

AAD 350: Financial Management for Arts Organizations I

Course Syllabus

Course Information

Office: 209 Fine Arts
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Classroom: Fine Arts 106
Class Hours: T/TH 11 AM-12:15 PM
Credit Hours: 3
Term: Fall 2017

Instructor Information

Yuha Jung, PhD



Course Description

Financial management is a core function within the management of cultural and arts organizations. It is the foundation upon which the resources (human, physical and financial) of any organization are maintained and monitored. In the nonprofit sector, the relationship of “mission to money” is an important conceptual framework, and must be understood by arts managers. Financial analysis is an essential requisite for sound strategic planning and governance, and managers of nonprofit arts organizations are the source of financial information.

AAD 350: Financial Management for Arts Organizations I is the first of two courses that will guide students through the key conceptual areas of financial management. Part I includes understanding the basic principles of accounting, legal reporting requirements, reading financial statements and interpreting performance measurements.

Prerequisites

Completion of AAD 200, AAD 300 and UK Core Quantitative and Statistical requirements or consent of Department Chair.

Student Learning Outcomes

Upon completing this course, students will be able to:

- Read and interpret a 990 tax form for an actual arts organization
- Analyze financial statements for an arts organization
- Describe how financial environment and regulatory frameworks influence and shape institutional accounting systems and practices
- Explain how to develop systems to monitor and control financial activity
- Demonstrate the ability to solve accounting and financial management problems in case studies and situation analyses

Required Texts

The following texts are required reading for the course:

- Weikart, Lynne A., Greg G. Chen, and Ed Sermier. *Budgeting and Financial Management for Nonprofit Organizations: Using Money to Drive Mission Success*. CQ Press: 2013.
- Links to additional readings are in your syllabus and online in the Learning Management System

Course Schedule

The following schedule outlines the course topics, readings, and assignments due for each class.

Date	Topic	Readings and Assignments Due
Aug. 24 Thur	Introduction and Expectations Financial Management vs. Accounting	Reading Due: <ul style="list-style-type: none"> • Syllabus
Aug. 29 Tues	Basic Principles of Accounting <i>*Creating Groups for the Semester</i> <i>*Guidestar Setup</i>	Readings Due: <ul style="list-style-type: none"> • Weikart, Lynne A., et al. <i>Budgeting and Financial Management for Nonprofit Organizations: Chapter 1</i>. Pages 1-15. • Weikart, Lynne A., et al. <i>Budgeting and Financial Management for Nonprofit Organizations: Chapter 5</i>. Pages 88-94.
Aug. 31 Thur	Basic Principles of Accounting <i>*Assignment Introduction: Organizational Profile</i>	Reading Due: <ul style="list-style-type: none"> • Weikart, Lynne A., et al. <i>Budgeting and Financial Management for Nonprofit Organizations: Chapter 5</i>. Pages 94-108.

Sep. 5 Tues	Financial Management: Key Terms and Concepts <i>*Group time for organizational profile assignment</i> <i>*Citation practice discussion</i>	Reading Due: <ul style="list-style-type: none"> Burdett (2007). <i>Financial Management in the Arts</i>, pages 239-242 (before the Budget Process section) and 255-257
Sep. 7 Thur	Financial Management: Key Terms and Concepts (in-class group activity)	
Sep. 12 Tues	Excel 101 Exercise (creating personal balance sheet--statement of financial position) Review Exam #1	Assignment Due: <ul style="list-style-type: none"> Organizational Profile
Sep. 14 Thur	Study for Exam #1	No class meeting: Professor is away for a conference
Sep. 19 Tues	Exam #1: Accounting Basics and Financial Management Terms	
Sep. 21 Thur	Nonprofit Tax Forms (in-class group activity) <i>*Assignment Introduction: Financial Trend Analysis (Part I)</i>	Reading Due: <ul style="list-style-type: none"> Swords (2011). Chapters 1, 4, 5, and 7. <i>How to Read the New IRS Form 990</i>. http://www.npccny.org/new990/new990.htm Which forms do exempt organizations file? https://www.irs.gov/charities-non-profits/form-990-series-which-forms-do-exempt-organizations-file-filing-phase-in
Sep. 26 Tues	Nonprofit Tax Forms (in-class group activity)	
Sep. 28 Thur	Nonprofit Tax Forms (in-class group activity)	
Oct. 3 Tues	Contribution Regulations: Conditions & Restrictions	Readings Due: <ul style="list-style-type: none"> Ruppel (2002). <i>Accounting for Contributions</i>, pages 69-81. Assignment Due:

		<ul style="list-style-type: none"> ● Financial Trend Analysis (Part I)
Oct. 5 Thur	<p>Contribution Regulations: Acknowledgement & Quid Pro Quo</p> <p>* <i>Assignment Introduction: Trend Analysis Paper (Part II)</i></p>	<p>Readings Due:</p> <ul style="list-style-type: none"> ● What You Need to Know About Donor Disclosures. https://www.thebalance.com/what-you-need-to-know-about-donor-disclosures-2502007 ● Gift acknowledgement letters, quid pro quo and the IRS. https://donordreams.wordpress.com/2012/03/27/gift-acknowledgement-letters-quid-pro-quo-and-the-irs/ ● Charitable Contributions. https://www.irs.gov/pub/irs-pdf/p1771.pdf
Oct. 10 Tues	<p>Contribution Regulations: Considerations</p> <p>*<i>Midterm Evaluation</i> (we will do this in class)</p>	<p>Reading Due:</p> <ul style="list-style-type: none"> ● Pogrebin, Robin and Carol Vogel (2005). <i>Learning to Look Gift Horses in Mouth</i>. New York Times. ● Kinzie, Susan. Exacting Donors Reshape College Giving. <i>The Washington Post</i>.
Oct. 12 Thur	<p>Contribution Regulations: Considerations</p>	<p>Film: <i>The Art of the Steal</i></p>
Oct. 17 Tues	<p>Contribution Regulations: Considerations</p>	<p>Film: <i>The Art of the Steal</i></p> <p>Assignment Due:</p> <ul style="list-style-type: none"> ● Trend Analysis Paper (Part II)
Oct. 19 Thur	<p>Reading Financial Statements: Statements of Activities (Income Statement)</p> <p>*<i>Assignment Introduction: Case Study Response Papers</i></p>	<p>Readings Due:</p> <ul style="list-style-type: none"> ● Weikart, Lynne A., et al. <i>Budgeting and Financial Management for Nonprofit Organizations: Chapter 6</i>. Pages 120-122. ● Ruegg and Venkatrathnam (2005). <i>Financial Statements 101</i>, pages 33-42.
Oct. 24 Tues	<p>Interpreting Financial Statements: Statement of Activities (Income Statement)</p>	<p>Reading Due:</p> <ul style="list-style-type: none"> ● Ruppel (2002). Basis Financial Statements of a Not-for-Profit Organization, pages 45-58.

	Discuss Trend Analysis Part II Exam #2 Review	
Oct. 26 Thur	Exam #2: Nonprofit Tax Forms, Contribution Regulations, and Basic Understanding of Financial Statement (Income Statement and Balance Sheet)	
Oct. 31 Tues	Case Study #1 Exam #2 Results and Reflection on Trend Analysis II	<p>Reading Due:</p> <ul style="list-style-type: none"> Smith, Roberta. (2006). Should Art Museums Always be Free? There's Room for Debate. <i>New York Times</i>. Mallonee, Laura. (2015). Looking at the Data Behind Free Museum Admission. <i>Hyperallergic</i>. <p>Assignment Due:</p> <ul style="list-style-type: none"> Case Study #1 Response (Should be submitted before 11:00 am on the day of the deadline)
Nov. 2 Thurs	Reading Financial Statements: Statement of Position (Balance Sheet) Go over the results of Bottom Line, Money Mix, Expense Allocations and Fundraising Efficiency from October 24 activity	<p>Reading Due:</p> <ul style="list-style-type: none"> Weikart, Lynne A., et al. <i>Budgeting and Financial Management for Nonprofit Organizations: Chapter 6</i>. Pages 112-120.
Nov. 7 Tues	Interpreting Financial Statements: Statement of Position (Balance Sheet)-Liquidity Ratios	<p>Readings Due:</p> <ul style="list-style-type: none"> Weikart, Lynne A., et al. <i>Budgeting and Financial Management for Nonprofit Organizations: Chapter 7</i>. Pages 132-141 (before Ratios and Profitability) and 145-147 (from Red Flags to the end).
Nov. 9 Thur	Interpreting Financial Statements: Statement of Position (Balance Sheet)-Solvency Ratios Go over the results of Liquidity and Solvency Ratios from November 7 and 9 activities	<p>Participation Assignment Due in Class:</p> <ul style="list-style-type: none"> Submit your complete worksheet of financial indicators and ratios
Nov. 14 Tues	Benchmarking & Performance Measurement: Bottom Line, Money Mix, Expense Allocations	

