

## Social Work 707

### Financial Management for Social Change

### 3 Units

*Fall 2017*

<b>Instructor:</b>	Cassandra Fatouros, MBA, LCSW	<b>Course Day:</b>	Thursday
<b>E-Mail:</b>	Fatouros@usc.edu	<b>Course Time:</b>	5pm – 7pm (PT)
<b>Telephone:</b>	202.494.4972	<b>Location</b>	VAC
<b>Office:</b>	VAC		
<b>Office Hours:</b>	Thursdays 4:30-5pm (PT), 7pm – 7:30pm (PT) and by appointment		

### I. PREREQUISITES

None. Some prior exposure to nonprofit or government budgeting might be helpful.

### II. COURSE DESCRIPTION

This course is intended to provide students with deepened knowledge, theoretical frameworks, and critical techniques for working with budget planning and finance as powerful tools in production of effective social programs. While emphasis rests on nonprofit and public organizations, attention is also given to potential connections with the for-profit sector, especially in the area of social innovation. Principles of social program design are treated as the building blocks for projection and review of resource needs. While technical elements in budget analysis are considered, especially as important to budget control, the place of human relationships – both political and personal – in the budget process is also stressed. Interdisciplinary perspectives from business, accounting, psychology, sociology, economics and social work are combined to achieve deeper understanding of the forces at work in finance and budget planning. Specialized topics such as the management of funding cutbacks, use of audits to strengthen program design, and budget negotiation are addressed. The Harvard case method is used extensively to explore practical application of ideas and to strengthen problem solving skills in complex organizations. Students will be expected to apply course concepts to the draft of a budget for a social program/policy intended to impact one of the Grand Challenges for Social Work.

### III. COURSE OBJECTIVES

Through their participation in the Grand Challenges assignment, readings, case exercises, and discussion, students will be able to demonstrate the following enhanced strengths and abilities by the end of the course:

- a. Understand and evaluate the connection between social program design, financial management, and the budget process.
- b. Use critical principles of resource planning in creation of a proposed program and budget design that addresses one of the Grand Challenges for Social Work.
- c. Demonstrate problem-solving skills in case analysis of budget planning and financial management for different types of complex human service programs
- d. Recognize how psychological, political, technical, and institutional forces affect budget development, budget aims, and resource allocation in social programs.
- e. Consider alternative strategies and disciplinary perspectives in confronting budget retrenchment, rapid innovation, and budget negotiation.

### IV. COURSE FORMAT

Course format will consist of class discussions derived from readings and asynchronous content, analyses of specific budget and financial management problems using the Harvard case method, guest presentations, and collaboration around development of Grand Challenges assignments. Confidentiality of material shared in class will be maintained where appropriate. Because exchange of ideas is an integral part of the learning process, students are required to come to class ready to discuss assigned readings and case materials.

### V. GRADING POLICY

Course grades will be based on the following four assignments:

1.	<b>Grand Challenges Written Proposal</b>	<b>50%</b>
2.	<b>Grand Challenges Proposal Presentation</b>	<b>20%</b>
3.	<b>Case Study Analysis and Notes</b>	<b>20%</b>
4.	<b>Role Play</b>	<b>10%</b>

Final grades for the course will be determined based on points earned on each assignment.

93 – 100	A
90 – 92	A-
87 – 89	B+
83 – 86	B
80 – 82	B-
77 – 79	C+
73 – 76	C
70 – 72	C-

Within the School of Social Work, grades are determined in each class based on the following standards which have been established by the faculty of the School:

**Grades of A or A-** are reserved for student work which not only demonstrates very good mastery of content but which also shows that the student has undertaken a complex task, has applied critical thinking skills to the assignment, and/or has demonstrated creativity in her or his approach to the assignment. The difference between these two grades would be determined by the degree to which these skills have been demonstrated by the student.

**A grade of B+** will be given to work which is judged to be very good. This grade denotes that a student has demonstrated a more-than-competent understanding of the material being evaluated in the assignment.

**A grade of B** will be given to student work which meets that basic requirements of the assignment. It denotes that the student has done adequate work on the assignment and meets basic course expectations.

**A grade of B-** will denote that a student's performance was less than adequate on an assignment, reflecting only moderate grasp of content and/or expectations.

**A grade of C** would reflect a minimal grasp of the assignment, poor organization of ideas and/or several significant areas requiring improvement.

**Grades between C- and F** will be applied to denote a failure to meet minimum standards, reflecting serious deficiencies in all aspects of a student's performance on the assignment.

## VI. INSTRUCTIONAL MATERIALS & RESOURCES

### Required Textbook and Readings and Case Studies

No required textbook

Required readings are held on ARES reserve.

Case Studies – Harvard case studies need to be purchased online (each case individually). Access (and then purchase) these cases by linking on “[SOWK 707 Case Study Access Information](#)” located in the “Toolbox” section of the course site. Other non-Harvard cases studies are also available as PDF's (no purchase required) in the “Toolbox”.

### Required APA Style Formatting

APA formatting and style guide. (2009). The OWL at Purdue. Retrieved from

<http://owl.english.purdue.edu/owl/resource/560/01/>

American Psychological Association (2009). *Publication Manual of the American Psychological Association* (6<sup>th</sup> Ed.). Washington: APA.

