

**PAD 501 Public & Nonprofit Financial Management***(Fall 2015)*

Professor Gang Chen

Class time: Tuesday 2:45 PM-05:35 PM

Class location: Husted Hall 208

Office hour: (Tentative: Tuesday 1:00 to 2:30) or by appointment

Office location: Milne Hall 319

Office number: 518-442-5284

Email: [gchen3@albany.edu](mailto:gchen3@albany.edu)Teaching Assistant: Youngsung Kim ([ykim22@albany.edu](mailto:ykim22@albany.edu))

TA discussion session: Husted 017 Friday 4:00 to 6:00 pm

**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.

**Textbooks:** Steven A. Finkler et al., *Financial Management for Public, Health, and Not-for-Profit Organizations*, **4th Edition**, Prentice Hall, **2012**. **(Available at the Mary Jane Bookstore and the University Bookstore)**

**Software:** Microsoft Excel 2007/2010 and Microsoft Word 2007/2010

**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, 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 grade. Students are expected to attend each class on a timely basis, so that they will benefit maximally from the class lectures, class exercises, and class 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, twelve homework assignments will be assigned to students. Each assignment is worth 1.5% of the grade. A maximum of 15% can be owned from homework. 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.

Each assignment is due before 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 class, and the final exam covers topics in the second half of the class. 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 note (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 class. 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 individually or in groups as large as three people. Group members will receive the same base grade; however, individual grades may be significantly reduced in situations where students do not contribute sufficiently to the group work. Instructions for 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 followed:

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

### III. Other policies

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.

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.

Seeking problem sets, answers to problem sets, past exams, or past exam answers from previous students or students from the other section is prohibited. I will treat such behavior as serious academic misconduct by both the current and past students.

Students with needs consistent with the Americans with Disability Act should inform the instructor during the first week of class so that reasonable accommodations can be made.

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. Class schedule:

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

<b>Date</b>	<b>Topics</b>	<b>Reading before class</b>	<b>Due</b>
September 1	Introduction	Chapter 1	Read the syllabus
September 8	Budgeting and financial planning	Chapter 2 & 3	Homework 1 (Chapter 2: 2-17, 2-22, 2-25, 2-26; Chapter 3: 3-23)
September 15	Cost management and break-even analysis	Chapter 4	Homework 2 (Chapter 4: 4-16, 4-21, 4-36, 4-43, Taos Museum, p. 301, Questions 1, 2, and 3)
September 29	Time value of money analysis	Chapter 5	Homework 3 (Chapter 5: 5-12, 5-13, 5-19, 5-33, 5-34)
October 6	Capital project analysis	Chapter 5 & 6	Homework 4 (Chapter 5: 5-20, 5-29, 5-32, 5-35, 5-36)
October 13	Long-term debt management	Chapter 6	Homework 5 (Chapter 6: 6-13, 6-14, 6-15, 6-18, 6-19)
October 20	Budget variance analysis	Chapter 7 & 8	Homework 6 (Chapter 7&8: 7-29, 8-29,8-30)
October 20	Project I due		
October 27	Midterm exam		
November 3	Balance sheet	Chapter 10 (including appendix)	Homework 7 (Chapter 10: 10-26, 10-27, 10-28)
November 10	Activity statement and cash flow statement	Chapter 11	Homework 8 (Chapter 11: 11-14, 11-15)
November 17	Putting together financial statements	Chapter 10-11	Homework 9 (Chapter 11: 11-16, 11-17)
November 24	Nonprofit accounting	Chapter 12	Homework 10

			(Chapter 12: 12-17, 12-18)
December 1	Government accounting	Chapter 13 & 14	Homework 11 (Chapter 13: 13-4, 13-5; Chapter 14: 14-8)
December 8	Financial condition analysis	Chapter 15 & 16	Homework 12 (Chapter 15: 15-11)
December 15	Project II: Financial Condition Analysis due		
	Final exam		