This course syllabus, while a comprehensive plan for the semester’s work, may change as needed.

**Goals of the Course**
The course is for students whose career path is the nonprofit world and who aspire to hold senior level positions in nonprofit management. Financial planning contributes to the success of a nonprofit organization and allows it to better accomplish its mission. The concepts and techniques used here can help nonprofit managers to be fiscally responsible, and contribute to the growth and well being of their nonprofit. This course will not prepare you for a chief financial officer’s position; it prepares you to supervise the chief financial officer. You will study strategies to both plan and manage resources in a nonprofit.

**Requirements**
Knowing how to use a computerized spreadsheet (Excel, Lotus, etc.) is a must. Since this is an online course, please note that I need you to respond on a weekly basis using Blackboard.

1. Exercises: You will be assigned weekly exercises. They must be turned in on time which is **12 midnight on Sunday night (55% of grade)**. Exact dates are in the syllabus.

2. Term Paper: You may choose a partner or by yourself create a financial plan of a nonprofit. I assume that most of you have access to information about a nonprofit in which you are connected. Financial planning is a tool you will learn in this program. **You must be able to get at least three (3) years of audited financial statements from your organization.** There are audited financial statements on the internet; however, it is preferable that you know the nonprofit and can get interviews with the executive director and finance officer. If you chose a partner, team members can get different grades than other teammates depending upon their level of participation and complaints of lack of cooperation from team members (35% of grade).

3. Participation: Please respond on a weekly basis, do the work and participate in Blackboard discussions. Each week there is a discussion board about the reading and the assignment. You are required to participate **at least two times** for each assignment (10% of grade). You do not need to respond to each problem. If the
discussion board gets too busy with so many students, I will divide the discussion board in half and let you know.

Late papers and exercises are not appreciated. Any late exercise or paper will be marked down by one whole grade; that is, an A to a B or an A- to a B-.

Writing Expectations
Any exercise submitted must be of good writing quality. If you are deficient in good writing, ask someone to read it and edit the exercise before you submit it. If you have been trained in a style manual, such as APA, you may use it. However, I simply ask that your written work be footnoted, and with a bibliography. Most exercises do not need footnotes and bibliography. However, you might want to cite material when writing about the cases or with your term paper. If you do use APA, Chicago or some other style, style guides are available in the library and at most bookstores, and can be found at https://owl.purdue.edu/owl/research_and_citation/using_research/citation_style_chart.html.

Plan of the Course
The course is divided into several sections: introduction to financial planning, building blocks of nonprofit finance, using accounting to make your decisions, and your term papers. In financial planning, there are several case studies that require in-depth examination. The course is designed with the assumption that you are interested students of nonprofits; hence, there is a lot of homework and very active participation on the part of students. There are no exams. Students are required to complete all of the assigned reading before joining the discussion board on Blackboard in which the reading is covered and the problems discussed on the discussion boards.

Course website
The course website can be found on Blackboard. Throughout the semester, I will post course materials and lecture slides. I may communicate with you concerning course logistics using the Blackboard e-mail lists. Be sure to check your email regularly.

Academic Honesty
Students are encouraged to work with other students to exchange ideas and assignments. I only ask that your spreadsheets be your own work. Students submitting work completed in groups must have participated in the group activities.

Students with Disabilities
Students with disabilities may receive assistance and accommodation of various sorts to enable them to participate fully in courses. To establish the accommodations appropriate for each student, please email me.

Required Readings


4. Please purchase this case from the Harvard website: *Higher Education Harvest*  
https://case.hks.harvard.edu/search.php?search_query=higher+education+harvest

5. Purchase this case from the Harvard Website: Kalamazoo Case  
https://case.hks.harvard.edu/search.php?search_query=kalamazoo+

6. Other materials will be posted on Blackboard.

Every week you must discuss the assignments on the discussion boards on Blackboard.

**Introduction**

**Week 1, Week of January 20th: Introduction**
- Overview of Course
- Mission and Governance
- Nonprofits and For-Profits

**Reading for today**

Weikart, Chapter 1, Introduction  
Blazek, Chapter 1, Introductory Concepts  
Proctor, Section I, pages 5 – 24 and Section III, Leading a Mission-Focused Board, pages 65-78.

