

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

Course Number:	SWN393T29	Instructor:	Russell A. Smith, LMSW
Unique Number:	89345	Email:	Rsmith@rst.org
Semester:	Summer 2022	Office:	Adjunct Office, 3.104A (if possible)
Meeting Time/Place:	SW 2.132	Office Phone:	512-627-8699
	T/Th 5:30 pm – 8:00 pm	Office Hours:	Tuesdays /Thursdays 5 pm (or)by appointment)
	SSW 3.104A		Other time by appointment

FINANCIAL MANAGEMENT IN HUMAN SERVICES

I. COURSE DESCRIPTION

This advanced management course will cover the knowledge and skills necessary to guide non-profit 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. 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 (make or buy, keep or stop, expand or reduce, fund or reject, etc).
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 is partially on-line, and uses a form of blended learning where students learn content online through analyzing articles and completing exercises, such as blog posts. Class time is then used to elaborate on the topics and discuss issues in the on-line class meeting, Thursdays from 5:30-7:00pm. The class is shorter than a typical in-person class, to make time for the online learning that happens (Canvas case exercises, videos, etc.) between in-person classes.

Course assignments will consist of heavy use of spreadsheet programs, such as **MS Excel and Google Sheets**. While prior knowledge of and experience with spreadsheet programs is not a pre-requisite, **students will need to be comfortable with using this software during the course. Introductory MS Excel and Google Sheets tutorial videos will be available on Canvas and students who need this additional training should watch the videos *prior to or soon after the beginning of the semester.***

IV. REQUIRED TEXT AND MATERIALS

Apart from the textbook, all other assigned readings and other course materials are available in the class Canvas page, which is organized into modules for each class session. Additional readings and materials may be assigned as we go through the semester. These readings will also be available on-line in the course modules. If additional readings are assigned, I will notify the class so that students will have adequate time to read them before class.

Textbook required in course:

Zeitlow, Hankin, Seidner & O'Brien (2018). *Financial Management for Nonprofit Organizations; (3rd ed)*. Hoboken, NJ: Wiley.

V. COURSE REQUIREMENTS

Course requirements will consist of participation in class, weekly online blog posting, case exercises, two assignments, and a final group paper and presentation. Regular class attendance is expected and students should come to class prepared to actively participate in the class discussions. Course requirements and their contribution to the final grade are summarized below. Due dates are listed in the Course Schedule.

1. Participation (25%)
 - a. Includes the following: attendance, online Canvas postings, and in-class participation in discussions. The Canvas postings are a critical component of the participation grade, and while it is preferred that these are done in the weeks assigned, if students miss one or more during the semester, it is highly recommended to ensure they have been completed before the semester ends. This on-line component accounts for 15-20% of your entire grade.
2. Assignments (40%)
 1. **Creating a Non-Profit Program Budget (20%):** Create your own small nonprofit with a specific mission, objective, and outline one program's budget in your nonprofit. Create a revenue and expense budget. Keep it small (below \$500,000) so that you do not get lost in the numbers. In other words, you are creating a small business plan. The outline is as follows:
 - a. Mission (no more than 5 sentences)
 - b. Objectives (list 2-3 short, one sentence objectives)
 - c. Describe the program that is in-line with your stated mission (no more than a paragraph)
 - d. Create a *program* budget for FY 2021 with Revenues to support the program and Expenses that demonstrate how the funds will be used. The excel template is provided on Canvas under Assignment #1.
 - e. Create a FY 2021 variance report for January and February for your program. The excel template is included in the template under Assignment #1.
 2. **Cash Flow Budget Report (10%):** Based on your non-profit program budget, Create a FY 2021 cash flow management report for the next year. Create your cash receipts and cash payments, showing the ending cash balance for each month. The excel template is provided in the Canvas Assignment #2 module.
 3. **Understanding Non-Profit Audits (10%):** 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. Students will choose one of two example audits on Canvas

(Society of Analysts and Affiliates OR Society of American Associations). Each example has a set of questions designed to help students delve deeper into the audit. On a separate document, answer the questions of just one of the two example audits and post your paper to Canvas. For the last question “Among the most important issues revealed by the financial statements are the following” – list at least three observations. These should be your opinion on the macro level health / status/ trends / directions of the agency.

