

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

Spring 2009

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

Class Meeting Dates: January 26  
February 2  
February 9  
February 16  
February 23  
March 2 (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. While lectures will be posted to Blackboard, there will be considerable additional material presented in class that will require students to take notes. Test questions will come from some of the information presented in 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.

The course begins with the introduction of terms and concepts relevant to financial management and merges what the student has learned into the presentation of financial statements. Commonly used terms and concepts will be presented in the context of why it is important to know and how those terms and concepts are used in everyday management.

**COURSE TEXTBOOK**

There is no required textbook for this class. Some readings will be posted on e-Reserve and/or posted as a PDF in Blackboard.

**COURSE GRADING**

There will be two exams that will be given on Blackboard. The first exam will cover the material covered in the first three weeks of class. Questions on the tests will come from the lectures, readings, discussions, and information provided in class and will be a mixture of short answer, short essay, true/false and multiple choice. The exams are in Blackboard which requires students to take the test on-line. The tests are set up to see the entire test at one time, to have as much time to take the test as necessary (within the given timeframe), and to start and stop the tests as often as needed. Tests will be made active immediately after class on the third and fifth weeks, unless otherwise changed. The first exam will be made active after the third week of class and will include the material presented and the required readings for the first three weeks. The second exam, which is the final exam, will be made active after the last class. The final exam will primarily include information presented and required readings in weeks four and five but may contain questions coming from information presented in any part of the course.

Grades for the class will be determined as follows:

GRADING COMPONENTS	
Exams:	
➤ Exam #1	35%
➤ Exam #2	40%
Class Participation	10%
Class Project:	15%

**PARTICIPATION ON TEAMS**

Each student will be assigned, or volunteer to join, one of four teams. There will be approximately five students per team. Teams will be used throughout the course to research and lead discussions on various topics, to work on assigned problems, make presentations and carry out the class project.

**CLASS PROJECT**

Each team will select a non-profit organization and conduct an interview of the chief financial officer. The non-profit selected must be identified and approved prior to conducting the interview. The team will be required to write a report on the results of the interview and make a 15 minute presentation in class on the findings the last night of class. The written report and class presentation should include supporting information such as graphs, tables, charts, etc. that will support the presentation.

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 and its services
- Size of annual budget
- Agency fiscal year
- Staff and their role in financial management
- Information from financial statements
- Major grantor agencies
- Description of internal control measures
- Where its money comes from and how they spend it
- Major challenges in financial management
- Responses to current economic downturn

### **COURSE OUTLINE**

The following outline lists the planned topics, readings and assignments for each of the five sessions. There will be additional issues presented during the course based on current events or need for additional discussion on particular issues.

#### **January 26, 2009 ( 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 on:
  - \* Definition of financial management
  - \* Roles of stakeholders in financial management
  - \* What makes non profits different
  - \* Types of non profit organizations
  - \* IRS Form 990
  - \* Generally Accepted Accounting Principles (GAAP)
- Lecture – Identifying revenues and costs and how to account for them

#### **February 2, 2009 ( Week 2 )**

**Background information on non-profit organizations**

[http://managementhelp.org/org\\_thry/np\\_thry/np\\_intro.htm](http://managementhelp.org/org_thry/np_thry/np_intro.htm)

**Required reading:**

Chapter 1 – *Understanding the Basics of Not-for-Profit Accounting*, Not-for-Profit Accounting Made Easy by Warren Ruppel. (This reading is posted on Blackboard as a PDF.)

**To be covered in class:**

➤ Presentations:

Each team is responsible for researching and presenting information in class related to GAAP. A short paper on each subject is expected from each team member. At the beginning of the next class teams will spend a few minutes organizing their presentation.

Team # 1 – GASB

Team # 2 – FASB

Team # 3 – FASB Statement 116

Team # 4 – FASB Statement 117

- Continuation of lecture from Week 1 if necessary
- Discussion of Chapter 1 reading
- Debit/credit exercise – performed in teams
- Understanding capital costs and how to account for them
- Indirect costs – their role in the cost of doing business and how to calculate
- Understanding and figuring depreciation of fixed assets
- Inventory – determining value

**February 9, 2009 ( Week 3 )**

**Required reading:**

Chapter 2 – *Basic Financial Statements of a Not-for-Profit Organization*, Not-for-Profit Accounting Made Easy by Warren Ruppel. (This reading is posted on Blackboard as a PDF.)

Chapter 5 – *Accounting for Activities with Joint Costs and Indirect Cost Allocation*, Not-for-Profit Accounting Made Easy by Warren Ruppel. (This reading is posted on Blackboard as a PDF.)

**To be covered in class:**

- Continuation of Week 2 lecture if necessary
- Discussion of Chapter 5
- Financial statements – Activity Statement \*
- Financial statements – Statement of Financial Position \*
- Financial statements – Cash Flow Statement \*

\* Teams will be assigned financial statements to research and present in class.

**February 16, 2009 ( Week 4 )**

**Required reading:**

Chapter 3 – *Accounting for Contributions*, Not-for-Profit Accounting Made Easy by Warren Ruppel. (This reading is posted on Blackboard as a PDF.)

**To be covered in class:**

- Review of the exam
- Continuation of financial statements
- Exercises in the preparation of financial statements
- Understanding the recording of contributions
- Internal control
- Internal financial statements and reports
- Purchasing and fixed asset management

**February 23, 2009 ( Week 5 )**

**Required reading:**

Chapter 11 - *Analyzing the Financial Health of Not-for-Profit Organizations*, Not-for-Profit Accounting Made Easy by Warren Ruppel. (This reading is posted on Blackboard as a PDF.)

**To be covered in class:**

- Presentations:
  - \* Team presentations on non profit organizations studied
- Federal Management Circulars (This material is available on the Office of Management and Budget's website at [www.omb.gov](http://www.omb.gov))
  - Circular A-122; "Cost Principles for Non-Profit Organizations"
- Financial analysis - auditing
- Financial analysis – calculating ratios