

## Social Work 707

### Financial Management for Social Change

### 3 Units

*Spring 2019*

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<b>Office Hours:</b>	Wednesday 7pm – 7:30pm PT		

### I. PREREQUISITES

SOWK 705, 710, and 712. Concurrent enrollment with SOWK 713. Some prior exposure to nonprofit or government budgeting and/or financial management is helpful.

### II. CATALOGUE DESCRIPTION

Effective financial management and planning in human service organizations emphasizing fiscal approaches that maximize revenue, control costs, allocate resources, improve decision-making, and support successful social programs and disruptive social change.

### III. COURSE DESCRIPTION

This course is intended to provide students with deepened knowledge, theoretical frameworks, and critical techniques for working with powerful financial management and budget planning tools in the production and direction 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 financial 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 financial reporting, management of funding cutbacks, use of audits, and budget negotiation—are addressed. The Harvard case method is used extensively to explore practical application of ideas and strengthen problem-solving skills in complex organizations. Students will be expected to apply course concepts to the draft of a preliminary financial plan, annual budget, and formal financial presentation for their Capstone social program/policy intended to impact one of the Grand Challenges for Social Work.

#### IV. COURSE OBJECTIVES

Objective Number	Objectives
1	Provide students with deepened knowledge, theoretical frameworks, and critical techniques for using powerful financial management and budgeting tools to create and successfully direct new and innovative social programs designed to address Social Work's Grand Challenges. (DSW 1, 6, 8, 9)
2	Within the realm of finance, develop and further refine students' strategic management, decision-making, and key communication skills by providing them with opportunities to present, support, debate, and negotiate financial plans and budgets for a variety of different social service organizations. (DSW 2, 3, 6, 8)
3	Discuss, test, confirm, refute, and revise theoretical frameworks, best and worst financial management practices, traditional and innovative fund-raising strategies, and existing financial leadership and control models by implementing the case study method. (DSW 3, 6–8)
4	Increase students' fluency . . . across a wide range of public and private sectors, social problems, and organizational structures . . . in areas such as program design, financial management, budget auspices, management control systems, revenue development, scaling, asset management, cost controls, budget reductions, and financial reporting. (DSW 4–8)
5	From both a general and financial management perspective . . . develop and refine student's knowledge, skills, and attitudes related to leading and motivating diverse workforces in innovative, rapidly changing human/social services work environments. (DSW 3, 6, 7, 9)

#### V. 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.

## VI. STUDENT LEARNING OUTCOMES

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

Learning Outcome Number	Student Learning Outcome
1	Understand and evaluate the connection between social program design, financial management, and the budget process. (DSW 3–9)
2	Use critical principles of resource planning, specifically related to both revenue and costs, to create financial plans and budgets for, and subsequently manage innovative social programs that address the Grand Challenges for Social Work. (DSW 1, 3, 5–9)
3	Demonstrate problem-solving skills in case analysis that can be applied to real-life situations, related to financial management, revenue generation, and budget planning for different types of complex human service programs and organizations. (DSW 1, 3, 4, 6, 8, 9)
4	Understand and use specific techniques and approaches for effectively communicating and reporting financial information related to social programs and organizations, and to a variety of different audiences, both internal and external. (DSW 2, 6, 8)
5	Recognize how psychological, political, technical, and institutional forces affect financial management, budget development, and resource allocation in social programs. (DSW 1, 3, 8)
6	Consider alternative strategies and disciplinary perspectives in confronting financial management issues, such as budget retrenchment, rapid scaling and innovation, accountability and ethics, and budget negotiation. (DSW 6–9)

## VII. COURSE ASSIGNMENTS, DUE DATES, AND GRADING

Course grades will be based on the following five (5) assignments:

Assignment	Due Date	Percentage of Final Grade
1. GC Proposal/Initial Financial Plan	Week 6	20%
2. GC Proposal/Final Financial Plan	Week 13	30%

Assignment	Due Date	Percentage of Final Grade
3. GC Proposal/Financial Presentation	Weeks 13–15	20%
4. Case Study Responses (seven times)	7 Weeks	20%
5. Financial Negotiation Role-Play	Week 10	10%

## VIII. GRADING POLICY

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 that 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.

