

Trachtenberg School of Public Policy and Public Administration
PPPA 6053-10, CRN: 22735
Financial Management for Public and Nonprofit Organizations
Fall 2018
Dr. Kate Yang

Time: Wednesday, 6:10 pm – 8:00 pm
Location: Rome Hall B104
Instructor: Kate Yang (langyang@gwu.edu)
Office: Room 601G, Media and Public Affairs Building
Office Hours: Make an appointment through <https://langyang.youcanbook.me>.

1. Course Description

The primary objective of this class is to provide a foundation in financial management to allow students to understand and use financial information to make decisions in public and non-profit organizations. The course provides the skills and vocabulary to use financial information rather than to generate that information. The secondary objective is to familiarize students with spreadsheet applications and financial calculations through the weekly assignments.

The first half of the course focuses on the development of operating budgets, tools for capital budget decisions, and an introduction to accounting principles. The second half of the course focuses on practices related to financial statements, financial analysis, and the unique aspects of accounting for public and not-for-profit organizations. We will consider how the information is presented, and how it can be used to provide meaningful conclusions about the financial position and performance of a public service organization. At the end of this section, you should be able to analyze an organization's financial statements to communicate about the fiscal health of the organization.

2. Required Text

Steven Finkler, Daniel L. Smith, Thad D. Calabrese, Robert M. Purtell. *Financial Management for Public, Health, and Not-For-Profit Organizations*, 5th Edition, CQ Press, 2016.

Additional readings will be posted on Blackboard. They are recommended but not required. However, recommended readings can be very valuable in providing you a practice-relevant understanding of the course concepts and preparing you for the written assignments.

You will also be required to create an account through <http://www.guidestar.org>. I have requested premium subscription for all participants of the course; therefore, please be sure to **register with your GWU email**.

3. Blackboard and Excel

We will use Blackboard for course materials, lecture slides, homework templates and solutions, and student grades. I may also communicate with you directly concerning course logistics using the Blackboard announcements and emails. Please check to be sure that you are listed as a registrant, and be sure to check Blackboard and your e-mail regularly.

For homework and practice problems, you will need access to Excel. A short-Excel tutorial can be found on Blackboard and you are required to complete it on your own before the start of the semester. Although experience with Excel is not a prerequisite for this class, you should be able to allocate a significant amount of time at the beginning of the semester to gain familiarity of the software if you are not already comfortable with using Excel to construct tables and perform simple calculations.

4. Student Learning Objectives

Through course discussions, readings and assignments, students will develop knowledge and skills that enable them to:

- Create operating and cash budgets;
- Conduct break-even analyses, variance analyses, and allocate costs;
- Perform time-value of money calculations;
- Value bonds;
- Construct and interpret balance sheets, activity statements, and cash flow statements; and
- Conduct financial condition analysis and develop recommendations.

5. Method of Instruction

Material will be presented in lecture and discussion format. Lab sessions working on spreadsheet problems are built in as part of the class and require active student participation. Practice problems will be assigned and solutions will be posted; but they are not covered in class.

6. Student Commitment

Attendance is required. Class time will be a key part of learning the materials covered by lecture slides and assigned readings. Class time will also include discussion of information and observations that are not in those readings. As a result, attending class will be a strong contributor to your success in this course. Excused absences require advance notice with legitimate reasons. The grade on attendance and participation is made based on the instructor's review of whether a student shows up for class and actively participates in in-class discussions. Please note that if you are absent or late for class, it is your responsibility to learn about announcements, obtain class notes, and hand in assignments.

Assignments are due on time for posted dates. Late work will be accepted up to *ONE WEEK* after the due date, but grading will be penalized for late submission. No credit for work submitted more than one week late unless you have extraordinary circumstances such as a serious illness and you have received approval from the instructor PRIOR TO the original due date for a late submission.

This is a 3-credit graduate course. Over 14 weeks, students will spend about 2 hours per week in class. Required reading and written assignments are expected to take up, on average, 6 hours per week. Over the course of the semester, students will spend 28 hours in instructional time and about 85 hours outside of class.

7. Grading: Your final grade will be the sum of grades on the following activities. Specific instructions for homework, quizzes, final project and final exam will be passed out when assigned.