3. Final Assignment (35%)

Financial Analysis & Sustainability Plan (35%: 30% the final report and 5% in-class presentation): Students will work in teams of 2-3 (students will select their teams) to assess the finances of a non-profit organization by (1) reviewing financial statements, budget documents (operating and program budgets), and interviewing the organizations key leaders (Executive Director, Financial Manager, and/or Program Director) and (2) develop and present a set of detailed recommendations for sustained or improved finances. The selected nonprofit must have at least an annual operating budget of \$250,000 and been in existence for at least three years. The non-profits that you select can be ones that you interact with directly (field site, employment) or ones that you would like to learn more about. Either way, teams must be able to access sufficient programmatic and financial information for a fiscal year (e.g. Balance Sheet or Statement of Financial Position, Statement of Activities, at least one program Budget, the 990, statement of cash flow if available, etc.) and turn these in with your written report.

Your written report will include the following with attached financial information in appendixes (30%):

1) Provide a brief description of the organization (2 pages)

- a. Mission and Overview of Organization (size, age, field of activity, location)
- b. Overview of main programs
- c. Overview of who is in charge- Executive Director, Finance Department, Program Directors
- d. Revenue structure- Where does the money come from? Is this diversified?
- e. How are finances communicated in this organization? (e.g. Do program directors have a say in budgets? Is the board involved in the finances and how? Does the Financial Department or Manager interact with program directors and how? Does the Executive Director create a quarterly financial report that is shared and with who?)

2) Describe the Non-profit’s Financial Position (2 pages)- State Fiscal Year

- a. Liquidity- How much unrestricted cash is on hand?
- b. Statement of Financial Position (Balance Sheet)- Is the unrestricted current assets more than the unrestricted current liabilities? By how much? Is there unrestricted long-term investment assets that could be used as needed? What is the unrestricted net asset position (This amount

represents the cumulative impact of each annual surplus or deficit since the organization started)?

- c. Statement of Activities (Income Statement)- Is there an annual deficit? Is there a good mix of grants compared to contributions (diversified)? Are management costs reasonable compared to total annual costs?
- d. Provide two different financial analysis ratios to explain the financial condition of the non-profit (possible ratios: liquidity, solvency, efficiency, profitability)

3) Recommendations for Sustained or Improved Finances (2 pages)

- a. Are there new revenue funding streams you would recommend? (e.g. could they increase in fees, donations, government grants, trade) What steps could they take to explore these new funding streams?
- b. Would you recommend further diversifying their funding streams or do you think they have diversified finances?
- c. Are costs in line with revenues? Are costs similar to other agencies providing the same services? Have they completed a cost analysis and do their revenues cover the full costs or programs?
- d. Any recommendations on how they could communicate finances better? (e.g. Are they regularly reviewing their finances, are they including staff in presenting and understanding quarterly finance reports, do finance staff work well with the program staff, do program directors understand the finances and budgets or could they use a training and why? etc.)
- e. What internal controls are used within the organization? (e.g. how do they safeguard petty cash? How do they separate duties for financial control? Do they require two signatures on checks? Do they have fidelity insurance? Etc.) Is the agency transparent in its finances? (Does the organization include a 990, annual report, or audited financial statements on its Web site, etc.?) What recommendations would you provide to support internal controls and transparency?

4) Financial Documents (Appendices)

Teams will then present their overview of the agencies finances, analysis, and recommendations for sustainability in presentations during the last class (5%). Much like something you would do as a social work Executive Director when you need to report out on finances to your Board of Directors of Finance Committee.

Students will be able to sign up for presentation times two weeks beforehand, when the professor will provide a link to sign-up. Student teams will have a limited time to present (20 minutes, plus 5/10 minutes for questions) and thus should be very concise and focus on the most important findings and recommendations. A couple of days before your presentation, please post in Canvas a link to the website of the non-profit you will be presenting and also attach the most recent 990 and any other information you feel would be helpful.

VI. GRADES

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

VII. CLASS POLICIES – See University Policies below

VIII. UNIVERSITY POLICIES

COVID-19 RELATED INFORMATION. The University's policies and practices related to the pandemic may be accessed at: <https://protect.utexas.edu/>

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.

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/>.

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 race, 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. This atmosphere includes working intentionally to recognize and dismantle racism, sexism, heterosexism, and ableism in the classroom. 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 ACADEMIC INTEGRITY. Students who violate University rules on academic 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 academic dishonesty will be strictly enforced. For further information, please visit the Student Conduct and Academic Integrity website at: <http://deanofstudents.utexas.edu/conduct>.

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.

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.

