

Governmental and Not-for-Profit Accounting

ACCT 7378

FALL 2015

Instructor: Dr. Saleha Khumawala
Office: 380 E Melcher Hall
Class: Tuesday 6:00 - 9:00 p.m. LEC 10219, **Room 140 Melcher Hall**
Office Hours: Mondays & Tuesdays 12– 1 p.m. and 4:30 5:30 p.m.

So that I might devote full attention to your needs, please schedule an appointment if you need to see me outside of office hours.

E-MAIL: PLEASE use only Blackboard to send an e-mail.

Web address: <http://www.bauer.uh.edu/Khumawala>

Required Blackboard Learn ID. Students should use their PeopleSoft ID to log on to Blackboard Learn courses by going to <http://www.uh.edu/blackboard> . Please contact the hotline number (713) 743-1411 any time (24/7) except university holidays with any technical issues that may arise.

REQUIRED TEXT:

Government and Not-For-Profit Accounting, Concepts and Practices Sixth Edition by Granof & Khumawala, (New York: John Wiley, 2013). ISBN: 978-1-118-15597-4

Continuing Problem: City of Austin: A “continuing problem” has been assigned for each of the chapters in which one is included. This problem requires that you review the comprehensive annual financial report (CAFR) of Austin, Texas for FYE September 30, 2014. The report is available on the “web.” <https://assets.austintexas.gov/financeonline/downloads/cafr/cafr2014.pdf> and a pdf copy is also posted on Blackboard. In answering the questions included in these problems, please be brief and include the page or schedule in the CAFR that you used to answer the questions.

Research Requirement of the Texas State Board of Public Accountancy:

The **Citizen Centric Report** or The **Pension Data –Report and Analysis** of major US cities. Details to be provided in class

Computerized Fund Balance Project: The *OneNFP Fund Accounting* software for this project will be available for you to work on the project.. The Word version Instruction Guide and the ten projects plus additional instructions will be posted on Blackboard.

Subscribe to The Wall Street Journal WSJ.com/studentoffer

The Harvard Ps are a good guideline for what I expect:
Be **PRESENT, PROMPT, PREPARED, PARTICIPATE,**
PERSEVERE and **PATIENT.**

OBJECTIVES OF THE COURSE:

The objective of this course is to empower accounting majors and other students having an interest in public sector accounting become aware of the dynamism of government and Not-for-Profit accounting and of the intellectual challenges that it presents. The course provides an in-depth understanding of the unique environment, concepts, and procedures of accounting, financial reporting, auditing, and budgeting of governmental and not-for-profit organizations, and its impact on decision making.

Why Study Governmental and Not-for-Profit Accounting?

This area is becoming increasingly more important as most governments and not-for-profit organizations actively seek to improve their ability to provide vital services more efficiently and effectively. As a result, the governmental and not-for-profit sectors provide a growing market for public accounting firms in providing accounting, auditing, and consulting services.

Opportunities for professional accounting and auditing careers in government continue to grow as well. Most of you can expect to have some involvement with government and not-for-profit entities during your professional careers, either as a Controller/CEO of a governmental/NFP entity, as an auditor with a public accounting firm or State Auditor, or as an accountant or financial manager with such an entity, be on the Board of an NFP or even hold a public office. Accordingly, the Uniform Certified Public Accountant Examination has placed more emphasis on this area in recent years. **Approximately 25 percent** of one of the four parts of the CPA exam is devoted to governmental and not-for-profit entity accounting. In addition, the Auditing part of the exam usually contains questions on the auditing requirements unique to governmental and nonprofit entities

CLASSROOM DECORUM:

1. While using your **laptop/iPad/MS Surface Pro/Other devices**, to take notes, please do not work on material from other courses or other business, surf the web, read or respond to email, or receive or send instant messages while in class. It is especially important that you not email or send messages to your classmates while in class using your smart phones as well.
2. *Absolutely* no talking to fellow students and no sleeping. Violators may be asked to leave for the remainder of that day's lecture. Please realize that because of the size of the class, and the difficulty of the material more than the usual level of professional courtesy and consideration is absolutely necessary. You are expected to have the same performance and attendance that you would on your first job. This includes arriving on time and staying until class is dismissed. Please be respectful of others trying to pay attention. As a courtesy to your fellow students, **all electronic devices should be turned off during class and during the exams**. If you are expecting a call regarding a medical emergency, please inform the Professor and then you should sit near a door so that you can quickly leave the classroom if necessary.

