

Social Work 707

Financial Management for Social Change

3 Units

Fall 2019

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Office Hours: Wed 7pm – 7:30pm PT

Course Day: Wednesday
Course Time: 5pm – 7pm PT
Location: VAC

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, financial ethics, and budget negotiation—are also 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 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 financial planning/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 three (3) assignments/areas:

Assignment	Due Date	Percentage of Final Grade
1. Program Proposal	Week 5	30%
2. Financial Plan (Including Budgets)	Week 13	50%
3. Class Participation	All Weeks	20%

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 are essential parts 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 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 "[DSW 707 Case Study Access Information](#)" located in the Toolbox section of the course site. Other non-Harvard cases studies are also available as PDF files (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]
National Association of Nonprofit Accountants [www.nonprofitcpas.com]
National Council of Nonprofits [www.councilofnonprofits]
The Nonprofit Quarterly [www.npgmag.org]
Public Risk Management Association [www.primacentral.org]
Stanford Social Innovation Review [www.ssireview.org]
The Wallace Foundation Knowledge Center [wallacefoundation.org]

X. COURSE OVERVIEW AND CALENDAR

UNIT	MAIN TOPICS	CASE STUDIES	WORK ASSIGNED/ WORK DUE
1	COURSE INTRODUCTION; PROGRAM DESIGN AND CONNECTION TO FINANCIAL MANAGEMENT		
	<ul style="list-style-type: none"> ➤ Course Introduction ➤ Program Design ➤ Financial Management ➤ Case Studies 	Unit 1 Case: Pine Street Inn	
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Funnell, S. C., & 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, 30–33, 42–52, 135–141 2. Kettner, P. M., Moroney, R. M., & Martin, L. L. (2017). <i>Designing and managing programs: An effectiveness-based approach</i> (5th ed.). Thousand Oaks, CA: Sage. Pages 2–17, 23–47 		
2	FINANCIAL THEORY, PLANNING, AND MANAGEMENT SYSTEMS		
	<ul style="list-style-type: none"> ➤ Sound Financial Practices ➤ Financial Theory ➤ Financial Planning, Budgeting, and Management Control Systems ➤ Case Study 	Unit 2 Case: American Red Cross	
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Covalleski, M. A., Evans, J. H., III, Luft, J. L., & 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. <p><i>Recommended Readings</i></p> <ol style="list-style-type: none"> 2. Hillman, A., Withers, M., & Collins, B. (2009). Resource dependence theory: A review. <i>Journal of Management</i>, 35, 1404–1423. 		
3	SECTOR COMPARISONS, STRUCTURE AND AUSPICES, AND STAKEHOLDER ANALYSIS		

	<ul style="list-style-type: none"> ➤ Sectors ➤ Private Nonprofits and For Profits ➤ Public/Governmental Agencies ➤ Financial Auspices ➤ Stakeholders ➤ Case Study 	Unit 3 Case: Washington Department of Social/Health Services	
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Vinter, R., & Kish, R. (1984). <i>Budgeting for not-for-profit organizations</i>. New York, NY: Free Press. Pages 11–28 2. Lee, R. D., Johnson, R. W., & Joyce, P. (2013). <i>Public budgeting systems</i> (9th ed.). Burlington, MA: Jones & Bartlett Learning. Pages 1–21, skim pp. 117–131 		
4	FINANCIAL TOOLS, ACCOUNTING, AND FISCAL MANAGEMENT PRACTICES		
	<ul style="list-style-type: none"> ➤ “Accounting 101” ➤ Revenue Management ➤ Expense Management ➤ Overall Fiscal Management ➤ Case Study 	Unit 4 Case: Jane Addams Hull House	
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Weikart, L. A., Chen, G. G., & 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 		
5	BUDGET MODELS, FINANCIAL STATEMENTS, AND WORKING WITH FINANCIAL TOOLS		
	<ul style="list-style-type: none"> ➤ Budget Process and Cycles ➤ Budget Models and Formats ➤ Financial Statements and Budgets as Working Tools 		Assignment 1: Program Proposal
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Vinter, R., & Kish, R. (1984). <i>Budgeting for not-for-profit organizations</i>. New York, NY: Free Press. Pages 357–378 		