UNIVERSITY ELECTRONIC MAIL STUDENT NOTIFICATION. Electronic mail (email), like postal mail, is a mechanism for official University communication to students. The University will exercise the right to send email communications to all students, and the University will expect that email communications will be received and read in a timely manner. Students can find UT Austin's policies and instructions for updating their e-mail address at <https://it.utexas.edu/policies/university-electronic-mail-student-notification-policy>.

RELIGIOUS HOLY DAYS. A student who misses classes or other required activities, including examinations, for the observance of a religious holy day should inform the instructor as far in advance of the absence as possible so that arrangements can be made to complete an assignment within a reasonable period after the absence. A reasonable accommodation does not include substantial modification to academic standards, or adjustments of requirements essential to any program of instruction. Students and instructors who have questions or concerns about academic accommodations for religious observance or religious beliefs may contact the [Office for Inclusion and Equity](#). The University does not maintain a list of religious holy days.

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 on the basis of sex <https://titleix.utexas.edu/>. 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, dating 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. Further information, including student resources related to Title IX, may also be found at <https://titleix.utexas.edu/>.

CAMPUS CARRY POLICY. The University's policy on campus carry may be found here: <https://campuscarry.utexas.edu>.

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 and COVID-19 ADVICE LINE (BCCAL). If students have concerns about their behavioral health, or if they are concerned about the behavioral health of someone else, students may use the Behavior Concerns and COVID-19 Advice Line to discuss by phone their concerns. 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 <https://safety.utexas.edu/behavior-concerns-advice-line>. The Behavior Concerns and COVID-19 Advice Line has been expanded to support The University of Texas at Austin community during the COVID-19 pandemic. By calling 512-232-5050 - Option 2 for COVID-19, students, faculty and staff can be assisted in English and Spanish with COVID-19 support.

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

The course schedule below identifies reading assignments for each class session. The readings are either from the required text or are available online. All online readings can be found in Canvas.

As we go through the semester, I may add reading to this list. When I do so I will notify you either in class or via email. All reading assignments should be completed prior to the class for which they are assigned.

Date	Topic	Assignment Due	Readings
6/2/22	Intro to Financial Management	Canvas post	<ol style="list-style-type: none"> 1) Zeitlow, Chapter 1 2) McKeever & Pettijohn, S.L. (2014). <i>The Nonprofit Sector in Brief: Public Charities, Giving and Volunteering</i>. Urban Institute.
6/7/22	Budgeting	Canvas post	<ol style="list-style-type: none"> 1) Zeitlow, Chapter 3 2) Finkler et al. (2013)- Chapter 3, Additional Budgeting Concepts (only read up to page 88)Finkler 2013 Chpt 3 Additional Budgeting Concepts posted.pdf 3) Barr, K., & Bell, J. (2011). An executive director's guide to financial leadership. <i>The Nonprofit Quarterly</i>, Fall/Winter, 8-15.2011 Nonprofit Quarterly Guide to Financial Leadership.pdf 4) Budget formulation case – Jobs for America
6/9/22	Budgeting Part II	Canvas post	<ol style="list-style-type: none"> 1) Zeitlow, chapter 8 (through page 363) 2) Finkler, Chapter 2 (Canvas)
6/14/22	Financial Statements & Accounting I	Canvas exercise;	<ol style="list-style-type: none"> 1) Zeitlow, Chapter 6 2) Martin, L. (2001). Chapter 3- Understanding financial statements. In <i>Financial management for human service administrators</i>. Needham Heights, MA: Allyn & Bacon. (On Canvas)
6/16/22	Financial Statements & Accounting II	Canvas Exercise; Assignment #1 due 6/19	<ol style="list-style-type: none"> 1) Scott, L. (2010). Chapter 4- Introduction to Not-for-profit (NFP) accounting and reporting. In <i>The simplified guide to not-for-profit accounting, formation, & reporting</i>. Hoboken, NJ: John Wiley & Sons, Inc.- (On Canvas)

