S Y L L A B U S

Instructor: Susan Plassmeyer
Associate Vice Chancellor, Administration and Development Services, Alumni & Development Programs, Washington University in St. Louis


Course packet – available via Campus Bookstore – Required


Note: Some students in prior semesters reported that the e-book versions of course materials were difficult to use due to numerous charts and for open book exams.

Additional readings will be distributed throughout the semester.

Course Description:
The goal of the course is to give students a background in guiding the financial aspects of a non-profit either as an executive director or as a board member. Students will examine the importance of financial and accounting principles and techniques, with particular attention to operational and project budgeting, financial statement analysis, cash flow projections, and strategic financial planning. Course content is designed to help students to understand standard financial and accounting concepts and procedures, to oversee the recordkeeping function, to make effective financial decisions, and to report financial information to key constituents.

Grading:
Exam 1 30% (150 points)
Exam 2 30% (150 points)
Individual Project 25% (125 points)
Budget Project 10% (50 points)
Class Participation 5% (25 points)

TOTAL 100% (500 points)
Grading Scale:

<table>
<thead>
<tr>
<th>Percentage Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>97-100% (485-500)</td>
<td>A+</td>
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<tr>
<td>93-96% (465-484)</td>
<td>A</td>
</tr>
<tr>
<td>90-92% (450-464)</td>
<td>A-</td>
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<tr>
<td>87-89% (435-449)</td>
<td>B+</td>
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<tr>
<td>83-86% (415-434)</td>
<td>B</td>
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<tr>
<td>80-82% (400-414)</td>
<td>B-</td>
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<tr>
<td>77-79% (385-399)</td>
<td>C+</td>
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<tr>
<td>73-76% (365-384)</td>
<td>C</td>
</tr>
<tr>
<td>70-72% (350-364)</td>
<td>C-</td>
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<tr>
<td>60-69% (300-363)</td>
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<tr>
<td>Below 60% (&lt;300)</td>
<td>F</td>
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<tr>
<td>Below 60% (&lt;300)</td>
<td>I</td>
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Students taking the class Pass/Fail must attain at least a C- in order to pass.

How to approach this class:

This class is designed so that every student, whether he has no financial experience/training or has working financial knowledge, can build his knowledge of financial concepts and strengthen his financial analysis skills as well as the business writing and presentation skills necessary to communicate financial information to others. In addition to the assigned texts, the class uses recent financial statements from non-profit organizations to study and apply key concepts. Class papers, assignments, and exams use materials from non-profit organizations as source materials. In the early weeks of the class, the course will focus on learning definitions and structures of financial information, and the course will build on these concepts over the semester. At the end of the semester, students will have familiarity and working knowledge of key financial documents, how to read and interpret them, and how to explain them to others.

As with mathematics and science course work, financial course work builds on new and progressive concepts throughout the semester. There will be weekly homework assignments, including both reading and analytical problems, designed to help students apply the concepts of the course. Homework is not graded, but students will need to master the homework assignments in order to learn the course material and to participate in class discussion. Because of the financial analysis-and-work problem-based nature of the assignments and exams, the workload for this course is considered to be relatively heavy. Some prior students have found that budgeting at least 2 to 3 times the length of the class per week was necessary to complete the course requirements.

Do not allow yourself to fall behind in the readings or the homework assignments (which are designed to help you practice using these concepts). Students should always bring a calculator to class.

Grading is based upon a combination of exams, individual papers, a class presentation, and an in-class project. Emphasis is placed on the student’s ability to analyze and interpret financial information and to communicate the findings in written and oral presentations. Clear, concise written papers and exams are required for success in this class. While being graded, the papers are viewed from the perspective of a funder or board member who needs to understand the organization’s
financial situation. The final grade is an indication of the student's mastery of the subject.

In financial management, as in most things, there is no substitute for integrity, common sense, and the willingness to ask questions.

Contact Information:
Generally, please use e-mail first as a method of contact. E-mail will be checked periodically through the week and by 4 p.m. each class day. E-mail messages requiring more than a quick response will be returned in the evening or on weekends. Phone calls during the business day will go to voicemail and be returned in the evening.

Email: plassmeyer82@gmail.com – please note that this e-mail account is the official e-mail box for correspondence to/from instructor. Other e-mail accounts are not checked regularly for class materials.

Policies:
Attendance: Students are expected to attend class at the scheduled time. If circumstances prevent attendance, please notify instructor as soon as possible, preferably by e-mail.

Consultation: Instructor will be available in classroom at least 10 minutes prior to each class. In-person or telephone appointments may be made to meet with instructor at other times. Please arrange appointments via e-mail or at class. E-mail account is checked very frequently.

Blackboard: Blackboard will be used to post slide packets, reading materials, grades and other materials.

Academic Integrity: Washington University is committed to the highest ethical and professional standards of conduct as an integral part of its mission, the promotion of learning. To achieve this goal, the University relies on each community member's ethical behavior, honesty, integrity, and good judgment. Each community member should demonstrate respect for the rights of others. Each community member is accountable for his/her actions. The University's Code of Conduct provides more information on specific expectations as well as policies for addressing situations where the Code may have been violated.

Resources at Washington University: Students are encouraged to use the WU Libraries, the Writing Center, and other resources. The instructor can provide guidance on how to get the most out of your work with the Writing Center.

