

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

AMGT 705: Finance & Budgeting for Arts Organizations II
Professor: Karim Seikaly
Office: N/A
Office Hours: By appointment, one hour prior to class
Phone: 202-999-6785 (mobile)

2 Credit Hours (Spring 2016)
Lecture: Monday 4:30 to 6:20pm
Room: 312
Prerequisites: AMGT 704
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Synopsis:

The goal of this class is for students, as arts managers of the future, to effectively marshal the human, physical, and monetary resources of an arts organization and succeed in delivering programs and activities to various stakeholders in line with budgetary expectations. Students will learn the latest methodologies to **plan** activities in a given fiscal year and to **apply** financial decision-making to **accomplish** programmatic and administrative goals on time and within budget.

Students will learn to use financial analysis to **plan** and **implement** a conceptual framework that allows organizations to thrive and accomplish their mission. Students will develop an organizational budget that effectively tells the story of an arts organization to its various stakeholders: The Board, donors, staff, and constituents.

We will ask the basic questions: **Who** are we as an arts organization? **What** resources do we need to accomplish our programs? **When** are these programs taking place in a given fiscal year? **Where** will these programs take place? And **how** are we going to get the resources needed to achieve our programmatic objectives?

Students will answer these questions as the semester progresses and will end the course as arts managers confidently presenting and defending an organizational budget to a Board of Trustees.

Required Texts:

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).

Recommended Reading:

Author: Bell, Jeanne Peters and Elizabeth Schaffer, **"Financial Leadership for Non-profit Executives: Guiding Your Organization to Long-term Success"** (Jossey-Bass: Publisher), 2001. ISBN: 0-7879-5385-7

Grading:

1st Presentation: 20 percent. Teams will be assigned early in the semester. Each team will select a cultural organization to adopt (local organizations are recommended, and it is acceptable if the organization is one in which a team member works or interns). The team will obtain a copy of the organization's most recent available **audit report** and **annual program report**. The teams will assign roles for each member (Artistic Director, Managing Director, CEO, CFO, Development Director, etc.) The teams will study the audit and related financial statements and develop the programmatic activities for the upcoming fiscal year (performances/exhibits/programs/classes). Presentations will be 5-10 minutes in length.

2nd Presentation: 25 percent. Management teams will submit their draft budget showing their annual revenue and expense plan during a short presentation (15-20 minutes in length). The budget will be developed across functional and categorical lines and contain the following:

- Assumptions made in constructing budget
- Your season (performances/exhibits/programs/classes)
- Draft organizational budget (including programs, general & administrative, fund raising, etc.)
- Draft fundraising budget/contributed income (expressing sources and level of confidence so that the team may evaluate reasonableness)
- Draft capital budget
- A one page budget narrative

Final Project: 30 percent. The management team will prepare, present, and defend the cultural organization's budget before a Board of Directors and the class. The final comprehensive budget package will include:

- Executive Summary (narrative)
- Mission Statement
- Organizational Chart
- Assumptions made in constructing the budget
- Goals to be accomplished in the budget year (outcomes and performance measures)
- Your season (performance/exhibits/program/classes)
- A one page budget summary
- A detailed line-item organizational budget (including programs, general & administrative, fund raising, public relations, etc.)
- A detailed fundraising budget/contributed income (expressing sources and level of confidence so that the Board may evaluate its reasonableness)
- Cash flow budget
- Capital budget

Additional information regarding the final project will be handed out separately.

Class Participation: 20 percent. Twenty percent of the final grade will be based on class participation. Participation will involve three elements: 1) weekly discussion of current readings and/or handouts 2) discussion of topics in class and 3) team questions as it pertains to the final project.

Quizzes: 5 percent. I know, quizzes are the worst of academic inventions. But occasionally, we will conduct quizzes to ascertain that we are all on the same academic page and understanding the concepts discussed in class.

I reserve the right to modify the syllabus as during the course of the semester. Students will be notified of any addition or modification to the syllabus in ample time.

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 the faculty.

An incomplete grade (IN) is only 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/(23-Jan)	Introductions, Basic Concepts of Budgeting, Roles and Responsibilities	Dropkin Chapters 1-6 Recommended: Bell Chapters 1-3
2/(30-Jan)	Building the budget, historical accounting, budget calendar. Teams Assigned	Dropkin Chapters 7-10
3/(6-Feb)	Budget Package. Organization-wide budgets, program budgets, Income, Expenses, Budget Narrative	Dropkin Chapters 11-14 Recommended: Bell Chapter 4
4/(13-Feb)	Estimating income and Expenses; allocating administrative overhead. 1st Presentations	Dropkin Chapters 15-17
5/(20-Feb)	Zero based budgeting	Dropkin Chapter 18
6/(27-Feb)	Capital Budgets	Dropkin Chapter 19, Handout
7/(6-Mar)	Cash Flow Management	Dropkin Chapter 22
8/(20-Mar)	2nd Presentations	Handout
9/(27-Mar)	Presenting the Budget: Management and Board Roles & Responsibilities; Board Review and Approval	Dropkin Chapters 20-21
10/(3-Apr)	Monitoring and Modifying Budgets and Cash Flows; Communicating Progress	Dropkin Chapter 23 Recommended: Bell Chapter 5
11/(10-Apr)	Project Reviews. Review of all material to date. Open floor for Q/A	Handout
12/(17-Apr)	Class Presentation (Management Groups 1&2) (Board Groups 3&4)	
13/(24-Apr)	Class Presentation (Management Groups 3&4) Board Groups 1&2)	
14/(1-May)	Post Mortem on Presentations and Course. "The Responsible Manager".	Handout

Honor Code:

Student members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work.

Mason 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.

The integrity of the University community is affected by the individual choices made by each of us. Mason has an Honor Code with clear guidelines regarding academic integrity. Three fundamental and rather simple principles to follow at all times are that: (1) all work submitted be your own; (2) when using the work or ideas of others, including fellow students, give full credit through accurate citations; and (3) if you are uncertain about the ground rules on a particular assignment, ask for clarification. No grade is important enough to justify academic misconduct. Plagiarism means using the exact words, opinions, or factual information from another person without giving the person credit. Writers give credit through accepted documentation styles, such as parenthetical citation, footnotes, or endnotes. Paraphrased material must also be cited, using MLA or APA format. A simple listing of books or articles is not sufficient. Plagiarism is the equivalent of intellectual robbery and cannot be tolerated in the academic setting. If you have any doubts about what constitutes plagiarism, please see me.

Disability:

If you have a documented learning disability or other condition that may affect academic performance you should: 1) make sure this documentation is on file with Disability Services (SUB I, Rm. 4205; 993-2474; <http://ds.gmu.edu>) to determine the accommodations you need; and 2) talk with me to discuss your accommodation needs.

If you are a student with a disability and you need academic accommodations, please see me and contact Disability Services at 993-2474, <http://ds.gmu.edu>. All academic accommodations must be arranged through Disability Services.

Privacy:

Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address

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