

**THE UNIVERSITY OF TEXAS AT AUSTIN
STEVE HICKS SCHOOL OF SOCIAL WORK**

Course Number: SWN393T29

Unique Number: 88800

Semester: Summer 2019

Meeting Time/Place: T/TH

5:30 pm – 8:00 pm

SSW 2.132

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Office Hours: T//TH 3:30 pm – 5:00 pm
and by appointment

FINANCIAL MANAGEMENT

I. STANDARDIZED COURSE DESCRIPTION

This advanced management course will cover the knowledge and skills necessary to guide nonprofit organizations through a variety of important financial decisions. Students will learn how to create budgets, analyze financial statements, record common financial transactions through basic accounting, manage cash flow, analyze costs, and support key financial decisions in a nonprofit at executive or management levels. The course will examine how financial management is used in social work practice with case studies and exercises that will be directly applicable when beginning in a new nonprofit organization. Hands-on experience will include the opportunity to create one's own non-profit program budget, practice basic accounting, interview an Executive Director to better understand how finances are dealt with in practice, create a financial analysis and sustainability plan on a nonprofit of one's choosing, analyze cost structures and recommend revenues for a nonprofit case, and hear from practitioners in the field. Through readings, exercises, videos, and guest speakers, students will come away with a toolbox for applying the latest in financial management theories to human service organizations. Students will learn to define and practice financial management topics to become a social worker with financial literacy.

II. STANDARDIZED COURSE OBJECTIVES

By the end of this course, students will be able to:

1. Critically examine and apply theories of financial management to non-profit human service organizations.
2. Explain common financial management concepts and terminology to effectively communicate with organizational stakeholders.
3. Construct and analyze different types of budgets and understand the budgeting process in nonprofit and public entities.
4. Analyze value dilemmas, ethical issues, and social justice issues in the financial management of human service organizations.
5. Explain basic accounting principles, how to record common financial transactions, and software that supports this accounting.
6. Understand how to manage cash flow in an organization and the importance of monitoring cash budgets to support financial stability.
7. Understand different costs in a nonprofit organization and how to conduct a cost analysis to develop cost-effective programming.
8. Analyze financial statements of nonprofit organizations and provide constructive feedback on their financial conditions, financial performance, and fiscal vulnerabilities.

9. Describe the multiple revenue streams that finance nonprofits and the advantages and disadvantages of different funding sources.
10. Utilize differential cost-benefit analysis in making executive-level organization and policy decisions (e.g., make or buy, keep or stop, expand or reduce, fund or reject).
11. Understand internal controls and the importance of audits in supporting the overall financial health of an organization.
12. Apply financial knowledge to starting a non-profit business in social work.

III. TEACHING METHODS

The class will use a form of blended learning in which students learn content both in class and online. Specially-designated “lab days” will serve as protected time for students to work on class assignments. Course assignments will involve extensive use of widely-used spreadsheet programs, such as MS Excel and Google Sheets. While prior knowledge of or experience with spreadsheet programs is not a prerequisite, students will need to be comfortable with using this software during the course. Introductory MS Excel and Google Sheets tutorial videos will be posted on the course Canvas site and students who are unfamiliar with the use of these programs should watch the videos prior to or soon after the beginning of the semester. Students are expected to complete assigned readings *prior* to each class period and actively participate in class. Class attendance and participation are required and essential for successful completion of this course.

Canvas will be used for communication between students and the instructor. The class Canvas site can be accessed at <http://courses.utexas.edu> or the Social Work web page (requires Internet connection and computer UT EID and password). The Help Desk available through the UT home page (www.utexas.edu/its/help) or at 475-9400 is available to assist students with Canvas-related questions. Students can access computers through the Learning Resource Center located on the first floor of the social work building.

IV. REQUIRED TEXTS AND MATERIALS

Zeitlow, J., Hankin, J., Seidner, A., & O'Brien, T. (2018). *Financial management for nonprofit organizations: Policies and Practices* (3rd edition). Hoboken, NJ: Wiley.

Note that the 3rd edition of this text is required.

Additional reading material will be posted on the course Canvas site throughout the semester.

