

**The Trachtenberg School of Public Policy and Public Administration
Fall 2014**

COURSE NUMBER PPPA 6053

COURSE TITLE Financial Management for Public, Non-Profit, and Health
Organizations

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Office hours: After class on Wednesdays and by appointment

TENTATIVE LAB SCHEDULE

September 3	Excel Review and Structuring more complicated flexible budgets
September 10	Break Even Analysis, Cost Allocation, and Variance Analysis
October 1	Mid-session Review
October 15	Recording Financial Transactions
November 5	Financial Statement Analysis
November 30	Final Project Assistance Time and Location TBD
December 3	Final Review

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. This section also covers the development of financial statements. 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 use an organization's financial statements to communicate about the fiscal health of the organization.

REQUIRED TEXTBOOK

Steven Finkler, Financial Management for Public, Health, and Not-For-Profit Organizations, 4th Edition, Prentice Hall, 2013.

SUPPLEMENTAL RESOURCES

www.guidestar.org Details for registration will be provided the first day of class.

XiaoHu Wang, Financial Management in the Public Sector. Tools, Applications, and Cases.
ME Sharpe, 2010. (on reserve in the library)

EXCEL (OR OTHER SPREADSHEET APPLICATION)

For homework and practice problems, you will need access to a spreadsheet program.

COURSE WEBSITE

The course website can be found on Blackboard. Throughout the semester, I will post course materials, lecture slides, homework templates and solutions, and student grades. I may also communicate with you directly concerning course logistics using the Blackboard e-mail lists, and we will use the Discussion Board to ask and answer questions about assignments. Please check to be sure that you are listed as a registrant, and please be sure to check your email regularly.

STUDENT LEARNING OBJECTIVES

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

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

METHOD OF INSTRUCTION

Material will be presented in lecture and discussion format with active participation in case study analysis. Concepts in financial management are explored by class participation in both in-class and written exercises.

Note: Attendance is required for successful completion of this course.

COURSE REQUIREMENTS

Students are expected to attend weekly class session, actively participate in class discussions, and complete practice problems and homework assignments. 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.

Students are required to complete written assignments, other homework problems, and examinations ON TIME. Except in rare occasions when arrangements are made in advance, work must be completed and handed in by the start of class to receive credit.

GRADING

Homework Assignments:	30 percent
Writing Assignments:	10 percent
Class Participation:	10 percent
Mid-term Exam:	15 percent
Final Financial Statement Analysis:	20 percent
Final Exam:	15 percent

HOMEWORK ASSIGNMENTS

There are a total of 10 assignments; each worth 3 percent of your grade.

Assignments are graded on the basis of completeness rather than correctness.

If you complete the entire assignment, you will receive full credit even if your work contains errors. If you do not complete the entire assignment, you will not receive full credit.

Paper submissions of assignments are due at the beginning of class.

At the beginning of each class, we will spend a few minutes going over the assignments from the previous week. You may want to bring an additional hardcopy or electronic file of your work so that you can review it in class.

Assignments must be typed and stapled.

Handwritten assignments will not receive credit. You must complete the quantitative parts of the assignment in excel and written parts in either excel or word (or similar programs). Excel templates will be provided for some assignments.

Each student must write and submit his or her own assignment.

WRITING ASSIGNMENTS

There are three short writing assignments for a total of 10 percent of your grade.

Assignments are due at the beginning of class and should be no longer than one page.

COURSE OUTLINE

Reading assignments must be completed before each lecture. You are not required to read the chapter appendices with the exception of **15-A**, as noted below.

Homework assignments consist primarily of analytical problems based on the previous week's readings and lecture, but also include some short answer questions.

Practice problems are designed to help you prepare for the homework assignments. The problems are listed below. Most problems are from the textbook but in a few cases they are from handouts posted on the website under Practice Problems. There are excel template sheets on blackboard for the exercises that are **BOLD**. Solutions will be reviewed in class.

All page numbers are for the 4th edition textbook.

AUGUST 27: OPERATING BUDGETS & CASH BUDGETS

Read before class: Chapter 1, Chapter 2 up to p. 56

Practice problems: 2-17, 2-19, **2-28**

SEPTEMBER 3: OPERATING BUDGETS (CONTINUED) & BREAK-EVEN ANALYSIS

Read before class: Chapter 3 up to p. 91 and Chapter 4 up to p. 136

Practice problems: **3-23**, 4-48

Homework #1 due: 2-34 Marquoya College Parts 1 and 2 (3 percent of grade)

Writing Assignment #1 due: Choose a local government entity, locate either its enacted budget documents for FY2013 or its proposed budget documents for FY 2013, and write a short, one-page memo identifying your initial observations. Your summary should identify how the document conveys the priorities of the government and the anticipated changes from the previous year. Identify any concerns you may have about the proposed spending and revenue plan.

