

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

**CORE-GP 1021 FINANCIAL MANAGEMENT**  
**Spring 2018**  
**Professors Robert Shiau, Martha Stark, Travis St.Clair, and Michael West**

**COURSE DESCRIPTION**

In this introductory core course in financial management, students will learn the fundamentals of budgeting and accounting for public, health, and not-for-profit organizations. Through readings, lectures, real-world case studies, and assignments, students will gain an understanding of how to use financial information in organizational planning, implementation, control, reporting, and analysis. In addition, students will develop their spreadsheet skills by using Microsoft Excel to perform financial calculations and create financial documents.

The first half of the course focuses on managerial accounting, a set of tools used by managers for internal planning, implementation, and control. Topics in this portion of the course include operating budgets, cash budgets, break-even analysis, cost allocation, variance analysis, the time value of money, capital budgeting, and long-term financing.

The second half of the course focuses on financial accounting, a set of tools used by managers and external observers for reporting on and analyzing an organization's financial position and performance. Topics in this portion of the course include the preparation and analysis of financial statements (balance sheet, activity statement, and cash flow statement), ethics in financial management, government accounting, and government financial condition analysis.

**COURSE OBJECTIVES**

By the conclusion of the semester, students will learn to:

1. Prepare organizational budgets on the accrual and cash bases of accounting.
2. Make resource allocation and pricing decisions using break-even analysis, the time value of money, cost allocation, and variance analysis.
3. Prepare balance sheets, activity statements, and cash flow statements using Generally Accepted Accounting Principles (GAAP) for not-for-profit and healthcare organizations, and analyze these statements.
4. Interpret and analyze governmental financial statements that have been prepared on the accrual and modified accrual bases of accounting.
5. Use Microsoft Excel to prepare financial statements and perform financial analyses.

**PROFESSORS**

Robert Shiau

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Martha Stark

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Office hours: Tuesdays and Wednesdays, 2:00-5:00pm

Travis St. Clair

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Michael West

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**TEACHING COLLEAGUES (TC)**

Anu Gupta (Head TC)

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**TUTORS**

**Mon, 4-6:00pm**

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**Tues, 6-8:00pm**

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**Wed, 6-8:00pm**

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**Thurs, 3:30-5:30pm**

Puck 3024

Chhavi Arora

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**PREREQUISITES**

The only prerequisite for this course is a basic familiarity with Excel. If you have limited or no experience using Excel, we strongly recommend that you register for the Excel computer module (NONCR-GP 932), which meets for several weeks at the beginning of the semester. Please note that it is up to students to determine whether or not they are familiar with Excel; taking the Excel computer module is *not* a prerequisite for enrollment in this course.

## **COURSE MATERIALS**

The textbook for this course is: Finkler et al., *Financial Management for Public, Health, and Not-for-Profit Organizations*, Fifth Edition (2016), CQ Press/Sage Publishing, ISBN: 1506326849. This book is available at the NYU Bookstore located at 726 Broadway and on Amazon.com. Do not buy an earlier edition. If you do not wish to buy the textbook, there are several copies on reserve at Bobst Library. Students who plan to take additional finance courses should retain this book as a reference.

## **COURSE WEBSITE**

The course website can be found on the NYU Classes system, accessible via the “Academics” tab on NYU Global Home (<http://globalhome.nyu.edu>). Throughout the semester, we will post documents such as lecture slides, homework solutions, and practice exams to this site. In addition, we will occasionally send emails about course logistics to your NYU email account. Therefore, you should check both the course website and your NYU email account on a regular basis.

## **COURSE RULES AND REQUIREMENTS**

To do well in this course, most students need to devote a minimum of ten hours per week (three hours of lecture, one hour of discussion session, and about six hours of reading, studying, and working on assignments). Please keep in mind that the material presented in the course builds cumulatively. Do not fall behind. Students who fall behind find it very hard to catch up.

If you need to miss class, you do not need to notify your professor. We do not take attendance; however, you are responsible for finding out what you missed—including any announcements made in class—from one of your classmates. If possible, you should try to attend a different lecture that week. You do not need to ask for permission from the professor of the lecture you plan to attend.

