

**University of Minnesota
School of Social Work**

**SW 5810: Special Topics Seminar
Resource Development and Management:
Developing and Managing an Agency Budget
(1 credit)**

Course Description:

This course addresses managing financial resources in human service settings. It covers topics such as preparing and monitoring agency budgets, interpreting basic financial reports, financial management information systems – including the use of spreadsheets, and financial accountability requirements.

Course Context:

The acquisition, development, and management of resources are major concerns for human service managers and leaders. Managers and organizations' abilities to manage and direct scarce resources, and to develop relations with donor and grant makers, will greatly impact the quality and quantity of services to clients and communities, and will influence the climate of the workplace for staff. This course provides skill development in interpreting and utilizing the major financial statements of an organization from the viewpoint of a manager and of board member, develops competence in budget development, and teaches skills in understanding the use of information systems for financial and client data management, including the use of spreadsheets. Emphasis will be on carrying out fiduciary responsibilities in a manner conducive to the ethical and successful accomplishment of organizational mission and the attainment of positive client outcomes.

This course is one of 3 modules designed in 1-credit classes, which make up the Resource Development and Management sequence in the Community Practice concentration in the Master of Social Work Program. While this course builds on material presented in Resource Development and Management: Fundraising and Grant Writing, it is also an independent course. Students are not required to have completed the Fundraising and Grant Writing class in order to be successful in this class. This content of this class contributes to the 3rd module in this 3-module sequence: Resource Development and Management: Managing Risk in Human Service Organizations. Students in the Human Services Management track of the Community Practice concentration in the MSW Program can use two of these 1-credit modules to meet a pool requirement for that track.

Specific Learning Outcomes:

Upon successful completion of this course, students will be able to:

- 1) Understand the purpose and application of management information systems in directing the organizational mission toward client results
- 2) Be able to interpret and apply basic financial reports, including skill development in preparing and monitoring budgets and cash flow projections.

- 3) Understand the potential use of technology for management decision-making.
- 4) Prepare and use spreadsheets.
- 5) Understand the fiduciary, legal, and ethical responsibilities of human service organizations, as they relate to developing and managing a budget, to communities and government and know the relevant reporting/accountability requirements.

REQUIRED TEXT:

Purchase the following text at the St. Paul Bookstore:

Budgeting Your Way to Financial Stability. LarsonAllen Public Service Group. (2002). Larson, Allen, Weishair & Co., LLP. Saint Paul, Minnesota. (Includes a CD of excel worksheets)

Assignments:

Assignment 1

Understanding F-990s and using available resources: Find the F990s of two different organizations on www.guidestar.org. For one of the organizations, answer the following questions: 1) what is its fiscal year end? 2) its total revenue 3) Did it end with a surplus or deficit and how much? 4) What information jumps out/ interested you on the statement of functional expenses? 5) What were its total assets at the beginning of the year? End of the year? 6) Does the organization have temporarily restricted or permanently restricted net assets? What amount of each? 7) What is the compensation of the highest paid employee? If not available, what might that mean?

Guidestar now requires users to sign up, for free, to access the F990s. You will need to get a user name and password to complete this assignment.

Due class three

Assignment 2:

Analyzing a set of typical financial reports for a nonprofit organization from the viewpoint of the program manager/ coordinator: This will include a discussion of income mix and a ratio analysis. A memo highlighting key financial indicators will be included. Additional information will be handed out in class.

Due class four

Assignment 3:

Developing an organizational budget, allocating overhead, and managing cash received.

Due one week after the last class meets (this assignment will be based upon material covered in the last class session)

COURSE CONTENT

Session 1:

- Introductions
- Course overview
- Introduction to Financial Statements (F990s, balance sheets, income statements)
- Introduction to Assignment 1

Session 2:

- Financial statement review
- Financial analysis review (ATWTTB chapter 1)
- Introduction to budgeting (Budget Book, chapters 1-4)
 - What's a budget?
 - Budget approaches
 - Steps to successful budgets
- Introduction to Assignment 2

Readings

Budget Book: Chapters 1-4

Session 3: Assignment 1 Due

- Budgeting Review
- Characteristics of financially healthy organizations (ATWTTB chapter 8)
- Allocation methods (Budget Book, chapters 5-6)
- Introduction to Assignment 3

Readings

Minnesota Council of Nonprofit Organizations (MNCN)

- The Board and Financial Management
http://www.mncn.org/info/basic_fin.htm#board%20and%20financial%20management
- [Financial Malfeasance and Nonfeasance: Ten Pitfalls Boards Should Avoid](#), Jon Pratt (also available from the previous Web link)

Budget Book: Chapters 5-6

Optional: MNCN [Sample Board Treasurer job description](#) ; "[Fiduciary Duties of Directors of Charitable Organizations](#)" (a guide for board members from the Office of the Minnesota Attorney General - Charities Division).

BoardSource: www.boardsource.org. Look for topic papers and FAQs on financial issues.

Tasks: Budget Book Worksheets 1 and 2

Session 4: Assignment 2 Due

- Allocation methods

Tasks: Budget Book Worksheets 6-8

Session 5:

- Board's role in budgeting (Minnesota Council of Nonprofit Organizations)
- Internal controls (ATWTTB Chapter 2)
- Audits (ATWTTB Chapter 2)
- Compliance requirements (ATWTTB Chapter 2)

SAMPLE