V. COURSE REQUIREMENTS

The grade in the course will be comprised of the following:

Class participation (20% of course grade)

The class participation grade includes attendance (see CLASS POLICIES below), online Canvas postings, and participation in class discussions.

Creating a Non-Profit Program Budget (15% of course grade)

For this assignment, students will create a small nonprofit organization with a specific mission and objectives, select *one* program provided by the organization, and create a revenue and expense budget for that program.

The following information is to be provided as part of this assignment:

- Agency mission (no more than 5 sentences)
- Agency objectives (2-3 short, one sentence objectives)
- Brief description of *one* program that is provided by the organization (no more than one paragraph)
- 12-month calendar or fiscal year budget for the program, with revenues to support the program and expenses that demonstrate how the funds will be used (a spreadsheet template will be provided to capture this information)
- Variance report for the first three months of program operation (a spreadsheet template will be provided to capture this information)

This assignment is due on or before 11:59 pm on June 25.

Creating a Cash Flow Budget Report (15% of course grade)

Using the program budget identified above, students will create a cash flow management report for the next year. The budget should include both cash receipts and cash payments, showing the ending cash balance for each month (a spreadsheet template will be provided to capture this information).

This assignment is due on or before 11:59 pm on July 9.

Understanding Non-Profit Audits (15% of course grade)

Non-profit financial audits combine the basic financial statements with notes on the organization and other aspects of operations. Nonprofit executives need to be well versed in the terminology of audits and be able to understand how the statements and notes combine to paint the overall picture of the agency.

Two sample audits will be posted on Canvas. Each sample includes a set of questions designed to help students delve deeper into the audit. Students will choose ONE of the two audits and respond to the set of questions presented for that audit.

This assignment is due on or before 11:59 pm on July 25.

Agency/Organization Financial Analysis & Sustainability Plan (35% of course grade)

Students will work in teams of no more than three students (team membership to be determined by the course instructor) to assess the finances of a local non-profit organization. The selected nonprofit must have an annual operating budget of at least \$500,000 and been in existence for at least three years. The non-profit agency selected can be one that a member of the team interacts with directly as a volunteer, employee, or field placement, or one that members of the team would like to learn more about. In either case, teams must be able to access sufficient programmatic and financial information for a fiscal year to complete the assignment.

Each team will prepare a 6 – 8 page written report about the organization based on a review of financial statements and budget documents, and interviews with key leaders within the organization such as the Chief Executive Officer or Executive Director, Chief Financial Officer or Financial Manager, Chief Program Officer or Program Director, and Chief Operating Officer or Operations Director).

The report is to include the following information:

- Brief description of the organization (2 pages)
 - Mission and overview of organization (size, age, field of activity, location)
 - Overview of main programs
 - Overview of key agency officials Executive Director, Finance Department, Program Directors
 - Revenue streams
 - How finances are communicated within the organization?
- Current calendar or fiscal year financial position (2 – 3 pages)
 - Liquidity (how much unrestricted cash is on hand)
 - Statement of Financial Position (Balance Sheet)
 - Are unrestricted current assets greater than unrestricted current liabilities? By how much?
 - Are there unrestricted long-term investment assets that could be used as needed?
 - What is the unrestricted net asset position (cumulative impact of each annual surplus or deficit since the organization started)?
 - Statement of Activities (Income Statement)
 - Is there an annual deficit?
 - Are revenue streams diversified?
 - Are management costs reasonable compared to total annual costs?
 - Financial condition of the non-profit (use two of the following ratios in your response: liquidity, solvency, efficiency, profitability)

- Recommendations for sustained or improved finances (2 - 3 pages)
 - Steps agency could take to explore new revenue streams
 - Strategies that agency could deploy to reduce costs while not jeopardizing agency operations
 - Ways that agency could improve communication of agency finances (internal and external)
 - Internal controls used within the organization (accountability and transparency)

- Copies of organization documents reviewed as part of the assignment.

Each team will prepare a PowerPoint presentation to be delivered during the last class that contains an overview of their findings, including recommendations for sustainability. The presentation schedule will be determined by the course instructor. Each team will have 20 minutes to make its presentation, plus 5 - 10 minutes for questions at the end of the presentation.