Course Evaluations: Students are strongly encouraged to respond to the UCollege course evaluation when available toward the end of semester.
Electronics in the classroom: Laptops and tablets, OK (please turn off keyboard sounds). Phones and all other, silent.

Inclement weather: The University rarely closes. If classes are to be cancelled, this information will be posted on UCollege website by 3 p.m. If school is open, class will be held.

**COURSE SCHEDULE:**

Please note that this schedule will be adjusted as we proceed through the semester, so please be alert to schedule adjustments made by the instructor.

**Week 1 – January 17**

- Introductions and Opening Discussion
- Review of syllabus and course requirements
- Why this is important:
  - Relationship of financial management to mission
  - Fiduciary obligations to donors, clients and IRS
- Attributes and tax considerations of non-profit organizations
- Organizational leadership and responsibility
- Helpful resources

**Week 2 – January 24**

- Requirements for an organization to become a legal non-profit entity
  - Discuss IRS and Missouri requirements
- The Language of Accounting
- Financial Statements and Definitions
  - Statement of Activities
  - Statement of Financial Position (Balance Sheet)
  - Statement of Cash Flow – brief overview
- Review examples of financial statements

HANDOUT: Individual Project instructions will be provided – project due March 7 – paper and presentation - analyze, compare/contrast annual reports from two non-profit organizations. Note: By February 7, students must submit for instructor approval names of two non-profits to be analyzed.

**Week 3 – January 31**

- Financial Statements and Definitions, continued
- Financial Documents
  - Annual independent audit - external (independent) auditors
  - Board Audit Committee
  - Annual report – to donors and the public (for marketing purposes)
  - FASB – Financial Accounting Standards Board
o GAAP – Generally Accepted Accounting Principles
o International Financial Standards
o IRS Form 990 and IRS reporting requirements

- Financial Analysis – What Can We Learn from Financial Documents?

**Week 4 – February 7**

- Exploring Financial Documents – How To Read and Use Them
  o Review documents of two non-profits – Alternatives and Missouri History Museum
- Financial Ratios, continued
- Depreciation/Amortization
- Opportunity Cost

DUE: Name of non-profits to be analyzed for Individual Projects for approval by instructor

**Week 5 – February 14**

- Financial Analysis, continued
- Policies, Processes and Internal Controls
  o Internal Controls
  o Separation of Duties
  o Conflict of Interest Policy
  o Document Retention and Destruction Policy
  o Whistleblower Policy
  o Compliance with applicable laws and regulations

HANDOUT: Exam 1: Take home portion will be distributed

**Week 6 – February 21**

EXAM 1: Will include concepts covered through February 14. Exam period will be from 5:30 p.m. to 7:30 p.m., no lecture afterward.

**Week 7 – February 28**

- Evaluating Performance
  o How does a non-profit know if it is relevant?
  o How does this get communicated to others?
- Reporting on Non-Profit Organizations
  o Presenting Financial Information – Written
  o Presenting Financial Information – Oral
- Donor/Grantmaker reporting requirements
- Organizations that Rate Non-Profit Organizations
Week 8 – March 7

- In-class student oral presentations
- Written individual papers are due

Spring Break – March 14 – No Class

Week 9 – March 21

- Private Foundations
- Endowments
- Investments/Savings
  - Why and when should a non-profit organization consider taking above average financial risk?
- Insurance and Risk
- Strategic Financial Planning and Decision Making
  - Should the organization continue to exist?
  - What is its compelling purpose?
  - Where does leadership want the organization to grow?
  - How long will it take to get there?
  - What will it cost?
  - What are the sources of funds?
  - How is success measured?
  - How are resources safeguarded?
- Profitability

Select teams for Budget Project

Week 10 – March 28

- Financial Analysis Tools
  - Variance Analysis
  - Economies of Scale
  - Breakeven Analysis
  - Cost Benefit Analysis
- Evaluating Financial Decisions
  - Payback Period
  - Return on Investment
- Cost Accounting/Cost Allocation Concepts
- Project and Grant Management and Reporting – practical application of Cost Accounting

Budget Project Work
Week 11 – April 4

- Cash Flow Management and Revenue Planning
- The Budget Cycle – Planning, Calendars, and Scheduled Review
- Budgeting – Overview
  - Strategic Financial Planning
  - Who participates? Who approves? Who approves changes?
- Types of Budgets
- Structure and Operations of Budget and Financial Information
  - Accounting Manual
  - Chart of Accounts
  - Keeping the Books Electronically
  - The Accounting Function – manage in-house or outsource?
- Budgets – How To Read

Budget Project Work

Week 12 – April 11

- Day-To-Day Financial Nuts and Bolts
  - Revenue
  - Pricing
  - Expenses
  - Payroll Costs – Salary, Benefits, Taxes
  - Purchasing Procedures
  - Separation of Duties

Budget Project Work

Week 13 – April 18

- Wrap Up Discussion on Prior Topics
- Managing/Growing Capital
- Capital Financing (Borrowing and Leverage)
- Alternate Corporate Structures

Budget Project Work

HANDOUT: Exam 2: Take home portion will be distributed

Week 14 – April 25

EXAM 2: Will cover all material presented in course. Exam period will be from 5:30 p.m. to 7:30 p.m., no lecture afterward.

Week 15 – May 2
Budget Project (continued) – Teams work on and present solutions to problems presented in class. **Must be present to earn any points for Budget Project.**