

**PADM 7643**

**Seminar in Nonprofit Administration & Philanthropy**

**(aka Nonprofit Financial Management)**

**University of Memphis**

**Spring II Session, 2018**

**Professor:**

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**Course Overview:**

This is a course on the financial management of nonprofit organizations. The course will cover the basics of nonprofit accounting, financial analysis and management, and financial decision making. Because each of these topics is extensive, the course will focus on foundational concepts and high-level information especially relevant to nonprofit leaders who must oversee and guide, rather than directly implement, finance and accounting practices.

The course will emphasize several themes especially relevant to nonprofit leaders, including financial accountability, organizational sustainability, alignment between financial decisions and organizational mission, preparing for organizational growth, and making financial decisions when resources are scarce.

Sound financial management improves an organization's effectiveness and strengthens its reputation in the community. For an organization to reach its full potential, leadership must understand and implement best practices which steward organizational resources and prepare the organization to achieve its mission in the future.

**Learning Objectives:**

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

- Use accounting and financial management vocabulary in an informed manner
- Describe the principles and practices of managerial and financial accounting, reporting, analysis, and planning
- Evaluate systems of internal controls and financial risks

- Use assessments of past financial performance, current financial analysis, and financial forecasts to make strategic decisions
- Explain the role of financial management and donor intent in nonprofit accountability and financial stewardship

### **Prerequisites:**

This course has a prerequisite requirement: PADM 7641: Theory and Practice of Nonprofit Administration. If you have not met this requirement, please talk with the instructor immediately.

This class is designed to be taken by MPA students and students in the Nonprofit Graduate Certificate. The course assumes a basic understanding of the nonprofit sector and nonprofit organizations, although no prior knowledge of nonprofit financial management is required.

### **Course Structure, Expectations, and Policies:**

Students are required to be active participants in all aspects of this course.

- This course is scheduled to meet from **March 12 - April 25, 2018** (6 weeks and 2 days). Because this is an intensive course where three credits are offered in 6 weeks, students should expect to spend approximately 15 hours per week on class readings, discussions, and assignment.
- The course is split into 6 modules, which will typically open Mondays at noon and close Sundays at 11:59pm. Typically, all work for the module will be completed by the time the module closes.
- At the beginning of each week, you should open the week's module. The module will contain instructions for the week, including the week's learning objectives. It will also contain lecture-related materials (either a recorded lecture video or other lecture materials/notes) and information on required readings and assignments for the week. Students should aim to complete all readings and lecture materials by Wednesday to allow sufficient time for completing class discussions and assignments.
- Each student is expected/required to participate in the online class discussions. Discussion questions will be posted to the eCourseware discussion tool, with separate threads for each topic. Participation will be tracked and factored into your grade. To fully participate, you must answer each discussion question in an informed, critical manner. Ideally, your answer will reflect course readings as well as personal experiences from organizations where you have worked, volunteered, or donated.
- In addition to posting your answers to questions, you are expected to reply to classmates' answers and respond to classmates' replies to your answers. Appropriate replies include adding personal examples to support a classmate's point, challenging a classmate's assertion, or asking for more information/clarification from a classmate.
- Students are expected to work independently on assignments. Individuals outside of the class should not be consulted for assistance with assignments.
- All assignments are due on the day indicated in the course schedule at 11:59pm. Late assignments will receive a full letter grade deduction for every day that they are late; after 11:59pm on the second day, you will receive an F for that assignment. Assignments must be turned in using eCourseware's Dropbox feature – they should not be emailed to your instructor.
- When emailing the instructor, please include the course number in the email title. This will allow me to quickly separate course emails from my other correspondence. Also note that class-related questions can be posted on the "Ask the Class" discussion forum!

## Required Readings:

This course depends on student participation, and participation depends on your preparation. The knowledge you gain in this course will largely depend on the effort you put into it. The required readings have been carefully selected based on learning objectives, and completing the reading will allow you to fully contribute to class discussions and maximize your score on written assignments.

There is one required text for this course:

- Weikart, L. A., and Chen, G. G. (2013). *Budgeting and Financial Management for Nonprofit Organizations*. CQ Press. (currently \$76 on Amazon)

This is the same textbook that was required for Dr. Topinka's course on budgeting. The present course will emphasize the financial management rather than the budgeting aspects of the text. In addition to the traditional text book, weekly course materials (online/open source texts, articles, cases, etc.) will be posted on the course's website.

## Assignments/Grading:

The following is a brief outline of all assignments. As this is an online course, most assignments are written. Writing is expected to be presented in a logical format without errors in grammar and spelling. A professional style of writing is appropriate for most assignments. For readability, please turn in work that is typed and double-spaced.

Weekly Responses (6): Each week, there will be discussion questions related to the lectures, readings, and other materials. Students are expected to provide an answer to the posted questions using the discussion board. There will usually be some required and some optional questions. The answers should provide substantive and thoughtful feedback on the question and should demonstrate a synthesis of course material, with appropriate references. Students should also provide at least two follow-up responses to their peers' posts. Follow-up responses should be substantial and add to the conversation. Examples of substantial comments include adding to the answer with additional examples, challenging the underlying assumptions of the answer (in a professional way), or asking questions related to the answer. To give other students something to respond to, your original answer should be posted by the question completion date, which will typically be a Friday. I will drop your lowest weekly response grade.