There are no extra credit assignments and no make-up exams. Please note the dates of the midterm and final exams on the following page; if you have a conflict do not enroll in the course at this time. NYU’s Calendar Policy on Religious Holidays states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify your instructor in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

If you have a logistical question, please check the syllabus and website. You can find the answer to almost every conceivable question there. For any remaining questions, please contact the Head TC.

The Wagner School has a strict policy regarding incompletes. The grade of "Incomplete Pass" will only be available in extreme circumstances such as serious medical emergencies. Students may withdraw from the course up until the date set by the Registrar. Students who withdraw will receive a grade of “W” and will have to pay for the course again when they retake it.

Academic dishonesty will not be tolerated. Academic integrity is a vital component of Wagner and NYU. Each student is required to sign and abide by Wagner’s Academic Code. Plagiarism of any

form will not be tolerated since you have all signed an Academic Oath and are bound by the academic code of the school. Every student is expected to maintain academic integrity and is expected to report violations to their instructor. If you are unsure about what is expected of you, you should ask.

## **GRADING**

Your course grade will be determined as follows:

Homework Assignments:	20%
Midterm Examination:	40%
Final Examination:	40%

## **HOMEWORK ASSIGNMENTS**

There are a total of 12 assignments, each worth 1% to 2% of your course grade. Assignments are graded on the basis of completeness rather than accuracy. If you complete the entire assignment, you will receive full credit even if your work contains errors. If you do not complete the entire assignment, you will not receive full credit.

Assignments are to be submitted online via NYU Classes before lecture. Assignments and templates (when applicable) can be found on NYU Classes. Assignments will *not* be accepted by email, nor will they be accepted during or after lecture. Late assignments will not receive any credit except in extreme circumstances, such as serious medical emergencies.

You must complete the quantitative parts of your assignments in Excel and the written parts in Excel or Word. Templates will be provided for some assignments (posted on NYU Classes).

Each student must write and submit his or her own assignments. We encourage you to work on the assignments in small groups, but two or more students turning in identical homework assignments constitutes cheating and will be reported to the administration and subject to disciplinary action.

## **EXAMS**

The midterm and final exam will each last two hours and thirty minutes. Students will complete the exams and submit them via NYU Classes during their normal class time; however, students may take the exams in any location and are not required to be at NYU. These are open book tests; however, students will find it useful to also prepare a summary sheet of notes for use during each exam. During each exam time, a teaching colleague will be available to answer clarifying questions via the chat function in NYU Classes or via email. More detailed instructions will be discussed closer to each exam. Students without access to a computer have two options. First, students may borrow laptops from the Library Computer Center located on Lower Level 1 of Bobst Library. Second, Bobst Library has a computer lab located on Lower Level 2 that is open 24 hours per day. Academic accommodations are available for students with disabilities. Students with disabilities should contact both the Head TC and the Moses Center for Students with Disabilities (<http://www.nyu.edu/csd>) as early as possible in the semester to make arrangements.

**LECTURES**

Lectures will meet on the following dates:

<b><u>Tuesdays</u></b> Professor Stark 9:30am – 12:15pm Silver 401		<b><u>Wednesdays</u></b> Professor West 6:45 – 9:30pm Silver 405		<b><u>Thursdays</u></b> Professor St.Clair 9:30am – 12:15pm Silver 401  Professor Shiau 6:45 – 9:30pm Meyer Hall 102	
Jan 23	Class 1	Jan 24	Class 1	Jan 25	Class 1
Jan 30	Class 2	Jan 31	Class 2	Feb 1	Class 2
Feb 6	Class 3	Feb 7	Class 3	Feb 8	Class 3
Feb 13	Class 4	Feb 14	Class 4	Feb 15	Class 4
Feb 20	Class 5	Feb 21	Class 5	Feb 22	Class 5
Feb 27	Class 6	Feb 28	Class 6	Mar 1	Class 6
Mar 6	<b>Class 7 Midterm</b>	Mar 7	<b>Class 7 Midterm</b>	Mar 8	<b>Class 7 Midterm</b>
Mar 13	NO CLASS Spring Break	Mar 14	NO CLASS Spring Break	Mar 15	NO CLASS Spring Break
Mar 20	Class 8	Mar 21	Class 8	Mar 22	Class 8
Mar 27	Class 9	Mar 28	Class 9	Mar 29	Class 9
Apr 3	Class 10	Apr 4	Class 10	Apr 5	Class 10
Apr 10	Class 11	Apr 11	Class 11	Apr 12	Class 11
Apr 17	Class 12	Apr 18	Class 12	Apr 19	Class 12
Apr 24	Class 13	Apr 25	Class 13	Apr 26	Class 13
May 1	Class 14	May 2	Class 14	May 3	Class 14
May 8*	<b>Class 15 Final Exam</b>	May 9	<b>Class 15 Final Exam</b>	May 10	<b>Class 15 Final Exam</b>

