



## Environmental Policy U8201—Financial Management Syllabus

Call # 99779, Section 001, Spring 2015

*Martha E. Stark, Adjunct Professor*

### The 411:

- **Class Time:** Mondays—6:10 pm - 8:00 pm, except:  
≠ March 16, 2014 Spring Break
- **Class Location:** 403 International Affairs Building
- **Professor:** Martha E. Stark— [ms4476@columbia.edu](mailto:ms4476@columbia.edu); or [marthaestark@gmail.com](mailto:marthaestark@gmail.com)
- **Reaching Stark:** (917) 361-5742 (cell)
- **Seeing Stark:** Mondays before class and most other times that are convenient for you.
- **Graduate Teaching Assistant:** Fernando Posadas Paz— [fp2292@columbia.edu](mailto:fp2292@columbia.edu)
- **Recitation/Computer Recitation Times:** Tuesday 9:10-11:00; or Wednesday 2:10-4:00
- **Recitation Location:** 510A International Affairs Building

### Course Description:

This course provides an introduction to budgeting and financial control as a means of influencing the behavior of public organizations. Concepts include the budget process and taxation, intergovernmental revenues, municipal finance, bonds, control of expenditures, purchasing, debt management, productivity enhancement, and nonprofit finance. Students learn about the fiscal problems that managers typically face, and how they seek to address them. Students also gain experience in conducting financial analysis and facility with spreadsheet programs.

Some case materials will focus on government agencies and nonprofits that work in the area of sustainability. Each student will be required to pick a government at the federal, state or local level in the United States (just because financial statements and budget documents are more accessible in the U.S.) to track during the course of the semester. In addition, students will access information about a nonprofit organization from Guidestar and the nonprofit organization's website. The spring semester is a great time to study financial management since New York State's and New York City's budgets are negotiated during this time.

A computer recitation section is an essential aspect of the course, as it teaches students to use spreadsheet software to perform practical exercises regarding budgeting and financial management.

### Additional Course Description:

A budget is not just the tables and math that demonstrate the cost of a program, but, more importantly, it is the communication with decision makers. To be effective public and nonprofit sector leaders, you must understand and be able to read and analyze a budget and other financial documents. At the end of this class, you will no longer be intimidated by government or nonprofit budget and financial documents. You will be able to tell a story by looking at budget and financial documents and will be able to create your own budget story for the organizations where you currently, or will, work and lead.

As is true with budgets where regular modifications and updates are expected; this syllabus will likely change throughout the semester based on circumstances.



### Learning Goals:

Students will be able to:

- ✓ Explain why budgeting is central to decision-making and will know how to participate in the process.
- ✓ Use a variety of budget and accounting terms.
- ✓ Read a budget document and all of the different kinds of documents included within a budget.
- ✓ Apply specific analysis skills to budgetary problems including:
  - Converting nominal dollars to real dollars,
  - Estimating costs for a program including personnel costs,
  - Applying ratio analyses,
  - Conducting a variance analysis.
- ✓ Use a spreadsheet as a tool for developing a budget.
- ✓ Prepare a budget proposal for an individual initiative.
- ✓ Understand the role of budgeting in managing public and nonprofit organizations.
- ✓ Understand the political nature of budgetary decisions.
- ✓ Interpret some elements of financial statements, including a government's Comprehensive Annual Financial Report.

### Outcomes—How Students Will Be Transformed By Taking This Course:

- ✓ 90% of students will walk through the rest of life unafraid of budget and financial documents.
- ✓ 90% of students will appreciate the power of excel and will be undaunted by spreadsheets.
- ✓ 90% of students complete the course evaluation and of those completing the evaluation 90% rank the course overall in the 90<sup>th</sup> percentile.
- ✓ 90% of students will understand the differences and similarities between their personal budgets, government budgets, and nonprofit budgets.

### Required:

- Finkler, Steven A., Calabrese, Purtell, and Smith, *Financial Management for Public, Health, and Not-for-Profit Organizations*, 4<sup>th</sup> Edition, Upper Saddle River, New Jersey, Pearson Education, Inc., 2012, ISBN-10: 0132805669; ISBN-13: 9780132805667.  
Electronic version of book available for rent at: Financial Management for Public, Health, and Not-for-Profit Organizations, CourseSmart eTextbook, 4/E, Finkler, Calabrese, Purtell & Smith ©2014|Prentice Hall|Electronic Book; 672 pp|Available ISBN-10: 0132805707| ISBN-13: 9780132805704. (Hereinafter referred to as *Financial Management or Finkler*)
- Chen, Greg G., Weikart, Lynne A., Williams, Daniel W., *Budget Tools: Financial Methods in the Public Sector*, 2<sup>nd</sup> Edition, Washington, DC, CQ Press, an Imprint of SAGE, 2015, ISBN-978-1-4833-0770-1. (Hereinafter referred to as *Budget Tools*)
- Not being content to be confused!
- A sense of humor (I mean we'll be talking about numbers after all)!

