

# PPPM 484 PUBLIC & NONPROFIT FINANCIAL MANAGEMENT

School of Planning, Public Policy and Management  
University of Oregon, Winter 2023

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**Professor Renée Irvin (she/her)**

**Email:** [rirvin@uoregon.edu](mailto:rirvin@uoregon.edu)

Office Hours: Mondays 9-11am and by appointment (email me)

Office: Hendricks Hall 147A, way at the back of the building.

Or pop into Zoom – here’s the link: <https://uoregon.zoom.us/j/98103379801>

I sometimes forget to start a Zoom session for my office hours. If you stop by online and I’m not there, email me. Thanks!

Please email if you need to make an appointment outside of office hours. Otherwise just show up to office hours... I do not require signing up ahead of time, but there will be a bit of a wait if two or more students show up at the same time.

**Class sessions, Mondays 4pm – 6:50pm, 105 Esslinger Hall:**

1. Read everything for that week before you come to class.
2. There will usually be a quiz at the beginning of class, so be sure you’re on time.
3. I’ll walk you through some examples similar to what I’ve already covered in the “Irvin” written lecture notes.
4. There will be a break midway through the class session. We often have snacks during the break.
5. You’ll need to find a printer (and sometimes a stapler) in order to hand in a hard copy of your assignments – please arrange this ahead of time.
6. Still confused about anything? After the class session will be Q&A **stick around time (unofficial office hour)**. Of course, feel free to bring your questions to my regular office hours, too.

**Lecture Format:** The lectures have been transferred to print – except for material which is best explained step by step in class. Each week, read the assigned readings, then read the Irvin Written Lecture Notes. In these written lectures, I will walk you through the readings, commenting on the strengths and weaknesses of the chapters. I'll point out what is important, and what's OK to just skim. To make the concepts more tangible, I'll provide anecdotes – real life situations that illustrate what you're reading (with some great links to explore if you want to go down some financial management rabbit holes).

Where the text is too brief, I'll provide step by step clarifying instruction: this happens often. Most importantly, I'll walk you through the material with current data from cities and nonprofit agencies, so you can see how these concepts come to life, with recent data at hand. I'll give you examples to work on, so that you get comfortable manipulating the numbers.

It's critical that you read the chapter and “Irvin lecture” material before class. If you don't, you will not do well on the quiz.

There will be lots of worksheets! Financial management is best learned with a calculator and a pen & paper in hand.

**Important:** Because the lecture materials are largely in print, our class sessions are more for working through examples, not lecturing. Therefore, in-class sessions will often be shorter than the full 2 hours and 50-minute allotment.

**Curricular Overview:** 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 Minor in Nonprofit Administration.

This is not a government or nonprofit accounting class, but mastering the financial material involves developing ability to understand accounting practices and interpret financial reporting. Topics include ongoing and special project budgeting, capital project decision making, cost concepts, endowment stewardship, financial reporting and analysis, and internal control. The focus will be on preparing you 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, you will be able to:

- Construct a program budget
- Design a reserves, endowment, or budget stabilization (rainy day fund) system: accumulating, investing, and using the funds to keep the organization steady
- 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.
- Be able to select and explain appropriate techniques for enhancing internal control of financial resources within a government or nonprofit context.

### **Class Format**

You'll read both the assigned readings plus the "Irvin" lecture notes. We will build on the readings and lecture notes by working through examples (with numbers) and exercises that allow you to build your skills with the material, as noted above. Thus, there will be very few PowerPoint slides and a lot of step by step instructions and opportunities to master the concepts each week. Attendance is critical for understanding the material.

### **General Requirements and Information**

Write all assignments carefully to convey a professional tone and elicit confidence in your work. Poor editing will result in points taken off assignments. The two homework assignments (and the final exam, if it's take-home) must be typewritten. Advance warning: this class requires printing out your assignments, so get to know someone with a printer and a stapler.

Late assignments receive only partial credit. Once the answer key is posted to the website, however, no late homework assignments are accepted (no credit).

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 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.

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.

### **Having a Hard Term?**

If this quarter is unusually rough, please note that there are resources for you. This [one-stop webpage](#), for example, provides links to help you in a variety of circumstances: managing stress, mental health concerns, personal safety, and more! Scroll down to see it all.

If your concern is with the course content, on the other hand, talk with me after class, come to office hours, or shoot me a quick email and we can set up a Zoom chat. I'm here to help you learn, so if you're stuck, I can help you.

I understand that circumstances may make it difficult for you to finish the course on time. If that is the case, finish as much of this course as you can, and then take an incomplete. After you complete the material at a later date, I can update your grade. I cannot give you an incomplete grade, however, if you haven't completed a majority of the assignments.

### **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.

### **Academic Misconduct**

You are expected at all times to do your own work, simply because I want you to learn the material. If I detect that you are not doing your own work, I will not hesitate to report it. 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, and 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 undergraduate courses, the average grade in this course is a B.

