

George Mason University
College of Visual and Performing Arts
Master of Arts in Arts Management Program

AMGT 705: Finance & Budgeting for Arts Organizations II	2 Credit Hours (Spring 2012)
Professor: Sam Sweet	Lecture: Thursday, 4:30 – 6:10pm
Office: n/a	Room: Arl FH 209
Office Hours: By appointment, one hour prior to class	Prerequisites: AMGT 704
Phone: 703.855.1768 (mobile)	e-mail: ssweet2@gmu.edu

The goal is to understand and practice the conceptual framework of “mission to money”: generating, conserving and sustaining the human, physical and financial resources to advance the missions of cultural organizations.

To move toward this goal, Managers’ objectives are to:

- Use financial analysis to understand the financial health and capacity of the organization
- Implement and maintain monitoring and controls, understanding that assets are held in the public trust
- Communicate effectively the financial status, issues and strategic implications to staff, the Board, and outside constituencies
- Use financial analysis and a broader understanding of organizational capacity to recognize and evaluate risks and opportunities, and inform sound decision making and strategic planning

As per the Association of Arts Administration Educators, sound financial management skills should include:

- Annual revenue and expense planning, including development of a realistic operating budget that sustains and advances the mission
- System design and control techniques to ensure that plans are followed sensibly and adjusted as needed
- Cash flow management
- Managing reserves, endowments and generally protect the company’s long-term stability
- Implementing necessary financial systems, reporting, and controls

Additionally, Managers should have an understanding of, and be active participants in, the broader non-profit sector, especially their local cultural community.

Required Text:

Author: Dropkin, Murray and Jim Halpin and Bill LaTouche, ***“The Budget Building Book for NonProfits”*** (Jossey-Wiley & Sons, Jossey-Bass: Publisher), 2007. ISBN#978-0-7879-9603-1 (paper.CD)

Suggested Reading:

Author: Dropkin, M & Hayden, A; **Title:** The Cash Flow Management Book; **Publisher:** Jossey-Bass; **Edition:** 2001; **ISBN:** 0-7879-5385-7

Author: Bell, J & Schaffer, E; **Title:** Financial Leadership for Nonprofit Executives: Guiding Your Organization to Long-term Success; **Publisher:** Fieldstone Alliance/Turner Publishing; **Edition:** 2005; **ISBN:** 978-0-940069-44-2

Additional handouts may be provided as required readings and /or homework assignments.

Current readings (articles, blogs) will be suggested (see below for possible blogs). Students are encouraged to share other blogs or outside readings with the class. Discussion of these in class will count toward class participation.

AMGT 705 Blogroll:

Money and Mission, Nonprofit Finance Fund, blog in *Chronicle of Philanthropy*

Against the Grain, Rick Moyers, blog in *Chronicle of Philanthropy*

Createquity, Ian David Moss

Barry's Blog, Barry Hessenius

Jumper, an artjournal.com blog by Diane Ragsdale

2AMt, theater blog

The Artful Manager, Andrew Taylor

Museum 2.0, Nina Simon

Arts Watch, Americans for the Arts

Grading:

Project. Sixty percent (60%) of the grade will be based on a project. For the project, students will form management teams to prepare, present and defend a cultural organization's budget before a Board of Directors and the class (40%). The same team in turn will comprise the Board to review, question and approve (or not) another management team's budget proposal (20%). Detailed description of the project will be handed out separately.

Mid-term exam. Twenty percent (20%) of the grade will come from a mid-term exam based primarily on budgeting terminology, methodologies, concepts and the integration of accounting with planning covered in the first half of the semester.

Class participation. Twenty percent (20%) of the grade will be based on class participation. Participation will involve three elements: 1) weekly discussion of current readings, blogs, handouts and/or current events, 2) a team report to the class on an assigned budget-project related topic and 3) a brief team report to the class on an assigned external or current topic (organization, funding initiative, etc.).

Final exam. Due to the rigorous and comprehensive nature of the project, there is no final exam.

Grading Scale:

A+	100-99
A	98-94
A-	93-90
B+	89-87
B	86-84
B-	83-80
C	79-70
F	69-

Grading reminder: Once final grades have been recorded, faculty is not to accept any work to change a grade. Grade changes can only be approved when they are due to a calculation or recording error on the part of faculty.