SEPTEMBER 10: COST ALLOCATION & VARIANCE ANALYSIS

Read before class: Chapter 4 from p. 136-end and Chapter 8 up to p. 283 (Ethics)

Practice problems: **4-53**, **8-29** and **8-30**

Homework #2 due: Mead Meals on Wheels Case Study Questions 1 and 2 (pp. 299-300)

SEPTEMBER 17: THE TIME VALUE OF MONEY

Read before class: Chapter 5

Practice problems: 5-11, 5-14, 5-15, 5-16

Homework #3 due: 8-26 Justice Township (3% of grade)

SEPTEMBER 24: CAPITAL BUDGETING & LONG-TERM FINANCING

Read before class: Chapter 6

Practice problems: 5-27, 5-35, 5-36, 6-13, 6-14

Homework #4 due: 5-33 Millbridge Pensions (3% of grade)

OCTOBER 1: GOVERNMENT BUDGETING & MIDTERM REVIEW

Read before class: Chapter 2 from p. 56-end

Practice problems: old exam questions (handout)

Homework #5 due: 5-39 (3% of grade) (refer to exercise 2-28 from week one)

Writing Assignment #2 due: Choose a capital budget 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.

OCTOBER 8: THE BALANCE SHEET

Read before class: Chapter 7 and Chapter 10

Practice problems: 10-23, 10-24, 10-25

Take Home Mid-Term Exam Due

OCTOBER 15: THE ACTIVITY STATEMENT

Read before class: Chapter 10 up to p. 370

Practice problems: 11-14, 11-15, 11-16, 10-17 (operating statement and balance sheet)

Homework #6 due: One World Not Three Balance Sheet (3% of grade)

OCTOBER 22: THE CASH FLOW STATEMENT

Read before class: Chapter 10 from p. 370-end

Practice problems: **10-16 Cash Flow**

Homework #7 due: One World Not Three Activity Statement (3% of grade)

OCTOBER 29: ACCOUNTING FOR NOT-FOR-PROFIT AND HEALTH ORGANIZATIONS & ETHICS IN FINANCIAL MANAGEMENT

Read before class: Chapter 12 and Chapter 8 from p. 283-end

Practice Problems: 12-15, 12-16, 12-17

Homework #8 due: One World Not Three Cash Flow Statement (3% of grade)

NOVEMBER 5: FINANCIAL STATEMENT ANALYSIS

Read before class: Chapter 15

Practice problem: 15-10

Homework #9 due: 14-8 (3% of grade)

Homework Due: Short Memo identifying the organization for your Financial Statement Analysis

NOVEMBER 12: ACCOUNTING FOR STATE AND LOCAL GOVERNMENTS

Read before class: Chapter 13 and Chapter 14

Practice problem: 12-18, 13-4, 13-5

November 19: GOVERNMENT FINANCIAL CONDITION ANALYSIS

Read before class: Chapter 16 and Appendix 16-A

Practice problems: 16-10

Homework #10 due: Complete 15-11 with a written memo of findings (3% of grade)

NOVEMBER 26: NO CLASS THANKSGIVING BREAK

NOVEMBER 30: Optional review and assistance with final project.

Location and time TBD

DECEMBER 3: GOVERNMENT FINANCIAL CONDITION ANALYSIS, Continued and REVIEW old exam questions (handout)

Financial Statement Analysis Project Due

TBA: FINAL EXAM

Policies in The Trachtenberg School Courses

1. Incompletes: A student must consult with the instructor to obtain a grade of I (incomplete) no later than the last day of classes in a semester. 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 TSPPPA Student Handbook or visit our website for the complete CCAS policy on incompletes.

2. Submission of Written Work Products Outside of the Classroom: It is the responsibility of the student to ensure that an instructor receives each written assignment. Students can submit written work electronically only with the express permission of the instructor.

3. Submission of Written Work Products after Due Date: Policy on Late Work: All work must be turned in by the assigned due date in order to receive full credit for that assignment, unless an exception is expressly made by the instructor.

4. Academic Honesty: Please consult the “policies” section of the GW student handbook for the university code of academic integrity. Note especially the definition of plagiarism: “intentionally representing the words, ideas, or sequence of ideas of another as one’s own in any academic exercise; failure to attribute any of the following: quotations, paraphrases, or borrowed information.” All examinations, papers, and other graded work products and assignments are to be completed in conformance with the George Washington University Code of Academic Integrity.

5. 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.

6. The Syllabus: This syllabus is a guide to the course for the student. Sound educational practice requires flexibility and the instructor may therefore, at her/his discretion, change content and requirements during the semester.

7. Accommodation for Students with Disabilities: In order to receive accommodations on the basis of disability, a student must give notice and provide proper documentation to the Office of Disability Support Services, Marvin Center 436, 202-994-8250. Accommodations will be made based upon the recommendations of the DSS Office.