3. Attendance is strongly recommended due to the difficult nature of the material. Some of the material and the problems worked in class to illustrate the concepts are not directly from the text. If you miss a class, you are responsible for what happens in class (any and all announcements, handouts, discussions) and for obtaining the information covered from a classmate. Students may miss one class without penalty; additional absences will reduce the participation grade. Your input is valuable.

The class will be better for all of us if everyone abides by the courtesies requested above.

COURSE POLICIES:

1. The course will move rapidly. You are expected to attend classes and be prepared to participate. **Please** ask any questions by posting them on the discussion board relevant to the topics covered. Remember all questions are important. If you do not understand a concept, **ASK in class and/or through Blackboard by POSTING the question on the discussion board.**
2. Book chapters are assigned each week. Reading each chapter and doing the problems will help you understand the material. I will assume you have read each chapter **PRIOR** to class and posting a question for discussion and explanation. I am very happy to help any student to learn the material. But before you post a question, I expect that you do your part of the bargain. That is, you are to read the text, work the problems before hand, and discuss with classmates concepts and problems first **THROUGH THE DISCUSSION BOARD.** Then you are more than welcome to ask questions anytime! Written Material and your colleagues are valuable resources that are instrumental in any career!!!!
3. Examinations *must be* taken at the scheduled time. ***No makeup exam*** is allowed unless you are involved in an emergency under certain circumstances. If it happens to you, official affidavits and your written petition must be presented to the instructor in order to file for an official decision and record.
4. Any violations to the university's academic honesty policies will result in the student getting either a "WF" or "F".
5. The first set of Exercises and Practice problems from the text are assigned for you to do on your own. They will not be collected or graded, but many of the test questions will be similar to these practice problems. The second set of Exercises and Practice problems from the text are assigned and have to be turned in for credit.
6. **To receive your final exam grade and course letter grade before it is made available by the university, you should supply a self-addressed stamped envelope to the instructor before the final Examination.** Otherwise, your grade may be obtained by checking online.

ASSIGNMENTS

Homework: You are expected to do the Continuing Problem based on the City of Austin's CAFR listed in this syllabus. Special rules apply to the **Continuing Problem** and the Homework Problems/Exercises/Cases that have to be turned in through Blackboard's Assignment Module.

1. You **CANNOT** miss any of the Continuing Problem assignments. You must turn in the assignment through the Assignment Module in Blackboard before the deadline specified in the calendar. Under no circumstances may you turn in an assignment for another student.
2. Assignments from the Textbook: Exercises, problems and/or cases should also be turned in through your Blackboard account before the deadline specified in the calendar. You **cannot fax or e-mail** your assignment under any circumstances.

All assignments will be graded out of 10 points. The Textbook Assignment with the lowest grade will be dropped.

GRADING:

Grades will be determined by total points earned on the following forms of assessment:

	<u>Points</u>
CLASS exams (3)	300
Text Book Assignment & Participation	150
Continuing Problem	100
Computerized Project	100
NFP Project	25
Research Report	<u>25</u>
Total	700

Letter grades will be assigned based on the following point intervals:

<u>Grade</u>	<u>Point Interval</u>
A	700 – 630
B	629 – 560
C	559 – 490
D	489 – 420
F	< 419

Final grades are not negotiable. Requests for a change of grade will not be acknowledged. An **incomplete** grade will be given only when the student is earning a passing grade, but is unable to complete the course because of illness.

EXAMINATIONS:

All exams are closed book and closed notes. The content of the exams includes multiple choice questions based on the course lectures, speaker presentations, textbook readings, and homework assignments. No make-up exams are given. Absence from an exam requires that the professor be notified ahead of time and alternative arrangements should be made. Absence from the last exam is not permitted. If the student is unable to take the exam at that time, the student must meet with Dr. Khumawala at least one week prior to the exam date to schedule an alternative time. It is expected that any student requesting an alternative exam time can provide evidence

supporting the need for such special scheduling. Absent such evidence, Dr. Khumawala reserves the right to deny the request. The Bauer College requires students to purchase their own scantron (FORM NO. 882-E) for the exams.

REVIEW OF EXAMINATIONS

Upon your request, Dr. Khumawala will review your Examinations for errors in grading. Please submit a note identifying the problems that you believe have been incorrectly graded and the reasons why you believe an error has been made.

