

**DRAFT - Public Affairs U8201  
Colloquium on Financial Management  
Spring 2005**

***Lili Elkins, Lecturer  
Samara Epstein and Fernando Gubbins, Course Assistants***

<b>Class:</b>	Saturdays 11:00 AM	<b>Room:</b>	407
<b>Lab:</b>	Saturdays at 3:00 PM (every other week) Saturdays at 5:00 PM (every other week) Tuesday evenings at 6:00 PM (every other week) -held the Tuesday prior to the class session associated with the lab on the syllabus.		
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The Colloquium on Financial Management is a survey course in public financial management, focusing on financial analysis of federal, state and local governments and non-profit organizations. The class covers how the different levels/types of government raise revenue and distribute their resources. The first half of the course will cover the basics of the budget process and taxation. The second half covers issues such as privatization, municipal finance and nonprofit financial management. This course and associated lab will provide students with a familiarity with the basic tools used by the financial manager and to provide practical reinforcement of the concepts discussed in class lectures.

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**REQUIRED TEXTS:**

- John L. Mikesell, Fiscal Administration: Analysis and Applications for the Public Sector, 6th ed., 2002 (Wadsworth) (*Please Note: Students may use older editions of this textbook but will be held responsible for ALL material assigned from THIS edition. Page numbers between the two editions may vary slightly.*)
- Course Reader, can be purchased through Picker Center
- Harvard Case Studies, to be downloaded from: <http://www.ksgcase.harvard.edu/>

Typical Class Structure: 1) The first half of each class will involve lecture and discussion on assigned reading topics. 2) At least the second half of each class will focus on discussion of the assigned case studies, assignments or lab exercises.

All students will be required to attend a lab session every other week. This lab session will focus on the use of excel to implement the skills discussed in each class session, particularly addressing budgeting.

All students are expected to complete all assigned reading materials. However all assigned reading materials may not be covered in class. Be sure to raise any questions about these materials that isn't covered in the lecture during class as you will be expected to understand the materials for your final exam.

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**COURSE REQUIREMENTS:**

1. Tax, budget, investment and financial analysis exercises in the lab sessions.
2. Active participation in class discussions, exercises and lab.
3. Class assignments – financial analysis exercises. This will include one budgeting assignment, one case study assignments and a Municipal/Non-Profit management project.

The budgeting assignment and case study assignment will be worth approximately 25% of your grade each. Municipal/Non-Profit Finance project will account for approximately 50% of your grade. Your grade may be raised by ½ grade by active class and lab participation.

**SCHEDULE:**

Date	Week	Topic and Case Study and/or Activity for Discussion	Assignments and/or Handouts	Readings	Lab Activity
1/22/05	1	Introduction and Overview		Mikesell Chapter 1	NO LAB
1/29/05	2	The Budget Process  Budgetary Methods and Practices  <i>In-Class Budgeting Activity</i>	Hand outs on federal budgeting process and analysis of federal budget distributed	Mikesell Chapter 2 (29-52)  Mikesell Chapter 4  Downloads on CourseWorks: - <u>Effects of Budget Rules on Fiscal Performance</u> - <u>In-Class Budgeting Activity</u>	Basics of Excel
2/5/05	3	Budget Classifications and Reform, and the Federal Budget Process  <i>Analysis of Federal Budget</i>	Budgeting Assignment Distributed	Mikesell Chapter 3 and 5  Reader and Case Study: - <u>Public Budgeting in America, A Twentieth Century Retrospective</u> (Charlie Tyer and Jennifer Wiland) - "Performance Budget and Accountability," Jerome B. McKinney in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 79-100.  Downloads on CourseWorks: - <u>Appropriations for FY2003: Energy and Water Development</u> , Updated January 30, 2003, Coordinated by Carl Behrens and Marc	NO LAB

