AMGT 704: Finance and Budgeting for Arts Administrators I  
Spring 2020  
Tuesdays 7:20 pm to 10:00 pm  
Arlington: Founders Hall 206

Jo Ann Hankin, Alan Seidner, John Ziellow  

QuickBooks software will be provided in the classroom for in-class exercises

Other readings, case studies and writing assignments as assigned.

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Overview

This course is a hands-on introduction to the financial management of non-profit arts organizations, 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 organizational stability, ethics, compliance, tax reporting, and building financial policies for both the management and protection of non-profit 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%  
Mid-term exam  25%  
Analysis project  20%  
Final exam  25%

The analysis project will be a thorough review and analysis of the financial statements of a not-for-profit arts organization of your choice. You will need both the audited financial statements (2 sets) and the Form 990 for the same fiscal years. 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. More information about the project will be distributed by the instructor well before you are to initiate work on the analysis.

As indicated above, there will be a mid-term exam (written and taken in class), a final exam (also written and taken in class) and periodic quizzes. There will be at least 1 quiz prior to the mid-term and at least 1 more quiz in the second half of the semester. Quizzes will be announced by the instructor in class the week before they
are to be given. These quizzes will be short in-class assignments that will consist mainly of multiple choice, true/false statements and short answer questions. The mid-term and Final exams will be explained more fully in class and study guides will be distributed at least one (1) week prior to the exams.

In addition, there will be at least one writing assignment given during the semester about a topic of interest involving not for profit arts organizations that may or may not deal exclusively with their financial management. The instructor will assign the topic and students will be given one week to complete the short, written assignment. More information will be given when the topic is assigned.

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+= 97-100
A = 93-96
A- = 90-92
B+= 87-89
B = 83-86
B- = 80-82
C = 70-79
F = 69 or lower

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.

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.

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.

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

GMU Email Accounts: Students must use their Mason email accounts—either the existing “MEMO” system or the new “MASONLIVE” system—to receive important University information, including messages related to this class. See http://masonlive.gmu.edu for more information. The instructor 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 instructor by Mason email. All absences will be reviewed by the instructor 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 instructor. Please contact the instructor before the due date. Late assignments will receive a grade, but there will be no marks, corrections, explanations, nor recommendations accompanying the grade. Any late work received more than one week (7 calendar days) after the stated due date will receive a grade of 0 (zero).

Assigned QuickBooks lessons must be read to get an overview of the topic. 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 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 & 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 instructor at the beginning of the semester, and the specific accommodation will be arranged through the Disability Resource Center.

**Disability & Accommodation Needs:** George Mason University promotes a living and learning environment for outstanding growth and productivity among its students, faculty and staff. Through its curriculum, programs, policies, procedures, services and resources, Mason strives to maintain a quality environment for work, study and personal growth.

An emphasis upon diversity and inclusion throughout the campus community is essential to achieve these goals. Diversity is broadly defined to include such characteristics as, but not limited to, race, ethnicity, gender, religion, age, disability, and sexual orientation. Diversity also entails different viewpoints, philosophies, and perspectives. Attention to these aspects of diversity will help promote a culture of inclusion and belonging, and an environment where diverse opinions, backgrounds and practices have the opportunity to be voiced, heard and respected.

**Mason Alert System**

Students are encouraged to sign up for the Mason Alert System by visiting the website [https://alert.gmu.edu](https://alert.gmu.edu). Also 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.gmu.edu/service/cert](http://www.gmu.edu/service/cert).

**Other Useful Campus Resources**

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

University Libraries “Ask a Librarian” [http://library.gmu.edu/mudge/IM/IMRef.html](http://library.gmu.edu/mudge/IM/IMRef.html)

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

**University Policies**

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

GMU student information and resources: [http://www.gmu.edu/mlstudents/](http://www.gmu.edu/mlstudents/)
Weekly Course Outline

All assignments are required to be completed before the class for which they are assigned.

Class/Wk 1  January 21, 2020
Assignment:  Read chapter 1 of the Zietlow text

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

Class/Wk 2  January 28, 2020
Assignment:  Read chapter 2 of the Zietlow text

- Liquidity management in non-profits
- Organizational stability
- Stability of revenue sources
- Chart of accounts – defined & examples

Class/Wk 3  February 4, 2020
Assignment:  Read chapter 6 of the Zietlow text

Also print copies and review the FY 2015/16 and 2016/17 financial statements from:
and

- Financial statements: statement of financial position (SOFP), or balance sheet
- Building a Statement of Financial Position/balance sheet

Class/Wk 4  February 11, 2020
ANALYSIS PROJECT ORGANIZATION NAMES DUE
Assignment:  Review chapter 6 of the Zietlow text

- Financial statements: Statement of Activities (SOA), Statement of Changes in Net Assets, or Income Statement
- Building a Statement of Activities

Class/Wk 5  February 18, 2020
Assignment:  Review chapter 6 of the Zietlow text

- Review Statements of Financial Position and Activities
- Financial statements: Statement of Cash Flows (SOCF)
- Building a statement of Cash Flows
Class/Wk 6  February 25, 2020
Assignment: Review chapter 6 (concluded) of the Zietlow text
→ Review Footnotes to Lyric Opera of Chicago and Berkeley Rep audited statements
- Financial statements: Statement of Functional Expenses
- Footnotes to the financial statements
- Disclosure

Class/Wk 7  March 3, 2020
Assignment: read chapter 7 of the Zietlow text
- Financial reports – internal & external
  - Internal reports – budget vs. actual, etc.
  - Public/External reports
- Internal control mechanisms
- Financial Ratios

SPRING BREAK March 9th – March 15th

Class/Wk 8  March 17, 2020
MID-TERM EXAM (approx. ½ class session)
Assignment: download the most recent Forms 990 for Lyric Opera of Chicago and Berkeley Rep
- Financial Ratios (review)
- Tax reporting
- Form 990: content
- Form 990-T: tax reporting (UBIT)
- Form 990: public availability, Guide Star, Charity Navigator and their roles

Class/Wk 9  March 24, 2020
Assignment: read chapter 4 of the Zietlow text
- Ethics
- Accountability
- Internal control mechanisms
- State Attorneys general
- Watchdog agencies and scandals
- Sarbanes-Oxley

Class/Wk 10  March 31, 2020
Assignment: read chapter 5 of the Zietlow text
- Financial policies
- Importance of financial policies
- Monitoring and developing financial policies

Class/Wk 11  April 7, 2020
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 14, 2020
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/managers

Class/Wk 13  April 21, 2020
ANALYSIS PROJECT DUE
Assignment:  Read chapter 14 of the Zietlow text
- Risk management
- Personnel risk
- Board of Director’s risk
- Insurance, disaster preparedness

Class/Wk 14  April 28, 2020
Assignment: read chapter 13 of the Zietlow text
- Information technology
- Data management and security
- Technology investment
- Final Exam review

Class/Wk 15  May 12, 2020
- FINAL EXAM:
  In-class written exam; two parts: Part 1 consists of multiple choice and written answers to general concepts covered during the semester and Part 2 consists of questions regarding a specific analysis that will be supplied by the instructor.

Have a good summer!