

# PPPM 684 PUBLIC & NONPROFIT FINANCIAL MANAGEMENT

**School of Planning, Public Policy and Management**

**University of Oregon, Spring 2019**

Tuesdays 4:00pm – 6:50pm, 116 Esslinger



**March 31, 2019 version. Subject to change prior to and during the quarter. Use the online (posted on Canvas) version of this syllabus.**

**Professor Renee Irvin**

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This course is an overview of financial management issues, principles and tools for government and nonprofit organizations. The course involves discussion, theoretical understanding, and practical applications of basic financial management. Understanding basic financial management issues is important for analyzing the current and future financial health of an organization or agency, leading to more informed managerial decision-making. This course is required for completion of the Master of Public Administration. Master of Nonprofit Management and Graduate Certificate in Nonprofit Management students may take this course instead of PPPM 610/681 Nonprofit Financial Management (but cannot take both, as there is some overlap in content of the two courses).

This is not a government or nonprofit accounting class, but developing ability to understand accounting practices and interpret financial reporting is part of the course. Topics in this course include ongoing and special project budgeting, capital project decision making, cost concepts, endowment stewardship, financial reporting and analysis, and internal control systems. The focus will be on preparing students to be skilled consumers and analysts of financial information, and to be excellent financial strategists and managers in government or nonprofit organizations. Good formatting skills in MS Excel, as well as basic concepts in algebra, will be important when we cover the analytic components of the material. There is no prerequisite for the course, however.

## **Competencies**

By completing this course, students will be able to:

- Construct a program budget
- Design a reserves, endowment, or budget stabilization (rainy day fund) system: accumulating, investing, and payout policies for the funds
- Evaluate financial reports to analyze the financial condition of a nonprofit or government agency and suggest areas of concern and suggestions for improvement
- Present financial information in a sensible and visually clear format that aids mid-year and annual decision making.
- Know standard techniques for enhancing internal control of financial resources within a government or nonprofit context.

### **Class Format**

This course will have lecture material provided online. You'll read both the assigned readings plus the "Irvin" lecture notes outside of class. Come to class prepared, because we will build on the readings and lecture notes by cutting straight to examples (with numbers) and exercises that allow you to build your skills with the material. Thus, there will be very few Powerpoint slides in class and a lot of step by step instructions and opportunities to master the concepts each week. It will look quite retro at times with a fair amount of chalkboard use – be sure to get a seat near the front of the room if you anticipate having difficulty seeing the board or hearing the lecture.

The timing of lectures will be uneven – we may fall behind the syllabus at times, but will catch up at other times. The order of lecture contents will still be the same, however, so please do the readings in the order presented in the syllabus. We may not use the full class time (due to the lecture content being provided online), but don't assume that the class time will be reduced on a consistent basis.

### **General Requirements and Information**

Write all assignments carefully to convey a professional tone and elicit confidence in your work.

If you are unable to make it to class on the day an assignment is due, you may email your assignment to me prior to the class time and date that assignment is due. Late assignments receive only partial credit. Once the answer key is posted to the website, however, no late homework assignments are accepted (no credit). If you miss a class, please arrange to get class notes from a classmate. Instructor lecture notes are not available. Caution: Some topics covered in class are not covered well in the literature, so being present in the classroom is important.

The College of Design (the School of Planning, Public Policy & Management's administrative home), is a community that values inclusion. We are committed to equal opportunities for all faculty, staff and students to develop individually, professionally, and academically regardless of ethnicity, heritage, gender, sexual orientation, ability, socio-economic standing, cultural beliefs and traditions. If you feel excluded or threatened, please contact me or the PPPM Head or anyone else in PPPM who can assist. PPPM has a student-faculty Equity Initiative, and all are encouraged to participate.

In addition, we are also committed to providing an environment free of all forms of prohibited discrimination and sexual harassment, including sexual assault, domestic and dating violence and gender based stalking. If this happens to you or a student you know, I will counsel you/and or the student to seek confidential assistance at the University Health Center and the University Counseling Center. I am required by the University to report this to the PPPM School Head and the Office of Affirmative Action and Equal Opportunity so that the incident can be investigated and appropriate action taken.

Please let me know if you notice that I am using a gender pronoun for you that is inappropriate. I once got this wrong and have been bothered by my error ever since; I don't want to make the same mistake again.

### **Documented Disabilities**

Students who have a documented disability and anticipate needing accommodations in this course should make arrangements with me as soon as possible. I'm happy to accommodate requests – just let me know with enough lead time. I allow students as much time as they need for completing the in-class quizzes and the final. You should never feel rushed when completing an in-class exam or quiz.

### **Academic Misconduct**

You are expected at all times to do your own work. Copying content from other students or other authors and submitting it as your own work is grounds for failing the class. The University Student Conduct Code (available at [conduct.uoregon.edu](http://conduct.uoregon.edu)) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. For example, students should not give or receive (or attempt to give or receive) unauthorized help on assignments or examinations without express permission from me. Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas). If there is any question about whether an act constitutes academic misconduct, it is your obligation to clarify the question with me before committing the act.

### **Graded Requirements:**

In accordance with the PPPM School grading policy for graduate courses, the average grade in this course is a B+.

- ◇ Class participation will count for 5% of the grade.
- ◇ Two homework assignments will each count for 20% of the grade.
- ◇ The in-class microquizzes will count for 30% of the course grade. These are short, easy quizzes based on both the readings assigned for that day, plus some material from the prior week's in-class lecture. I will drop your lowest two microquiz scores. Please don't ask for an exception – two dropped quizzes is already very generous, so plan ahead to utilize these two exceptions wisely.
- ◇ The financial review and dashboard assignment will count for 20% of the grade.
- ◇ The final examination will count for 25% of the class grade.