Date	Week	Topic and Case Study and/or Activity for Discussion	Assignments and/or Handouts	Readings	Lab Activity
				<p>Humphries - Resources, Science, and Industry Division (Report for Congress - Received through the CRS Web)</p> <p>Case Study/Class Handouts</p> <ul style="list-style-type: none"> <li>- In class hand outs on federal budgeting process and analysis of federal budgeting process</li> </ul>	
2/12/05	4	<p>Local and State Budgets, Capital Budgets, Investment Decisions and Risk Management</p> <p><i>Domestic Case Study: State Government Budgeting</i></p>	<b>Budgeting Assignment Due</b>	<p>Mikesell Chapter 6 (231-251)</p> <p>Case Study in Reader:</p> <ul style="list-style-type: none"> <li>- "Budgeting for Unincorporated Area Services," Charles W. Washington in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 202-219.</li> </ul> <p>Downloads on CourseWorks:</p> <ul style="list-style-type: none"> <li>- <u>Municipal Budgeting</u></li> </ul> <p>Case Study (Downloaded from KSG):</p> <ul style="list-style-type: none"> <li>- Budgeting in State Government</li> </ul>	Basics of Excel Part II – Techniques for Budgeting (create initial budget for budgeting assignment in lab.)
2/19/05	5	<p>Municipal Finance, Debt Administration, Cash Management and Investments</p> <p><i>Domestic Case Study: New York City Fiscal Crisis</i></p>		<p>Mikesell Chapter 15 and 16</p> <p>Reader and Case Studies:</p> <ul style="list-style-type: none"> <li>- "Learning from Experience: Cash Management Practices of a Local Government," Aman Khan in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 348-364.</li> <li>- "Obtaining a Better Bond Rating: A Case Study," Charles Coe in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 385-402.</li> </ul> <p>Case Study (Downloaded from KSG):</p> <ul style="list-style-type: none"> <li>- Ethical Issues in the New York City Fiscal Crisis, 1974-5</li> </ul>	NO LAB

Date	Week	Topic and Case Study and/or Activity for Discussion	Assignments and/or Handouts	Readings	Lab Activity
2/26/05	6	Intergovernmental Revenue, Evaluating Revenue Options, Alternative Revenue Sources and Collecting Taxes  <i>Domestic Case Study: Income Tax Collection</i>	<b>Taxation Case Study Assignment Distributed</b>	Mikesell Chapters 7, 11, 14  Case Study (Downloaded from KSG): - <i>Improving Compliance with US Tax Law: The Internal Revenue Service and Nonfilers</i>	Budgeting and Forecasting I
3/5/05	7	Revenue Forecasting, Intergovernmental Fiscal Relations, Income Taxes  <i>International Case Study: Taxation and Raising Revenues Peru</i>	<b>Taxation Case Study Assignment Due</b>	Mikesell Chapters 8, 12, and 13  Case Study (Downloaded from KSG): - <i>Raising Revenues or Raising Hackles? Radical Public Sector Reform in Peru's National Tax Administration Superintendancy</i>	NO LAB
3/12/05	<b>Spring Break</b>				
3/19/05	8	Income Tax, Property Taxes and Sales Tax  <i>International Case Study: Income Tax Reform in Spain</i>		Mikesell Chapters 9 and 10  Case Study (in Reader): - "Equity and Budgetary Analysis: Determining Fair Shares of Local-Option Sales Tax Revenue," Dan Durning and Richard W. Campbell in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 19-39.  Case Study (Downloaded from KSG): - Implementing Income Tax Reform in Democratic Spain	Budgeting and Forecasting II
3/26/05	9	Acquisition of Goods and Services, Expenditure Control, Privatization, Contracting, Audit and Evaluation  <i>International Case Study:</i>		Case Studies (in Reader): - "The Political Economy of Outsourcing," Arie Halachmi and Robert Boydston in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 3-17. - "Audit Recommendation Follow Up Systems:	NO LAB