The *written* portion of this assignment is due on or before 11:59 pm on July 30. Class presentations are scheduled for July 25 and July 30.

A summary of course assignments is contained in the following table.

Assignment		Due Date	% of Course Grade
1	Class participation	NA	20%
2	Creating a nonprofit program budget	6/25	15%
3	Creating a cash flow budget report	7/9	15%
4	Understanding nonprofit agency audits	7/25	15%
5	Financial analysis and sustainability plan	↓	35%
	Written report	7/30	25%
	Class presentations	7/25, 7/30	10%
		Total	100%

VI. GRADES

The following distribution will be used to assign grades in this course:

94.0 - 99.999	A	74.0 - 76.999	C
90.0 - 93.999	A-	70.0 - 73.999	C-
87.0 - 89.999	B+	67.0 - 69.999	D+
84.0 - 86.999	B	64.0 - 66.999	D
80.0 - 83.999	B-	60.0 - 63.999	D-
77.0 - 79.999	C+	Below 60	F

VII. CLASS POLICIES

Conduct and Civility: Social work students adhere to the Student Standards for Professional Conduct of the *NASW Code of Ethics* and assume responsibility for their conduct. Scholastic honesty and integrity are to be consistent social work values. The instructor will comply with University guidelines regarding scholastic dishonesty, including plagiarism. Social work practitioners respect others; therefore, differences in values, opinions, and feelings of class members and guest speakers will be respected. Students will help create and support a learning environment that does not interfere with the learning of fellow students. When students voice an opinion with which you do not agree, feel free to voice opinions in a civil manner that can enhance the flow of ideas and dialog.

Readings and Preparatory Assignments: Students are expected to be active and participate in the learning process, and in an interactive framework between collegiate students and professor. Students are also expected to complete readings and preparatory assignments prior to class. Failure to demonstrate through discussions in class, online, and through assignments that one has comprehended the readings will be considered when assigning the final grade. Students are responsible for the material in the assigned readings whether or not the material is covered in class. Professor reserves the right to conduct quizzes should there be a pattern of students not demonstrating that they have completed the readings and are not prepared to engage in thoughtful discussion.

Professional Communication and Interactions: Refrain from private conversations during class or other disruptive behavior. Disrespect toward the professor, students, or others is unacceptable and will be handled directly and in the context in which it occurs. Disrespectful behavior includes overt acts, such as talking over others or making derogatory remarks based on another person's age, race, class, gender, sexual orientation, religious preference, and ability. Moreover, covert acts of disrespect such as sneers and other facial expressions, excluding class members from classroom tasks, etc. are also unacceptable.

Electronic Devices: All communication devices should be turned off or placed on silent mode and put away during class. Unless laptops are required for specific class sessions, students may

not use laptops during class without prior permission from the professor. Grade is negatively impacted by student's failure to comply with this policy.

Class Attendance Policy: Attendance at every class is expected. Attendance is defined as students' attentive physical presence in class for the *entire* class (i.e., no late arrivals or early departures, unless approved in advance by the course instructor). Students missing more than three classes without a valid, verifiable excuse will be subject to a penalty of one letter grade. The instructor should be notified in advance of any planned absence and as soon as possible in the case of an unforeseen, serious emergency.

Class attendance will be taken at the *beginning* of the class throughout the semester. It is the students' responsibility to ensure that they have signed the attendance sheet. Any student caught signing an attendance sheet for a missing classmate will be referred to the Dean of Students for disciplinary action.

Assignments and Grades: Students are expected to turn in all assignments on or before 11:59 pm on the date that they are due using the course Canvas. A penalty of *5 points per day* will be assessed for all late assignments. Penalties for late assignments will factor into the grade achieved for the assignment.

Writing Style: The *Publication Manual of the American Psychological Association Sixth Edition* (APA) is the style manual to be used by all students in this course. The manual is available at the library or for purchase at the UT Co-op.

Use of Canvas: The professor uses Canvas Web-based course management /collective workspace. An orientation will be given the first day of class. If you do not have a personal computer and personal Internet access, there are computers available for your use at the SW Learning Resource Center (LRC), the Flawn Academic Center, and campus libraries.