6/21/22	Managing Cash Flow	Canvas Post	<p>1) Zeitlow, Chapter 2 and Chapter 8 (363 – 388)</p> <p>2) Dropkin, M. (2003). Improving cash flow management in challenging times: A primer. The Nonprofit Quarterly. http://nonprofitquarterly.org/2003/06/21/improving-cash-flow-management-in-challenging-times-a-primer/</p> <p>3) Using Loans: A Guide to Borrowing for Nonprofit Organizations - Read at the Non Profit Assistance Fund website: https://nonprofitsassistancefund.org/resources/item/using-loans-guide-to-borrowing-for-nonprofit-organizations#sthash.JRgNgukB.dpuf</p>
6/23/22	Analyzing Costs, Long Range Financial Planning & Capital Budgeting	Canvas Exercise	<p>1) Weikart et al. (2012). Chapter 4- Cost and Cost Analysis. (On Canvas)</p> <p>2) Zeitlow, Chapter 9</p>
6/28/22	Financial Analysis	Canvas Group Exercise,	<p>1) Weikart et al. (2012). Chapter 7- Financial Analysis</p> <p>2) Finkler et al. (2013)- Chapter 15, Financial Statement Analysis pages 527-544</p> <p>3) Clemenson, B., & Sellers, R. D. (2013). Hull House: An autopsy of not-for-profit financial accountability. Journal of Accounting Education, 31(3), 252-293.</p>
6/30/22	Revenues	Canvas Exercise AND Canvas post (description of final project agency); Assignment #2 Due 7/3/22	<p>1) Weikart et al. (2012). Chapter 9- Understanding Revenues (On Canvas)</p>
7/7	Role of Board of Directors / Pricing	Canvas post	<p>1) Zeitlow, Chapter 4</p>

7/12	Controls and Accountability / Audits	Canvas post	<ol style="list-style-type: none"> 1) Weikart et al. (2012). Chapter 14- Internal Controls 2) Gallagher, M., & Radcliffe, V. S. (2002). Internal controls in nonprofit organizations: The case of the American Cancer Society, Ohio division. <i>Nonprofit Management and Leadership</i>, 12(3), 313-325. 3) Coe, C. (2011). Chapter 4 Manage the Audit. In <i>Nonprofit Financial Management A Practical Guide</i>. Hoboken, NJ: John Wiley and Sons, Inc. 4) “America’s Worst Charities”
7/14	Starting a non-profit business in Social Work Managing Financial Growth	Canvas post, Assignment #3 Due 7/17	<ol style="list-style-type: none"> 1) Read “Starting a Nonprofit Business article”, http://www.entrepreneur.com/article/170776 2) Look over the steps involved in starting a nonprofit: http://grantspace.org/tools/knowledge-base/Nonprofit-Management/Establishment/starting-a-nonprofit and nonprofit resources in Texas http://foundationcenter.org/gainknowledge/map/texas.html 3) Look over the Texas Association of Nonprofit Organizations: http://tano.org/nonprofit-info-page/starting-a-nonprofit/ 4) Look over Mission Capital programs and information: Mission Accelerator & Effectiveness Framework: https://missioncapital.org/what-we-do/accelerator/ and https://missioncapital.org/download/the-nonprofit-effectiveness-framework/
7/19	Risk, Policies & Progress Additional Topics / Further Exploration Case Study – Identify the Non-Profit	Canvas Exercise	<ol style="list-style-type: none"> 1) Zeitlow, Chapters 14 & 15 2) Harvard Business Review case: “Identify the Non-Profit”
7/21	Financial Analysis & Sustainability Plan Presentations	Canvas Post	<ol style="list-style-type: none"> 1) Read about the different non-profits being presented, so that you can actively participate in class discussion.

7/26	Financial Analysis & Sustainability Plan Presentations	Canvas Post	1) Read about the different non-profits being presented, so that you can actively participate in class discussion.
7/31		Financial Analysis Plan Due (assignment #4)	

Class 1
June 2nd

Introduction to Financial Management

Topics:
Intro to class, syllabus, and online classroom
What is financial management?
Where does each major public service sector (public, health, and not-for-profit org) get its resources (funds) from and what does it spend those resources on?

Readings for June 2nd:
 3) Zeitlow, Chapter 1
 4) McKeever & Pettijohn, S.L. (2014). *The Nonprofit Sector in Brief: Public Charities, Giving and Volunteering*. Urban Institute.

Canvas for August 26th:
 1) Take on-line survey of specific interests, management experience, and financial understanding on Canvas discussion board.