### Suggested Websites

The American Accounting Association [www.aaahg.org.]  
American Public Human Services Association [www.asphsa.org]  
The Peter F. Drucker Foundation for Non-Profit Management [www.fpdf.org]  
FinanceNet [www.financenet.gov]  
The Foundation Center [www.fdncenter.org]  
Free Management Library [www.fdncenter.org]  
Stanford Social Innovation Review [www.ssireview.org]  
National Association of Nonprofit Accountants [www.nonprofitcpas.com]  
National Council of Nonprofits [www.councilofnonprofits]  
The Wallace Foundation Knowledge Center [wallacefoundation.org]  
The Nonprofit Quarterly [www.npgmag.org]  
Public Risk Management Association [www.primacentral.org]

## VII. ATTENDANCE POLICY

At the doctoral level, attendance and interaction around ideas are essential. Students are expected to notify the instructor by telephone or email of any anticipated absence.

University of Southern California policy permits students to be excused from class, without penalty, for the observance of religious holy days. This policy also covers that scheduled final examinations which might conflict with students' observance of a holy day. Students must make arrangements in advance to complete class work that will be missed or to reschedule an examination due to observance of holy days.

## VIII. ACADEMIC CONDUCT

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" <https://policy.usc.edu/scampus-part-b/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct at: <http://policy.usc.edu/scientific-misconduct>.

## IX. SUPPORT SYSTEMS

*Student Counseling Services (SCS)* - (213) 740-7711 – 24/7 on call  
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.  
<https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline* - 1-800-273-8255  
Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

*Relationship & Sexual Violence Prevention Services (RSVP)* - (213) 740-4900 - 24/7 on call  
Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

*Diversity at USC – <https://diversity.usc.edu/>*

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

## **X. ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES**

Any student requesting academic accommodations based on a disability is expected to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. *Please be sure the letter is delivered to the instructors as early in the semester as possible so that proper accommodations can be offered in a timely way.* DSP is open from 8:30 a.m. to 5:00 p.m., Monday through Friday and can be reached by telephone at (213) 740-0776.

## **XI. EMERGENCY RESPONSE INFORMATION**

To receive information, call main number (213)740-2711, and press #2, “For recorded announcements, events, emergency communications or critical incident information.”

To leave a message, call (213) 740-8311

For additional university information, please call (213) 740-9233

Or visit university website: <http://emergency.usc.edu>

## **XII. CONDITIONS FOR AWARD OF AN “INCOMPLETE” GRADE**

The Grade of Incomplete (IN) can be assigned only if work not completed because of a documented illness or emergency *occurring after the 12th week of the semester*. Removal of the grade of IN must be instituted by the student, agreed to by the instructor, and reported on the official “Incomplete Completion Form.”

## **XIII. POLICY ON LATE OR MAKE-UP WORK**

Assignments are due on the day and time specified. Generally, late or make-up work will not be accepted. Extensions will be considered only for unusual, extenuating circumstances.

## XIV. COURSE OVERVIEW AND CALENDAR

UNIT	MAIN TOPICS	CASE STUDIES	WORK ASSIGNED/ WORK DUE
#1	<b>COURSE INTRODUCTION; OVERVIEW OF SOCIAL PROGRAM DESIGN CONCEPTS</b>		
	<i>Required readings:</i> <ol style="list-style-type: none"> <li>1. Sue C. Funnell &amp; Patricia J. Rogers. (2011.) Purposeful Program Theory: Effective Use of Theories of Change and Logic Models. San Francisco: John Wiley &amp; Sons. 2-13.</li> <li>2. P. M. Kettner, R. M. Moroney &amp; L. L. Martin. (2017). Designing and Managing Programs: An Effectiveness Based Approach. 5<sup>th</sup> ed. Thousand Oaks, CA: Sage. 23-47</li> </ol>		
#2	<b>SOCIAL PROGRAM DESIGN: CHANGE THEORY, INTERVENTION PHASES, TARGET POPULATIONS</b>		
	<i>Required readings:</i> <ol style="list-style-type: none"> <li>1. Funnell and Rogers, pp. 30-33; 42-52; 135-141</li> <li>2. Kettner, Moroney &amp; Martin, pp. 4-17.</li> </ol>	Pine Street Inn	
#3	<b>BUDGETING: RATIONALE, THEORETICAL PERSPECTIVES</b>		
	<i>Required reading:</i> <ol style="list-style-type: none"> <li>1. M. A. Covalleski et al. (2003.) "Budgeting Research: Three Theoretical Perspectives and Criteria for Selective Integration," Journal of Management Accounting Research, v. 15, pp. 3-49. Skim for major ideas.</li> </ol> <i>Recommended:</i> <ol style="list-style-type: none"> <li>2. The Internet has several brief descriptions of incremental budgeting. Summarize for yourself the principle benefits and disadvantages of this approach. The classic analysis of incremental budget may be found in Charles E. Lundbloom, "The Science of Muddling Through."</li> <li>3. A. Hillman, M. Withers &amp; B. Collins. (2009). "Resource Dependence Theory: A Review." Journal of Management. 35: 1404-1423.</li> </ol>	American Red Cross Blood Services: Northeast Region	Grand Challenges Assignment 1 ( <b>Part One</b> ) – Program or Policy Proposal Draft

