

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

Spring 2010

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

Class Meeting Dates: January 20
January 27
February 3
February 17
February 24
Note: No class on Wednesday, February 10

Telephone: 294-4950 (Office)
339-8731 (Mobile)

E-mail: rbillings@triad.rr.com or
rbillings@ptcog.org

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

The text for the course is Not-for-Profit Accounting Made Easy, Second Edition, by Warren Ruppel. The text is available at the University Bookstore.

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 four or five students per team, depending upon class size. 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. Each team member will be given a grading sheet for the other members of the team. The team grading sheet covers contributions by each team member to the overall effort. If one or more team members fail to do their fair share of the work then that should be noted by the other team members.

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.

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)
 - * Types of Accounts
 - * Debits and Credits
 - * Chart of Accounts

Week 2

Required reading:

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

To be covered in class:

- Continuation of lecture from Week 1 if necessary
- Discussion of Chapter 1 reading
- Understanding and figuring depreciation of fixed assets
- Inventory – determining value

Week 3

Required reading:

Chapter 2 – *Basic Financial Statements of a Not-for-Profit Organization*, Not-for-Profit Accounting Made Easy by Warren Ruppel.

To be covered in class:

- Discussion of Chapter 2
- Financial statements – Activity Statement
- Financial statements – Statement of Financial Position
- Financial statements – Cash Flow Statement

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.)

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

To be covered in class:

- Review of the exam
- Continuation of financial statements and exercises in the preparation of financial statements
- Understanding the recording of contributions
- Indirect Cost Allocation
- Internal control
- Internal financial statements and reports

Week 5

Required reading:

Chapter 7 - *Collections*, Not-for-Profit Accounting Made Easy by Warren Rupel

Chapter 10 – *Lease Accounting Fundamentals*, Not-for-Profit Accounting Made Easy by Warren Rupel

Chapter 11 - *Analyzing the Financial Health of Not-for-Profit Organizations*, Not-for-Profit Accounting Made Easy by Warren Rupel

To be covered in class:

- Presentations:
 - * Team presentations on non profit organizations studied

- Collections
- Leases
- Federal Management Circulars (This material is available on the Office of Management and Budget's website at www.omb.gov)
 - Circular A-122; "Cost Principles for Non-Profit Organizations"
- Financial Statement Analysis
- Auditing