PAD 501 Public and Nonprofit Financial Management
Spring 2019
Wednesday 5:45 to 9:25 pm
Husted Hall 204

Instructor
Youngsung Kim (ykim22@albany.edu)
Office hours: Sunday, 5:00–6:30 p.m. or by appointment, downtown campus library (group study room)

Teaching Assistant
Heasun Choi (hchoi5@albany.edu)
Office hours: Monday, 4:00–6:00 p.m., downtown campus library (group study room)

I. Course Description:

The primary objective of this course is to teach you how to use financial information to make management decisions in public and not-for-profit organizations. The first half of the course focuses on developing, implementing and controlling a financial plan. This section covers an introduction to financial management, the development of operating budgets, tools for short-term decision-making, capital-budgeting decisions, and the analysis of long-term financial options. Management of short-term resources and variance analysis are also covered in this half of the course. The material in the first half of the course is often referred to as managerial accounting.

The second half of the course focuses on summarizing, reporting on and analyzing an organization’s financial position, and the results of its operations. This section covers the development of financial statements. There is heavy emphasis on how the information in financial statements can be used by managers. You will study theory and practice related to accounting principles, financial statements, financial analysis, and the unique aspects of accounting for not-for-profits, and state and local governments. We will consider how the information is presented, and how it can be used to provide meaningful conclusions about the financial position and performance of public service organizations. At the end of this section, you should be able to use an organization's financial statements to communicate about the financial health of the organization. This half of the course covers material often referred to as financial accounting.


Software: Microsoft Excel.

Financial calculator: You will need a financial calculator that can do time-value-of-money calculations. If you do not have a calculator that can do time-value-of-money calculations, please buy a Sharp, Texas Instruments or a similar calculator that has that capability. You will see functions like PV, N, I, and FV on appropriate calculators. Financial calculators are available at
most bookstores, Staples, Office Depot, and at Amazon.com.

II. Grading and assignments:

1. **Class attendance and participation (5%)**: Participation and attendance account for 5% of the final course grade. Students are expected to attend each class on a timely basis, so that they will benefit maximally from the class lectures, exercises, and discussion. Unexcused absences will result in a reduced final course grade. I will occasionally take attendance in class. Also, please finish reading assignment and be prepared to participate in class discussion.

2. **Homework (15%)**: Throughout the semester, there will be twelve homework assignments. Each assignment is worth 1.5% of the final course grade. At the conclusion of the semester, the two lowest homework grades for each student will be dropped. Each homework assignment covers the topic that will be discussed on the day when it is due. All homework will be graded to ensure a good-faith effort to complete the questions. Homework templates will be provided for some questions through Blackboard if necessary.

   Each homework assignment is due at the beginning of class on the due date. Please make sure that you submit your assignments on time. Late submission will NOT be graded. This policy will be strictly enforced. Do the assignment in Excel, embed the solutions in a Word document as Excel objects, print the Word Document, and bring it with you to the class.

3. **Midterm exam and final exam (50% in total, 25% each)**: The midterm exam covers the topics discussed in the first half of the course, and the final exam covers topics in the second half of the course. Before each exam, sample questions, as well as solutions, will be posted on Blackboard. Sample questions can be used as the guidance for the exam format. Both exams are closed-book, but you are allowed to bring a single page of notes (letter size, one sided) to the exam.

4. **Semester Projects (30% in total, 15% each)**: In these projects, you will demonstrate your ability to perform many of the skills and abilities that you will learn in this course. The first project is to develop a budget and conduct some financial planning for a public organization. The second project is to analyze the financial condition of a government based on financial reports. Both projects may be completed in groups of three or less, including individually. Group members will receive the same base grade; however, individual grades may be significantly reduced in situations where students do not contribute sufficiently to their group’s deliverables. More detailed instructions for the projects will be available on Blackboard.

5. **Grade**: Final grades will be based on class attendance and participation, homework assignments, semester projects, and midterm and final exams. Final letter grades will be assigned as follows:
Grade | Percentage  
--- | ---  
A | 93%  
A- | 90%  
B+ | 87%  
B | 83%  
B- | 80%  
C+ | 77%  
C | 73%  
C- | 70%  
D+ | 67%  
D | 63%  
D- | 60%  
E | 59% and below

6. **Late and Make-up Policy:** Each homework assignment is due at the beginning of class on the due date; no late homework assignments will be accepted since answers may be discussed in class. Projects are also due at the beginning of class. Projects may be turned in up to 24 hours late for 90% of the original potential points, and up to 48 hours late can attain 80% of the original points. Projects more than 48 hours late will not be accepted. A make-up exam for the midterm or the final is only available with a documented emergency. A documented emergency situation is severe illness (with accompanying paperwork from a physician), the death of an immediate family member, or situations of similar magnitude. All emergencies must have documentation, and the treatment of each is totally within the instructor’s discretion.

III. Other policies

1. **Academic dishonesty:** Any form of academic dishonesty will not be tolerated. Please refer to University at Albany’s Academic Code at: [http://www.albany.edu/content_images/AcademicIntegrity.pdf](http://www.albany.edu/content_images/AcademicIntegrity.pdf) for the definition of academic dishonesty. Ignorance of these policies will not excuse dishonest conduct. Violations of these standards will result in one of the following penalties or some variant: reduction in the grade for the assignment, failure of the assignment, failure of the course, or expulsion. In all cases, a Violation of Academic Integrity Report will be submitted to the Dean of Graduate Studies to be placed in your university file, with copies provided to you, the department head, and the Dean of Rockefeller College.