\*May 8 is a University “Reading Day.” We **will** administer the final exam as scheduled on this day.

**DISCUSSION SESSIONS**

In addition to the lectures, there are optional one-hour discussion sessions (CORE-GP 1021, Sections 004-007) led by Teaching Colleagues (TCs). **IMPORTANT:** You may attend the discussion session of your choice, but you may only attend *after* attending the week's lecture. Discussion sessions are designed to help prepare you for the homework assignments. Discussion sessions will meet on the following dates:

<b>Wednesdays 9:40 – 10:40pm Anu Gupta Silver 405</b>	<b>Thursdays 3:30 – 4:30pm Anu Gupta Silver 411</b>	<b>Thursdays 9:40 – 10:40pm Anu Gupta Meyer 102</b>	<b>Fridays 2:00 – 3:00pm Sabaa Modi Silver 401</b>	<b>Mondays 8:35 – 9:35pm Noah Branman Silver 208</b>
Jan 24 Class 1	Jan 25 Class 1	Jan 25 Class 1	Jan 26 Class 1	Jan 29 Class 1
Jan 31 Class 2	Feb 1 Class 2	Feb 1 Class 2	Feb 2 Class 2	Feb 5 Class 2
Feb 7 Class 3	Feb 8 Class 3	Feb 8 Class 3	Feb 9 Class 3	Feb 12 Class 3
Feb 14 Class 4	Feb 15 Class 4	Feb 15 Class 4	Feb 16 Class 4	Feb 19 <i>None</i> (Holiday)
Feb 21 Class 5	Feb 22 Class 5	Feb 22 Class 5	Feb 23 Class 5	Feb 26 Class 5
Feb 28 Class 6	Mar 1 Class 6	Mar 1 Class 6	Mar 2 Class 6	Mar 5 Class 6
Mar 7 <i>None</i>	Mar 8 <i>None</i>	Mar 8 <i>None</i>	Mar 9 <i>None</i>	Mar 12 <i>None</i>
Mar 14 <i>None</i>	Mar 15 <i>None</i>	Mar 15 <i>None</i>	Mar 16 <i>None</i>	Mar 19 <i>None</i>
Mar 21 Class 8	Mar 22 Class 8	Mar 22 Class 8	Mar 23 Class 8	Mar 26 Class 8
Mar 28 Class 9	Mar 29 Class 9	Mar 29 Class 9	Mar 30 Class 9	Apr 2 Class 9
Apr 4 Class 10	Apr 5 Class 10	Apr 5 Class 10	Apr 6 Class 10	Apr 9 Class 10
Apr 11 Class 11	Apr 12 Class 11	Apr 12 Class 11	Apr 13 Class 11	Apr 16 Class 11
Apr 18 Class 12	Apr 19 Class 12	Apr 19 Class 12	Apr 20 Class 12	Apr 23 Class 12
Apr 25 Class 13	Apr 26 Class 13	Apr 26 Class 13	Apr 27 Class 13	Apr 30 Class 13
May 2 Class 14	May 3 Class 14	May 3 Class 14	May 4 Class 14	May 7 Class 14

**COURSE OUTLINE**

Reading assignments must be completed before each lecture. (Note that you have a reading assignment for the first class!) You are not required to read the chapter appendices unless specifically noted below. Handout readings can be found on the course website.

Homework assignments consist primarily of analytical problems based on the previous week's readings and lecture, but also include a few short-answer questions about the current week's readings. All assignments can be found on the course website. Solutions will be posted each week after the last lecture has met (Thursday nights).

