

CRN 17510 - 002

**AMGT 704: Finance and Budgeting for Arts Administrators I (section 2)  
Spring 2017**

**Thursdays 1:30 pm-4:10 pm  
Arlington Founders Hall Room 307**

Required Text: *Financial Management for Nonprofit Organizations: Policies and Practices*

Jo Ann Hankin, Alan Seidner, John Zietlow; Wiley ISBN-13: 978-0471741664  
QuickBooks software will be provided in the classroom for in-class exercises

**Other readings and case studies as assigned**

Professor: Richard Kamenitzer

Office hours by appointment

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Overview

This course is a hands-on introduction to the financial management of arts organizations (both profit and not-for-profit; both for the USA and for most western countries), focusing on the basics of accounting and financial statements. Students will learn how arts organizations report on their activities, how those reports are monitored and analyzed, and the importance of accurate and useful financial reporting.

The focus of this course will be the understanding and development of financial statements within an arts organization—how financial transactions are recorded, and how those transactions are collected and reported in the organization’s financial statements. The accounting processes involved will be taught in the context of properly managing an arts organization today, with necessary consideration given to organization stability, ethics, compliance, tax reporting, and building financial policies for both the management and protection of nonprofit institutions.

We will view current financial practices as an evolution of past practices and with an eye toward future developments in the field. Financial management processes, and financial statements, are dynamic—they are not static and carved in stone. The goal of this course is to equip tomorrow’s arts manager with the knowledge to thoroughly understand the mechanics and the value of proper accounting and financial reporting, with an awareness of the environmental trends that will continue to cause non-profit financial management practices to evolve.

Grading

Class participation	10%
Periodic quizzes	20%
Midterm exam	20%
Analysis project	30%
Final exam	20%

The analysis project will be a thorough review and analysis of the financial statements of an arts organization of your choice. You will need both the audited financial statements and the Form 990 for the same fiscal year. The analysis will be a **determination of the financial health** of the organization, as far as you can determine, from the financial information contained in the two documents. You will also give **your opinion as to why the financial statement display format is used**, and **what you think the organization is trying to communicate about its financial activities and its financial condition**. The analysis project will be no less than 3 pages and no more than 5 pages, and is due on April 20, 2017.

Grades: A+ is worth no more than an A for a final grade, but is given when a student achieves a grade of 97 or higher as a percentage. It carries a weight of 98 when used to compute the final grade.

A	93-96
A-	90-92
B+	87-89
B	83-86
B-	80-82
C	70-79
F	0-69

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 to an F if a grade is not turned in by the deadline in the Schedule of Classes.

#### Academic Integrity

GMU is an Honor Code university (see Honor Code Statement below). Please see the University Catalog 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. Academic integrity means that 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. 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.

#### Changes in this Syllabus

The Professor may need to revise/amend the syllabus once the semester begins. As soon as this becomes evident, all students will be notified, in writing. Every consideration will be given to minimize the impact of this change so that it does not create an undue hardship on the student.

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### **Honor Code Statement**

To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University community and with the desire for greater academic and personal achievement, we, the student members of the University Community, have set forth this honor code: Student members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work.

Please refer to the GMU Honor Code:

<http://catalog.gmu.edu/content.php?catoid=5&navoid=410#Honor>

### **GMU Email Accounts**

Students must use their Mason email accounts to receive important University information, including messages related to this class. See <http://masonlive.gmu.edu> for more information. The professor will only communicate with students through their GMU email accounts.

### **Electronic devices**

Students are expected to silence all electronic devices (pagers, cell phones, etc.) during class time.

### **Class attendance and assignments**

Students are required to attend classes. If a student must miss a class, the student must notify the professor by Mason email. All absences will be reviewed by the professor and affect the class participation grade. Three (3) late arrivals or early departures equal one absence. If you need to arrive late to class, please come into the classroom and settle in quietly. It is the student's responsibility to complete any assignments missed due to absence from class.

All assignments, including but not limited to the analysis project and quizzes, are due on the stated due date. Late work will only be accepted by prior arrangement with the professor. Please contact the professor before the due date. Except for the final exam, late assignments will receive a grade, but there will be no marks, corrections, explanations, nor recommendations accompanying the grade. Except for the final exam, any late work received more than one week (7 calendar days) after the stated due date will receive a grade of 0 (zero).

The final exam will be in class. A student will receive a grade of 0 (zero) for the final exam if it is not taken by May 11, 2017, unless there are extenuating circumstances that are discussed with the professor in advance.