<b>#4</b>	<b>BUDGET AUSPICES AND SECTOR COMPARISONS</b>		
	<p><i>Required readings:</i></p> <ol style="list-style-type: none"> <li>1. R. Vinter and R. Kish. (1984). <i>Budgeting for Not-for-Profit Organizations</i>. New York: The Free Press. Pp. 11-28.</li> <li>2. R. D. Lee, R. W. Johnson, and P. Joyce. (2013). <i>Public Budgeting Systems</i>. 9<sup>th</sup> Ed. Burlington, MA: Jones &amp; Bartlett Learning. Pp. 1-21; skim 117-131.</li> </ol>	Managing Cutbacks at WA Dept. of Social and Health Services	
<b>#5</b>	<b>FISCAL MANAGEMENT PRACTICES</b>		
	<p><i>Required reading:</i></p> <ol style="list-style-type: none"> <li>1. L.A. Weikart, G.G. Chen, E. Sermier. (2013). <i>Budgeting and Financial Management for Nonprofit Organizations: Using Money to Drive Mission Success</i>. Los Angeles, CA: Sage. "Introduction to Financial Statements," pp. 100-104; "Financial Tools for Informed Decision Making," pp. 152-175.</li> </ol>	Demise of the Jane Addams Hull House Association	
<b>#6</b>	<b>REVENUE DEVELOPMENT, INNOVATION AND SCALE</b>		
	<p><i>Required reading:</i></p> <ol style="list-style-type: none"> <li>1. M. L. Flynn (in press.) "Science, Innovation and Social Work: Clash or Convergence? <i>Journal of Research on Social Work Practice</i>.</li> <li>2. L. A. Weikart, G. G. Chen &amp; E. Sermier. (2013.) <i>Budgeting &amp; Financial Management for Nonprofit Organizations: Using Money to Drive Mission Success</i>. Los, Angeles, CA: Sage. "Understanding Revenues, pp. 187-203; "Adapting to Turbulent Times: Conventional and Entrepreneurial Strategies, pp. 302-320.</li> </ol>	Youth Villages	Grand Challenges Assignment 1 ( <b>Part Two</b> ) – Budget Structure Draft
<b>#7</b>	<b>BUDGET FORMATS, CYCLES, &amp; UNITS OF SERVICE</b>		
	<p><i>Required reading:</i></p> <ol style="list-style-type: none"> <li>1. Weikart, L. A., Chen, G. G., and Sermier, E. (2013.) <i>Budgeting &amp; Financial Management for Nonprofit Organizations: Using Money to Drive Mission Success</i>. Los Angeles, CA: Sage. pp. 25-29</li> <li>2. Robert Vinter and Rhea Kish. (1984). <i>Budgeting for Not-for-Profit Organizations</i>. New York: The Free Press. pp. 24-28</li> </ol>		

	<p><i>Useful Resource:</i></p> <ol style="list-style-type: none"> <li>Robert Vinter and Rhea Kish. (1984). <i>Budgeting for Not-for-Profit Organizations</i>. New York: The Free Press. pp. 357-378</li> </ol>		
<b>#8</b>	<b>MEASURING PROGRAM PROCESSES AND ANALYZING COSTS</b>		
	<p><i>Required Readings:</i></p> <ol style="list-style-type: none"> <li>A. Gall, "A Quick Guide to Breakeven Analysis." <i>Harvard Business Review</i>. (July 2, 2014.)</li> <li>W. Bedsworth, A. Goggins Gregory &amp; D. Howard. (2008.) Nonprofit Overhead Costs: Breaking the Vicious Cycle of Misleading Reporting, Unrealistic Expectations, and Pressure to Conform." Boston, MA: The Bridgespan Group, 1-20.</li> </ol>		
<b>#9</b>	<b>MANAGING BUDGET REDUCTION</b>		
	<p><i>Required Readings:</i></p> <ol style="list-style-type: none"> <li>D. K. Datta &amp; D. A. Basuil. (January, 2015.) "Does Employee Downsizing Really Work? <i>Human Resource Management Practices</i>, 197-221.</li> </ol>	Downsizing at the Dodge Clinic	
<b>#10</b>	<b>BUDGET ALLOCATION &amp; NEGOTIATION</b>		
	<p><i>Required reading:</i></p> <ol style="list-style-type: none"> <li>Ashbaugh, Sam. "An Elected Official's Guide to Negotiating and Costing Labor Contracts". Government Finance Officers Association, pp. 21-52</li> </ol> <p><i>Recommended:</i></p> <ol style="list-style-type: none"> <li>Ashbaugh, full document</li> </ol>	Multimode, Inc. (Case Study and Role Play)	Grand Challenges Assignment 1 ( <b>Part Three</b> ) – Budget Allocation Draft
<b>#11</b>	<b>ACCOUNTING THEORIES AND SYSTEMS</b>		
	<p><i>Required reading:</i></p> <ol style="list-style-type: none"> <li>J. Soll (2014.) <i>The Reckoning: Financial Accountability and the Rise and Fall of Nations</i>. New York, NY: Basic Books. I-xvii.</li> <li>D. Frink &amp; R. Klimoski (2004). "Advancing Accountability Theory and Practice: Introduction to Human Resource Management Review Special edition." <i>Human Resource Mgmt. Review</i>. 14: 1-17.</li> </ol>		



