Course Title: Budgeting and Fiscal Management  
Course Number: SW 661  
Term: Fall 2015  
Credit Hours: 3  
Prerequisites: SW 560/permission of instructor  
Instructor: Barb Hiltz, MSSW  
Contact Details: bshiltz@umich.edu, 734-883-2213 (c)  
Time/Place: Friday, 2:00 pm – 5:00 pm, Room TBD  
Office Hours: By appointment

Please feel free to make appointments or ask questions via e-mail. Please allow 24 hours for email responses. Emails may not be returned over the weekend. In the subject line please put “SW661”. For brief questions, I will often be available during class breaks and following class.

If you have a disability or condition that may interfere with your participation in this course, please schedule a private appointment with me as soon as possible to discuss accommodations for your specific needs. This information will be kept strictly confidential. Please also contact the Services for Students with Disabilities office at G-664 Haven Hall, 734-763-3000 to coordinate reasonable accommodations for students with documented disabilities.

This course utilizes the new M Canvas Pilot as a resource for all course readings outside of the required text as well as for the submission of assignments. Assignment descriptions/postings, readings for each class and grading can be found on the site. Please review the site carefully.

**Course Description**

This course will present the fundamental knowledge and skills needed to develop and manage the budget of a nonprofit social service organization and its programs. Students will learn to use the techniques necessary to: 1) Plan, develop, display, revise, monitor, and evaluate a program budget using different kinds of budget formats (e.g. line item, functional, and performance budgets); 2) Evaluate past financial performance (e.g. financial statements, financial ratios); 3) Evaluate and proposed financial changes for the future, using "what-if" planning and simulations, (including cost analysis, break-even analysis, setting prices); 4) Monitor and evaluate the cost-efficiency and cost-effectiveness of a nonprofit program and a nonprofit organization. Students will be expected to have mastered basic skills in a computerized spreadsheet program (MS Excel) before enrolling in this course.
Course Content
This course will present the basic knowledge and skills required for managing the finances of a small nonprofit agency or program. We will focus primarily on management of expenses and revenues and the types of accounting approaches and financial records used, as well as computerized accounting systems. The course will include exercises that aid developing and managing a fiscal year budget for a program in an agency, along with a review of relevant policies and procedures in public and nonprofit organizations. Students will learn to understand cost analysis, and estimate fees and revenue. The pros and cons of using various types of budgets and presentation techniques will be compared. Students will also receive an introduction to the process of financial auditing and the role of Boards of Directors and consultants in financial management, planning, and evaluation. Calculation of indirect (overhead) costs, allocation methods, funding will be discussed. An overview of typical organizational policies and procedures guiding recruitment, retention, salaries and fringe benefits will be presented. Estimation of costs of needed non-personnel items, and their allocation among cost centers will also be reviewed.

The course is organized across the semester to reflect the typical exposure and experience of social work managers. Students will be introduced to the people involved with budgeting and fiscal management within an organization. The roles of each will be explored. Students will learn about the development of budgets, including various approaches and common budget account categories, and how financial statements are used to monitor the health of an organization over time. Time will be spent on the various ways nonprofit organizations acquire money (fundraising, fees for service, social enterprise etc). As a major expense category, the class will also explore human resource recruitment and retention, and how this relates to fiscal management. Debt, investment, risk management and strategic planning will also be considered.

Course Objectives
1. Describe and illustrate the cycle of budget development for a fiscal year.
2. Specify frequently found budgeting issues in the planning of personnel resources, and non-personnel resources in nonprofit human service organizations.
3. Estimate the needs of personnel for non-personnel resources to supply adequate material support for employees in different cost centers.
4. Express in a clear, written format the justification for all proposed budget expenditures.
5. Interpret internal and external financial reports that monitor a program's expenditures, as well as the financial status of an organization.
6. Critically examine the linkage between budgeting and fiscal management and other areas of an organization's operation, with special attention to relevant social work ethics and values.
7. Gain an understanding of ethical issues that frequently arise in the area of budgeting and fiscal management
Course Design
This course will be conducted mainly in the classroom using lectures, case studies, small group exercises, and guest presenters to convey relevant content. Students will be expected to have basic spreadsheet skills compatible with the computer programs offered at the University of Michigan (e.g. creating, inputting data, basic arithmetic functions, formatting, saving, and printing a spreadsheet file), and be able to produce a budget justification using a computer-based word processing program. The course will use Microsoft Excel as its spreadsheet program.

<table>
<thead>
<tr>
<th>Relationship to the School's Curricular Themes</th>
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<tbody>
<tr>
<td>Theme Relation to Social Justice and Social Change:</td>
<td>Program examples from social justice and social change organizations and the financial management challenges they often face are discussed. Organizations that seek to redress past discrimination and oppression through community development are discussed. Organizational policies to promote social justice and social change are discussed.</td>
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<tr>
<td>Theme Relation to Behavioral and Social Science</td>
<td>Current theories and conceptual models of the incorporation of agencies and the resource environment facing human service organizations and their programs are presented. Results of empirical research on the funding, budgeting, and financial management of human service and related organizations are included.</td>
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<tr>
<td>Theme Relation to Multiculturalism and Diversity</td>
<td>Program examples used in class come from organizations serving diverse populations, and especially socially excluded populations in or at-risk for poverty and low quality of life. Challenges for financial management success that face such organizations are addressed. Budgets prepared in class are additionally reviewed and discussed for including resources that meet needs of diverse populations (e.g., translators, multicultural supplies, culturally- and gender-sensitive employment practices). While the course presumes financial activities in one organization in the United States, selected issues affecting program budgets of international or collaborative programs are discussed.</td>
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<tr>
<td>Theme Relation to Promotion, Prevention, Treatment and Rehabilitation</td>
<td>Budgeting and financial management issues facing organizations providing prevention, promotion, treatment, and rehabilitation services are included.</td>
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Text and Course Materials


This course draws from the two books listed above. One is required and the other recommended (as noted). Both are inexpensive and available on amazon.com. These books will be supplemented with articles which, to the extent possible, will be made available on Canvas – the University online course management system. Information and instruction on how to use this site is already provided by the university, therefore, no class time will be devoted to instruction on how to use this system.

