

**CLEVELAND STATE UNIVERSITY
MAXINE GOODMAN LEVIN COLLEGE OF URBAN AFFAIRS
FALL SESSION 2008
PAD 652**

Financial Administration of Nonprofit Organizations

Instructor: Faith Noble, CPA
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Class: Wednesday 6:00 p.m. - 9:50 p.m. Urban Building (UB)

Office/Hours: Wednesdays 4:30 p.m. – 5:45 p.m.
Urban Building, 3rd Floor, Room 362

Course Objective

The objective of the course is to provide students with the knowledge and skills to be effective and efficient managers of organizational financial and related resources. This course will help students, as nonprofit leaders, to become better financial communicators and decision-makers.

Classes are organized into three areas, with supporting topics, including:

- i) Financial Roles & Responsibilities within a Nonprofit Organization
 - (a) Legal & Financial Structures
 - (b) Ethics & Accountability
 - (c) Policies, Procedures & Internal Controls
- ii) Financial Reporting
 - (a) Reporting Requirements
 - (b) Basics of Nonprofit Accounting
 - (c) Income & Revenue Sources
 - (d) Expenses & Debt
- iii) Budgeting & Management Tools
 - (a) Financial Analysis
 - (b) Cash Management & Liquidity
 - (c) Budgeting & Planning
 - (d) Information Management & Technology

Description

The course learning format includes in-class lectures and assignments, class and small group discussions, and on-line research assignments. Both individual and group work will be assigned including two major projects (a mid-term and a final project). In-class attendance and participation will comprise twenty percent (20%) of the final grade. With the exception of the first reading assignment, students are expected to read assignments prior to class.

Elements of this course will use Cleveland State University's "Black Board" applications. Class Lectures, web links and notes will be posted to Black Board on a weekly basis. Students are required to have access to a computer with internet and World Wide Web capability either privately or through the College of Urban Affairs computer lab.

Students are encouraged to call the instructor during work hours and/or email at any time for assistance or clarification on assigned work. Please send email to f.noble@csuohio.edu. The Black Board will not

be used for email communication.

Core Competencies

To succeed in this class, students must be prepared to read weekly assignments from the text and other articles as assigned, write and convey their thoughts coherently, attend every class session and be present at the start of class through its completion, show courtesy and respect to their fellow classmates, ask questions and demonstrate in class that they have read and understand the materials, submit projects on assigned due dates, and be organized.

Homework Assignments

Students are expected to read the assigned chapters in the text before class. Except during mid-term and final project preparation, students will receive a homework assignment each week to read assigned chapters in the text, research a topic on-line and/or obtain financial information about selected organizations for use in case studies the following week.

Mid-term Project: Students will select a non-profit organization based in the Cleveland area as a case-study for the midterm project. Students can select from a list provided by the instructor or choose an organization in which they have an interest or relationship. Working individually, each student will prepare an analysis of the organization's financial structure which will be presented to the class in a power point format. In order to understand the selected organization, students will obtain the organization's Form 990 tax return and audited financial statements and conduct an interview with a senior member of the organization's financial management team (CFO, CEO, Accounting Manager or the like). The class will work together before the mid-term to prepare questions for the interview and a general format for the power point presentation, including information about organization structure, income and expense categories, financial ratios, and other relevant metrics. Students will be evaluated on the substance and form of the prepared power point (which will be turned in to the instructor) and the class presentation.

Final Group Project: A final group project and presentation will be due at the close of the semester in lieu of a final exam. Each student will work in a small group of 2 or 3 people to prepare a performance-based operating budget for a non-profit organization. Students will draw upon information learned in the class about budgeting, financial management and analysis to prepare and present an annual budget to the class. The class will serve as the organization's "Board of Directors", asking questions and reviewing the budget presented. Students will be evaluated on the substance and form of the prepared budget and presentation to the class.