All QuickBooks exercises will be done in class on computers provided in class. While in class QuickBooks exercises will not be graded, doing the in class QuickBooks exercises will be a factor in the class participation grade.

Quizzes and exams will include assigned reading material, whether or not the material is specifically covered in class. They will also include material covered in class, whether or not the material is in the assigned readings.

### **Disability and Accommodation Needs**

If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 703-993-2474. All academic accommodations must be arranged through that office.

Students must inform the professor at the beginning of the semester, and the specific accommodation will be arranged through the Disability Resource Center.

### **Mason Alert System**

Students are encouraged to sign up for the Mason Alert System by visiting the website <https://alert.gmu.edu>. Also please note 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.ehs.gmu.edu/emergencymanagement/>.

### **Other Useful Campus Resources**

Writing Center: A114 Robinson Hall Fairfax Campus; (703) 993-1200  
<http://writingcenter.gmu.edu>

University Libraries "Ask a Librarian" <http://library.gmu.edu/ask>

Counseling and Psychological Services (CAPS); (703) 933-2380 <http://caps.gmu.edu>

### **University Policies**

The University Catalog, <http://catalog.gmu.edu>, is the central resource for university policies affecting student, faculty, and staff conduct in university affairs.

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Weekly Course Outline

Note: The required text is referred to as “Zietlow.”

First class – January 26, 2017

- Introduction and overview – review of syllabus and the design of this course, along with how this will relate to AMGT 705 (referred to as “the budgeting class”)
- Comparison of for profit and nonprofit
- Cash vs. accrual basis accounting
- The basic accounting equation

February 2, 2017

Required: Read chapter 1 of Zietlow

- Introduction and overview
- Nonprofit organization legal and structural overview
- Comparison of for profit and nonprofit
- Generally Accepted Accounting Principles in the United States (US GAAP)
- External auditors
- Rule makers: FASB and AICPA
- Cash vs. accrual basis accounting
- The basic accounting equation
- Intro to fundamental terminology

February 9, 2017

Required: Read chapter 2 of Zietlow

- Liquidity management in nonprofits
- Organizational stability
- Stability of revenue sources
- Chart of accounts defined (and examples)

February 16, 2017

Required: Read chapter 6 of Zietlow

Print copies and read 2015-2016 Dallas Opera financial statements from

<http://dallasopera.org/about/financials/>

Find out what is available on Guidestar ([www.guidestar.org](http://www.guidestar.org)) for Pyramid Atlantic (EIN = 52-1233802) – both 990 and audit report. If the FY 2016 information is not available, Professor will provide this to the students.

- Financial statements: Statement of Financial Position (Balance Sheet)
- Building a Balance Sheet

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February 23, 2017

Required: Review chapter 6 of Zietlow

- Financial statements: Statement of Activities (Income Statement)
- Building a Statement of Activities

March 2, 2017

Required: Review chapter 6 of Zietlow

- Review Statement of Financial Position and Statement of Activities
- Financial statements: Statement of Cash Flows
- Building a Statement of Cash Flow

March 9, 2017

Required: Review chapter 6 of Zietlow

Review Footnotes of Pyramid Atlantic (Chicago)

- Financial statements: Statement of Functional Expenses
- Footnotes to the financial statements
- Disclosure

**MARCH 16, 2017 [NO CLASS – SPRING BREAK]**

March 23, 2017

Required: Download the 2015 (even though it is for FY 2016) Form 990 for Pyramid Atlantic

- Tax reporting
- Form 990: content
- Form 990: revisions and the new Form 990
- Form 990: public availability, Guidestar and its role

March 30, 2017

Required: Read chapter 4 of Zietlow

**MID-TERM EXAM** (approximately ½ class session)

- Ethics
- Accountability
- Internal control mechanisms
- State attorneys general Watchdogs and scandals
- Sarbanes-Oxley

April 6, 2017

Required: Read chapter 5 of Zietlow

**ANALYSIS PROJECT ART ORGANIZATION NAME DUE**

- Financial policies
- Importance of financial policies
- Monitoring and developing financial policies

April 13, 2017

Required: Read chapter 7 of Zietlow

- Financial reports and financial ratios
- Internal control mechanisms
- Internal reports
- Public external reports

April 20, 2017

**ANALYSIS PROJECT DUE**

Required: Read chapters 10 and 11 of Zietlow

- Cash management
- Nonprofits and banking
- Short-term investments
- Short-term borrowing
- Tax-exempt borrowing