Class 2
June 7th

Budgeting and the Planning Process

Topics:
Strategic Planning and Budgeting
Different Types of Budgets: Operating, Program, Capital, and Cash
Understanding the Budgeting Process: Preparation, Review, Adoption, Implementation, and Evaluation
In Breakout Groups: Practice Creating a Projected Budget for a New Program

Readings for June 7th:
 5) Zeitlow, Chapter 3
 6) Finkler et al. (2013)- Chapter 3, Additional Budgeting Concepts (only read up to page 88)[Finkler 2013 Chpt 3 Additional Budgeting Concepts posted.pdf](#)
 7) Barr, K., & Bell, J. (2011). An executive director’s guide to financial leadership. *The Nonprofit Quarterly*, Fall/Winter, 8-15.[2011 Nonprofit Quarterly Guide to Financial Leadership.pdf](#)
 8) Budget formulation case – Jobs for America

Canvas for June 7th:
 1) In the discussion page for class #2, look at class exercise 2.1, Creating

a Projected Budget for a New Program. On your own, start to create this budget using excel. Template will be provided on Canvas. We will then work in groups to finish and discuss this budget during class time. Post one question you have about creating a program budget and we will discuss your questions in class.

Class 3
June 9th

Budgeting Continued

Topics:

Top-down Budget or Bottom-up Budget

Flexible budgeting, performance budgeting, and zero-based budgeting

Case Example of Balancing a Budget

The Executive Director's Role in Budgeting

Readings for June 9th:

- 3) Zeitlow, chapter 8 (through page 363)
- 4) Finkler, Chapter 2 (Canvas)

Canvas for June 9th:

- 1) Work on **Assignment 1**, creating your own non-profit budget. Post questions on canvas to your classmates as you go along. I'm sure others have similar questions!

**** Assignment 1 due, Creating a Non-profit Budget**, posted to Canvas assignment, Sunday, June 19th, 9pm**

Class 4
June 14th

Financial Statements and Basic Accounting

Topics:

Financial Statements: Balance Sheet (Statement of Financial Position),

Statement of Activities (Income Statement), and Statement of Cash Flow

Basic Accounting and Generally Accepted Accounting Principles (GAAP)

Case Study Social Service Program- Practice recording common financial transactions onto a general ledger via debits and credits

IRS Form 990- case example

Readings for June 14th:

- 3) Zeitlow, Chapter 6
- 4) Martin, L. (2001). Chapter 3- Understanding financial statements. In *Financial management for human service administrators*. Needham Heights, MA: Allyn & Bacon. (On Canvas)

Canvas for June 14th:

- 1) Look up a local non-profit's most recent 990 (try to choose different ones than your classmates) using <http://www.guidestar.org/> (registering is free). Note how the 990 contains essentially the same information found in an agency's statement of financial activities (profit and loss summary) and statement of financial position (balance sheet). In a post, state the agency you looked up, the gross receipts, where their revenue came from, expenses, assets, liabilities, and net assets. Include other information you found interesting (list of top paid staff, board members, program revenue, contributions, differences between years, fundraising events, etc). Also

note how this information might be useful to you coming into a new agency. Post this in Canvas and comment on other posts.

Class 5
June 16th

Financial Statements & Accounting Continued

Topics:

Basic Accounting Terms and Basic Accounting Model Bookkeeping and Automated Bookkeeping

Readings for June 16th :

- 2) Scott, L. (2010). Chapter 4- Introduction to Not-for-profit (NFP) accounting and reporting. In *The simplified guide to not-for-profit accounting, formation, & reporting*. Hoboken, NJ: John Wiley & Sons, Inc.- (On Canvas)

Canvas for June 16th :

- 1) Refer to the analysis of Susan G. Komen and Planned Parenthood (see Canvas). Review the Analysis document and look at the financial performance measures (net assets, revenues, expenses, Race for the Cure, and PP program expenses) from 2011 - 2018. Based on these measures, post a comment on how one or both of the controversies (Komen de-funding / re-funding PP in 2012 and the undercover videos of PP in 2015) have affected the organization(s). What do you see in the trends? Post questions that you have about the numbers / trends.

Class 6
June 21st

Managing Cash Flow

Topics:

Cash-Flow Management

Liquidity

What do we do when we run Out of Cash or have a Surplus? Loans?

Cash Flow Excel Example: Using one of your non-profit program budgets

Readings for June 21st

- 1) Zeitlow, Chapter 2 and Chapter 8 (363 – 388)
- 2) Dropkin, M. (2003). Improving cash flow management in challenging times: A primer. *The Nonprofit Quarterly*.
<http://nonprofitquarterly.org/2003/06/21/improving-cash-flow-management-in-challenging-times-a-primer/>
- 3) Using Loans: A Guide to Borrowing for Nonprofit Organizations - Read at the Non Profit Assistance Fund website:
<https://nonprofitsassistancefund.org/resources/item/using-loans-guide-to-borrowing-for-nonprofit-organizations#sthash.JRgNgukB.dpuf>

Canvas for June 21st

- 1) Watch the following video on cash flow projections and how to create an excel template of your organizations annual cash flow
<https://www.youtube.com/watch?t=21&v=K3kM25PY-HM> and read about cash flow
file:///E:/SW%20Teaching/Financial%20Mgmt/Managing_cash_flow.pdf.
Post on Canvas some reasons why it is important to monitor cash budgets at least on a monthly basis. Also, give one example (made up or something that happened in one of your agencies or something you have heard of happening)

how an agency might run into potential cash flow difficulties (e.g. waiting on a grant with salaries to cover, wanting to start a program and don't have capital).

