



Nonprofit Statements and Analysis: 90-744

Spring 2021 – Mini 4

COURSE INFORMATION

Instructor:

Jacob Bacharach
Hamburg Hall
e-mail: Bacharach@cmu.edu

Office Hours: Friday 1:30 – 3:00
or by appointment

Prerequisites:

90-723: Financial Analysis of Companies or equivalent

Course Materials:

- How to Read the New IRS Form 990, a document prepared by the Nonprofit Coordinating Committee of New York
- (Optional) Ruppel, Warren. Not-for-Profit Accounting Made Easy, 1st or 2nd edition, Wiley Publishing.
- Practice Problem Sets: In the week(s) prior to each quiz (see below), I will post Practice Problem Sets to Canvas. These materials will not be graded, but they will provide important opportunities to practice material that will appear on quizzes.
- Class Slides and Lecture Materials: Distributed through the mini-semester. Available after each class.

Course Description:

This course will provide a firm grounding in the concepts of nonprofit accounting, with an emphasis on financial analysis, the interpretation of financial statements, annual reports, and IRS filings. By studying and discussing real-world examples and organizations, we will develop a working knowledge of nonprofit accounting and financial reporting.

This course provides conceptual and quantitative exposure to the concepts of nonprofit accounting and the financial skills required of managers of not-for-profit organizations, including financial statement analysis and budgeting. Through study and discussion of cases set in private nonprofit organizations, we will gain a fundamental background in non-profit financial management.

Course Objectives:

At the end of this course, you should be able to

- Locate financial, governance, and accountability information about NPOs
- Describe and explain typical accounts found in NPO financial reports
- Use the relationships between the financial statements and accounts to infer financial activity in a not-for-profit organization
- Clearly articulate, using proper terminology, the information contained in nonprofit financial statements and the Form 990
- Analyze and assess an NPO's success and ability to
 - meet its mission
 - generate income
 - manage its debt
 - pay off obligations when they come due

Class Sessions and Recordings:

Classes sessions will be recorded during the mini-semester. You may use these recordings to review material that we covered in class, make up material that you missed due to illness, an interview, or other absences, and to prepare for the exams or assignments.

ASSIGNMENTS, QUIZZES, AND GRADES

Your grade in this course will be based on three (3) take-home **assignments**, two (2) in-class **quizzes**, and one (1) final group project.

ASSIGNMENTS:

Each **assignment** will consist of a short set of *qualitative* and *quantitative* questions related to a specific non-profit's statements and documents. These may include locating, identifying, and explaining features and attributes of a non-profit; interpreting and analyzing specific financial information; and performing basic financial calculations related to financial statements.

Each assignment will be worth **ten (10) points**.

Assignments should be submitted as a .pdf file to Canvas by the due date and time listed on the syllabus below in order to receive full credit. Assignments submitted within **12 hours** following the deadline (i.e., by **noon** of the following day) will be accepted, but you will receive a 10% penalty (1-point deduction) for being late.

You will receive **no credit** for assignments submitted more than **12 hours** late unless you have made special arrangements with me in advance.

QUIZZES:

Quizzes will take place during class sessions on the dates listed in the syllabus below. Each **quiz** will consist of a mixture of *qualitative* and *quantitative* questions pertaining to non-profit financial statements and documents. Some basic financial and accounting calculations will be required. Quizzes must be completed **individually**. Each quiz will be worth **fifteen (15) points**.

GROUP PROJECT — ORGANIZATIONAL ANALYSIS:

In lieu of a final exam, you will complete a **group project** consisting of a **comprehensive analysis** of a Non-Profit Organization. You will submit a preliminary proposal, a draft report, and a final report with the analysis. You may work in groups of 4 to 6 people. The details of this assignment will be distributed in a separate document. The project will be worth **forty (40) points**.

GRADES:

Your final grade for the course will consist of the aggregate points from the assignments

30	Assignments
30	Quizzes
40	Group Project
100	TOTAL

Your final grade will be determined by your placement on the following scale:

90 – 100	A	65	– 69	C+
85 – 89	A-	60	– 64	C
80 – 84	B+	55	– 59	C-
75 – 79	B	Below 55		R
70 – 74	B-			

Policy on Cheating

You may work together on **assignments**, and I encourage thoughtful collaboration. However, you must submit your own assignment that is written in your own words.

You may not collaborate on quizzes. They must be completed individually, during class time, unless you require and have requested special accommodation in advance.

If you cheat on a quiz, turn in plagiarized work, or otherwise violate the university’s [Policy on Academic Integrity](#):

- You will receive a score of zero on the paper
- A letter describing the infraction will be sent to the following persons:
 - Your Program Director; the Associate Dean; the Dean of Student Affairs at the university
 They will determine if expulsion or other further action is recommended.

For more information on cheating and your rights: <https://www.cmu.edu/student-affairs/ocsi/academic-integrity/>

Nonprofit Statements & Analysis Syllabus

Spring, 2021 – Mini 4

<https://cmu.zoom.us/j/99742632550?pwd=WlVjRTZid2lQQ3ZRT29ibUlaVytkUT09>

Meeting ID: 997 4263 2550

Passcode: 563917

** Topics and Assignment Due Dates are *tentative* and may change slightly throughout the mini.

Week	Date	Topic	Readings and Other Relevant Materials	Due
1	Mar 22	Introduction to Non-Profits and NPO Financial Statements		
	Mar 24	The Form 990	Assignment #1: Analysis of 990 and Audited Financials	
	Mar 26	<i>Office Hours</i>		
2	Mar 29	Form 990, Continued Sources of NPO documents Charity Watchdog Organizations	How to Read the New Form 990	
	Mar 31	Sources of NPO documents Charity Watchdog Orgs Net Assets	<u>New 990</u> : Ch. 7	Assignment #1 Due Mar. 30, 11:59pm
	Apr 2	<i>Office Hours</i>		
3	Apr 5	UNIVERSITY BREAK DAY – NO CLASS		
	Apr 7	Expenses and Programming	<u>New 990</u> : Ch. 2, 5 Assignment #2 : Expenses and Net Assets	Organizational Analysis – Preliminary Proposal Due Apr 6., 11:59pm
	Apr 9	<i>Office Hours</i>		
4	Apr 12	Income and “Profitability”	<u>New 990</u> : Ch. 4	
	Apr 14	Special Events, Multi-Year Gifts & Pledges	<u>New 990</u> : Stmt. of Revenue	Assignment #2 Due Apr. 13, 11:50pm
	Apr 16	<i>Office Hours</i>		

5	Apr 19	QUIZ #1 Capital Campaigns		
	Apr 21	B/S Ratios – CR*, DR*, DCOH* Operating Reserves	Assignment #3: Gifts and Special Events	
	Apr 23	<i>Office Hours</i>		
6	Apr 26	Endowments and Investments Gains and Losses	<u>New 990:</u> Endowments	
	Apr 28	Capital Campaign Contributions Gains and Losses		Assignment #3 Due Apr 27, 11:59pm
	Apr 30	<i>Office Hours</i>		
7	May 3	Budgeting		Organizational Analysis Draft Review, Due May 2, 11:59pm
	May 5	QUIZ #2 Budgeting		
	May 7	<i>Office Hours</i>		
8	May 14	FINAL GROUP PROJECT DUE		Organizational Analysis FINAL REPORT DRAFT Due May 14, 11:59pm