April 27, 2017

Required: Read chapter 12 of Zietlow

- Endowment and investing
- Investment policies and role of committees
- Asset allocation
- Total return and spending rate policies
- Investment advisors

May 4, 2017

Required: Read chapter 13 & 14 of Zietlow

- Information technology
- Data management and security
- Industry trends
- Technology investment
- Risk management
- Personnel risk
- Board of directors risk

- Insurance and disaster preparedness

December 15, 2016

**ONLINE FINAL EXAM DUE at 7:00 PM Eastern Standard Time**

### Spring 2017 Course Calendar

SPRING SEMESTER	Spring 2017		
MLK Day - (no classes)	Mon Jan 16		
First Day of Spring Classes	Mon Jan 23		
Last Day to Add (Census)	<del>Tues Jan 24</del> Mon Jan 30		
Last Day to Drop	Fri Feb 24		
Spring Recess	Mon Mar 13 – Sun Mar 19		
Analysis project due	Thursday, April 20		
Last Day of Class	Thursday May 4		
Reading Day(s)	Mon May 8 – Tues May 9		
Examination Period	Thursday, May 11		

## AP.6.6 Graduate Academic Standing

### AP.6.6.1 Academic Warning

A notation of academic warning is entered on the transcript of a graduate student who receives a grade of C or F in a graduate course or while a grade of IN is in effect.

### AP.6.6.2 Academic Termination

A degree-seeking graduate student may be terminated for the reasons listed below. Non-degree graduate students may be terminated for unsatisfactory academic performance as described below. These are minimum standards of academic performance; some programs have higher standards. Note that the university reserves the right to terminate any student based on cancellation (by the testing administrator) of any test score required for admission.



<b>Student Status</b>	<b>Students may be terminated for any one of the following reasons:</b>
<b>Fully admitted graduate students enrolled in degree and/or certificate program</b>	<ol style="list-style-type: none"> <li><b>1. Fail to make satisfactory progress toward degree as determined by the academic unit</b></li> <li><b>2. Accumulate grades of F in two graduate courses or 9 credits of unsatisfactory grades in graduate courses.</b></li> </ol>
<b>Provisionally admitted degree seeking graduate students</b>	<ol style="list-style-type: none"> <li><b>1. Fail to meet conditions of admission within time limits</b></li> <li><b>2. Fail to make satisfactory progress toward the degree, as determined by the academic unit</b></li> <li><b>3. Accumulate 12 credits of unsatisfactory grades in undergraduate courses</b></li> <li><b>4. Accumulate grades of F in two graduate courses or 9 credits of unsatisfactory grades in graduate courses</b></li> </ol> <p><b>NOTE: undergraduate and graduate course grades are not combined to reach the termination threshold; they are considered separately.</b></p>
<b>Non-degree graduate students</b>	<ol style="list-style-type: none"> <li><b>1. Accumulate 12 credits of unsatisfactory grades in undergraduate courses</b></li> <li><b>2. Accumulate grades of F in two graduate courses or 9 credit of unsatisfactory grades in graduate courses</b></li> </ol> <p><b>NOTE: undergraduate and graduate course</b></p>

	<b>grades are not combined to reach the termination threshold; they are considered separately.</b>
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**Although the university will make every effort to notify students when their performance reaches the threshold for termination, each student is responsible for knowing the termination criteria, for knowing when their grades have met the standard and for initiating any appeal to their dean. Once the appeal period has expired, or the student’s appeal has been denied, a letter of termination is sent by the dean or director of the school, college, or institute, and notification of academic termination is affixed to the graduate student’s official record.**

### AP.3.2 Graduate Grading

The university-wide system for grading graduate courses is as follows:

Grade	Quality Points	Graduate Courses
A+	4.00	Satisfactory/Passing
A	4.00	Satisfactory/Passing
A-	3.67	Satisfactory/Passing
B+	3.33	Satisfactory/Passing
B	3.00	Satisfactory/Passing
B-	2.67	Satisfactory*/Passing
C	2.00	Unsatisfactory/Passing
F	0.00	Unsatisfactory/Failing

\* Although a B- is a satisfactory grade for a course, students must maintain a 3.00 average in their degree program and present a 3.00 GPA on the courses listed on the graduation application.