Read the Governance memo on Blackboard for class 1 and any other material on Blackboard for class 1.

**Assignment 1: Mission and Governance of HEH**
Using the Higher Education Harvest case, first write the mission of this agency. Second, explain what the current governance structure is of this agency. Third, write a memo from you to me stating the mission, the current governance structure and what you think the governance structure ought to be in three years and why. Please assume that HEH has had small surpluses for its first two years of existence. Do not create a budget at this time. Limit three pages. See the end of the syllabus for a memo format.

This assignment is due Sunday, January 26th, by midnight.

**What do students learn this week?**

The Importance of the Mission and Creating a Governance Structure

**Week 2, Week of January 27th: Making a Budget**
- Overview of Course
- Budgeting
- Fund Accounting
- Chart of Accounts

**Reading for today**
Weikart, Chapter 2, Budgeting
Blazek, Chapter 2, Structuring the Organization for Fiscal Strength and Chapter 3, Financing the Dream
Proctor, Section II, Building a Mission-Focused Budget, pp. 25-56.

**Assignment 1 due:** Memo on Governance is due on Sunday, January 26th, by midnight.

**Assignment 2:** Creating Budgets for Higher Education Harvest
Case – In this assignment, you will create a spreadsheet in which you carefully list all the 1998 revenues listing the source, dates and amounts and total them. Underneath list all the 1998 expenses with their purpose, dates and amounts and total expenses. Then state the difference between the revenue and expenses. Then decide what you project for 1999 the same way. **See the attached spreadsheet on blackboard. Do not use the format attached to the Higher Education case.**

This assignment is due Sunday, February 2nd, by midnight.

**What do students learn this week?**
An introduction to financial management of nonprofits.

**Week 3, Week of February 3rd:** Budgeting as a planning, management and communications tool when creating a financial plan
- The structure of budgets
- Budgeting as planning
- An outline for the term paper
- Form 990

**Readings for today**

Read the following:
Tax information from the IRS for charities and nonprofits. On the left hand side, go through the various headings such as Exempt Organization Types, etc.
Be sure and read this one. Political campaign intervention for churches, charities and educational institutions:
Term Paper: Students must let me know what nonprofit you are analyzing. If you wish, you can choose a student to conduct the analysis with you. This works best when you are at the same nonprofit. At least three years of Financial Statements for each nonprofit must be gathered and let me know what you have gotten so that I can check them.

Assignment 2 Due: Creating Budgets for Higher Education Harvest, Sunday, February 2nd, my midnight.

Assignment 3: For Higher Education Harvest, create a spreadsheet for fiscal year 2000. Write less than a three page memo from you as the ED to the Board explaining your findings and attach your spreadsheet. How much revenue did the nonprofit take in? What were the expenses? What is your conclusion about the fiscal health of this nonprofit? What are your recommendations for FY2000? See the end of the syllabus for a memo format. Due Sunday, February 9th, by midnight.

Week 4, Week of February 10th: Outside Forces: IRS, States’ Oversight, and Nonprofits’ Oversight; Introduction to Variances
   - Budgeting and Planning
   - Variances

Readings for Today
Proctor, pp. 65-117
Blazek, Chapter 8, pp. 207-221.


Assignment 4: Do Kalamazoo Case. Due in two weeks by Sunday, February 23rd, at midnight.

Week 5, Week of February 17th: Liquidity and Managing Cash Flow
   - Discussion of Higher Education Harvest
   - Importance of Liquidity
   - Law and Nonprofits

Reading
Weikart, Chapter 3: Liquidity
Assignments
Assignment 5: Exercises at the end of Chapter 3, Liquidity, Assignment 3.1, 3.2 and 3.3. Due Sunday, February 23rd, at midnight.

What do students learn this week?
Beginnings of effective financial management

The Building Blocks of Nonprofit Financial Planning
Week 6, Week of February 24th: Analyzing Costs
   - Direct and Indirect Costs
   - Fixed, variable and step costs

Readings
Weikart, Chapter 4: Costs
Blazek, part of Chapter 7, Cost Accounting, pp 186 to 190.

