

University of North Carolina Greensboro
Political Science 511-F
Problems in Public Administration: Financial Management for Non Profit Organizations

Spring 2008

Instructor: Randy Billings
Class Day/Time: Thursdays, 6:30 PM to 9:20 PM

Class Meeting Dates: January 17
January 24
January 31
February 7
February 14
February 21 (Make up class if needed due to weather)

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USE OF BLACKBOARD

Students should use Blackboard for information about the class, assignments, tests and readings. All PowerPoint lectures will be posted on Blackboard prior to class.

COURSE OBJECTIVE

This course is an introduction to financial management for non-profit organizations. Some reference will be made to public organizations, especially in the context of general accounting and financial management terms and concepts, but the primary focus of the course is toward non-profit, financial management. The course is intended to expose the student to terms, concepts, and methodologies of financial management. It is not intended to prepare students for careers in financial management. The course will prepare non-profit managers for the problems and challenges they will face as program managers and/or executive officers in non-profit agencies. Students will learn accounting concepts and financial terms and will be able to understand financial management well enough to be able to at least ask relevant questions.

COURSE TEXTBOOK

The required textbook for this class is Not-for-Profit Accounting Made Easy, Second Edition by Warren Ruppel. This text is an e-textbook that can be obtained from the Wiley Publishing site at <http://www.wiley.com/WileyCDA/WileyTitle/productCd-0470169753,descCd-ebook.html>. (ISBN: 978-0-470-16975-9) The cost of the e-book is \$29.95 and it can be downloaded and viewed by Acrobat Reader on up to four computers.

Additional material for the class will include a combination of lectures, readings, group discussion, presentations by students, and guest presentations.

COURSE GRADING

There will be two exams that will be given on Blackboard. The first exam will be made active after the second week of class and must be completed by 5:00 PM on the following Tuesday. The exam will cover the material covered in the first two weeks of class. Questions may come from the textbook or from the lecture.

The second exam will be made active after the fourth class. Students will have until 5:00 PM on the following Tuesday to complete the exam. The second exam will include material from weeks 3 and 4.

The final exam will focus on material covered in the entire course. It will be due one week after class ends.

GRADING COMPONENTS	
Exams:	
➤ Exam #1	25%
➤ Exam #2	25%
➤ Final Exam	35%
Class Project:	15%

CLASS PROJECT

Students will select a non-profit organization and conduct an interview of the chief financial officer. The non-profit selected must be identified and approved by the instructor prior to conducting the interview. The student will be required to write a two to three page report on the results of the interview. Students will be graded on the content of their written reports.

Below are examples of information that should be included in the report:

- Name of person being interviewed
- Title of person being interviewed
- Brief description of the agency
- Size of annual budget
- Agency fiscal year
- Number and type of funds
- Are independent audits required and how often are they conducted?
- How often are financial statements/reports issued and to whom?
- Who are the grantor agencies?
- Where does its money come from and how do they spend it?
- What is the role of the board in financial management?
- Other relevant information.

COURSE OUTLINE

The following outline lists the planned topics, readings and assignments for each of the five sessions.

January 17, 2008 (Week 1)

Required reading: None

To be covered in class:

- Introduction and overview of the course
- Introduction of students and identification of course expectations
- Lecture and discussion of financial management
- Lecture and discussion of accounting concepts and terms
- Debit/Credit Class Exercise

January 24, 2008 (Week 2)

Required reading:

Chapter 1 – *Understanding the Basics of Not-for-Profit Accounting*, Not-for-Profit Accounting Made Easy.

Chapter 2 – *Basic Financial Statement of a Not-for-Profit Organization*, Not-for-Profit Accounting Made Easy.

To be covered in class:

- Review of Chapter One
- FASB 116 and 117
- Introduction to Balance Sheet, Activities Statement, Statement of Cash Flow
- Balance sheet exercise

January 31, 2008 (Week 3)

Required reading: Chapter 3 – *Accounting for Contributions*, Not-for-Profit Accounting Made Easy.

Chapter 5 – *Accounting for Activities with Joint Costs and Indirect Cost Allocation*, Not-for-Profit Accounting Made Easy.

To be covered in class:

- Review of Exam
- Indirect Costs
- Contributions
- Depreciation methods
- Financial statements – Activity Statement

February 7, 2008 (Week 4)

Required reading: Chapter 12 – *Current Developments in Not-for-Profit GAAP*, Not-for-Profit Accounting Made Easy.

To be covered in class:

- Chapter 12
- Internal control
- Inventory valuation
- Financial statements – Cash Flow
- Internal financial statements and reports
- Purchasing and fixed asset management

February 14, 2008 (Week 5)

Required reading: Chapter 11 - *Analyzing the Financial Health of Not-for-Profit Organizations*, Not-for-Profit Accounting Made Easy

To be covered in class:

- Circular A-122; “Cost Principles for Non-Profit Organizations” (This material is available on the Office of Management and Budget’s website at www.omb.gov)
- Auditing
- Analyzing financial statements
- Presentation of class projects