MILANO THE NEW SCHOOL FOR MANAGEMENT AND URBAN POLICY

FINANCIAL MANAGEMENT IN NON-PROFIT ORGANIZATIONS: Course Objectives and Overview MEFI 6070, CRN 3790

Fall 2010

Tuesdays, 6:00 - 7:50 PM

Professors
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COURSE OBJECTIVES AND DESCRIPTION

The primary objective of this course is to enhance the students' understanding of financial management principles - particularly as they relate to decision-making in not-for-profit organizations. We will review both common and unique analysis tools and techniques, as they are applied to this distinct business environment.

The elements of financial management will be studied from the perspective of "starting up" a new charter school. Students will simulate the roles of the key players (overseers, board members, school leadership, teachers and parents) in creating a charter school, from inception to the "hands on" development of a sound financial infrastructure for an entity that operates under New York State law as a non-profit organization. The course will focus on real life situations and the development of financial plans that reflect the actual needs of a new school.

The first half of the course will focus on planning and budgeting, to gain an understanding of how resources are allocated to both short-term and long-term objectives, as well as monitoring performance, and adjusting plans and expectations. In addition, we will discuss and develop budget presentations to the key stakeholders of a charter school.

The second half will focus on the role of fund raising and grants in supporting the organization's mission and the financial requirements for accepting gifts and grants, the development of multi-year financial plans, the capital budget, and information found in not-for-profit financial statements. We will also review the accounting and transaction recording process, i.e. how expenses are recorded and reported. We will continue to focus on the importance of presenting clear, accurate and informative financial information to an organization's key stakeholders.

Throughout the course, we will employ case studies and/or real-life examples to illustrate major topics.

TEXTBOOKS

Required

McLaughlin, Thomas A. Streetsmart Financial Basics for Nonprofit Managers, 2nd Edition (John Wiley and Sons, 2002)

Recommended (not necessary to purchase)

Steven A. Finkler, *Financial Management for Public, Health and Not-for-Profit Organizations, 2nd Edition,* (New Jersey, Prentice-Hall, Inc., 2005)

Note: the 3^{rd} Edition of this text has just been published; however, it is currently available only in a hardcover edition and retails at nearly \$200. We will use the second edition which is widely available both new and used.

COURSE REQUIREMENTS

- Readings assigned for class should be completed prior to class meeting and discussion. Class attendance, participation and short quizzes will count for 25% of grade.
- Homework problems or case analysis will be assigned most weeks, and will be reviewed but not graded, except for completeness. Most, but not all will be reviewed during the subsequent class 25% of grade.
- Mid-term examination: **October 19**th, 25% of grade.
- Final examination: **December 14**th, 25% of grade.

Problems and written assignments are to be completed in Microsoft Excel and/or Word, respectively, and must be submitted as e-mail attachments prior to the start of the class when due. Students should also bring a printed copy of the problems with them to class to facilitate discussion.

A working knowledge of Excel is **essential** for most problem and case solutions.

E-mail should be submitted with the following subject line: Last name (yours) – assignment name (give date due)

ATTENDANCE and ASSIGNMENTS

Class attendance is required. In the case of valid absence, please email both John and Kristi before the scheduled class that you will be absent for a session. If in the process of working on a group project, inform your group members as well.

Assignments are due per the date/time established for each project. Extensions to the due date must be negotiated at least 24 hours prior to the original submission time.

WEEKLY TOPICS & ASSIGNMENTS

-a calendar for the first $\frac{1}{2}$ of the course will be distributed during the first session; the remaining sessions will be set prior to the midterm with input from the class.