6	COST ELEMENTS (PART 1): THEORY, COMPONENTS, AND APPLICATIONS		
	<ul style="list-style-type: none"> ➤ Theory ➤ Cost Components ➤ Hands-On Applications (re: Capstones) 		
	<i>Required Readings: None</i>		
7	COST ELEMENTS (PART 2): MEASURING AND ANALYZING COSTS		
	<ul style="list-style-type: none"> ➤ Theory and Purposes of Cost Analysis ➤ Units of Service ➤ Fixed/Variable Costs, Volume, and Pricing/Rates ➤ Breakeven Analysis ➤ Issues and Opportunities 		
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Gall, A. (2014, July 2). A quick guide to breakeven analysis. <i>Harvard Business Review</i>. 2. Bedsworth, W., Goggins, G. A., & 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 		
8	REVENUE ELEMENTS (PART 1): THEORY, SOURCES, AND TYPES		
	<ul style="list-style-type: none"> ➤ Definition, Role, and Importance ➤ Revenue Sources and Types ➤ Nonprofit Funding Models 		
	<p><i>Required Readings</i></p> <ol style="list-style-type: none"> 1. Weikart, L. A., Chen, G. G., & 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 2. Foster, W. L., Kim, P., & Christiansen, B. (2009, spring). Ten nonprofit funding models. <i>Stanford Social Innovation Review</i>, 7, 32–39. 		

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9	REVENUE ELEMENTS (PART 2): MANAGING REVENUE, INNOVATION, AND SCALING		
	<ul style="list-style-type: none"> ➤ A Selling Pitch ➤ Nontraditional Strategies for Revenue Development ➤ Scaling ➤ Social Innovation as a Tool ➤ Case Study 	Unit 9 Case: Youth Villages	
	<p><i>Required Readings</i></p> <p>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.</p> <p><i>Recommended Readings</i></p> <p>2. Miller, T., & Wesley, C. (2010, July). Assessing mission and resources for social change: An organizational identity perspective on social venture capitalists' decision criteria. <i>Entrepreneurship: Theory and Practice</i>, 705–733. doi:10.1111/j.1540-6520.2010.00388.x</p>		
10			
10	REVENUE ELEMENTS (PART 3): FUND DEVELOPMENT, FUND-RAISING/GRANTWRITING, AND FINANCIAL PRESENTATIONS		
	<ul style="list-style-type: none"> ➤ Introduction ➤ Government and Foundation Grants ➤ Individual Fund Development ➤ Fund-Raising Tools 		
	<p><i>Required Readings</i></p> <p>1. Lu, J. (2016, Summer). The philanthropic consequence of government grants to nonprofit organizations. <i>Nonprofit Management and Leadership</i>, 26(4), 381–400. doi:10.1002/nml.21203</p>		
11			
11	BUDGET/RESOURCE ALLOCATION; BARGAINING, AND NEGOTIATION		
	<ul style="list-style-type: none"> ➤ Budget/Resource Allocation ➤ Negotiation and Bargaining ➤ Case Study and Role-Play 	Unit 11 Case: Multimode (Incl. Role-Play)	See Addendum 2 – Role Plays

	<p><i>Required Readings</i></p> <p>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</p>		
12	MANAGING FINANCIAL CHANGE; BUDGET REDUCTION		
	<ul style="list-style-type: none"> ➤ Types of Changes ➤ Responses to Loss ➤ Layoffs and Downsizing ➤ Taking Charge ➤ Case Study 	Unit 12 Case: Downsizing at the Dodge Clinic	
	<p><i>Required Readings</i></p> <p>1. Datta, D. K., & Basuil, D. A. (2015, January). Does employee downsizing really work? <i>Human Resource Management Practices</i>, 197–221.</p>		
13	FINANCIAL REPORTING, ACCOUNTABILITY, AND ETHICS		
	<ul style="list-style-type: none"> ➤ Accountability, Reporting, and Audit ➤ Standards, Assumptions, Principles, and Rules ➤ Fund Accounting ➤ Fraud, Misuse, and Ethics ➤ Case Study 	Unit 13 Case: Disctech, Inc.	Assignment 2: Financial Plan (Including Budgets)
	<p><i>Required Readings</i></p> <p>1. 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.</p> <p><i>Recommended Readings</i></p> <p>2. Soll, J. (2014). <i>The reckoning: Financial accountability and the rise and fall of nations</i>. New York, NY: Basic Books. Pages i–xvii</p>		
14	FINANCIAL PRESENTATIONS		
	<i>Required Readings: None</i>		See Addendum 3 – Financial Presentations

15	FINANCIAL PRESENTATIONS		
	<i>Required Readings:</i> None		See Addendum 3 – Financial Presentations

XI. DETAILED DESCRIPTION OF ASSIGNMENTS

Assignment 1: Program Proposal

(Due: Week 5 ... Day of Live Session)

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, foundational pieces for the financial plan. More specifically, Assignment 1 asks students to focus on areas that lay the groundwork for budget planning and development that supports the Capstone, including (1) the problem, (2) the solution, (3) the expected outcomes and change theory, (4) the structural considerations for the proposal, and (5) the vision and early scope for the program.

