in the extant literature (Vaivio, 1999a, 1999b, 2006; Catasus *et al*, 2007; Kaplan and Norton, 1996), which has tended to be concerned with non-financial inscriptions as outputs and how these numbers are used in decision-making, such as the evaluation of performance. This study illustrates how non-financial inscriptions of organizational resource inputs in the form of VIK are transformed to become useful (see Andon et al, 2015). This study does so while demonstrating the diversity and multiplicity of the translational devices (spreadsheets, extant accounting systems), actors, local knowledges, organizational roles and tasks, and audit trails (Wouters and Roijmans, 20011; Wouters and Wilderom, 2008) generated by various circulating references to create an accounting infrastructure (Power 2015) enabling both financial and non-financial measures of VIK to coexist via both contemporaneous separation and integration. The four routings proposed and utilised in this study are suggestive of a need for future research to investigate their applicability to other sponsorship settings, not only in sporting organizations, but also in other organizations that may mobilise a range of different stakeholders, decision situations, values and objectives.

Moreover, in the face of a lack of extant and professionally sanctioned procedures to follow to translate the world of VIK resources into the 'words' of accounting, the staff at the Giants responded by developing a variety of local and highly situated methods to inscribe VIK in departments and within the Giants' accounting system. In particular, these actors aimed to develop practices for achieving their objectives, which enabled a combination of both cash-based and VIK (non-financial) information. During interviews and discussion, club managers indicated that they discarded methods that didn't work, sticking with practices that worked for them. The resulting accounting infrastructure was a collection of processes or 'work arounds', which were developed by those tasked with using the VIK resources. These processes utilised cash-based methods of manipulating financial inscriptions, as well as other methods that were more appropriate for non-cash resources and the way that they were provided and used. As Ciborra (2002, p.278) stated, "It is worthwhile to consider the process by which those implementing accounting methods and technology do so in incremental and 'piece by piece' fashion." In this vein, Andon, Baxter and Chua's (2007) study of the development of a new performance measurement system also noted that "The performance measurement agenda mutated through ongoing trials and experimentation. Organizational participants laboured to produce workable outcomes (p.300)." In the land of the Giants, this development process was manifested in a series of attempts to apply cash-based methods (such as quantification and financialisation, classification, comparison, and accumulation), tinkering and adapting these methods until something that worked was determined. The 'solution', however, was a much more heterogeneous chain of transformations, variously associating financial and non-financial inscriptions, via a coherent circulating reference or audit trail. By sticking with the translational associations that had proved to work by being useful in a local context, an increasingly "stabilised" sets of practices or routings began to characterise the accounting infrastructure (Power 2015) enabling the Giants' management and control of VIK resources. The need for multiple routings, as opposed to a single routing as identified by Power, is made so by the tension and complexity of needing to integrate and/or separate the non-financial and financial inscriptions of VIK. The conceptual frame outlined above in this study also raises issues in relation to the way that we think about the use of financial and non-financial inscriptions in accounting previously explored by the extant literature in this field. (Vaivio, 1999a, 1999b, 2006; Catasus *et al*, 2007; Kaplan and Norton, 1996). The Balanced Scorecard literature, for example, relies on routings that are called 'causal chains", as such there is a clear line through the connection of non-financial and financial performance measures. This causality allows the drawing of a line, or single pathway. The infrastructure described above shows that there are multiple and overlapping routings (illustrated by the commonalities in three of the four example routings starting from the same area, suppliers, as shown by the mapping of the routings on Appendix 1). When mapped together on a single figure, we can see a network of multiple capillaries that help constitute and stabilise infrastructure.

