**University of Southern California**

**Price School of Public Policy**

**PUBLIC FINANCIAL MANAGEMENT AND BUDGETING**

**PPD 541 Professor: Michelle Lopes Caldwell, MBA**

**Spring 2018** **caldwelm@usc.edu**

**Monday, 12:20 pm- 5:20 pm 626.931.7254**

**Location: SOS B4**

**Course Summary**

This course is an introduction to financial management in the public sector and includes policy and accounting topics. Even those who do not expect their careers to focus primarily on financial issues will find that an understanding of basic financial concepts is essential to successful public policy careers. All organizations are dependent upon obtaining adequate financial resources and putting them to their best use. Skills that all users of financial information must have include the ability to analyze and interpret data, a strong financial vocabulary and the ability to communicate the concepts in a straight-forward manner easily understood by all listeners.

This course will emphasize the following key concepts:

* The ability to develop and analyze budgets and financial statements, read and interpret financial information and perform financial analyses.
* The process of developing a plan for the future, implementing the plan, controlling operations to keep to the plan, reporting results, analyzing results, and using that information to improve future plans.
* The skills required to communicate financial information both orally and in writing to all audiences.

This course requires active participation of every student. Well-developed analytical skills will be key to your success in all areas of your Graduate Program and your life. If you work hard, at the end of this semester you will possess the tools you need to develop this skill.

**Required Textbook and Other Materials**

Textbook:

* Steven A. Finkler, 2017. Financial Management for Public, Health, and Not-for-Profit Organizations, Fifth Edition. Sage Publications.
* All students must have access to Microsoft excel each class period to complete in-class problem solving and analysis.

**Articles and Other Documents**

* Readings will be posted to Blackboard

**Course Evaluation**

Semester grades are based equally (25%) across the following requirements:

* Class Participation and Required Readings: You will receive credit for full attendance and active participation during class. Do all assigned readings before the class in which we discuss them. One reason it is important that you do this is because we will spend a lot of time in class giving oral presentations to improve our communication skills. In some instances, you will know about the presentations in advance; at other times, you should be prepared to do an impromptu presentation.
* Homework Problem Solving: The homework assignments reinforce the technical aspects of the material we cover in class. The homework allows you to “learn by doing”, which is the only way to understand many topics in public financial management.
* You will get full credit for the homework provided 1) you turn it in on time, and 2) make an effort to do it correctly and completely.
* Each homework assignment you do not turn in, that you turn in late, or that you turn in without having made a good faith effort, will reduce your score on the homework portion of your final grade.
* Chapter Oral Presentation: To reinforce the importance of making effective technical presentations, each student will team up with two other students to present one of the weekly chapters. The joint presentation will focus on the “Questions for Discussion” at the end of the chapter. Each team’s presentation will be evaluated by the Professor and the other class members.
* Quizzes and Final Exam. Quizzes may be randomly conducted during the semester to measure how well you understand the key concepts from the required readings and the homework assignments. The final exam will be a summary of all the key concepts covered during the semester.

**Academic Conduct**

Don’t cheat. All of the University’s policies concerning academic integrity apply to this course. Please don’t do anything that would cause me to enforce those policies.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity (equity.usc.edu) or the Department of Public Safety at capsnet.used.edu/department/department-public safety/online-forms/contact –us. This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. The Center for Women and Men (usc.edu/student-affairs/cwm)provides 24/7 confidential support and the sexual assault resource center webpage (sarc.usc.edu) describes reporting options and other resources.

**Disability Services and Programs Statement**

Any student requesting academic accommodations based on a disability is required 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 me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213)740-0776.

**Emergencies**

If an officially declared emergency makes travel to campus infeasible, USC Emergency Information (emergency.usc.edu) will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

**Schedule**

A tentative schedule of course topics and readings begins on the following page. Any changes to this schedule will be detailed on the Blackboard.

**Course Outline and Schedule**

**Week 1: January 8, 2018**

**Introduction to Financial Management**

* Text Reading: Chapter 1 pages 2-19
* Suggested website supplemental reading:
* [www.monster.com/career-advice/resume-tips](http://www.monster.com/career-advice/resume-tips)

Use the suggested website (or any others which you find helpful) to write a professional resume describing your experience and qualifications. Be sure to follow the link for resume writing techniques for students.

**Homework Week 1**

* Post a copy of your resume to the Blackboard by 11:59 p.m. Thursday, January 4, 2018.
* Bring a hard copy of the resume to class on Monday.
* Suggested website supplemental reading:

<http://www.inc.com/geoffrey-james/how-to-fix-your-presentations-21-tips.html>

Use the suggested website (or any others which you find helpful) to assist you with your team presentations or any other presentations you are required to give during this class

**Class Activities**

* Class Overview
* Student Introductions and discussion of student resumes
* Class discussion of Chapter 1
* Presentation of Chapter 1 Questions for Discussion by Instructor
* Introduction of team presentations and evaluation form
* Team sign-ups for chapter presentations