As a professional school, class attendance and participation is an essential part of your professional training and development at the USC Suzanne Dworak-Peck School of Social Work. You are expected to attend all classes and meaningfully participate. For Ground courses, having more than 2 unexcused absences in class may result in the lowering of your grade by a half grade. Additional absences can result in additional deductions. For VAC courses, meaningful participation requires active engagement in class discussions and maintaining an active screen. Having more than two unexcused absences in class may result in the lowering of your grade by a half grade. Additional absences in the live class can result in additional deductions. Furthermore, unless directed by your course instructor, you are expected to complete all asynchronous content and activities prior to the scheduled live class discussion. Failure to complete two asynchronous units before the live class without prior permission may also lower your final grade by a half grade. Not completing additional units can result in additional deductions.

## **IX. INSTRUCTIONAL MATERIALS AND RESOURCES**

### **Required Textbook and Readings and Case Studies**

No required textbook

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 PDFs (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* (6th ed.). Washington, DC: Author.

### **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]

## X. COURSE OVERVIEW AND CALENDAR

UNIT	MAIN TOPICS	CASE STUDIES	WORK ASSIGNED/ WORK DUE
1	<b>COURSE INTRODUCTION; OVERVIEW OF FINANCIAL MANAGEMENT AND SOCIAL PROGRAM DESIGN CONCEPTS</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Funnell, S. C., &amp; Rogers, P. J. (2011.) <i>Purposeful program theory: Effective use of theories of change and logic models</i>. San Francisco, CA: Wiley. Pages 2–13.</li> <li>2. Kettner, P. M., Moroney, R. M., &amp; Martin, L. L. (2017). <i>Designing and managing programs: An effectiveness based approach</i> (5th ed.). Thousand Oaks, CA: Sage. Pages 23–47</li> </ol>		
2	<b>SOCIAL PROGRAM DESIGN, CONTINUED; CHANGE THEORY, INTERVENTIONS, AND RELATIONSHIP WITH FINANCE</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Funnel &amp; Rogers, pp. 30–33, 42–52, 135–141</li> <li>2. Kettner, Moroney, &amp; Martin, pp. 2–17</li> </ol>	Pine Street Inn	
3	<b>MANAGEMENT CONTROL SYSTEMS, FINANCIAL THEORY, BUDGETING RATIONALE, AND THEORETICAL PERSPECTIVES</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Covalleski, M. A., Evans, J. H. III, Luft, J. L., &amp; Shields, M. D. (2003). Budgeting Research: Three theoretical perspectives and criteria for selective integration. <i>Journal of Management Accounting Research</i>, 15(1), 3–49. Skim for major ideas.</li> </ol> <i>Recommended Readings:</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 is found in Lindblom, C. E. (1959). The science of “muddling through.” <i>Public Administration Review</i>, 19(2), 79–88.</li> </ol>	American Red Cross Blood Services: Northeast Region	