ACADEMIC HONESTY:

The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the UH Student Handbook, <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES:

The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

COURSE EVALUATIONS:

The C. T. Bauer College of Business has a policy that requires all of its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. In addition, these evaluations are carefully considered in promotion, salary adjustment, and other administrative decisions. Dr. Khumawala encourages students to provide informal feedback to her throughout the semester, as well formal feedback at the end of the semester.

INSTRUCTOR COMMITMENT

I am committed to the goal of enhancement of interest and skills in governmental and nonprofit accounting theory and practice. I believe that, as a faculty, our performance is ultimately judged by whether our students (1) become productive leaders in the business community (2) obtain jobs, and (3) pass the CPA Exam.

WITHDRAWAL POLICY

Last day to drop a course without hours counting towards the [Enrollment Cap for Texas Residents](#) is **Wednesday, September 9, 2015**.

Last day to drop a course or withdraw **without** receiving a grade is also **Wednesday, September 9, 2015**.

Last day to drop a course or withdraw with a “W” is **Friday, October 30, 2015**. You **should retain all documentation** of courses you have dropped.



DEPARTMENT OF ACCOUNTANCY AND TAXATION

Mission Statement

- Our Mission is to (1) prepare accounting graduates for leadership roles in business, government, and nonprofit organizations, (2) conduct meaningful research that advances business knowledge, (3) perform service that benefits our College, University, and community, and (4) develop a reputation as a leading institution of higher education.

A hard copy of the above statements and Teaching, Research and Service Objectives will be made available upon request.

If you have any questions, please contact the department chairperson (713-743-4820).

The C.T Bauer College of Business and the Department of Accountancy & Taxation have established Learning Goals for each of our programs as part of our accreditation by The Association to Advance Collegiate Schools of Business. Additional information about the learning goals for accounting may be found at <http://www.bauer.uh.edu/departments/accy/why-accounting/accounting-learning-goals.php>.

This course incorporates the following MSACCY Program Learning Goals:

- (a) oral communication skills through classroom discussions
- (b) written communication skills through weekly assignments
- (c) research skills through the research project report
- (d) ethical awareness through projects assigned
- (e) technological skills through the Computerized Fund Balance Project, and
- (f) analytical problem solving skills through the Continuing Problem.

THINGS TO CONSIDER AS AN ACCOUNTING MAJOR

Accounting Information on the Internet. A good place to start is with the RAW site at Rutgers University at <http://www.rutgers.edu/Accounting> and the American Institute of Certified Public Accountants at <http://www.aicpa.org>

Investigate the Career Management Timeline at <http://www.bauer.uh.edu/csc/> to make sure you are fulfilling all requirements and taking advantage of all opportunities.

Join an accounting organization Accounting Majors have the opportunity to join one or more organizations like Beta Alpha Psi , Accounting Society, Microfinance Initiative, National Association of Black Accountants and others. All of these organizations emphasize fellowship with other students and establishing links with the business community. .

Apply for a scholarship - During the 2013-2014 academic year, several Bauer College of Business students were awarded more than \$1.1 million in scholarships. Awards range from \$500 to \$5,000. Most scholarships require a minimum of a 3.0 GPA; however, need based scholarships have minimums as low as 2.0. The application takes approximately 15 minutes to complete and can be obtained at: <https://www.bauer.uh.edu/scholarship>

Apply for an internship - The Rockwell Career Services Center maintains a database of business internships (see <http://www.bauer.uh.edu/csc/jobhelp.htm>). If you accept an internship in accounting that meets specific requirements, you may be eligible for 3 hours of academic credit.

Circulate your resume - When you have completed your resume, you should register your resume with the Resume Bank Program in the Rockwell Career Services Center.

Register With University Career Services - Before you are allowed to make on-campus interviews, you must register and attend a Workshop. You should register as soon as possible in the Student Services Building.

Investigate graduate school for a Ph.D. program: - Graduate school for a Ph.D. can provide excellent career opportunities in academia. Information can be obtained from the Director of the Ph.D. program, the bulletin board outside of MH 370, or from the Bauer College web site: <http://www.bauer.uh.edu/>

Get ready for the CPA Examination - The requirements to take the CPA Examination are very specific. To become familiar with these requirements, request the information from:

Texas State Board of Public Accountancy
333 Guadalupe, Tower III, Suite 900
Austin Texas 78701-3900
Phone 512-505-5570, Web Site <http://www.tsbpa.state.tx.us/>

PROJECTED CLASS SCHEDULE

THIS SYLLABUS PROVIDES A GENERAL PLAN FOR THE COURSE; MODIFICATIONS AND ADJUSTMENTS MAY BE MADE AS THE SEMESTER PROGRESSES.