	<p><i>Recommended:</i></p> <p>3. D. Frink &amp; Richard J. Klimoski. "Toward a Theory of Accountability in Organizations and Human Resources Management," In <i>Research in Personnel and Human Resources Management</i> (1998). Elsevier Science/JAI Press: 16; 1-51.</p>		
<b>#12</b>	<b>FINANCIAL FRAUD, MISUSE, AUDITS AND PROGRAM EFFECTIVENESS</b>		
	<i>Required readings:</i> None	Disctech, Inc.	
<b>#13</b>	<b>DIVERSITY AND INCLUSION IN BUDGET PLANNING</b>		
	<p><i>Required reading:</i></p> <p>1. M. E. Mor Barak (2015). "Inclusion is the Key to Diversity Management, but What Is Inclusion?" <i>Human Service Organization: Management, Leadership &amp; Governance</i>. 39:2, 83-88.</p> <p><i>Recommended:</i></p> <p>2. A. Vafaei, K. Ahmed &amp; P. Mather. (2015). "Board Diversity and Financial Performance in the Top 500 Australian Firms," <i>Australian Accounting Review</i>. 75:4, 413-427.</p> <p>3. T. Ashikali &amp; S. Groeneveld. (2015). "Diversity Management in Public Organizations and Its effect on Employees' Affective Commitment: The Role of Transformational Leadership and the Inclusiveness of the Organizational Culture." <i>Review of Public Personnel Administration</i>. 35(2) 146-168.</p>		Grand Challenges Assignment 1 ( <b>Part Four</b> ) – Final Paper
<b>#14</b>	<b>GRAND CHALLENGE PROPOSAL PRESENTATIONS</b>		Assignment 2 – PPT Materials and Live Presentations (half of class)
<b>#15</b>	<b>GRAND CHALLENGE PROPOSAL PRESENTATIONS</b>		Assignment 2 – PPT Materials and Live Presentations (half of class)

## XV. DETAILED DESCRIPTION OF ASSIGNMENTS

### Assignment 1 – Grand Challenges Written Proposal

The Grand Challenges for Social Work were developed by the American Academy of Social Work and Social Welfare and launched in January, 2016. They are listed on the website for the American Academy at [www.aaswsw.org](http://www.aaswsw.org) and on YouTube.

The twelve Grand Challenges represent an ambitious social agenda for the next decade. Initial conceptualization of these challenges and some supporting documentation is offered on the Academy website. There are no limits to the type of programs or policies that might be proposed as a means of addressing the wicked problems that are reflected in the challenges. However, it is assumed that any initiative would hold promise of making significant advances within the next decade, and proposed interventions are generally supported by science, clinical trials, or other empirical evidence.

Program or policy proposals may be developed for the public, private, or for-profit sectors, may use creative means of financing and intervention, and can define a scope for impact that is local, statewide or national. Leadership may be drawn from any institutional setting.

Students are asked to review the 12 Grand Challenges, select one, and prepare the following 4 draft papers:

#### **Part One: Program or Policy Proposal Draft** (Due 3<sup>rd</sup> week)

##### Purpose:

The purpose of this assignment is to lay the groundwork for budget planning and development that will support a program or policy designed to impact one of the Grand Challenges. The proposal can be original – something you've had in mind but not seen implemented – or an outgrowth of your previous experience and an improved vision of an existing program or policy. You will have an opportunity to revise as you move through the course and have an opportunity to think further about the problem, intervention, and resource requirements.

##### Components of Assignment:

- (1) Identify which of the 12 Grand Challenges your proposed program or policy initiative will impact.
- (2) Briefly state the specific problem. Although you can include additional descriptive information ... be sure to lead with a clear "problem statement".
- (3) Define your theory of problem causation. You will need to provide data wherever possible to document problem prevalence or incidence, and then clearly identify your perspective on the cause(s) of the problem. If there is scientific support from clinical trials or other empirical evidence, briefly reference.

- (4) Describe your intervention. Briefly describe your plan or proposal for reducing the problem. Lead with a clear summary statement of the intervention ... followed by brief discussion of WHAT will be the main activities/components of your program once it's fully up and running.
- (5) Define your intervention theory. Briefly explain WHY your proposed intervention is a good idea (and/or is better than other alternatives). If there is scientific support from clinical trials or other empirical evidence, briefly reference.
- (6) Identify both the general population affected by the problem and the target population with which you have chosen to work. You will need to check appropriate census data, administrative statistics, or other data sources and briefly reference.
- (7) Define the specific scope and location to be affected by your program. Focus on Year 1 of full operation for your proposed program.

You will need to provide data wherever possible to document problem prevalence or incidence, to support the significance of your choice.

Format:

Single-spaced, with any references cited using APA format. Proposal should be titled and dated.

Length:

2-3 pages.

