

COURSE DESCRIPTION

I. Course Description

Effective *fiscal management* (FM) and the development of integrated *management information systems* (MIS) are two of the leadership responsibilities shared by senior administrators of all human service organizations. Building on the content of both the foundational and advanced macro practice curricula (esp. SW708 and SW718), this course will introduce students to the stewardship responsibilities incumbent on administrators of human service organizations in allocating and accounting for the use of all fiscal, human and other resources under their control. Special emphasis in this course will be placed on identifying *principles* of financial planning and accountability, the development of effective electronic systems for tracking and monitoring the use of financial resources, the integration of agency-specific financial information into larger reporting and accountability systems, and the application of these principles to enhancing organizational effectiveness and efficiency. Attention also will be given to ethical dilemmas confronted by managers in the allocation and management of organizational resources.

II. Course Learning Objectives

At the end of this course students will:

1. demonstrate at least a beginning understanding of and skill in applying principles of FM for enhancing the financial effectiveness and efficiency of human service organizations;
2. demonstrate at least a beginning understanding of and skill in applying principles of electronic MIS for enhancing the monitoring, accounting and reporting capacities of human service organizations;
3. demonstrate increased sensitivity to the ethical dilemmas associated with the development of electronic data bases and fiscal MIS by human service organizations (including tax, legal, risk management, client privacy and related issues, etc.);
4. demonstrate increased understanding of the impact of FM and MIS on highly vulnerable population groups served by human service organizations, but especially racial, ethnic minorities and other groups disadvantaged by gender, disability, age, etc.; and,
5. through student-directed labs and tutorials, demonstrate at least beginning skill in the use of selected computer software in promoting increased organizational stewardship, accountability, effectiveness, and efficiency in the human service sector (including *MS-Excel*; *Peachtree Complete Accounting for Nonprofits 2006* OR *Peachtree Complete Accounting*; and *MS-Money Premium*).

III. Course Requirements

A. Required Texts

Blazek, Jody. 2000. Financial Planning For Nonprofit Organizations (New York: John Wiley & Sons).

Marmel, Elaine & Diane Koers. 2004. Peachtree For Dummies. 2nd Edition. (New York: John Wiley & Sons).

Tracy, John A. 2004. Accounting For Dummies. 3rd Edition. (New York: John Wiley, Inc.).

B. Recommended Text

Bryce, Herrington J. 1999. Financial & Strategic Management for Nonprofit Organizations: A Comprehensive Reference to Legal, Financial, Management, and Operations Rules and Guidelines for Nonprofits. 3rd Edition. (New York: John Wiley).

C. Required Computer and Software Access

You will need to secure regular access to the following software packages:

1. Either Peachtree Premium Account for Nonprofits 2006 or Peachtree Complete Accounting 2005 or 2006. If you wish, shop e-Bay or other software discounters to identify the lowest price. Let's discuss in class before making a purchase.
2. MS-Money Premium 2006 (not to be confused with either two other "flavors" of this product MS-Money and MS-Money Small Business).

[Note: Copies of *MS-Excel* and *Peachtree Complete Accounting For Nonprofits 2006* have been installed on the two computers located in the second floor Student Lounge of the School of Social Policy & Practice. Both computers are connected to a laser printer, thereby, permitting the printing of your exercises.]

D. Course Assignments and Expectations:

Students are expected to prepare for this class by: 1) completing at least the assigned readings; 2) attending and participating actively in all classes; and 3) completing all lab exercises.

E. Grading Policy:

Class Participation 20%
 Financial Planning Exercises 40%
 MIS Exercises 40%

F. Attendance:

The class meets one time per week. Students are expected to attend and actively participate in all class sessions. Excused absences require the approval of the instructor. Repeated lateness to class and unexcused absences may result in failure of the course.

G. Other Policies:

All written work must be typed double-spaced with one inch margins (top, bottom and sides). Font sizes smaller than 11 CPI are not acceptable. Please do not submit papers in binders or folders of any type; rather, simply staple the paper using a large enough staple in the upper left corner.

All written work must be submitted at the beginning of the class on the date the assignment is due.

Communications Information and Office Hours:

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WWW: <http://caster.sp2.upenn.edu/~restes/praxis.html>

Office Hours (Room C-19 of the Caster Building): Scheduled office hours are posted on my office door.

