Fall 2022 50908R

Wednesday 6:00-9:20 PM

Location: CPA203

Instructor: James Siegrist
Email: JSiegris@usc.edu
Office Location & Hours: After class or by appointment

PPDE 645

Financial Management of Nonprofit Organizations

Course Description

Nonprofit organizations are "mission based". Their purpose is to achieve the mission of the organization, not make money. To effectively obtain and use resources to achieve the mission, managers in all disciplines must have a working knowledge of financial management practices. The objective of this course is to provide a foundation of financial management principles. The flow of this course starts with planning by developing a budget and strategic plan for the future, implementing the budget and plan, controlling operations to keep to the plan, reporting results, analyzing results, and using the information to improve future plans. The first day of class you will select a real nonprofit that you will use throughout the course, so you have real data to use as you learn about the financial management practices that your nonprofit uses to achieve their mission. A final project is where you will pull all of this learning together and give a presentation, as if you were reporting to the board of directors of your chosen nonprofit, demonstrating the concepts that you learned this semester.

Learning Objectives

The course will orient students to the critical features of financially managing nonprofit organizations including the budgetary and strategic planning process; sources of nonprofit revenue and drivers of nonprofit costs; managing short-term resources and obligations; understanding accountability and control concepts; understanding financial statements; and how to analyze the financials of a company to understand their financial condition. While there will be coverage of basic accounting practices, this is not a course in accounting.

Learning Outcomes: Key Concepts in Financial Management of Nonprofit Organizations

Develop a working knowledge of financial management and become confident that you can play an active role ensuring an organization can meet its mission without sacrificing long-term viability. Be able to

understand and make use of financial information. Understand what it means to be "mission based" and the differences between a for-profit company and a nonprofit organization.

- ○ PLANNING – Identify sources of revenue and understand costs, learn how to prepare a budget, capital budget and develop a strategic plan
- ○ IMPELMENTATION – learn about how to manage short-term resources and obligations
- ○ CONTROLLING OPERATIONS – Understand accountability and control
- ○ REPORTING RESULTS – Understand the balance sheet, income statement, and cash flow statements, and delve into some unique aspects of nonprofit accounting
- ○ ANALYZING RESULTS – Learn how to analyze the financial statements, 990 return (tax return), and audit to understand the financial condition of the organization
- ○ PULL IT ALL TOGETHER - Give a presentation about your nonprofit's budget and strategic plan, implementation, control of operations, and analysis of the financial condition of the organization

Recommended Preparation

Before the first class, select one nonprofit to focus on through the entire course. Select an organization for which you can find their annual report, public/audited financial statements, and 990 tax return (available on GuideStar.com). You will use these and other documents for weekly assignments and for your final project.

Communication and Office Hours

I am available by email (JSiegris@usc.edu). If you email me, please identify yourself by name *each time* as I *do not* save student contact information. I do my best to respond to email within 24 hours on weekdays; if you do not get a response within that time, please resend.

Office hours are after class or by appointment.

Guidelines for all written work

- ■ Papers must be saved as Microsoft Word documents, single-spaced, with 12-point font.
- ■ PowerPoint presentations must include detailed speaker's notes.
- ■ Make sure you keep a copy of all submitted papers.
- ■ Please ensure that each paper is written in APA style. Refer to the APA manual. (6th Edition)
- ■ All page length requirements are for single-spaced pages, with 1-inch margins, in 12-point font.

Technological Proficiency and Hardware/Software Required:

This course develops a skill set in the use of Excel spreadsheet applications for budgetary analysis and financial modeling. Students who have not been exposed to Excel previously and/or do not have a comfort level with basic algebra should speak to the instructor, who will help them identify appropriate training to

access on USC's LinkedIn Learning, formerly lynda.com (https://itservices.usc.edu/linkedin-learning) and the official Microsoft Excel Help Center (support.office.com/en-us/excel).

USC Technology Rental Program:

If you need resources to successfully participate in your classes, such as a laptop or internet hotspot, you may be eligible for the university's equipment rental program. To apply, please submit an application. The Student Basic Needs team will contact all applicants in early August and distribute equipment to eligible applicants prior to the start of the fall semester.

USC Technology Support Links:

Zoom information for students
Blackboard help for students
Software available to USC Campus

Required Materials

Required Textbooks (note that 2 textbooks are required):

Steven Finkler, Daniel Smith, and Thad Calabrese (2020). *Financial Management for Public, Health, and Not-for-Profit Organizations, Sixth Edition.* Sage, Congressional Quarterly Press.

Dropkin, Halpin, Touche (2007). *The Budget-Building Book for Nonprofits, Second Edition.* Jossey-Bass.

Description and Assessment of Assignments

- **Assignments:** On the first day of class, students will select one nonprofit organization to focus on through the entire course. Students must select a nonprofit for which they have the annual report, 990 (tax return), and financial statements. Students will complete budgeting, strategic planning, and financial analysis assignments based on their selected nonprofit organization as well as assignments related to the readings.