An incomplete grade (IN) is used only if the student requests it in writing. An IN counts as a failing grade until completed, and it automatically turns into an F if a grade is not turned in by the deadline in the Schedule of Classes.

Schedule:

Week/(Date)	Lecture title	Reading for this session
1 (1/26)	Introductions; Course Plan & Expectations	
	Review Project; Team assignments	Handout on Project
2 (2/2)	Basic concepts of budgeting: Types of budgets; Roles and Responsibilities; "Is Your Budgeting Process Killing Your Strategy?"	Chapters. 1-6 Handout (HBR)
	Course Project Proposal – Organization name/mission	
3 (2/9)	Building the budget: Historical accounting; budget policies; budget calendar; involving the rest of the staff	Chapters. 7 -10,
4 (2/16)	Budget package; Organization-wide budgets, Program budgets, Income, Expenses, Budget narrative	Chapters.11-14
	Team Report #1	
5 (2/23)	Estimating income and expenses; allocating administrative overhead; revising.	Chapters. 15-17

Week/(Date)	Lecture title	Reading for this session
6 (3/1)	Zero-based budgeting; Review of Classes 1 - 6	Chapt. 18
7 (3/8)	Mid-Term Exam	
	Spring Break	
(3/15) 8 (3/22)	Capital Budget; Project Review/Updates; Assign Team Reports #2	Chapt. 19
9 (3/29)	Cash Flow Management; Cash Flow sample/worksheet	Chapt. 22
	Team Report #2	
10 (4/5)	Presenting the Budget: Management and Board roles & responsibilities; Board Review and approval; Project Review/Updates	Chapters.20-21
11 (4/12)	Monitoring and Modifying Budgets and Cash Flows; Communicating Progress	Chapt. 23; Handout
12 (4/19)	Class Presentations (Management Groups 1 & 2) (Board Groups 4 & 3)	
13 (4/26)	Class Presentations (Management Groups 3 & 4) (Board Groups 1 & 2)	
14 (5/3)	Post mortem on presentations; "The Responsible Manager"	Handout

Disability

If you are a student with a disability and you need academic accommodations, please see me and also contact the Office for Disability Services (ODS) at 993-2474, <http://ods.gmu.edu>. All academic accommodations must be arranged through the ODS.

Official Communication with Students

Web: www.gmu.edu/email

Mason uses electronic mail to provide official information to students. Examples include notices from the library, notices about academic standing, financial aid information, class materials, assignments, questions, and faculty feedback. Students are responsible for the content of university communication sent to their Mason e-mail account, and are required to activate that account and check it regularly.

Academic Integrity

GMU is an Honor Code university; please see the [Office for Academic Integrity](#) for a full description of the code and the honor committee process. The principle of academic integrity is taken very seriously and violations are treated gravely. What does academic integrity mean in this course? Essentially this: when you are responsible for a task, you will perform that task. When you rely on someone else's work in an aspect of the performance of that task, you will give full credit in the proper, accepted form. Another aspect of academic integrity is the free play of ideas. Vigorous discussion and debate are encouraged in this course, with the firm expectation that all aspects of the class will be conducted with civility and respect for differing ideas, perspectives, and traditions. When in doubt (of any kind) please ask for guidance and clarification.

Writing Center

Students who are in need of intensive help with grammar, structure or mechanics in their writing should make use of the services of the Writing Center, located in Robinson A116 (703-993-1200). The services of the Writing Center are available by appointment, online and, occasionally, on a walk-in basis.

Students are encouraged to sign up for the Mason Alert System by visiting the website <https://alert.gmu.edu>, and please place this information on course syllabi. Students can also be reminded that an emergency poster exists in each classroom explaining what to do in the event of crises and that further information about emergency procedures exists on <http://www.gmu.edu/service/cert>.

Please direct any questions about the above information to:

Victoria Salmon, Assistant Dean, Graduate Programs (vsalmon@gmu.edu)

Alice Watts, Academic Coordinator

(awatts@gmu.edu)