Course Evaluation Criteria

Class Attendance and Participation	20%	
Assigned Readings and Homework Assignments		20%
Midterm Project	30%	
Final Group Project	<u>30%</u>	
	100%	

Required Text

Financial Management for Nonprofit Organizations: Policies and Practices
John Zietlow, Jo Ann Hankin, Alan G. Seidner, John Wiley & Sons, 2007

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CLASS SCHEDULE

Wednesday August 27th:

TOPIC: INTRODUCTION TO NON-PROFIT FINANCIAL MANAGEMENT

Class discussion:

Introductions
Review of Syllabus and Course Requirements

Lecture topic:

Chapter 1, "Understanding Nonprofit Organization Finances"

Assignment for next class:

Read Chapter 3, "Managing Mission and Strategy"

Wednesday September 3rd:

TOPIC: FINANCIAL STRUCTURE, ROLES & RESPONSIBILITIES, Part 1

Lecture topic:

Nonprofit Organizations: Legal and Financial Structures

Class discussion:

Case Studies, Roles and Responsibilities

Assignment for next class:

Read Chapter 4, "Managing Structure, Accountability, and Ethics"
On-line research: Find a sample "Conflict of Interest" policy

Wednesday September 10th:

TOPIC: FINANCIAL STRUCTURE, ROLES & RESPONSIBILITIES, Part 1

Lecture topic:

Accountability, Transparency and Ethics

Class discussion:

Case Studies: Fraud

Assignment for next class:

Read Chapter 5, Developing Financial Policies
On-line research: TBA

Wednesday September 17th:

TOPIC: FINANCIAL POLICIES, PROCEDURES AND INTERNALS CONTROLS

Lecture topic:

Developing and Following Financial Policies & Procedures

Class discussion:

Mid-Term Project overview

Assignment for next class:

Read Chapter 6, "Understanding Accounting Basics and Financial Statements"
Begin selection and preparation for the Mid-term Project

Wednesday September 24th:

TOPIC: INCOME: SOURCES OF SUPPORT AND OPERATIONS

Lecture topic: Accounting for Income and Revenue

Class discussion: Case Studies, Form 990 and Financial Statements

Assignment for next class:

Read Chapter 7, Financial Analysis and Ratios

Wednesday October 1st:

TOPIC: EXPENSES AND LIABILITIES: MANAGING COSTS AND DEBT

Lecture topic: Accounting for Expenses and Debt

Class discussion: Case Studies, Form 990 and Financial Statements

Assignment for next class:

Prepare for Mid-term Project

Wednesday October 8th:

TOPIC: RATIOS, BENCHMARKS AND OTHER TOOLS

Lecture topic: Reading and Understanding Financial Reports

Class discussion: Case Studies, Form 990 and Financial Statements

Assignment for next class:

Prepare for Mid-term Project

Wednesday October 15th:

TOPIC: MIDTERM PRESENTATIONS

Assignment for next class:

Read Chapter 11 "Cash Management and Banking Relations"

Wednesday October 22nd:

TOPIC: CASH MANAGEMENT AND LIQUIDITY

Lecture topic: Managing Cash and the Importance of Liquidity

Class discussion: Case Studies, Cash Management

Assignment for next class:

Read Chapter 2 "Liquidity Management"

On-line research – TBA

Wednesday October 29th:

TOPIC: BUDGETING AND PLANNING, 1

Lecture topic: How to Design and Manage the Budget Planning Process

Class discussion: Case Studies, Budgeting as Management Tool

Assignment for next class:

Read Chapter 8, "Developing Operating and Cash Budgets"

Wednesday November 5th:

TOPIC: BUDGETING AND PLANNING, 2

Lecture topic: Guest Lecture Planned

Class discussion: Begin Group Preparation for Final Project

Assignment for next class:

Read Assigned Articles

On-line research: TBA

Wednesday November 12th:

TOPIC: Reserved

Lecture topic: TBA

Class discussion: TBA

Assignment for next class:

Read Chapter 13, "Information Technology and Knowledge Management"

Wednesday November 19th:

TOPIC: ACCOUNTING SOFTWARE AND INFORMATION MANAGEMENT

Lecture topic: Understanding the flow of Financial Information

Class discussion: Preparation time for Final Projects

Assignment for next class:

Read Assigned Articles

Prepare for Final Projects

Wednesday November 26th:

TOPIC: NO CLASS

Please use the time to meet with your group and prepare for the Final Project

Wednesday December 3rd:

TOPIC: FINAL PROJECTS PRESENTED

Last day of Class