- **Exams:** Students will complete an open-book midterm exam, and a take home final exam.

- **Final Project/Board Report:** The final project is where you will pull all of this learning together and give a presentation, as if you were reporting to the board of directors of your chosen nonprofit, demonstrating the concepts that you learned this semester. It is expected that you will use the weekly assignment to compile your final presentation. The final project will be a 10-minute oral presentation and accompanying PowerPoint. The best part of this class is the whole class listening to the final presentations and having the opportunity to ask questions and comment. A portion of your final

presentation grade will be based on your peer groups feedback and your participation in asking question of your classmates' final presentations. Detailed requirements of the final project will be distributed during the semester.

- *Active Engagement:* Read about it … talk about it … write about it
    - o   Read about it: There will be reading that I expect you to do before each class to familiarize yourself with the material. The readings are all detailed below.
    - o   Talk about it: I will conduct a live lecture at the start of each class which will last roughly one hour. This is your time to talk about the topic and ask questions.
    - o   Write about it: Then we will have an "in-class" assignment centered around the topic for the week. Some assignments will be individual assignments, others will be group assignments. The first night of class everyone will divide into groups of 3-4. We will probably keep these groups through the whole semester, for continuity and convenience. You can use the remainder of our class time on Wednesday evening to complete your "in-class" assignment or arrange with your team to complete the assignment at another pre-arranged time. Plan on taking at least 2 hours to complete your assignments. You will individually post your assignment to Blackboard by 11:59pm the following Tuesday, meaning that even if it is a group project, you will post the group assignment to your individual Blackboard.

Engagement in the live lecture and the group assignments will count toward your class grade.

Grading Breakdown

This course uses a percentage-based grading schema, as shown below.

Evaluation Categories	Weighting
Class Engagement	15%
Assignments	30%
Midterm Examination (individual)	10%
Final Project (individual)	35%
Final Examination (individual)	10%
TOTAL	**100%**

Grading Scale

A	940 - 1000
A-	900 - 939
B+	870 - 899
B	830 - 869
B-	800 - 829
C+	770 - 799
C	730 - 769
C-	700 - 729
D+	670 - 699
D	630 - 669
D-	600 - 629
F	< 600.0

A:	100-94	B+:	89-87	C+:	79-77
A-:	93-90	B:	86-84	C:	76-74
		B-:	83-80	C-:	73-70

From a qualitative standpoint:

- Grades of A or A- are reserved for excellent work which demonstrates mastery of content and shows that you have applied course concepts, theories and analytics in a manner that generates value-added insight.
- A grade of B+ will be given to work which is judged to be very good. This grade denotes that you have demonstrated a more-than-competent understanding of the material.
- A grade of B will be given to good work which meets the basic requirements of the assignment and meet basic course learning expectations.
- A grade of B- will denote that your performance was less than adequate on an assignment, reflecting only moderate grasp of content and/or expectations.

A grade of C is the minimum for a graduate class.

Course-specific Policies

Assignment Submission

Student will post their assignments on Blackboard by 11:59pm the following Tuesday. Some of these assignments will be completed as individual assignments or in teams during asynchronous time (completed individually on students' own time), although they must be submitted individually to the assignment in Blackboard.

Grading Timeline

Graded homework assignments typically will be graded within 10 days of submission.

Late Work

Assignments will not be accepted after the due date without advance written permission of the faculty member. Permitted late assignments may receive a grade penalty, typically 10% for each day late. Assignments posted 7 or more days later than the pre-approved late due date will count for -0- points.

Technology in the Classroom

Students are required to use their personal devices for academic purposes during class. Academic purposes include using Zoom, looking up terms, doing research, and completing class work for this class.

Academic integrity

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" 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, policy.usc.edu/scientific-misconduct.

Classroom norms

Read about it … talk about it … write about it

Read about it: Complete the reading before class and familiarize yourself with the material.

Talk about it: I will conduct a live lecture at the start of each class. This is your time to talk about the topic and ask questions.

Write about it: We will have an "in-class" assignment centered around the topic for the week. You can use the remainder of our class time on Wednesday evening to complete your "in-class" assignment

Sharing of course materials outside of the learning environment

Remember that USC has a policy that prohibits sharing of any synchronous and asynchronous course content outside of the learning environment. Distribution or use of notes or recordings based on university classes or lectures without the express permission of the instructor for purposes other than individual or group study is a violation of the USC Student Conduct Code. This includes, but is not limited to, providing materials for distribution by services publishing class notes. This restriction on unauthorized use also applies to all information, which had been distributed to students or in any way had been displayed for use in relationship to the class, whether obtained in class, via email, on the Internet or via any other media. (See Section C.1 Class Notes Policy).

Residential and hybrid streaming model courses
This course will be conducted on campus. You may consult the latest COVID-19 testing and health protocol requirements for on campus courses. Continuously updated requirements can be found on the USC COVID-19 resource center website.