Course Overview

PART I: FISCAL MANAGEMENT

- Week 1 Introduction to Fiscal Management, Fiscal Management Information Systems and Basic Elements of Budgeting in Human Service Organizations (Lab #1 is to be completed and retained. The data contained in this lab will be needed to complete Labs #2, #3, #4, #10 & #11)
- Week 2 Developing & Managing Budgets: Personnel Costs [Lab #2 Due]
- Week 3 Developing and Managing Budgets: Non-Personnel Costs [Lab #3 Due]
- Week 4 Developing and Managing Budgets: Computing Indirect Costs [Lab #4 Due]
- Week 5 Determining Unit Costs [Lab #5 Due]

PART II: MIS & FISCAL MANAGEMENT

- Week 6 Basic Accounting Principles for Human Service Organizations [Labs #6 Due]
- Week 7 Setting Up the General Ledger System (including the Chart of Accounts) [Lab #7 Due]
- Week 8 Accounts Payable and Purchase Orders [Lab #8 Due]
- Week 9 Accounts Receivable and Invoicing [Lab #9 Due]
- Week 10 Payroll [Lab #10 Due]
- Week 11 Job Costing, Time & Billing [Lab #11 Due]
- Week 12 Inventory [Lab #12 Due]

PART III: SPECIAL TOPICS IN FISCAL MANAGEMENT & MIS

- Week 14 Investing for the Future: Conserving Capital and Promoting Growth [Lab #13 Due—
Investment Outcomes]
- Week 14 Taxes & Human Service Organizations [Lab #14 Due-Form IRS 990]
- Week 15 Individual Consultations [Review of all course materials, including labs]

Detailed Course Syllabus

PART 1 FISCAL MANAGEMENT

[Reading preceded by the “#” sign have been placed on reserve in the Rosengarten Reading Room of the Van Pelt library]

Week 1 Introduction to Fiscal Management (FM) and Management Information Systems (MIS) for Human Service Organizations

Major Concepts Covered in This Unit:

A. Introduction to Fiscal Management and MIS in the Human Services: Major Concepts Covered in this Unit

- Introduction to FM and MIS
- Brief history of FM and MIS in the human services, including the social services
- The relationship between FM and MIS in the human service sector
- Strengths of FM and MIS
- Limitations of FM and MIS
- Ethical dilemmas in FM and MIS

Readings:

*# Blazek, Jody. 2000

Chapter 1. Introductory Concepts

Glossary

Feit & Li. 1998

Introduction, pp. 1-8

Chapter 1. Financial Management in Social Service Agencies, pp. 9-24

Hankin, Jo Ann, Alan G. Seidner, & John T. Zeitlow. 1998. Financial Management for Nonprofit Organizations. (New York: John Wiley & Sons). Review selected chapters

B. Elements of Budgeting for Human Service Organizations: Major Concepts Covered in This Unit:

- Types of budgets
- The budgeting process & scheduling the budget process
- Elements of budgeting
 - o personnel
 - o consultant
 - o travel
 - o office expense
 - o equipment
 - o renovations and construction
 - o indirect costs and cost recovery
- Preparing forecasts
 - o Estimation procedures and rules
- Modifying and updating budgets

- Budgeting Games People Play

Readings:

*# Blazek, Jody. 2000.

Chapter 2. Structuring the Organization for Fiscal Strength

Chapter 3. Financing the Dream

Chapter 4. Budgeting

Feit & Li. 1998

Chapter 2. A Framework for a Financial Management System, pp. 25-38

Chapter 3. The Fiscal Subsystem, pp. 39-52

* Tracy, John A. 2004. Accounting For Dummies, 3rd Edition

Chapter 1. Strolling Through the Field of Accounting

Chapter 2. Getting to the Bottom of the Bottom Line

Chapter 3. Bookkeeping 101: From Shoeboxes to Computers

Tracy, John A. 2002. J.K. Lasser's Financial Basics For Business Managers (read at least the chapters with asterisks)

Chapter 1. Making Profit 101

Chapter 9. Basic Budgeting Methods

Glossary

* University of Pennsylvania, Office of Research Administration, 2006.

Preparing Proposal Budgets. (Includes guidelines for both direct and indirect costs).

Download and save the following document to your hard drive for off-line review:

<http://www.upenn.edu/researchservices/rih/chapter6.html>

LAB #1 DUE, but not submitted. A revised (updated) version of this lab will be needed to complete at least Exercises 2-4, 10 & 11.

Week 2 Developing and Managing Budgets: Personnel Costs

Major Concepts Covered in This Unit:

- Defining an employee: Full- vs. Part-Time vs. Hourly workers
- Consultants & Contractors
- Determining compensation levels
 - o Salary ranges and scales
 - o Merit pay, bonuses (including signing bonuses), commissions and other additions to pay
- Employee benefits
 - o Mandatory (social security; unemployment insurance; disability insurance)
 - o Optional (health insurance; retirement)
- Employee-related tax issues: Federal, State & Local
 - o Employee tax deferred accounts (health, dependent care)

Readings:

Feit & Li. 1998

Chapter 4. The Service Coordination Subsystem, pp. 53-66

Chapter 5. The Program Planning Subsystem, pp. 67-80

Maddox, David. 1999.