- ◇ Worksheets will be ungraded, but I urge you to work through all of them because they help cement the concepts and set you up for success on the final exam and in your professional life.
- ◇ Two homework assignments will each count for 15% of the grade. You will be handing in hard copies! Very retro.
- ◇ Participation/Attendance is 10% of the grade. I keep track of attendance by receiving your quiz and noting if it's missing.
- ◇ Six quizzes (you may drop the lowest 2) will be worth a total of 20% of the grade. Because you are given 2 drops for quizzes, there are no opportunities to make up a quiz. If you are ill or can't be in class for another reason and we have a quiz that week, it will just be one of the quizzes I drop from your grade.
- ◇ The financial review and graphing assignment will count for 20% of the grade.
- ◇ The final examination will count for 20% of the class grade.
- ◇ This phrase answers a question that I will put on Quiz #1: "stable, boring finances." Thank you for reading the syllabus thoroughly!

**It is helpful to have a calculator with an exponent function. If you have an iPhone, note that the exponent function is  $x^y$  and can be accessed by turning your phone sideways (voilà!). The exponent function also might look like a hat  $^$  or  $\wedge$ .** (I recommend the TI-30X IIS.)

**For quizzes, you will need a regular calculator** like the TI-30X because smartphones can't be used during quizzes. I will always bring a few calculators to class in case you need to borrow one to complete a question on the quiz.

### **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. Pdfs available on Canvas.

Irvin, Renee A. Lecture Notes for PPPM 484 (Hendricks Hall Press, 2023). Available on Canvas weekly in each module, and labeled "Irvin Week \_\_\_" in the weekly assignments noted below in this syllabus.

Look for additional readings, PowerPoint slides (sometimes), and worksheets 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. All readings in the weekly modules are required if they aren't explicitly labeled as optional.

## Course Schedule

**Week 1, January 9th Introductions, conventions in formatting financial information, data sources, Excel basics.** Read "Irvin Week 1" (these are the written lecture notes posted on Canvas) and any other materials posted on the Week 1 module. And read the syllabus!

**Week 2, January 16th: Martin Luther King Jr. Day: No class today.** Our reading is self-guided this week, due to the holiday. Get ready for Quiz 1. **Nonprofit and Government Revenues and Expenditures. Introduction to basic accounting terms and end-of-year financial reports.** Read Coe chapter 1 and 2, Irvin Week 2, and take a peek at the Excel files on State & Local Government Finances.

**Week 3, January 23<sup>rd</sup>: Looking back – government and nonprofit financial reporting. Introduction to Form 990s and CAFRs. Quiz 1 in class today.** It's based on the syllabus and weeks 1 and 2 readings. 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.

**Week 4, January 30th: Looking back: Analyzing the financial health of an organization with trends and ratios. Quiz 2 in class today.** It's based on weeks 3 to 4 readings and Week 3 in-class material. Read Coe chapter 5 pages 86-end, Irvin Week 4, and Finkler et al. ch. 15. **Homework #1 assigned.**

Optional: For those of you who are more interested in government financial reporting and condition analysis, read Finkler chapter 16.

**Week 5, February 6th: Looking forward: Introduction to budgeting. Forms of budgeting, forecasting, and carryforward. Quiz 3 in class today.** It's based on week 4 in-class material plus this week's readings. Read Coe chapter 6, Irvin Week 5, and Finkler et al pages 56-65, Finkler ch. 3. **Homework #1 due, hard copy.**

**Week 6, February 13th: Creative timeout – constructing graphs. Mid-year reporting. Classification of costs. Quiz 4 in class today.** It's based on week 5 in-class material plus week 6 reading. Read Irvin Week 6. **Financial Review and Graphing Assignment assigned;** an optional draft is due Week 8 and the final copy is due Week 10. Start now!

Optional: Look at Eugene's budget website (which has an interactive portion): <https://www.eugene-or.gov/106/Budget>

**Week 7, February 20th: Financing strategic plans, plus cash flow budgeting, endowment, reserves, and government rainy day funds. Quiz 5 in class today.** It's based on week 6 in-class material plus week 7 readings. Read Irvin Week 7, Coe chapter 7, and Finkler chapter 3 (review from week 5). **Homework #2 assigned.**

Optional reading: Pew Charitable Trust's "Building State Rainy Day Funds."

**Week 8, February 27th: Infrastructure planning and finance, capital budgeting & decision making.** Read Finkler chapters 5 + Appendix 5-B and portions of chapter 6 + Appendix 16-A. Read Irvin Week 8.

Homework #2 due, hard copy. Optional: rough draft of Financial Review and Graphing Assignment due if you want feedback.

Optional: Zerbe and Bellas's reading on Benefit-Cost Analysis.

**Week 9, March 6th: Internal Control and Financial Risk Management. Investment practices.**

Read Irvin Week 9 and Coe chapters 3 and 11 plus pages 73, 137-140, and 219-220. Quiz 6 in class today. It's based on weeks 7 and 8 in-class material and week 8 and 9 readings.

**Week 10, March 13th: Review week.** Financial Review and Graphing Assignment due, hard copy. Presentations to your classmates today.

**Week 11, Final exam.** Scheduled for Tuesday March 21st, 2:45pm.