The specific topics that should be included in Assignment 1 are:

- I. **Problem**—Identify the problem that your Capstone project is going to tackle and solve. Key elements should include:
 1. **Problem Statement**—Lead with a clear “problem statement” that is free of over-generalization and jargon. This should describe your specific Capstone problem on a stand-alone basis. At the same time, also briefly identify which of the 12 Grand Challenges your proposed Capstone problem fits within.
 2. **Supporting Data/Information**—Provide brief descriptive information and data to legitimize the problem, document its prevalence or incidence, and justify the need to solve it. The goal is to document for your reader that this is a significant problem—and, if solved, it would make significant movement toward solving the Grand Challenge.
 3. **Causation**—Define your theory of problem causation . . . and clearly identify and highlight the main cause (even though most social problems are multiply determined) that will be specifically addressed by your proposed solution. Use the literature to back up your ideas.

4. **Target Population**—Be sure to also identify and quantify both the general population affected by the problem and the specific target population with which you will work. If appropriate, also highlight the difference between the beneficiaries and the users.

II. **Proposed Solution**—Describe your proposed Capstone solution/intervention that is designed to reduce, disrupt, or eliminate the problem. Key elements should include:

1. **Summary and Name**—Lead with a clear “summary statement” that is free of over-generalization and jargon that describes your specific Capstone solution on a stand-alone basis. At the same time, also identify the name of your proposed Capstone solution, program, project, or organization.
2. **Detailed Description**—Describe the “WHAT” you are going to build, create, deliver, and/or operate. In other words, describe the main activities and components of your program that will exist once it’s fully up and running. Be sufficiently detailed in this section so that you’ll be able to quantify/cost out these activities when you subsequently develop your Capstone’s financial/budget plans (in Assignment 2).

(Note: This particular section of the paper (section II) should be longer than the other parts of this assignment.)

III. **Program Outcomes and Change Theory**—Present the Capstone’s desired/expected outcomes, and logically argue why the project will produce them. Key elements should include:

1. **Outcomes**—Discuss the Capstone’s desired long-term outcomes and impacts on the specific Capstone problem, the project’s target population, and the Grand Challenge overall. Be sure to describe these outcomes in tangible, measurable (i.e., quantitative) terms.
2. **Change Theory and “Marketing Pitch”**—Consistent with your project’s planned activities, explain WHY your proposed solution/intervention will work (i.e., effectively tackle your Capstone problem/cause and produce the desired outcomes). At the same time, also discuss, in terms funders and/or investors would appreciate, why your proposed project is a great idea, offers competitive advantages over alternatives, has a strong value proposition, and is worthy of financial support.

IV. **Structural Considerations and Plans**—Discuss the Capstone project’s proposed structure and key stakeholders. Key elements should include:

1. **Sector, Structure, and Auspices**—Identify the sector (e.g., public, private) in which your Capstone program will operate, and specifically describe the structural form the program will take (e.g., for-profit business, nonprofit 501c3 organization, department of public agency, etc.). Also clearly articulate who will be the final authority/financial auspices under which your Capstone’s proposed program will operate. Finally, discuss your rationale and justification for the proposed sector, structure and auspices; and indicate how this will support your Capstone’s financial plan.

2. Stakeholders' Influence—Based on your Capstone's proposed organizational structure, discuss the key "internal" stakeholders (including management, employees, board members, etc.) who you expect will specifically influence your project's financial plans and activities. At the same time, identify and discuss the key "external" stakeholders (including clients, funders, community organizations, etc.) who you also expect will have significant influence (both positive and negative) on your Capstone's financial plans.