Assignments (6): There are six graded assignments in this course corresponding to the 6 modules. Each assignment will be submitted through eCourseware and graded anonymously. Assignments will typically be posted on Wednesday and due the next Wednesday (the day the module closes) at 11:59 PM. Late assignments will receive a grade penalty (see course policies above). Assignments are typically curved to reflect their level of difficulty. At the end of the semester, students will have the opportunity to revise and resubmit one assignment for regrading.

## Grade Weights:

- Weekly Responses 16%
- Assignments (6 @ 14% each) 84%

Your final grade will be based on the following grading scale:

A+ 97-100	B 83-86	C- 70-73
A 93-96	B- 80-82	D+ 67-69
A- 90-92	C+ 77-79	D 63-66
B+ 87-89	C 74-76	F 62 and less

*\*\*Grades may be curved upwards based on class performance. They will never be curved downward.*

### **Office Hours:**

I want you to succeed in this course! Professor office hours are on an appointment system. You may sign up for an appointment (phone, Skype, or in-person) using the scheduling website, <https://vancemcmullen.youcanbook.me>. If you have scheduling conflicts which prevent you from meeting during the scheduled office hours, please contact the me.

Occasionally my speaking obligations or other academic conflicts will force me to move office hours from the ones indicated on the first page of the syllabus. When this happens, the new office hours will be announced.

### **Other Policies:**

University policies on cheating, plagiarism, students with disabilities, etc. apply to this course.

[Student conduct and discipline](#)

[Academic honesty and online integrity](#)

[Students with disabilities](#)

A few specifics...

Academic Misconduct and Integrity: The Office of Student Conduct defines the following:

- *Plagiarism* - The adoption or reproduction of ideas, words, statements, images, or works of another person as one's own without proper attribution.
- *Cheating* - Using or attempting to use unauthorized materials, information, or aids in any academic exercise or test/examination. The term academic exercise includes all forms of work submitted for credit or hours.
- *Fabrication* - Unauthorized falsification or invention of any information or citation in an academic exercise.

As outlined in the *UM Code of Student Rights and Responsibilities*, cheating and plagiarism will result in severe disciplinary action. Either offense will be grounds for receiving an "F" on the assignment or examination and possibly an "F" for the course, depending on the severity of the offense. Please contact the instructor if you have any questions about these topics.

Students with disabilities: The University encourages full participation of students with disabilities. Any student who anticipates physical or academic barriers based on the impact of a disability is encouraged to speak with me privately. Students with disabilities should also contact Disability Resources for Students (DRS) at 110 Wilder Tower, 901-678-2880. DRS coordinates access and accommodations for students with disabilities.

**Course Outline:**

- Topic 1 – Intro and Principles of Financial Management (March 12 to March 18)  
*Assignment 1 Due March 21*
- Topic 2 – Tracking and Assessing Past Performance (March 19 to March 25)  
*Assignment 2 Due March 28*
- Topic 3 - Financial Operations (March 26 to April 1)  
*Assignment 3 Due April 4*
- Topic 4 - Cash Flow Analysis and Financial Decisions (April 2 to April 8)  
*Assignment 4 Due April 11*
- Topic 5 – Internal Controls and Risk Management (April 9 to April 15)  
*Assignment 5 Due April 18*
- Topic 6 – Looking to the Future: Investment/Endowment Management and Strategic Financial Leadership (April 16 to April 22)  
*Assignment 6 Due April 25*

## Nonprofit Financial Management Course Outline

### *Topic 1 – Intro and Principles of Financial Management*

#### Learning Objectives:

- Articulate the relationship between financial management and nonprofit mission, especially as it relates to accountability, stewardship, and effectiveness
- Identify a nonprofit's business model (major sources of revenue, major programs and services, cost structure, etc.) based on organizational narrative and financial statement
- Gain comfort with reading nonprofit financial statements; interpret financial statement terms and locate basic information contained within statements.
- Explain the role of various organizational actors in nonprofit financial management.

#### Lecture Materials

- Module 1 Slides
- [Sample Financial Statements for Module 1](#)

#### To Read/Required:

- WCS Chapter 5: Principles of Accounting and Reporting
- WCS Chapter 6: Understanding Financial Statements (skim, will come back to it next week)
- [Norton-Schaffer, E. \(2010\) Ensuring Sound Financial Management. In M. Carlson and M. Donohoe \(Eds.\), The Executive Director's Guide to Thriving as a Nonprofit Leader \(229-244\). Jossey-Bass.](#)
- [Propel Nonprofits \(2017\). Transforming Nonprofit Business Models.](#)
- <https://nonprofitquarterly.org/2017/06/12/looking-glass-world-of-nonprofit-money/>

#### Optional:

- WCS Chapter 1: Mission and Money
- [Ten Nonprofit Funding Models](#)
- [An ED's primer on financial management](#)
- [What Board Members Need to Know About Not-for-Profit Finance and Accounting](#)
- <http://blog.boardsource.org/blog/making-financial-statements-less-scary>
- <https://www.npccny.org/new990/>
- <https://www.wanonprofitinstitute.org/finance/>
- [Keating and Frumkin: Reengineering Nonprofit Financial Accountability](#)
- [Nonprofit Finance Fund: Smart Nonprofit Business Models](#)

#### Assignment:

- See the Communication:Discussion tab for discussion topics.
- Written assignment 1 to be posted on Wednesday. See the Assessments:Dropbox tab.