Course Modification: To ensure achievement for course objectives, the professor reserves the right to make modifications to any part of this syllabus related to schedule, assignment due dates, and links to documents and videos available through the Internet. Should any modifications be made, students will be notified both in class and by email and the modifications will be posted to Canvas.

VIII. UNIVERSITY POLICIES

The University of Texas Honor Code. The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

Professional Conduct and Civility in the Classroom. The professor expects students to act as professionals in class. This means students should arrive on time for class, be prepared to participate in the class discussion, and show respect for one another's opinions. A course brings together a group of diverse individuals with various backgrounds. Students are influenced and shaped by such factors as ethnicity, gender, sex, physical abilities, religious and political beliefs, national origins, and sexual orientations, among others. We expect to learn from each other in an atmosphere of positive engagement and mutual respect. Social Work also deals with complex and controversial issues. These issues may be challenging and uncomfortable, and it would be impossible to offer a substantive classroom experience that did not include potentially difficult conversations relating to challenging issues. In this environment we will be exposed to diverse ideas and opinions, and sometimes we will not agree with the ideas expressed by others. Nevertheless, the professor requires that students engage one another with civility, respect, and professionalism.

Unanticipated Distress. Students may experience unexpected and/or distressing reactions to course readings, videos, conversations, and assignments. If so, students are encouraged to inform the professor. The professor can be responsive and supportive regarding students' participation in course assignments and activities, but students are responsible for communicating clearly what kind of support is desired. If counseling is needed, students may contact a service provider of their choosing, including the UT Counseling Center at 512-471-3515 or online at <https://cmhc.utexas.edu/>.

Policy on Social Media and Professional Communication. Public social networks are not private. Even when open only to approved or invited members, users cannot be certain that privacy will exist among the general membership of sites. If social work students choose to participate in such forums, please assume that anything posted can be seen, read, and critiqued. What is said, posted, linked to, commented on, uploaded, subscribed to, etc., can be accessed and archived, posing potential harm to professional reputations and prospective careers.

Social work students who use social media (e.g. Facebook, Twitter, Instagram) and other forms of electronic communication (e.g. blogs) must be mindful of how their communication may be perceived by clients, colleagues, faculty, and others. Social work students are expected to make every effort to minimize material which could be considered inappropriate for a professional social worker in training. Because of this, social work students are advised to manage security

settings at their most private levels and avoid posting information/photos or using any language that could jeopardize their professional image.

Students are asked to consider the amount of personal information posted on these sites and are obliged to block any client access to involvement in the students' social networks. Client material should not be referred to in any form of electronic media, including *any* information that might lead to the identification of a client or compromise client confidentiality in *any* way. Additionally, students must critically evaluate any material that is posted regarding community agencies and professional relationships, as certain material could violate the standards set by the School of Social Work, the Texas Code of Conduct for Social Workers, and/or the NASW Code of Ethics.

Social work students should consider that they will be representing professional social work practice as well as The University of Texas at Austin School of Social Work program while in the classroom, the university community, and the broader area communities.

Policy on Scholastic Dishonesty. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since such dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. For further information, the student may refer to the Web Site of the Student Judicial Services, Office of the Dean of Students: <http://deanofstudents.utexas.edu/sjs/>.

Use of Course Materials. The materials used in this course, including, but not limited to exams, quizzes, and homework assignments, are copyright protected works. Any unauthorized duplication of the course materials is a violation of federal law and may result in disciplinary action being taken against the student. Additionally, the sharing of course materials without the specific, express approval of the professor may be a violation of the University's Student Honor Code and an act of academic dishonesty, which could result in further disciplinary action. This sharing includes, among other things, uploading class materials to websites for the purpose of distributing those materials to other current or future students.

Documented Disability Statement. Any student who requires special accommodations must obtain a letter that documents the disability from the Services for Students with Disabilities area of the Division of Diversity and Community Engagement (471- 6259 voice or 471-4641 TTY for users who are deaf or hard of hearing). A student should present the letter to the professor at the beginning of the semester so that needed accommodations can be discussed and followed. The student should remind the professor of any testing accommodations no later than five business days before an exam. For more information, visit: <http://diversity.utexas.edu/disability/>.