Assignments
Assignment 4 due, Kalamazoo Case by Sunday, February 23rd by midnight.

Assignment 5 due: Chapter 3 exercises, Liquidity, by Sunday, February 23rd, midnight.

Assignment 6: Exercises at the end of chapter 4, Cost Accounting: Class Exercise 4.1. Assessing Fixed and Variable Costs, Class Exercise, 4.2 Considering Program Expansion with Marginal Analysis, Assignment 4.2 Determining the Break-Even Point and Assignment 4.3 Identifying types of Cost. Due Sunday, March 2nd at midnight

Week 7: Week of March 2nd: Principles of Accounting
The Financial Statements
   - The Accounting Equation
   - Assets, Liabilities, and Net Assets (Fund Balances)

Readings:
Weikart, Chapter 5: Principles of Accounting, pp. 88-112,
Blazek, Chapter 6: Nonprofit Accounting, pp. 137-179.

Assignments
Assignment 6 due. Exercises at the end of Chapter 4, Cost Accounting, due Sunday, March 1st, by midnight.

Assignment 7: Exercises in chapter 5. Class Exercise 5.1 Identifying Financial Terms, Assignment 5.2 Identifying Cash and Accrual Accounting, Assignment 5.4 Reconciling Surplus and Deficit in Wisconsin’s Budget. Due March 8th, Sunday,
What do students learn this week? Fundamentals of Financial Statements

Spring Vacation, March 9th to 15th. During vacation, please review the outline for the term paper and get started on the various sections.

Week 8, Week of March 16th: Understanding Financial Statements
   - The four financial statements
Readings:
Weikart, Chapter 6: Financial Statements
Blazek, Chapter 7, Financial Tools, pp. 179-186.

What do students learn this week?
   How to analyze financial statements.

Assignment 8: Exercises at the end of chapter 6. Class Exercise 6.1 Recording and Categorizing Transactions, Assignment 6.1 Recording Transactions, and Assignment 6.2 Determining Marketable Securities. Due March 22nd, Sunday, by midnight.

Week 9, Week of March 23rd: Financial Analysis and Control
   - Ratio Analysis
Readings
Chapter 7: Financial Analysis

What do students learn this week?
   - how to analyze a case.

Assignments
Assignment 8 due. Due March 22nd. Sunday, by midnight.

Assignment 9: Do the MLK case which you will find under Course Content week 9. Answer the questions at the beginning of the case. You need two weeks for this case. Due Sunday, April 5th, by Midnight.

Using Accounting to make decisions
Week 10, Week of March 30th: Understanding Revenues
   - Sources of Revenue
   - Funding models
Readings
Weikart, Chapter 9, Revenues

Assignments
Assignment 10: Do assignments 9.1 through 9.4 in chapter 9 due Sunday, April 5th by Midnight.

Week 11, Week of April 6th: Performance Measurement
- Ingredients to measuring program performance
- Development of systems

Readings:
Weikart, Chapter 10: Performance Measures

Assignments
Assignment 9 due Sunday, April 5th by midnight.
Assignment 10 due Sunday, April 5th by midnight.
Assignment 11: Do Exercise 10.1 and assignments 10.1 through 10.3 in Chapter 10, Performance Measures. Due Sunday, April 12th by midnight.

What do students learn this week?
Useful strategies for budgeting

Financing Your Dreams
Week 12, Week of April 13th: Investment Guideline; the Time Value of Money
- Investment Policy
- Endowments
- Time Value of Money

Readings:
Chapter 13: Investment Strategies & Chapter 11: the Time Value of Money

Assignments
Assignment 11, Performance Measures due by April 12th by midnight.

You must participate in an online discussion about the Time Value of Money. Due Sunday, April 19th, by midnight.

What do students learn this week?
Coping with the future through sound investment policies and the Time Value of Money
Week 13: Week of April 20th: Internal Controls
- Discussion of Internal Controls

Readings
Weikart, Chapter 14, Internal Controls
Blazek, Chapter 6, Nonprofit Accounting, Section on Internal Controls, pp. 167-17

Assignment 12: Submit one case of nonprofit corruption and your views of how such corruption could have been avoided. Limit 3 pages. Due Sunday, April 26th, by midnight.