Class Schedule
Topics may be modified throughout the course, but ample notice will be provided. Refer to Canvas for the most updated class schedule.

Readings for each topic are listed on the “Assignments” link on Canvas, in the “Readings” section, by date. Readings may be changed by the instructor up to two weeks before they are due. Students are expected to have completed all assigned readings prior to class, as these will serve as the basis for class discussion, activities, assignments, quizzes and examinations.

Assignments
Assignment #1: Tracking Personal Finances
Due: Friday, October 30th, 12:00 noon

One way to gain the most accurate projection of future costs is to fully understand past and current spending behavior. Organizations, like individuals, often spend money that we don’t fully consider. Community benefit and nonprofit organizations have an even higher level of responsibility because we are spending the community’s dollars. The expectation of the donors is that the money is being spent judiciously.

In this assignment you will monitor your own spending behavior. You will:

1. Track all of your personal expenditures for a period of four (4) weeks. You can track using an app or website like Mint, or you can develop a simple Excel spreadsheet. You must track everything. No cup of coffee, trip to the grocery store or night out can be left off of the tracking sheet. Use information we are learning in class to help you craft budget account categories. For example, your night out doesn’t need to be tracked as drinks, food, movie, etc. Rather, you may categorize this all as
“Entertainment.” Note: This method should help with items too personal to disclose. In the event that you cannot think of a broad category that provides you with the level of privacy you desire, please use a category called “Miscellaneous.”

2. **Submit a summary of the results** (3 page maximum, single spaced). You are expected to use a level of critical analysis and professional writing that reflects your standing as a graduate student. Your summary should:
   a. Reflect on what was surprising about the results. If nothing was surprising, why do you think that is?
   b. Consider how you can use this data to make decisions about your personal finances going forward.
   c. Reflect on how this assignment relates to work at a community benefit organization.

3. **Submit your data** in an Excel format. It is advisable to use a tracking vehicle that can be easily downloaded into Excel (or as a CSV file and then to Excel).

**Assignment #2: Develop a Budget**

Due: November 25th, 12:00 noon

This is a group assignment. Groups should include 3-4 people. Your group will develop a comprehensive budget based on one of the following:
- A new student group that you believe should exist on campus, OR
- A new program that you believe should exist at your field placement, internship site or place of employment.

This assignment has two parts:

1. **Describe your effort in detail** (3 page maximum, single spaced). Be sure to consider initial startup and ongoing efforts. You are expected to use a level of critical analysis and professional writing that reflects your standing as a graduate student. This part should include:
   a. What is the purpose of the group or program and who will be served?
   b. Who (function, not name) will be involved with that group or program? How much time will it take each person? Will s/he be paid or volunteer?
   c. What resources, supplies, equipment etc. are needed?
   d. What training will be required?
   e. Where will your money come from? Will people pay to be involved (ie, fees for services, membership fees)?

2. **Develop a 3 year budget** (2 page maximum). Develop a 3-year budget projection for your new group or program. You will include a justification section as appropriate. Your budget should include all revenues and expenses. You will combine what you are learning in class with some outside the classroom effort to estimate expenses and revenues.
**In-Class Assignments and Class Participation:** Assignments will be given throughout the class. Class time will be given for their completion, although it may be necessary for some time to be spent on these assignments outside of class. It is expected that students participate actively and equally in class discussion (both large and small group), class assignments and group activities. This participation and in-class assignment section represents a large portion of the total grade.

**Evaluation**

The following scale will be used in assessing your final grade:

<table>
<thead>
<tr>
<th>Item</th>
<th>% of Total Grade</th>
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<tbody>
<tr>
<td>Quizzes*</td>
<td>15</td>
</tr>
<tr>
<td>Class Participation &amp; In Class Assignments</td>
<td>20</td>
</tr>
<tr>
<td>Assignment #1: Personal Finances</td>
<td>15</td>
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<tr>
<td>Assignment #2: Budget Development</td>
<td>25</td>
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<tr>
<td>Final Examination</td>
<td>25</td>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
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* Quizzes will be based on the assigned readings and given at unannounced times. Five (5) quizzes will be given, the lowest one (1) grade will be dropped. Quizzes cannot be made up. Missed quizzes will be awarded a grade of 0.

Final grades will be determined on the basis of performance. Letter grades will be allocated as follows:

- 97-100 = A+
- 93-96 = A
- 90-92 = A-
- 87-89 = B+
- 83-86 = B
- 80-82 = B-
- 77-79 = C+
- 73-76 = C
- 70-76 = D
70-72 = C-
67-69 = D+
63-66 = D
60-62 = D-

**Attendance Policy**
Students are able to miss two classes for any reason (e.g., personal, sick, religious holidays). There is no need to email the instructor with your reason for missing the class(es). Students who miss three classes will receive a full letter grade reduction. Four or more missed classes may result in a non-passing grade. Students who will miss more than two classes due to religious holidays must make arrangements with the instructor at the beginning of the course to avoid a grade penalization. **Please note that the student is responsible for all of the content missed during your absences. There will be no opportunity for in class assignments or quizzes to be made up.**