Discussion session practice problems are designed to help you prepare for the homework assignments. Your TC will bring copies of all practice problems to discussion session, so you do not need to bring your textbook, but the problems are listed below in case you either want to start thinking about them in advance or you cannot make it to discussion session and want to solve the problems on your own. Most problems are from the textbook, but in a few cases they are from handouts distributed in discussion session and posted on the website.

**CLASS 1: OPERATING BUDGETS & CASH BUDGETS**

Read before class: Chapter 1, Chapter 2, and "Excel Tips, Part 1" handout

Discussion session: Practice problems: handout

**CLASS 2: FLEXIBLE BUDGETS & BREAK-EVEN ANALYSIS**

Read before class: Chapter 3 up to p. 87 (up to *Performance Budgeting*), Chapter 4 up to p. 145 (up to *Cost Measurement*), Appendix 4-A

Homework #1 due: Jobs University (2% of course grade)

Discussion session: Practice problems: 3-23, 4-41, handout

**CLASS 3: COST ALLOCATION & VARIANCE ANALYSIS**

Read before class: Chapter 4 from p. 145-end (from *Cost Management*), and Chapter 8 up to p. 299 (up to *Ethics*)

Homework #2 due: QwikShare (2% of course grade)

Discussion session: Practice problems: 8-27, 8-29, handout

**CLASS 4: TIME VALUE OF MONEY**

Read before class: Chapter 5 up to p. 190 (up to *Capital Asset Investment Analysis*), Appendices 5-A and 5-B, “Excel Tips, Part 2” handout, and “New York State Lottery” handout

Homework #3 due: Dearborn Center (2% of course grade)

Discussion session: Practice problems: 5-14 through 5-20

**CLASS 5: CAPITAL BUDGETING & LONG-TERM FINANCING**

Read before class: Chapter 5 from p. 190-end (from *Capital Asset Investment Analysis*) and Chapter 6

Homework #4 due: Investment Management (2% of course grade)

Discussion session: Practice problems: 5-32, 5-34, 5-36, 5-37, 6-18

**Class 6: MIDTERM EXAM REVIEW & CASE STUDIES**

Read before class: Case Study Handouts

Homework #5 due: Harper Hospital (2% of course grade)

Discussion session: Practice problems: handout

**CLASS 7: MIDTERM EXAM****CLASS 8: THE BALANCE SHEET**

Read before class: Chapters 7 and 9

Homework #6 due: City Cares (1% of course grade)

Discussion session: Practice problems: 9-27, 9-28, 9-29

**CLASS 9: THE ACTIVITY STATEMENT**

Read before class: Chapter 10 up to p. 371 (up to *The Statement of Cash Flows*)

Homework #7 due: Forever Friends Rescue (1% of course grade)

Discussion session: Practice problems: 10-16, 10-17 (balance sheet & activity statement), 10-19



**CLASS 10: ACCOUNTING FOR NOT-FOR-PROFIT & HEALTH ORGANIZATIONS & ETHICS IN FINANCIAL MANAGEMENT**

Read before class: Chapter 11 and Chapter 8 from p. 299-end (from *Ethics*)

Homework #8 due: Child's Play, Part I (2% of course grade)

Discussion session: Practice problems: handout

**CLASS 11: THE CASH FLOW STATEMENT**

Read before class: Chapter 10 from p. 371-end (from *The Statement of Cash Flows*)

Homework #9 due: Second Chance Bakery, Part I (2% of course grade)

Discussion session: Practice problems: cash flow statements for 10-17 and WPR Public Radio

**CLASS 12: FINANCIAL STATEMENT ANALYSIS**

Read before class: Chapter 14

Homework #10 due: Child's Play and Second Chance Bakery, Part II (1% of course grade)

Discussion session: Practice problem: 14-10

**CLASS 13: BUDGETING AND ACCOUNTING FOR STATE AND LOCAL GOVERNMENTS & GOVERNMENT FINANCIAL CONDITION ANALYSIS**

Read before class: Chapter 12, Chapter 13, and Chapter 15 (including Appendix 15-A)

Homework #11 due: Do Something (2% of course grade)

Discussion session: Practice problem: 12-4

**CLASS 14: FINAL EXAM REVIEW & CASE STUDY**

Read before class: Case Study Handout

Homework #12 due: Dennis City (1% of course grade)

Discussion session: Practice problems: handout

**CLASS 15: FINAL EXAM**