### AP.3.3 Additional Grade Notations

**Satisfactory/No**      An S grade reflects satisfactory work (C or better for undergraduate

**Credit (S/NC)** students, B- or better for graduate students); otherwise, the student receives no credit (NC). S and NC have no effect on the student's GPA. Entire courses normally graded S/NC are annotated in the catalog, and include doctoral dissertation courses 998 and 999. Students may also individually elect to take credit without grade, with restriction. For more information, see AP.1.4.6 Enrolling for Credit Without Grade Points (Satisfactory/No Credit) in the [AP.1 Registration and Attendance](#) section.

**Incomplete (IN)** This grade may be given to students who are passing a course but who may be unable to complete scheduled course work for a cause beyond reasonable control. Unless the faculty member has specified an earlier deadline, the student must then complete all the requirements by the end of the ninth week of the next semester, not including summer term, and the professor must turn in the final grade by the end of the 10th week. Faculty members who choose to require an earlier incomplete deadline will be required to file an *Incomplete Grade Contract* with the local academic unit's office, detailing the work that remains to be done, the general reason for the incomplete, and the student's grade at the point of receiving the incomplete. Unless an explicit written extension is filed with the Office of the University Registrar by the faculty deadline, the grade of IN is changed by the University Registrar's office to an F. The maximum IN extension is to the end of the same semester in which it was originally due. Students who have filed their intent to graduate have only six weeks from the date of degree conferral to resolve any incomplete grades and have the final grades recorded by the University Registrar's office.

While a grade of IN remains on the transcript, it is treated as an unsatisfactory grade in determining probation, suspension, termination, or dismissal. Removal of INs from the transcript may result in retroactive elimination of probation, suspension, termination, or dismissal.

## AMGT 704-002 (SPRING 2017)

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<b>Incomplete, extended (IX)</b>	IX is given by the Office of the University Registrar after receiving an Incomplete Extension form signed by the professor and the appropriate dean. The extension gives students additional time to complete work; the amount of time is specified by the professor. The final grade must be submitted to the University Registrar's office before final exams for the semester in which the IN grade was originally due. A grade of IX affects the academic record in the same way as does a grade of IN.
<b>In Progress (IP)</b>	This grade may be given in selected courses, including graduate theses, dissertations, practicums, and internships. IP may also be used when the work of BIS 490, CS 112, CS 211, ECON 495, or a course that is graded S/NC or A/B/C/NC is not completed within one semester. IP has no effect on the GPA. With the exception of the formerly mentioned courses, IP remains on the record until the work is completed and a final grade is assigned. An IP in BIS 490, CS 112, CS 211, or ECON 495 not changed to a final grade by the last day of classes of the next semester, not including summer term, is changed by the Office of the University Registrar to an F. IP grades will also be awarded in courses numbered 799, 998 and 999 until successful completion, and then they will be changed to S/NC. Upon successful completion of 799, 998 or 999 and submission of the final grade, grades for all prior sections will be changed to S/NC.
<b>Absent with permission (AB)</b>	A student who has received permission from the academic dean or director to be absent from a final exam for cause beyond reasonable control may receive a temporary grade of AB. A rescheduled exam must be administered within 10 business days of the original exam date, or the AB will automatically become an F. Final determination of academic status is not complete while the AB remains on the transcript.
<b>Special Provision (SP)</b>	The grade of SP may be given by a dean to students who are unable to complete the course requirements because of extraordinary long-term

circumstances, such as major illness or military deployment. SP has no effect on the GPA and remains on the transcript until the work is completed and a final grade is assigned.

## **INTO (INQUIRIES ABOUT THIS PROGRAM – SEE THE FOLLOWING)**

**<http://catalog.gmu.edu/content.php?catoid=29&navoid=6234>**

Below is a list of policies which the University community most commonly refers to:

All university policies are available at [universitypolicy.gmu.edu](http://universitypolicy.gmu.edu).

George Mason University is committed to providing equal opportunity and an educational and work environment free from any discrimination on the basis of race, color, religion, national origin, sex, **disability**, veteran status, sexual orientation, gender identity, age, pregnancy status, marital status or genetic information. It is the policy of the university to provide an academic and work environment free from sexual harassment. Please see the following policies for more information.

- [1201 - Non-Discrimination Policy](#)
- [1202 - Sexual Harassment Policy](#)
- [1203 - Non-Discrimination and Reasonable Accommodation on the Basis of \*\*Disability\*\*](#)

The Responsible Use of Computing (RUC) Policy applies to all academic and operational departments and offices at all university locations owned or leased. The policies and procedures provided herein apply to all Mason faculty, staff, students, visitors and contractors.

- [1301 - Responsible Use of Computing](#)

All faculty, staff, and students who park on property owned or operated by the university must display a valid permit or park in a parking deck and pay an hourly or daily rate.

