

Fall 2020, First Term | Wednesdays, 5:00pm-10:00pm | Classroom: Zoom

PSPA 653: Intermediate Public & Nonprofit Financial Management

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Course Description

Advanced topics in financial management essential for public managers seeking specialized knowledge in public budgeting and financial management. Topics typically include: debt management, risk management policy, revenue policy, fundraising strategies, auditing, cash and investment management and policies, and revenue forecasting.

— NIU Graduate Catalog

This course is designed as an intermediate-level course for students specializing in or interested in public or non-profit financial administration and/or public finance. Building upon students' understanding of public budgeting and the budgetary process, the theoretical basis for government financial activity will be developed, as well as the linkages between the expenditure and revenue sides of budgeting and financial administration, as well as several specialized financial management topics including cash and inventory management, revenue administration, pensions and pension administration, and risk management.

Textbooks

Required

There is one required textbook for this course. Please keep in mind that it is almost always cheaper to purchase books published by ICMA Press directly from [ICMA](#) (and even cheaper if you are a member).

Bartle, John R., Hildreth, W. Bartley, and Marlowe, Justin (eds). 2013. *Management Policies in Local Government Finance*. 6e. ICMA Press.

Additional required readings, as detailed below, will be available either online through the library or on Blackboard.

Optional Books

There are a number of texts that you may consider acquiring (though they are by no means required) if fiscal administration is your vocation.

Chen, Greg G., Weikart Lynne A., & Williams, Daniel W. 2014. *Budget Tools: Financial Methods in the Public Sector*. 2e. CQ Press.

Finkler, Steven A., Smith, Daniel L., & Calabrese, Thad D. 2018. *Financial Management for Public, Health, and Not-for-Profit Organizations*. 6e. CQ Press.

Rubin, Irene S. 2019. *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*. 9e. CQ Press.

Wang, Xiaohu (Shawn). 2014. *Financial Management in the Public Sector: Tools, Applications and Cases*. 3e. Routledge.

Weikart, Lynne A., Chen, Greg G., & Sermier, Ed. 2012. *Budgeting and Financial Management for Nonprofit Organizations: Using Money to Drive Mission Success*. 1e. CQ Press.

Zietlow, John, Hankin, Jo Ann, Seidner, Alan, & O'Brien, Tim. 2018. *Financial Management for Nonprofit Organizations: Policies and Practices*. 3e. Wiley.

Assignments

Class Preparation and Participation	10%
Two (2) Memos	30%
Two (2) Praxis Papers	30%
One (1) Mega-Praxis Paper	30%

Class Preparation and Participation. Class preparation and participation are essential parts of this course. I expect you to do the week's reading and (applicable) pre-work and be ready to engage in the online discussions for that week. I expect you to be a consistent and active participant in the course.

Memos. One of the primary means of evaluation in this course is two case-based memo assignments. You will be given a short case relevant to prior course topics and be asked to provide a viable solution to you city manager and/or finance director based on the course materials. These assignments will take place over the course of one week.

Praxis Papers. Each student will be required to turn in and present two (2) praxis papers during the summer that relates *one major* idea, theory, or concept from the readings and professor notes from the current week to a public administration case (current event or personal/professional experience). A maximum of one (1)

praxis paper will be accepted each week from each student. Praxis cases can come from the students' experiences, newspapers, or other media articles or reports. No late praxis papers will be accepted.

Mega-Praxis Paper. Each student is required to write a mega-praxis paper of about six (6) pages that connects the readings of *at least three* financial management subfields to relevant cases in the government and/or non-profit sectors. Students should critically evaluate the connection between theory and practice. The mega-praxis paper is due the last class. No late papers will be accepted. The mega-praxis paper should also include a title page, embedded citations, and a bibliography. The paper must be double-spaced; 12-point font, one-inch margins, and must be paginated.

Each student must present his or her mega-paper to the entire class during the last class. The oral presentation must be between 5-10 minutes in length. There will also be a short question and answer period after each student's presentation. In addition, each student will be required to prepare a one-page abstract (executive summary) of their mega-praxis paper that they will hand out to each student and the professor prior to the presentation. The abstract should be organized similarly to the mega-praxis paper and should contain a summary of what is included in the paper.

Learning Outcomes

In order to become effective public leaders, students must develop a solid foundation in technical, analytical, ethical, diversity, accountability, and leadership skills. In addition, students receive greater depth in a specialty area training of their choice: local government management, public management and leadership, fiscal administration, or nonprofit management.

To this end the Department of Public Administration uses a competencies based curriculum which establishes specific skills and abilities acquired by the students as they complete the required courses. A portfolio of completed work is displayed by the graduate as evidence of proficiencies in distinct categories of public service. Each course contributes to the competencies based curriculum by focusing on student learning related to some subset of these competencies. Expected mastery of skills in each competency is defined by a hierarchy related to the level of student learning associated with that competency.

