

**NEW YORK UNIVERSITY  
ROBERT F. WAGNER GRADUATE SCHOOL OF PUBLIC SERVICE**

**EXEC-GP 2141: Financial Decision-Making and Management**

**Fall 2015**

**Saturdays: 9/5, 9/19, 10/3, 10/17, 10/31, 11/14, 12/12  
2:30–6:00 pm, Bobst LL138**

**Professor Daniel L. Smith**

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Office Hours: [By appointment](#) only, Puck 3046

### **Course Description**

This is a course in financial decision-making and management for experienced managers of public, not-for-profit, and health organizations. The first half of the course focuses on managerial accounting and financial planning (i.e. budgeting), with an emphasis on improving prospective operating results. The second half focuses on financial accounting, which emphasizes analyzing operating results in an effort to inform the subsequent fiscal year's financial plan. This course emphasizes analyzing budget documents and financial statements as opposed to preparing them. Nonetheless, where sufficiently understanding an analytical method requires hands-on experience performing calculations or preparing documents, students will learn the requisite calculations and preparation methods.

### **Course Methodology**

The objective of this course is to provide you a survey of both the “nuts and bolts” and “big picture” of financial decision-making and management in public, not-for-profit, and health organizations. The course emphasizes analyzing budgets and financial statements, formulating decisions, and communicating those decisions verbally and in writing. As part of this process, you will perform some calculations and prepare some documents and reports. Each class meeting will open with a lecture/Q&A period, the length of which will vary by the complexity and volume of the material. Then, in groups of 3-4 you will analyze a case study and respond to a set of queries. Class will conclude with a debrief-and-discussion session on your responses.

### **Required Textbook**

*Financial Management for Public, Health, and Not-for-Profit Organizations* (4<sup>th</sup> ed.) by Finkler et al. ISBN: 0132805669.

### **Calculator**

You must have a calculator; it need not be a financial calculator.

## **Microsoft Excel**

This course does not require formal instruction in Microsoft Excel. You will be provided instruction where necessary.

## **Evaluation and Assignments**

### *Class Preparation (25%)*

As this course will allocate a substantial portion of each class meeting to a group case analysis, it is critical that you attend every class and come to class prepared. Prior to each class, you will individually complete untimed exercises and problems on NYU Classes, via the Tests & Quizzes tool, that are based on the assigned reading. If your score exceeds a minimum threshold, regardless of your actual score you will earn full credit for the exercises and problems.

### *Executive Memoranda (50%)*

You will assume the role of executive director, treasurer, or board member and write a memo to a fictional executive or board member. I will grade you not only on the thoroughness of your decision-making process and the technical accuracy of your conclusions, but also on the quality of your writing. Citations, figures, and tables will not count toward or against the one-page length. I will post detailed assignment sheets to NYU Classes.

### *Final Exam (25%)*

You will submit a comprehensive, take-home final exam Saturday, December 19. The exam will require you to respond to three different financial decision-making scenarios. I will post details to NYU Classes.

## **Assignment Deadlines**

You will submit all assignments via NYU Classes, and I will not accept any late assignments. You must plan accordingly to submit assignments in advance of their deadlines to ensure a timely submission. If you cannot submit a completed assignment by the deadline, you should submit whatever work you have partially completed.

## **Academic Integrity**

You are responsible for knowing and following [NYU Wagner's policies on academic integrity](#). I will summarily report all suspected violations of academic integrity, including cases of unauthorized collaboration on an assignment, to Wagner's Vice Dean for Academic Affairs.

## **Students with Disabilities**

New York University is committed to providing equal educational opportunity and participation for students with disabilities. Any student who needs a reasonable accommodation based on a qualified disability is required to register with the [Moses Center for Students with Disabilities \(CSD\)](#) for assistance.

## Class Dates and Topics

\* denotes a due date

September 5	<p>Class 1: Budget Formats &amp; Analysis</p> <ul style="list-style-type: none"><li>• Accrual and cash bases of accounting</li><li>• Operating and cash budgets</li></ul> <p><u>Reading</u> Finkler et al., Chapters 1-3</p>
September 19*	<p>Class 2: Costs and Pricing</p> <ul style="list-style-type: none"><li>• Costing and pricing activities and programs</li><li>• Cost of capital spending</li></ul> <p><u>Reading</u> Finkler et al., Chapters 4-5</p> <p><b>Due: Executive Memo 1</b></p>
October 3	<p>Class 3: Short-Term Resources and Obligations</p> <ul style="list-style-type: none"><li>• Capital financing, working capital, short-term assets and liabilities</li><li>• Budget variances and internal controls</li></ul> <p><u>Reading</u> Finkler et al., Chapters 6-8</p>
October 17*	<p>Class 4: Financial Accounting and Balance Sheets</p> <ul style="list-style-type: none"><li>• Generally Accepted Accounting Principles (GAAP)</li><li>• Assets, liabilities, net assets, and financial position</li></ul> <p><u>Reading</u> Finkler et al., Chapter 10</p> <p><b>Due: Executive Memo 2</b></p>
October 31	<p>Class 5: Activity (Income) Statements and Cash Flow Statements</p> <ul style="list-style-type: none"><li>• Activity (income) statements</li><li>• Cash flow statements</li></ul> <p><u>Reading</u> Finkler et al., Chapter 11</p>

- November 14\*      Class 6: Specialized Transactions and Financial Statement Analysis
- In-kind donations, donor restrictions, bad debts, charity care, contractual allowances, and fundraising expenses
  - Analyzing financial statements

Reading

Finkler et al., Chapters 12 & 15

**Due: Executive Memo 3**

- December 12\*      Class 7: Government Financial Management
- Modified accrual basis of accounting
  - Government financial statements and financial condition analysis

Reading

Finkler et al., Chapters 13, 14 & 16

**Due: Executive Memo 4**

- December 19\*      **Final Exam Due**