	and Fundraising Efficiency (compare numbers with group members) <i>*Assignment Introduction: Financial Condition Analysis Paper</i> <i>*Assignment Introduction: Video Presentation of Financial Condition</i>	
Nov. 16 Thur	Online discussion of Case Study #2	No class meeting: Professor is away for a conference Reading Due: <ul style="list-style-type: none"> Dobrin, Peter. (2015). The Philadelphia orchestra needs to rethink its future. <i>Philadelphia Inquirer.</i> Assignment Due: <ul style="list-style-type: none"> Case Study #2 Online Discussion
Nov. 21 Tues	Benchmarking & Performance Measurement: Liquidity and Solvency Ratios (compare numbers with group members)	
Nov. 23 Thur	Thanksgiving Break	
Nov. 28 Tues	Examining Financial Statements for Red Flags	
Nov. 30 Thur	Benchmarking & Performance Measurement worksheet activity and final paper/presentation (final class activities)	Assignment Due by Sunday, December 3: <ul style="list-style-type: none"> Financial Condition Analysis Paper Video Presentation of Financial Condition
Dec. 5 Tues	Exam #3 Review Student Course Evaluation	
Dec. 7 Thur	Study for final exam	
Dec. 14 Thur	Final Exam: Financial Statements, Benchmarking and Performance Measurement	Meet at the regular classroom at 3:30 pm on December 14, 2017

Course Policies

G.uky.edu Account

All students enrolled in Arts Administration must have a g.uky.edu account in order to utilize Google Apps for Education. Students **may not** use a personal gmail account. If you do not currently have a g.uky.edu account, please set one up by following the directions in the following video:

WATCH: [UKY Email Settings and Chrome User Accounts](#)

If you have previously set-up a g.uky.edu account but have forgotten your password, please contact the [UKY Customer Services](#). If you have completed all of these steps and are still having difficulty, please contact [Joe French](#), Instructional Designer or stop by his office in Fine Arts, room 207A.

Google Apps

The Department of Arts Administration utilizes Google Apps for Education extensively in its courses. In order to use Google Apps, you will need to have set up your g.uky.edu account. This is required for all students enrolled in a AAD course.

If you aren't already a Google Drive user, it will be helpful to watch this tutorial on using the Drive.

WATCH: [Google Drive 2017](#)

WATCH: [Google Docs and Sheets 2017](#)

Google Drive has many functionalities that we think you will really like including being able to share and collaborate on documents in real time, adding comments and seeing the revision history of documents. Here are videos that discuss additional features and how to use them.

WATCH: [Sharing your Documents and Files](#)

WATCH: [Working on the Same File at the Same Time](#)

WATCH: [Comments in Google Docs](#)

WATCH: [Revision History - Google Drive Tutorial](#)

WATCH: [View and Edit Your Files Offline](#)

Attendance

Attendance and promptness for the course is mandatory. Unexcused absences will impact a student's attendance grade according to the following criteria:

Number of Unexcused Absences	Grade
0-1	100
2	90

3	80
4	70
5	60
6	50
7	0

Assignment Submissions

Assignments should be submitted via Canvas under the Assignments tab. All assignments must be submitted **before the start of class on the due date** in order for it to be considered on time.

Late Submissions

Assignments that are submitted any time after class starts on the due date are considered late. There is a 10-point deduction for each day an assignment is late. Assignments that are seven or more days late will receive a grade of "0."

Number of Days Late	Late Penalty	Highest Grade Possible
1	-10	90%
2	-20	80%
3	-30	70%
4	-40	60%
5	-50	50%
6	-60	40%
7 or more days late	0	0%

Students must contact the instructor within one full week after an **excused absence** regarding the makeup of missed work.

There are no late grades for tests or quizzes. If a student misses a test or quiz (except for a qualifying excused absence), he or she will receive a grade of "0" for the test/quiz. Make-ups will be given at a mutually convenient time and only for official excused absences.

Grading

Each student's overall course grade will be computed according to the following breakdown:

Assignments	Weight
Attendance	5
Participation	10
Case Studies (2 at 5% each)	10
Exam #1	5
Exam #2	10
Exam #3	10
Organizational Profile	5
Financial Trend Analysis and Paper (Part I and II--at 7.5% each)	15
Financial Conditional Analysis Paper	20
Final Presentation	10
TOTAL	100%

Students can find their current overall grade at any time—including their midterm evaluation—in Canvas website by clicking on the Grades tab. Also there might be some extra credit opportunities, which will be shared during the semester.