2) Read Case Study 8A (pages 379-385) and be prepared to discuss the questions during class.

3) Work on **Assignment 2** Cash Flow Budget Report, bring any questions you have to class.

Class 7
June 23rd

Analyzing Costs, Long Range Financial Planning & Capital Budgeting

Topics:

Direct, Indirect, Fixed, Variable, Average, Marginal and Step Costs

How much does it cost to produce a program or provide a service?

Long-Range Financial Planning

Capital Budgeting

Readings June 23rd

1) Weikart et al. (2012). Chapter 4- Cost and Cost Analysis. (On Canvas)

2) Zeitlow, Chapter 9

Canvas for June 23rd:

1) Practice understanding what full-costs entail as you are learning to answer the following question: "How much does it cost to produce a program or provide a service?" Use the "[Example Employee Costs](#)" excel spreadsheet on Canvas to estimate how much different employee salaries would cost- taking into consideration benefits, overhead, G&A, and having a 2% profit margin. Practice putting in different salary amounts (in the green box) and then seeing how much this employee would actually cost (blue box). Note the cost formula of how much this is compared to the actual salary (red box).

Now see how this transfers to estimating whole staff employee costs and revenues to an example non-profit agency, "[Whole Staff Employee Costs and Revenues](#)" Notice the forecasted revenue tab and also the revenue compared to the whole costs. Create an example program using the whole staff costs (choose how many employees, think about managers only needing to provide one day per week at the school site) and show how much it's actual cost would be. See "[Example Program Cost](#)" tab as an example, but note that some of the school contracts were only for \$25,000 or \$5,000—Build a program cost example and post to Canvas explaining the staffing you choose and the cost of the program.

**** Assignment 2 due, Cash Flow Budget Report**, posted to Canvas assignment, Sunday, July 3rd, 9pm**

Class 8
June 28th

Financial Analysis

Topics:

How to Analyze an Organization's Fiscal Health

Ratio Analysis to Understand Financial Condition
Categories of Ratios: Liquidity, Solvency, Efficiency, & Profitability
Applying Financial Health Metrics to Case of Hull House- Oldest Settlement House in US that filed for bankruptcy in 2012

Readings for June 28th:

- 1) Weikart et al. (2012). Chapter 7- Financial Analysis
- 2) Finkler et al. (2013)- Chapter 15, Financial Statement Analysis pages 527-544
- 3) Clemenson, B., & Sellers, R. D. (2013). Hull House: An autopsy of not-for-profit financial accountability. *Journal of Accounting Education*, 31(3), 252-293.

Canvas for June 28th:

- 1) Read the case of the Hull House and answer the following question in a post to Canvas based on this case (work in groups of 2): (1) Post one ratio (either liquidity, solvency, efficiency, or profitability) showing how you calculated that ratio with the Hull House data, (3) Give a definition of that ratio in one sentence, and (4) Explain in a sentence or two what your ratio means for the financial condition on Hull House. Please comment on different ratios/aspects than your classmates and comment on other posts.

Class 9 Revenues

June 30th Topics:

Sources of Revenues for Nonprofits

Nonprofit Revenue Strategies

Advantages and Disadvantages of Different Funding Sources

Should we apply for this grant? Would it be financially feasible?

Readings for June 30th

- 2) Weikart et al. (2012). Chapter 9- Understanding Revenues (On Canvas)

Canvas for June 30th

- 1) Start working on your final assignment, **Financial Analysis and Sustainability Plan**. First choose your partner to work as a team (teams of two-three).

In a post to Canvas (one person posts for the team), identify (a) the organization you have chosen, (b) mission and overview of organization (size, age, field of activity, location), and (c) an overview of the organizations main programs (in two paragraphs). Also explain your key contacts and what financial documents you can obtain. Remember, teams must be able to access sufficient programmatic and financial information for a fiscal year (e.g. Balance Sheet or Statement of Financial Position, Statement of Activities, at least one program Budget, the 990, statement of cash flow, etc.). The fiscal year could be the most recent or the most recent that is available. These documents will be turned in with your final assignment. Please comment on other posts if you know about the other organizations.