	3. Hillman, A., Withers, M., & Collins, B. (2009). Resource dependence theory: A review. <i>Journal of Management</i> , 35, 1404–1423.		
4	<b>BUDGET AUSPICES AND SECTOR COMPARISONS; OPERATING STRUCTURES AND THE POWER AND USE OF FINANCIAL TOOLS</b>		
	<p><i>Required Readings:</i></p> <ol style="list-style-type: none"> <li>1. Vinter, R. &amp; Kish, R. (1984). <i>Budgeting for not-for-profit organizations</i>. New York, NY: Free Press. Pages 11–28</li> <li>2. Lee, R. D., Johnson, R. W., &amp; Joyce, P. (2013). <i>Public budgeting systems</i> (9th ed.). Burlington, MA: Jones &amp; Bartlett Learning. Pages 1–21, skim pp. 117–131.</li> </ol>	Managing Cutbacks at the Washington Department of Social and Health Services	
5	<b>FISCAL MANAGEMENT PRACTICES; FINANCIAL ACCOUNTING AND BUDGET TOOLS</b>		
	<p><i>Required Readings:</i></p> <ol style="list-style-type: none"> <li>1. Weikart, L. A., Chen, G. G., &amp; Sermier, E. (2013). <i>Budgeting and financial management for nonprofit organizations: Using money to drive mission success</i>. Los Angeles, CA: Sage. Financial tools for informed decision making,” pp. 152–175</li> </ol>	Demise of the Jane Addams Hull House Association	
6	<b>REVENUE: THEORY, SOURCES, TYPES, AND DEVELOPMENT</b>		
	<p><i>Required Readings:</i></p> <ol style="list-style-type: none"> <li>1. Weikart, L. A., Chen, G. G., &amp; Sermier, E. (2013). <i>Budgeting and 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> <li>2. Foster, W. L., Kim, P., &amp; Christiansen, B. (2009, spring). Ten nonprofit funding models. <i>Stanford Social Innovation Review</i>, 7, 32–39.</li> </ol>		Assignment 1—GC Proposal/Initial Financial Plan (Parts A and B)



<b>7</b>	<b>MANAGING REVENUE, INNOVATION, AND SCALING</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Flynn, M. L. (2017). Science, innovation and social work: Clash or convergence? <i>Journal of Research on Social Work Practice</i>, 27(2), 123–128.</li> </ol>	Youth Villages	
<b>8</b>	<b>OPERATING PROCESSES LOGIC MODEL; UNITS OF SERVICE; BUDGET MODELS, FORMATS, AND CYCLES</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Vinter, R., &amp; Kish, R. (1984). <i>Budgeting for not-for-profit organizations</i>. New York, NY: Free Press. Pages 357–378</li> </ol>		
<b>9</b>	<b>COST ELEMENTS AND STRATEGIES; MEASURING AND ANALYZING COSTS; ASSET MANAGEMENT; DIVERSITY AND INCLUSION; THE “BOTTOM LINE”</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Gall, A. (2014, July 2). A quick guide to breakeven analysis. <i>Harvard Business Review</i>.</li> <li>2. Bedsworth, W., Goggins, G. A., &amp; Howard, D. (2008). <i>Non-profit overhead costs: Breaking the vicious cycle of misleading reporting, unrealistic expectations, and pressure to conform</i>. Boston, MA: Bridgespan Group. Pages 1–20</li> <li>3. Mor Barak, M. E. (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.</li> </ol>		
<b>10</b>	<b>BUDGET ALLOCATION; BARGAINING AND NEGOTIATION</b>		
	<i>Required Readings:</i> <ol style="list-style-type: none"> <li>1. Ashbaugh, S. (2003). <i>An elected official's guide to negotiating and costing labor contracts</i>. Chicago, IL: Government Finance Officers Association. Pages 21–52</li> </ol>	Multimode, Inc. (Role-Play Case)	Assignment 5—Financial Negotiation Role-Play



11	<b>MANAGING BUDGET REDUCTION</b>		
	<i>Required Readings:</i> 1. Datta, D. K., & Basuil, D. A. (2015, January). "Does employee downsizing really work? <i>Human Resource Management Practices</i> , 197–221.	Downsizing at the Dodge Clinic	
12	<b>FINANCIAL ACCOUNTABILITY AND REPORTING; FINANCIAL FRAUD, MISUSE, AND AUDITS</b>		
	<i>Required Readings:</i> 1. Soll, J. (2014). <i>The reckoning: Financial accountability and the rise and fall of nations</i> . New York, NY: Basic Books. Pages i–xvii 2. Frink, D., & Klimoski, R. (2004). Advancing accountability theory and practice: Introduction to human resource management review special edition. <i>Human Resource Management Review</i> , 14, 1–17.	Disctech, Inc.	
13	<b>GRAND CHALLENGE PROPOSAL: FINANCIAL PRESENTATIONS</b>		
	<i>Required Readings:</i> None		Assignment 2—GC Proposal/Final Financial Plan  Assignment 3—PPT Materials and Live Presentations
14	<b>GRAND CHALLENGE PROPOSAL: FINANCIAL PRESENTATIONS</b>		
	<i>Required Readings:</i> None		Assignment 3—PPT Materials and Live Presentations
15	<b>GRAND CHALLENGE PROPOSAL: FINANCIAL PRESENTATIONS</b>		
	<i>Required Readings:</i> None		Assignment 3—PPT Materials and Live Presentations