In this analysis of these tensions and complexities, the discussion highlighted the importance of a new and emergent method of valuation described as "budget relief". Budget relief was a workable solution to the problem of translation and valuation, providing a local norm in the absence of relevant accounting standards – involving a form of commensuration in the form of an equivalent cash-based saving. The tension and complexity identified in the above discussion was found in the way that there were two different market values underpinning budget relief – it is not just replacement value, what it would cost you to buy the equivalent resource to use. There is also budget relief via resale values in the sense of selling off VIK (referred to in the figures as "cash convert") that the organization can't use to get cash in exchange. As such, this case study has highlighted that budget relief can be extended to encompasses two different approaches to valuation – first, relief in the terms of not having to purchase items and, second, relief from selling unwanted items of VIK and converting them to cash at some sort of exit/salvage value. The concept of budget relief destroys the relationship between performance measurement and cash flow. We can no longer measure performance of the organization through the cash flow. Some VIK resources are not budget relieving but are still used or useful. These items would not be worth paying a market value of cash by the organization. They provide a form of budget relief, as cash does not need to be paid for the item, but they do not save any cash flow. The concept of budget relief and the nuances in relation to the concept have been outlined and illustrated in this study. As Mouritsen et al (2001) wrote, "to value means to create numbers for certain organizational arrangements" (2001, p.401). The Giants recognised the items of VIK that contributed value, through a reduction in need to give up cash in the future, and attempted to value the items which were not purchased and therefore don't have a price tag or historical cost attached to them.

Theoretically, Latour's (1999) circulating reference was outlined as a way of considering the importance of capturing the 'world' of an organization (including all its resources) and how, through a chain of transformations, this was inscribed by reporting the 'word', enabling the circulation and amplification of knowledge. The notion of a circulating reference was identified as a useful way of studying the practices used to make visible VIK resources in the context of accounting inscriptions and reports. In the case organization, the 'word' or the amplification included the financial profit and loss reports and cash flow statements used for financial reporting and discussions with banks, and management planning and budgeting data and reports for use by management and staff. The concept of a circulating reference, transforming contracts, spreadsheets, and plans and reports, enabled VIK resources to be captured and recorded, and used in the everyday activities of the business in ways that were guided by the club's overall goals and expectations for good financial management. Likewise, Dambrin and Robson (2011) described a process of moving from the world of pharmaceutical sales representatives to the word, the inscription of their sales performance. However, this case study of the Giants has dealt with a world of resource management (extending beyond the performance measurement world of Dambrin and Robson), which provides information for the many users of the accounting reports both within and outside the organization. Within this context, multiple circulating references are maintained and continued in relation to the resource management of the Giants. Therefore, unlike Dambrin and Robson, we do not have the type of opacity that obscured the chain of transformations in the French pharmaceutical industry. In comparison, within our case organization, the establishment of multiple and overlapping chains of transformations, enabled the development of an infrastructure supporting the production of accounting inscriptions and reports that were useful to multiple users for different purposes. When the objective is to provide a report to assist in having a conversation with a bank for the purposes of securing a loan, the chain of transformations differs from the one that provides information enabling the club's management to have a conversation with a potential sponsor. There are different methods used to create visibility (or, perhaps, not create visibility) around VIK resources. While the "word" that is inscribed in the reports may have a traceable connection with the "world", there was, nonetheless, potential ambiguity from the complexity and multiplicity associated with the different processes attending the planning, receipt, consumption, and holding of VIK resources from different sources. The non-financial inscriptions representing the VIK resources were transformed to a relevant number that could be combined with the financial numbers representing non-VIK resources. The ambiguity arising from the multiple potential uses of VIK inscriptions appears to have been acceptable in this case due to the perceived local expertise of the staff performing the transformations at each stage in the various routings.

As such, accounting for VIK disrupts our understanding of the clearly defined and consistent system of recognition and reporting that accompanies cash (and cash-based) resources. The latter provides a circular reference, which is clear and understandable – both within and beyond the club. When VIK resources are introduced to an organization, the circular reference has multiple origins and processes to bring VIK into chains of transformation, mobilising varied local skills and experiences of users. Having said this, local variations in methods didn't impact on the usefulness of the accounting reports for the users because of the unbroken chain of transformations that culminated in their production and reversibility/auditability. The teams responsible for each process were clear about how they executed the transition from non-financial inscriptions to relevant local accounting reports. The local nature of these reports and information had the consequence that managers were highly aware of VIK resources and, as such, this resource consciousness led to their use, with 'value' being derived from VIK by the sporting organization.

7. Conclusion

Our study makes visible the previously little examined practices in relation to accounting for VIK resources. In so doing, we make three main contributions to the literature.