V. **Vision and Project Scope**—To prepare for the creation of your Capstone's future financial plans, provide a big-picture vision along with the short-term scope for your project. Key elements of this section should include:

1. Long-Term Vision—Briefly describe your Capstone program's long-term vision that paints a picture of how you'll impact your Grand Challenge. For example: "If everything goes right, in 10 years I expect to see my innovative training program used in every child welfare agency in the country."
2. Scope of Pre-operation Start-up Plans—Identify start-up activities your organization will need to conduct prior to officially launching the program. This might include things like planning and research, initial fund-raising, developing or enhancing key connections, conducting initial "pilots," locating or building facilities, identifying/training future staff, developing/testing new technology applications, creating final curriculum, and so on. Indicate why these activities will need to be accomplished before officially starting your Capstone program. Finally, estimate the time that will be needed for this start-up period. [Note: If your Capstone is already in full operation (or is otherwise not in need of start-up plans), then please be sure to indicate that in this section.]
3. Scope of First-Full-Year-of-Operations ("FFYO")—Present a projection of the intended size, scope, and location of your program during its first full year of operation. Include things like: (1) size or volume of the initial activities (e.g., the number of clients to be served, number of professionals to be trained, number of partner organizations to be established); (2) amount of key assets required (e.g., the size of a new facility, number of tech apps to be distributed); and (3) location and/or other key logistics considerations (e.g., "Our first new clinic will be located in Los Angeles," "All staff will work remotely"). [Note: Even if the time horizon for the implementation of your Capstone is far off, still provide a scope for the FFYO based on your best estimates.]

Format and Length: Assignment 1 should conform to APA standards. The assignment should include a title page, reference page, and section headers throughout. Students should follow the section order outlined above and include relevant information in the appropriate sections. The assignment should be **eight to ten (8-10) pages** in length (excluding title page and references) and be double-spaced.

Grading for Assignment 1: This assignment is worth **30% of the total course grade**. Please note that all components of the assignment should be clearly written, logically organized, and effectively covered in the paper.

Assignment 2: Financial Plan (Including Budgets)

(Due: Week 13 . . . Day of Live Session)

The purpose of Assignment 2 is to build a financial plan using your Grand Challenge Capstone as the vehicle for this exercise. It will include a brief summary of your Capstone Program Proposal; a big-picture description of the overall financial plan; detailed discussion of the program's cost and revenue components; consideration of the key units of service/performance measures; and concluding comments about the program's projected bottom-line financial performance, scalability, and sustainability. This assignment will also include preliminary drafts of two line-item budgets for your proposed Capstone program.

The specific topics that should be included in Assignment 2 include:

(IMPORTANT: Please follow the numerical section sequence presented below.)

- ❖ **Financial Plan Abstract**—Begin your Assignment 2 paper with a short abstract of your Capstone program's financial plan. This should introduce the program, highlight its projected financial performance, and prepare readers for the financial story to follow.
- I. **Summary of Capstone Program Proposal**—Briefly describe, in summary fashion (i.e., in 1-2 pages or less), your program's key elements, including the problem, proposed solution, expected outcomes, proposed structure, and scope. This should serve as a foundation for the details of your financial plans.
- II. **Financial Plan Summary and Capstone Budgets**—Introduce, summarize, and attach the two Capstone budgets that are part of the financial presentation. Key elements should include:
 1. **Financial Plan Summary**— In order to set the stage for discussing the details of your financial plan, first present and discuss, at a high level using narrative and summary charts, the big-picture financial numbers that reflect both your Capstone's **Start-Up** and **First-Full-Year-of-Operation** budgets (that you will present below). Be sure this information is consistent with the Start-Up and FFYO plans discussed in Assignment 1.
 2. **Capstone Budgets**— Follow your financial plan summary by discussing and referencing (i.e., pointing the reader to) the Start-Up and FFYO budgets that you should attach as **exhibits** at the end of this financial plan. As relates to these 2 Capstone budgets, please note the following:
 - Note 1: Both of these detailed line-item budgets should use a standard accounting format similar to the ones discussed in class; and also include adjoining footnotes for any key line-item entries.
 - Note 2: It is not necessary to be too comprehensive, or too concerned about the exactness of the budget detail if your program/project is still evolving. Instead, construct broad estimates of expenditures that will be crucial for program effectiveness, and revenue sources that will support it. But if you have exact numbers already, use them.

- Note 3: If your project does not require a start-up budget (i.e., you are currently in a large pilot, or you've already done these activities, or if your Capstone is already in full operation), then use the Start-Up section to instead explain the current financial picture (results) and how you are using this information to build your next budget.
- Note 4: Even if the time horizon for the implementation of your Capstone is far off, still provide a FFYO budget based on your best estimates of what it will look like, and require.
- Note 5: While the pre-operation or **Start-Up** budget is designed for organizations that need time prior to officially starting their programs (to spend time, money, and effort on certain start-up tasks), **First-Full-Year-of-Operation** budgets are designed to reflect an organization's projected financial performance once it has opened the doors, gone to market, or begun delivering its services. Unlike a start-up budget (which can be variable in duration), the FFYO budget should be for an annual 12-month period, with its fiscal year start date identified and justified.