Foundation Knowledge. This level refers to students' ability to understand and remember specific information and ideas. Foundational knowledge provides the basic understanding that is necessary for other kinds of learning. We expect that students will be at the foundational level early in their development as they are learning on the job and taking introductory courses. For example, students might be able to define cost efficiency or citizen engagement but they have not yet applied those concepts.

Application. Beyond foundational, students also learn how to engage in some kind of action; doing something. This is where they start to see their foundational knowledge as useful because they can apply what they are learning. At the application stage, students are still taking a lot of direction on what to do, when, and how. This could be something creative or practical such as writing a memo, creating a budget or learning how to manage more complex projects (but not managing it themselves yet). The student can use

the concept of cost efficiency or citizen engagement and correctly apply it to an issue or situation that is the object of the memo.

Integration. At this stage, students have specialized knowledge (foundational) and are able to apply that knowledge(application) but they also see and understand the connection between ideas, people or classes and work. This act of making new connections raises their intellectual capacity to the highest stage of learning. Integration also means they are able to successfully manage whole projects and make critical decisions about its design, working independently (under guidance). At this stage, students should be able to bring information from a variety of sources (examples: theory, demographic data, opinions of elected officials, new research etc.) and integrate that information into their work. A student could integrate the concepts of cost efficiency and citizen engagement to address a complex problem or issue and propose creative solutions to a dilemma. Students don't see themselves as separate from what is happening around them, but see themselves as connected to everyone and everything. It is expected that most students will not reach the integration stage until they are near completion of the program and beyond.

This course (PSPA 653) is designed to address the following specialization competencies:

- Use financial information to evaluate the financial condition of public service organizations and make appropriate fiscal policy recommendations.
- Communicate budget and financial information about public service organizations to technical and non-technical stakeholders, including through appropriate graphs and spreadsheets.
- Develop and implement entity-wide financial management policies for public service organizations in accordance with recommendations by GFOA and similar professional organizations.
- Analyze nonprofit financial reports and fundraising activities and make recommendations to promote financial sustainability.

Course Policies

Communications

Course announcements will be made via email so it is imperative that you check your e-mail daily. "I didn't get the email" is never a valid excuse. The most effect method of communicating with me is using email; however, you are also encouraged to **schedule a meeting** at my office or a phone call.

Late Assignments

All course assignments are due at 11:59pm unless otherwise noted. Course policy is that late work will not be accepted. That said, you should always turn in your work, even if late. Generally, you will receive at least partial credit for late work, depending on the assignment. This is better than receiving a '0' on the assignment. All assignments are due at the beginning of class on the assigned due date, unless otherwise specified. For students who contact the instructor before the assignment deadline regarding extenuating circumstances constituting an emergency, the instructor will consider those circumstances and evaluate

whether an accommodation can and should be made based on equity, fairness, and compassion. However, an accommodation should not be considered a matter of right in such circumstances.

Lauren's Promise

I will listen and believe you if someone is threatening you. Lauren McCluskey, a 21-year-old honors student athlete, **was murdered on October 22, 2018 by a man she briefly dated on the University of Utah campus**. We must all take action to ensure that this never happens again.

If you are in immediate danger, call 911.

If you are experiencing sexual assault, domestic violence, or stalking, please report it to me and I will connect you to resources or call **NIU's Counseling and Consultation Services** (815-753-1206).

Any form of sexual harassment or violence will not be excused or tolerated at Northern. NIU has instituted procedures to respond to violations of these laws and standards, programs aimed at the prevention of such conduct, and intervention on behalf of the victims. NIU Police officers will treat victims of sexual assault, domestic violence, and stalking with respect and dignity. Advocates on campus and in the community can help with victims' physical and emotional health, reporting options, and academic concerns.

Accessibility

If you need an accommodation for this class, please contact the Disability Resource Center as soon as possible. The DRC coordinates accommodations for students with disabilities. It is located on the 4th floor of the Health Services Building, and can be reached at 815-753-1303 or drc@niu.edu.

Also, please contact me privately as soon as possible so we can discuss your accommodations. Please note that you will not be required to disclose your disability, only your accommodations. The sooner you let me know your needs, the sooner I can assist you in achieving your learning goals in this course.

Academic Integrity

Good academic work must be based on honesty. The attempt of any student to present as his or her own work that which he or she has not produced is regarded by the faculty and administration as a serious offense. Students are considered to have cheated, for example, if they copy the work of another or use unauthorized notes or other aids during an examination or turn in as their own a paper or an assignment written, in whole or in part, by someone else. Students are guilty of plagiarism, intentional or not, if they copy material from books, magazines, or other sources without identifying and acknowledging those sources or if they paraphrase ideas from such sources without acknowledging them. Students guilty of, or assisting others in, either cheating or plagiarism on an assignment, quiz, or examination may receive a grade of F for the course involved and may be suspended or dismissed from the university.