Chapter 15. Planning and managing human resources, pp. 209-220

* Tracy, John A. 2004. Accounting For Dummies. 3rd Edition.

Chapter 9. First Things First: Deciding the Legal Structure

Chapter 10. Using Accountants for Managing Profit

Chapter 11. Budgeting Profit and Cash Flow

Chapter 12. Cost Concepts and Conundrums

Appendix A. Glossary: Slashing Through the Accounting Jargon Jungle

LAB DUE: #2: Personnel Budgets (Requires MS-Excel)

Week 3 Developing and Managing Budgets: Non-Personnel Costs

Major Concepts Covered in This Unit:

- Travel (local, national, international)
- Office expense
 - o Identifying categories of recurrent office expense
 - o Planning for the unexpected
 - o Managing Petty cash
- Equipment
 - o Purchase vs. lease
 - o Repairs and maintenance
 - o Replacements and upgrades
 - o Depreciation
- Rent
 - o Determining value of available space
 - o Allocating space costs
- Renovations and construction
 - o Determining needs
 - o Obtaining competitive estimates

Readings:

* Tracy, John A. 2004. Accounting For Dummies. 3rd Edition.

Chapter 5. Making and Reporting Profit

Chapter 6. The Genesis and Reporting of Financial Condition

Chapter 7. Cash Sources and Uses and Reporting Cash Flows

Chapter 8. Getting a Financial Report Ready

LAB DUE: #3—Non-Personnel Budgets (Requires MS-Excel)

Week 4 Developing and Managing Budgets: Computing Indirect Costs

Major Concepts Covered in This Unit:

- Indirect costs defined
- Categories of indirect costs
- Negotiating indirect cost rates with funding sources/purchases
- Resolving conflicts concerning indirect cost recovery

Readings:

Federal policies related to the computation of “Indirect Costs” are discussed extensively in OMB Circular A-21. Although the circular focuses on the computation of indirect costs for academic organizations the content of the discussion also is relevant for indirect cost recovery for human service agencies in general. Hence, review that circular for its relevance to your agency’s situation.

<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

LAB DUE: #4—Computing Indirect Costs (Requires MS-Excel)

Week 5 Determining Unit Costs

Major Concepts Covered in This Unit:

- Determining the best approach to estimating costs
- Defining and counting service use (Step 1)
 - Identifying services
 - Direct services
 - Indirect services
 - Other services (and costs)
- Defining services
- Sources of data
- Estimating per unit costs (Step 2)
 - Types of services
 - residential care
 - community-based care
 - out-patient
 - day hospital
 - crisis care (including use of emergency services)
 - concrete services (housing, food, clothing, etc.)
- Developing a format for summarizing service use and costs (Step 3)
 - Linking service use data with per unit cost estimates
 - Summarizing services
 - Grouping services
- Guidelines for carrying out cost evaluations (Step 4)

Readings:

* Dickey, Barbara et al. “Community Support: Estimating Per Unit Treatment Costs for Mental Health and Substance Abuse Programs.” Available for downloading from the following website:

<http://www.mentalhealth.org/cmhs/CommunitySupport/research/toolkits/pn37toc.asp>

Other examples of unit cost determination available on the web:

Determining Single Room Occupancy (SRO) Rent Subsidy
<http://www.hud.gov/offices/cpd/homeless/library/sro/understandingsro/determining.cfm>

LAB DUE: #5—Determining Unit Costs (Requires MS-Excel)

PART II: ELECTRONIC APPROACHES TO FISCAL MANAGEMENT

Week 6 Accounting Principles for Human Service Organizations

Major Concepts Covered in This Unit:

- Financial stewardship in the human services
- The Accounting System
 - Setting up the general ledger
 - Accounts payable and purchase orders
 - Accounts receivable and Invoicing
 - Payroll
 - Inventory
 - Job Costing
 - Time & Billing
 - Fixed Asset Management
 - Investments

Readings:

*# Blazek, Jody. 2000.

Chapter 5. Asset Management
 Chapter 6. Nonprofit Accounting

* Tracy, John A. 2004. Accounting For Dummies. 3rd Edition.