First, we contribute to our understanding of the constitution and stabilisation of accounting infrastructures via networks of practices. Power (2015) writes about the importance of integrated, linked and systematic processes for the stability of production of performance representations (2015, p. 52). In this way, Power writes about the use of accounting to stabilise an object for specific purposes. Our study demonstrates the multiple routings, or chains of circulating references, required to constitute and stabilise an accounting infrastructure for different purposes such as financial accounting, management accounting etc. This study identifies the detail of the accounting infrastructure established by the organization: namely, the multiple routings for different specific purposes; the detail of the routings, including inputs and users (human and non-human actors, spreadsheets and reports) that are identified with the information flows between each of these tracked in detail; and, the data generated, structures and information trails established in order to complete the task (purpose) of accounting for VIK resources. These include planning tasks, negotiation tasks, management tasks etc. Further, our study highlights that contribution of a capillary-like network with multiple and overlapping routings in comparison to the linearity of the causal chain of a balanced scorecard. This is illustrated by the multiple overlapping practices that are an important part of the stability that is achieved in these practices (see Appendix 1). The infrastructure is not a linear neat thing. Rather, it is very detailed and complex.

Second, we contribute to an understanding of the allocation and management of VIK resources. We do so by extending work on the nature and use of non-financial measures (Vaivio, 1999a, 1999b, 2006; Catasus et al, 2007; Kaplan and Norton, 1996). VIK resources are becoming more significant in many organizations. Existing accounting systems are not able to adequately address these resources. By systematizing these non-financial measures representing VIK resources, the resources are given more focus and become part of the discussions by organization management relating to planning and budgeting and reporting. The balanced scorecard literature illustrates the importance of measuring significant aspects of the organization's operations, with a view to drawing these to the attention of management. This study has described the ways that the case organization has systematized the methods for ensuring that the non-financial inscriptions are used to identify and incorporate (or separate) the VIK resources into the organization accounting systems. These literatures are mainly about effects – customer satisfaction, time – and other performance measures. The current study discusses resources or inputs that can be utilised in different ways. That have different uses. These resources have the potential to provide "budget relief" (discussed below). The difference between the effects discussed above and resources is, that when a resource is considered as part of the management focus, it is a budget input, it has to be managed or organised. The resource becomes a planning object that has to be talked about in a different way to an effect. It becomes an item that is considered in terms of what the world could become. These effects discussed above are considered by management from an anticipatory stance in terms of resources subject to decision making possibilities. VIK raises the question of "how do we allocate?". Given our nascent level of understanding, there is a significant need for future research which examines the allocation and management of VIK far more extensively in a diversity of different contexts, both in sporting organizations and other sectors where VIK is an important part of organizational functioning (such as the charity sector).

Third, we highlight the importance of "budget relief" as an important method of valuation adopted in practice. Budget relief (Burfitt et al, 2009) was mobilised by practitioners in this case as a way of financialising the value of VIK resources. How does VIK helped to reduce an organization's budgeted outlays, thus enabling scarce cash flows to be expended on alternative uses? The answer to this question was found to be twofold. On the one hand, VIK are budget relieving to the extent that they saved the club spending a specified amount in purchasing the items promised in a sponsorship contract (for example, avoiding the direct purchase of airfare to travel to interstate games). On the other hand, VIK is also budget relieving if it has a salvage value that can be obtained through the resale of unwanted or unused items of VIK provided by sponsors. Again, much remains to be known about this form of valuation, particularly when markets may be relatively unique (for example, the provision of bespoke customer experiences by sponsors), and the resolution of tensions between sponsors and recipients when valuing VIK for the purposes of conferring sponsor benefits.

In conclusion, our paper examines a hitherto little explored aspect of accounting practice – that is, accounting for VIK resources. VIK is a material component of many contemporary organization's resource profiles, including sporting organizations. Our research characterised the multiple routings created in an organization to manage the complexity of accounting for non-cash, VIK resources. (These are summarised in Appendix 1 and Figure 11.) The different type of routings which resulted in the transformation of VIK, by integrating or separating non-financial and financial valuations in various ways, were described using Latour's concept of a circulating reference. VIK resources are transformed through these circulating references, which created different routings for different accounting users and purposes. These routings were illustrated by a network diagram (and focused specific sections of the diagram) showing the detailed chains of practices and actors sustaining these transformations in action. Integral to these transformations of VIK were three main concepts: first, the importance of maintaining multiple and unbroken chains of transformation to establish the usefulness of accountings for VIK for range of different users; second, the workability of improvised practices derived from local knowledge and expertise; and, third, the notion of "budget relief" as a means of valuing VIK. By utilising these concepts, this study helps us to understand, first, the usefulness of local information systems in accommodating and managing the multiplicity of resource management practices that are inscribed in a diversity of locally useful non-financial measures and, second, how their financialization, via traditional accounting reporting practices of financial reporting and planning and budgeting for example, enabled the coherent integration and visibility of VIK resources in processes of organizational planning and externalised accountability.