A faculty member has original jurisdiction over any instances of academic misconduct that occur in a course which the faculty member is teaching. The student shall be given the opportunity to resolve the matter in

meetings with the faculty member and the department chair. If the facts of the incident are not disputed by the student, the faculty member may elect to resolve the matter at that level by levying a sanction no greater than an F for that course. The faculty member shall notify the student in writing whenever such action is taken, and Student Conduct shall receive a copy of the Academic Misconduct Incident Report indicating final disposition of the case, which will be placed in the student's judicial file. In all matters where the charge of academic misconduct is disputed by the student or if the faculty member feels a sanction greater than an F in the course is appropriate (such as repeated offenses or flagrant violations), the faculty member shall refer the matter to Student Conduct, making use of the Academic Misconduct Incident Report. Additional sanctions greater than an F in a course can be levied only through the system of due process established and overseen by Student Conduct or through the university's research misconduct procedures noted below. Suspension or dismissal from the university for academic misconduct will result in a notation of that action on the transcript of a graduate-level student.

The university has adopted additional policies and procedures for dealing with research misconduct among its students, faculty, and staff. The guidelines, entitled Research Integrity at Northern Illinois University, are available in department offices, in the office of the dean of the Graduate School, and online at www.niu.edu/provost/policies/appm/I2.shtml, and pertain to the intentional commission of any of the following acts: falsification of data, improper assignment of authorship, claiming another person's work as one's own, unprofessional manipulation of experiments or of research procedures, misappropriation of research funds.

If a graduate student fails to maintain the standards of academic or professional integrity expected in his or her discipline or program, the student's admission to the program may be terminated on recommendation of the student's major department. A statement on students' rights to the products of research is available in department offices, in the office of the dean of the Graduate School, and online at www.niu.edu/provost/policies/appm/I11.shtml.

Grade Scale

Score (%)	Letter Grade	GPA Point Value	Value	Description
94-100	A	4.00	Outstanding	Work is complete, original, insightful and of a level and quality that exceeds expectations for a graduate level of study. In-depth understanding of course issues and a high level of analytical skills. No grammar and citation errors. Referencing is done in APA style. References are extensive and of high quality.
90-93	A-	3.67	Very satisfactory	Work is complete, of a level that slightly exceeds expectations for this level. Solid understanding of course issues and excellent analysis. Very few grammar and citation errors. Citations are consistent with APA style format and are drawn from a broad range of current sources.
87-89	B+	3.33		
83-86	B	3.00		
80-82	B-	2.67	Satisfactory	Work is mainly complete, and/or a level that partially meets expectations or standards for an undergraduate course. Important grammar and spelling errors. Problems with citation format.
77-79	C+	2.33		
73-78	C	2.00		
70-72	C-	1.67	Marginally satisfactory	Assignments not turned in or turned in significantly late. Lack of understanding of central course concepts.
60-69	D	1.00		
0-59	F	0.00	Unsatisfactory	Assignments not turned in or turned in significantly late. Very poor performance on exams/tests. Lack of effort or lack of understanding of central course concepts.

Course Outline

Week 01, 08/19: Introduction to the Economics of Public & Nonprofit Organizations

Topics:

- “Context, Challenge, Ethics, and Opportunity,” Chapter 1 in *Management Policies in Local Government Finance*
- “Local Government Spending and Revenues,” Chapter 2 in *Management Policies in Local Government Finance*
- “Government Structure as Context for the Finance Function,” Chapter 3 in *Management Policies in Local Government Finance*
- “Economic Theories of Nonprofit Organization,” Chapter 5 in *The Nonprofit Sector: A Research Handbook 2e*

Week 02, 08/26: Revenue Forecasting

Topics:

- “Basic Forecasting Concepts,” Module 28 in *Budget Tools: Financial Methods in the Public Sector*.
- “Forecasting: Intermediate Methods,” Module 29 in *Budget Tools: Financial Methods in the Public Sector*.
- “Forecasting: Advanced Intermediate Methods,” Module 30 in *Budget Tools: Financial Methods in the Public Sector*.
- Reddick, Christopher G. 2004. Assessing Local Government Revenue Techniques. *International Journal of Public Administration* 27 (8-9): 597-613.
- Reitano, Vincent. 2019. “Small Local Government Revenue Forecasting.” In *The Palgrave Handbook of Government Budget Forecasting*, edited by Daniel Williams and Thad Calabrese, 241–56. Cham: Springer International Publishing.