- *Homework assignment*

(8 assignments, 3 points each)	24 %
• <i>Homework memo</i> (3 memos, 3 points each)	9%
• <i>Quizzes, open book and notes</i> (Two 20-minute in-class quizzes, 7 points each)	14 %
• <i>Final Financial Analysis Project</i> (Material preparation, in-class presentation & written memo)	25 %
• <i>Attendance & participation</i> (Instructor review of student participation)	3 %
• <i>Final exam</i> (Comprehensive, take-home)	25%

Grading scale

A	>93.50 up through 100 (□ specifically: 93.51 – 100)
A-	>89.50 up to and including 93.50
B+	>86.50 up to and including 89.50
B	>83.50 up to and including 86.50
B-	>79.50 up to and including 83.50
C+	>76.50 up to and including 79.50
C	>73.50 up to and including 76.50
C-	>69.50 up to and including 73.50
D+	>66.50 up to and including 69.50
D	>63.50 up to and including 66.50
D-	>=60 up to and including 63.50
F	<60

8. Class and University Policies and Resources

Class Policies: We will use computers for in-class exercises, but please limit its use for class-relevant activities. Out of respect for others in class, please refrain from using your phone during class (i.e., no texting or social media viewing/updating).

Higher education works best when it becomes a vigorous and lively marketplace of ideas in which all points of view are heard. Free expression in the classroom is an integral part of this process. At the same time, higher education works best when all of us approach the enterprise with empathy and respect for others, irrespective of their ideology, political views, or identity. We value civility because that is the kind of community we want, and we care for it because civility permits intellectual exploration and growth.

University Policy on Religious Holidays: Students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance.

Changes to the Syllabus: Please note that this syllabus is intended to be a guide to the course for students. Sound educational practice requires flexibility and the instructor may, with appropriate notice, change the content and requirements during the course.

Academic Integrity Code: Academic dishonesty is defined as cheating of any kind, including misrepresenting one's own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information.

For the complete Academic Integrity Code, see: <http://studentconduct.gwu.edu/code-academic-integrity>

Students are welcome to consult with each other on homework assignments, but should individually draft responses. All work on the take-home Final Exam should be your own, *solo effort*.

Changing Grades after Completion of Course: No changes can be made in grades after the conclusion of the semester, other than in cases of clerical error.

Incompletes: A student must consult with the instructor to obtain a grade of “I” (incomplete) no later than the last day of classes. At that time, the student and instructor will both sign the CCAS contract for incompletes and submit a copy to the School Director. Please consult the TSPPA Student Handbook for the complete CCAS policy on incompletes.

Accommodation for Students with Disabilities: Any student who may need an accommodation based on the potential impact of a disability should contact the Office of Disability Support Services at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information, please refer to <http://www.gwired.gwu.edu/dss>.

GW Counseling Resources: In addition, should you need any non-academic support outside of class please consult the following:

University Counseling Center

Division of Student Affairs Marvin Center, Ground Floor

800 21st Street, NW

Washington, DC 20052

Phone: [202-994-5300](tel:202-994-5300) | Fax: [202-994-5267](tel:202-994-5267)

Email: counsel@gwu.edu

9. Class Schedule:

Class schedule is arranged on a class (weekly) basis. Under each class title, you will find readings that you will need to complete **prior to** the class date, quizzes that will occur **on** the class date, and finally, practice problems and homework assignments due **after** the class date but (usually) before next class. With the exception of the final project, all assignments are due in one week by **noon** of the Wednesday following the assignment date.

August 29, Class 1 — Course Overview, Operating and Cash Budgets

Reading:

- Finkler et al., Ch. 1, Ch. 2
- Recommended: Office of the New York State Comptroller (2010), Citizens’ Guide to Local Budgets.
- Recommended: McKeever (2015). The Nonprofit Sector in Brief 2015: Public Charities, Giving, and Volunteering.

Practice problems:

2-17, 2-28.

Homework assignment #1:

2-35 Marquoya College Parts 1, 2 and 3. Due September 5 at noon.

September 5, Class 2 — Additional Budgeting Concepts; Understanding Costs

Reading:

- Finkler et al., Ch. 3, Ch. 4 up to P. 145 Cost Measurement

Practice problems:

3-23, 4-47.

