

POL S 5/6965: Basic Financial Management for Nonprofit Organizations
Masters of Public Administration Program
Department of Political Science, University of Utah
Fall 2005
Mondays 6 – 9 PM; OSH

Faculty: Nancy Winemiller Basinger, Ph.D.
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Contact Information:

Office: Orson Spencer Hall (OSH) Room 212K; *Office Hours:* Mondays 3:30 PM to 5:30 PM and by appointment. To make an appointment, you may contact me by phone (please feel free to leave a voice mail if I am not at my desk) or e-mail.

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Course Description

One of the primary characteristics that distinguish the management of nonprofit organizations from the management of public or private organizations is the system for managing money. Concepts covered will include: financial management, budgeting, financial statement analysis, the role of the board in fiscal oversight and establishing policies and procedures to govern the financial system.

Classroom Routines & Behavior

Class will begin promptly at 6 PM. Please be ready to begin class at that time (including laptops on). If your cell phone is "on" please turn it to mute for the duration of the class. Several guest speakers have agreed to share their expertise with this class. Please be considerate of their time by listening attentively and being prepared to engage in a thoughtful discussion on their topic. In most class sessions, we will have a 15 minute break approximately 7:15 PM and conclude with a de-briefing session from approximately 8:45 PM to 9:00 PM.

This course is a 3 credit hour course taught in the Master of Public Administration program and also available to interested advanced undergraduates. As this is a professional degree program and this course is designed to prepare nonprofit managers for future employment, it is especially important that all students maintain professional behavior in the classroom setting, according to the Student Code, spelled out in the Student Handbook.

Students have specified rights in the classroom as detailed in Article III of the Code. The Code also specifies proscribed conduct (Article XI) that involves cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students should read the Code carefully and know they are responsible for the content. According to the Faculty Rules and Regulations, it is the faculty's responsibility to enforce responsible classroom behaviors, and I will do so.

University Policy Statements

The University of Utah Department of Political Science seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in this class, reasonable prior notice needs to be given to the instructor and to the Center for Disability Services, <http://disability.utah.edu/> 162 Olpin Union Bldg, 581-5020 (V/TDD) to make arrangements for accommodations. This information is available in alternative format with prior notification.

The University of Utah's policies pertaining to Academic Misconduct and Dishonesty will be carefully observed and strictly enforced in this class. This policy appears on pages 11-13 of the

2000-2002 General Catalog and in the electronic Policy and Procedures Manual at <http://www.admin.utah.edu/ppmanual/8/8-10.html>

Evaluation

Please be advised that I assume each student begins the course with a blank slate; every student begins with a score of "0" and earns points throughout the semester. Please do not assume that by doing the "bare minimum" for each assignment you will be able to earn an "A" in the course. The grade of "A" is given for "excellent" work and can be earned by doing exemplary work in the following areas:

(distribution of the 100 possible points for the course will be as follows:)

- (1) Weekly Quizzes. Following the introduction in the first night of class, students will be quizzed on the material from the readings and class discussions from *the previous week*. Quizzes will generally consist of one or two short-answer questions. Out of the 13 class sessions, 10 quizzes will be given and each will be worth 2.5 points. Students will earn up to **25 points** in this area.
- (2) Service Learning. All students in the class will participate in an in-class service-learning project. The focus of the project will be learning how to perform analysis and devise policies and procedures that support the financial management function of a nonprofit. Each student will work in a group of 4 to 5 members with a local nonprofit to perform an in-depth analysis of their finances. Your initial work on each component of the analysis will be done individually and submitted regularly as "written assignments" and you will earn up to 10 points for this component. In addition, the group will present its analysis of the organization in a written and oral report and this component will be worth up to 20 points for each group member. Sign-up for assignment preferences will begin on the first day of class and will be allocated on a first-come first-served basis. Students will earn up to **30 points** in this area.
- (3) Mid-term and Final Exams. All students will complete essays at the mid-term and at the conclusion of the class. For each exam, I will prepare 3 broad conceptual questions and you will be required to write on two of the three questions in up to 8 pages (typed, double-spaced). The mid-term exam will be held in class and students must be present to take the exam. The final exam will be a take-home format and will be due on or before 9 PM on December 12. The mid-term exam will be worth 20 points, and the final exam will be worth 25 points, therefore students will earn up to **45 points** in this area.