III. **Program Expenses**—Present and discuss your Capstone's expenditure strategies and plans for both personnel and other operating costs. And do so for each relevant financial period/budget designated by your plan. Key elements should include:

1. **Personnel/Staffing Costs**—In narrative form, discuss your program's personnel strategies. Estimate how many staff, and at what level of preparation or skills/experience, will be required for implementation of each major part of your Capstone project/program. Highlight or summarize the major/relevant financial numbers for personnel in the narrative of this section, and reference the specific details to the attached line-item budgets. Also consider and discuss benefits in the narrative, and include these costs in your budgets. [Note: This section is essentially the budget narrative for your Capstone's annual personnel costs plan. As such, don't just list and refer them to your attached budgets. Justify and connect the important components to the activities and scope in your Capstone's Program Proposal.]
2. **Other (Non-Personnel) Operating Costs**—Again in narrative form, discuss non-personnel operating cost/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. If any major equipment purchases, rental, or leases will be necessary, identify these and estimate their costs. Also discuss any other major expenditures that may be essential to your program, such as travel, communications, marketing, consultation, insurance, etc.; and highlight the differences (and implications) between the fixed and variable costs. Similar to the above instructions for personnel costs, summarize the major/relevant financial numbers for these Other Operating Cost requirements in the narrative, and reference the specific details to the attached line-item budgets. [Note: This section is essentially the budget narrative for your Capstone's annual non-personnel operating costs plan. So again, justify and connect the important components to the Program Proposal.]

IV. **Program Revenues**—Present and discuss your Capstone's revenue strategies and financial plans. And do so for each relevant financial period/budget designated by your plan. Key elements should include:

1. Revenue Strategies/Models and Funding Types—Based on coursework and related class discussions, coupled with your own analysis and research in the field, present thoughts on (1) the most logical/appropriate revenue models for your Capstone, and (2) the types of funding sources your project will rely on going forward. You should include both short- and long-term strategies for this. [Note: Make sure your revenue strategies and sources align with your program’s proposed structure. For example, if you plan to seek donations from individuals, you would probably be operating a nonprofit.]
 2. Revenue Plans (the “Numbers”)—Project and discuss total revenue for your Capstone program based on realistic expectations. Identify and discuss the expected sources for the major pieces of this revenue (to the extent possible), and forecast the money amounts for each in this narrative. Also be sure to reference these money amounts to your attached Capstone budgets. [Note: This section is essentially the budget narrative for your Capstone’s annual revenue plan.]
- V. **Operational/Performance Measures**—Consider and discuss ways to measure and track your Capstone’s operational performance (re: outputs) ... and its longer-term impact (re: outcomes). Key elements should include:
1. Outputs and Operational Efficiency—Present the units of service (i.e., metrics) that you will use to measure/monitor your Capstone’s expected outputs in order to track operational efficiency. Discuss why these measures are most relevant given the nature of your solution/intervention activities.
 2. Outcomes and Program Effectiveness—Do the same to measure/monitor your expected outcomes in order to track your Capstone program’s effectiveness. Again, discuss why these measures are optimal given the nature of the problem, target population, and your proposed intervention activities.
- VI. **Conclusions**—Present final thoughts on your Capstone’s projected financial performance, scalability, sustainability, and any other final insights and conclusions you have. Key elements should include:
1. “Bottom Line” Performance, Scalability, and Sustainability—Discuss your Capstone’s projected “bottom-line” financial performance. At the same time, also consider the opportunities for your Capstone to scale. Finally, raise and discuss the risks, complicating factors, and constraints related to your project’s ability to achieve its projected financial results on a sustainable basis, and your ideas/contingency plans to mitigate these risks in the future.
 2. Insights and Conclusions—Conclude the paper by sharing your thoughts on any general insights, critical thinking, and/or overarching conclusions that you developed about your Capstone program through this financial exercise. This is also a good opportunity to connect back to the problem you plan to solve with your proposed program, highlight your financial plan, and make one last “pitch” to your audience how great it is!

