

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

Spring 2007

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

Class Meeting Dates: January 9
January 16
January 23
January 30
February 6
February 13 (Make up class if needed due to weather)

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 and readings. Several required readings will be available only on Blackboard.

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 presentation of material for the class will be a combination of lecture, selected readings, group discussion and scenarios, presentations by students, and guest presentations. There will be no textbook for this class although readings from a textbook on e-reserve in Blackboard will be required.

COURSE GRADING

Students will be graded on the understanding of material presented and presentation of written reports. The value of each grading component is listed below. Written presentations will be graded on content and relevance of information, organization of thoughts, and effectiveness of

presentation. The length of each paper is not dictated. Students should convey information in their reports as if presenting information to a board of directors or executive director. Priority will be given to ability to organize and present relevant information succinctly and accurately.

GRADING COMPONENTS	
Exams:	
➤ Exam	30%
➤ Final Exam	30%
Papers	20%
Paper #1 –	10%
Paper #2 -	10%
Class Project:	20%

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?
- What are the financial management challenges facing the organization?
- 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 9, 2007 (Week 1)

Assignments due: None

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 16, 2007 (Week 2)

Assignment due: Paper #1: Write an informational paper on the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). Include in your paper the definition of each and their relevance to non-profit and governmental accounting. Also include in your paper a definition of FASB 116 and 117. Explain the meaning of each and how they are relevant to financial management of a non profit organization.

Required reading:

Chapter 8 – *Taking Stock of Where You Are – The Balance Sheet*; pages 313 – 351; Financial Management for Public, Health and Not-for-Profit Organizations, Steven A. Finkler, Second Edition

(On e-reserve in Blackboard)

To be covered in class:

- FASB 116 and 117
- Indirect cost
- Budgeting
- Internal control
- Balance sheet (Chapter 8 – Finkler)
- Balance sheet exercise

January 23, 2007 (Week 3)

Assignment due: None

Required reading:

Chapter 9 – *Reporting the Results of Operations – The Activity and Cash Flow Statements*; pages 352 – 398; Financial Management for Public, Health and Not-for-Profit Organizations, Steven A. Finkler, Second Edition
(On e-reserve in Blackboard)

To be covered in class:

- Exam
- Depreciation methods
- Inventory valuation
- Financial statements – Activity Statement (Chapter 9 – Finkler)
- Financial statements – Cash Flow (Chapter 9 – Finkler)
- Activity statement and cash flow exercises

January 30, 2007 (Week 4)

Required reading:

Chapter 10 – *Unique Aspects of Accounting for Not-for-Profit and Health Care Organizations*; pages 399 – 427; Financial Management for Public, Health and Not-for-Profit Organizations, Steven A. Finkler, Second Edition
(On e-reserve in Blackboard)

To be covered in class:

- Discussion of required reading (Chapter 10 – Finkler)
- Internal financial statements and reports
- Purchasing and fixed asset management

February 6, 2007 (Week 5)

Assignments due: Paper # 2: Prepare a paper with any necessary attachments or illustrations based on the following scenario: You are the executive director of a start-up, non-profit organization who plans to receive most of its funding from the United Way and foundation grants. You receive a letter from the United Way indicating that prior to funding you will have to submit assurances that the financial systems in place in your organization are sufficient to account for any funds received from them. In your letter, not to exceed two pages, address the critical aspects of financial management that you have already put into place or will in the future.

Required reading:

Chapter 12 – *Financial Statement Analysis*; pages 497 – 540; Financial Management for Public, Health and Not-for-Profit Organizations, Steven A. Finkler, Second Edition
(On e-reserve in Blackboard)

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)
- Single Audit Act
- Auditing
- Analyzing financial statements (Chapter 12 – Finkler)
- Presentation of class projects
- Financial statement exercises
- Final exam (May be a take home exam if time is limited.)