## XI. DETAILED DESCRIPTION OF ASSIGNMENTS

### Assignment 1—Grand Challenges Proposal/Initial Financial Plan

(Due: Week 6)

Entering the second half of the DSW program, the direction of students' Grand Challenges Capstone proposals should be fairly well developed conceptually. At the same time, these program or policy proposals reflect many different and varied approaches. To this point, they may be developing for the public, private, for-profit or the emerging fourth sector; considering creative means of financing and intervention; defining a scope for impact that is local, statewide, or national; and potentially structuring and drawing on leadership from many different institutional settings. With this level of diversity, Assignment 1 asks students to begin considering the financial aspects of their Capstone programs by preparing some initial portions of a draft financial plan.

Please note that Assignment 1 entails two parts (A and B) . . . and that these two parts need to both be completed and turned in together for this assignment. Specifics include:

#### Part A: Program Design

Purpose: The purpose of Assignment 1, Part A, is to focus on program design in order to lay the groundwork for budget planning and development that will support your Capstone program (which is designed to impact one of the Grand Challenges). Although your Capstone concepts may already be clearly defined, you will have an opportunity to revise it as you move through the course and think further about the problem, intervention, and resource requirements.

#### Components of Assignment 1, Part A

1. Identify which of the 12 Grand Challenges your proposed Capstone program or policy initiative will impact. Provide a brief overview of the Grand Challenge and associated problem to introduce your overall paper.
2. Briefly state the specific problem. You should include some additional descriptive information . . . but be sure to lead with a clear "problem statement" that is free of overgeneralization and jargon.
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. Highlight the main cause (even though most social problems are multiply determined). If there is scientific support from clinical trials or other empirical evidence, briefly reference.
4. 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.

5. Describe your Capstone intervention. Briefly describe your plan or proposal for reducing, disrupting, or eliminating the problem. Lead with a clear summary statement of the intervention . . . followed by a brief discussion of WHAT will be the main activities and components of your program once it's up and running. Projected outcomes should be measurable and related to problem reduction.
6. Define your intervention theory. Briefly explain WHY your proposed intervention is relevant to the problem and its cause . . . and connect it back to theory to highlight why it will work. At the same time, also present why your proposed program or initiative is a great idea (and/or is better than other alternatives) . . . and highlight the innovative nature of your proposal. If there is scientific support from clinical trials or other empirical evidence, briefly reference.
7. Define the specific scope and location to be affected by your program. Reference your long-term vision . . . but focus this section on describing the scope of your proposed program's first year of operation. Note: This may reflect an initial "pilot" program for some . . . or perhaps a fully operating program for others. However, the "first year" should **not** reflect a period dedicated exclusively to either initial planning or fund-raising efforts for your program.

Format and Length: Four to six pages, double-spaced, not including references. All seven components of Part A should be included in order, with section headings, please.

### **Part B: Financial/Budget Structure**

Purpose: The purpose of Assignment 1, Part B, is to begin building the foundation for your Capstone's first draft of a financial plan . . . and clearly establish the budget and staffing structure around your program or policy proposal. Building off of the elements in Part A, you will need to be as realistic as possible in the assumptions that you use as you develop your ideas for this assignment, but you will also be encouraged to make changes if needed in Assignment 2. This is a normal part of financial planning and the budget development process. Remember, the budget is one of the key tools for describing and driving your plan for program implementation.