Format and Length: Assignment 2 should be **eight to ten (8-10) pages**, double-spaced, not including title page, references, and attached exhibits. Please conform to APA standards. Similar to Assignment 1, Assignment 2 should include appropriate section headers in the same order as indicated in this description.

Grading for Assignment 2: This assignment is worth **50% of the total course grade**. Please note that all components of the assignment should be clearly written, logically organized, and effectively covered in the paper. And the paper should demonstrate mastery of a critical and analytic approach to financial management and budget construction, reflecting the various perspectives and ideas addressed during the term.

Assignment 3: Class Participation

(All 15 Weeks)

One of the goals of the DSW program and the 707 course is to develop future leaders who can effectively communicate verbally, on a real-time basis, in a variety of organizational and other public settings.

To support this goal, students in this course are expected to demonstrate critical thinking, grasp of key concepts, and ability to integrate multiple sources of information through their **questions and comments in class; as part of the case study discussions; during individual and small-group exercises (including the role plays and financial presentations) that are aligned with subject matter explored during specific course sessions; and work with the asynchronous materials.**

[Note: See Addenda 1, 2, and 3 at the end of this syllabus for additional information on case studies, role plays and financial presentations.]

Faculty will appraise Class Participation performance for each student for each class, and consolidate this information at the end of the semester. Optimal performance will be reflected in contributions that reflect thorough preparation, frequent engagement, and high-quality participation. The Class Participation assignment is worth **20% of the total course grade**.

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://studenthealth.usc.edu/sexual-assault/>

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/>

For the university policy on Reporting to Title IX, see <https://policy.usc.edu/reporting-to-title-ix-student-misconduct/>

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

Please direct any concerns about the course with the instructor first. If you are unable to discuss your concerns with the instructor, please contact the faculty course lead. Any concerns unresolved with the course instructor or faculty course lead may be directed to the student's advisor and/or the Director of your program.

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 1 — CASE STUDIES INFORMATION AND PREP QUESTIONS

Eight (8) classes in the course include a case study that is directly related to the material covered in the respective unit's asynchronous session and reading materials. You should review these case studies and be prepared to actively discuss them in the live synchronous portion of the classes. As part of your preparation, you should also prepare your own notes in response to specific questions for each case . . . and be ready to share your thoughts. These questions are presented below.

Important Notes:

1. **Each unit, some students will be randomly called upon in class to reflect on the case and respond to the questions;** and
2. **Students' involvement in the live session case study discussions will be incorporated into the class participation grade.**

Unit 1 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 Prep Questions

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 2 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 Prep Questions

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 3 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 Prep Questions

1. Identify the financial auspices for this agency/program. How does this compare to the auspices for your own proposed Grand Challenge Capstone program?
2. How does the executive's (Alan Gibbs) 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 4 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 Prep Questions

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 Hull House in the nonprofit world?

Unit 9 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 Prep Questions

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 . . . or not ambitious enough . . . and why? Be ready to support your opinion in the live session.

Unit 11 Case and 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 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 at that time . . . 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 shared . . . and a comprehensive group debriefing, facilitated by faculty, will be conducted with the entire class after the individual negotiation sessions.

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 post-negotiation debriefing.

Unit 12 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 Prep Questions

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 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 13 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 sometimes conflict; discusses the risks of overpromising; recognizes the potential costs of overresponding 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 Prep Questions

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?

ADDENDUM 2 — FINANCIAL NEGOTIATION ROLE PLAY

During one of the units, you will be provided with separate case study materials for a budget negotiation role-play exercise (to be conducted during the live session). 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.

Your active involvement in this exercise, and your demonstrated use of practices discussed in the lecture and readings, **will be incorporated into your class participation grade.**

ADDENDUM 3 — FINANCIAL PRESENTATIONS

During one of the last two live sessions of the course, you will be asked to make an oral class presentation of your financial plans for your Capstone. 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, and/or other key stakeholders who are interested in your Capstone organization's plans and how they will be responsibly implemented from a financial standpoint.

In addition to introducing your program and presenting your budget plans, 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 problem and proposed solutions . . . as the CEO or executive director, your primary focus for this particular presentation will be to share how you have thoughtfully, and responsibly 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, the financial risks involved, and your overall confidence in the financial plan.

Student presentations should be 5-10 minutes in length, using a PowerPoint presentation or other illustrative materials. Following the presentation, students should engage the class in a brief Q&A/discussion. Presentations and the related discussions **will be incorporated into the class participation grade.**