Review Criteria:

- Problem statement should be free of over-generalization and jargon.
- Typically, only one major cause or theory should be identified as the basis for the problem even though, of course, most social problems are multiply determined.
- Data should be relevant and sufficient to support program or policy need.
- The target population should be defined clearly.
- The intervention theory and process should demonstrate clear relevance to the problem (causation) theory. In other words, for example, if unemployment is seen as the cause of suicide among elderly men, then income assistance would not be a relevant program intervention.
- Outcomes should be measurable and related to problem reduction.
- **All 7 components (above) should be included in this draft (and in order, with section headings, please).**
- This Part One of the Assignment will be comprehensively reviewed by faculty ... with specific feedback on content. While informal feedback on the paper's quality will also be provided ... this part of the assignment will be graded Credit/No Credit.

**Part Two: Budget Structure Draft** (Due 6<sup>th</sup> week)

Purpose:

The purpose of this assignment is to begin building a budget and staffing structure around your program or policy proposal. You will need to be as realistic as possible in the assumptions that you use as you develop your ideas for this assignment and for the others to follow, but you are encouraged to make changes if needed in subsequent drafts. This is a normal part of the budget development process. This budget is your plan for program implementation, and plans alter as new information becomes available.

Components of Assignment:

Prior to preparing Part Two of this assignment ... **fully edit/revise Part One** based on previous faculty input. Then move on to Part Two, including:

- (1) Give your program or policy initiative a name.
- (2) Identify the auspices for your program or initiative, and provide a rationale for your choice. Be specific beyond selecting public, for-profit, or not-for-profit and define the institutional base (e.g. Red Cross, Department of Children and Family Services, Target, if appropriate.)
- (3) Explain the internal stakeholders and sources of authority who will be affected by your program or policy concept (both positive and negative) ... and how they will influence your budget planning.
- (4) Identify the external stakeholders and organizations likely to be affected by your program or policy concept (both positive and negative) ... and how they might influence your budget planning.
- (5) Identify the main source(s) of revenue upon which you will depend to support your program or policy initiative and the amount that you can reasonably expect to receive in Year 1 of full operation.

You are encouraged to obtain information to support this assignment from data sources, including personal interviews, in the field where relevant. If you assume that your program or policy initiative might be implemented, this is a beginning assessment of the resources that will be required.

Format:

Single-spaced, with any references cited using APA format. **Add this to Part One of this assignment (all in one document).**

Length:

2-3 pages.

Review Criteria:

- Choice of auspices should draw upon the relative strength or potential of the sector(s) selected for achievement of program goals.
- The institutional base should be realistic in terms of availability and other factors.
- Understanding of internal stakeholders and influence on the budget process should reflect a good grasp of the agency or organizational structure in which the program and or policy initiative will be located.
- Major external stakeholders and sources of budget authority should be clearly delineated, with explanation as to whether these are sources of constraint or support
- Main sources of revenue and estimated levels of support should be detailed to the extent possible ... and also be realistic and justified.
- **All 5 components (above) should be included in this draft (and in order, with section headings, please).**
- This Part Two of the Assignment will be comprehensively reviewed by faculty ... with specific feedback on content. While informal feedback on the paper's quality will also be provided ... this part of the assignment will be graded Credit/No Credit.

Important Reminder: Faculty review of Part Two of this assignment requires that you update (and include) Part One. [Note: Please highlight "major" edits to Part One of this assignment to assist faculty in reviewing the full document.]

**Part Three: Budget Allocation Draft** (Due 10<sup>th</sup> week)

Purpose:

The purpose of this assignment is to complete the preliminary draft of a budget plan for the proposed program or policy initiative. This includes specific revenue projections; discussion of each phase of the program's expected operations and some of its associated units of service; consideration of significant cost elements; a line item budget for your proposed program's first full year of operation; and discussion of the budgeted "bottom line".

Components of Assignment:

Prior to preparing Part Three of this assignment ... **fully edit/revise Parts One and Two** based on previous faculty input. Then move on to Part Three, including:

- (1) Budget Format and Cycle – Select the budget format and define the budget cycle that you will use.
- (2) Revenue Projections – Project revenue for your program's first full year of operation based on realistic expectations. Identify the sources to the extent possible.
- (3) Phases of Intervention – Using your intervention theory, lay out the "major" phases through which clients, outreach efforts or other targets must pass from program onset to termination.

- (4) Units of Service – Select the units of service, if any, that you will use to measure throughput and output for important phases of your intervention, and explain why these measures are the best given the nature of the problem and target population.
- (5) Staffing Plans & Costs – Estimate how many staff, at what level of preparation or skills/experience, will be required for implementation of each major phase of your program ... and assign personnel costs. Remember to also consider benefits. Estimate these costs for your program's first full year of operation, and provide brief justification for your thinking.
- (6) Other Spending Plans & Costs – Given the way in which your program will be implemented, estimate how much space will be necessary, and assign a total cost for the program's first full year of operation. If any major equipment purchases, rental, or leases will be necessary, identify these and estimate costs. Also list other expenditures that may be essential to your program such as travel, communications, marketing, consultation, insurance, etc.
- (7) Line Item Budget – Based on the cost and revenue assumptions (above) ... create a line item budget using a standard accounting format for your program's first full year of operation. It is not necessary to be comprehensive or to be too concerned about budget detail, but rather to construct broad estimates of expenditure that will be crucial for program effectiveness. Provide a brief justification for your estimates.
- (8) Revenue vs. Costs (Bottom Line) – Finally, compare total costs to your original revenue estimate and discuss implications.

