

PADM 6227: Issues in Nonprofit Administration

Division of Public & Nonprofit Administration
School of Urban Affairs & Public Policy
The University of Memphis
Summer 2006

Instructor: Joy A. Clay, Ph.D.
Office: McCord Hall, Room 130
Phone: 678-3359
E-mail: joyclay@memphis.edu
Office Hours: Tuesdays, 2:00 – 4:00 p. m. and by appointment
Class Schedule: Tuesdays, 5:30 p.m. until 9:15 p.m.
Class Location: McCord Hall, Room 100

COURSE DESCRIPTION

This course is designed to teach students how to use financial information in the administration of nonprofit organizations. Students will examine the principles and practices of managerial and financial accounting and planning in nonprofit organizations and the role of financial and performance management in organizational accountability. This course will explore how to manage more effectively by understanding budgeting and related control issues. The course will examine performance and financial condition through the use and analysis of financial statements and performance reporting. Case studies will be employed to make the course especially practical to work in the nonprofit world.

Although this is a combined undergraduate/graduate course, graduate students will be expected to more thoroughly fulfill the requirements of each assignment. Graduate students will be expected to develop a more in-depth understanding of several of the class topics related to financial management, by reading supplementary materials and relating these concepts to nonprofit administration.

Prerequisites: Students should have successfully completed PADM 4226, Introduction to Nonprofit Organizations or PADM 7641, Theory and Practice of Nonprofit Administration or receive the permission of the MPA program.

COURSE OBJECTIVES

1. Develop understanding of the basic terms and concepts associated with nonprofit financial management.
2. Develop introductory knowledge of the basic nonprofit financial statements, their functions and uses.
3. Develop understanding of the complexities of achieving and sustaining financial stability and high quality organizational performance.
4. Develop understanding of the role of risk assessment in nonprofit financial management.
5. Recognize the distinctive purposes of budgets in nonprofit governance and identify different types of nonprofit budgets.

REQUIRED TEXTS

Ruegg, Debra L. and Venkatrathnam, Lisa M. 2003. *Bookkeeping Basics: What Every Nonprofit Bookkeeper Needs to Know*. St. Paul, MN: Amherst H. Wilder Foundation. ISBN: 0-940069-29-6 (paper).

Stevens, Susan K. 2002. *All the Way to the Bank: Smart Nonprofit Money Management*, 2nd edition. Minneapolis, MN: Larson Allen. ISBN: 0-9652208-9-3 (paper).

Jody Blazak. 1996. *Financial Planning for Nonprofit Organizations*. New York, NY: John Wiley & Sons. ISBN: 0-471-41285-6 (paper).

Hallway Talk Case Studies and Teaching Resources

Students are also advised to purchase a calculator that can perform basic financial calculations. These are available at the bookstore as well as at most office supply stores. Because calculators vary, it will be the student's responsibility to learn how to use the features of his or her specific calculator.

HIGHLY RECOMMENDED TEXT

McLaughlin, T A. 2002. *Streetsmart Financial Basics for Nonprofit Managers*, 2nd Ed. New York: John Wiley & Sons, Inc. ISBN: 0-471-20570-2 (paper).

RECOMMENDED SUPPLEMENTARY TEXTS:

Carlson, Mim and Donohoe, Margaret. 2003. *The Executive Director's Survival Guide: Thriving as a Nonprofit Leader*. San Francisco: Jossey-Bass.

Dees, J. Gregory, Emerson, Jed, and Economy, Peter. 2001. *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*. New York: John Wiley & Sons.

Dropkin, Murray and Hayden, Allyson. 2001. *The Cash Flow Management Book for Nonprofits: A Step-by-Step Guide for Managers, Consultants, and Boards*. San Francisco: Jossey-Bass.

Herman, Robert D. and Associates. 2005. *The Jossey-Bass Handbook of Nonprofit Leadership and Management*, 2nd Ed. San Francisco, CA: Jossey-Bass.

Jackson, Peggy M. and Fogarty, Toni E. 2005. *Sarbanes-Oxley for Nonprofits: A Guide to Building Competitive Advantage*. Hoboken, NJ: Wiley.

Ruegg, Debra L., Fraser, Terry M., Howden, Anne L., and Stevens, Susan K. 2002. *Budgeting Your Way to Financial Stability*. Minneapolis, MN: Larson, Allen, Weishari & Co.

COURSE REQUIREMENTS

This course will follow a web-enhanced, seminar format and relies on individual participation. Out-of-class preparation, regular attendance and full participation, both in-class and online, are expected. After one in-class absence, additional unexcused absences will cause a substantial deduction from the student's final grade, 10 points minimum (equal to one full letter grade). Participation will be evaluated based on the student's participation in discussion postings, participation in class exercises and discussions, as well as responding to questions posed by the instructor. See the Lecture Notes section on WebCT to access class lecture notes, discussion questions, case studies, assignment information, etc.

Assignments will include mathematical calculations and analysis of the resulting reports. Written papers are expected to be insightful, presented in a logical format, and free of grammatical, spelling and style errors. All assignments must be typed (11 pt font, double-spaced) and, when necessary, use American Psychological Association (APA) referencing and citing methods (see www.apastyle.org). The instructor reserves the right to lower the grade for late work for each day of tardiness. Prior approval must be received for any late assignment and no work more than two days late will be accepted.

PADM 4227-6227, Issues in Nonprofit Administration

Financial Management Concepts

Accounting Period

Accounts Payable/Accounts Receivable

Basis of Accounting

Asset (including Restricted Asset)

Balance Sheet

Cash Flow

Depreciation of an Asset

Revenue

Expense

 Direct

 Indirect

Liability

Liquidity

Operating Reserve

Output Measure vs. Outcome Measure

Profit

Audit (including Audit Report, Audit Trail)

Operating Margin

Break-even Analysis

Capital

Advanced Ruling

Risk Management