NOTE: MPA students who are interested in writing their MRP in conjunction with this course will be required to participate in the Service-Learning project but will be exempted from the Final Exam. If you elect to write your paper in this class, your grade on the paper will be counted as 25% of your total grade in the class. If you intend to elect this option, you must notify Professor Basinger verbally and submit a written research design for the paper by September 19th. If your proposal is accepted your first full draft of the paper must be submitted by October 17th, and the final MRP will be due on or before December 12th.

The grading scale for the course will be as follows:

100 – 94 – A; 93 – 90 – A-
89 – 87 – B+; 86 – 84 – B; 83 – 80 – B-
79 – 77 – C+; 76 – 74 – C; 73 – 70 – C-; etc. . .

Required Texts

(Bryce) Financial & Strategic Management for Nonprofit Organizations by Herrington J. Bryce (3rd Edition), 2000, Jossey-Bass Publishers.

(McLaughlin) Streetsmart Financial Basics for Nonprofit Managers by Thomas A. McLaughlin (2nd edition), 2002, Wiley Publishers

(ER) Electronic reserves as specified.

Service Learning Project

The service learning project in this class is a group project that allows each student to directly apply, in a practical setting, the exact information you are learning in the class. The course teaches the theories and best practices in the financial management of nonprofits, while the service-learning project will help you learn how to apply them. You may not fully understand the intricacies of devising a management system for a nonprofit until you have done so. Also, by working as a team, you will learn from each other about class materials and how to apply them. Finally, this project is designed to teach you from the “inside/out” of an organization about why “great intentions” are not enough.

Schedule of Assignments

Class 1 – August 29th – Welcome, Introductions, What is a nonprofit? And why should we “manage” the finances if they are “non” profit (anyway?).

READING: None

Sept. 2nd – Last day to drop classes

September 5, LABOR DAY, no class

Sept. 6th – Fall tuition due

September 12th – Group work on your own – Professor Basinger teaching in Washington DC this week.

Class 2 – September 19th - Topic: Introduction to Nonprofit Finances

READING: McLaughlin CH 1, 2, 3; Bryce CH 1, 2, 3

OTHER: MRP proposals due if you plan to execute in this class

QUIZ 1

Class 3 – September 26th – Topic: Accounting and Operations

READING: McLaughlin CH 6, 7, 9, 10

QUIZ 2

Class 4 – October 3rd – Topic: Financing the Organization

READING: Bryce CH 7, 8, 9, 10; McLaughlin CH 13, 15

QUIZ 3

WRITTEN ASSIGNMENT: Review FINTASKS, MESSAGES and discuss implications for your S-L organization in a typed page of narrative analysis.

October 6th, 7th - Fall Break

Class 5 – October 10th – Reading and Interpreting Financial Statements

READING: McLaughlin CH 4 & 5; Bryce CH 15 & 16;

WRITTEN ASSIGNMENT: Complete FINTOOLS (with help of FINDEF and FINFORM) and use ACTGUIDE to prepare written analysis.

QUIZ 4

* bring a calculator to class tonight, we will be doing LOTS of math *

Class 6 – October 17th – Review Day – Catch up on your reading!

WRITTEN ASSIGNMENT: Work through Power points (REDFLAGYELLOWFLAG and FINANANALYSISUSINGCALC) for your S-L organization and write narrative discussion of implications.
QUIZ 5

Class 7 – October 24th - **Mid-term Exam**

Class 8 – October 31st - Budgeting

READING: McLaughlin CH 11, 12, 14; Bryce CH 12

WRITTEN ASSIGNMENT: Complete BUDREP and PROFPLAN for your S-L organizations and discuss in narrative.

QUIZ 6

Class 9 – November 7th - Financial Controls

READING: McLaughlin CH 8, 17, 18; Bryce CH 6

WRITTEN ASSIGNMENT: Complete CONTROLS for your S-L organization and discuss potential weaknesses.

QUIZ 7

Class 10 – November 14th – Managing Risks

READING: McLaughlin CH 16; Bryce CH 13, 14

QUIZ 8

Class 11 – November 21st – Financial Planning for Growth and Survival

READING: Bryce CH 17, 18, 19

WRITTEN ASSIGNMENT: Complete ECONSIZE analysis and discuss implications for your S-L organization.

QUIZ 9

November 24th, 25th – Thanksgiving Break

Class 12 – November 28th – Accounting for Social Benefit

READING: ER - Quarter, Mook & Richmond CH 3,5

QUIZ 10

Class 13 – December 5th – PRESENTATIONS

Dec. 8th – Fall semester classes end

December 12th - Final Exam Due by 9 PM today!