**PBAF 522: Public Financial Management and Budgeting**

**Autumn Quarter 2013**

 **Monday \* 6:00-8:50 pm (“C” Section)**

**Savery Hall 264**

Course Website: https://catalyst.uw.edu/workspace/kensmith/40687/

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**Description and Objectives:**

Financial resources are the lifeblood of governments and non-profit organizations. As such, students who aspire to a career in public management or policy must thoroughly understand how effective managers use financial resources to achieve their organizations’ missions. Therefore, students who successfully complete the course will improve their understanding of:

1. The relationships among public service delivery costs, financial planning, and budgeting.
2. Core principles of governmental and non-profit financial accounting, and the basic features of public organizations’ financial reports.
3. The interplay between financial resource flows and program design.
4. The legal and institutional forces that shape how different types of public organizations develop and execute their budgets.
5. How financial resources shape intergovernmental relations and intra-sectoral (i.e public-non-profit, public-private, etc.) relations.
6. How to apply budget and financial analysis concepts to real organizations using spreadsheets and other analytical tools.
7. Effective communication – through traditional and “new media” channels – of financial analysis.

**Required Materials:**

1. Finkler, Calabrese, Purtell, and Smith. (2012) *Financial Management for Public, Health, and Not-for-Profit Organizations* (New York: Prentice Hall). We will use a custom version of this text that is comprised of selected chapters from the 4th edition. The custom edition has several advantages, namely that it’s about one-third the price of the complete 4th edition. The main content of the custom edition is similar to the standard 4th edition and to earlier editions, but the problems, examples, and other material are different. Please use caution if you use a version other than the custom edition.
2. Pre-meeting lectures. You can find the course lecture notes and my Tegrity presentation of those notes at the course website.
3. Other relevant materials, including newspaper stories, YouTube clips, financial statements, budget documents, etc. You can find this material at the course website.

**Course Policies:**

* Please let me know immediately if you have a disability that might inhibit you from demonstrating your comprehension of the course material. I will make appropriate accommodations.
* I encourage you to bring a notebook or tablet computer to class, but please do not spend time in class using social media or doing work not related to this class. If you can’t fully engage in class, stay home.
* Please sign up for office hours by visiting the Google Calendar linked to the course website. Please limit your visit to one fifteen minute visit per day. This limit is not to discourage you from coming to office hours, but rather to make sure I can see as many students as possible in the limited time available for office hours. If you need more than fifteen minutes, or if you can’t attend office hours, don’t hesitate to e-mail me to set up an individual appointment. I might also direct your question or concern to the teaching assistant as appropriate.
* Try to communicate with me in person. Most of your questions or concerns aren’t difficult to address and almost all will take less than two or three minutes of my time. E-mail is a terribly inefficient way to get my attention, especially if your concern is time sensitive or if it requires an explanation. If you can’t get me during office hours, before class, or after class, I’ll be happy to make an appointment with you. If you need to write an e-mail, try to limit it to four or five well-written sentences, and try to pose your question such that I can answer it with as close to “yes/no” as possible.
* Please try to let me know if you plan to miss a class. Attendance is not required, but I appreciate knowing if you’ve missed several classes, mostly so I can anticipate if you might need additional assistance or accommodations.
* Please let me know if you can’t deliver an assignment on time. We may be able to negotiate a different due date or a substitute assignment.
* All assignments will be graded in one percent intervals from 0-100%. Final grades will be the weighted average (described below) of all your assignments. Final weighted averages will determine course grades as follows: 100% = 4.0; 99-98% = 3.9; 97-96% = 3.8; 94-95% = 3.7; 92-93% = 3.6; 90-91% = 3.5; 88-89% = 3.4; 86-87% = 3.3; 84-85% = 3.2; 82-83% = 3.1; 80-81% = 3.0; 78-79% = 2.9; 76-77% = 2.8; 74-75% = 2.7; < 73% = 2
* Please submit all assignments to the electronic drop-box at the Catalyst site. For group work, please provide one submission per group and list all group members on the submitted group document.
* We will use Excel throughout the course. Other tools – open source applications like “Calc,” Ipad’s “Calculator”, and others – are suitable alternatives but require different syntax. Consult your classmates if you have questions about translating Excel formulas and syntax to these other applications. If necessary, we can start a Catalyst discussion board to oversee those issues.
* No extra credit.