Chapter 4. Accounting and Your Personal Finances
 Chapter 13. Keeping Score: Choosing and Implementing Accounting Methods
 Chapter 14. How Investors Read a Financial Report
 Chapter 15. Audits, Accounting Fraud, and Audit Failures
 Chapter 16. Ten Profit and Loss Questions
 Chapter 17. Ten Ways Savvy Business Managers Use Accounting
 Chapter 18. Ten Questions Savvy Investors Ask When Reading a Financial Report

Tracy, John A. 2002. J.K. Lasser's Financial Basics

Chapter 12. Controlling Costs
 Chapter 13. Deficits and Surpluses

LAB DUE: #6—Basic Accounting Principles Lab Due (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

Week 7 **Setting Up the General Ledger System & Charts of Accounts**

Major Concepts Covered in This Unit:

- The structure of the General Ledger, including the Chart of Accounts
- Allocating a budget amount for an account
- Entering and posting transactions (General Journal entries)
- Changing accounting periods

Readings:

Feit & Li. 1998

Chapter 7. Computerization of the Financial Management System, pp. 107-128

* Marmel, Elaine and Diane Koers. 2004. Peachtree For Dummies (both read and, using the Peachtree software, apply the readings to your agency/fictitious organization)

Introduction

Chapter 1. Mastering Peachtree Basics

Chapter 2. Setting Up Your Company

Chapter 3. Designing the Chart of Accounts

Chapter 4. Setting Up the Background Information

Tracy, John A. 2002. J.K. Lasser's Financial Basics For Business Managers (read at least the chapters with asterisks)

Chapter 2. Profit and Cash Flow

Chapter 3. Assets for Making Profit

Chapter 4. Capital Strategies

Chapter 5. Interpreting Financial Statements

Two types of labs are due this week:

LAB DUE: #7—General Ledger & Charts of Accounts Lab Due (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

LAB #13a: Preliminary Investment assignment (see assignment sheet for details)

Week 8 **Accounts Payable and Purchase Orders**

Major Concepts Covered in This Unit:

- Creating and updating vendor records
- Entering and modifying purchase orders
- Receiving and updating inventories
- Recording purchase orders
- Making payments for purchase orders
- Tracking and analyzing payments to vendors

Readings:

* Marmel, Elaine and Diane Koers. 2004. Peachtree For Dummies (both read and, using the Peachtree soft-ware, apply the readings to your agency/fictitious organization)

Chapter 5. Buying Goods

Chapter 6. Paying Bills

Tracy, John A. 2002. J.K. Lasser's Financial Basics For Business Managers (read at least the chapters with asterisks)

Chapter 6. Improving Profit--Basics

Chapter 7. Improving Profit--Continued

Chapter 8. Profit Changes and Cash Flow

LAB DUE: #8—Accounts Payable & Purchase Orders (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

Week 9 Accounts Receivable and Invoicing

Major Concepts Covered in This Unit:

- Entering quotes
- Converting quotes to a sales order or sales invoice
- Ship inventory and enter the sales invoice
- Record a receipt for the sales invoice
- Print a receipt
- Deposit tickets
- Analyze collections of payments

Readings:

* Marmel, Elaine and Diane Koers. 2004. Peachtree For Dummies (both read and, using the Peachtree software, apply the readings to your agency/fictitious organization).

Chapter 7. Selling Products and Services

Chapter 8. Collecting the Money

LAB DUE: #9—Accounts Receivable and Invoicing (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

Week 10 Payroll

Major Concepts Covered in This Unit:

- Storing employee payroll information
- Entering paychecks
- Preparing a payroll register report to verify payroll entries
- Analyze employee earnings

Readings:

* Marmel, Elaine and Diane Koers. 2004. Peachtree For Dummies (both read and, using the Peachtree soft-ware, apply the readings to your agency/fictitious organization)

Chapter 9. Paid Employees are Happy Employees

Chapter 10. Billing Your Time

LAB DUE: #10—Payroll (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

Week 11 Job Costing, Time & Billing

Major Concepts Covered in This Unit:

- Defining a “job”
- Assigning job phases and cost codes
 - o Use job costing with purchases
 - o Use job costing with payroll
 - o Use job costing with sales
 - o Use job costing reports
- Conceptualizing and defining a daily time ticket
- Using weekly time sheets
- Creating billable and non-billable expense tickets
 - o apply time tickets to employee paychecks
 - o apply time and expense tickets to customer invoices

Readings:

* Marmel, Elaine and Diane Koers. 2004. Peachtree For Dummies (both read and, using the Peachtree soft-ware, apply the readings to your agency/fictitious organization)

Chapter 11. Counting Your Stuff

Chapter 12. Tracking Project Costs

LAB DUE: #11—Job Costing, Timing & Billing (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

Week 12 Inventory

Major Concepts Covered in This Unit:

- Setting up an inventory system
- Reflecting purchases in the inventory system
- Reflecting sales in the inventory system
- Setting up a master stock item and substock item inventory system

Much of this content will be covered through an examination of completed IRS Form 990s filed by selected human service organizations. Please begin work on your own Form 990, including the inventory section.