Week 03, 09/02: Cash, Investments, & Pensions

Topics:

- “Cash, Investments, and Pensions,” Chapter 13 in *Management Policies in Local Government Finance*
- Blanke, Andy and Norman Walzer. 2018. Insights into Rising Pension Costs in Illinois Municipalities. *Illinois Municipal Policy Journal* 3 (1): 117-134.
- Modlin, Steve and La Shonda M. Stewart. 2012. Cash Management Practices Among Southeastern County Governments: Property Utilization or Excessive Caution. *Public Finance and Management* 12 (2): 100-119.
- City of Chicago Treasurer *Investment Policy*

Week 04, 09/09: Risk & Debt Management

Topics:

- Kavanagh, Shayne C. 2013. *A Risk-Based Analysis of General Fund Reserve Requirements*. Chicago, IL: Government Finance Officers Association.
- Sohl, Shannon, Andy Blanke, and Norman Walzer. 2016. Measuring the Strength of Illinois’ Municipal Reserves: Do Communities have the Flexibility to Wrestle with Unforeseen Events? *Illinois Municipal Policy Journal* 1 (1): 79-92.
- “Debt Management,” Chapter 12 in *Management Policies in Local Government Finance*
- GFOA. *Best Practices: Debt Management Policy*

Week 05, 09/16: Debt Management (cont) & Capital Budgeting

Topics:

- “Capital Planning and Budgeting,” Chapter 11 in *Management Policies in Local Government Finance*
- “Planning and Budgeting for Capital Improvements,” Chapter 11 in *A Budgeting Guide for Local Government*

- Srithongrung, Arwiphawee, Juita-Elena (Wie) Yusuf, and Kenneth A. Kriz. 2019. A Systematic Public Capital Management and Budgeting Process. In *Capital Management and Budgeting in the Public Sector*, edited by Arwiphawee Srithongrung, Natalia B. Ermasova, and Juita-Elena (Wie) Yusuf. Advances in Public Policy and Administration. Hershey, PA: IGI Global.
- Marlowe, Justin. 2012. "Capital Budgeting and Spending." In *The Oxford Handbook of State and Local Government Finance*, edited by Robert D. Ebel and John E. Petersen. New York, NY: Oxford University Press.

Week 06, 09/23: CAFRs, 990s, & Financial Condition

Topics:

- Brown, Ken W. 1993. The 10-Point Test of Financial Condition: Toward an Easy-to-Use Assessment Tool for Smaller Cities. *Government Finance Review* December: 21-26.
- Maher, Craig S. and Nollenberger, Karl. 2009. Revisiting Kenneth Brown's "10-Point Test." *Government Finance Review* October: 61-66.
- North Carolina Financial Condition Analysis
 - Rivenbark, William C., Dale J. Roenigk, and Gregory S. Allison. 2010. Conceptualizing Financial Condition in Local Government. *Journal of Public Budgeting, Accounting, and Financial Management* 22 (2): 149-177.
 - Rivenbark, William C. and Dale J. Roenigk. 2011. Implementation of Financial Condition Analysis in Local Government. *Public Administration Quarterly* 35 (2): 241-267.
 - **NC County and Municipal Fiscal Analysis**
 - NC Treasurer's Office. Financial Condition Analysis Model.
- Leiser, Stephanie and Sarah Mills. 2019. Local Government Fiscal Health: Comparing Self-Assessments to Conventional Measures. *Public Budgeting & Finance* 23 (3): 75-96.
- Prentice, Christopher R. 2016. Why So Many Measures of Nonprofit Financial Performance? Analyzing and Improving the Use of Financial Measures in Nonprofit Research. *Nonprofit and Voluntary Sector Quarterly* 45 (4): 715-740.

Week 07, 09/30: Fiscal Federalism & Intergovernmental Relations

Topics:

- "Intergovernmental Grants" in *State and Local Public Finance*
- Wright, Deil S. 1990. Policy Shifts in the Politics and Administration of Intergovernmental Relations, 1930s-1990s. *The ANNALS of the American Academy of Political and Social Science* 509 (1): 60-72.
- Nathan, Richard P., and John R. Lago. 1990. Intergovernmental Fiscal Roles and Relations. *The ANNALS of the American Academy of Political and Social Science* 509 (1): 36-47.
- Fisher, Ronald C., and Andrew Bristle. 2012. "State Intergovernmental Grant Programs." In *The Oxford Handbook of State and Local Government Finance*, edited by Robert D. Ebel and John E. Petersen. New York, NY: Oxford University Press.
- Zhao, Bo, and David Coyne. 2015. A More Equitable Approach to Cutting Intergovernmental Aid. *Public Finance Review* 43 (1): 32-52.

Week 08, 10/07: Presentations and Mega-Praxis Papers due.