Format:

Single-spaced, with any references cited using APA format. **Add this to Parts One and Two of this assignment (all in one document).**

Length:

2-3 pages, plus a separate page for the line item budget.

Review Criteria:

- Phases for program or policy implementation should be clearly delineated with a sense of progression and well-related to the intervention or change theory that is part of the program design.
- Units of service should allow for assessment of program process in the input, throughput, and output stages and represent meaningful measures of program activity.
- Expenditure estimates for personnel, space, and other resource needs should be clearly justified and reasonably related to intervention phases and problem causation.
- Analysis of cost and revenue estimates should reflect an understanding of techniques for successful budget reduction (if necessary), ideas for revenue development (if necessary), or other methods of achieving a balance between projected revenues and expenditures.

- **All 8 components (above) should be included in this draft (and in order, with section headings, please).**
- This Part Three of the Assignment will be comprehensively reviewed by faculty ... with specific feedback on content. While informal feedback on the paper's quality will also be provided ... this part of the assignment will be graded Credit/No Credit.

Reminder: Faculty review of Part Three of this assignment requires you update (and include) Parts One and Two. [Again ... please highlight "major" edits to Parts One and/or Two of this assignment to assist faculty in reviewing the full document.]

#### **Part Four: Revision, Analysis and Final Proposal** (Due 13<sup>th</sup> Week)

##### Purpose:

The purpose of this assignment is to not only consolidate feedback provided from previous versions of your proposal for final submission ... but also to allow you to:

- Add your thoughts about any complicating factors and constraints that affected your concept of the budget process and systems, service measures, revenue and cost estimates and/or other factors; and
- Share general insights, critical thinking, and overarching conclusions that you have developed about your proposed program.

Use your own experience, assigned readings, class discussion, lecture, and case analyses in this final document to move beyond mere description of your proposed program.

##### Components of Assignment:

Consistent with previous drafts (and the above), the final paper should include all of the following elements:

- Program Design
  - Grand Challenge
  - Problem
  - Problem Causation
  - Intervention
  - Intervention Theory
  - Target Population
  - Scope and Location
- Budget Structure
  - Program Name
  - Auspices
  - Internal Stakeholders
  - External Stakeholders
  - Revenue Sources

- Budget Allocation Detail
  - Budget Format and Cycle
  - Revenue Projections
  - Intervention Phases
  - Units of Service
  - Staffing Plans
  - Other Spending Plans
  - Line Item Budget
  - Revenue vs. Costs Discussion
- Final Conclusions
  - Complicating Factors and Constraints
  - General Insights and Overarching Conclusions

Format:

Single-spaced, with any references cited using APA format. All assignments, including the final analysis required in this assignment, should be compiled into one paper.

Length:

Open. Completed paper will generally fall in the range of 8-12 pages.

Review Criteria:

- All components of the full assignment (above) should be clear, logically organized and effectively covered in the paper.
- The completed line item budget and justification should logically connect to the original program design, including the concepts of intervention theory, problem causation, and target population
- The paper should demonstrate mastery of a critical and analytic approach to budget construction, reflecting various perspectives and ideas addressed during the term.

The final paper for Assignment 1 will be worth a maximum of 50 grade points.

**Assignment 2 – Class Presentation** (Weeks #14 and #15)

Purpose:

During one of the last 2 live sessions of the course, you will be asked to make a formal presentation to the class using PowerPoint or other materials to illustrate your ideas. In addition to describing your program and presenting your budget ... your presentation should connect your proposed intervention to relevant aspects of financial management and the budgeting process ... all while also being impactful and engaging for your audience.



Format and Length:

Live presentation to the class using PowerPoint or other illustrative materials for distribution. The PPT should be limited to about 10-12 slides or less. Plan to present for 10-12 minutes (maximum) ... followed by a brief Q&A/discussion.

Review Criteria:

Grading criteria for the presentations (worth a maximum of 20 grade points) will include the following:

- 10% for the project's likely impact on the identified Grand Challenge and the specific target population or problem
- 30% for the project's logical connection between the problem, intervention, and budget
- 30% for demonstration of critical and analytical thinking related to the project, finance, and budgeting
- 30% for clarity and effective verbal and visual communication of the concepts

**Assignment 3 – Case Study Notes**

Many classes in the course include a case study directly related to the material covered in unit's asynchronous session and reading materials. You will be asked to review these case studies and be prepared to actively discuss them in the synchronous portion of the class.

As part of your preparation, you will be asked to submit short (1-2 paragraph) Case Note responses to each of two questions for each case. Case Note responses will be due prior to the synchronous session each week.

Case studies don't always have clear solutions or "right" answers. As such, the quality of the thinking process reflected in the Case Note responses will determine each grade. The two objectives of these assignments are to: 1) have you apply learning from the asynchronous lecture, required readings, and occasionally relevant personal experience to the case; and 2) be prepared to actively share your thinking about the case during the live session discussion.

Each unit's Case Note responses will be graded Credit/No Credit. Earning credit on all cases assigned in the course will earn you the maximum total value of 20 grade points for the course.