LAB DUE: #12—Inventory (Requires *Peachtree Complete Accounting for Nonprofits 2006* or *Peachtree Complete Accounting*)

**SPECIAL TOPICS IN FISCAL MANAGEMENT AND
MANAGEMENT INFORMATION SYSTEMS**

Week 13 Investing for the Future: Conserving Capital and Promoting Growth

Major Concepts Covered in This Unit:

- Prudent investment planning
- Decision rules for NPOs in investing
 - o the investment pyramid
 - o types of investments based on risk level
 1. most conservative
 2. less conservative, with a bit more risk
 3. most risky
- The role of Board Members in determining investment strategies
- Investment advisories and other services

Readings:

* Tracy, John A. 2004. Accounting For Dummies. 3rd Edition.
Chapter 14. How Investors Read a Financial Report
Chapter 17. Ten Questions Investors Should Ask When Reading a Financial Report

Tracy, John A. 2002. J.K. Lasser's Financial Basics
Chapter 10. Determining Investment Returns
Chapter 11. Discounting Investment Returns

LAB DUE: #13--Investing (Requires Use of *MS- Money Premium 2005* or *MS-Money Premium 2006*)

Week 14 Taxes & Human Service Organizations

Major Concepts Covered in This Unit:

- Applying for and obtaining 501(c)3 status: The Federal 1023 Form
- Accounting requirements of tax-exempt human service organizations
- Public disclosure and the 990
 - o Tax filing requirements of tax-exempt human service organizations
 - o the 990 (for most service agencies), including the 990-A & 990-T
 - o The 990-PF (for foundations)

Readings:

*# Blazek, Jody. 2000.
Chapter 8. Obtaining & Maintaining Tax Exempt Status

Blazek, Jody. 2004. IRS Form 990: Tax Preparation Guide For Nonprofits. (New York: John Wiley & Sons).

Hopkins, Bruce. 2000. A Legal Guide to Starting and Managing a Nonprofit Organization. 2nd Edition. (New York: Wiley & Sons).

Internal Revenue Service (IRS). Visit the IRS website and download a copy of the basic tax return required of all tax-exempt organizations with annual incomes of \$25,000 or more. Review the guidelines provided by the IRS for the completion of this return.

LAB DUE: #14—Taxes--(Requires Use of Guidestar to obtain a blank copy of IRS-Form 990 as well as to review copies of representative Form 990s filed by nearly 250,000 not-for-profit organizations with the U.S. Internal Revenue Service).

Week 15 Individual Consultations

Weekly Labs & Other Exercises

LAB #	INSTRUCTIONS FOR COMPLETING WEEKLY LABS	WEEK DUE
#1	<p><u>Budget Overview Exercise</u> (Requires MS-Excel):</p> <ol style="list-style-type: none"> 1. Download and print the following article (and 10 accompanying spreadsheets) concerning the Underworld Symphony and its associated budgets. Bring a hard copy of these budgets with you to class and store an electronic version on your computer. http://www.nea.gov/resources/Lessons/EVANS.HTML 2. Using MS-Excel and the Underworld Symphony budgets as an example (or as the example if necessary), create a summary budget of your agency for the past fiscal year. The budget should include at least each of the following expense categories: <ol style="list-style-type: none"> A. Direct Expenses <ul style="list-style-type: none"> • Personnel (distinguish between full- and part-time employees, hourly workers, etc.) • Employee Benefits • Consultant Costs (including fees, travel, per diem, etc.) • Travel (including local, national and international) • Office Expenses (both special and recurrent) • Equipment (both purchased and leased) • Repairs and maintenance • Rental or mortgage expenses • Remodeling/Construction costs (if appropriate) • Other expenses B. Indirect Expenses (including fund raising, board meetings, training, etc.) C. Total (Direct + Indirect) 3. Details concerning what may be included or excluded in budgets submitted as part of federal (and most state) funding sources may be downloaded from the following web-site: http://www.whitehouse.gov/omb/circulars/a021/a021.html 	0 For experience only. Not to be turned in, albeit thoughtful completion of this lab will facilitate completion of Labs # 2-4
#2	<p><u>Personnel Budget Lab</u> (Requires MS-Excel):</p> <ol style="list-style-type: none"> 1. Using either your own agency's budget(s) or those of the Underworld Symphony (DT3) as your frame of reference, construct a detailed Personnel budget for your organization. 2. At a minimum the Personnel budget must reflect the following elements: <ol style="list-style-type: none"> a. all persons employed by or receiving income from the organization (full- and part-time workers, hourly workers, consultants, contractors) b. their title c. their base salary (assuming 100% compensation) d. the percentage of time they are actually employed e. the cost extension to the organization based on actual employment f. as possible, disaggregate these features by the department, unit and/or func- 	2

