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Seattle University
Albers School of Business and Economics
ACCT 5390
Government/Nonprofit Accounting

Instructor: Dennis B. Applegate, CPA, CMA, CIA, CFE, CFM
Office: Pigott 433
Office Hours: Wednesday 5:00 – 6:00pm and by appointment
E-Mail: applegad@seattleu.edu

Class Session: Winter Quarter 2019
Class Time: Wednesday 6:00 – 8:40 pm
Class Room: Pigott 201
Website: <https://seattleu.instructure.com/>

Course Description

Understand and apply the concepts, principles, and underlying accounting practices of government and not-for-profit (NFP) organizations, focusing in particular on the basic accounting model, preparation of required financial statements pursuant to GASB and FASB criteria, and selected accounting, financial reporting, and tax issues as appropriate. Emphasis will be given to accounting and reporting transactions for state/local government and for NFPs (voluntary health/welfare organizations, hospitals, and colleges and universities). A course in financial accounting is a required prerequisite. Knowledge of journal entries is integral to the course because they are a time-proven technique for learning, in part, the unique series of fund accounting applications related to the modified accrual basis of accounting used by state/local government.

Required Textbook and Material

Patton, Patton, Ives. *Accounting for Governmental & Nonprofit Organizations*. 1st Ed. Cambridge Business. King County Government *Comprehensive Annual Financial Report (CAFR)* for 2017 (Posted on Canvas) Seattle University *Financial Statements* for FY 2017-18 (Posted on Canvas)

King County's CAFR and Seattle University's Financial Statements have been integrated into the class to provide real-world examples of governmental and not-for-profit financial reporting and should be reviewed in conjunction with the textbook readings as indicated in the Class Schedule.

Basis of Grade

Points

Grading Scale

- | | | |
|-----------------|-----------|----------------------------------|
| • Exams (2) | 200 (50%) | A = 90% (90-92 = A-) |
| • Quizzes (5) | 150 (20%) | B = 80% (88-89 = B+; 80-82 = B-) |
| • Homework (10) | 100 (20%) | C = 70% (78-79 = C+; 70-72 = C-) |
| • Participation | 50 (10%) | D = 60% |

Exams

The midterm and final exams will contain a combination of objective-format questions, short exercises similar to those worked in class, and analytical problems similar to those assigned as homework, though much abbreviated. Both quantitative and conceptual knowledge will be tested, but all will have been covered in class. Calculators, nonprogrammable only, are permissible and recommended. No notes or books will be allowed. The exams must be taken when scheduled. No points can be earned for a missed exam. Your midterm exam will be returned for review at the next scheduled class and then collected. You may review the results of your final exam by appointment in my office if you wish. No make-up exams can be granted.

Quizzes

There will be five detailed quizzes during the quarter, covering chapter material from the prior class session. Quizzes will contain only multiple choice questions. You will be allowed 30-40 minutes for each quiz administered. If you are late to class, it may reduce your available time for the assigned quiz. Prior to each quiz, it is recommended that you work as many end-of-chapter MC as possible, as well as the designated end-of-chapter exercises not fully completed in class. No make-up quizzes can be granted.

Homework

Homework is intended to reinforce important concepts and techniques from the readings and lectures. Assigned problems (see Class Schedule) are due the week **following** class coverage of the related chapters and will be graded based on the following criteria:

- $\geq 80\%$ of grading points earned = 10.0 points/problem
- $\geq 50\%$ of grading points earned = 5.0 points/problem
- $< 50\%$ of grading points earned = 0.0 points/problem

Solutions will be posted after the assignments are turned-in. It would be a good idea to keep a copy of your homework for comparison to the prepared solutions. In addition, solutions to all end-of-chapter exercises will be posted for self-study, not just those exercises reviewed in class. Solutions also will be posted for a few additional end-of-chapter problems that reinforce key points. All additional problems and exercises are to be completed at your discretion. Depending on your background, as many as four-to-six hours a week of outside study may be required to complete the assigned homework, to review exercises and additional homework problems from prior chapters, and to read in detail the next assigned chapters.

Participation

Professional participation is an important success factor in your career and is included in the course grading criteria for that reason. For this class, it is expected that students will come to class adequately prepared, pay attention to class lectures and discussions, not be distracted by electronic devices, and actively work assigned class exercises in their teams, presenting their analyses to other teams as required. Any variance from these criteria will be counted as negative participation. Although such criteria are subjective, similar to what you will encounter throughout your professional career, you are welcome to seek feedback from me at any time during the course.

Negative participation notwithstanding, your participation grade will be based on the number of classes attended ("attendance") and the number of classes in which you ask relevant course questions, respond appropriately to instructor questions, and work in teams in a helpful and productive manner, all reflecting class involvement. The table below correlates class involvement and attendance with the participation grade.