Grading Scale

<i>Letter Grade:</i>	A
<i>Characterization:</i>	Excellent
<i>Explanation:</i>	Student demonstrates a full understanding of the subject matter, exemplary critical and creative thinking, strong comprehension of concepts presented in literature and previous work in the subject area, and highly developed communication and presentation skills. The work is of outstanding quality according to the criteria established for evaluation.
<i>Range:</i>	90 to 100 percent

<i>Letter Grade:</i>	B
<i>Characterization:</i>	Good
<i>Explanation:</i>	Student demonstrates above average comprehension of the subject matter, above average critical and creative thinking, familiarity with concepts presented in literature and previous work in the subject area, and above average communication and presentation skills. The work is of passing quality according to evaluation criteria.
<i>Range:</i>	80 to 89 percent
<i>Letter Grade:</i>	C
<i>Characterization:</i>	Average
<i>Explanation:</i>	Student demonstrates average comprehension of the subject matter, average critical and creative thinking, familiarity with basic concepts found in literature and previous work in the subject area, and average communication and presentation skills. The work is of passing quality according to the evaluation criteria.
<i>Range:</i>	70 to 79 percent
<i>Letter Grade:</i>	D
<i>Characterization:</i>	Poor
<i>Explanation:</i>	Student demonstrates minimal understanding of the subject matter, poorly developed communication skills, inability to apply subject matter understanding in other contexts, and little evidence of critical or creative thinking. The work is unsatisfactory.
<i>Range:</i>	60 to 69 percent
<i>Letter Grade:</i>	E
<i>Characterization:</i>	Failing
<i>Explanation:</i>	The student shows inadequate understanding of subject matter, fails to complete course requirements, shows no demonstration of critical or creative thinking, and has very poor communication skills. The work is clearly of unacceptable quality according to the evaluation criteria.
<i>Range:</i>	0 to 59 percent

Assignment Guidelines

Guidelines for each assignment will be distributed in class. These guidelines can also be found within Canvas under the Assignments tab.

Assessment Criteria

The assessment criteria for each assignment, including participation, can be found in the form of a rubric in Canvas. Students are encouraged to review and utilize the grading rubric to guide their completion of the assignments.

Academic Integrity

Per university policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy regarding cheating and plagiarism in all courses. The minimum penalty for a first offense is a zero on the assignment on which the offense occurred. If the offense is considered severe, or the student has other academic offenses on their record, more serious penalties up to suspension from the university may be enforced.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty as explained in the Code of Student Rights and Responsibilities. Complete information can be found at: <http://www.uky.edu/Ombud>. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

Part II of *Student Rights and Responsibilities* (<http://www.uky.edu/StudentAffairs/Code/part2.html>) states that all academic work, written or otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own original thought, research, or self-expression. In cases where students feel unsure about the question of plagiarism involving their own work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but that in any way borrows ideas, organization, wording or anything else from another source without appropriate acknowledgement of that fact, the students are guilty of plagiarism. Plagiarism includes reproducing someone else's work, whether it be a published article, chapter of a book, a paper from a friend or some file, or something similar to this. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work which a student submits as his/her own, whoever that other person may be. Students may discuss assignments among themselves or with an instructor or tutor, but when the actual work is done, it must be done by the student, and the student alone. When a student's assignment involves research with outside sources of information, the student must carefully acknowledge exactly what, where and how the information originated. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas which are so generally and freely circulated as to be a part of the public domain (Section 6.3.1).

Please note: Any assignment you turn in may be submitted to an electronic database to check for plagiarism.

Classroom Behavior, Decorum and Civility

Free discussion, inquiry, and expression are encouraged and supported in this class. Classroom behavior that interferes with either (a) the instructor's ability to conduct the class or (b) the ability of students to benefit from the instruction is not acceptable. Examples may include routinely entering class late or departing early; not silencing of cell phones and/or texting in class; repeatedly talking in class without being recognized; talking while others are speaking; or disparaging another person's opinion.

Accommodations

If you have a documented disability that requires academic accommodations, please see me as soon as possible during my scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (257-2754, Suite 407, Multidisciplinary Science Building, 725 Rose Street, dtbeac1@uky.edu) for coordination of campus disability services available to students with disabilities.