LAB #	INSTRUCTIONS FOR COMPLETING WEEKLY LABS	WEEK DUE
	<p>tion with which these persons are associated</p> <p>g. if appropriate, bonuses and other merit increases related to performance</p> <p>3. the budget must include Employee Benefits for each class of Personnel (the benefits rates should differ for full- and part-time workers and for hourly workers)</p>	
#3	<p><u>Non-Personnel Budget Lab</u> (Requires MS-Excel)</p> <p>1. Using either your own agency budget(s) or those of the Underworld Symphony (DT2) as your frame of reference, construct a detailed Non-Personnel budget for your organization.</p> <p>2. At a minimum the Non-Personnel budget must reflect the following elements:</p> <ul style="list-style-type: none"> a. travel expenses b. office expenses (including supplies) c. equipment purchases and rentals d. space purchase and rentals e. remodeling and construction costs f. depreciation g. other identifiable recurrent expenses h. as possible, disaggregate these expenses by department, unit and/or function with which associated with each category of expense 	3
#4	<p><u>Indirect Costs Lab</u> (Requires MS-Excel):</p> <p>1. Using your own agency as your frame of reference, identify the major categories of expense that cannot be billed as direct expenses to your funding source(s). In many cases, such expenses include (but are not limited to):</p> <ul style="list-style-type: none"> a. administrative costs that cannot be charged as direct expenses b. fundraising cost c. board expenses d. volunteer expenses e. staff training f. general information systems g. general computer and software improvements h. utilities i. library and publication costs j. general remodeling and similar costs <p>2. Estimate the dollar value of these indirect activities. To do so, it may be necessary for you to meet with the agency's business manager to discuss the agency's approach/rules for recovering indirect cost expenses.</p> <p>3. Calculate a formula for applying indirect costs to each of your agencies major programs or activities—generally this is a flat percentage that is applied to direct budgets.</p> <p>4. Add this percentage (and dollars) to your direct cost budget for a true estimate of the costs of delivering your agency programs and services.</p>	4

LAB #	INSTRUCTIONS FOR COMPLETING WEEKLY LABS	WEEK DUE
#5	<p><u>Determining Unit Costs Lab</u> (Requires MS-Excel)</p> <ol style="list-style-type: none"> 1. Download and print all six parts of the Barbara Dickey article identified above (about 40 pages), or at least save to a disk: <ul style="list-style-type: none"> * Dickey, Barbara et al. "Community Support: Estimating Per Unit Treatment Costs for Mental Health and Substance Abuse Programs." Available for downloading from the following website: http://www.mentalhealth.org/cmhs/CommunitySupport/research/toolkits/pn37toc.asp 2. Using your own agency as the frame of reference, determine unit costs for <u>one department or other type of administrative unit</u> of the agency using Steps 1-4 outlined in the Dickey monograph. 3. Keep careful track of the both the conceptual and methodological problems you encounter in applying these techniques to the service unit or department within your agency. 	5
#6	<p>The lab is divided into four parts this week. As with all labs involving Peachtree Complete Accounting, please turn in the final page of each lab you complete—it is not necessary for me to have all of your working pages; rather just evidence that you actually completed the lab and understand the basic principles associated with the lab. Further, and whenever possible, after learning a particular software module apply that learning to fiscal issues pertaining to your particular agency or organizational setting.</p> <ol style="list-style-type: none"> A. Take the "Guided Tour" of either <u>Peachtree (PT) Complete Accounting for Nonprofits, 2006</u> or <u>Peachtree Complete Accounting</u> B. Visit the PT "Welcome" page of the tutorial to familiarize yourself with what is to come with respect to Lessons/Lab assignments C. Complete PT "Hands On" Lesson #1: "Getting to Know Peachtree Accounting" D. Complete PT "Hands On" Lesson #2: Basic Procedures 	6
#7	<p>Two different types of Labs are due this week:</p> <ol style="list-style-type: none"> A. <u>PT Lesson #3</u>: Complete PT "Hands On" Lesson #3: General Ledger. (Note: in completing this lab carefully review the Chart[s] of Account and select the most relevant Chart of Account for the way in which the fiscal system of your organization is organized---you have many dozen nonprofit styles from which to choose). B. <u>Initial Investment Exercise</u>—(Lab #13a) [Requires MS-Money, 2005 or 2006]: The purpose of this exercise is to familiarize you with the investment world and the tools 	7