2) Nonprofits are financed by multiple revenue streams, from donations, government grants, foundation grants, fee for service, among others. Skim through a recent request for proposal (RFP) grant the previous instructor was asked to look over and decide if they should apply, “[SONYC Pilot Programs RFP](#).” This grant is a government grant, but they know from past experience that this department, the Department of Youth and Community Development (DYCD) does not often pay enough to cover your costs. They often want you to find other funds or matching funds from private donors, foundations, or fees.

After skimming through the RFP to better understand the program, read the notes she prepared to discuss with her Directors and Finance Manager, “[Notes form the DYCD SONYC RFP](#).” You will notice that she summarized the main points and added her thoughts and questions at the bottom. She then worked with the Finance Manager to look at the revenue and costs. Look at the “[SONYC After School RFP Calculations](#).” Note the calculations for both schools, Bronx Hope and Belmont. Also note the green box column on how she used the previous “[Example Employee Costs](#)” to figure out how much per day each of the staff would cost. Then, the blue and yellow boxes show you how much that staffing structure would cost per week. Finally, look at the red boxes that show you how much *revenue* would come in and how much our *costs* would be for each program school.

Comment on Canvas about what you would discuss with the Directors and Finance Manager. Would you recommend applying for this grant? Which school would be a better revenue source? Please try to build off of others comments (keep post to one paragraph).

Class 10
July 7th

Role of Board of Directors / Pricing
Topics:

Role of the Board
Pricing – the Snowflakes Case

Readings for July 7th

3) Zeitlow, Chapter 4

Canvas for July 7th:

1) Snowflakes Case. [Snowflakes CASE.pdf](#)  Read the case, and answer the following questions:

a) In terms of the Snowflakes, what are the fixed costs? what are the variable costs?

b) how might you determine the average cost per different type of Snowflake?

c) for those who are feeling ambitious, try to answer the question posed:

"could/should she give a 50% discount to the wholesaler?"

2) Post your thoughts on a) and b); and the ambitious can post your answers on

c) - with your reasoning / math.

Class 11
July 12th

Controls and Accountability / Audits

Topics:

What are Internal Controls?

Audits- Example

Readings for NoveJuly 12th

- 1) Weikart et al. (2012). Chapter 14- Internal Controls
- 2) Gallagher, M., & Radcliffe, V. S. (2002). Internal controls in nonprofit organizations: The case of the American Cancer Society, Ohio division. *Nonprofit Management and Leadership*, 12(3), 313-325.
- 3) Coe, C. (2011). Chapter 4 Manage the Audit. In *Nonprofit Financial Management A Practical Guide*. Hoboken, NJ: John Wiley and Sons, Inc.
- 4) “America’s Worst Charities”

Canvas for July 12th

- 3) An audit as the examination of the financial statements by an accounting professional to determine whether they conform to accounting standards. An "independent audit" is performed by a public accounting firm or an individual who is a certified public accountant ("CPA") to provide an independent opinion to the management whether or not the nonprofit's financial statements/records comply with GAAP accounting standards Most nonprofits get an annual audit, but this varies by the size of the organization and by state requirements. Read through the National Council of Nonprofits, *Nonprofit Audit Guide* : <https://www.councilofnonprofits.org/nonprofit-audit-guide>
Write a short post on Canvas about one thing that you learned. Comment on one classmate’s post.
- 4) Continue to work on your final assignment in your team, **Financial Analysis and Sustainability Plan**

**** Assignment 3 due, Understanding Non-Profit Audits**, posted to Canvas assignment, Sunday July 17th, 9pm**

Class 12
July 14th

Topics:

Starting a non-profit business in Social Work

Managing Financial Growth

Readings for July 14th

- 1) Read “Starting a Nonprofit Business article”,
<http://www.entrepreneur.com/article/170776>
- 2) Look over the steps involved in starting a nonprofit:
<http://grantspace.org/tools/knowledge-base/Nonprofit-Management/Establishment/starting-a-nonprofit> and nonprofit resources in Texas <http://foundationcenter.org/gainknowledge/map/texas.html>
- 3) Look over the Texas Association of Nonprofit Organizations:
<http://tano.org/nonprofit-info-page/starting-a-nonprofit/>
- 4) Look over Mission Capital programs and information: Mission Accelerator & Effectiveness Framework:

<https://missioncapital.org/what-we-do/accelerator/> and
<https://missioncapital.org/download/the-nonprofit-effectiveness-framework/>

Canvas for July 14th

Some questions to ponder and post on:

a) How do you think you might use the information you have learned in this class in your career? Think of things large and small.

b) What lingering topics did you:

hope we would cover?

want more detail on?

need clarification?

