

Yale School of Management
Introduction to Not-for-Profit Accounting
MGT 801, Spring I, 2016

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Course Description

This course, conducted in a workshop format, focuses on financial aspects of nonprofit organizations. The objectives of this course include helping students (1) learn the basics of not-for-profit accounting and the construction of their financial reports, (2) become more intelligent users of the financial statements of nonprofit organizations such as private colleges, hospitals, charities, and cultural institutions and (3) better understand the factors that affect the financial condition and financial performance of such entities. The course focuses on (1) the financial reporting concepts and standards that are applicable to nonprofit organizations; (2) ratios and other summary indicators used by analysts to evaluate the financial condition and financial performance of nonprofit organizations; and (3) the analysis and interpretation of financial statements of selected nonprofit organizations.

Groups

By the end of the second class students are expected to form groups of three or four. Please send the instructors an email indicating the composition of your group. Groups will be responsible for:

- Submitting answers to all assignments on Classes*v2
- Writing one case based on a nonprofit financial statement of their choice
- Presenting one case in class written by another group in the class

The expectation of the instructor is that all members of the group will be active contributors to all of the required group activities.

Requirements and Grading

Class participation (20%), the quality of assignment answers (40%), the written case (25%), and the case presentation (15%) determine the grade. Attendance is not explicitly factored into your grade, but being present allows you to participate in class. If you will not be able to attend a class meeting please send me an email indicating that you won't be coming.

Assignment questions for each class are available under the assignments tab in Classes*v2 and are to be submitted through Classes*v2 before class begins on the due date. Grading for assignments is on a three point basis. If your group turns the

assignment in on time and has made a good effort to understand the material and answer each question you should receive full credit. If you have trouble with a particular question or concept please note this in your submission so common areas of confusion can be addressed. I am always available for questions after class or in my office.

There is no final exam in this course. **The written case is due by February 27.**

Materials

All materials necessary to complete the assignments (e.g., financial statements) will be posted in the resources folder on Classes*v2, as will some reading material and links to material. Some readings from the FASB must be obtained through the new codification of all US GAAP available through:

<http://aaahq.org/ascLogin.cfm>

Student Username: AAA52784

Student Password:: 29WtErQ

This codification is very handy for our purposes, as one of the industries is “Not-for-Profit Entities” and has topic code 958. There are tutorials on the home page of the Codification that you should go through. Also helpful is the entire section “About the Codification” on the Codification’s front page.

Schedule

DATE	ASSIGNMENT
Jan 25	Introduction and Ratio Detective example
27	Nonprofit Financial Statements (GAAP)
Feb 1	The Cash Flow Statement
3	Accounting for Pledges, Contributions, and Donated Services
8	Western Arts Museum I: Comprehensive Accounting Example
10	Western Arts Museum II: Comprehensive Accounting Example
15	Western Arts Museum III: Comprehensive Accounting Example
17	Accounting for Collections
22	Accounting for Endowments and Investments
24	Ratio Analysis
FEB 27	Group Cases Due!!
29	Review Case
March 2	Student Presentations
7	Student Presentations