

Trachtenberg School of Public Policy and Public Administration

PPPA 6053

Financial Management for Public and Nonprofit Organizations

Fall 2023

Instructor: Meili Niu

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Time: Wednesday, 6:10pm – 8:00pm, 08/24-12/11/2023

Class Room: ROME 202

Office Hours: virtual or in person (601y on the 6th floor of MPA). Please make an appointment through the instructor's email at least 48 hours ahead.

1. Course Description

How do we build a simple but flexible budget? How does an organization assess the financial viability of a long-term project? How do stakeholders assess the financial health of governmental and nonprofit organizations? The primary objective of this class is to provide a foundation in financial management, allowing students to use financial information to make decisions in public and non-profit organizations. The secondary objective is to familiarize students with spreadsheet applications and financial calculations.

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 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 draw meaningful conclusions about the financial position of a public service organization.

While there is no prerequisite for this course, if you have limited prior exposure to accounting and finance, please expect to devote a significant amount of time to the coursework and problem-solving.

2. Learning Objectives

After completing this course, students will be able to:

- Create simple 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.

3. Learning Activities

While we will meet in person for the class, all sessions will be live-streamed and recorded on Blackboard Collaborate Ultra for occasional remote participation and post-class review. We will use Blackboard exclusively for posting course materials and submitting assignments, to engage in the following learning activities. All detailed instructions for these activities will be available on Blackboard.

(1) Participation

Excel tutorial. Through working on the self-guided spreadsheet exercise, students will gain/regain familiarity with basic Excel functions and self-assess if additional practice is needed.

Class discussions and activities. Besides lectures, students will participate in various in-class activities such as quick spreadsheet exercises, small-group discussions, and polling.

(2) Weekly practice problems

After each class, you will have the chance to work on practice problems from the textbook. I will provide the answer key to those problems. They are not to be submitted or graded but will further your understanding of the course concepts and analytical tools. Therefore, I highly recommend completing the practice problems and checking your answers against the answer keys, before working on the weekly assignments.

(3) Weekly assignments

The weekly assignments give you a chance to review the concepts and apply the tools you have learned in class. They all involve spreadsheet analyses or calculations.

(4) Tests

A collection of multiple choices questions, short-answer questions, and spreadsheet analysis questions that integrate the concepts and analytical tools from each part of the course. The tests are not cumulative, but the underlying learning is cumulative.

(5) Financial analysis project

A final project where each student analyzes the financial condition of a government or nonprofit organization of their choice. The student will prepare a memo highlighting the findings and recommendations, as well as a set of spreadsheets showing the underlying analysis.

4. Evaluation

Your final grade will be the sum of grades on the following activities.

- *Homework assignment*: 40 % (10 assignments, 4 points each)
- *Tests*: 30 % (2 take-home tests, 12 points for test 1, 18 points for test 2)
- *Financial Analysis Project*: 24 % (Memos and spreadsheet analysis)
- *Attendance & participation*: 6 % (Instructor review of student participation)

Grading scale (based on student handbook: “no student will be permitted to graduate with a GPA of less than 3.0”; that is an average of B across all your courses).

- 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

5. Class materials

- 1) Required textbook: 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. (The updated, thus more expensive, either the 7th or the 6th edition is okay as well but chapter/question numbering may be different.)
- 2) Additional readings: A small number of additional readings will be posted on Blackboard. They are recommended but not required. They can be very valuable in providing you a practice-relevant understanding of the course concepts and preparing you for the written assignments.
- 3) Excel. [Microsoft Office](#), which contains access to Excel, is free for the GWU community. 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 with the software if you are not already comfortable with using Excel to construct tables and perform simple calculations. In all work done in Excel, points may be taken off for numbers that are directly typed into Excel without showing the calculation/formula. You are also encouraged to bring a laptop with Excel to each class, as we will work on spreadsheet exercises in class.
- 4) Guidestar (if you work on a nonprofit but not a government organization for the final project): You need to collect financial reports/statements of an organization of your choice for the final project. These are not annual reports or tax forms and can be difficult to obtain from some organizations because not all of them post financial statements publicly. GWU has an institutional subscription to GuideStar, which provides you access to the financial reports of many (but not all) nonprofit organizations.

6. Class Policies and Expectations

- 1) Course delivery mode. The course is offered in person, but live-streamed and recorded on Blackboard. All course materials, including course recordings, are for your personal use. Unauthorized distributing or sharing of any part of a recorded lecture or course materials, as well as using provided information for purposes other than the student's own learning may be deemed a violation of GW's Student Conduct Code.
- 2) Attendance. If you cannot attend class in person, remember that virtual participation is always an option. But please remember to inform the instructor ahead if you must

participate virtually. If you cannot attend class either in person or virtually, please provide advance notice for excused absences.

- 3) Minimum Time Requirement. This is a 3-credit graduate course. Over 14 weeks, students will spend nearly 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 84 hours outside of class.
- 4) Instructor response time. I will respond to emails within 24 hours (excluding weekends and holidays).
- 5) Late assignments. All weekly assignments are due in six days, leaving one day for grading so that you will receive feedback before the start of the next class. For the other, longer assignments, you have more time as specified in the later “Course Schedule” section and on Blackboard; it may take the instructor up to one week to provide feedback. Late work will be accepted up to **ONE WEEK** after the due date, but grading will be penalized for late submission (5% penalty for the first offense and an additional 5% for each offense after that). No credit for work submitted more than one week late unless you have extraordinary circumstances.
- 6) Individual work. Students are welcome to consult with each other on homework assignments, but should individually draft responses. All work on the exams should be your own, solo effort.
- 7) 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.
- 8) Classroom expectation. 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.
- 9) Respect for Diversity. It is my intent that students from all backgrounds and perspectives be well-served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength, and benefit. I strive to create an inclusive classroom and present materials and activities that are respectful of diversity including gender, sexuality, disability, age, socioeconomic status, ethnicity, race, culture, and political affiliation. Your suggestions on how to help me succeed with this are encouraged and appreciated.