LAB #	INSTRUCTIONS FOR COMPLETING WEEKLY LABS	WEEK DUE
	<p>available for not-for-profits in investing and managing their endowments and other “surplus” resources. The goal of this exercise is two-fold: 1) for you to protect your investment; and 2) for you for grow your investment at an acceptable rate such that the income from the investments can be used to support the organization’s basic charitable mission.</p> <p>You may use either version of <i>MS-Money Premium</i> to carry out the exercise.</p> <ul style="list-style-type: none"> • I am providing each of you with an initial sum of \$1,000,000 for you to invest on behalf of your agency or other not-for-profit organization. You will need to invest this money with two goals: a) conservation of the original principal; and b) the attainment of a reasonable level of growth. • Use MS-Money to explore the range of financial instruments available to you for investing these funds (e.g., savings accounts, certificates of deposit, treasury and other government bonds, equities (stocks), mutual funds, bonds, etc.). • Decide on an appropriate “mix” of financial instruments to use in dividing up your capital in order to achieve the two goals of this exercise. • Use the on-line investment tools available through MS-Money to identify alternative companies and other investment opportunities available for each of the categories identified above (e.g., there are thousands of individual stocks, mutual funds, and bond funds in which you could invest all or part of your funds). • Select what you regard to be the strongest portfolio for investing your organization’s funds. • Using an Excel spread sheet, apply your investment to the various categories/types of investments you have selected. • At least weekly, monitor the performance of your investment decisions over the remainder of the semester. As possible, and using MS-Money, convert these performances in lines, bars, charts, graphs, balance sheets or other types of data presentation formats to make tracking their changes over time more easily understood. • In class #13 we will compare the outcome of your investment decisions with those of other students to determine the extent to which you have achieved your investment goals and if other types of investment decisions would have brought you closer to your financial goals. 	
#8	<p>Complete PT “Hands On” Lessons: #4: <u>Accounts Payable</u></p> <p>Apply the lessons learned from this module to your specific agency or organization and provide me with a copy of the LAST page of your exercise. Do not turn in all of the pages resulting from the exercise which could be quite voluminous.</p>	8
#9	<p>Complete PT “Hands On” Lessons: #5: <u>Accounts Receivable</u></p>	9

LAB #	INSTRUCTIONS FOR COMPLETING WEEKLY LABS	WEEK DUE
	Apply the lessons learned from this module to your specific agency or organization and provide me with a copy of the LAST page of your exercise. Do not turn in all of the pages resulting from the exercise which could be quite voluminous.	
#10	Complete PT “Hands On” Lesson #6: <u>Payroll</u> Apply the lessons learned from this module to your specific agency or organization and provide me with a copy of the LAST page of your exercise. Do not turn in all of the pages resulting from the exercise which could be quite voluminous.	10
#11	Complete PT “Hands On” Lesson #7: <u>Job Costing, Timing and Billing</u> #8: Job Costing #10: Time and Billing Apply the lessons learned from this module to your specific agency or organization and provide me with a copy of the LAST page of your exercise. Do not turn in all of the pages resulting from the exercise which could be quite voluminous.	11
#12	Complete PT “Hands On” Lesson #7: <u>Inventory</u> Apply the lessons learned from this module to your specific agency or organization and provide me with a copy of the LAST page of your exercise. Do not turn in all of the pages resulting from the exercise which could be quite voluminous.	12
#13	Lab #13: <u>Final Investment Lab:</u> Using MS-Money, report the outcome of your investment exercise, i.e., the earnings/losses that accrue from the \$1 million in funds allocated to you for investment in Week #7 (Lab labeled 13a). The earnings should be reported using trends lines, charts, graphs, etc. in addition to indicating changes in actual cash value for each type of investment made.	13
#14	Lab #14: <u>Tax Lab:</u> Submit a completed IRS Form 990 for your organization. As necessary, use examples available for 990’s uploaded on the Guidestar website to guide you in preparing this tax return. [Note: this may take many hours to complete, so please permit sufficient time to go a thoughtful job.]	14
#0	Individual Consultations This time has been set aside to review all of your course materials and, as possible, to help you focus on your specific career interests vis-à-vis fiscal management and the human services.	15

ON-LINE TUTORIALS FOR MS-OFFICE PRODUCTS (EXCEL, ACCESS, AND POWERPOINT)

MS-Office XP has many tutorials built into the software. If you find that you need more help than is available in the software consult one of the following resources for step-by-step help in getting you started. Other tutorials for these popular programs also easily can be identified on the web.