**Please put your cell phone away during class lecture.**

**Please purchase a calculator with an exponent function and bring it to class every week. The exponent function looks like a hat ^ or  $\hat{x}$ .** (I recommend the TI-30X IIS.)

### **Required Readings:**

Coe, Charles K., [Nonprofit Financial Management: A Practical Guide](#) (Wiley, 2011). Available at the DuckStore. If you get the Kindle version, be aware that there are no page numbers in the online version and you will not be able to reference the lecture notes with the book. That is, throughout the lecture notes, I bring certain things to attention like “the charts on page 37 are excellent”, so it helps to have the hard copy with page numbers.

There will be additional chapter readings from Finkler, Purtell, Callabrese and Smith, [Financial Management for Public, Health, and Not-for-Profit Organizations](#).

Irvin, Renee A. [Lecture Notes for PPPM 684](#) (Hendricks Hall Press, 2019). Available on Canvas.

Look for additional readings in the week by week modules on Canvas and on each week's entry here on the syllabus. If you can't find a reading on a weekly module, check the Files section of Canvas. If any posted readings are optional, I will clearly indicate that. You can assume that all other readings are required. And don't forget, you'll need to purchase a calculator, as noted above.

### **Course Schedule (subject to change)**

**Week 1, April 2: Introductions, conventions in formatting financial information, data sources, Excel basics.**

Read Irvin Week 1 (these are the written lecture notes posted on Canvas).

**Week 2, April 9: Nonprofit and Government Revenues and Expenditures. Introduction to basic accounting terms and end-of-year financial reports.**

Prior to class, read the Ebdon chapter, Coe chapter 1 and 2, Irvin Week 2, and the Excel files on State & Local Government Finances. There is also an optional reading on tax revenue from undocumented immigrants (by Gee et al). Microquiz #1 will cover the above readings (weeks 1 and 2) – don't forget to bring your calculator to class.

**Week 3, April 16: Looking back – government and nonprofit financial reporting. Introduction to Form 990s and CAFRs.**

Prior to class, read Coe Chapter 5 to page 86, Irvin written lecture notes for Week 3, and Finkler et al. ch. 14 plus pages 511-517 in Finkler ch. 15. Microquiz #2 on today's readings and last week's lecture content.

**Week 4, April 23: Looking back –analyzing the financial health of an organization. Trends, ratios.**

Prior to class, read Coe chapter 5 pages 86-end, Irvin Week 4, and Finkler et al. ch. 15. Optional: For those of you who are more interested in government financial reporting and condition analysis, read Finkler chapter 16. Microquiz #3 on today's readings and last week's lecture content. Homework #1 assigned.

**Week 5, April 30: Looking forward – introduction to budgeting. Forms of budgeting. Forecasting, carryforward, mid-year reporting, and classification of costs.**

Prior to class, read Coe chapter 6, Irvin Week 5, and Finkler et al pages 56-65, Finkler ch. 3 to page 108. Optional reading: (especially the first 4 pages) Garrett and Leatherman's Chapter IV Revenue Forecasting: <http://www.rri.wvu.edu/webbook/Garrett/chapterfour.htm>. Microquiz #4 on today's readings and last week's lecture content. Homework #1 due. Homework #2 assigned.

**Week 6, May 7: NO IN-CLASS SESSION TODAY. Creative timeout – constructing dashboards.**

Read Irvin Week 6. Financial Review and Dashboard Assignment assigned; optional draft due next week and final copy due Week 10. No microquiz today. Start working on your Financial Review & Dashboard assignment (it takes a long time to complete). Optional: Look at Eugene's budget website (the interactive portion is "openbudget"): <https://www.eugene-or.gov/106/Budget>

**Week 7, May 14: Financing strategic plans, plus cash flow budgeting, endowment, reserves, and government rainy day funds.**

Prior to class, read Irvin Week 7, Coe chapter 7, and Finkler chapter 3 (review from week 5). Optional reading: Pew Charitable Trust's "Building State Rainy Day Funds." Microquiz #5 on today's readings and week 5's lecture content.

**Week 8, May 21: Dashboard webinar critique, infrastructure planning and finance, capital budgeting & decision making.** Prior to class, read Finkler chapters 5 + Appendix 5-B and portions of chapter 6 + Appendix 16-A, and the ppt dashboard webinar. Read Irvin Week 8. Optional: Zerbe and Bellas's reading on Benefit-Cost Analysis. Microquiz #6 on today's readings and last week's lecture content. Homework #2 due. Optional: rough draft of Financial Review and Dashboard Assignment due (if you want feedback).

**Week 9 May 28: Internal Control and Financial Risk Management. Investment practices.**

Prior to class, read Irvin Week 9 and Coe chapters 3 and 11 plus pages 73, 137-140, and 220. Microquiz #7 on today's and last week's readings plus last week's lecture content. [Prepare questions on internal control for our guest speaker.](#)

**Week 10, June 4: Topic day! Students present their 2-minute (do not exceed the time limit) synopses on the financial health of the organizations you studied.** Financial Review and Dashboard Assignment due.

**Week 11, Final exam** in our regular classroom. Monday June 10<sup>th</sup> at 12:30pm. Bring your calculator (not a cellphone calculator).