Religious Holidays. By UT Austin policy, students must notify the professor of a pending absence at least fourteen days prior to the date of observance of a religious holy day. If the student must miss a class, examination, work assignment, or project in order to observe a religious holy day, the professor will give the student an opportunity to complete the missed work within a reasonable time after the absence.

Title IX Reporting. In accordance with Title IX of the Education Amendments of 1972, the University of Texas at Austin is committed to maintaining a learning environment that is free from discriminatory conduct based on gender. Faculty, field instructors, staff, and/or teaching assistants in their supervisory roles are mandated reporters of incidents of sex discrimination, sexual harassment, sexual violence, stalking, interpersonal violence, or any other forms of sexual misconduct. Students who report such incidents will be informed of University resources. Incidents will be reported to the University's Title IX Coordinator and/or the Title IX Liaison for the SHSSW, Professor Tanya Voss. Students, faculty and staff may contact Professor Voss to report incidents or to obtain information. Further information, including student resources related to Title IX, may also be found at <http://socialwork.utexas.edu/dl/files/academic-programs/other/qrg-sexualharassment.pdf>.

Campus Carry Policy. The University's policy on concealed fire arms may be found here: <https://campuscarry.utexas.edu>. You also may find this information by accessing the Quick Links menu on the School's website.

Classroom Confidentiality. Information shared in class about agencies, clients, and personal matters is considered confidential per the NASW Code of Ethics on educational supervision and is protected by regulations of the Family Educational Rights and Privacy Act (FERPA) as well. As such, sharing this information with individuals outside of the educational context is not permitted. Violations of confidentiality could result in actions taken according to the policies and procedure for review of academic performance located in sections 3.0, 3.1, and 3.2 of the Standards for Social Work Education.

Use of E-mail for Official Correspondence to Students. Email is recognized as an official mode of university correspondence; therefore, students are responsible for reading their email for university and course-related information and announcements. Students are responsible for keeping the university informed about a change of e-mail address. Students should check their e-mail regularly and frequently—daily, but at minimum twice a week—to stay current with university-related communications, some of which may be time-sensitive. Students can find UT Austin's policies and instructions for updating their e-mail address at <https://cio.utexas.edu/policies/university-electronic-mail-student-notification-policy>.

Safety. As part of professional social work education, students may have assignments that involve working in agency settings and/or the community. As such, these assignments may present some risks. Sound choices and caution may lower risks inherent to the profession. It is the student's responsibility to be aware of and adhere to policies and practices related to agency and/or community safety. Students should notify the professor regarding any safety concerns.

Behavior Concerns Advice Line (BCAL). If students are worried about someone who is acting differently, they may use the Behavior Concerns Advice Line to discuss by phone their concerns about another individual's behavior. This service is provided through a partnership between the Office of the Dean of Students, the Counseling and Mental Health Center (CMHC), the Employee Assistance Program (EAP), and The University of Texas Police Department (UTPD). Call 512-232-5050 or visit <http://www.utexas.edu/safety/bcal>.

Emergency Evacuation Policy. Occupants of buildings on the UT Austin campus are required to evacuate and assemble outside when a fire alarm is activated or an announcement is made.

Please be aware of the following policies regarding evacuation:

- Familiarize yourself with all exit doors in the classroom and the building. Remember that the nearest exit door may not be the one you used when entering the building.
- If you require assistance to evacuate, inform the professor in writing during the first week of class.
- In the event of an evacuation, follow the professor's instructions.
- Do not re-enter a building unless you are given instructions by the Austin Fire Department, the UT Austin Police Department, or the Fire Prevention Services office.