Week 14: Week of April 27th: Work on Term Project

Assignment 12 due: Submit case of nonprofit corruption, Sunday, April 26th, Midnight.

Week 14: Week of May 4: Team papers due by Sunday, May 3rd: by Midnight.
How to Write a One- or Two-Page Memo (Lynne Weikart)
Standard memos are divided into sections to organize the information and to help achieve the writer's purpose.

1. Heading
The heading follows this general format:
TO: (readers' names and job titles)
FROM: (your name and job title)
DATE: (complete and current date)
SUBJECT: (what the memo is about, highlighted in some way)
Make sure you address the reader by his or her correct name and job title. Be specific and concise in your subject line. For example, Current and Proposed Budget for Higher Education Harvest could be a subject line.

2. Introductory Paragraph
The purpose of a memo is usually found in the opening paragraph and includes: the purpose of the memo, the context and problem, and the specific assignment or task. It can be one or two or three sentences. It need not be long but it orients the reader and if it is your supervisor, reminds your supervisor why he asked you to write the memo in the first place.

3. Body of the Memo
You may use a paragraph or a few sentences to establish the background and state the problem. When you state the problem, you can use facts. If your spreadsheet has some interesting numbers, use them in the memo to support your statement of the problem. Don’t be afraid to be positive. Not all is doom and gloom. A sense of humor is essential in the workplace. Then state what you think should be done to rectify the situation.

4. Conclusion
Always write a conclusion. It can be one or two sentences but it must state what has happened and restate your recommendation such as: “Given the difficulties….., my recommendation is….. End with something like this: “I am available to answer any questions” or “Let me know if you want to talk about this.”

Warning: If your spelling and grammar are weak, ask someone else to read it and make corrections.
The Required Organization for the Term Paper

You are the Executive Director of a nonprofit or part of a team of two students who are the Executive Director and Chief Finance Officer. The team will produce a financial plan and financial analysis of this nonprofit. It is due the last week of class.

The team needs to obtain the official financial statements for three years from a nonprofit. Often the team uses the financial statements from a place of work. If a nonprofit representative is nervous about giving you the financial statements, assure him that this is only an in-class exercise and has no public life.

You will learn to conduct a financial analysis of this nonprofit, and you will learn as much as you can about their financial situation as possible. Often teams conduct in-depth interviews with the executive director and/or financial officer of the nonprofit.

The written report is to be professional, thoughtful, free of grammatical errors, and well written.

If students in a team do not get along, then I will require the students in the team to split up and each one will conduct his/her own analysis. There is no blame attached to this; sometimes, people simply do not relate well to one another and we will work with that.

The financial plan must consist of –

1. Organizational structure
2. Current programs and future ones
3. Marketing plan – Describe the constituencies you serve. How do you reach them?
4. Operational Plan – How do you deliver your services? What are plans for future growth?
5. Financial analysis of the present using ratio analysis and any projected budgets
6. Problems and Concerns
7. Recommendations
8. Appendices if any
Websites
http://www.managementhelp.org/np_progs/org_dev.htm
This is a free management library for those interested in managing nonprofits. Some of the material relates to the budgeting and financing of nonprofits.

https://nccs.urban.org/about
This is the National Center for Charitable Statistics (NCCS), which is the national clearinghouse of data on the nonprofit sector including 990s.

https://nff.org/
The Nonprofit Finance Fund is a nonprofit organization that serves other nonprofits through loans and advisory services.

https://independentsector.org/about-us/
Independent Sector is the only national membership organization that brings together the charitable community—a diverse set of nonprofits, foundations, and corporations—to advance the common good. Lots of useful resources for nonprofits.

https://candid.org/about
Guidestar and the Foundation Center combined to form Candid which is the largest database about nonprofits in the country. You can find 990s for most nonprofits; you can find help writing a grant proposal; you can look up every foundation that might give funding for your nonprofit.