**Assignment 4 – Role Play**

In one of the units, you will be provided with case study materials for a budget negotiation role play exercise during the synchronous portion of the class. Building on the asynchronous lecture, the reading materials, and previous personal experience, you will conduct a 1-1 negotiation with another class student, after which the results of the negotiation will be collected and distributed, and a comprehensive group debriefing will be conducted.

The purpose of the exercise is for you to practice negotiating within the context of a typical budgeting situation ... get early critical feedback on your negotiation style and skills ... and develop new skills and understanding of the process overall. You will be expected to actively play your role using the materials provided, report your results, share your experience and thinking process, and participate in the post-negotiation debriefing.

This exercise will be worth a maximum of 10 grade points, earned by accomplishing the following: 1) active participation and constructive input in the exercise; 2) a negotiated solution within the established range of possible outcomes; and 3) demonstration of practices discussed in the lecture and readings.

## **XVI. CASE STUDIES AND ANALYSIS INFORMATION**

### **Unit #2 Case – *Budget Woes and Worse: Pine Street Inn***

Organization: Well-established Nonprofit Homeless Shelter

Case Description: In 2004, Boston's preeminent homeless shelter, Pine Street Inn, faced the prospect of steadily dwindling funds for shelter services. This stark reality, combined with persistent frustrations at finding permanent homes for homeless clients, persuaded Pine Street's director and Board of Directors to regroup, gather significant amounts of important data, and rethink Pine Street's mission, program design, and organizational strategy. The case is rich in data related to the challenge of serving the homeless and offers an example of a nonprofit social service organization that re-imagined its program design.

#### Case Notes Assignment:

1. Identify the main components of Pine Street's program design during its early years (including the problem, target population, problem causation, and interventions) ... and then compare this to what the organization is considering during the 2004-2009 period?
2. What should Pine Street do?

### **Unit #3 Case – *American Red Cross Blood Services: Northeast Region***

Organization: American Red Cross

Case Description: This case addresses financial control systems in general, and recounts the financial difficulties and management changes experienced by the American Red Cross Blood Services – Northeast Region during the 1980's. Industry-wide changes in the collection, testing, and distribution of blood and blood products are summarized, and the response of the region is described. The kinds of changes this case highlights include: the transition from nonfinancial to financial planning and monitoring systems; increased dissemination of financial information among line management; and conversion to a cost-accounting system based on cost-center accountability. This case also touches on change theory and illustrates both the need for and the challenges of changing management control systems in response to changes in the organization's environment. The experience of the Red Cross reveals factors that have to be considered in implementing major control changes.

Case Notes Assignment:

1. The case chronicles the organization during different phases of its history. For discussion purposes, please consider them Phase I (pre-1979/entrepreneurial); Phase II (1979-1983/crisis); Phase III (1983-1986/ enlightenment); and Phase IV (1986-1989/implementation). What kinds of financial and management control systems did the organization have during these different phases?
2. Considering the ways the Red Cross tried to improve its budget planning and management control over time ... how did they do? ... and what could have been done differently in implementing these new systems?

**Unit #4 Case – Managing Cutbacks at the Department of Social and Health Services**

Organization: Large public social services agency for the State of Washington

Case Description: In this case, when the State of Washington's senior DSHS executive was confronted with major budget cutbacks, he effectively used negotiation and collaboration to build consensus for change rather than resorting to direct executive authority. Instead of staking out a fixed policy position from the top, he developed an inclusive planning and decision-making process by building strong working relationships with internal state constituencies and external players. This case enhances our understanding of how the terms of the state budgeting process are altered by changing political circumstances. It also provokes interesting discussion about executive credibility – particularly related to public hearings about the cutbacks and building trust. The strategic budget process the executive put in place in this organization survives decades later, and has been adopted by many agencies locally and elsewhere.

Case Notes Assignment:

1. Identify the auspices for this agency/program. How does this compare to the auspices for your own proposed Grand Challenge program?
2. How does this executive's approach consider both internal and external stakeholders ... and based on the readings and your own personal experience, how would you rate his overall leadership performance?

**Unit #5 Case – The Demise of the Jane Addams Hull House Association**

Organization: Iconic social services agency in the Midwest

Case Description: In January 2012, the Jane Addams Hull House Association – one of Chicago's largest and oldest social service agencies and arguably its most iconic – announced that it might have to close in the spring due to financial difficulties. Just days later, the 122-year-old organization stunned the philanthropic world when it laid off its employees without notice, declared its intention to liquidate in a Chapter 7 bankruptcy, and shut its doors forever. In the weeks that followed, more and more people began to ask what had happened ... had bankruptcy really been inevitable? This case chronicles the organization's final decade and enables students to step into the shoes of the chairman of the board as he led management and the board through its last 2 years. In the process, you'll see how certain financial management tools, organizational opportunities, and revenue and expense challenges were handled; and determine how internal and external factors contributed to Hull House's demise.

Case Notes Assignment:

1. How effective was management and the Board in handling their financial responsibilities ... and how could they have better used standard financial tools to better manage issues related to (for example) the changing philanthropic giving trends, new expectations for outcome measures, the recession, and the eventual reduction in government spending?
2. Based on this unit's readings and the lecture content ... how applicable are basic financial and business principles to the kind of day-to-day operating challenges faced by Jane Addams in the non-profit world?