IX. COURSE SCHEDULE

Date	Topic	Readings	Assignment(s)
June			
6	<ul style="list-style-type: none"> ▪ Introductions ▪ Review of course assignments ▪ Financial challenges facing contemporary nonprofit organizations 	No readings	<ul style="list-style-type: none"> ▪ <i>My nonprofit financial management hero</i> (in-class exercise) ▪ Complete and post to Canvas responses to survey of specific interests, management experience, and financial understanding (due Sunday, June 9)
11	<ul style="list-style-type: none"> ▪ Understanding nonprofit Organizations ▪ Why some nonprofits fail in achieving their mission ▪ Leadership challenges in nonprofit organizations 	<u>Chapter 1</u> of course text	
13	<ul style="list-style-type: none"> ▪ Managing mission, strategy, and financial leadership 	<u>Chapter 3</u> of course text Posted on Canvas: Examples of agency/organization strategic plans	
18	<ul style="list-style-type: none"> ▪ Understanding the budgeting process ▪ Different types of budgets ▪ Developing financial reports 	<u>Chapter 7</u> (pp. 267 – 305) and <u>Chapter 8</u> (all) of course text	
20	Lab Day – work on class assignments	No readings	
25	<ul style="list-style-type: none"> ▪ Understanding financial accounting basics and financial statements 	<u>Chapter 6</u> of course text	<ul style="list-style-type: none"> ▪ Creating a nonprofit budget
27	<ul style="list-style-type: none"> ▪ Continuation of topics from June 25 		
July			
4	Independence Day Holiday No class		
9	<ul style="list-style-type: none"> ▪ Developing financial policies and procedures 	<u>Chapter 5</u> of course text	<ul style="list-style-type: none"> ▪ Creating a cash flow budget report
11	<ul style="list-style-type: none"> ▪ Cash management and banking relations 	<u>Chapter 11</u> of course text	

Date	Topic	Readings	Assignment(s)
16	Lab Day – work on class assignments		
18	<ul style="list-style-type: none"> ▪ Managing risks and liabilities, legal issues, and human resources ▪ Sources of nonprofit revenues ▪ Nonprofit revenue strategies ▪ Managing structure, accountability, and ethics 	<u>Chapters 4 and 10</u> of course text	
23	Continuation of topics from July 18		
25	<ul style="list-style-type: none"> ▪ Group presentations – schedule TBD 	No readings	Understanding nonprofit agency audits
30	<ul style="list-style-type: none"> ▪ Last day of class ▪ Group presentations – schedule TBD ▪ Nonprofit sector financial forecast ▪ Celebrating our accomplishments 	No readings	Financial analysis and sustainability plan (written report + supporting documents)

X. BIBLIOGRAPHY

Additional readings

Alexander, J. (2018). *Financial planning & analysis and performance management*. Hoboken, NJ: Wiley.

Batts, M.E. (2017). *Nonprofit financial management oversight: The concise and complete guide for boards and finance committees*. Orlando, FL: Accountability Press in cooperation with Batts, Morrison, Wales, and Lee Certified Public Accountants.

Bryson, J.M. (2018). *Strategic planning for public and nonprofit organizations: A guide to strengthening organizational achievement* (5th edition). Hoboken, NJ. Wiley.

Estrada, E. (2019). *Understanding nonprofit law and finance: Forty-eight principles for philanthropic leaders*. Lanham, MD: Rowman & Littlefield.

Freeman, R.J., Shoulders, G.D., McSwain, D.N. & Scott, R.B. (2017). *Governmental and nonprofit accounting* (11th edition). Upper Saddle River, NJ: Pearson.

Gross, M.J., McCarthy, J.H., & Shelmon, N.E. (2010). *Financial and accounting guide for not-for-profit organizations* (7th edition with 2010 cumulative updates). Hoboken, NJ: Wiley.

- Hutchinson, K. (2016). *Survive and thrive: Three steps to securing your program's sustainability*. Ottawa, Canada: National Library of Canada.
- Lang, A. (2017). *How to Read Nonprofit Financial Statements*. Hoboken, NJ: Wiley.
- Martin, L.L. (2016). *Financial management for human service administrators*. Long Grove, IL: Waveland Press.
- McLaughlin, T. (2016). *Streetsmart financial basics for nonprofit managers* (4th edition). Hoboken, NJ: Wiley.
- Nowicki, M. (2017). *Introduction to the financial management of healthcare organizations*. Chicago, IL: Health Administration Press.
- Valcik, N.A. (2016). *Strategic planning and decision-making for public and nonprofit organizations*. Washington, DC: American Society for Public Administration.