<u>DATE</u>	<u>READING ASSIGNMENTS</u>	<u>ASSIGNMENTS FOR PRACTICE</u>	<u>ASSIGNMENTS FOR CREDIT</u>
Week 1 AUG 25	Chapter 1: The Government and Not-For-Profit Environment	Ex. 1-1 Continuing Problem Please download the CAFR of the city of Austin, Texas for 2014 and practice navigating through the CAFR Please print out a hardcopy.	Chapter 1 (Problems 1-2 and 1-7) due 09/07
Week 2 SEPT 1	Chapter 2: Fund Accounting and Chapter 11: Issues of Reporting pp 465—484	Ex. 2-1, 2-2 Ex 11-1, 11-2	Chapter 2 (Ex 2-6) and Continuing Problem Chapter 2 due 09/07
Week 3 SEPT 8	Chapter 3: Issues of Budgeting and Control	Ex 3-1, 3-2	Chapter 3 (Problem 3-3) and Continuing Problem Chapter 3 due 09/14
Week 4 SEPT 15	Chapter 4: Recognizing Revenues in Governmental Funds	Ex 4-1, 4-2	Chapter 4 (Problem 4-1) and Chapter 4 Continuing Problem due 09/21
Week 5 SEPT 22	Chapter 5: Recognizing Expenditures in Governmental Funds	Ex 5-1, 5-2	Chapter 5 (Ex 5-3) due 09/25 Chapter 5 Continuing Problem due 10/05
Week 6 SEPT 29	EXAM I Chapter 6: Accounting For Capital Projects and Debt Service	Chapters 1-5 Ex 6-1, 6-2, 6-3	Chapter 6 (Ex 6-5) and Continuing Problem Chapter 6 due 10/05
Week 7 OCT 6	Chapter 6 –Cont'd Chapter 7: Long-Lived Assets and Investments in Marketable Securities	Ex 7-1, 7-2	Chapter 7 (Ex 7-3) and Continuing Problem Chapter 7 due 10/12

Week 8 OCT 13	Chapter 8: Long-Term Obligations	Ex 8-1, 8-2	Chapter 8 (Ex. 8-6) and Continuing Problem Chapter 8 due 10/19
Week 9 OCT 20	Chapter 9: Business-Type Activities	Ex 9-1, 9-2	Chapter 9 (Ex 9-3) due 10/23 Continuing Problem Chapter 9 due 11/02
Week 10 OCT 27	EXAM II Chapter 10: Fiduciary Funds and Permanent Funds	Chapters 6-9 Ex 10-1, 10-2	Chapter 10 Ex 10-3 (1 & 2), Ex 10-4 (a & b) Continuing Problem Chapter 10 due 11/02
Week 11 NOV 3	Chapter 12: Not-For-Profit Organizations	Ex 12-1, 12-2	Chapter 12 (Ex 12-3, & Problem 12-1-a,) due 11/09
Week 12 NOV 10	Chapter 13: Accounting for Colleges & Universities and	Ex 13-1, 13-2	Chapter 13 (Ex 13-4) due 11/16 Fund Balance Project Due Nov 10
Week 13 NOV 17	Chapter 14: Accounting for Health Care Organizations	Ex 14-1, 14-2	Chapter 14 (Problem 14-2) due 11/23
Week 14 NOV 24	Chapter 16: Auditing Governments and Not-For-Profit Organizations	Ex 16-1, 16-2 Read Cases in Ethics C 16-1, C16-2	Chapter 16 (Problem 16-6) due 11/30 NFP AR & 990 Assignment on BB due 11/30
Week 15 DEC 1	Chapter 17: Federal Accounting	Ex 17-1, 17-2	
DEC 5 SATURDAY	EXAM III	Chs. 10, 12, 13, 14, 16 and 17 and any additional topics covered.	9 – 11 A.M. RM TBD

“If you want to MAKE A DIFFERENCE in the life of our nation; if you want to make a difference in the life of a child-BECOME A TEACHER. Your country needs you.”

---President Obama