



Course title:	Budgeting and Fiscal Management (mini course)
Course #/term:	799, Spring/Summer, 2019
Time and place:	Saturdays, June 8 and 15, 9:00 am – 5:00 pm, room TBD
Credit hours:	1
Prerequisites:	None
Instructor:	Barb Hiltz
Pronouns:	She, her
Contact info:	Email: bshiltz@umich.edu Phone: 734-883-2213(c) Please allow 24 hours for email responses. Emails may not be returned over the weekend.
Office:	2839 SSWB
Office hours:	By appointment

1. Course Statement

a. Course description

This course will present the fundamental knowledge and skills needed to develop and manage the budget and finances of a social impact 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; 2) Evaluate past financial performance; 3) Evaluate and propose financial changes for the future; 4) Monitor and evaluate the cost-efficiency and cost-effectiveness of social impact programs and organizations.

b. Course content

This course will present the basic knowledge and skills required for planning, managing and understanding the finances of a social impact organization and its programs. The course will include exercises to develop and manage a budget for a program in an organization, along with a review of relevant policies and procedures in these organizations. Students will learn to calculate income and expense estimates. The pros and cons of using various types of budgets will be compared. Students will receive an introduction to the process of overall organizational financial planning and auditing, including such topics as the role of Boards of Directors and consultants in financial management, planning, and evaluation. Calculation of indirect (overhead) costs will be discussed. Students will learn to develop a budget.

Development of a budget will include estimating and allocating all costs, including that of personnel, which is the major expense in human service programs. Students will learn how basic financial transactions are reported through standard accounting procedures, how revenues and expenses are monitored and how all the finances of the agency are consolidated into typical financial statements. Additional topics are introduced to highlight contemporary issues affecting financial stability and sustainability.

c. Course objectives and competencies

Upon completion of the course, students will be able to:

1. Develop an organizational and program budget. (EPAS 5, 6, 7)
2. Express clear, written justifications for proposed budget items. (EPAS 1, 5, 6, 7)
3. Develop and interpret financial reports that monitor revenues, expenses, and the overall financial status of an organization. (EPAS 1, 6, 8, 9)
4. Critically examine budgeting and fiscal management and their connection to service provision and relevant social work ethics and values. (EPAS 1, 2, 6, 7, 8)
5. Demonstrate knowledge of standard accounting concepts, principles, and systems, and their application in organizations. (EPAS 1, 6)
6. Identify the strategic choices associated with various revenue generation strategies, including their connections to sustainability. (EPAS 1, 2, 5, 6)
7. Analyze how key identity dimensions such as ability, age, class, culture, ethnicity, family structure, gender (including gender identity and gender expression), marital status, national origin, race, religion or spirituality, sex, and sexual orientation, impact fiscal decision making. (EPAS 1, 2, 7, 8)

d. Course design

This course will use lectures, computer lab exercises, case studies, small group exercises and guest presenters to convey relevant content.

e. Curricular themes

Theme Relation to Social Justice: 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, as are organizational planning, financial, and procurement policies to promote social justice and social change.

Theme Relation to Multiculturalism & Diversity: 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 the needs of diverse populations. 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.

Theme Relation to Behavioral and Social Science: 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.

f. Relationship to social work ethics and values

Students will discuss ethical issues that frequently arise in the area of budgeting and fiscal management, such as: conditions of employment and empowerment of employees and clients, collegial and inter-professional collaboration, conflict of interest, accountability to stakeholders, and legal and ethical monitoring and management of financial and other resources in a human service organization.

2. Class Requirements

a. Text and class materials

REQUIRED READINGS

All required readings are uploaded to Canvas. Readings must be done prior to that class session.

To be read prior to class #1:

Barr, K, Bell, J (2011, December). An Executive Director's Guide to Financial Leadership. Nonprofit Quarterly.

Kimball, M., Smith, N. (2013, October). The Myth of 'I'm Bad at Math'. The Atlantic.

The Bridgespan Group. (2009). How to Talk Finance So Non-Financial Folks will Listen. Bridgestar.

To be read prior to class #2:

Social Venture Partners. (2012, June). Interpreting Financial Statements.

RECOMMENDED READINGS

McLaughlin, T (2009). Streetsmart financial basics for nonprofit managers (3rd ed). Hoboken, NJ: John Wiley & Sons, Inc.

Dropkin, M., Halpin, J., La Touche, B. (2007). The budget-building book for nonprofits (2nd ed). San Francisco, CA: Jossey-Bass

b. Class schedule

Topics may be modified throughout the course. Refer to Canvas for the most updated class schedule.

Class 1 (6/15/18): Budgeting

Lesson 1: Perceptions of money, budgeting, and fiscal management

Lesson 2: Roles in budgeting and fiscal management

Lesson 3: Developing a budget

- Those involved
- Types and approaches to budgeting
- Parts of a budget
 - Income sources
 - Expense categories
 - Justifications
- The role of overhead
- Samples and practice

Class 2 (6/22/18): Fiscal Management

Lesson 1: Understanding common financial statements

- Statement of Financial Activity
- Statement of Financial Activity
- 990
- Audits
- Samples and practice

Lesson 2: The role of risk

c. Assignments

Assignment #1: Expense Tracking

Due: 6/7/2019 by 11:59 pm

Begin tracking: No later than 5/17/19

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 for a period of three (3) weeks, prior to the start of class. The intent is not to adjust your behavior, but rather, to monitor it. You will:

1. **Track all of your personal expenditures for a period of three (3) 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. You should note the item and the amount you spent. An optional, description column can also be used to help you remember the expenditure since we will be using this data in an in-class budgeting assignment. For example:

Item	Amount	Description (optional)
Coffee	\$3.50	
Groceries	\$73.75	Kroger, one week
Pharmacy	\$24.00	personal

Please feel free to use a generic “item” heading for items you deem too personal to disclose (as I did above with “pharmacy”). 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 your data through Canvas 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).

A report of your tracking will be due the day before the first class session. Please also bring a copy of the data to class, as it will be used as the basis for class work.

Assignment #2: Create a Budget

Due: 6/23/2019 by 11:59 pm

This is a group assignment. You will develop a comprehensive budget based on a sample grant proposal provided in class. There will be several grant proposals from which to choose. There is a 2 page maximum for your budget.

You will include a justification section as appropriate. Your budget should include all revenue and expenses. You will combine what you are learning in class with some outside the classroom effort to estimate expenses and revenues. It is important that a clear link is made between the grant proposal provided and the budget you develop, so consider questions like: How much time will the project take for development and implementation for each involved person? What supplies, resources, equipment, etc are needed? What training might be required? Where will the money come from? Note, this list is just to get you started, it is not meant to be exhaustive.

d. Attendance and class participation

Students must arrive on time and attend both class sessions for the mini-course. It is expected that students participate actively and equally in class discussion, class assignments, and group activities. Failure to do so could result in a non-passing grade.

e. Grading

This course is offered Pass/Fail. In order to pass this class, you must fully attend both sessions, participate and engage in large and small group discussions, and submit both class assignments (of satisfactory quality).

Additional School and University policies, information and resources are available here: <https://ssw.umich.edu/standard-policies-information-resources>. They include:

- *Safety and emergency preparedness*
- *Mental health and well-being*
- *Teaching evaluations*
- *Proper use of names and pronouns*
- *Accommodations for students with disabilities*
- *Religious/spiritual observances*
- *Military deployment*
- *Writing skills and expectations*
- *Academic integrity and plagiarism*