<i>Class Involvement</i>	<i>AND</i>	<i>Attendance</i>	<i>Participation Grade*</i>
≥ 6 classes	"	$\geq 8/9$ classes	50 points
≥ 6 "	"	$\geq 7/9$ "	45 points
≥ 4 "	"	$\geq 6/9$ "	40 points
≥ 4 "	"	$\geq 5/9$ "	35 points
≥ 0 "	"	$< 5/9$ "	0 points

****Grade to be based on the highest that simultaneously meets the conditions of attendance and class involvement.***

Class Schedule	Tentative Sequence of Topics	Readings	Homework
Jan. 09	Introduction to Governmental/Nonprofit Accounting Use of Funds in Government Accounting - King County CAFR (pp. i.-xv., 21-33)	Patton Ch. 1 Patton Ch. 2	NA P2-47
Jan. 16	Budgetary Considerations	Patton Ch. 3	P3-36
Jan. 23	General and Special Revenue Funds - King County CAFR (pp. 23-24, 139, 156) Quiz 1 (Ch. 1-3)	Patton Ch. 4	P4-34
Jan. 30	General and Special Revenue Funds (cont'd)	Patton Ch. 5	P5-39
Feb. 06	Capital Projects, Debt Service, and Permanent Funds - King County CAFR (pp. 23-24, 151-152, 168-169) Quiz 2 (Ch. 4, 5)	Patton Ch. 6	P6-47
Feb. 13	Midterm Exam	Patton Ch. 1-6	NA
Feb. 20	Proprietary Funds - King County CAFR (pp. 26-31, 178-197) Fiduciary Funds - King County CAFR (pp. 32-33, 200-217)	Patton Ch. 7 Patton Ch. 8*	P7-38 P8-44
Feb. 27	Fund Financial Statements - King County CAFR (pp. 1-17, 34-35, 120-129, 132-175) Government-wide Financial Statements - King County CAFR (pp. 21-22, 25) Quiz 3 (Ch. 6, 7)	Patton Ch. 9 Patton Ch. 10	P9-49 P10-42
Mar. 06	Accounting for Nonprofit Organizations - SeattleU Financial Statements (pp. 3-6) Quiz 4 (Ch. 8-10)	Patton Ch. 13**	P13-35
Mar. 13	Accounting for Hospitals Nonprofit Colleges and Universities Quiz 5 (Ch. 13) Final Exam Review (as time permits)	Patton Ch. 14*** Patton Ch. 13A	P14-34 NA ↓ (not graded)
Mar. 20	Final Exam	Ch. 7-14	NA

MODIFIED TEXTBOOK READINGS

***Ch. 8: Exclude computation of pension plan expense and accrued pension liability (pp. 8-5 to 8-13)**

****Ch. 13: Exclude not-for-profit fund accounting (pp. 13-31 to 13-39)**

*****Ch. 14: Include patient service revenue only (pp. 14-1 to 14-11)**

To succeed in this course, you must satisfactorily demonstrate Learning Outcomes 2 and 4 in accordance with the MPAC accounting curriculum map:

1. Recommend a course of action to a prospective client by using a framework or model to analyze financial statements and other relevant data. <i>(Low impact)</i>
2. Evaluate the accounting implications of an economic event by applying the principles, standards, and practices of financial accounting. <i>(Medium impact)</i>
3. Advise stakeholders of how strategic business risks relate to internal controls, financial reporting, tax, and/or audit using authoritative literature, fieldwork, surveys, archival, or other research data. <i>(Low impact)</i>
4. Synthesize accounting information within the context of other business functions to inform the business decision-making process. <i>(Medium impact)</i>
5. Construct arguments for and against alternative accounting decisions by weighing the ethical, stakeholder, and stewardship implications of each. <i>(Low impact)</i>

Class Sessions

Each class will include a mix of teaching techniques designed to form a workshop environment; specifically, short, relevant lectures on the key topics from the assigned readings, review of assigned homework as appropriate, and in-class exercises and analytical problem-solving sessions performed in teams and intended to prepare students, in part, for the quizzes and exams to follow. Lecture notes will be furnished for each chapter covered by the course. They are intended to focus attention on key concepts and techniques and will form the basis for the quizzes and exams. The first .5 hour of each class will be set aside for class questions, so that all students may benefit from the answers provided. Questions are also expected and encouraged during the class workshops and during office hours.

Readings

Textbook chapters are to be read prior to each class as assigned (see Class Schedule above).

Supplemental Readings

None required. Topical articles on governmental and not-for-profit accounting from professional and technical journals will be distributed and discussed as appropriate. Periodic review of the Wall Street Journal, Fortune, Business Week, and www.cfo.com are suggested.

Attendance

The expectation is that you attend every class, arriving on time and well-prepared for each class session, having completed the assigned readings.

Extra Credit

To ensure fairness for all students, no extra credit will be available for any purpose or reason.

Technology

To minimize distractions and disruptions in class, please limit use of electronic devices to classroom-related activities. Only nonprogrammable calculators will be allowed for the quizzes and exams.

APPENDIX UNIVERSITY RESOURCES AND POLICIES

Academic Resources:

- Library and Learning Commons (<http://www.seattleu.edu/learningcommons/>)
(This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
- Academic Integrity Tutorial (found on Canvas and SU Online)

Academic Policies on Registrar website (<https://www.seattleu.edu/redhawk-axis/academic-policies/>)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy (only for those professional programs to which it applies)

Notice for students concerning Disabilities

If you have, or think you may have, a disability (including an 'invisible disability' such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in **Loyola 100, (206) 296-5740**. Disability-based adjustments to course expectations can be arranged only through this process.

Office of Institutional Equity

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct. Seattle U requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity.
(email: oi@seattleu.edu; phone: 206.296.2824)