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# Financial Management of Public Programs

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Spring 2014. Armitage Hall 105.

Mondays 6:00pm–8:40pm.

Office Hours: By Appointment.

## COURSE DESCRIPTION

The study of financial management can be broken down into the following functional areas:

- Budgeting planning and execution – the sources and uses of funds.
- Capital budgeting, debt management, and administration – capital investment and the financing of such through the capital markets.
- Fund management and investment – the managing and investing of short- and long-term assets.
- Financial control – financial fiduciary responsibilities and accounting for public funds.

This course will cover each of these interrelated topics.

## COURSE OBJECTIVES

Upon successful completion of this course, students should be able to:

1. Achieve an understanding of financial management in public and nonprofit sectors.
2. Become knowledgeable of the application of budgeting, costs, term financing, and investment management practices.
3. Gain an understanding of the importance of the accounting, reporting, and auditing functions.
4. Analyze financial control strategies including the role of accounting, reporting, and auditing functions.

Student progress on these learning objectives will be measured through a combination of examinations, written assignments, and class discussion.

## REQUIREMENTS

### Mid-term exam – 25%

This will be an in-class, close book exam. Students will be advised of the nature of the exam in advance of the examination. Please see the course outline for exam dates. **Make-up exams will not be given.**

### Final exam – 25%

This exam will cover the material discussed in class since the midterm exam (i.e. the exam is not cumulative). This will be an in-class, close book exam. Students will be advised of the nature of the exam in advance of the examination. Please see the course outline for exam dates. **Make-up exams will not be given.**

### Financial Condition Analysis – 20%

This is a major project that can be completed individually or with a partner. This project requires students to conduct a financial statement and condition analysis on a city or nonprofit of their choosing and to write a report detailing the results. Further details on this assignment will be distributed in class. Please see the course outline for due dates. **Late papers will not be accepted.**

### Homework – 30%

Students will complete 9 homework assignments designed to test the comprehension of material covered in class. All homework assignments are due at the beginning of the class. Credit will be assigned on a check, check-plus, and check-minus scale. Please see the course outline for due dates. **Late assignments will not be accepted.**

## READINGS

The main text in this course is available at the bookstore. However, it likely can be obtained cheaper elsewhere (primarily online).

Finkler, Steven A., Thad Calabrese, Robert Purtell, and Daniel L. Smith. 2012. *Financial Management For Public, Health, and Not-for-Profit Organizations*, Fourth Edition. Prentice Hall. ISBN: 0-13-280566-9.

Additional required reading may be assigned. To the extent that I can, these will be available on [Sakai](#).

## COURSE METHODOLOGY & POLICIES

Class presentations will be conducted through combination of lecture and class discussion. Students are strongly encouraged to participate in class discussion and to ask questions. Everyone in class brings a unique perspective, and I believe that perspective is a valuable addition to the course. Please come to class prepared and ready to participate.

I will be teaching this as an upper-level graduate course that combines theoretical and conceptual topics with practical application. **This class is extremely challenging for most students. Your utmost attention will be required.** There is a large amount of material to cover in the course, and we will be moving quickly. The lectures I will present in class are not directly from the assigned reading and often contain information supplemental to the readings. Do not fall behind in the reading. It will be difficult to catch up.

### LAPTOP COMPUTER USE

The use of laptop computers in my classroom is a privilege and not a right. Laptop computers may be used during class sessions for note taking and to calculate problems ONLY. Laptop computers may not be used at

any time in my classroom to check email, surf the Internet, instant message with friends, update your Facebook status, post to Twitter, read the newspaper, or for any other purpose not explicitly related to course material. ANY instance of unapproved use of your laptop computer in my classroom will result in your laptop privileges being revoked for the remainder of the semester. There are NO EXCEPTIONS to this policy.

#### CALCULATORS

It is required that you have a financial calculator for this class. A financial calculator is able to compute time-value-of-money calculations and therefore has the follow (or similar keys): PV, FV, PMT, N, I/Y. A good calculator for this class is a Texas Instruments BA II Plus, but any financial or business analyst calculator with the aforementioned buttons will suffice.

#### ATTENDANCE

Attendance is not mandatory; however, it is strongly recommended. If you miss a class, it is your responsibility to obtain the information you missed from a classmate. I do not have a policy to take roll, but your absence from class will be noted. I expect everyone to be on time and ready to begin class at 6:00pm. There are important announcements made at the beginning of each class, and a late arrival is disruptive to the class. Do not be late.

#### MAKEUP WORK & EXAMS

Late assignments **WILL NOT** be accepted without a valid Rutgers University excuse. I **WILL NOT** give a make up exam without prior permission and a valid Rutgers University excuse. If you have a schedule conflict on any day an assignment is due or an exam is scheduled, please see me beforehand to make arrangements for turning in your assignment early or taking the exam prior to the scheduled time.

#### STUDENTS WITH DISABILITIES

If you have or believe you have a disability that may impede your learning, please contact the Disability Services Office. I will make every effort to accommodate you in accordance with Rutgers University's policy, procedures and College Coordinator recommendations. Additional information can be found at <http://studentaffairs.camden.rutgers.edu/disability.html>.

#### ACADEMIC HONESTY

Principles of academic integrity require that every Rutgers University student:

- properly acknowledge and cite all use of the ideas, results, or words of others.
- properly acknowledge all contributors to a given piece of work.
- make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of unsanctioned materials or unsanctioned collaboration.
- obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions.

- treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress.
- uphold the canons of the ethical or professional code of the profession for which he or she is preparing.

Adherence to these principles is necessary in order to insure that:

- everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments.
- all student work is fairly evaluated and no student has an inappropriate advantage over others.
- the academic and ethical development of all students is fostered.
- the reputation of the University for integrity in its teaching, research, and scholarship is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld.

More information on the Rutgers University Academic Integrity Policy can be found at <http://academicintegrity.rutgers.edu/>

### Course Outline

<b>Date</b>	<b>Topic</b>	<b>Reading</b>	<b>Homework Due</b>
January 27	Class Overview & Introduction to Financial Management	Chapter 1	
February 3	Budgeting Concepts	Chapter 2 & 3	
February 10	Understanding Costs	Chapter 4	Homework 1
February 17	Capital Budgeting	Chapter 5	Homework 2
February 24	Long-Term Financing	Chapter 6	Homework 3
March 3	Short-Term Resources & Accountability and Control	Chapter 7 & 8	Homework 4
March 10	<b>Midterm</b>		
March 17	<i>No Class – Spring Break</i>		
March 24	The Balance Sheet	Chapter 10	
March 31	Activity & Cash Flow Statements	Chapter 11	Homework 5
April 7	Government Accounting	Chapter 13	Homework 6
April 14	Government Accounting	Chapter 14	Homework 7
April 21	Financial Statement Analysis	Chapter 15	Homework 8
April 28	Financial Condition Analysis	Chapter 16	Homework 9
May 5	<b>Final</b>		
May 14	<b>Financial Condition Analysis Due</b>		

Hard copies of the Financial Condition Analysis must be turned into my office at 401 Cooper Street by no later than **5 pm on May 14**.