It is hoped that this case study will help to generate future conversations amongst both researchers and practitioners. While this study focused on the way that VIK translates into different types of accounting, future papers could focus specifically on the financial accounting or management accounting issues that arise from the prominence of VIK resources within an organization. Future studies could also include reference to the study of tax implications of 'unrecognised' VIK resources. There is still much to be learned about accounting for VIK resources, particularly understanding why such a significant aspect of funding the operations of so many organizations has escaped the gaze of standard setters and policy makers alike. Similarly, we need further research to understand if auditors, both internal and external, are likewise blinded to the existence of these resources. If so, why is this the case? If not, are VIK resources treated with the same degree of professional scepticism? Will future studies show similarities or differences across sporting, arts and non-profit organizations in their management of VIK resources? While this study has focused on the recipient organization, future studies could also investigate the VIK resource issue that arise from the sponsor or the givers' perspective. This may help in understanding the attraction of VIK in the sponsorship relationship. Much interesting work remains to be conducted in this field.

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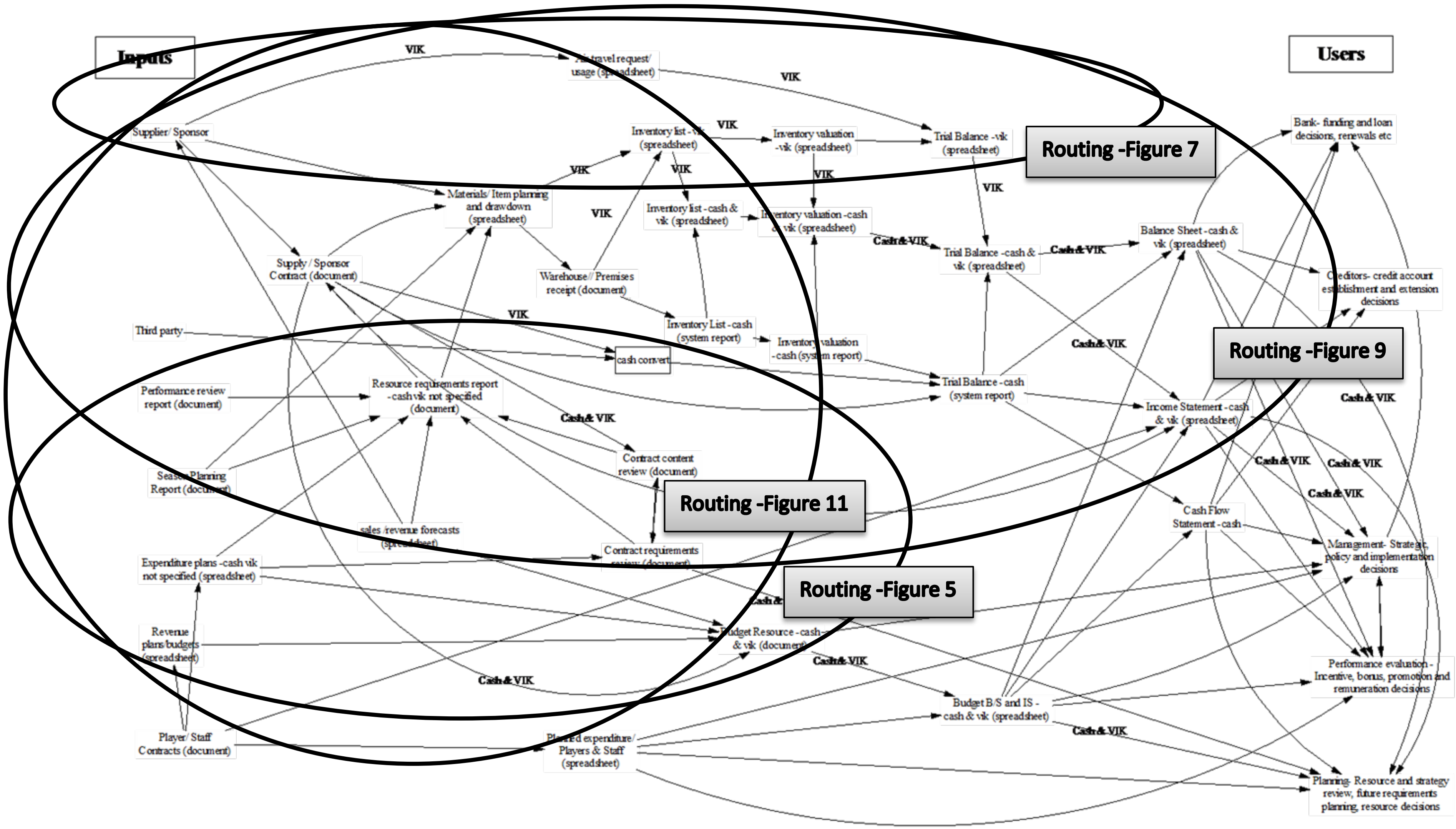