**Unit #6 Case – Youth Villages**

Organization: Nonprofit social and mental health services organization

Case Description: Youth Villages is a nonprofit agency based in Tennessee, providing social and mental health services to at-risk and emotionally and behaviorally troubled youth. Since its founding in 1986, the organization has grown from \$1 million in annual revenue to \$93 million in 2007, and has been very successful demonstrating the quality of its services and in raising funds for continued expansion. Youth Villages has strong external advocates for growth and expansion into other states. This case focuses on the challenge of scaling an organization that has an effective evidence-based program, a capable leadership team, ample resources, supportive government policy, and a proven track record of sustaining quality across sites. Although its goals for growth were considered ambitious by nonprofit standards, in relationship to the more than \$23 billion spent in this area annually, not so much. The learning objectives of this case include: (1) understanding the complexities of government funding; (2) realizing that to successfully scale, organizations must build capacity and capabilities that go beyond conventional considerations and include knowledge of, and expertise in the political arena; (3) exploring the concept of what success looks like for a nonprofit organization addressing a large social issue; and (4) understanding that to successfully address large social issues at scale, leaders must frequently think beyond organizational boundaries for ways to spread effective programs.

Case Notes Assignment:

1. Consider the different sources of revenue potentially available to Youth Villages (including the pro's and con's of each) ... and opine on how, and to what extent, they should pursue (or not pursue) these sources in the future.
2. With revenue of \$93 million in 2007, what is your assessment of the organization's 2012 growth target of \$130 million? Is it too ambitious ... not ambitious enough ... and why? Be ready to support your opinion in the live session.

**Unit #9 Case – Downsizing at the Dodge Clinic**

Organization: Nonprofit hospital

Case Description: This is a 3-part case about a nonprofit hospital's decision to overcome its operating loss by downsizing. Students must grapple with complex decision-making processes as they follow the initial debate of the organization's governing body as it implements the

downsizing process. Case (A) deals with the Board's initial divisive debate over the alternative strategies of massive layoffs, enhanced training (rather than layoffs), or a shift to incentives ... plus consideration of the overall financial risks involved. Case (B) presents and allows for discussion of the decisions taken by the Board three weeks later. Case (C) looks at the effects of the decisions on the remaining staff in the organization eight months after the action. Students are asked to consider the advantages and disadvantages of the actions taken and the steps that could/should be taken to rebuild the organization's morale.

Case Notes Assignment:

1. What do you think of the administrator's initial budget reduction recommendation re: other alternatives recommended by the management team ... and why? Are there other non-personnel downsizing ideas the Board didn't consider which you believe they should have?
2. Assuming that downsizing the organization was a given ... how good (or bad) of a job did management do implementing these actions? And based on the readings, lecture, and your own experiences ... what would you have done differently?

**Unit #10 Case/Role Play – Multimode: A Two-Party Human Resource Budget Negotiation**

Organization: Large for-profit manufacturer of specialized equipment

Case Description: Multimode, a large international for-profit entity with thousands of employees, is thick in the midst of its annual budgeting process. J. Arnold is the Vice President for HR Development at Multimode. T. Boyd is the Vice President for Budget and Finance at the company. After receiving direct orders from the company's CEO, Boyd has told each department, including Arnold's, to keep their next year's annual % increases below 5%. At the same time, Arnold has been asked by the company's Executive Committee to implement a reorganization strategy that should improve the firm's overall competitiveness. To do this, Arnold has submitted an annual budget with an increase of 8%. This case provides all the pieces for the negotiation is between Arnold and Boyd over this budget submission.

Role Play: The synchronous portion of this unit will be devoted to a role play process (conducted by students), along with detailed follow-up discussion, related to the Multimode case. Prior to the session, students will be randomly assigned to play either Boyd or Arnold, and each assigned to a negotiating pair. In addition to general company data, confidential information related to either Boyd or Arnold will be provided ... after which all students (as either Boyd or Arnold) will participate in 1-on-1 negotiations with their respective negotiating adversary/colleague. Results will be collected and distributed ... and a comprehensive group debriefing, facilitated by faculty, will be conducted with the entire class after the individual negotiation sessions.

**Unit #12 Case: Disctech, Inc.**

Organization: For-profit business in the computer industry

Case Description: This case describes a high-flying for-profit manufacturing company selling computer disk drives which encountered problems of fraudulent financial reporting. Of particular interest are the roles of top management, the financial managers, the internal and external auditors, the audit committee, and the Board of Directors. This case offers opportunities for

discussion of audits in general, especially when top leadership is involved; raises governance issues; analyzes financial reporting practices in light of information about the company and its people related to management pressures for performance; highlights control system failures; and considers the roles of the Board and the organization's internal audit functions. This case also explores how entrepreneurial and corporate approaches sometime conflict; discusses the risks of over-promising; recognizes the potential costs of over-responding to problems through control systems; and debates the gray areas between "clearly bad" vs. "just questionable" actions ... and how sometimes good people do bad things.

Case Notes Assignment:

1. What went wrong ... was it preventable ... and what should management and the Board do to restore confidence and prevent similar occurrences in the future?
2. How might this for-profit case relate to the nonprofit/public social services world ... and your own professional plans for the future?