Memo #1:

Choose a state or local government entity, locate either its enacted budget documents for FY 2018 or its proposed budget documents for FY 2019, and write a one-page memo identifying your initial observations. Due September 12 at noon.

September 12, Class 3 — Cost Allocation; Intro to Capital Asset and Financing

Reading:

- Finkler et al., Ch. 4 from p. 145 Cost Measurement to end
- Recommended: MRSC (2015), Cost Allocation

Practice problems:

4-53.

Homework assignment #2:

Mead Meals on Wheels Center case study questions 1 and 2. Due September 19 at noon.

September 19, Class 4 — Time Value of Money

Reading:

- Finkler et al., Ch. 5 except for Appendix 5-A.

Practice problems:

5-11, 5-14, 5-16, 5-16.

Homework assignment #3:

5-35, 5-36. Due September 26 at noon. Submit an Excel file to Blackboard.

September 26, Class 5 — Capital Asset Investment Analysis; Long-term Financing Pricing

Reading:

- Finkler et al., Ch. 6

Practice problems:

5-29, 5-37, 6-14

Memo #2:

Choose a capital improvement plan from a local government entity and write a short, one-page memo identifying the major components of the capital plan, its timeline, and funding mechanisms. Identify any concerns you may have about the proposed plan. Due October 3 at noon.

October 3 — Instructor travel to academic conference, no class

October 10, Class 6 — Variance Analysis

Reading:

- Finkler et al., Ch. 8

Quiz 1:

In-class quiz, covering the first 5 classes.

Homework assignment #4:

5-38, 6-13, 8-26. Due October 17 at noon. Submit an Excel file to Blackboard.

October 17, Class 7 — Financing Accounting; Balance Sheets

Reading:

- Finkler et al., Ch. 9 and 7.

Practice problems:

9-23.

Memo #3:

This is the first component of your final Financial Analysis project for the class. Submit a short, one-page memo that identifies the organization, state, or agency you will be analyzing for your final project. Due October 24 at noon.

October 24, Class 8 — Activity Statements and Cash Flow Statements

Reading:

- Finkler et al., Ch. 10.

Practice problems:

10-14.

Homework assignment #5:

9-27, 10-19. Due October 31 at noon. Submit an Excel file to Blackboard.

October 31, Class 9 — Connecting Financial Statements

Homework assignment #6:

One World Not Three case. Due November 7 at noon. Submit an Excel file to Blackboard.

November 7, Class 10 — Accounting for Nonprofit Organizations; Intro to Financial Statement Analysis

Reading:

- Finkler et al., Ch. 11 (excluding Appendix 11-A).
- Recommended: Ann Goggis Gregory & Don Howard (2009). The nonprofit starvation cycle.

Practice problems:

11-17.

Homework assignment #7:

House of Ruth assignment part 1. Due November 14 at noon. Submit a Word file to Blackboard.

November 14, Class 11 — Financial Statement Analysis: Ratio Analysis

Reading:

- Finkler et al., Ch. 14.

Quiz 2:

- In-class quiz, covering classes 6-10.

Practice problems:

14-10.

Homework assignment #8:

House of Ruth assignment part 2. Due November 21 at noon. Submit a Word file to Blackboard.

November 21 — Thanksgiving break, no class

November 28, Class 12 — Accounting for State & Local Governments

Reading:

- Finkler et al., Ch. 12 and Ch. 13.

Practice problems:

12-5 (related to 12-4).

Financial analysis presentation slides:

This is the second component of your final Financial Analysis project for the class. Submit a PowerPoint file that summarize the financial condition of the organization, state, or agency you analyze for your final project. Due December 5 at noon.

December 5, Class 13 — Financial Condition Analysis

Reading:

- Finkler et al., Ch. 15.

Practice problems:

- 15-10.

Financial analysis memo:

This is the third component of your final Financial Analysis project for the class. Submit a two-page memo that summarize your financial analysis for the final project. Due December 11 at noon.

December 11, Class 14 — Presentation & Class Wrap-up

We will have student in-class presentation on their final Financial Analysis project, and then a Q&A session on the final exam.

December 12, Final

Questions for the take home final will be posted on Blackboard at noon on December 12. Final is due at noon on December 19. *You will upload a Word document and an Excel document titled your last name onto Blackboard.*