Appendix 1: Incorporating VIK resources into the Accounting

Appendix 2: List of Interviews (In date order)

All interviews are recorded and transcribed unless interviewee title is followed by NR. (This stands for not recorded.) Meeting notes were taken when the interview was not recorded.

Interviewee	**Date**	**Duration**
1. Managing Director	11/1/2011	(1 Hour)
2. General Manager Player and Community Development	11/1/2011	(3 Hours)
3. Corporate Sales Manager	11/01/2011	(.75 Hour)
4, Strategic Management Meeting	25/1/2011	(.5 Hour)
5. Corporate Sales Manager	25/01/2011	(.75 Hour)
6. General Manager Operations and Media	25/01/2011	(1 Hour)
7. General Manager Player and Community Development	25/1/2011	(2 Hours)
8. General Manager Player and Community Development	14/2/2011	(2 Hours)
9. Managing Director	15/02/2011	(2 Hours)
10. Chief Financial Officer	15/02/2011	(1 Hour)
11. Marketing Manager	15/02/2011	(.4 Hour)
12. General Manager Player and Community Development	13/4/2011	(2 Hours)
13. Corporate Sales Manager	14/04/2011	(1 Hour)
14. Marketing Manager 15. General Manager Licensed Venues 16. General Manager Licensed Venues 17. Managing Director 18. General Manager of Compliance and Group Finance 19. General Manager Player and Community Development	14/04/2011 14/4/2011 24/2/2012 24/2/2012 24/2/2012 16/3/2012	(1 Hour) (1 Hour) (1 Hour) (1 Hour) (1 Hour) (2 Hours)
20. Community Ambassador (1) 21. Community Ambassador (2) 22. General Manager Player and Community Development (NR)	12/4/2012 12/4/2012 23/12/2013	(1 Hour) (.5 Hour)
23. General Manager Player and Community Development (NR)	19/8/2015	(2 Hours)
	Total	28 Hours

Appendix 3: Key Interview Themes

Theme	**Indicative Content**
1	Brief outline of interviewee's job and career history.
2	The interviewee's past experience in dealing with non-cash resources.
3	Interaction with non-cash resources in current role
4	More detail based around any of the descriptions that are new or different to previous interviews
5	Any suggestions of other people within the organization to speak with on this issue.
6	Final comments or suggestions

Appendix 4: Data Collected via Observation

Item	Number
Photos taken during site visits	89
Videos taken during site visits	366
You tube and other Videos collected	3
Field work diary/Field trip documents	24 pages. 11,000 words
Field Visits	5 Jan 2011 – Aug 2012

Appendix 5: Documents Collected

Item	Number
Newspaper Articles	189
Newsletters, social media.	366
Brochures, sponsor offers, Reconciliation Action Plans	14
Physical objects/Match programs	4
Interview notes, physical objects/match programs	204
Interview transcripts	20