7. Class Schedule:

August 30, Class 1 — Course Overview, Operating and Cash Budgets

Pre-class reading and activity:

- Finkler et al., Ch. 1, Ch. 2

- Recommended: Office of the New York State Comptroller (2010), Citizens' Guide to Local Budgets.
- Ungraded Excel exercise: familiarize yourself with Excel.

Post-class activities:

- Practice problems: 2-17, 2-28
- Assignment 1: 2-35 Marquoya College Parts 1, 2 and 3. Due September 5 at 8 PM.

September 6, Class 2 — Additional Budgeting Concepts; Understanding Costs

Pre-class reading:

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

Post-class activities:

- Practice problems: 3-23, 4-47
- Assignment 2: Mead Meals on Wheels Center case study questions 1 and 2. Due September 12 at 8 PM.

September 13, Class 3 — Cost Allocation; Variance Analysis

Pre-class reading:

- Finkler et al., Ch. 4 from p. 145 “Cost Measurement” to end & Ch. 8
- Recommended: MRSC (2015), Cost Allocation

Post-class activities:

- Practice problems: 4-53 (also do it using the step-down approach allocating purchasing function first, i.e. 4-54)
- Assignment 3: 4-55 (step-down approach allocating administration function first), 8-26. Due September 19 at 8 PM.

September 20, Class 4 — Time Value of Money

Pre-class reading:

- Finkler et al., Ch. 5 up to page 190 “Capital Asset Investment Analysis”

Post-class activities:

- Practice problems: 5-11, 5-14, 5-15, 5-16
- Assignment 4: 5-35, 5-36. Due September 26 at 8 PM.

September 27, Class 5 — Capital Asset Investment Analysis

Pre-class reading:

- Finkler et al., Ch. 5 starting page 190 “Capital Asset Investment Analysis” (excluding Appendix 5-A)

Post-class activities:

- Practice problems: 5-29, 5-37
- Test 1: complete the take-home, timed test on Blackboard by October 3, 8 PM. Covers classes 1 to 4.

October 4, Class 6 — Long-term Asset and Financing

Pre-class reading:

- Finkler et al., Ch. 6

Post-class activities:

- Practice problems: 6-14
- Assignment 5: 5-38, 6-13. Due October 10 at 8 PM.

October 11, Class 7 — Financial Accounting; Balance Sheets

Pre-class reading:

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

Post-class activities:

- Practice problems: 9-23
- Final project part 1: the first component of your final Financial Analysis project. Submit a short, one-page memo that identifies the organization you will be analyzing. Due October 17 at 8 PM.

October 18, Class 8 — Activity Statements

Pre-class reading:

- Finkler et al., Ch. 10 up to P. 371 “The Statement of Cash Flows”

Post-class activities:

- Practice problems: 10-14
- Assignment 6: 9-28, 10-19. Due October 24 at 8 PM.

October 25, Class 9 — Connecting Financial Statements

Pre-class reading:

- Finkler et al., Ch. 10 from P. 371 “The Statement of Cash Flows” to the end

Post-class activities:

- Practice problem: review the M3 case from class (except for cash flow statement)
- Assignment 7: One World Not Three case part 1. Due October 31 at 8 PM.

November 1, Class 10 — Cash Flow Statements

Post-class activities:

- Practice problem: review the M3 case from class (cash flow statement)
- Assignment 8: One World Not Three case part 2. Due November 7 at 8 PM.

November 8, Class 11 — Nonprofit Accounting; Intro to Financial Statement Analysis

Pre-class reading:

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

Post-class activities:

- Practice problems: 11-17
- Test 2: take-home test on Blackboard. Due by November 14, 8 PM. Covers classes 5 to 10.

November 15, Class 12 — Financial Statement Analysis: Ratio Analysis

Pre-class reading:

- Finkler et al., Ch. 14.

Post-class activities:

- Practice problems: 14-10
- Assignment 9: House of Ruth assignment part 1. Due November 28 at 8 PM.

November 22 — Thanksgiving break, no class

November 29, Class 13 — Accounting for State & Local Governments

Pre-class reading:

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

Post-class activities:

- Practice problems: 12-5 (related to 12-4)
- Assignment 10: House of Ruth assignment part 2. Due December 5 at 8 PM.

December 6, Class 14 — Financial Condition Analysis

Pre-class reading:

- Finkler et al., Ch. 15.

Post-class activities:

- Practice problems: 15-10 **Final Memo**

Financial analysis memo: This is the second component of your final Financial Analysis project for the class. Submit a two-page memo and supporting Excel file that summarize your financial analysis for the final project. Due December 15 at 8 PM.

8. University Policies and Resources

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.

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: [GWU academic integrity code](#).

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 [GWU disability support](#).

GW Counseling Resources: In addition, should you need any non-academic support outside of class please consult the [University Counseling Center](#).