Course evaluation
Course evaluation occurs at the end of the semester university-wide. It is important for you to provide your experience of this class.

STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTEMS

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" policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on Research and Scholarship Misconduct.

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.
National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press "0" after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault
Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - (213) 740-5086
eeotix.usc.edu
Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
usc-advocate.symplicity.com/care_report
Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

The Office of Student Accessibility Services (OSAS) - (213) 740-0776
osas.usc.edu
OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

USC Campus Support and Intervention - (213) 821-4710
campussupport.usc.edu
Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity, Equity and Inclusion - (213) 740-2101
diversity.usc.edu
Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call
dps.usc.edu, emergency.usc.edu
Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call
dps.usc.edu
Non-emergency assistance or information.

Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)
ombuds.usc.edu
A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

*Occupational Therapy Faculty Practice - (323) 442-33*40 or otfp@med.usc.edu
chan.usc.edu/otfp
Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

Course Weekly Schedule

Week 1	**Aug 24**	
	LEARNING OBJECTIVE:	Introductions, course learning goals, selection of a Nonprofit agency
	READING IN CLASS:	Finkler, et al., Chapter 1, pp 1-17, Chapter 2, pp 25-29
	POSTED ASSIGNMENT:	Find and review your selected agency's Mission Statement, 990, financial statements, and annual report. Post a Word document including the agency name, why you selected this agency, the agency's mission statement, their programs, links to the 990, financial statements, and annual report, and how much revenue they earned in the last fiscal year.
	READING PRIOR TO NEXT CLASS:	Finkler, et al., Chapter 1, pp 1-23, Chapter 9, pp 309-341

Week 2	**Aug 31**	
	LEARNING OBJECTIVE:	Introduction to the Balance Sheet
	POSTED ASSIGNMENT:	Individual project
	READING PRIOR TO NEXT CLASS:	Finkler, et al., Chapter 10

Week 3	**Sep 07**	
	LEARNING OBJECTIVE:	Introduction to the Income Statement
	POSTED ASSIGNMENT:	Individual project
	READING PRIOR TO NEXT CLASS:	Dropkin et al., pp 3-47, pp 60-85

Week 4	**Sep 14**	
	LEARNING OBJECTIVE:	Budgeting basics
	POSTED ASSIGNMENT:	You will begin to develop a mock operating budget for your selected agency
	READING PRIOR TO NEXT CLASS:	Dropkin et al., pp 3-47, pp 60-85

Week 5	**Sep 21**	
	LEARNING OBJECTIVE:	Operating Budget
	POSTED ASSIGNMENT:	You will continue developing a mock operating budget for your selected agency
	READING PRIOR TO NEXT CLASS:	Finkler, et al., Chapter 5

Week 6	Sep 28	
	LEARNING OBJECTIVE:	Capital budgeting
	POSTED ASSIGNMENT:	You will finalize your mock operating budget and develop a mock capital budget for your selected agency
	READING PRIOR TO NEXT CLASS:	Finkler, et al., Chapters 6 and 7

Week 7	Oct 05	
	LEARNING OBJECTIVE:	Long-term and short-term financing, resources and obligations
	POSTED ASSIGNMENT:	Individual assignment

Week 8	Oct 12	
	MIDTERM EXAM	Midterm Exam
	READING PRIOR TO NEXT CLASS:	REVIEW PRIOR TO NEXT CLASS: Strategic Planning Templates posted on Blackboard

Week 9	Oct 19	
	LEARNING OBJECTIVE:	Strategic Planning
	POSTED ASSIGNMENT:	You will develop a mock strategic plan for your selected agency
	READING PRIOR TO NEXT CLASS:	Finkler, et al., Chapter 11

Week 10	Oct 26	
	LEARNING OBJECTIVE:	The Balance Sheet and Income Statement revisited, unique aspects of not-for-profit accounting, and miscellaneous
	POSTED ASSIGNMENT:	
	READING PRIOR TO NEXT CLASS:	Finkler, et al., Chapter 14 and Chapter 15

Week 11	**Nov 02** **LEARNING OBJECTIVE:** **EXERCISE:**	Financial statement analysis and financial condition analysis You will use the ratio analyses learned this class and include in your final presentation an analysis of the financial condition of your selected agency
Week 12	**Nov 09** **PRESENTATIONS**	Group 1
Week 13	**Nov 16** **PRESENTATIONS** **READING PRIOR TO NEXT CLASS:**	Group 2 Finkler, et al., Chapter 8
Week 14	**Nov 23** **No Class University Break** **READING PRIOR TO NEXT CLASS:**	**No Class University Break** Finkler, et al., Chapter 8
Week 15	**Nov 30** **LEARNING OBJECTIVE:**	Accountability and control Current events and course wrapup
Week 16	**Dec 07** **FINAL EXAM**	Final Exam (Take home)

Study Days – December 3-6th
Exam Days December 7-14