Seeking problem sets, answers to problem sets, past exams, or past exam answers from previous students or students from the other section is prohibited. Also, copying a classmate’s work directly is cheating. I will treat such behavior as serious academic misconduct by both the current and past students.
2. **Grade appeals:** Students may appeal a grade on a specific assignment within one week of the assignment being returned. To submit an appeal, the student should return the original graded assignment and a letter/memo outlining why you think the grade should be changed. Appeals must be submitted on paper, typed-written. In the appeal, students must identify 1) the specific issue you believe should be reconsidered and 2) evidence from assignment instructions, assigned readings, lectures, or other materials that would indicate your original submission is worthy of a higher grade. Be aware that your grade may go up, down, or remain the same as a result of your appeal.

3. **Accommodations for Disabilities:** Students with disabilities needing academic accommodation should:
   a. contact the Disability Resource Center; and
   b. provide the instructor with the appropriate and official university documentation indicating the need for accommodation and what type. This should be done during the first week of class.

   For more information about services available to University at Albany students with disabilities, contact:
   Disability Resource Center
   University at Albany, State University of New York
   Campus Center 130, 1400 Washington Avenue
   Albany, NY 12222
   Phone: (518) 442-5490
   Director: cmalloch@albany.edu
   http://www.albany.edu/disability/

4. **Electronic device:** Cellphones are not allowed to be used in classroom. You can use your laptop or tablets only for taking notes, reading class materials, or doing in-class exercise. No other programs are allowed in class.

**IV. Course schedule:**

The course generally will follow the tentative schedule listed below. The schedule is subject to change at the instructor’s discretion. Any revision will be announced on Blackboard or through email.

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
<th>Reading before class</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 23</td>
<td>Introduction</td>
<td>Chapter 1</td>
<td>Read the syllabus</td>
</tr>
<tr>
<td>January 30</td>
<td>Budgeting and financial planning</td>
<td>Chapters 2 &amp; 3</td>
<td>Homework 1 (Chapter 2: 2-17, 2-22, 2-25, 2-26; Chapter 3: 3-23)</td>
</tr>
<tr>
<td>February 6</td>
<td>Cost management and break-even analysis</td>
<td>Chapter 4</td>
<td>Homework 2 (Chapter 4: 4-16, 4-20, 4-35, 4-42; Taos Museum case:</td>
</tr>
</tbody>
</table>
### Questions 1, 2, and 3

<table>
<thead>
<tr>
<th>February 13</th>
<th>Time value of money analysis</th>
<th>Chapter 5</th>
<th>Homework 3 (Chapter 5: 5-12, 5-13, 5-21, 5-35, 5-36) * Make sure that you answer all the questions (a to d) for 5-21.</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 20</td>
<td>Capital project analysis</td>
<td>Chapters 5 &amp; 6</td>
<td>Homework 4 (Chapter 5: 5-20, 5-31, 5-34, 5-37, 5-38)</td>
</tr>
<tr>
<td>February 27</td>
<td>Long-term debt management</td>
<td>Chapter 6</td>
<td>Homework 5 (Chapter 6: 6-13, 6-14, 6-15, 6-18, 6-19)</td>
</tr>
<tr>
<td>March 6</td>
<td>Budget variance analysis</td>
<td>Chapters 7 &amp; 8</td>
<td>Homework 6 (Chapter 7: 7-29; Chapter 8: 8-29, 8-30)</td>
</tr>
<tr>
<td>March 13</td>
<td>Midterm exam, Project I due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 20</td>
<td>Spring break – no class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 27</td>
<td>Balance sheet</td>
<td>Chapter 9</td>
<td>Homework 7 (Chapter 9: 9-27, 9-28, 9-29)</td>
</tr>
<tr>
<td>April 3</td>
<td>Activity statement and cash flow statement</td>
<td>Chapter 10</td>
<td>Homework 8 (Chapter 10: 10-15, 10-16)</td>
</tr>
<tr>
<td>April 10</td>
<td>Putting together financial statements</td>
<td>Chapters 9 &amp; 10</td>
<td>Homework 9 (Chapter 10: 10-17, 10-18, 10-19)</td>
</tr>
<tr>
<td>April 17</td>
<td>Nonprofit accounting</td>
<td>Chapter 11</td>
<td>Homework 10 (Chapter 11: 11-17, 11-18)</td>
</tr>
<tr>
<td>April 24</td>
<td>Academic conference – no class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 1</td>
<td>Government accounting</td>
<td>Chapters 12 &amp; 13</td>
<td>Homework 11 (Chapter 12: 12-4, 12-5; Chapter 13: 13-8) * You don’t need to prepare reconciliations for 13-8.</td>
</tr>
<tr>
<td>May 8</td>
<td>Financial condition analysis</td>
<td>Chapters 14 &amp; 15</td>
<td>Homework 12 (Chapter 14: 14-11)</td>
</tr>
<tr>
<td>May 12</td>
<td>Project II due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 15</td>
<td>Final exam</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### V. Acknowledgements
I would like to thank Professors Chen and Searing and my colleague Wenhui Feng in the Department of Public Administration and Polity for their help to design this course syllabus. Parts of their syllabi are used in this syllabus.