**Week 2: January 15, 2018 – MLK Holiday – No Class**

**Week 3: January 22, 2018**

**Planning for Success: Budgeting**

* Text Reading: Chapter 2 pages 2-67

**Homework Week 3**

* Problems 2-17, 2-18, 2-19, 2-29, 2-30, 2-33
* Post to Blackboard by 11:59 pm Thursday, January 18

**Class Activities**

* Team presentation
* In-class exercise: Developing a personal budget

**Week 4: January 29, 2018**

**Additional Budgeting Concepts**

* Text Reading: Chapter 3 pages 79-97

**Homework Week 4**

* Problems 3-19 through 3-23, 3-27
* Post to Blackboard by 11:59 pm Thursday, January 25

**Class Activities**

* In class team presentation Questions 3-1 through 3-18

**Week 5: February 5, 2018**

**Understanding Costs**

* Text Reading: Chapter 4 pages 125-160

**Homework Week 5**

* Problems 4-12 through 4-20; 4-44; 4-49
* Post to Blackboard by 11:45 pm Thursday, February 1

**Class Activities**

* Quiz on budgeting
* In class team presentation Questions 4-1 through 4-11
* Excel Techniques – Guest Speaker

**Week 6: February 12, 2018**

**Capital Budgeting**

* Text Reading: Chapter 5 pages 175-205
* On-Line Readings:

<https://en.wikipedia.org/wiki/Capital_budgeting>

<https://www.usability.gov/what-and-why/project-management.html>

**Homework Week 6**

* Problems 5-22, 5-23, 5-28, 5-29, 5-30
* Post to Blackboard by 11:45 pm Thursday, February 8

**Class Activities**

* In class team presentation 5-1 through 5-10
* In class presentation Exercises(TVM) 5-14 through 5-21

**Week 7: February 19, 2018 – President’s Day Holiday – No Class**

**Week 8: February 26, 2018**

**Long Term Financing**

* Text Reading: Chapter 6 pages 219-236

**Homework Week 8**

* Problems 6-1 through 6-5, 6-16, 6-17
* Post to Blackboard by 11:45 pm, Thursday, February 22, 2018

**Class Activities**

* In class team presentation
* Chapter Review

**Week 9: March 5, 2018**

**Managing Short-Term Resources and Obligations**

* Text Reading: Chapter 7 pages 239-262
* Case Study pages 265-266

**Homework Week 9**

* Problems 7-1, 7-3, 7-4, 7-6, 7-12, 7-20, 7-21, 7-28, 7-30
* Complete the assignment at the end of the case study
* Post to Blackboard by 11:45 pm Thursday, March 1

**Class Activities**

* In-class team presentation

**Week 10: March 12, 2018: Spring Break – No Class**

**Week 11: March 19, 2018**

**Accountability and Control**

* Text Reading: Chapter 8 pages 272-310

**Homework Week 11**

* Problems 8-23, 8-24, 8-25, 8-27
* Post to Blackboard by 11:45 pm Thursday, March 15

**Class Activities**

* In-class team presentation
* Key Performance Indicators – Guest Speaker

**Week 12: March 26, 2018**

**Taking Stock of Where You Are: The Balance Sheet**

* Text Reading: Chapter 9 pages 315-347

**Homework Week 12**

* Problems 9-23 through 9-29
* Post to Blackboard by 11:45 pm Thursday, March 22

**Class Activities**

* In-class team presentation
* Quiz #2

**Week 13: April 2, 2018**

**Reporting the Results of Operations: The Activity and Cash Flow Statements**

* Text Reading: Chapter 10 pages 357-392
* Resources in Financial Reports: <https://nonprofitsassistancefund.org/resource-categories/financial-reports>

(You may read all the resources if you wish; BE SURE to read “Analyzing Financial Information Using Ratios” and “Balance Sheet Cheat Sheet”)

**Homework Week 13**

* Problems 10-14, 10-15
* Post to Blackboard by 11:45 pm Thursday, March 29

**Class Activities**

* In-class team presentation
* Reporting financial information to the Board of Directors (Volunteers for Impromptu presentations will receive class participation credit)

**Week 14: April 9, 2018**

**Unique Aspects of Accounting for the Different Types of Public Sector Organizations**

* Text Reading: Chapters 11, 12 and 13 pages 408-507

**Homework Week 14**

* Prepare a spreadsheet identifying the key differences for each type of organization
* Post to Blackboard by 11:45 pm Thursday, April 7

**Class Activities**

* In-class team presentation

**Week 15: April 16, 2018**

**Financial Statement Analysis**

* Text Reading: Chapter 14 pages 509-551

**Homework Week 15**

* Problems 14-10 through 14-11
* Post to Blackboard by 11:45 pm Thursday, April 12

**Class Activities**

* In-class presentation
* Public Sector Interviewing Techniques

**Week 16: April 23, 2018**

 **Financial Condition Analysis**

* Text Reading: Chapter 15 pages 559-583
* Appendix 15-A Bond Ratings

**Homework Week 16**

* Problems 15-10 through 15-14
* Post to Blackboard by 11:45 pm Thursday, April 19

**Class Activities**

* In-class team presentation
* Discussion of Final Exam
* Guest Speaker

**Week 17: April 30, 2018: Study Day – No Class**

**Week 18: May 7, 2018: Final Exam**