#### **Components of Assignment 1, Part B**

1. Identify the auspices for your program or initiative . . . AND provide a rationale for your choice. In addition to considering under whose auspices your program will operate and why, be specific on sector (public, for-profit, not-for-profit, or other) and define the institutional base (if applicable). Your choice of auspices should draw upon the relative strength or potential of the sector(s) selected for achievement of your program goals, and the institutional base should be realistic in terms of availability and other factors.
2. Explain the internal stakeholders who will be affected by your program or policy concept (both positively and negatively) . . . AND how they will influence your financial/budget planning. Your understanding of internal stakeholders should reflect a good grasp of the agency or organizational structure (as identified in Part B, number 1) in which your program and or policy initiative will be located.

3. Identify the external stakeholders and organizations likely to be affected by your program or policy concept (both positively and negatively) . . . and how they might influence your financial/budget planning. Major external stakeholders and sources of budget authority should be clearly delineated, with an explanation as to whether these are sources of constraint or support.
4. Describe the overall revenue strategy and identify the main types and source(s) of revenue upon which you will depend to support your Capstone program or policy initiative. For initial planning purposes, also suggest the general magnitude of the revenue required for your Capstone's first year of operation (as identified in Part A, number 7). Note: This is the beginning assessment of the resources that will be required.

Format and Length (Similar to Part A): Four to six pages, double-spaced, not including references. All four components of Part B should be included in order, with section headings, please.

The entire assignment (Parts A and B) should conform to APA standards, with any references cited using APA. The assignment should include a title page and section headers throughout. While the entire assignment should be 8–12 pages, double-spaced, it is imperative that you stick with the page limits for each Part (A and B) as well.

**Grading and Feedback for Assignment 1 (Parts A and B):** Both parts of Assignment 1 will be graded by faculty at the same time (as one combined paper). This assignment will be worth **20% of the total course grade**. Please note faculty will provide written feedback on this paper. This is important since students will be asked to use this feedback to revise their Assignment 1 paper and include it as an updated front-end portion of Assignment 2.

### **Assignment 2—Grand Challenges Proposal/“Final” Financial Plan**

(Due: Week 13)

Purpose: The purpose of Assignment 2 is to revise and update the content from Assignment 1, Parts A and B . . . prepare a preliminary draft of an annual budget plan for your proposed Capstone program or policy initiative . . . and begin to create the framework for a more comprehensive financial plan for the initiative. This includes all the pieces of a Budget Allocation Draft, including 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, preparation of a line-item budget for your proposed program's first year of operation, and discussion of the budgeted “bottom line.” This assignment also provides students with an opportunity to reflect on the direction of their Capstones going forward.

#### **Components of Assignment 2**

Assignment 2 is a final financial paper that asks for four major things from students, including (1) presenting (again, but briefly) your Capstone's program design; (2) planting a stake in the ground as it relates to structuring your program from an operating and financial standpoint; (3)

building a budget allocation plan (i.e., an annual budget) that moves you squarely into the realm of implementation; and (4) considering, after producing “the numbers,” but with the benefit of a new financial lens, general insights and overarching conclusions related to your Capstones. More specifically, the components of Assignment 2 include:

1. Assignment 1—Revise and update the contents of Assignment 1, Parts A and B, based on feedback from faculty, new information and insights, and changes in program design . . . and formally incorporate them into the front of the Assignment 2 paper.
2. Budget format and cycle. Select the budget format and define the budget cycle that you will use.
3. Revenue projections. Project revenue for your program’s first year of operation (as identified in Part A, number 7), based on realistic expectations. Identify the expected sources for the major pieces of the revenue (to the extent possible) . . . and match them to forecasted money amounts for each. Note: This will serve as the written narrative of your program’s revenue projections that will be included in your budget detail (below).
4. Phases/major steps of intervention. Using your intervention theory, lay out the “major” phases/steps through which clients, outreach efforts, or other targets must pass from program onset to termination. Note: Phases for program implementation should be clearly delineated with a sense of progression and well related to the intervention that is part of the program design.
5. Units of service. Select the units of service 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. Note: Units of service should allow for assessment of program process in the input, throughput, and output stages, and represent meaningful measures of program activity. Attach a logic model for this, as an appendix to this paper, if you deem it appropriate.
6. Staffing plans and costs. In narrative form . . . discuss personnel strategies (including any considerations related to diversity and inclusion). Estimate how many staff, and 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 (as identified in Part A, number 7), and provide justification for your thinking. Note: This is essentially the budget narrative for your annual personnel costs.
7. Other spending plans and costs. Again in narrative form . . . based on the way your program will be implemented, discuss nonpersonnel asset and spending strategies, focusing on the most important categories for your program. For example, estimate how much space will be necessary, and assign a cost for this for the program’s first full year of operation (as identified in Part A, number 7). If any major equipment purchases, rental, or leases will be necessary, identify these and estimate their costs. Also list other major expenditures that may be essential to your program, such as travel, communications, marketing, consultation, insurance, etc. Note: This is essentially the budget narrative for your annual nonpersonnel operating costs.

8. 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 (12 months) year of operation (as identified in Part A, number 7). It is not necessary to be comprehensive or too concerned about the exactness of the budget detail, but rather to construct broad estimates of expenditure that will be crucial for program effectiveness. Provide justifications for line-item estimates that are of a material nature/amount.
9. Revenue vs. costs (bottom line). Finally, compare your total costs to your revenue projections . . . and discuss the implications from program, financial, and general management perspectives. Note: 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.
10. Complicating factors and constraints. 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.
11. Insights and conclusions. Share general insights, critical thinking, and any overarching conclusions that you have developed about your proposed Capstone program.

#### Format and Length

- For the entire Assignment 2 paper (including the updated Assignment 1 materials): roughly **16–22 pages**, double-spaced, not including references or other attachments. Please conform to APA standards, including title page and any references cited using APA format. Add all parts together into one single written document.
- As relates to just the new sections being added for Assignment 2 (i.e., not including the updated Assignment 1 materials): **8–10 pages**, double-spaced, plus a **separate attachment for the line-item budget and logic model**. Again . . . title page is required, keep to the order, and use section headings. Finally, writing should be well edited and free from grammatical/spelling errors.

**Grading for Assignment 2:** This assignment will be worth **30% of the total course grade**. Please also note that all components of the assignment should be clear, logically organized, and effectively covered in the paper. The budget and justification should logically connect to the original program design. And the paper should demonstrate mastery of a critical and analytic approach to budget construction, reflecting the various perspectives and ideas addressed during the term.

### **Assignment 3—Financial Presentation**

(Weeks 13–15)

Purpose: During one of the last three live sessions of the course, you will be asked to make an oral presentation to the class. In concept, the presentation will simulate you presenting (in your



role as the organization's executive director or CEO) to a room of senior managers, board members, funders, government officials, press, and/or other key stakeholders who are interested in your organization's plans for the future and how they will be responsibly implemented from a financial standpoint. 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 being impactful, engaging, and confidence building for your audience.

While it will be important to BRIEFLY introduce the elements of your Capstone's program design . . . as the CEO or executive director, your primary focus for this presentation will be to share how you have thoughtfully planned out your innovation, the program's proposed operating structure, how much it will cost, the sources and amount of financial resources you will need to support the program, both the financial risks involved and your confidence in the overall financial plan, and how your proposal will impact the Grand Challenge.

Format and Length: Live presentation to the class using a PowerPoint presentation or other illustrative materials. Plan to present for about **10–15 minutes** . . . followed by a brief Q&A/discussion. The PPTs should be limited to about 10–15 slides.

**Grading for Assignment 3:** This assignment will be worth **20% of the total course grade**. Grading criteria for the presentations will be roughly:

- 25% for the project's likely impact on the identified Grand Challenge and the specific target population or problem . . . and the project's logical/appropriate connection between the problem, intervention, and budget.
- 50% for demonstration of critical and analytical thinking related to the financial and budgeting aspects of the program.
- 25% for clarity and effective verbal and visual communication of the concepts.