### Very Interesting and Useful, but not required:

- Forsythe, Dall W., and Boyd, Donald J., *Memos to the Governor: An Introduction to State Budgeting*, 3<sup>rd</sup> Edition, Washington, Georgetown University Press, 2012, ISBN-10: 1589019245.
- Rubin, Irene S., *The Politics of Public Budgeting*, 6<sup>th</sup> Edition. Washington, CQ Press, 2010.
- Bland, Robert L., *Budgeting: A Budgeting Guide for Local Government*, 3<sup>rd</sup> Edition, Washington, ICMA Press, 2013, ISBN-10: 0873267672.



Syllabus, Session-by-Session:

Session #	Day, Date	Topic	Assignment(s) Due Before Class by email, <i>unless otherwise noted</i>
1	Monday January 26, 2015	<i>Class Canceled Due to Blizzard</i>	
	Tuesday/Wednesday January 27/ January 28, 2015	<i>No Recitation Attendance Required</i> <i>Read Budget Tools Appendix B, pages 271-322</i>	
2	Monday February 2, 2015	<i>Introductions, Syllabus Review, The Craft of Budgeting Part I— Introduction to Financial Management and Budgeting Overview</i>	<ol style="list-style-type: none"> <li>1. <u>Read Financial Management</u>, Chapter 1: Introduction to Financial Management</li> <li>2. <u>Read Budget Tools</u> Part 1: Introduction— Module 1: The Craft of Budgeting</li> <li>3. <u>Read Budget Tools</u> Module 10: The Budget Process: An Overview</li> <li>4. <u>Read</u> Case Study—<i>The Theater Budget</i>, posted on CourseWorks</li> </ol>
	Tuesday/Wednesday February 3/ February 4, 2015	<i>Recitation—Getting Familiar (or More Familiar) and Playing with Excel</i> <i>Complete: Microsoft—Get to Know Excel 2010 (on Courseworks)</i> <i>Complete: Budget Tools, Appendix B, Questions 2-3, 5-12, 13-22</i>	
3	Monday February 9, 2015	<i>Part II--Planning. Planning for Success: Budgeting and The Budget Document</i>	<ol style="list-style-type: none"> <li>1. <u>Read Financial Management</u>, Chapter 2: Planning for Success: Budgeting</li> <li>2. <u>Read Budget Tools</u>, Module 11: The Budget Document</li> <li>3. <u>Choose any</u> U.S. City or State and <u>find and skim/review</u> a copy of the city's or state's budget.</li> <li>4. <u>Come to Class Prepared to Answer the Following Questions:</u> <ol style="list-style-type: none"> <li>a. What is the jurisdiction's fiscal year?</li> <li>b. How much is the total budget? How much revenue? What are the expenses?</li> <li>c. What are the top three sources of revenue?</li> <li>d. What are the top three expenses?</li> <li>e. Is the budget useful, informative, and accessible?</li> </ol> </li> </ol>
	Tuesday/Wednesday February 10/ February 11, 2015	<i>Recitation—More Excel Tools</i> <i>Complete: Finkler Problems 2-17, 2-20, 2-21, 2-22, and 2-23</i> <i>Complete: Budget Tools Appendix B, Problem Set 1 and 2</i>	



Syllabus, Session-by-Session:

Session #	Day, Date	Topic	Assignment(s) Due Before Class by email, <i>unless otherwise noted</i>
4	Monday February 16, 2015	<i>Part II--Planning. Additional Budgeting Concepts; Organizing Data</i>	1. <u>Read Financial Management</u> , Chapter 3: Additional Budgeting Concepts—Line, Program, Functional, Techniques. 2. <u>Read Budget Tools</u> , Module 2: Organizing Budget Data
	Tuesday/Wednesday February 17/ February 18, 2015	<i>Recitation: Additional Concepts and Organizing Data Complete: Budget Tools, Module 2 Exercises Complete: Finkler Problems 3-23 through 3-28</i>	
5	Monday February 23, 2015	<i>Part II--Planning. Understanding Costs</i>	1. <u>Read Financial Management</u> , Chapter 4: Understanding Costs 2. <u>Read Budget Tools</u> , Module 3: Fixed and Variable Costs; and Module 5: Cost Allocation
	Tuesday/Wednesday February 24/ February 25, 2015	<i>Recitation: Costs, Costs, and More Costs Complete: Budget Tools Exercises, 3.2, 3.3, and 5.1 through 5.6</i>	
6	Monday March 2, 2015	<i>Part II--Planning. Breakeven Analysis</i>	1. <u>Read Financial Management</u> , Chapter 4: Breakeven Analysis 2. <u>Read Budget Tools</u> , Module 4: Breakeven Analysis
	Tuesday/Wednesday March 3/ March 4, 2015	<i>Recitation: Your City vs. NYC Comparison Assignment Complete: Finkler Problems, 4-23, 4-33, 4-34, 4-41, and 4-45 Complete: Budget Tools Exercises, 4.1 through 4.4</i>	
7	Monday March 9, 2015	<i>Part II--Planning. Capital Budgeting</i>	1. <u>Read Financial Management</u> , Chapter 5: Capital Budgeting. 2. <u>Read</u> New York City Independent Budget Office's, Understanding the Capital Budget, posted on CourseWorks 3. <u>Read Budget Tools</u> , Module 6: Time Value of Money; and Module 7: Inflation
	Tuesday/Wednesday March 10/ March 11, 2015	<i>Recitation: In Debt We Trust Complete: Finkler Problems, 5-27 through 5-29 Complete: Budget Tools Exercises 6.1, 6.2, 6.4, 6.5, 7.2, 7.3</i>	
	Monday March 16, 2015	<b>NO Class—SPRING BREAK</b>	
	Tuesday/Wednesday March 17/ March 18, 2015	<b>NO Recitation—SPRING BREAK</b>	



Syllabus, Session-by-Session:

Session #	Day, Date	Topic	Assignment(s) Due Before Class by email, <i>unless otherwise noted</i>
8	Monday March 23, 2015	<i>Part II—Planning. More Cost Benefit Analysis, Long- Term Financing, Capitalization and Depreciation</i>	<ol style="list-style-type: none"> <li>1. <u>Read Budget Tools</u>, Module 17: Cost Benefit Analysis</li> <li>2. <u>Read Financial Management</u>, Chapter 6: Long Term Financing.</li> <li>3. <u>Read Budget Tools</u>, Module 19: Capitalization and Depreciation; and Module 20: Long-Term Financing.</li> </ol>
	Tuesday/Wednesday March 24/ March 25, 2015	<i>Recitation: Midterm Work</i>	
	Sunday March 29, 2015	<i>Midterm Due on, or before, March 29<sup>th</sup> at 11:59 p.m.</i>	
9	Monday March 30, 2015	<i>Part III— Implementation and Controlling Results. Managing Short- Term Resources and Obligations, Forecasting and Investment Strategies</i>	<ol style="list-style-type: none"> <li>1. <u>Read Financial Management</u>, Chapter 7: Managing Short Term Resources and Obligations.</li> <li>2. <u>Read Budget Tools</u>, Module 24: Forecasting and Managing Cash Flow; and Module 21: Investment Strategies.</li> </ol>
	Tuesday/Wednesday March 31/ April 1, 2015	<i>Recitation: Till Debt Do Us Part, Redux Complete: Finkler Problems 6-13, 7-29, 7-31 Complete: Budget Tools: Exercises 17.2, 17.3, 19.2, 19.4, 20.2</i>	
10	Monday April 6, 2015	<i>Part III— Implementation and Controlling Results. Accountability and Control and Multiyear Plans and Analyses</i>	<ol style="list-style-type: none"> <li>1. <u>Read Financial Management</u>, Chapter 8: Accountability and Control.</li> <li>2. <u>Read Budget Tools</u>, Module 22: Operating Plan and Variance Analysis; and Module 23: Cash Management and Internal Controls.</li> </ol>
	Tuesday/Wednesday April 7/ April 8, 2015	<i>Recitation: To Invest or Not to Invest; and What Varies? Complete: Finkler Problems 8-26, 8-27 Complete: Budget Tools Exercises 22.2 through 22.6</i>	
11	Monday April 13, 2015	<i>Part IV—Reporting Results. Taking Stock of Where You Are: The Balance Sheet</i>	<ol style="list-style-type: none"> <li>1. <u>Read Financial Management</u>, Chapter 10: Taking Stock of Where You Are: The Balance Sheet.</li> <li>2. <u>Read Budget Tools</u>, Module 25: Government and Nonprofit Accounting.</li> </ol>



Syllabus, Session-by-Session:

Session #	Day, Date	Topic	Assignment(s) Due Before Class by email, <i>unless otherwise noted</i>
	Tuesday/Wednesday April 14/ April 15, 2015		<b>Recitation: Taking Stock</b> <b>Complete: Finkler Problems 10-24, 10-25</b>
12	Monday April 20, 2015	<b>Part IV—Reporting Results. Reporting the Results of Operations: The Activity and Cash Flow Statements</b>	1. <b>Read <i>Financial Management</i></b> , Chapter 11: Reporting the Results of Operations: The Activity and Cash Flow Statements. 2. <b>Skim <i>Financial Management</i></b> , Chapters 12, 13, and 14.
	Tuesday/Wednesday April 21/ April 22, 2015		<b>Recitation: Reporting</b> <b>Complete: Finkler Problems 11-15, 11-16</b>
13	Monday April 27, 2015	<b>Part V—Financial Analysis. Financial Statements</b>	1. <b>Read <i>Financial Management</i></b> , Chapter 15: Financial Statement Analysis. 2. <b>Read <i>Budget Tools</i></b> , Module 26: Financial Statement Analysis
	Tuesday/Wednesday April 28/ April 29, 2015		<b>Final Recitation: Analyze Till You Drop</b> <b>Complete: Finkler Problems 16-10, 16-11, 16-12</b> <b>Complete: Budget Tools Exercises 26.1, 26.2, 26.3</b>
14	Monday May 4, 2015	<b>Part V—Financial Analysis. Financial Condition and Part IV—Reporting Results. Unique Aspects of Accounting for Not for Profit, Health Care and Government Organizations</b>	1. <b>Read <i>Financial Management</i></b> , Chapter 16. 2. <b>Discussion <i>Your Nonprofit's Financials</i></b>
	Monday May 11, 2015		<b>Final Exam Due on, or before, May 11<sup>th</sup> at 11:59 p.m.</b>

**Assignments and Grading:**

- ✓ **Recitation Assignments:** There will be almost weekly recitation assignments worth **40%** of your grade. The assignments will require you to use and master excel and to familiarize yourself with the concepts that we have discussed in class.



- ✓ **Government Budget:** You will be following the government budget process for New York City, New York State and another city or state that you choose. In addition to beginning each class with comments about any budget articles that you read or have questions about, there will be an assignment wherein you will be required to provide information about what's going on in the city or state you selected; and where you compare the budget of that city or state to New York City's and New York State's budgets. This government budget assignment will be worth 5% of your grade and the assignment may be included as part of the Midterm Exam.
- ✓ **Nonprofit Organization Tracking:** You will be analyzing the financial statements of a nonprofit organization that you choose towards the end of the semester. You should select the organization by researching the organization's website and seeing what, if any, information is available about the organization on [www.guidestar.org](http://www.guidestar.org). I will be enrolling you on the guidestar website so that you have premium access to Guidestar's resources about your nonprofit organization. This assignment wherein you analyze the financial statements of the organization you choose will be included as part of the Final Exam.
- ✓ **Midterm Exam:** The midterm exam is worth 20% of your grade.
- ✓ **Final Exam:** The final exam is worth 30% of your grade.
- ✓ **Class Participation:** Substantive and constructive class participation and questions are encouraged. In fact, it is absolutely essential and so much better than listening to me. Five (5) points will be added to the grade of those students who actively participate in class.
- ✓ **Late Assignments and Exams:** I understand how busy you are as you finish up your degree and embark on the employment search process. I'm incredibly reasonable and even am willing to reassess due dates and the number of assignments throughout the semester. If an assignment is late, you will be penalized 2 points per day. No assignment will be accepted more than 15 days after the due date.
- ✓ **Absences:** If you are absent more than once, two (2) points will be deducted from your overall numerical grade score for each absence up to a maximum of 10 points. *(For example, if your overall numerical grade at the end of the course is a 90, your grade will be reduced by 2 points to an 88 if you are absent twice; by 4 points to an 86 if you are absent three times; and so on.)*

### Academic Integrity:

Columbia University has an academic integrity and honesty policy. Cheating and plagiarism are serious offenses that undermine your intellectual growth. In part because of the web, plagiarism is easier to detect. Plagiarism is the act of presenting another person's ideas, research or writing as your own. This includes: copying another person's actual words without the use of quotation marks and footnotes; presenting another person's ideas in your own words without acknowledging the source, and failure to acknowledge people who helped you prepare course assignments. Please demonstrate the highest level of academic integrity in all of your course work.

For further information, please review the academic integrity statement and a description of dishonesty in academic work at the following links: <http://www.college.columbia.edu/academics/integrity/statement>  
<http://www.college.columbia.edu/academics/integrity/dishonesty>