- [1108 - Motor Vehicle Parking](#)

### **Other Regulations**

Other policies pertaining to safety and security:

- [1120 - Weapons on Campus](#)
- [2208 - Workplace Violence](#)

## AMGT 704-002 (SPRING 2017)

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Class/Wk 1     January 26, 2017

Assignment:     **Required:** Read chapter 1 of the Zietlow text & **Recommended:** Lesson 1 of QuickBooks text

- Introduction & overview
- Non-profit organization legal and structural overview
- For profit compared to non-profit
- Generally Accepted Accounting Principles (GAAP)
- External auditors
- Rule makers: FASB and AICPA
- Cash vs. accrual basis accounting
- The basic Accounting Equation
- Intro to fundamental terminology

Class/Wk 2     February 2, 2017

Assignment:     **Required:** Read chapter 2 of the Zietlow and **Recommended:** Lesson 3 of QuickBooks text

- Liquidity management in non-profits
- Organizational stability
- Stability of revenue sources
- Chart of accounts – defined & example(s)

Class/Wk 3     February 9, 2017

Assignment: **Required:** Chapter 6 of Zietlow and **Recommended:** Lessons 4 & 5 of QuickBooks text

Also print copies and read **2011** financial statements from

<http://www.lyricopera.org/about/financial.asp>

- Financial statements: statement of financial position, or balance sheet
- Building a balance sheet

Class/Wk 4     February 16, 2017

Assignment: **Required:** review chapter 6 of Zietlow and **Recommended:** Lessons 6, 7 & 8 of QuickBooks text

- Financial statements: Statement of Activities, Statement of Changes in Net Assets, or Income Statement
- Building a statement of activities

Class/Wk 5     February 23, 2017

## AMGT 704-002 (SPRING 2017)

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Assignment: **Required:** review chapter 6 of Zietlow and **Recommended:** Lessons 9 of QuickBooks text

- Review Statements of Financial Position and Activities
- Financial statements: Statement of Cash Flows
- Building a statement of cash flows

Class/Wk 6     March 1, 2017

Assignment: **Required:** review chapter 6 of Zietlow and **Recommended:** review Lessons 6, 7, 8 & 9 of QuickBooks text → Review Footnotes to Chicago Lyric Opera audited statement

- Financial statements: Statement of Functional Expenses
- Footnotes to the financial statements
- Disclosure

Class/Wk 7     March 8, 2017

Assignment: download the most recent Form 990 for Lyric Opera of Chicago

- Tax reporting
- Form 990: content
- Form 990: revisions & the new Form 990
- Form 990-T: tax reporting
- Form 990: public availability, Guidestar and its role

**SPRING BREAK March 12<sup>h</sup> – March 18<sup>th</sup>**

Class/Wk 8     March 22, 2017

Assignment: read chapter 4 of the Zietlow text

**MID-TERM EXAM** (approx ½ class session)

- Ethics
- Accountability
- Internal control mechanisms
- State attorneys general
- Watchdogs and scandals
- Sarbanes-Oxley

Class/Wk 9     March 29, 2017

Assignment: read chapter 5 of the Zietlow text



**ANALYSIS PROJECT COMPANY NAMES DUE**

- Financial policies
- Importance of financial policies
- Monitoring and developing financial policies

Class/Wk 10    April 5, 2017

Assignment: read chapter 7 of the Zietlow text

- Financial reports and financial ratios
- Internal control mechanisms
- Internal reports
- Public external reports
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## AMGT 704-002 (SPRING 2017)

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Class/Wk 11 April 12, 2017

Assignment: read chapters 10 and 11 of the Zietlow text

- Cash management
- Non-profits and banking
- Short-term investments
- Short-term borrowing
- Tax-exempt borrowing

Class/Wk 12 April 19, 2017

Assignment: read chapter 12 of the Zietlow text

- Endowment and investing
- Investment policies; role of committees
- Asset allocation
- Total return and spending rate policies
- Investment advisors

Class/Wk 13 April 26, 2017

Assignment: read chapter 13 of the Zietlow text

### **ANALYSIS PROJECT DUE**

- Information technology
- Data management and security
- Industry trends
- Technology investment

Class/Wk 14 May 3, 2017

Assignment: Read chapter 14 of the Zietlow text

- Risk management
- Personnel risk
- Board of directors risk
- Insurance, disaster preparedness

Class/Wk 15 May 10, 2017

- **FINAL EXAM**