Microsoft's tutorial for all Office-XP (requires the downloading of particular modules)

<http://www.microsoft.com/Education/OfficeXPTutorial.aspx>

Interactive Tutorials Offered By Florida Gulf Coast University

The following website of Florida Gulf Coast University (FGCU) offers free access to on-line tutorials for MS-Office products. Please use these tutorials to develop at least beginning skill in those packages for which you need training.

[Microsoft Excel 2000 Tutorial – Menu](#)

<http://www.fgcu.edu/support/office2000/excel/>

A very detailed and step-by-step tutorial for learners at the intermediate level.

[Access 2000 Tutorial](#)

<http://www.fgcu.edu/support/office2000/access/>

Florida Gulf Coast University takes you step-by-step through the basics of building a database in Access 2000. They intersperse screen shots and definitions throughout their practical instruction.

[MS PowerPoint 2000: The Basics](#)

<http://www.fgcu.edu/support/office2000/ppt/>

This is a great basics tutorial that guides you step-by-step, using textual instructions and screen shots, in the creation of a PowerPoint presentation.

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- Chapter 2. Profit and Cash Flow
- Chapter 3. Assets for Making Profit
- Chapter 4. Capital Strategies
- Chapter 5. Interpreting Financial Statements
- Chapter 6. Improving Profit--Basics
- Chapter 7. Improving Profit--Continued
- Chapter 8. Profit Changes and Cash Flow
- Chapter 9. Basic Budgeting Methods
- Chapter 10. Determining Investment Returns
- Chapter 11. Discounting Investment Returns
- Chapter 12. Controlling Costs

Chapter 13. Deficits and Surpluses
Glossary

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Chapter 3. Budget Cycle, pp. 27-58

Chapter 4. Components of a Budget, pp. 59-70

Chapter 5. Operating Budget, pp. 71-106

Chapter 6. Capital Budgets, pp. 107-120

Chapter 7. Cash Budgets, pp. 121-128

Chapter 9. Monitoring budget results, pp. 145-152

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Chapter 16. Reallocation systems (zero-based budgeting & activity-based budgeting), pp. 221-232

Chapter 17. Responsibility center management and budgeting, pp. 233-242

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- Chapter 2: Setting Up Your Company.
- Chapter 3: Designing the Chart of Accounts.
- Chapter 4: Setting Up the Background Information.

Part II: The Daily Drudge.

- Chapter 5: Buying Goods.
- Chapter 6: Paying Bills.
- Chapter 7: Selling Products and Services.
- Chapter 8: Collecting the Money.
- Chapter 9: Paid Employees Are Happy Employees.
- Chapter 10: Billing for Your Time.
- Chapter 11: Counting Your Stuff.
- Chapter 12: Tracking Project Costs.

Part III: The Fancy Stuff.

- Chapter 13: Working with Forms.
- Chapter 14: Making Reports Work for You.
- Chapter 15: Reviewing the Financial Picture.
- Chapter 16: When the Bank Statement Arrives.
- Chapter 17: When Accounting Cycles End . . . and Other Miscellaneous Stuff.
- Chapter 18: Keeping Your House Safe.
- Chapter 19: Real-Life Ways to Use Peachtree.

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Part 2: Figuring Out Financial Statements

- Chapter 5. Making and Reporting Profit
- Chapter 6. The Genesis and Reporting of Financial Condition
- Chapter 7. Cash Sources and Uses and Reporting Cash Flows
- Chapter 8. Getting a Financial Report Ready

Part 3: Accounting in Managing a Business

- Chapter 9. First Things First: Deciding the Legal Structure
- Chapter 10. Using Accountants for Managing Profit
- Chapter 11. Budgeting Profit and Cash Flow
- Chapter 12. Cost Concepts and Conundrums

Part 4: Financial Reports in the Public Domain

- Chapter 13. Keeping Score: Choosing and Implementing Accounting Methods
- Chapter 14. How Investors Read a Financial Report
- Chapter 15. Audits, Accounting Fraud, and Audit Failures

Part 5: The Part of Tens

- Chapter 16. Ten Profit and Loss Questions
- Chapter 17. Ten Ways Savvy Business Managers Use Accounting
- Chapter 18. Ten Questions Savvy Investors Ask When Reading a Financial Report
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