#### **Assignment 4—Case Study Responses**

(Due: Day before each relevant class)

Seven classes in the course include a case study directly related to the material covered in each 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, written (one to two paragraphs) **Case Note Responses** to each of two questions for each case. Case Note Responses will be due the **day before** the synchronous live session each appropriate 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 critical thinking about the case during the live session discussion.

**Summaries of the case studies and the two assignment questions for each are contained in the Addendum at the end of this syllabus.**

Each of the unit's seven Case Note Responses will be individually graded **Credit/No Credit**. In total (i.e., all seven responses combined), this assignment will be worth **20% of the total course grade**.

### **Assignment 5—Financial Negotiation Role-Play**

(Due: Week 10 . . . conducted live)

In Unit 10, you will be provided with separate 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 one-on-one 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 related to Budget Allocation . . . get 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 postnegotiation debriefing.

This exercise will be worth a maximum of **10% of the total course grade**, 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.

## **XII. 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.

## **XIII. 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, <http://policy.usc.edu/scientific-misconduct>.

#### **XIV. ACADEMIC 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 and 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/>

*The Office of Disability Services and Programs*

Provides certification for students with disabilities and helps arrange relevant accommodations. <http://dsp.usc.edu>

*Student Support and 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*

Information on events, programs and training, the Diversity Task Force (including representatives for each school), chronology, participation, and various resources for students. <https://diversity.usc.edu/>

*USC Emergency Information*

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible, <http://emergency.usc.edu>

USC Department of Public Safety – 213-740-4321 (UPC) and 323-442-1000 (HSC) for 24-hour emergency assistance or to report a crime  
Provides overall safety to USC community. <http://dps.usc.edu>

## **XV. ADDITIONAL RESOURCES**

Students enrolled in the Virtual Academic Center can access support services for themselves and their families by contacting Perspectives, Ltd., an independent student assistance program offering crisis services, short-term counseling, and referral 24/7. To access Perspectives, Ltd., call 800-456-6327.

## **XVI. 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.

## **XVII. 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>

## **XVIII. 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.”

## **XIX. POLICY ON LATE OR MAKEUP WORK**

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

## **XX. COMPLAINTS**

If you have a complaint or concern about the course or the instructor, please discuss it first with the instructor. If you feel you cannot discuss it with the instructor, contact your Faculty Advisor or Dr. Marvin Southard, Chair of the DSW Program at [msouthar@usc.edu](mailto:msouthar@usc.edu) for further guidance.

## **XXI. CHANGES TO THE SYLLABUS AND/OR COURSE REQUIREMENTS**

It may be necessary to make some adjustments in the syllabus during the semester in order to respond to unforeseen or extenuating circumstances. Adjustments that are made will be communicated to students both verbally and in writing.

## **ADDENDUM—CASE STUDIES INFORMATION AND ASSIGNMENT QUESTIONS**

### **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 reimaged its program design.

#### **Case Study Response Questions (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 . . . taking into account both its program and financial considerations?

### **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 1980s. Industrywide 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 Study Response Questions (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 Study Response Questions (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 two 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 Study Response Questions (Assignment)

1. How effective was management and the board in handling their financial responsibilities . . . and how could they have 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 nonprofit world?

## **Unit 7 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 relation 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 to spread effective programs.

### **Case Study Response Questions (Assignment)**

1. Consider the different sources of revenue potentially available to Youth Villages (including the pros and cons 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 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 vice president for HR Development at Multimode. T. Boyd is 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 percentage 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 Description:** 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 one-on-one 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 11 Case—Downsizing at the Dodge Clinic**

Organization: Nonprofit hospital

Case Description: This is a three-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 Study Response Questions (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 nonpersonnel downsizing ideas the Board didn't consider that 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 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 that 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 overpromising; 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 Study Response Questions (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?