Date	Week	Topic and Case Study and/or Activity for Discussion	Assignments and/or Handouts	Readings	Lab Activity
		<p><i>Privatization of Power Companies in Brazil</i></p> <p><i>Domestic Case Study: Privatization of Philadelphia's Mental Health Systems</i></p>		<p>Getting Audit Recommendations Implemented Effectively," David B. Pariser and Richard C. Brooks in <u>Case Studies in Public Budgeting and Financial Management</u> (revised printing), Aman Khan and W. Bartley Hildreth, Kendall Hunt Publishing, 1994, pp. 335-345.</p> <p>Reader:</p> <ul style="list-style-type: none"> <li>- USCM HIV/AIDS Prevention Grants Program 2002</li> <li>- Request for Proposals</li> </ul> <p>Downloads on CourseWorks:</p> <ul style="list-style-type: none"> <li>- NYC Procurement Policy Board Rules (TOC, Chapters 1-5 and Safety Equipment)</li> </ul> <p>Case Study (Downloaded from KSG):</p> <ul style="list-style-type: none"> <li>- <i>The Privatization of Light – Servicos de Eletricidade, SA: Preparing the Terms of Sale</i></li> <li>- <i>Public Takes on Private: The Philadelphia Behavioral Health System</i></li> </ul>	
4/2/05	10	<p>Non Profit Financial Management</p> <p><i>Domestic Case Study: Non-Profit Reorganization in Boston</i></p> <p><i>International Case Study: Non-Profit Reorganization in Dongola</i></p>	<b>Municipal/Non Profit Finance Project Explained in Class</b>	<p>Reader:</p> <ul style="list-style-type: none"> <li>- "Understanding the Basics of Not-For-Profit Accounting", <u>Not For Profit Accounting Made Easy</u>, Warren Ruppel, John Wiley and Sons 2002 (p. 1- 38)</li> <li>- "Basic Financial Statements of a Not-for-Profit Organization", <u>Not For Profit Accounting Made Easy</u>, Warren Ruppel, John Wiley and Sons 2002 (p. 45-68)</li> <li>- Twenty-Five Myths About Not-For-Profit Financial Management, <u>Financial and Accounting Guide for Non-Profit Organizations</u>, Malvern J. Groom, Wiley and Sons 1997</li> <li>- "Avoiding Bankruptcy", <u>Financial and Accounting Guide for Non-Profit Organizations</u>, Malvern J. Groom, Wiley and Sons 1983</li> <li>- "Responsibilities of Treasurers and Chief Executive Officers", <u>Financial and Accounting Guide for Nonprofit Organizations</u>, Malvern J. Groom, Wiley and Sons 1983</li> </ul>	Basic Accounting – Reading and Interpreting Financial Statements

Date	Week	Topic and Case Study and/or Activity for Discussion	Assignments and/or Handouts	Readings	Lab Activity
				<ul style="list-style-type: none"> <li>- "Measuring Financial Health in the 1990's", <u>Foundation News and Commentary</u>, Kenny Stevens, Susan, March/April 1996</li> <li>- "When is an Institution in Financial Equilibrium and Why is it Important?" <u>Higher Education Management Newsletter</u>, Kempner, Daphne and Ellen Raphael, May 1994</li> <li>- Transitional Work Corporation FY 2001 Independent Financial Audit</li> </ul> <p>Case Study (Downloaded from KSG):</p> <ul style="list-style-type: none"> <li>- <i>Terry and Lunt and Greater Boston Rehabilitation Services: Rebuilding the Foundation</i></li> <li>- <i>Managing Success: Partners for Development Reorganizes its Dongola Office</i></li> </ul>	
4/9/05				<b>University Holiday</b>	
4/16/05	11	Municipal/Non-Profit Finance Projects	<b><i>Class to work on Municipal/Non-Profit Finance Projects in Class</i></b>	NO READING ASSIGNMENTS, COME PREPARED TO WORK ON MUNICIPAL/NON-PROFIT FINANCE PROJECTS	NO LAB
4/23/05	12	Municipal/Non-Profit Finance Projects	<b><i>Class to work on Municipal/Non-Profit Finance Projects in Class</i></b>	NO READING ASSIGNMENTS, COME PREPARED TO WORK ON MUNICIPAL/NON-PROFIT FINANCE PROJECTS	Municipal/Non-Profit Finance Projects
4/30/05	13	Review and Presentations on Municipal/Non-Profit Finance Projects	<b><i>Final Reports on Municipal/Non-Profit Finance Projects</i></b>	<p>NO READING ASSIGNMENTS, COME PREPARED WITH QUESTIONS</p> <p>1<sup>st</sup> hour to include 5 to10 minute presentations on Municipal/Non-Profit Finance Project</p> <p>STUDENTS EVALUATE CLASS</p>	NO LAB
5/7/04	14			FINAL EXAM PERIOD... NO CLASS	