Class 13

July 19th

Topics:

Risk, Policies & Progress

Additional Topics / Further Exploration

Case Study – Identify the Non-Profit

Readings for July 19th

1) Zeitlow, Chapters 14 & 15

2) Harvard Business Review case: "Identify the Non-Profit"

Canvas for July 19th

Identify the Non-Profit – Read the case "Identify the Nonprofit". Based on the numbers and ratios provided, attempt an answer to question #1 - match the organizations to their appropriate financial information. Post your answers and a bit about your reasoning for your choices on Canvas. We will talk about this case in class, and delve into the other 2 questions (if time).

[Identify the NonProfit CASE-1.pdf](#)

Class 14 & 15 Financial Analysis & Sustainability Plan Presentations

July 21st & 26th

Topics:

Group Presentations

Readings for July 21st and 26th

1) Read about the different non-profits being presented, so that you can actively participate in class discussion.

Canvas for July 21st and 26th

1) If you are presenting, please post a link to the website of the non-profit you

will be presenting and also attach the most recent 990 and any other information you feel would be helpful.

**** Final Assignment due, Financial Analysis & Sustainability Plan**, posted to Canvas assignment, Sunday, July 31st, 9pm**

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- Bell, J., Masaoka, J., & Zimmerman, S. (2010). *Nonprofit sustainability: Making strategic decisions for financial viability*. San Francisco, CA: Jossey-Bass.
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- Coe, Charles K. 2011. *Nonprofit financial management: A practical guide*. Hoboken, NJ: John Wiley & Sons.
- Dropkin, M., Halpin, J., & La Touche, B. (2011). *The budget-building book for nonprofits: A step-by-step guide for managers and boards* (Vol. 5). John Wiley & Sons.
- Finkler, S.A., Purtell, R.M., Calabrese, T.D., & Smith, D.L. (2013) *Financial Management for Public Health, and Not-for-Profit Organizations (4th ed)*. Upper Saddle River, NJ: Pearson.
- Lang, A. (2017). *How to Read Nonprofit Financial Statements*. Hoboken, NJ: Wiley.
- Lohmann, R. A. (1980). *Breaking even: Financial management in human service organizations*. Temple University Press. **First financial management book written by a social worker for social work administrators, coming out with a new book soon by NASW press.
- McMillan, Edward. 2010. *Not-for-profit budgeting and financial management*. 4th edition. Hoboken, NJ: John Wiley & Sons. **This is a resource book that provides numerous examples and exhibits of nonprofit budgeting and accounting which could be very useful for all assignments.
- Peters, J.B. & Schaffer, E. (2005). *Financial leadership for nonprofit executives*. Saint Paul, MN: Amherst H. Wilder Foundation.
- Scot, L. (2010). *The simplified guide to not-for-profit accounting, formation and reporting*. John Wiley & Sons.

Recommended e-newsletters and websites:

<http://www.wallacefoundation.org/knowledge-center/Resources-for-Financial-Management/Pages/default.aspx> ** this is a great online resource that has collected

many key financial management resources, too many to incorporate all into the syllabus. Check it out each week to see what support it can offer.

<https://nonprofitsassistancefund.org/> ***Great website with lots of practical non-profit financial help- articles, blogs, webinars*

<http://managementhelp.org/nonprofitfinances/> *** Great website with lots of information and links to commonly used books by financial management topic*

The Chronicle of Philanthropy: <http://philanthropy.com>

Nonprofit Quarterly: <https://nonprofitquarterly.org/>

The Bridgespan Group: <http://www.bridgespan.org/>

Nonprofit databases:

Guidestar is a repository of digitized IRS 990 forms (the annual nonprofit reports to the IRS)
<http://www.guidestar.org/>

National Center for Charitable Statistics is a repository of digitized 990 reports and research tools to conduct basic analysis of nonprofit data. <http://nccs.urban.org/>

Foundation Center: repository of digitized 990 reports for private foundations and grant opportunities <http://foundationcenter.org/findfunders/990finder/>