

**FINANCIAL MANAGEMENT FOR THE ARTS**  
**AADM Y500**  
**Spring 2009**  
**Tues./Thurs. 9:30am-10:45am**

**General Information:**

<i>Instructor</i>	Teresa Kase
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<i>Office Hours</i>	_____ and by e-mail appointment
<i>Required Text</i>	<i>Financial Management for Public, Health, and Not-for-Profit Organizations</i> , Second Edition by Steven A. Finkler

**Course Overview**

This course is designed to provide students with the basic understanding and purpose of financial management in the non-for-profit organization. Finance is the art of managing an organization's resources to bring about a desired set of outcomes. Financial management involves both planning and implementation. A nonprofit manager should be able to interpret and analyze both historical and current financial information and to prepare financial plans to ensure the effective operations of an organization. A key point in this course that will be continually emphasized is the fact that *mission accomplishment* of the organization is the single reason why the organization exists. *Financial Management Supports and Enables Mission Accomplishment*.

By the end of the semester, the student should be in a position to explain the compilation of financial statements, prepare budgets, analyze costs and revenue structure, and conduct necessary financial analysis to address issues that arise in the implementation of financial plans of non-profit organizations. Assessment of such understanding will be measured as follows:

1. Financial Management – Define the financial management role, particularly in a not-for-profit organization.
2. Financial Statements – Differentiate between the four financial statements, their purpose, use, and terminology. Follow a set of transactions from processing of the entry to the reporting of such transaction in the financial statement(s).
3. Budgeting and Planning – Explain the budget process and apply data to the build of various types of budgets, demonstrating knowledge of when and where each type is best serving the organization's needs. Apply knowledge to situations of resource allocation and financing decisions.

4. Cost Analysis – Define direct costs, indirect costs, average, fixed, and variable costs and demonstrate how an understanding of each leads to better decision making.
5. Short-term Resource Management – Recognize importance of short-term resource management and the implications to the organization. Discuss financial implications resulting from implementation of accounts receivable management, electronic payments and appropriate attention to the cash budget.
6. Capital Budgeting – Define purpose behind a separate capital budget and apply techniques of process, including time value of money and an understanding of long-term financing sources.
7. Quality and Accountability – Explain role and need for management control systems, quality and performance metrics, ethics emphasis and the role of the outside auditor.
8. Financial Statement Analysis – Demonstrate ability to make operational decisions through application of ratio analysis, interpretation of financial results and understanding of the related notes to the financial statements.

**Course**  
**Requirements**

Attendance and participation --- Attendance and participation in class discussions is expected. Mere attendance, however, does not equal participation. The class environment will be such that questions and inputs will be welcomed and encouraged.

Mastering an understanding of finance requires not only the theoretical study of the subject, but the ability to apply the concepts in practice. We will therefore practice through a variety of mathematical problems. Use of a calculator as well as Microsoft Excel will standard practice. While most problems will be worked together in class, the expectation is that the student will have made a good-faith effort before attending class. I can guarantee that the time spent in the classroom will yield a more efficient and productive learning experience for those who prepare in advance. This is my expectation.

Quizzes of any materials since the last exam may be given unannounced and will count for the day's participation.

## Grade Requirements

Course performance is based on the following events and corresponding weights:

			Semester compilation of scores	
Exam One	100	23.5%	A+	412
Exam Two	100	23.5%	A	395
Exam Three	100	23.5%	A-	383
Homework	95	22.0%	B+	370
Participation/Quizzes	<u>30</u>	<u>7.0%</u>	B	353
TOTAL POINTS	425	100%	B-	340
			C+	327
			C	310
			C-	298

Exams are multiple choice, short answer and problems. Many topics build upon knowledge gained throughout the semester; therefore, while the final is not strictly “comprehensive”, there will be concepts that will be repeated on future exams.

*(No alternate exam dates considered unless requested in writing two weeks before exam date)*