**Course Structure and Expectations:**

This course has three main components: pre-class lectures, class sessions, and discussion sections. All three are equally important to your success in the course. To make the best use of those meetings please consider the following.

This year we are transitioning to a new “flipped” format. Instead of lecturing during class meetings, I will instead pre-record all my lectures. In these lectures I explain the essential concepts you need to know for the topic at hand. I expect you to review the relevant lecture before each class session. With that foundation established, we will use class meetings to apply and extend your understanding of the concepts presented in the lectures. This will happen through small group exercises, additional practice problems, discussions of current events, guest presenters, and other activities.

Where appropriate, I will record and archive our class sessions with the same production technology used to record the lectures. These recordings are not a substitute for regular class attendance, but they are a useful tool to review the material or to catch up if you miss a class.

Class sessions will be most productive if we can have an open exchange of ideas. In that spirit, we will probably stumble on topics that are important but outside the scope of what we can cover in class. I will deal with those topics by putting them on “The Bulletin Board.” Feel free to discuss Bulletin Board topics during discussion sections, office hours, and virtual office hours.

Discussion sections are where I assess your progress throughout the quarter. You will attend discussion section each week. During these meetings your teaching assistant will be available to answer questions about the material. You can also use this time to work on group projects such as the Coho budget assignment. The teaching assistant will administer a brief check-in quiz about every other week during scheduled section times.

**Assignments:**

1. “Check-In” Quizzes – 20% total

You will complete five or six periodic check-in quizzes administered during you discussion section. We will not formally notify you of a quiz in advance. These quizzes help you and I understand how well you comprehend the material. They are also good practice for the pace and format of the final exam. Quizzes will be graded on a 1 to 10 point scale. Your overall score for the check-in quizzes is the average of all quiz scores after discarding the lowest two scores. The TAs will not administer make-up quizzes except in extraordinary circumstances.

1. “Caring for Coho’s Seniors” – 20%

To complete this case study you will prepare a spreadsheet-based budget and use that budget to analyze a program design scenario. This assignment will test your ability to apply core concepts from budgeting, cost analysis, and managerial accounting. See the assignment description for details. You will work in groups of three or four, and all group members will receive the same grade. Groups will present their budget proposals in class on Wednesday, October 30. All projects are due to the Dropbox by 11pm on Wednesday, October 30.

1. Financial Condition Analysis and Presentation – 20%

This assignment will test your ability to apply and communicate core concepts from financial condition analysis. Working in groups of three, you will identify a non-profit or government and secure a copy of its financial statements and other relevant financial documents. None of the group members should be affiliated with the organization you select. All group members will receive the same grade. Please let me know what organization you wish to examine by November 5, 2013. We will review randomly selected presentations in class on Monday, Dec. 4. Projects are due to the Dropbox by 11pm on Wednesday, Dec. 4.

1. Final Exam – 40%

You will complete an in-class final exam. The exam will cover all the course material and will require you to perform real-time analysis on an actual organization’s budget and financial statements. Prior to the exam I will provide you relevant background information about the organization. Please let me know immediately if you cannot attend during the scheduled exam time.

**Schedule (subject to change):**

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| **Date** | **Topic** |
| Monday, Sept. 30 | Introductions and Expectations & Financial Management and Sustainability  |
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| Monday, Oct. 7 | Financial Management and Sustainability & Cost Analysis |
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| Monday, Oct. 14 | Cost Analysis |
| Monday, Oct. 21 | Budget Process and Politics |
| Monday, Oct. 28 | Budget-continued & Coho **Presentations** |
| Monday, Nov. 4 | The Activity Statement |
| *Monday, Nov. 11* | *No Class - Veterans' Day* |
| Monday, Nov. 18 | Financial Condition Analysis |
| Monday, Nov. 25 | The Cash Flow Statement |
| Monday, Dec. 2 | Financial Condition **Presentations** & Wrap-Up and Review |
|  |  |
| Final Exams | Dec. 11, 8:30-10:20am |